



Groupe ActionLogement

2023 Annual report



Résidence "ZAC Ecocité Canal de l'Ourcq" -
165 Rue de Paris, Bobigny (93)

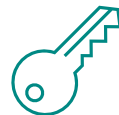


Committed to providing you with better housing

In'li is No. 1 in intermediate housing in the Paris region and is developing an offering that makes things considerably easier for young working people and middle-income earners.



839
employees



Over
100,000
tenants



80,000
units of new
intermediate housing
target



Investment of over
€20 billion
over the next 10 years

Contents

A message from Action Logement Immobilier	4
Message from the Supervisory Board and Management Board	5
Key figures for 2023	6
In'li: affordable and sustainable housing	7
Ownership structure	9
Share capital	9

1 OVERVIEW OF IN'LI AND ITS ORGANISATION 10

1.1	What is intermediate housing?	12
1.2	Activities	13
1.3	Development strategy	15
1.4	Funding in'li's development	16
1.5	Ownership structure	18
1.6	Organisation	19

2 HIGHLIGHTS 24

2.1	Deployment of the second part of the Strategic Plan	26
2.2	A CSR rating that showcases in'li's performance	27
2.3	An efficient property management and letting activity	27
2.4	Real estate operations in 2023	36
2.5	Financial overview	39
2.6	Activity of subsidiaries and controlled entities	40
2.7	Commitments and outlook	40
2.8	Subsequent events	43

3 CSR STRATEGY REPORT 44

Introduction 47

3.1	In'li's CSR strategy: an integrated approach at the heart of the Company's business model and governance	51
3.2	Providing an affordable new housing offering near public transport and employment hubs	61
3.3	Guaranteeing a quality service for tenants	69
3.4	Reducing our environmental footprint	76
3.5	Guaranteeing ethical business practices and striving for ethical corporate governance	91
3.6	Adapting jobs to the requirements of the sector and the expectations of employees	103

Appendices 114

4 FINANCIAL STATEMENTS 154

4.1	Financial statements for the year ended 31 December 2023, 156	
4.2	Summary of significant accounting policies	160
4.3	Significant events of the year and subsequent events	160
4.4	Notes to the balance sheet	163
4.5	Notes to the income statement	174
4.6	Other information	177

Consolidated financial statements at 31 December 2023, 182

5 REPORT ON CORPORATE GOVERNANCE 218

5.1	Governance	220
5.2	Related-party agreements falling within the scope of Article L.225-88-1 of the French Commercial Code	226



Résidence "Jardins des Orfèvres" - Rue Pasteur, Le Blanc-Mesnil (93)

A message from Action Logement Immobilier

In 2023, we remained focused on our priority of supporting housing as a means of supporting employment and the professional mobility of employees throughout the country, while also supporting the local economy during this time of crisis.

Our real estate subsidiaries continued to deploy all their efforts in 2023 in building and renovation programmes to support the recovery and local facilities in employment hubs. The current economic climate is probably the least favourable for property development in decades, pointing to the emergence of a major crisis with both social and local economic repercussions. Nevertheless, the collective output of our property subsidiaries remains dynamic, with the launch of more than 37,500 service orders for affordable new builds. In 2023, we confirmed our high level of production, maintaining our contribution to the collective effort with one-third of national affordable housing production, as well as our share in social housing and emergency accommodation programmes. With these new builds and 106,000 units of housing allocated in 2023 (62% earmarked for employees) our subsidiaries are working resolutely to provide residential opportunities to employees, paying special attention to vulnerable and less well-off households.

In 2023, Action Logement Immobilier was totally committed in all regions to supporting the housing sector and helping to cushion the effects of the crisis on our economic partners by buying up a large number of units from private developers as part of the "30,000 homes for jobs" call for expressions of interest put out the Group. Thanks to their mobilisation, responsiveness and recognised expertise, our property subsidiaries were able to rise to the challenge and be in a position to acquire over 30,000 new homes in just a few months. Through this action – unprecedented in France – our subsidiaries have honoured the Group's commitment and enabled social and intermediate housing to be built in all regions.

This call for expressions of interest – a historic first for our Group – has been a collective success and a demonstration of our general readiness to serve the sector, while remaining true to our commitments to house employees in key regions. I would like to warmly congratulate our voluntary and committed local structures, our experienced and resolute managers and, most especially, all the employees of Groupe Action Logement's property division.

This mobilisation has been accompanied by an accelerated response to decarbonisation: our carbon footprint indicates a 5% reduction in our greenhouse gas emissions at end-2023. We know that we can count on our subsidiaries to deploy our energy efficiency objectives, exemplary green-building and a massive renovation of our housing stock as a means of preserving our tenants' purchasing power.

The inflationary economic climate and high interest rates are putting the financial strength of the housing sector under severe strain, and we are keeping a close eye on the financial health of our property subsidiaries. Our social economy model must take priority in order to combine social utility with environmental, economic and social performance: it is our unique feature and the source of our collective pride in serving both the housing needs of employees and local and regional development.



Frédéric CARRÉ

**Chairman of the
Board of Directors, Action
Logement Immobilier**

A message from the Supervisory Board and Management Board



The property crisis deepened in 2023 and naturally, this is affecting the first-time buyer market. However, it is now also affecting the rental market, particularly in the Paris region.

In 2 years, the rental market has shrunk by 36% in the Paris region, while rental demand has increased by the same proportion. The imbalance between supply and demand for rental accommodation has never been greater. We can see it all around us as we witness the growing difficulties faced by people living in the Paris region in finding comfortable, quality accommodation in a good neighbourhood.

Like all the other players in the housing market having to contend with rising interest rates, in'li has nonetheless opted to continue its action to expand and enhance its housing offering for the middle classes and young professionals.

In 2023, in'li delivered and acquired 2,178 new homes, all in supply-constrained areas of the Greater Paris region located less than 1km from public transport. In 2023, in'li invested almost €75 million in improving the quality of its dwellings, in particular by eliminating homes with an F or G energy performance assessment label.

In 2023, in'li enabled over 5,000 households to find affordable housing somewhere in our property portfolio.

In total, across its portfolio of over 41,000 units of housing, in'li is boosting each tenant household's purchasing power by an average of €3,900 a year. In'li also used 2023 to continue deploying its CSR strategy, which you will find in the Non-Financial Performance Statement, in order to align with the ambitious carbon trajectory laid down by the Action Logement group from 2030.

Lastly, this year provided an opportunity to reassert our *raison d'être* through a new brand signature that reflects our ambitions: **Committed to providing you with better housing.** This brand signature highlights what unites us all - housing - and it reflects the reality of what we do, day in, day out.

We are more committed than ever to providing you with better housing.



Key figures for 2023



41,726

housing
units under
ownership



**€320
million**

in rental income

**€538
million**

invested in new
builds



839

employees



852

units of housing
committed



€75 million

invested in
improvement,
renovation and upkeep



2,178

units delivered and
acquired



2,256

construction starts



98.7%

recovery rate



5,053

incoming tenants



9.4%

turnover rate



3.1%

marketable vacancy
rate



500

units sold

In'li: affordable and sustainable housing

Our resources

FINANCIAL RESOURCES

- ▶ Rental income: €320 million
- ▶ Debt: LTV of 24.4%⁽¹⁾
- ▶ Financial rating – S&P Global Ratings: **A** (long-term) and **A-1** (short-term), with a stable outlook
- ▶ Financial rating – Moody's: **A2** (long-term) and **P-1** (short-term) with a stable outlook, making in'li one of the best-rated property companies in Europe by the two agencies

IN-HOUSE EXPERTISE

- ▶ Number of employees: 839, including 300 local personnel
- ▶ Training budget: 3.6% of total payroll

PRODUCTION OF RENTAL HOUSING

- ▶ New units delivered and acquired: 2,178
- ▶ Construction starts: 2,256

Our mission

Developing an intermediate housing offering that brings middle-class and young working people closer to their place of work, reinforces the employment-housing link and boosts regional attractiveness.



Our ambition

> 80,000

units
of new intermediate
housing in the Paris
region



Our strategy



Developing our
existing property
assets



Financing
development
from disposals



Developing
housing off
balance sheet



Managing and
letting our
housing

(1) The property companies in which in'li has a stake have not yet finalised their audited accounts. For this reason, the NAV shares of the property companies in which in'li has a stake have not yet been audited.

Our results

POPULATION OF HOUSING PORTFOLIO

- ▶ Number of people housed:
 - > Over 100,000 tenants
 - > Occupancy rate 96.9%
- ▶ Incoming tenants: 5,053 o/w
 - > 86% are employees of PEEC-contributor companies
 - > Average age: 34 years
 - > 47% are management-grade employees

DISPOSALS

- ▶ Number of disposals in 2023: 500 units sold, o/w 441 units in block sales (sale of 210 units of property in Villetaneuse, 93 units in Antony and 138 units in the Oise department) and 59 units in split sales.
- ▶ Average split sale price: €241,689
- ▶ Proceeds on disposals in 2023: €66.1 million

PORTFOLIO MAINTENANCE

Improvement and renovation work: €75 million (including €12.4 million for upkeep and renovation).

Our activities

PORTFOLIO MANAGEMENT:

41,726

housing units under ownership

INVESTMENT IN IMPROVEMENT, RENOVATION AND UPKEEP:

€75 million

DEVELOPMENT AND PROJECT MANAGEMENT:

852

housing units committed in 2023

SALES:

500

units sold

Creating value

FOR SOCIETY

- ▶ Meeting intermediate housing requirements in the Paris region;
- ▶ Improving the quality of buildings and the living environment;
- ▶ Enhancing the residential trajectories of our tenants;
- ▶ Boosting the local economy;
- ▶ Facilitating technical and social innovation;
- ▶ Supporting urban renewal.

FOR THE ENVIRONMENT

- ▶ Producing sustainable, low-carbon housing that goes beyond current regulations: performance complies with 2025 thresholds under French RE 2020 energy performance regulations.
- ▶ Energy consumption: 142.11 kWh/sq.m.⁽¹⁾
- ▶ Carbon footprint: 26.23 kg eq CO₂/m²⁽¹⁾

(1) In'li has continued to improve its database when compared to 2022. In 2023, in'li had actual and estimated consumption data for 72% of its properties.

Data gathering methods are explained in the methodological appendix and in the CSR Report.



Résidence "L'éclat" - 62 Rue de Malleville, Enghien-Les-Bains (95)

Ownership structure

In'li's majority shareholder is Action Logement Immobilier (ALI), which owns 59,848,543 shares (or 99.516% of the share capital). Another 2,260 shareholders, who are mainly legacy shareholders from previous restructuring operations, own the remainder of in'li's capital.

Pursuant to Action Logement Group governance rules, the Chairman and Vice-Chairman of the Supervisory Board are each loaned one share.

The Company also provides its shareholders with free access to an external share account management service that manages their securities in fully-registered form. A dedicated team of experts helps shareholders to understand all issues relating to their shares.

Share capital

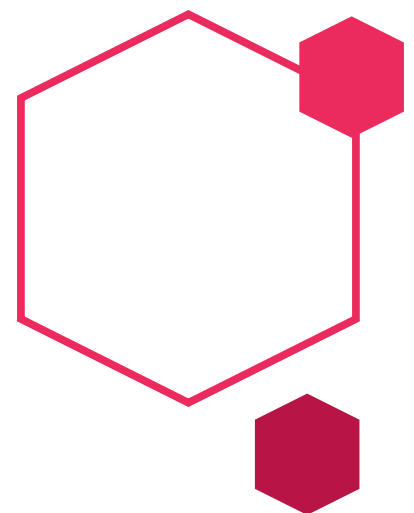
The Combined General Meeting of 15 May 2023 decided to carry out a reverse stock-split of €1.5 shares into new €15 shares and increase the capital by €52,999,995 through the issue of 3,533,333 new shares of €15 each. The capital increase was finalised on 6 November 2023.





Overview of in'li and its organisation

1.1	WHAT IS INTERMEDIATE HOUSING?	12
1.2	ACTIVITIES	13
1.2.1	In'li – No.1 intermediate housing property owner and manager in the Paris region	13
1.2.2	Breakdown of revenue by activity	14
1.2.3	Continued strong growth in the most supply-constrained areas	14
1.3	DEVELOPMENT STRATEGY	15
1.4	FUNDING IN'LI'S DEVELOPMENT	16
1.5	OWNERSHIP STRUCTURE	18
1.6	ORGANISATION	19
1.6.1	Committed and experienced governance	19
1.6.2	Our teams	22



1.1 What is intermediate housing?

Special Intermediate Housing status was officially created in 2014. Intermediate housing is a specific segment of rental housing geared towards the middle classes and young working people living in supply-constrained areas. These groups are ineligible for social housing because they earn too much and they find it hard to get suitable housing on the open market: either rents are too high or they are forced into unsuitable accommodation that is too small or too far from their place of work.

With rents that are capped below market rents (10% to 15% lower on average), intermediate housing helps middle-class and young working people to get decent housing and improve their purchasing power, reinforces the employment-housing link and facilitates job mobility as a way of developing local and regional attractiveness.

Access to intermediate housing is means-tested. Annual income ceilings for new leases are as follows:

	2023		2024	
	Zone Abis ⁽¹⁾	Zone A	Zone Abis	Zone A
1 - Single person	€41,855	€41,855	€43,475	€43,475
2 - Two people with no dependants excluding young households, or a single person with a disability	€62,555	€62,555	€64,976	€64,976
3 - Three people or a single person with a dependant, or a young household with no dependants, or two people at least one of whom has a disability	€82,002	€75,194	€85,175	€78,104
4 - Four people or a single person with two dependants, or three people at least one of whom has a disability	€97,904	€90,070	€101,693	€93,556
5 - Five people or a single person with three dependants, or four people at least one of whom has a disability	€116,487	€106,627	€120,995	€110,753
6 - Six people or a single person with four dependants, or five people at least one of whom has a disability	€131,078	€119,987	€136,151	€124,630
Additional person	€14,603	€13,369	+€15,168	+€13,886

Rent ceilings per sq.m. (excluding charges) at 1 January were as follows:

RENT CEILINGS	2023		2024	
	Zone Abis ⁽¹⁾	Zone A	Zone Abis	Zone A
In euros per sq.m. and per month	€18.25	€13.56	€18.89	€14.03

To promote the development of intermediate housing, it qualifies for the following tax breaks:

- ▶ 10% VAT payable on acquisitions;
- ▶ A corporate income tax credit, which has replaced exemption from French tax on developed property (TFPB).

Certain commitments must be given in exchange:

- ▶ Application of rent and income ceilings;
- ▶ Building in the most supply-constrained areas (i.e., zones A/ Abis/B);
- ▶ A 10-year “lock-up” period for 50% of the units in a building, and 15 years for the remaining 50%.

(1) Zone A: most of the outer Paris suburbs, where rents and house prices are very high. Zone Abis: Paris City and 75 municipalities in the surrounding departments of Les Yvelines, Hauts-de-Seine, Seine-St-Denis, Val-de-Marne and Val-d’Oise.

1.2 Activities

1.2.1 In'li – No.1 intermediate housing property owner and manager in the Paris region

In'li owns and manages a portfolio of 41,726 units of intermediate housing, which includes:

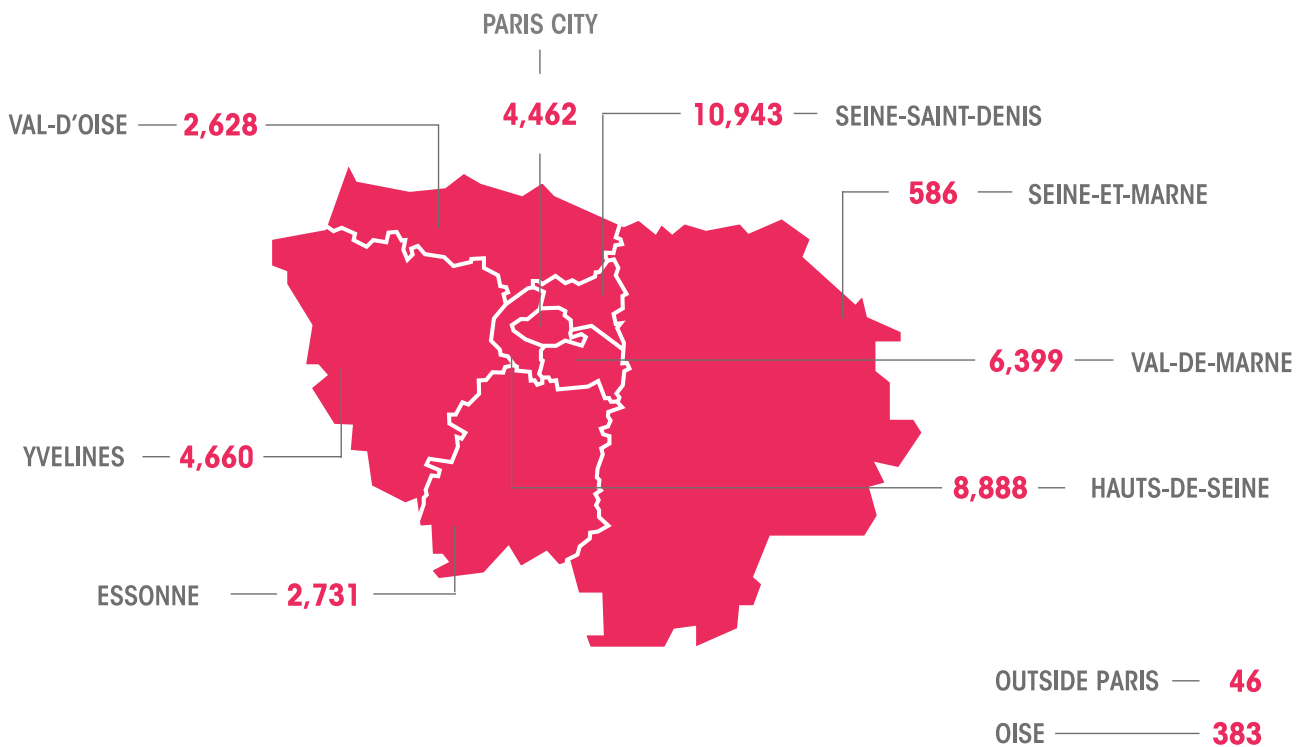
- ▶ 40,340 family housing units
- ▶ 1,386 units of collective accommodation

In'li also owns and manages 259 stores and commercial premises.

The portfolio is spread throughout 953 groups of properties in 232 different municipalities, almost all of which is located in the Paris region.

74% of the portfolio in terms of the number of units (and 81% in value terms) is located in Paris and its inner suburbs and the remainder in the outer Parisian suburbs, providing the Company with a quality portfolio that delivers a stable and resilient operating performance.

- ▶ 99% of the portfolio (in value terms) is located in supply-constrained areas (i.e., zones A and Abis).
- ▶ Paris City and the Hauts-de-Seine department account for 44% of the value of the portfolio;

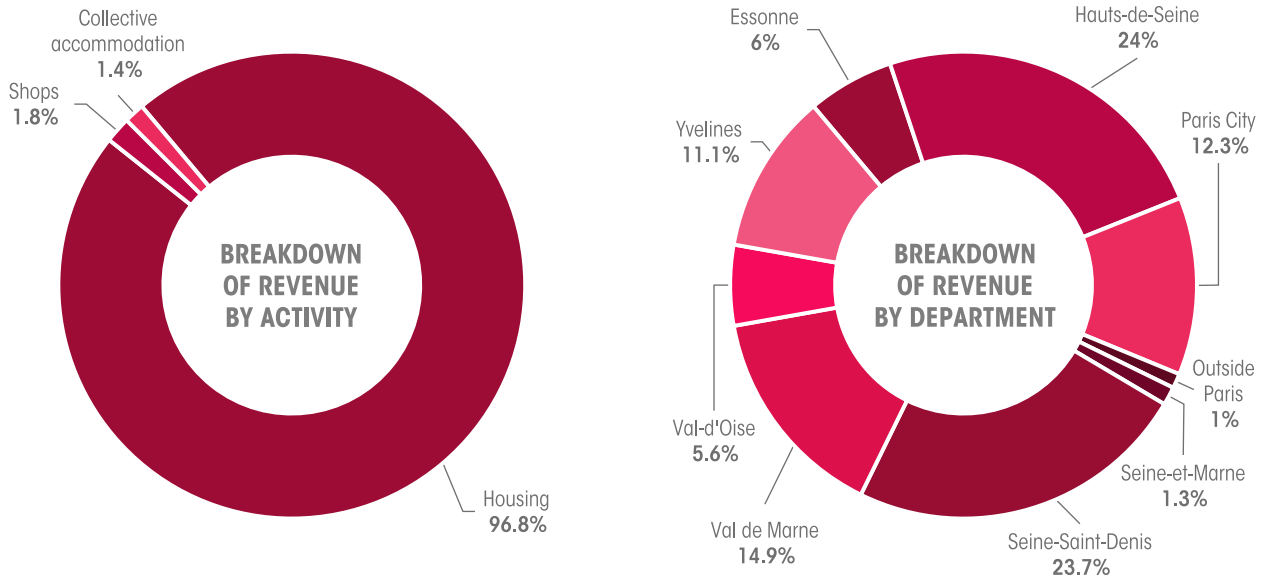


At 31 December 2023, BPCE Expertises Immobilières (formerly Crédit Foncier Expertise) estimated the appraised block value of in'li's portfolio at €7.99 billion and the appraised unit value at €11.174 billion (i.e., sale by unit rented at the market rental value). Both valuations exclude taxes and duties. The appraised block value increased by 1.43% year on year as a result of deliveries during 2023, however it fell by 3.66% on a like-for-like basis due to the general rise in returns, which negatively impacts the block values of properties.

Assets located in the Paris region account for 99% of the value of in'li's property portfolio. The remainder comprise assets located outside the Paris region (mainly in the Oise department).

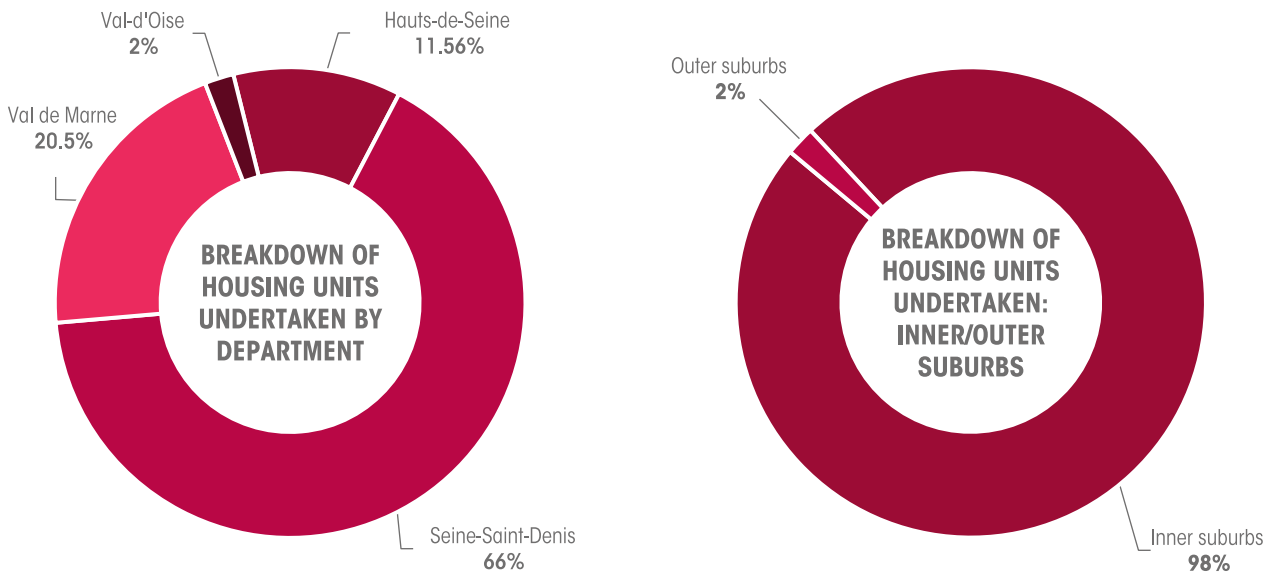
1.2.2 Breakdown of revenue by activity

Almost all revenue comes from letting out housing, most of which is located in Paris City and the inner Parisian suburbs.



1.2.3 Continued strong growth in the most supply-constrained areas

The 917 housing units signed in 2023⁽¹⁾ are distributed geographically as follows:



(1) Includes housing units undertaken by in'li, la Foncière APEC and Foncière Cronos.

1.3 Development strategy

In'li – No. 1 in intermediate housing in the Paris region – has set itself the ambitious target of building 80,000 units of new intermediate housing in supply-constrained areas (i.e., zones A and A bis). The Company is only targeting areas in which there is a substantial gap between free market and social housing rents because this is where in'li can deliver maximum social utility.

These new builds should meet around 50% of unsatisfied demand, which is currently estimated at between 160,000 and 280,000 units of housing⁽¹⁾

Since in'li was created in October 2017, nearly 20,000 housing units have been undertaken in seven years as part of a profitable development strategy, based around a combination of off-plan acquisitions (approximately 80%) and land development (consolidation of plots, densification of existing portfolio, replying to calls for tender, and conversion of offices into housing units, etc.).

As a result of the rapid rise in interest rates in 2022 and 2023, in'li's development capacity has been severely impacted.

Consequently, the total number of units signed in 2023 was limited to 917⁽²⁾, with a high proportion of commitments in densification projects, which enable us to enhance the value of our assets.

Off-plan commitments remained very limited due to the incompatibility between financing rates and the prices per square metre of property offered by developers. The operations on offer are projects that were put together before the rise in interest rates and which were therefore unable to factor in the necessary decrease in prices.

In this context, and during the current slowdown in development, we are working on new projects that will be operational once the market picks up again.

With the experience it has acquired in getting co-living operations up and running, In'li wishes to develop a family housing offering with additional services. These developments comprise family housing and also have common areas that may be used by all of the building's inhabitants, and services such as a laundry, a coworking space, a gym, a kitchen area with a space for community dinners, a common living room, and a play area for children, etc. In'li aims to develop a management and service offering adapted to these types of properties.

We are also developing an appropriate offer for the conversion of offices into housing, which will provide a supply of intermediate rental housing by revitalising obsolete properties with a minimal carbon footprint and without exacerbating soil sealing.

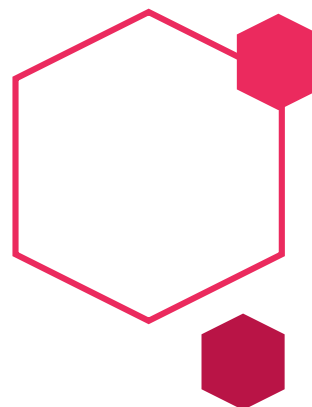
With the planned changes to the regulations making housing acquisition & improvement schemes eligible for Special Intermediate Housing status, the aim is to acquire single-ownership properties, improve their energy efficiency and then let them out again.

Lastly, we are using this period to accelerate the integration of carbon-related issues into our development strategy.

A number of major initiatives were decided in 2023, including:

- ▶ Using the 2025 threshold of French Environmental Regulation 2020 in all permits submitted as project owner or prime contractor.
- ▶ Joining the bio-sourced wood pact to accelerate the use of wood in construction over the coming years.
- ▶ Deploying an effective strategy for the circular and reuse economy, essential levers for meeting these carbon challenges.

The aim for 2024 is to reorganise and restructure so that we can be agile and effective when the market picks up again.



(1) April 2021 report by the Inspection Générale des Finances and Conseil Général de l'Environnement et du Développement Durable – "Développement de l'offre de logement locatif intermédiaire par les investisseurs institutionnels" (Growing the supply of intermediate rental housing by institutional investors)

(2) Includes the commitments of in'li, Foncière APEC and Foncière Cronos

1.4 Funding in'li's development

In'li's strategic plan is underpinned by a strong balance sheet and the Company intends to pursue a very prudent financial policy. With an LTV ratio of 24.4%⁽¹⁾, in'li's debt ratios were more than comfortable at end-2023 and it also has abundant liquidity of over €1.3 billion, backed by €405 million in cash and cash equivalents and €873 billion in undrawn facilities at 31 December 2023.

In'li also uses a wide range of financial instruments to ensure a balanced financial profile.

Strengthening of capital:

- ▶ Support from Action Logement Immobilier through annual increases in share capital;
- ▶ Equity generated from an asset arbitrage process. Disposal proceeds will be used to finance the production of new housing. Arbitrage will leverage:
 - > **Block sales:**
 - > **Split sales** (to sitting tenants on a priority or rotation basis).

In'li's financial rating

In'li is rated by two rating agencies, Standard & Poor's since 2019, and Moody's since 2023.

Following its annual review in 2023, Standard & Poor's confirmed in'li's top-tier financial rating (A with a stable outlook since January 2020), as well as its short-term rating (A-1), enabling it to obtain financing on excellent terms.

In'li is also rated by Moody's as A2 (long-term) and P-1 (short-term), with a stable outlook, and this rating was confirmed in February 2024.

Diversification of sources of funding:

Based on its high-quality financial ratings, in'li has been able to take advantage of favourable windows of opportunity in a complex debt market environment to raise more than €530 million worth of financing in 2023. The main sources of financing are as follows:

- ▶ **Financing from the European Investment Bank (EIB):** In'li has contracted a €310 million credit facility with the EIB. At 31 December 2023, in'li had fully drawn down the remaining €72 million meaning that all of the EIB financing has now been used. In this context, in'li has arranged new financing with the EIB in the form of a Green Bond for an initial amount of €100 million. This green private placement with a social focus is part of inli's green financing framework.
- ▶ **Bank financing:** In 2023, in'li signed approximately €430 million worth of bank financing indexed to the Company's CSR performance.

For example, an €85 million revolving credit facility was signed in 2023. This new financing facility rounds out the three existing revolving credit facilities contracted between 2021 and 2022, bringing the total amount of revolving credit facilities to €895 million.

This will help strengthen the Company's liquidity. Interest rates on all of the revolving credit lines are tied to gains in purchasing power for in'li tenants, the achievement of objectives in terms of the production of new affordable housing in supply-constrained areas (zones A bis and A), energy retrofits on existing properties and an improvement in the overall energy efficiency and carbon footprint of in'li's property portfolio.

These different financing arrangements are fully in line with the strong commitments of in'li and Action Logement Group to the energy and environmental transition in the housing sector and the production of new affordable housing in supply-constrained areas for young and middle-class working people.

⁽¹⁾ The property companies in which in'li has a stake have not yet finalised their audited accounts. For this reason, the NAV shares of the property companies in which in'li has a stake have not yet been audited.

In'li is deploying a rigorous financial policy that enables it to execute the Company's development plan with confidence:

- ▶ Property development risk will be limited: 80% of acquisitions are from property developers through off-plan agreements (VEFA in French). These agreements protect buyers who receive a financial guarantee of completion from the banks, thus limiting the property development risk.
- ▶ Development is closely tied to what the market can absorb as well as to the pace of asset disposals. Maintaining a strong balance sheet will be the Company's overriding priority.



MODERATE PACE OF ACQUISITIONS

The pace of acquisitions will take account of what the market can absorb as well as the pace of asset disposals.



LIMITED PROPERTY DEVELOPMENT RISK

in'li bears no property development risk on 80% of its production and deals with major promoters based on framework agreements



BASIS FOR DEVELOPING NEW PRODUCTION

Part of new production will be borne by institutional investors.
Part of new production is based on division of ownership arrangements.



Balanced financing arrangements

STRENGTHENING OF CAPITAL BASE

- ▶ Action logement will support in'li by increasing its capital.
- ▶ Part of the portfolio will gradually be sold off.

MORE EXTENSIVE USE OF DEBT

- ▶ External financing by working with new banking partners



1.5 Ownership structure

The Company's share capital at 31 December 2023 was €902,106,090, made up of 60,140,406 shares with a par value of €15 each. The capital is owned by 2,261 different shareholders and the ten biggest shareholders appear in the following table:

Tableau Excel – Feuille 1.5

NAME OF SHAREHOLDER	No. of shares	% of capital
Action Logement Immobilier	59,848,543	99.516
Financière Honeywell	14,478	0.024
MECI	11,462	0.019
Aranda Jimenez	11,462	0.019
Moderne de Maçonnerie	9,825	0.016
Hi Fi Delvallee	8,187	0.014
Nationale de Radiodiffusion	6,628	0.011
Klepierre	5,519	0.009
Fives	3,845	0.006
Des ateliers R. Halffermayer	3,091	0.005
Other shareholders	217,366	0.36
TOTAL	60,140,406	100

The Combined General Meeting of 15 May 2023 decided to carry out a reverse stock-split of €1.5 shares into new €15 shares and increase the capital by €52,999,995 through the issue of 3,533,333 new shares of €15 each. The capital increase was finalised on 6 November 2023.



Résidence Monterosso - rue Germaine Tillon, Colombes (92)

1.6 Organisation

1.6.1 Committed and experienced governance

A COMMITTED SUPERVISORY BOARD

The list of corporate offices and functions held in all companies by each of the corporate officers, members of the Supervisory Board and their representatives during the financial year is provided in the Supervisory Board Report on Corporate Governance.

The members of the governance bodies are:

Supervisory Board

Pierre Brajeux
Chairman of the Supervisory Board
(until 25 July 2023)

Michel Goyer
Vice-Chairman of the Supervisory
Board, CFDT

Florence Soustre Gasser
MEDEF (until 15 May 2023)

Laurianne Dijol
MEDEF (since 15 May 2023)

Philippe Amram
MEDEF

Sandra Bues-Piquet
MEDEF

Philippe Thel
MEDEF

Marie-Pierre Huré
MEDEF

Patricia Gomez-Talimi
MEDEF

Xavier Hesse
CPME

Jackie Xiaohua Troy
CPME

Hervé Morel
CFTC

Action Logement Immobilier,
represented by **Pascal Landrin**
CFE-CGC

Audit and Accounts Committee:

Sandra Bues-Piquet
Chairwoman of the Committee

Michel Goyer
Member

Xavier Hesse
Member

Action Logement Immobilier,
represented by **Pascal Landrin**,
Member

Appointments and Compensation Committee:

Pierre Brajeux
Chairman of the Committee (until
25 July 2023)

Michel Goyer
Member

Patricia Gomez-Talimi
Member
Investment Committee

Michel Goyer
Chairman of the Committee

Philippe Thel
Member

Jackie Xiaohua Troy
Member

Management Board



Damien Robert
Chairman



Antoine Pinel
Member of the Management Board,
Chief Executive Officer



Stéphanie Caulet
Member of the Management Board



Emmanuelle Robin-Teinturier
Member of the Management Board



Marie LEFEBVRE-SOUCÉ
Member of the Management Board

1

2

3

4

5

SUPERVISORY BOARD: ORGANISATION AND MODUS OPERANDI

- ▶ **Composition:** in'li's Supervisory Board has eleven members⁽¹⁾, five of whom are women.
- ▶ **Experience:** the Supervisory Board includes eight representatives of employers' organisations, and three trade union representatives, including the Vice-Chairman, all of whom have been appointed by the social partners.
- ▶ **Term of office:** each Supervisory Board member serves a three-year term. The terms of office of one-third of the members of the Supervisory Board are renewed every year, in accordance with the Company's Articles of Association.
- ▶ **Average age:** the average age of Supervisory Board members is 58.
- ▶ **Attendance:** six of the eleven members have been on the Supervisory Board since in'li was created. In 2023 the attendance rate at Supervisory Board meetings was 61%.
- ▶ **Frequency:** the Supervisory Board met five times in 2023, pursuant to a convening notice issued by the Chairman of the Vice-Chairman.

CONCERNING THEIR PROFESSIONAL ACTIVITIES:

- ▶ **5** members are company executives or senior managers;
- ▶ **3** members perform operational or executive functions in trade union organisations;
- ▶ **3** members perform operational or executive functions in a private company working in the property sector.

ORGANISATION AND MODUS OPERANDI OF THE BOARD COMMITTEES

Three Board committees: the Audit and Accounts Committee, the Appointments and Compensation Committee and the Investment Committee are made up of members of the Supervisory Board. These committees have an advisory role and regularly report back to the Supervisory Board. Their *modus operandi* is set out in the Supervisory Board's rules of procedure.

Audit and Accounts Committee:

Sandra Bues-Piquet, Chairwoman of the Committee

Michel Goyer Xavier Hesse

Action Logement Immobilier, represented by Pascal Landrin

4 MEETINGS HELD IN 2023

Examines the appropriateness of the methods used to prepare the parent company financial statements.

Verifies that internal procedures for gathering and monitoring information have been correctly applied by examining the financial information provided after the accounts have been closed, the draft parent company financial statements, the relevance and consistency of the accounting methods used, the external audit process and the assessment of its effectiveness, the Company's internal control and risk management systems and internal audit work, and the fight against fraud.

Investment Committee

MICHEL Goyer, Chairman of the Committee

Philippe Thel Jackie Xiaohua Troy

4 MEETINGS HELD IN 2023

Reviews certain new investment projects and the development strategy presented by the Management Board. Reports at least once a year to the Supervisory Board on how this policy is being deployed.

Issues a preliminary opinion to the Management Board concerning specific investments to be undertaken by in'li. Issues a preliminary opinion to the Supervisory Board concerning decisions to sell Company assets for material amounts (notably for block sales) and to create property development companies. Issues a preliminary opinion to the Supervisory Board concerning partnership ventures, equity investments and innovative financing arrangements.

Appointments and Compensation Committee:

Pierre Brajeux, Chairman of the Committee (until 25 July 2023)

Michel Goyer Patricia Gomez-Talimi

2 MEETINGS HELD IN 2023

Issues recommendations concerning the appointment of new members to the Supervisory and Management Boards and their compensation in light of governance rules applicable within Action Logement Group.

The Supervisory Board appoints the members of the Management Board for the statutory three-year term, or renews their term of office if appropriate.

(1) Number of Board members at 31/12/2023

RELATED-PARTY AGREEMENTS:

The list of related-party agreements or commitments falling within the scope of articles L.225-86 and L.225-88-1 of the French Commercial Code (*Code de commerce*) is provided in the Supervisory Board Report on Corporate Governance.

The following agreements were authorised during the year:

- ▶ Social engineering and project management assistance in social and urban development for subsidiaries of Action Logement Immobilier: Convention with APES (an association that works to provide social amenities), approved by the Supervisory Board on 26 June 2023.
- ▶ Transfer of off-plan acquisition agreements to SA Seqens in Epinay-sur-Seine (a social housing subsidiary of Action Logement Immobilier), authorised by the Supervisory Board on 26 June 2023;

- ▶ Transfer of off-plan acquisition agreements to SA I3F in Gentilly (a social housing subsidiary of Action Logement Immobilier), authorised by the Supervisory Board on 26 June 2023;

The following related-party agreements authorised in previous periods remained in force during the year:

- ▶ Agreement to make the support functions of the in'li Supports joint venture available to associates for certain specific projects, approved by the Supervisory Board on 20 December 2017.
- ▶ Agreement with GIE Astrimmo for the use of the ALIOP product, approved by the Supervisory Board on 10 September 2018.

Executive Committee

Damien Robert

Chairman

Antoine Pinel

Member of the Management Board,
Chief Executive Officer

Stéphanie Caulet

Member of the Management Board,
Deputy CEO – Clients & Assets division

Emmanuelle Robin-Teinturier

Member of the Management Board,
Deputy CEO – Resources and Digital
Transformation

Marie Lefebvre-Souce

Member of the Management
Board, Director of in'li Property
Management

Philippe Bamas

CSR division – Investment &
Construction

Nadège de Becquevort

Head of Audit and Risk Management

Renaud Capelle

Head of Sales and Joint Ownership
Property

Jerôme Chateignier

Head of accounting and in'li support
functions

Olivier Debost

Chief Financial Officer

Jérôme Hervier

Property Director in La Défense

Bénédicte Leboucher

Director of Customer Relations
and Marketing

Laetitia Lefas

Human Resources Director

Razek Loukaf

Funding Department Director

Stéphane Ménard

Technical Director – Property Portfolio

Henri Ndoumbe

Head of in'li PM division

Laurent Palu

Investment Director

Corinne Pirlot-Fages

Advisor to the Management Board

Laetitia Rey

Rental and Property Management
Services Director

Franck Tabouret

Property Director – Eastern sector

François Touzet

Information Systems Director



1.6.2 Our teams

COMMITTED TEAMS IN PURSUIT OF OUR OBJECTIVES

At end-December 2023, in'li had a workforce of 839 people, of whom 777 were on permanent employment contracts. The workforce can be broken out between administrative and building support staff as follows:

- ▶ 65.1% administrative personnel (14.8% employee-grade; 29.7% supervisor-grade; 55.5% management-grade);
- ▶ 34.9% building personnel (9.9% building administrative staff; 90.1% building caretakers).

136 new permanent employees joined the Company during the year to strengthen our teams across the board.

In'li continues its commitment to gender equality with:

- ▶ A gender equality index of 90/100;
- ▶ 38.1% of women on the Executive Committee at 31 December 2023;
- ▶ One out of every two managers is a woman.



In'li's gender equality index is 90/100.



In order to meet the expectations of our customers and keep pace with our strategic plan and constant technological innovation, in'li is anticipating the needs of tomorrow by designing new jobs. Building career paths and consolidating our skills base are an essential component of our transformation strategy.

To recognise the commitment of everyone and support the teams in this transformation process, in'li's HR policy is underpinned by four key drivers:

- ▶ Developing employability, new skills and career paths;
- ▶ Engaging in inclusive social dialogue;
- ▶ Constantly enhancing our occupational risk prevention culture;
- ▶ Promoting a quality work environment and commitment for all employees

(1) 2022 data

PROMOTING A QUALITY WORK ENVIRONMENT AND COMMITMENT FOR ALL EMPLOYEES

Onboarding employees to design the jobs of tomorrow and enhance the way we work

We encourage all employees to be stakeholders in our cross-cutting projects to help design and develop the jobs of the future, enhance our operations and achieve more effective teamwork.

Joint working groups and oversight committees are set up for all major projects that impact our business.

Developing new ways of working and promoting enhanced work-life balance

As the sector undergoes a major transformation, in'li is especially committed to helping managers buy into these new working and teambuilding methods.

The employee satisfaction survey conducted in October 2022 confirmed the strong employee commitment and support for the Company's project. 2023 was an opportunity to tackle the areas for improvement identified in the last survey.

75%⁽¹⁾

of employees declared that they are ready to commit to in'li's success

82%

of employees consider that they have the right level of autonomy in their work

71%

of employees declared that their work is meaningful for them

Promoting inclusiveness

Disability strategy is an essential component of Human Resources policy: it aims to help people with disabilities to remain in the workforce and integrate and onboard employees with disabilities. In 2023, in'li appointed a Disability Officer and is fully committed to its Disability strategy through 3 key actions: the creation of a Disability Mission and an information booklet for employees, the creation of a Disability Policy Committee, and proactive communication around the subject, particularly as part of European Disability Employment Week.

DEVELOPING EMPLOYABILITY, NEW SKILLS AND CAREER PATHS

With an annual budget of nearly 3.6% of total payroll invested in skills development, in'li reiterated its commitment to training and developing employability for everyone.

- ▶ Average of 20.08 hours training per permanent employee;
- ▶ 69% of employees took at least one training module,
- ▶ Dedicated courses with more than 25 hours of learning on average to help people wishing to change job.

In 2023, 25% of training was given by in-house trainers. This ensured that the employees of in'li and in'li PM Economic and Social Group (UES) have the necessary skills in their respective areas. In 2023 a full-time in-house female trainer joined the team.

37

employees benefited from functional mobility opportunities.

+12,952 hours

of training were provided in 2023



“Pass Digital” is a certification process recognised both by Action Logement and the French Association of HR managers (ANDRH) that helps caretakers get to grips with their new digital work tools and applications. In 2023, nearly 200 building caretakers were certified “Pass Digital” – ultimate recognition of an advanced level of knowledge and expertise in their profession with greater day-to-day responsibility and autonomy.

With 12 Managers Clubs set up since 2018, in'li continues to invest in the skills development of its managers. In 2023, in'li decided to overhaul the existing training path in favour of a new module-based managerial path adapted to the needs of each manager, allowing them to re-examine their managerial reflexes around a maximum number of practical cases and simulations. This approach is intended to be as cross-functional as possible based on a managerial training programme from first-level managers right up to Executive Committee level.

ENGAGING IN INCLUSIVE SOCIAL DIALOGUE

In 2023, almost 40 meetings were organised with employee representative bodies and 4 company agreements were signed on mandatory consultations and the classification of administrative staff.

CONSTANTLY ENHANCING OUR RISK PREVENTION CULTURE

In 2023, in'li continued to streamline its approach to occupational risk prevention. Following on from the digitalisation of the Consolidated Risk Assessment File (DUER), in'li introduced digital safety sheets aimed at analysing occupational risks at its properties in greater detail. They must be completed by building staff and managers at dedicated review meetings and are used to devise action plans as close to the local teams as possible to reduce occupational risks in the workplace.

Regular meetings were held with the Health and Occupational Safety Committee to develop and deploy our Prevention & Safety roadmap and continue to improve working conditions and spread our culture of preventing occupational risks.

Our occupational risk prevention training policy is diversified and updated on a regular basis. Thanks to a digital partnership with APES, our real estate groups are monitored and any safety incidents are reported using the new ALI Tranquil experimental app. Safety assessments are performed to get a precise picture of the safety environment at a given site in order to make the most appropriate recommendations.



Highlights

2.1	DEPLOYMENT OF THE SECOND PART OF THE STRATEGIC PLAN	26	2.6	ACTIVITY OF SUBSIDIARIES AND CONTROLLED ENTITIES	40
	Objective of Part 2	26	2.6.1	In'li Participations	40
2.2	A CSR RATING THAT SHOWCASES IN'LI'S PERFORMANCE	27	2.6.2	In'li Property Management	40
			2.6.3	Résid'access	40
2.3	AN EFFICIENT PROPERTY MANAGEMENT AND LETTING ACTIVITY	27	2.7	COMMITMENTS AND OUTLOOK	40
2.3.1	Property portfolio	27	2.7.1	CSR Strategy – the cornerstone of in'li's strategic plan	40
2.3.2	Dynamic disposal activity	28	2.7.2	In'li's ongoing digital transformation	42
2.3.3	A targeted renovation policy	28	2.7.3	Innovation underpinning In'li's CSR strategy	42
2.3.4	Dynamic rental management	30	2.8	SUBSEQUENT EVENTS	43
2.3.5	New production within property development companies	32	2.8.1	Developing new offers	43
2.3.6	Diversified financing arrangements	33			
2.3.7	Stronger fraud risk management	33			
2.4	REAL ESTATE OPERATIONS IN 2023	36			
2.4.1	Results of deliveries	36			
2.4.2	Operations undertaken and delivered	37			
2.5	FINANCIAL OVERVIEW	39			
2.5.1	Results and financial position	39			
2.5.2	Proposed allocation of net income and distribution of dividends	39			
2.5.3	Amount of dividends paid over the past three years (Article 243 bis of the French General Tax Code)	39			



2.1 Deployment of the second part of the Strategic Plan

The second part of our strategic plan outlines the path over the next 10 years to revamp our portfolio by massively developing a new offering of affordable and sustainable housing. This is perfectly in line with the Group's strategy of meeting the needs of young and middle-class working people.

Objective of Part 2



THE STRATEGIC PLAN DRAWS UP A ROADMAP FOR THE NEXT 10 YEARS, BASED ON 5 MAJOR FOCUSES:

1. Developing, to achieve our long-term objective of building 80,000 new intermediate housing units and continuing to be No.1 in intermediate housing in the Paris region
2. Financing: consolidating our partnership-based model to fund the growth and renovation of our residential property portfolio
3. Overseeing, to improve our rental management and customer relations processes while preserving our financial capability
4. Innovating in favour of low-carbon and more accessible housing
5. Teaming up with other intermediate housing stakeholders to bolster national strategy for this type of housing in supply-constrained areas

2.2 A CSR rating that showcases in'li's performance

For the second year, in'li obtained a CSR rating from Sustainalytics, one of the world leaders in ESG risk analysis. Based on Sustainalytics' methodology, in'li's level of CSR risk is considered very low, making it one of the best rated companies in the world (i.e., 310th out of 15,717 companies - 9th percentile - rated across the world for all sectors as of 23 November 2023).

This rating also makes in'li one of the 100 best-rated real estate companies in the world as in'li ranked 84th out of the 1,042 companies rated in the real estate sector (3rd percentile). This excellent rating is recognition of the sustainable nature of in'li's businesses, particularly the strong social impact of its properties for its tenants, which sets the Company apart from other players in the sector.

2.3 An efficient property management and letting activity

2.3.1 Property portfolio

PROPERTY PORTFOLIO VALUATION

In'li's property portfolio is valued every year at 31 December by an independent appraiser, BPCE Expertises Immobilières (formerly Crédit Foncier Expertise). Each year, BPCE Expertises Immobilières provides the Company with three different valuations:

value 1 = "block sale" value; based on continued use and current occupancy;

value 2 = "unit sale" value; based on continued use and current occupancy;

value 3 = "unit sale" value; rented at the market rental value.

At 31 December 2023, the valuations were as follows:

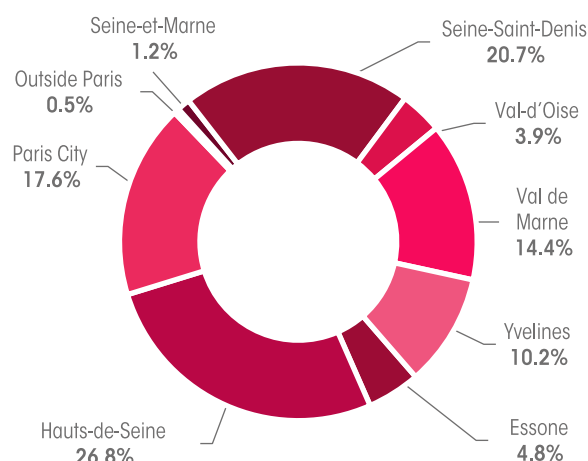
Tableau Excel – Feuille 2.3.1

APPRAISAL VALUE (EXCLUDING TAXES AND DUTIES)	31/12/2023	31/12/2022	Year-on-year change	Change on a like-for-like basis
value 1 = "block sale" value; based on continued use and current occupancy;	€7,991 million	€7,879 million	1.43%	-3.66%
value 2 = "unit sale" value; based on continued use and current occupancy;	€9,236 million	€9,106 million	1.43%	-3.83%
value 3 = "unit sale" value; rented at the market rental value.	€11,174 million	€10,972 million	1.84%	-3.17%

If we examine the block value of the portfolio (value 1), we note that:

- ▶ Over 99% of the portfolio is located in the Paris region;
- ▶ 99% of the portfolio is located in supply-constrained areas (i.e., zones A and Abis); Paris City and the Hauts-de-Seine department account for 44% of the value of the portfolio;
- ▶ Residential property (dwellings, car parks, etc.) comprises almost 99% of the real estate portfolio, with the balance made up mostly of shops and offices.

The geographic distribution of the portfolio is as follows:



The 1.43% increase in the block sale value of the portfolio is attributable to the 3.6% decrease in the value on a like-for-like basis, offset by the 6.3% growth in the portfolio following the delivery of 2,178 new units and the disposal of 500 units.

2.3.2 Dynamic disposal activity

In'li continued to deploy its property selling strategy in 2023 in two forms: split sales, primarily to its existing tenants, and block sales of properties. At the end of the year, 500 units had been sold, including 59 single units sold to people looking for quality housing at an affordable price who may or may not have been in'li tenants, and 441 units sold in block sales (sale of 210 units of property in Villetaneuse (to Sequans), 93 units in Antony (to Haut de Bièvre Habitat) and 138 units in the Oise department (to ICF Nord Est)).

These disposals generated income of €66.1 million, which may be broken down as follows: €51.9 million from the block sale and €14.2 million from split sales.

€51.9 million
from block sales

€14.2 million
from split sales

2.3.3 A targeted renovation policy

Environmental issues relating to performance and decarbonisation have become key components in the strategy for enhancing the value of our properties, and now constitute the priority in multi-annual works schedules for renovations and improvements, and predictive and corrective property management.

Retrofits, energy switching and renovation of technical components in heating and domestic hot water production account for more than 80% of annual investment, representing a total of €75 million in investment and building work.

To target financial investment as effectively as possible, the performance map was updated in 2023. This involved revising all energy performance assessment labels for buildings in line with the latest regulations for properties held on a full ownership basis.

Certain work was requalified in line with the requirements of the French "Climate and Resilience" law for the purpose of eradicating very poorly insulated buildings (with an F or G energy performance assessment label) before 2028.

Action Logement has urged its subsidiaries to embark on a more ambitious performance improvement and decarbonisation trajectory than that reflected in the deadlines set out in the Climate and Resilience Act:

- ▶ Eradicating buildings with an F or G energy performance label by beginning the related work before end-2023
- ▶ Eradicating buildings with an E energy performance label by 2030 instead of 2034
- ▶ Qualifying all properties with a C label on average by 2030
- ▶ Aiming for carbon neutrality by 2040 instead of 2050

These requirements have been factored into the multi-year works plan through 2030, with investment budgets kept at between €70 million and €80 million until then.

Financial investments in 2023 were higher than forecast, with a consolidated budget of €69 million spent by the end of the year. In 2023, 1,500 units of housing were retrofitted thanks to this ambitious works programme, including 1,000 units where performance improvement was the priority. On average, these programmes have made it possible to improve properties' performance by the equivalent of around two energy labels.



At the same time, in'li has deployed a strategy to improve the carbon impact of its buildings consisting of studies aimed at introducing more virtuous and less carbon-intensive energy sources (district heating networks), becoming involved in renewable energy deployment, and enhancing the efficiency and regulation of technical installations where fossil fuels continue to be used.

Operations are also targeting "Qwacio" housing, where it is necessary to upgrade not only the performance of units in these properties, but also to carry out major retrofits of networks, plumbing and sanitary equipment.



Improving the quality of housing also continued apace in 2023, with upgrades involving the complete renovation of homes, the installation of fitted kitchens and/or adapting wet rooms to meet the needs of disabled people in around 200 dwellings.



In line with the renovation of private areas, a number of projects have focused on upgrading common areas, based on neighbourhood enhancement work and renovation of entrances to residences. This work also helps to enhance the comfort and safety of our tenants.



In terms of energy efficiency and cost reduction, we have deployed a range of innovative solutions to help our tenants manage their energy consumption and track and reduce their monthly bills. We will continue to deploy these solutions for individual heating, collective heating and domestic hot water in 2024.

This support also comprises guidance on best practices and regulating settings on technical equipment in the home.

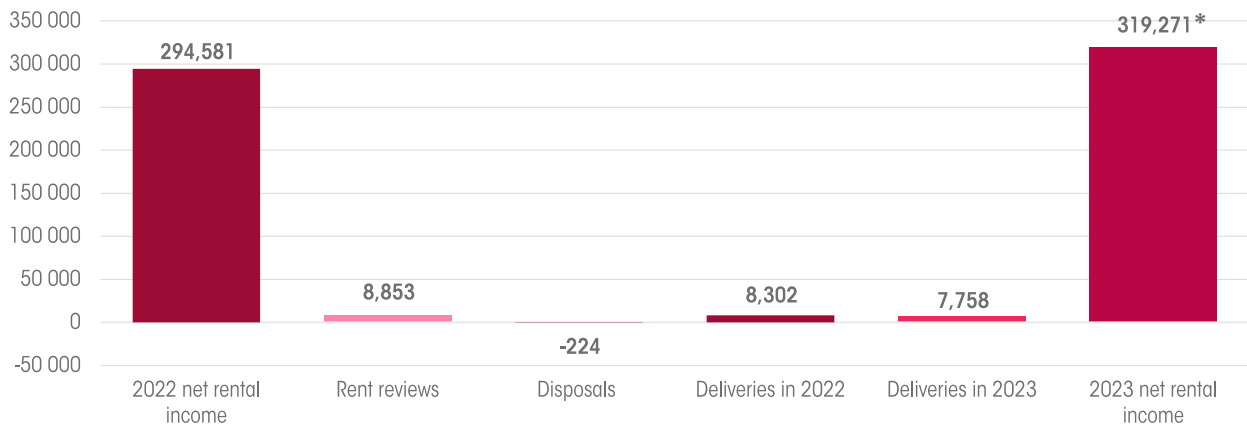
2.3.4 Dynamic rental management

HIGHER RENTAL INCOME

Rental income increased by 8.5% (or by €24.7 million) year on year. This increase was mainly due to:

- ▶ Rent reviews driven by tenant turnover and the application of the 3.5% increase in the rent review index;
- ▶ The full-year impact of properties delivered in 2022;
- ▶ The delivery of 2,178 new units in 2023.
- ▶ The recovery rate for 2023 was 98.7%, down from 99.03% in 2022.

YEAR-ON-YEAR CHANGE IN RENTAL INCOME (€ THOUSANDS)



*Does not include rental fees

A LOWER MARKETABLE VACANCY RATE

Letting activity was brisk in 2023 and 5,053 new families were housed, particularly in new build programmes delivered.

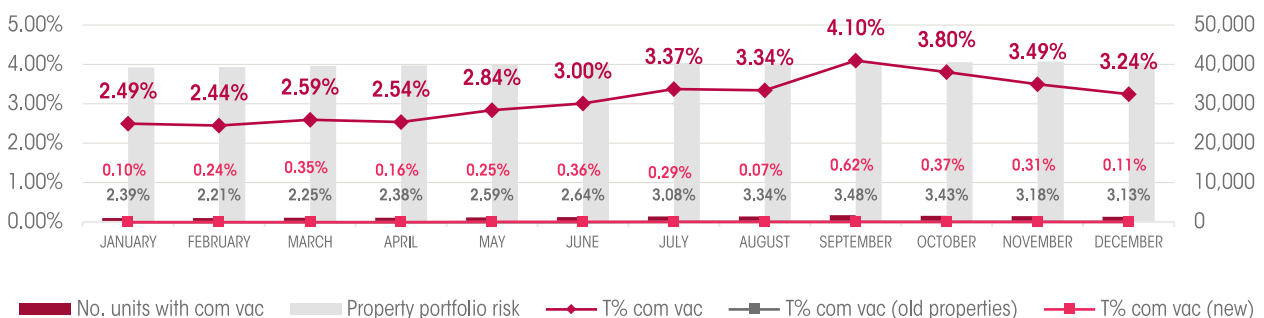
The increase in tenant turnover over the summer period had a downward impact on the annual turnover rate, which stood at 9.4% at 31 December 2023. This turnover rate is seasonal and has a marked impact on the marketable vacancy rate over a short period.

Consequently, the annual marketable vacancy rate stood at 3.1%, compared with 2.69% in 2022.

Occupancy management initiatives for 2,109 units in 2023 bore fruit, with an occupancy rate of 81% at 1 month, 91% at 2 months and 97% at 3 months.

In particular, there was a focus on getting the long-term vacancy rate down and the number of units in this category fell by half.

YEAR-ON-YEAR CHANGE IN MARKETABLE VACANCY RATE 2023





Vigneux-sur-Seine (91) - 7 rue Molière

DYNAMIC LETTING ACTIVITY

Letting periods have been reduced thanks to a new marketing structure that separates the in'li and Qwacio product ranges, thereby improving efficiency. A focus on promoting intermediate housing to the general public is essential, particularly in view of the specific features of the properties contained in our portfolio.

That is why in'li regularly organises webinars for contributor companies, particularly those in the energy, banking and insurance sectors. These promotional efforts have resulted in an 86% allocation rate to employees of PEEC-contributor businesses. Lastly, to improve the applicant experience, in'li has fine-tuned automatically-rated applications.



In'li continued its commitment to “key workers” in 2023 – especially care workers – by providing the Paris public hospital authority (APHP) with 36 units of new housing in Saint-Ouen. A commitment has also been made to continue this partnership in 2024.

Data concerning our incoming tenants:

- ▶ Young households: average age of 34;
- ▶ Single people represent 48% of those housed;
- ▶ 97% of families are working;
- ▶ 47% have management-grade status and 40% have employee status;
- ▶ 86% of successful tenants are employees of PEEC-contributor businesses;
- ▶ 51% of incoming tenants come from the private housing market; and
- ▶ 20% from social housing.

2.3.5 New production within property development companies

In'li is directly responsible for developing these two property development companies - CRONOS and APEC - under the terms of an agreement to act as sourcing agent and provide project management consultancy services for new builds, and it is remunerated by the two entities based on this agreement.



Choisy-le-Roi (84) - 6 rue Rouguet de l'Isle



Sceaux (92) - 15, avenue Jules Guesde

Foncière Cronos

Cronos had a busy year in 2023 with the delivery of 809 housing units.

New commitments were very heavily constrained by the change in French energy performance regulations on 1 January 2022 and by the sharp rise in interest rates beginning from May 2022.

Complying with Cronos' business model has required a significant increase in the expected gross profitability criterion of the operations proposed and these new criteria account for the reduction in the volume of projects proposed and the fact that Foncière Cronos' commitments were limited to 65 units in 2023.

PROPERTY DEVELOPMENT FEES

Within the scope of partnerships negotiated by APEC and Cronos, in'li has been entrusted with sourcing and project management consultancy (PMC) services.

In'li is tasked with:

- ▶ Advising the property development companies and helping them to get development projects up and running;
- ▶ Tracking all new build programmes deployed by the development companies.

In 2023, in'li was paid €1,423k by Foncière Cronos and €470k million by APEC for providing these services.

Foncière APEC

In 2023, a 35-unit housing development in Le Blanc-Mesnil was delivered and sold to Foncière APEC Dev Property 2 in March 2023, followed by a 52-unit development for APEC Dev Property 3 in Paris, and a 50-unit development in Claye-Souilly for APEC Dev Property 4.

Due to the market outlook, no new commitments were approved by investors for 2023, however, In'li is working closely with APEC's investor partners to identify and validate a new pipeline that meets the new market conditions.

2.3.6 Diversified financing arrangements

In'li continued to diversify its financing arrangements in 2023 with the following initiatives:

- ▶ A new €85 million revolving credit facility;
- ▶ €200 million in long-term financing from top-tier institutional investors;
- ▶ In'li's first 10-year green private placement with the EIB for an amount of €100 million.

It is worth noting that around 18% of in'li's debt is indexed to the rate paid on Livret A passbook savings accounts and the increase in the Livret A rate has impacted interest expense. Nevertheless, the Government has announced that the Livret A rate will be capped at 3% until January 2025 to support the activity of social landlords. As a result of these various developments, we have continued to diversify our sources of financing.

In'li had a strong balance sheet at 31 December 2023:

- ▶ The LTV ratio was 24.4%⁽¹⁾, in phase with the Company's highly prudent financial policy;
- ▶ €409 million in cash and cash equivalents;
- ▶ Undrawn facilities: €873 million, including €845 million under the revolving credit facility.

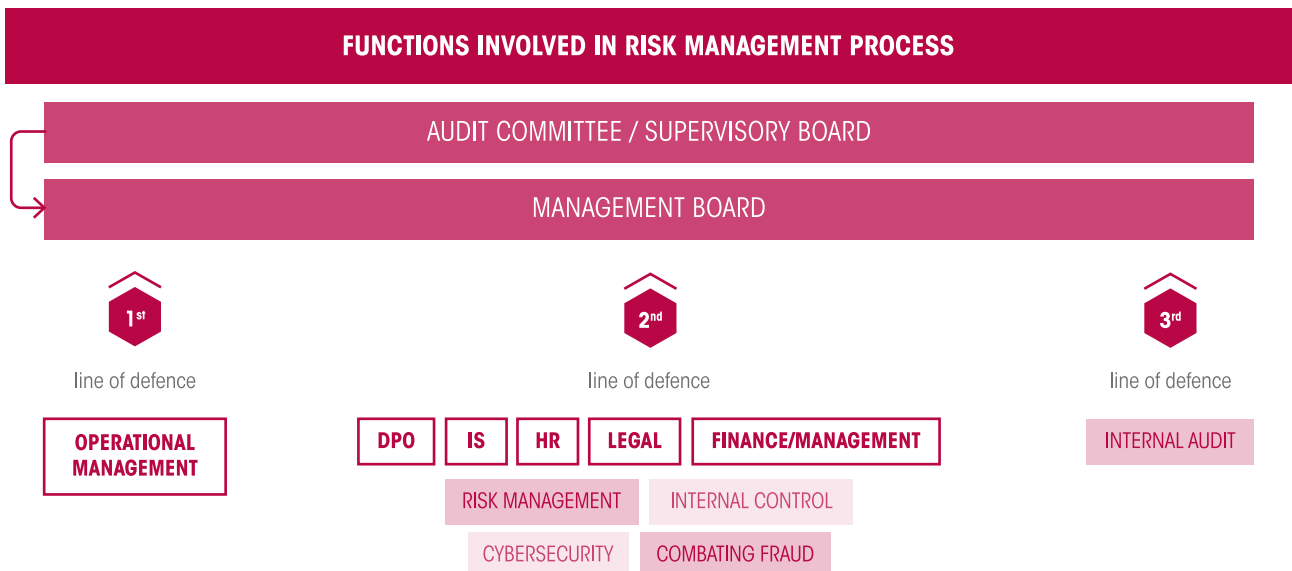
2.3.7 Stronger fraud risk management

1. A CONTEXT OF INCREASED RISK

In an environment marked by numerous uncertainties (i.e., geopolitical risks, rising interest rates, inflation, energy prices, etc.) and by rapid changes in lifestyles and working methods, in'li is continuing to reinforce its risk management system. Cyber risks are constantly increasing, with more and more attacks of a sophisticated nature. The appointment of a Chief Information Security Officer (CISO) in March 2022 ensures day-to-day oversight and helps foster a cyber security culture. Digitalisation is continuing apace with the ultimate aim of efficiency, control and customer satisfaction. The creation of a dedicated anti-fraud unit enables us to take day-to-day action to prevent, investigate and remedy all types of fraud. Climate change remains a huge challenge, accompanied by major regulatory changes.

2. STRUCTURE OF THE RISK MANAGEMENT PROCESS

Overview



(1) The property companies in which in'li has a stake have not yet finalised their audited accounts. For this reason, the NAV shares of the property companies in which in'li has a stake have not yet been audited.

Our process is based on the framework developed by IFACI (French audit and internal control institute) and AMRAE (French risk management and assurance body), structured around “three lines of defence”:

A. Controls are defined and implemented by line personnel:

The first line of defence is formed by line managers, who are responsible for assessing and mitigating risks, notably by deploying appropriate controls over the processes for which they are responsible.

B. The process is organised and coordinated by the second line of defence:

The second line of defence is formed by the functional departments tasked with coordinating the overall risk management process. Its purpose is to structure and maintain the business control processes, notably by:

- ▶ Helping line personnel to identify and assess the main risks that arise in their area of expertise;
- ▶ Helping line personnel to design more effective controls;
- ▶ Performing tests to ensure that the planned controls are actually performed and that they are effective.

In’li has made internal control part of a continuous improvement process. In 2023, in’li continued formally documenting the system in order to clarify the controls within each process that help to mitigate the risks identified, and to round out controls when residual risks are deemed to be excessive.

This work is used to identify key risks within each process, for which effectiveness testing is performed on a regular basis so that the second line of defence can ensure that the planned controls are effectively applied.

C. Independent assessment of the process is performed by the third line of defence:

As the third line of defence, the internal audit function deploys a risk-based approach to provide independent assurance to the Company’s oversight bodies and to Executive Management. This assurance covers the effectiveness of the first two lines of defence and the organisation’s overall governance.

The internal risk management process is underpinned by:

- ▶ A process-based approach;
- ▶ A corpus of ethical guidelines and a culture of “zero tolerance”;
- ▶ A system of delegation of powers;
- ▶ A secure information system;
- ▶ Risk and control mapping.

3. SUMMARY OVERVIEW OF RISKS

The risk management approach is underpinned by Action Logement Group guidelines and structured by a group-wide application called DIAGON’AL.

In’li has implemented a dynamic process designed to highlight, assess and rank risks in order of importance. These evolving risks – which stem from both exogenous and endogenous factors – are constantly tracked and reassessed. Risks are mapped and ranked by the Internal Audit and Risk Management Department with the help of an external service provider, based on interviews with the various departments, its own expertise, and the results of audits and investigations conducted during the year.

They are mapped in order to inform management of major risks and define the degree of control required to manage each risk. This map is the starting point for the internal control process, where the major risks are broken down into operational risks.

Once the risks have been identified, in’li determines the level of control and the control procedures that will enable it to deploy its strategy and conduct its business under secure conditions. These controls are constantly adjusted in line with evolving risks.

In’li has to contend with generic risks related to the economic and regulatory environment, generic risks inherent to the functioning of any company, and specific risks related to its activities.

These risks are organised around seven categories. Six of the risks identified in the risk map have been identified as major risks and are tracked especially closely; regular controls and actions are performed to reinforce control and prevent their occurrence. The following table sets out the main risks identified that could have a material impact on in’li’s activity, financial situation or financial statements.





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Risk overview and summary of major risks monitored on a priority basis

1. Risks related to the real estate market and external business environment:

- > Risks related to climatic events or disruptions and pandemics;
- > Risks related to the real estate market (rent levels, liquidity of assets, inflation, shortages, energy, etc.);
- > Risks related to changing trends and habits.

2. Risks related to governance strategy:

- > Risks related to the achievement of strategic objectives;
- > Risks related to transformation management;
- > Risks related to crisis management and business continuity.

3. Risks related to business and activity management:

- > Risks related to development and building and renovation operations (major risk);
- > Risks related to occupancy management and rental management (day-to-day management of buildings);
- > Risks related to property disposals;
- > Risks related to inaccurate billing (major risk);
- > Risks related to marketing and vacancy;
- > Risks of non-recovery of rent arrears;
- > Risks related to compliance and upgrading of buildings and dwellings;
- > Health, safety and security risks;
- > Human resources management risks;
- > Risks related to supplier failure or sub-optimal procurement.

4. Risks related to information systems, data security and cybercrime:

- > Risks related to information systems security (major risk);
- > Risks related to information systems performance (major risk);
- > Risks related to data governance (existence, reliability, processing, etc.)

5. Regulatory, compliance and enforcement risks:

- > Risks related to regulatory developments and increasingly numerous and complex regulations;
- > Risks related to compliance with internal rules and regulations;
- > Risks related to compliance with internal rules and regulations;
- > Risks related to fraud or unethical behaviour.

6. Financial risks:

- > Risks related to financing;
- > Risks related to liquidity;
- > Risks related to the production of financial information;
- > Risks related to insurance.

7. Risks related to relations with stakeholders:

- > All major risks are covered by action plans designed to improve risk coverage by limiting the risk of occurrence or materiality and they are presented annually to the Audit Committee. Action plans are also drawn up for other risks when areas of weakness are detected (audits, internal or external controls, management initiatives) or for the purposes of improvement. 28 action plans were either initiated or finalised in 2023. 51 action plans had been integrated into the DIAGON'AL application and were being monitored by the Audit and Risk Management Department.

4. COMBATING FRAUD

In'li attaches huge importance to the battle against fraud and has been deploying a proactive approach to identifying and dealing with fraud for a number of years. This process and the actions undertaken are set out in Section 3 – CSR Strategy Report.

5. INFORMATION SYSTEM SECURITY AND PERSONAL DATA PROTECTION

As cyber risks grow and applications become increasingly digitised, IT security and personal data protection have become major priorities for in'li:

A Data Protection Officer (DPO) is tasked with ensuring that in'li complies with GDPR (see developments. CSR Strategy Report, [Section 3.5.3.3](#) Committing to compliance).

Aside from protecting personal data, IT security and cybersecurity in particular is a major priority. It is overseen by the Digital Transformation and Data Management Division and tracked by an IT Security Committee which meets twice a year and includes all the members of the Management Board, as well as by a weekly IS Committee, which has a more operational focus.

Twice a year, the Audit and Accounts Committee receives a report on the risks identified and any actions taken.

In'li continues to deploy measures to reinforce information systems security. The key measures are disclosed in [section 3.5.3.4](#) of the CSR strategy Report.

2.4 Real estate operations in 2023

2.4.1 Results of deliveries

In 2023, 3,124 units of housing were delivered, a drop of 7.3% on 2022, including 2,178 for in'li, 809 for Cronos and 137 for APEC.

Tableau Excel – Feuille 2.4.1

TYPE	2018	2019	2020	2021	2022	2023	2023 Property companies managed by In'li PM	TOTAL 2023	Breakdown (%)
As prime contractor	92	43	21	26	71	69	0	69	2.20%
Densification	0	0	0	50	80	0	0	0	0%
Off-plan	972	653	736	1408	1393	2086	946	3032	97.06%
Acquisition & improvements					23	23	0	23	0.74%
TOTAL	1064	696	757	1484	1567	2178	946	3124	100%

2.4.2 Operations undertaken and delivered

THE FOLLOWING OPERATIONS PROVIDE A GOOD OVERVIEW OF COMMITMENTS AND DELIVERIES THIS YEAR.

NOISY LE GRAND (94)

Conversion of offices into housing – 1 avenue Montaigne

Conversion as project owner or prime contractor, of an office building into housing and business premises, featuring a three-storey timber-framed extension. The building will eventually comprise 51 housing units.

Clean-up and asbestos removal work took place in 2023. The work to convert the offices into residential units will start in the 2nd quarter of 2024 and delivery is scheduled for spring 2026.



Photo credits: Eiffage / Architecte Séméio



Photo credits: Eiffage / Séméio Architecture

EPINAY-SUR-SEINE (93)

160 avenue de la République

The project located on existing property at 160 avenue de la République involves the demolition and reconstruction of 222 units in 4 buildings, including 187 units of intermediate rental housing.

In'li is the project owner and the Eiffage - SEMEIO Architecte consortium will be responsible for the project design and build.

The building permit was submitted in July 2023, and work is scheduled to begin in the 2nd quarter of 2024.

IVRY (94)

ZAC Ivry Confluence

In the middle of the year, in'li's teams helped Foncières Cronos to acquire 65 intermediate rental housing units and 65 parking spaces as part of plot 5G1-4 of the Ivry CONFLUENCES ZAC programme being built by property developer EMERIGE.

"Rue Maurice Gunsbourg" is part of an area undergoing a major transformation at the gateway to Paris, and is currently one of the largest property developments in the Paris region. It aims to revitalise the southern part of the city's old industrial neighbourhood, and strike a balance between economic activities, housing and public infrastructure.

In'li is helping to create this new living environment and meet the expectations of the local authorities by providing housing that is accessible to as many people as possible. More than 400 family units and 200 Coliving units are already being built or have been delivered by contractors working on behalf of in'li.



Photo credits: EMERIGE / architecte LAN Architecture / Infime

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Photo MAH
Verrecchia / architectes DDA et DGM & Associés

COLOMBES (92)

Rue Germaine Tillon

On 29 March 2023, In'li took delivery of 31 units of housing in the "Monterosso" development on rue Germaine Tillon in Colombes (92). It was built by property developer Verrecchia, and comprises 4 buildings up to 8 stories high, with a total of 139 units and 150 parking spaces.

The 31 housing units acquired by in'li under intermediate rental housing (LLI) and PLS-type housing programmes were let as soon as they were delivered, reflecting both the attractiveness of this new "Arc Sportif" neighbourhood and the commitment of all the employees in charge of completing this development: the delivery preparation process and interface created between the project owner, prime contractor and other contractors and in'li resulted in just 0.1 reservations per unit during the occupancy management phase.



SAINT - OUEN (93)

Rue Vincent Palaric

On 26 September 2023, In'li took delivery of 13 units of housing in the "UPSIDE" development on rue Vincent Palaric in Saint Ouen. This development, built by Eiffage Immobilier, comprises 3 buildings of up to 7 storeys high. It comprises 255 homes and a total of 150 parking spaces.

The 13 intermediary housing units were allocated immediately upon delivery, including 3 units leased by the Paris public hospital authority's (APHP) Economic, Finance, Investment and Asset Management Department on behalf of an associate institution: La Seigneurie care home.

This first lease demonstrates in'li's commitment to helping APHP meet the housing needs of key workers.*



Photo: MAH in'li
Eiffage Immobilier / DGM & Associés architects

2.5 Financial overview

2.5.1 Results and financial position

In 2023, in'li reported net profit of €25,498,534, a year-on-year decrease of €24,358,014, in line with the €11,703,190 drop in operating income to €80,360,919 and a €16,103,258 decline in net financial income.

This decrease was mainly attributable to the combined impact of the following:

- ▶ A €44,235,604 increase in revenue to € 415,287,599.
- ▶ This increase may be broken down as follows:
 - > A €24,721,606 increase in rental income and fees, mainly attributable to rent reviews and the delivery of 2,178 units of housing during the period;
 - > A €1,321,940 decrease in sourcing and project management consultancy (PMC) services fees;
 - > An increase of €21,045,482 in recoverable service and maintenance charges;
- ▶ A €209,543 decrease in other amounts billed;
- ▶ An increase of €474,228 in capitalised production;
- ▶ A €1,588,041 increase in the amount of provisions released;
- ▶ A €15,253,613 decrease in other operating income related to asset disposals during the period;
- ▶ A €46,653,989 increase in operating expenses, mainly driven by the €9,188,308 increase in depreciation, amortisation and provisions, and the increase in purchases and external expenses amounting to €31,259,630;
- ▶ Net financial income fell by €16,103,258, reflecting an €11,943,796 increase in financial income and a €27,789,449 increase in interest charges driven by higher rates and the use of debt over the period.
- ▶ Recurring income for the year fell by €27,806,448 to € 35,225,481.
- ▶ There was a net non-recurring loss of €291,574, a slight year-on-year decline of €496,335.

2.5.2 Proposed allocation of net income and distribution of dividends

The Company ended 2023 with net profit of €25,498,534.20. The Annual General Meeting to be held on 12 June 2024 will be asked to recommend the payment of a dividend of €0.27 per share for a total payout of €16,237,909.62, and to allocate an amount of €5,300,000.10 to the legal reserve and the balance of €3,960,624.48 to retained earnings.

2.5.3 Amount of dividends paid over the past three years (Article 243 bis of the French General Tax Code)

Dividends paid out in the following years amounted to:

2022

€16,982,121.78

2021

€15,982,609.62

2020

€14,976,232.14

2.6 Activity of subsidiaries and controlled entities

2.6.1 In'li Participations

In'li Participations is an Open-ended Predominantly Real Estate Investment Fund (SPPICAV) wholly owned by in'li. At 31 December 2023, its share capital totalled €211,472,478.05 and consisted of 19,504,235.49 shares. The entity reported a net loss of €33,092,767.84 for the year.

In'li Participations carries in'li's 25% stake in Cronos SAS, which owns 100% of Foncière Cronos SAS.

2.6.2 In'li Property Management

In'li Property Management is a wholly-owned subsidiary of in'li with share capital of €225,000. At 31 December 2023, it provides property management services for 9,739 units of housing, 946 of which were delivered during the year (9% of the property portfolio).

The entity posted a net loss of €487,708.07 for the year ended 31 December 2023, mainly due to the continued high level of IT investment both to stabilise existing applications and to continue digitising business processes and improving our customer service offering.

2.6.3 Résid'access

In'li holds 253,384 shares in this company, which represents 100% of its share capital of €3,800,760. This company owns a 30-unit real estate development currently being built in Blanc-Mesnil. Résid'access was removed from the Trade and Companies Register (RCS) following the transfer of all its assets and liabilities to in'li on 17 August 2023.

2.7 Commitments and outlook

2.7.1 CSR Strategy – the cornerstone of in'li's strategic plan

As No. 1 in intermediate housing in the Paris region and in order to tackle social, environmental and ethical challenges, in'li has made CSR an integral part of the Company's strategy and made strong commitments on all ESG-related issues. These commitments are naturally aligned with our own strategic priorities as well as those of Groupe Action Logement.

CSR lies at the heart of our *raison d'être* and corporate mission:

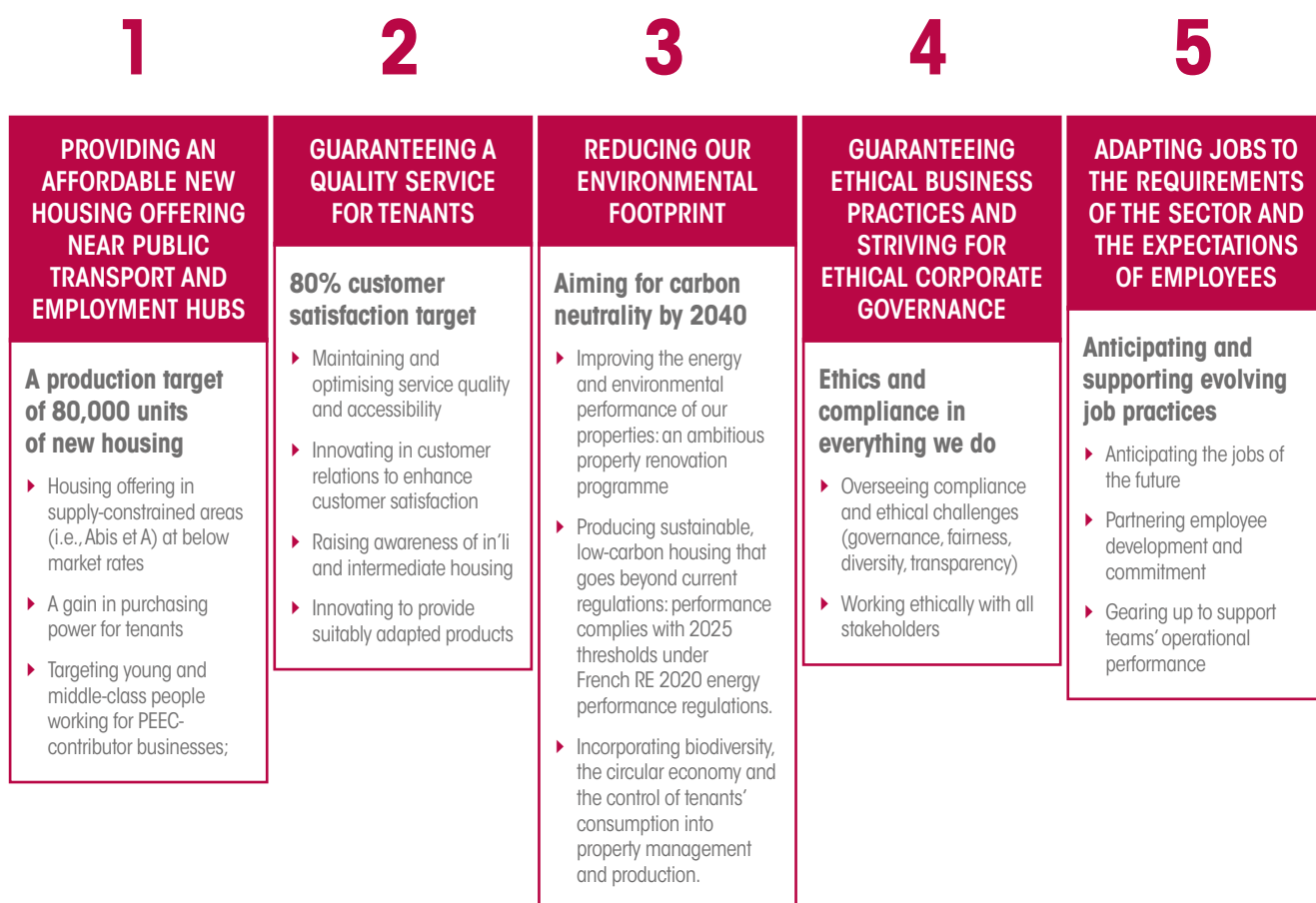


Growing the intermediate housing offering in order to bring young and middle-class people closer to their place of work and thus strengthening the employment-housing link and boosting regional attractiveness.



Our approach, based on **5 key pillars** whose oversight forms an integral part of managing our activities, incorporates all our stakeholders: tenants, employees, developers, municipalities, suppliers and investors.

Since 2022, we have stepped up the mainstreaming of ESG imperatives into all of our activities, with a number of major initiatives reflected in our **five pillars**:



THE IMPLEMENTATION OF IN'LI'S CSR STRATEGY IS BEARING FRUIT AND THE RESULTS ARE THERE TO BE SEEN ON THE GROUND

In 2023, the extra-financial rating agency Sustainalytics confirmed in'li's low level of exposure to ESG risks, putting in'li among the world's best-rated real estate companies on environmental, social and governance issues. Sustainalytics also recognised the ESG performance of the properties and their sustainable and social nature, given the commitment to decarbonisation and below-market rents.

IN 2023, IN'LI CONTINUED TO BOLSTER ITS CSR STRATEGY BY JOINING:



Our CSR strategy is described in detail in Section 3 of this report.

We will continue to deploy these priority projects, which are fully aligned with our CSR strategy, throughout 2023 and beyond.

2.7.2 In'li's ongoing digital transformation

As part of its overall business strategy, in'li has placed a strong focus on innovation and digital transformation to enable the company to boost its overall efficiency, forge ties with its customers and improve the quality of the service provided.

This is achieved in the following manner:

- ▶ **A 100% digital customer journey:** since 2018, when the inli.fr platform was created, all of our housing for rent and for sale is let out directly using a quick and simple process that allows prospective tenants or buyers to control their application based on their budgetary, professional or family-related criteria.

A prospective tenant may apply for housing in just five simple steps:

- > By registering online and selecting one or a number of housing offers;
 - > By submitting a simplified online application;
 - > By making an appointment via the in'li Lib diary to visit the dwelling;
 - > By confirming their interest in the dwelling visited and providing the administrative documents needed for their application to be vetted;
 - > By signing the lease digitally.
- ▶ **The new *inli & moi* customer space** allowing tenants to do everything online was made available to all customers in 2023: they may change contact details, pay the rent (by credit card, direct debit), consult and print contractual documents, or view requests being processed by Customer Services. New functions will continue to be added in 2024.

THE RELIABILITY AND SECURITY OF OUR PLATFORMS, GUARANTEEING AN OPTIMAL USER EXPERIENCE

Information system security is a day-to-day concern for the Information Systems and Digital Department (ISDD), especially to ensure continuity of operations and the protection and security of data and operations.

Regularly reinforcing measures for the protection, supervision and administration of information system security provides a service adapted to the challenges of cyber security.

In addition, ISDD has initiated work to enhance platform reliability in order to optimise performance.

Lastly, we have integrated fresh in-house expertise and new working methods to guarantee an ever more seamless and efficient user experience.

These optimisation measures are also helping to speed up our internal processes, thus improving our operational agility.



2.7.3 Innovation underpinning In'li's CSR strategy

During the year, in'li continued its commitment to innovating within the Company. In'li teams have focused on several priority themes, including **services to tenants, biodiversity and controlling consumption**.

In'li teams are committed to deploying appropriate solutions to help our tenants control their energy consumption more effectively:

- ▶ Since September 2023, temperature sensors produced by start-up KOCLIKO – formerly incubated at in'li LAB – have been deployed on a large scale in our dwellings to facilitate individual metering of heating costs and a better understanding of heating energy patterns in our properties.

Deployment of the sensors – with the firm backing of the 3 property divisions – has enabled around 3,700 of the 4,200 selected dwellings to be equipped, across 34 residences.

ACHIEVEMENTS OF IN'LI LAB

In'li LAB has been partnering innovation through its incubation programme since its creation in 2018. In 2023, in'li LAB welcomed five new startups into its incubation programme: Artifeel, Caerostris, Les Biens en Commun, Maplab and Reveleo.

These five newly-incubated start-ups are benefiting from a trial area of over 50,000 dwellings in which to test their solutions together with in'li:

- ▶ **Artifeel** simplifies building surveillance thanks to an autonomous alarm which, once it has been installed, requires no user intervention. Artifeel is working with in'li to develop new applications, such as securing smoke extraction vents and monitoring scaffolding.
- ▶ **Caerostris** designs and develops an innovative building material combined with a high-performance construction system, adapted to in'li's densification projects.
- ▶ **Les Biens en Commun**, which has the status of an "*Entreprise à Mission*", provides an innovative service for renting everyday equipment via connected lockers installed in living spaces. Les Biens en Commun is working with in'li to deploy connected lockers at two pilot centres. The long-term aim is to offer tenants a sustainable and eco-responsible alternative to purchasing equipment.
- ▶ **Maplab** is helping us to measure and reduce CO2 emissions from employee commutes.
- ▶ **Reveleo**, which provides an SaaS platform for analysing around a hundred metrics that measure the health and environmental aspects of buildings, is helping us to introduce a Biodiversity indicator that measures the proportion of our surface area that is conducive to nature. The objective is to contribute to the quality of the living environment, preserve existing vegetation and facilitate ground infiltration of rainwater, thereby promoting biodiversity.

2.8 Subsequent events

2.8.1 Developing new offers

As part of the company's drive to develop new offers, particularly in the serviced family accommodation sector, in'li has set up a trial in partnership with Urban Campus at two intermediary serviced family accommodation units:

- ▶ Colombes (Hauts-de-Seine): Opening end 2024
- ▶ Le Bourget (Seine-Saint-Denis): Opening end 2024

These 2 residences are owned by in'li and they will be managed by Urban Campus.



View of Colombes



View of Le Bourget



In'li-Arkiv
Dorothee P
14:00 - 14:30
Dorothee P
Sandrine D
14:30 - 15:00
Sandrine D
Dorothee P
15:00 - 15:30
Dorothee P



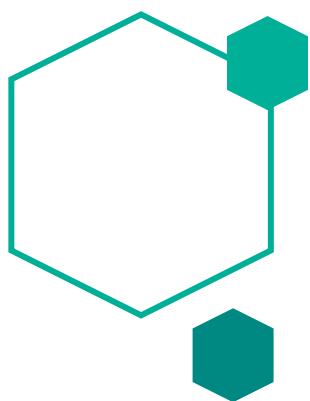
CSR strategy report



3.1	IN'LI'S CSR STRATEGY: AN INTEGRATED APPROACH AT THE HEART OF THE COMPANY'S BUSINESS MODEL AND GOVERNANCE	51
3.1.1	In'li's CSR strategy and governance	51
3.1.1.1	Key focuses of in'li's CSR strategy	51
3.1.1.2	CSR Governance	54
3.1.2	Main CSR risks and challenges	56
3.1.2.1	Methodology for identifying key CSR risks and challenges	56
3.1.2.2	Tracking non-financial issues	58
3.1.2.3	In'li's contribution to Sustainable Development Goals	59
3.1.2.4	Application of EU Taxonomy to in'li's activities	60
3.2	PROVIDING AN AFFORDABLE NEW HOUSING OFFERING NEAR PUBLIC TRANSPORT AND EMPLOYMENT HUBS	61
3.2.1	Contribution to Sustainable Development Goals (SDGs)	61
3.2.2	Our challenges and policies	62
3.2.3	Our actions	62
3.2.3.1	Adequate territorial coverage	62
3.2.3.2	An offer tailored to young and middle-class working people	64
3.2.3.3	Social support to help tenants stay in their homes	65
3.2.3.4	An innovative offering in phase with the requirements of the sector in the Paris region	67
3.2.3.5	Concerted action with local stakeholders	67
3.2.4	Indicators	68

3.3	GUARANTEEING A QUALITY SERVICE FOR TENANTS	69
3.3.1	Contribution to Sustainable Development Goals (SDGs)	69
3.3.2	Our challenges and policies	70
3.3.3	Our actions	71
3.3.3.1	Digitisation of customer services	71
3.3.3.2	Tenant health, safety and comfort	72
3.3.3.3	In'li maintains ongoing dialogue and close ties with tenants	74
3.3.4	Indicators	75
3.4	REDUCING OUR ENVIRONMENTAL FOOTPRINT	76
3.4.1	Contribution to Sustainable Development Goals (SDGs)	76
3.4.2	Our challenges and policies	77
3.4.3	Our actions	79
3.4.3.1	Managing our carbon footprint and cutting greenhouse gas emissions	79
3.4.3.2	Exposure to climate change risks	83
3.4.3.3	Our actions in favour of biodiversity and the circular economy	86
3.4.3.4	Initiatives to include tenants and raise their awareness of our environmental approach	88
3.4.3.5	Greening our funding	89
3.4.4	Indicators	90

3.5	GUARANTEEING ETHICAL BUSINESS PRACTICES AND STRIVING FOR ETHICAL CORPORATE GOVERNANCE	91
3.5.1	Our challenges and policies	91
3.5.2	Contribution to Sustainable Development Goals (SDGs)	92
3.5.3	Actions taken	92
3.5.3.1	Business ethics programme and promotion of an anti-fraud culture	92
3.5.3.2	Combating corruption, fraud and facilitating payments	94
3.5.3.3	Personal data protection	98
3.5.3.4	Cybersecurity measures	99
3.5.3.5	Measures for analysing public procurement contracts	100
3.5.4	Indicators	102
3.6	ADAPTING JOBS TO THE REQUIREMENTS OF THE SECTOR AND THE EXPECTATIONS OF EMPLOYEES	103
3.6.1	Contribution to Sustainable Development Goals (SDGs)	103
3.6.2	Our challenges and policies: the 4 pillars of in'li's Human Resources policy	104
3.6.3	Our actions	104
3.6.3.1	Creating and helping employees transition to new jobs	104
3.6.3.2	Developing skills and career paths	106
3.6.3.3	Work organisation and social dialogue	107
3.6.3.4	Health, safety and a quality work environment	108
3.6.3.5	Diversity, equality and inclusion	110
3.6.4	Indicators	113



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 crafted 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 are fully in phase with the public interest mission of the Company and the Action Logement Group, and can be broken down into 5 pillars:

1. Providing an affordable new housing offering near public transport and employment hubs
2. Guaranteeing a quality service for tenants
3. Reducing our environmental footprint
4. Guaranteeing ethical business practices and striving for ethical corporate governance
5. Adapting jobs to the requirements of the sector and the expectations of employees

We have adopted a holistic approach that factors in the expectations of all of our stakeholders, including tenants, our employees, municipalities, developers, suppliers, lenders and shareholders.

To meet these expectations, in'li is aiming to decarbonise its portfolio by 2040. 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 strategic priorities.



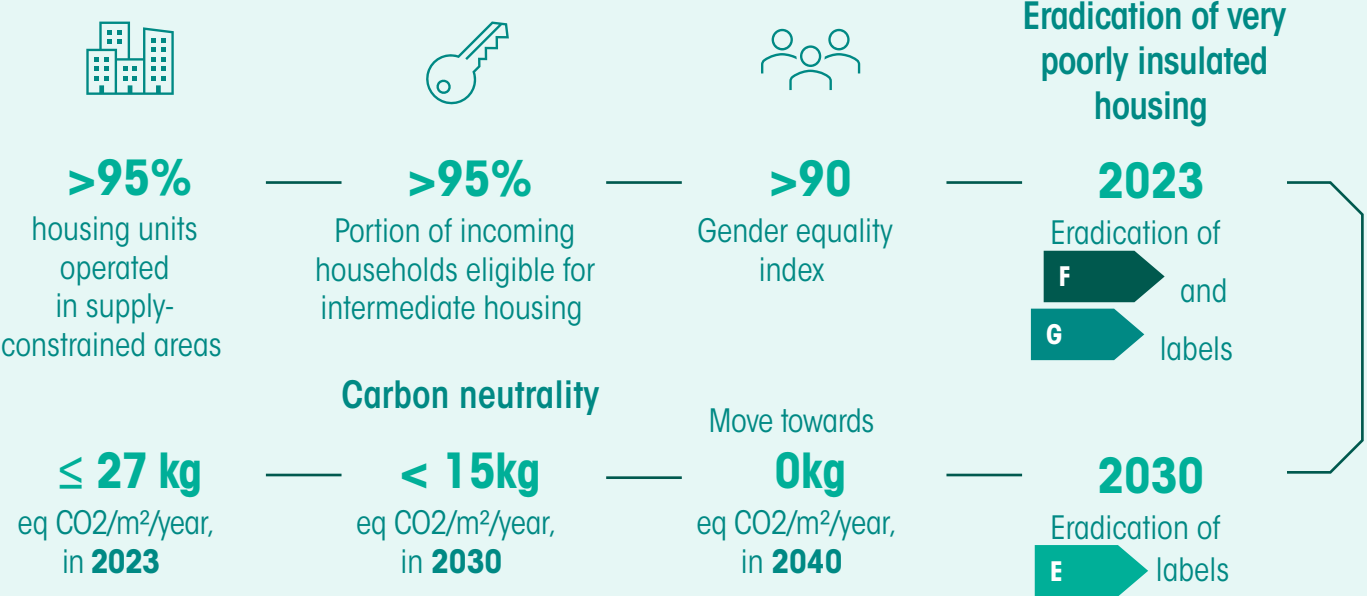
In'li's CSR strategy: an integrated approach at the heart of the Company's business model and governance



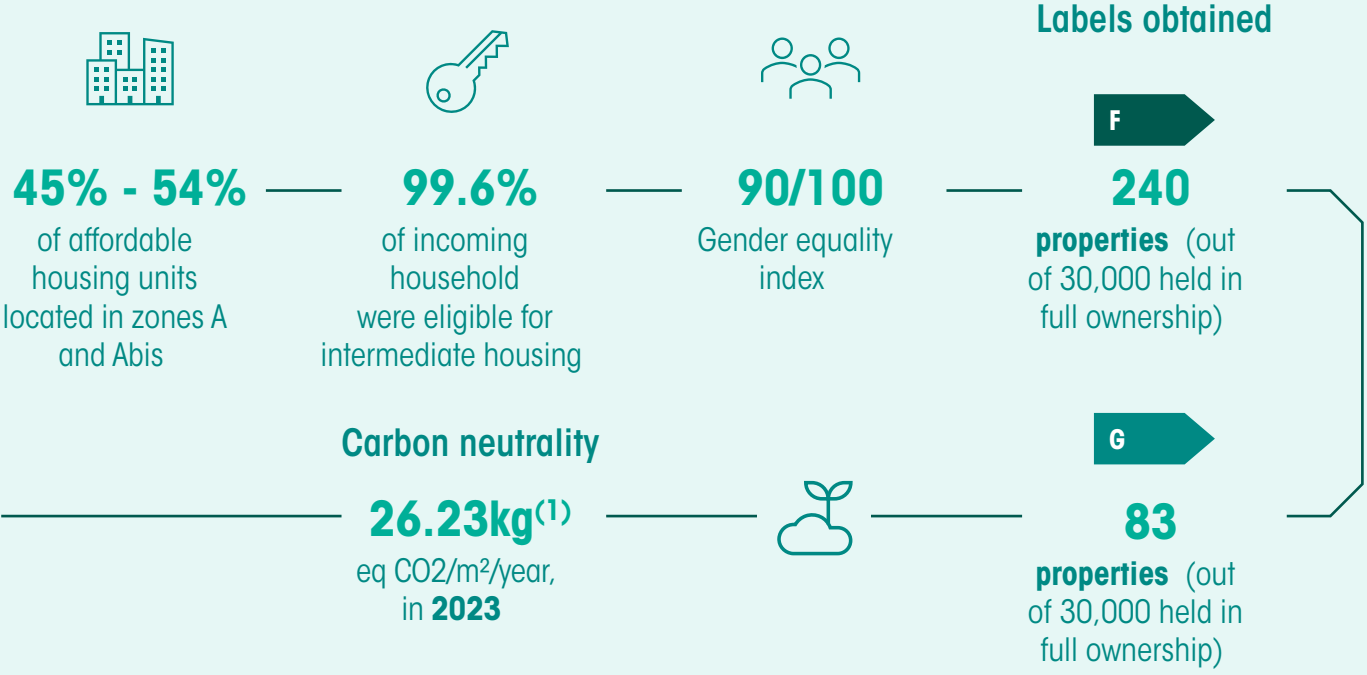
THE MANAGEMENT BOARD

Key figures for 2023

IN'LI HAS SET ITSELF AMBITIOUS TARGETS



OUR RESULTS FOR 2023



(1) scope 1 and 2

In'li: affordable and sustainable housing

Our resources

FINANCIAL RESOURCES

- ▶ Rental income: €320 million
- ▶ Debt: LTV of 24.4%⁽¹⁾
- ▶ Financial rating – S&P Global Ratings: **A** (long-term) and **A-1** (short-term), with a stable outlook
- ▶ Financial rating – Moody's: **A2** (long-term) and **P-1** (short-term) with a stable outlook, making in'li one of the best-rated property companies in Europe by the two agencies

IN-HOUSE EXPERTISE

- ▶ Number of employees: 839, including 300 local personnel
- ▶ Training budget: 3.6% of total payroll

PRODUCTION OF RENTAL HOUSING

- ▶ New units delivered and acquired: 2,178
- ▶ Construction starts: 2,256

Our mission

Developing an intermediate housing offering that brings middle-class and young working people closer to their place of work, reinforces the employment-housing link and boosts regional attractiveness.



Our ambition

> 80,000

units
of new intermediate
housing in the Paris
region



Our strategy



Developing our
existing property
assets



Financing
development
from disposals



Developing
housing off
balance sheet



Managing and
letting our
housing

(1) The property companies in which in'li has a stake have not yet finalised their audited accounts. For this reason, the NAV shares of the property companies in which in'li has a stake have not yet been audited.

Our results

POPULATION OF HOUSING PORTFOLIO

- ▶ Number of people housed:
 - > Over 100,000 tenants
 - > Occupancy rate 96.9%
- ▶ Incoming tenants: 5,053 o/w
 - > 86% are employees of PEEC-contributor companies
 - > Average age: 34 years
 - > 47% are management-grade employees

DISPOSALS

- ▶ Number of disposals in 2023: 500 units sold, o/w 441 units in block sales (sale of 210 units of property in Villetaneuse, 93 units in Antony and 138 units in the Oise department) and 59 units in split sales.
- ▶ Average split sale price: €241,689
- ▶ Proceeds on disposals in 2023: €66.1 million

PORTFOLIO MAINTENANCE

Improvement and renovation work: €75 million (including €12.4 million for upkeep and renovation).

Our activities

PORTFOLIO MANAGEMENT:

41,726

housing units under ownership

INVESTMENT IN IMPROVEMENT, RENOVATION AND UPKEEP:

€75 million

DEVELOPMENT AND PROJECT MANAGEMENT:

852⁽¹⁾

housing units committed in 2023

SALES:

500

units sold

Creating value

FOR SOCIETY

- ▶ Meeting intermediate housing requirements in the Paris region;
- ▶ Improving the quality of buildings and the living environment;
- ▶ Enhancing the residential trajectories of our tenants;
- ▶ Boosting the local economy;
- ▶ Facilitating technical and social innovation;
- ▶ Supporting urban renewal.

FOR THE ENVIRONMENT

- ▶ Producing sustainable, low-carbon housing that goes beyond current regulations: performance complies with 2025 thresholds under French RE 2020 energy performance regulations.
- ▶ Energy consumption: 142.11 kWh/sq.m.⁽²⁾
- ▶ Carbon footprint: 26.23 kg eq CO₂/m²⁽²⁾

(1) Includes housing units undertaken by in'li (excluding Foncière APEC and Foncière Cronos)

(2) In'li has continued to improve its database when compared to 2022. In 2023, in'li had actual and estimated consumption data for 72% of its properties.

Data gathering methods are explained in the methodological appendix and in the CSR Report.

3.1 In'li's CSR strategy: an integrated approach at the heart of the Company's business model and governance

3.1.1 In'li's CSR strategy and governance

3.1.1.1 KEY FOCUSES OF IN'LI'S CSR STRATEGY

In'li's CSR strategy is underpinned first and foremost by its *raison d'être*, which reflects the Company's inherently societal mission:



Providing a sustainable intermediate housing offering that brings young and middle-class people closer to their place of work and thus strengthening the employment-housing link and boosting regional attractiveness.

Fully aware of the extent of the major environmental and social challenges and the need to provide a response, in'li aims to make CSR an inherent part of the Company's strategy by aligning its own strategic focuses with those of Action Logement Group.

In addition to the major societal impact of our activities underpinned by our efforts to develop intermediate housing, our business also has a strong social, environmental and ethical focus and oversight of these aspects is a key part of our activity.

From an environmental perspective, in'li's goal of providing more intermediate housing is based solely around new housing with excellent environmental performance, combined with an ambitious policy of retrofitting existing properties.

In'li's five key CSR focuses, devised in 2020 in line with our strategic priorities, were reviewed and approved by the Company's Management Board and Executive Committee.



1

Providing an affordable new housing offering near public transport and employment hubs

2

Guaranteeing a quality service for tenants

3

Reducing our environmental footprint

4

Guaranteeing ethical business practices and striving for ethical corporate governance

5

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

In 2021, we strengthened our CSR approach by launching major projects such as defining our environmental strategy, non-financial materiality analysis, identification of in'li's exposure to climate change, and improving the quality of our non-financial reporting.

THE MAIN OBJECTIVES IN STRENGTHENING THE CSR STRATEGY

- ▶ Putting CSR at the heart of our strategic plan
- ▶ Adapting the strategic plan to a new reality
- ▶ Confirming our business development model
- ▶ Reaffirming our alignment with the focuses of Action Logement Group

In 2022, in the second part of its strategic plan, in'li reiterated its position as a leader in affordable and sustainable housing. The CSR commitments made in this second phase are in line with the work already carried out by in'li on its 5 main pillars and reaffirm the objectives of the first phase of the strategic plan, while also aligning with Action Logement's CSR policy in a number of key areas.

THE 5 FOCUSES OF THE SECOND PART OF THE STRATEGIC PLAN


- ▶ Developing: to produce affordable, energy-efficient and environmentally-friendly housing.
- ▶ Financing: to double the supply of intermediate housing and pursue our diversified financing model.
- ▶ Overseeing: to improve the environmental and energy performance of the portfolio, improve customer satisfaction, target prospects more effectively and improve operational and financial performance.
- ▶ Innovating: to differentiate.
- ▶ Getting everyone on board: to cooperate more effectively in the interests of national development of intermediate housing.

More specifically, in'li is aiming to decarbonise its portfolio by 2040 through structural concrete and measurable initiatives, in the interest of its tenants and the areas in which its properties are located. This will be achieved thanks to major retrofits to existing housing and the implementation of bold actions for new housing.

Consequently, in 2023, in'li set new objectives:

- ▶ It aims to develop new gas-free housing from 2023 onwards, with a significant proportion outperforming French RE 2020 energy performance requirements by at least 10%:
 - > All of in'li's new projects as project owner or prime contractor comply with this regulation and many projects committed to from 2023 on already comply with requirements imposed for 2025. We are also aiming for 100% of our new developments to be NF Habitat HQE-certified.
 - > For housing undertaken on an off-plan basis (in French: *VEFA – Vente en l'Etat Futur d'Achèvement*) in 2023 for which the building permit was submitted after 1 January 2022, all housing starts will be aligned with French RE 2020 environmental regulations and have a certification or label: i.e., NF Habitat, NF Habitat HQE or BEE+.
- ▶ Factoring biodiversity and circular economy issues into new building programmes and our existing portfolio.

The implementation of in'li's CSR strategy is bearing fruit and the results are there to be seen on the ground.

 **SUSTAINALYTICS** In 2023, Sustainalytics, the CSR rating agency, once again confirmed the strength of in'li's business model and strategy with regard to environmental, social and governance (ESG) criteria. In'li has a minimal risk of being adversely affected by ESG-related factors, making it one of the best-rated property companies in Europe.

SUSTAINALYTICS AWARD FOR 2023⁽¹⁾



For the 2nd year running, in'li was awarded a prize by Sustainalytics, certifying it as one of Europe's best-rated companies across all sectors.

In 2022, in'li signed up to the United Nations Global Compact



In 2023, in'li continued to bolster its CSR strategy by joining:



In'li's objectives and involvement in these different initiatives are detailed here: **3.4 Reducing our environmental footprint**

(1) Prize awarded in 2024 based on data for 2023

in'li LAB

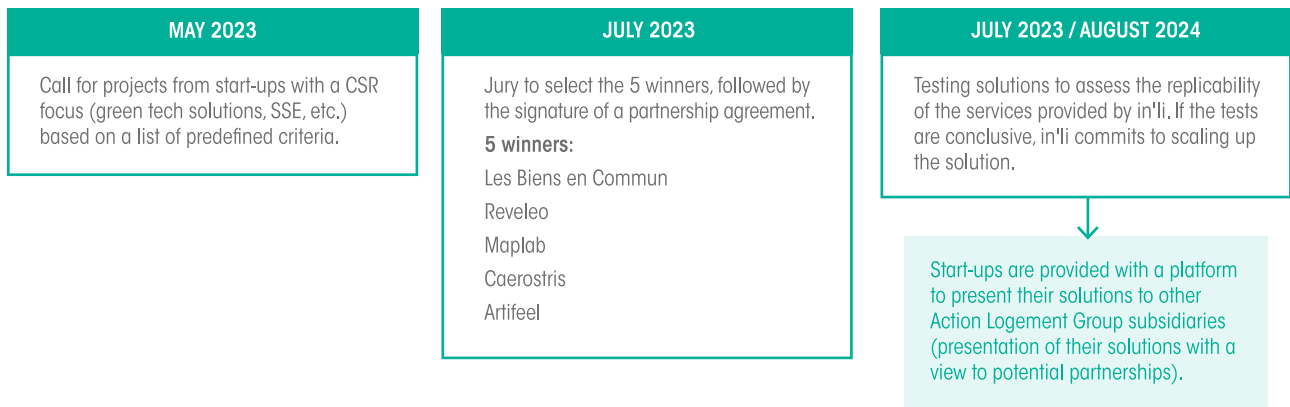
In'li LAB has been partnering innovation through its incubation programme since its creation in 2018.

IN'LI LAB INCUBATOR COMMITMENTS: UP TO 5 START-UPS INCUBATED EVERY YEAR

IN'LI LAB'S GOAL: TO CONTRIBUTE TO 2 CSR OBJECTIVES



2023 - 2024



In'li Lab was previously focused on enhancing the Company's operational efficiency and in 2022 it repositioned its offering to help serve in'li's CSR commitments as well. Indeed, it now aims to tackle two of in'li's key commitments, namely:

ACHIEVING CARBON NEUTRALITY BY 2040

- ▶ **Improving** the energy and environmental performance of our properties;
- ▶ **Producing** sustainable, low-carbon housing that goes beyond current regulations;
- ▶ **Incorporating** biodiversity and the control of tenants' consumption into property management .

ENHANCING CUSTOMER SATISFACTION

- ▶ **Maintaining** and optimising service quality and accessibility;
- ▶ **Innovating** in customer relations to enhance customer satisfaction;
- ▶ **Raising** awareness of in'li and intermediate housing;
- ▶ **Innovating** to provide suitably adapted products

The themes of the call for projects to select the Lab's 5th intake were as follows: "Greentech" (responsible innovative systems, etc.), "The Circular Economy" (reuse and recycling of materials, etc.), "The Sharing Economy" (services between tenants, etc.), "Construction and renovation" (low-carbon solutions, etc.) and "Customer relations and new uses" (the customer journey and tenant experience).

Being incubated in the Lab provides the selected start-ups with an experimental space in which to test their solutions in a real-life environment. In particular, these experiments make it possible to assess the replicability of the solutions proposed by the start-ups. Ultimately, the aim is to jointly develop new products and services to meet the new needs of business units, tenants and partners.



3.1.1.2 CSR GOVERNANCE

The **CSR Steering Committee** was established back in 2020 and brings together representatives of the various departments involved in devising and implementing the Company's CSR strategy. It spearheads in'li's CSR strategy in liaison with the Executive Committee – which is in turn overseen by the Management Board – and coordinates the actions of all the business lines concerned within the Company.

The CSR Steering Committee **meets regularly** – and at least four times a year – to strengthen communication between the different business lines and standardise in'li's CSR approach at corporate level. It reports to in'li's Executive Committee and Management Board on a regular basis to keep them abreast of the latest CSR developments and their impacts on the Company, and the status of the main projects in progress, and to validate strategic objectives and review the results achieved.

This work to continually enhance our commitments and our CSR reporting is based primarily on the **recommendations** of our CSR Steering Committee, made up of internal correspondents who are specialists in the areas tackled within the scope of our CSR approach.

THE WINNERS

- ▶ **Les Biens en Commun** offers a rental service for everyday equipment (hoovers, drills, etc.) using connected lockers installed in buildings.
- ▶ **Reveleo** assesses the health and environmental characteristics of both areas and buildings, for private individuals and professionals. The app assesses a given community or neighbourhood across 4 criteria: living environment, mobility, essential services, and sustainable and community services.
- ▶ **Maplab** is helping us to measure and reduce CO2 emissions from employee commutes.
- ▶ **Artifeel** has created Check'In, a smart alarm that can be installed on any opening (stick&play system), works without electricity or Wi-Fi and can protect any type of location.
- ▶ **Caerostris** designs and develops an innovative construction system that harnesses the properties of composite materials and is designed to collect solar energy, accommodate on-façade elements such as plants and facilitate the installation of all networks.

The CSR Steering Committee is also concerned with incorporating best non-financial reporting practices into in'li's CSR reporting based on sector-based reporting guidelines applicable to our activities, such as the UN Sustainable Development Goals (SDGs) and GRI reporting guidelines. This report therefore presents our contribution to Sustainable Development Goals (see section **3.1.2.3**) together with the GRI correspondence table which may be consulted in **Appendix 6**.

In'li's commitment to affordable and sustainable housing together with its actions are presented in the Company's CSR handbook which is freely available on our website. This summarises our CSR strategy, our five key CSR focuses, our imperatives and the key related performance indicators for all of our stakeholders.

In September 2023, a CSR Officer joined in'li ranks to oversee the Company's entire CSR strategy and action plan. More specifically, she chairs the CSR Steering Committee and liaises with all departments to achieve the objectives set.

SPONSOR

MANAGEMENT BOARD

DAMIEN ROBERT
Chairman of the
Management Board

ANTOINE PINEL
Chief Executive
Officer

STÉPHANIE CAULET
Deputy CEO –
Clients & Assets

**EMMANUELLE
ROBIN-TEINTURIER**
Deputy CEO –
Resources and Digital
Transformation

**MARIE
LEFÈBVRE-SOUCÉ**
Chairman of in'li
Property Management
(subsidiary of in'li)

HEADS OF CSR STRATEGY

MANAGEMENT BOARD

EXECUTIVE COMMITTEE

CSR STRATEGY STEERING COMMITTEE

PHILIPPE BAMAS - CHAIR OF CSR STEERING COMMITTEE CSR DIVISION
Deputy CEO - CSR , Investment and Construction

LUCIE CALVEZ
CSR Officer

OVERSIGHT OF GREEN FINANCE
Funding Department Director

**OVERSIGHT OF ENERGY PERFORMANCE
OF PROPERTY PORTFOLIO**
Technical Director Property Portfolio

**OVERSIGHT OF PROPERTY PORTFOLIO
DEVELOPMENT STRATEGY**
Product Director

Deputy CEO
Clients & Assets

Deputy CEO
Resources and Digital
Transformation

Director of the Audit, Internal
Control, Anti-Fraud and
Cybersecurity department

Head of Corporate
Communication

Director of Investments

Director of Customer
Relations and Marketing

VALIDATE



CO-CONSTRUCT

DEPLOYMENT



CO-CONSTRUCT

OTHER SERVICES INVOLVED IN STRATEGY DEPLOYMENT

Technicians and technical
managers of projects for
which in'li is prime contractor

Managers of off-plan
acquisition programmes
(VEFA)

Property divisions in charge
of operations

Accounting division
(EU taxonomy)

IN 2023, THE CSR STEERING COMMITTEE'S WORK MAINLY FOCUSED ON:

- ▶ Recruitment of a CSR Officer
- ▶ 2023 carbon audit performed by Action Logement Immobilier
- ▶ Updating carbon trajectory applications, asset mapping and performance indicators
- ▶ Deployment of innovative solutions to track and reduce energy consumption
- ▶ Signature of new green initiatives in the property sector: *Observatoire de l'Immobilier Durable (OID* – Sustainable real estate observatory) - bio-sourced wood pact - *Association pour le développement de la construction hors site* (association for the development of off-site construction methods)
- ▶ Participation by in'li in the ID label & climate fresco training course run by the OID
- ▶ Continued deployment of an energy saving plan
- ▶ Strengthening ESG focuses in in'li's purchasing policy
- ▶ Launch of double materiality analysis
- ▶ Sharing work in progress on biodiversity and the circular economy

In'li regularly organises awareness-raising initiatives for all employees. The Company participated in European Sustainable Development Week in September 2023 and all employees were encouraged to get involved through various webinars given by sustainable development experts on various topics: carbon neutrality, anti-food waste measures, responsible digital technology and innovating for the ecological transition.

3.1.2 Main CSR risks and challenges

The commitment of both the Management Board and our main shareholder, Action Logement to sustainable business activities is reflected in the continuous improvement in in'li's CSR approach and regularly enhancing our non-financial risk analyses.

3.1.2.1 METHODOLOGY FOR IDENTIFYING KEY CSR RISKS AND CHALLENGES

Within in'li, both financial and non-financial risk management is overseen by the Audit, Internal Control, Anti-Fraud and Cybersecurity department based around 2 actions:

- ▶ Identifying non-financial risks
- ▶ Analysing materiality based on 3 types of risks:

SOCIAL RISKS

- ▶ Mismatch between housing requirements and their geographical location.
- ▶ Poor knowledge of the in'li offering among target "company employees"
- ▶ Customer dissatisfaction (tenants, businesses, buyers, etc.).
- ▶ Lack of employee opportunities for developing and learning.
- ▶ Mismatch between jobs and changing requirements of the sector.
- ▶ Deterioration in working conditions and the work environment and loss of talent.

ENVIRONMENTAL RISKS

- ▶ Poor adaptation to shareholder expectations (local government, investors, users).
- ▶ Transition risk: non-compliance with regulations and changes in the environmental performance of dwellings.

GOVERNANCE RISKS

- ▶ Unethical practices and breaches of ethics.
- ▶ Breaches/leaks of personal data.

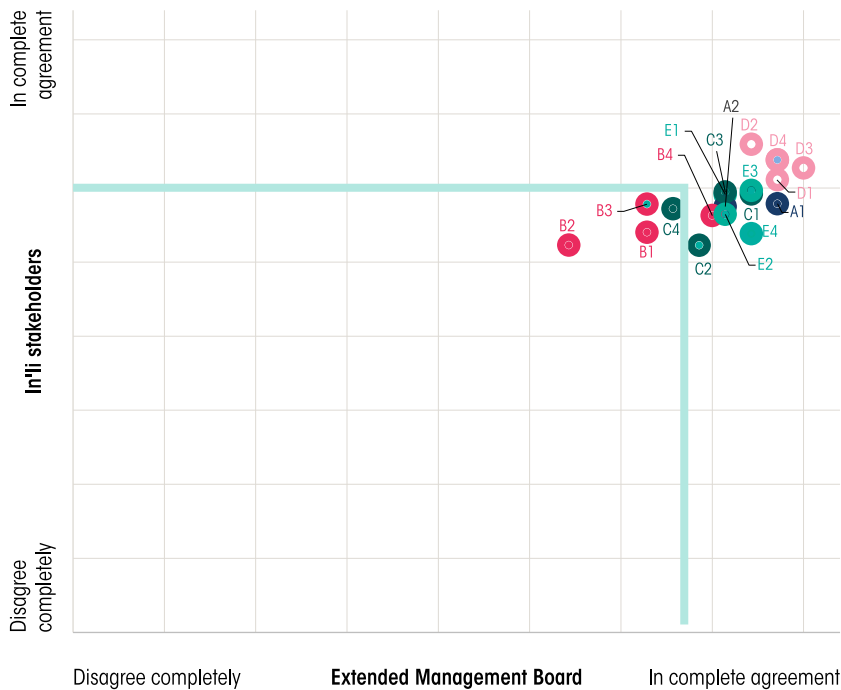
OUR RISK IDENTIFICATION AND RATING MILESTONES

- ▶ **2018** Risk mapping: risk identification work performed when in'li was created.
- ▶ **2019** Analysis and integration of non-financial risks: analysis reviewed in 2019 as part of the Company's inaugural bond issue
- ▶ **2021** Historical log filing of mapping work and action plans: the Group's new SIGR Diagon'al application makes it possible to document and log mapping work (identification, assessment and prioritisation of risks) and the associated action plans.
- ▶ **Since 2022** Deployment of action plan

The fit between our CSR focuses and our key non-financial risks is presented in the Summary table of in'li's CSR issues, risks, indicators and objectives in **appendix 3**. In'li performed a materiality analysis of non-financial risks in late 2021 and early 2022, alongside the risk mapping process (see section **3.4.3.2** of the Annual Report) using a questionnaire sent out to the Company's extended Management Board, as well as to a sample of key stakeholders, i.e., tenants, employees, main shareholder, lenders,

suppliers, developers, local authorities and partners from the in'li Lab start-up incubator. The questionnaire covered all of the issues identified as being key by in'li.

The importance attached by the respondents to each of the themes addressed in the questionnaire is presented in the matrix below (the methodology used to consolidate the matrix is presented in **Appendix 3**):



- A. Developing an affordable new housing offering near public transport and employment hubs**
 - A1 Housing offering in a good geographical location
 - A2 Affordable housing offering
- B. Guaranteeing a quality service for tenants**
 - B1 Listening to customers and partners
 - B2 Focusing on customer satisfaction
 - B3 Quality housing offering
 - B4 Keeping tenants in their own homes (accessibility for persons with reduced mobility, financial aid)
- C. Reducing our environmental footprint**
 - C1 Sustainable and profitable business model
 - C2 Involvement in housing renovation
 - C3 Construction and renovation in line with environmental standards
 - C4 Factoring the impact of environmental change into the housing offering

- D. Guaranteeing ethical business practices and striving for ethical corporate governance**
 - D1 Combating all forms of discrimination
 - D2 Proactive protection of personal data
 - D3 Impartiality in housing allocation policy
 - D4 Ethical behaviour (combating fraud and corruption, compliance with regulations)

- E. Adapting jobs to the requirements of the sector and the expectations of employees**
 - E1 Innovation
 - E2 Supporting employee skills development
 - E3 Decent working conditions for all employees
 - E4 Listening to employees

DOUBLE MATERIALITY

As part of the CSRD⁽¹⁾ directive, at the end of 2023 in'li initiated a double materiality assessment to identify its material sustainability risks, opportunities and impacts. The updated matrix will be presented in the 2024 report.

Double materiality involves identifying and ranking impact, risk and opportunity (IRO) indicators along 2 dimensions in order to ascertain those for which the Company needs to disclose information in its non-financial reporting.

The two dimensions are:

- ▶ the impact of the Company's activity on CSR-related issues
- ▶ the impact of CSR issues on the Company's business and economic sustainability

3.1.2.2 TRACKING NON-FINANCIAL ISSUES

Major issues and risks are regularly tracked using key performance indicators, updated based on suggestions from the CSR Steering Committee and the Management Board, taking into account CSR reporting guidelines (GRI, EU taxonomy, CSRD, etc.) and the expectations of stakeholders. The key indicators, listed in a correspondence table, are clearly identified in the report. At the same time, secondary indicators (considered less strategic) provide additional information on the Company's actions and commitments. They are accompanied by objectives – validated by the Management Board and integrated into the CSR roadmap – and internal action plans. Every year, an external auditor verifies the compliance of reporting procedures and data, as required under current regulations⁽²⁾ (details of this audit, including the indicators audited and the scope of the audit, are provided in [Appendix 4](#)).



The Summary table of in'li's CSR issues, risks, indicators and objectives may be found in [Appendix 1](#).



(1) Corporate Sustainability Reporting Directive

(2) Non Financial Reporting Directive 2014/95/EU transposed into French Law

3.1.2.3 IN'LI'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

In'li, No. 1 in the Paris region, has a favourable impact on the local economy and society. In'li's activities are in phase with UN Agenda 2023 and contribute to it via the Group's social and environmental mission by adhering to 13 of the 17 priority objectives. To guide the long-term implementation of our CSR strategy, we use key indicators.

Providing an affordable new housing offering near public transport and employment hubs

→ See 3.2



Guaranteeing a quality service for tenants

→ See 3.3



Reducing our environmental footprint

→ See 3.4



Guaranteeing ethical business practices and striving for ethical corporate governance

→ See 3.5



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

→ See 3.6



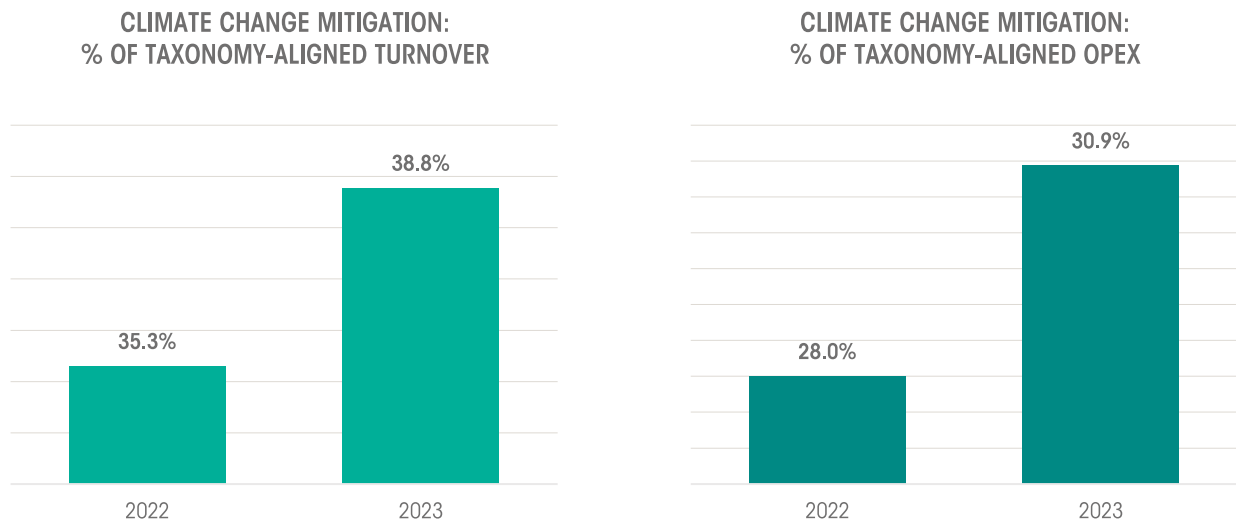
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3.1.2.4 APPLICATION OF EU TAXONOMY TO IN'LI'S ACTIVITIES

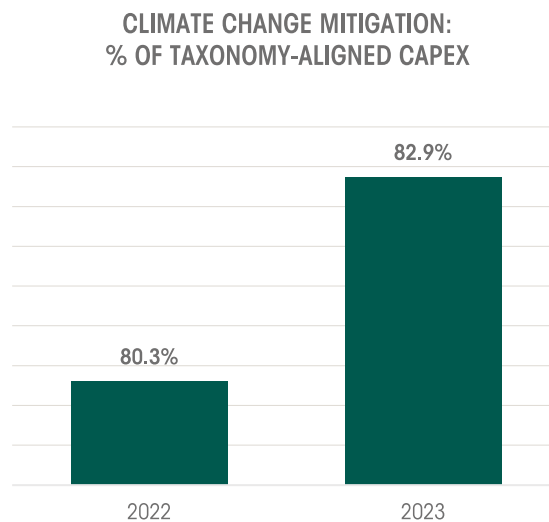
In'li is committed to making a substantial contribution to the climate change mitigation objective outlined in EU Taxonomy. In 2023, in'li continued to decarbonise its properties in line with the path drawn up in 2021⁽¹⁾:

- ▶ As part of its energy retrofit plan, in'li began work on 1,398 dwellings in 2023, and 54% of these recorded an improvement in primary energy demand of 30% or more.
- ▶ At the same time, in 2023 in'li took delivery of 2,178 new units, most of which offer environmental performance levels that exceed current regulations.

These two action levers are continuously improving the overall environmental performance of our housing portfolio, as reflected in the pattern of alignment of our Turnover and OpEx between 2022 and 2023:



In'li is pursuing its efforts, directing investments towards new builds that are exemplary from an environmental standpoint, and now starting to retrofit homes that have an E rating under the old French energy performance assessments (DPE). These ongoing efforts are reflected in the change in our Taxonomy-aligned CapEx:



Details of the application of EU taxonomy to in'li's activities are disclosed in Appendix 2

(1) The intermediate objectives of this trajectory, broken down by year, are disclosed in the methodological appendix.

3.2 Providing an affordable new housing offering near public transport and employment hubs



In'li's Management Board is committed to active and regular consultation with local stakeholders affected by its projects. These include local residents, elected representatives, municipal services and the relevant environmental authorities. We recognise the crucial importance of these stakeholders to the success and sustainability of our initiatives.



THE MANAGEMENT BOARD

3.2.1 Contribution to Sustainable Development Goals (SDGs)

In'li has signed up to the United Nations Global Compact and places the Sustainable Development Goals (SDGs) at the heart of its commitments. For example, as part of its commitment to Providing an affordable new housing offering near public transport and employment hubs, in'li contributes to the following SDGs:



Affordable housing offering near public transport in supply-constrained areas targeting young and middle-class people



New innovative first-time buyer solutions for middle-class people



Guarantee of non-discrimination of tenants: each prospective tenant has the same chance of accessing decent housing based on an automated scorecard and partnerships with social integration associations and a public interest cooperative.



Safe homes, close to transport links, that encourage social interaction, at affordable rents.

3.2.2 Our challenges and policies

In'li pursues a public service mission by offering affordable housing in supply-constrained areas. Intermediate housing meets the needs of businesses, employees and young working people looking for affordable housing near decision centres and employment hubs. Indeed, studies have shown that there is currently a major shortage of intermediate housing in the Paris region with the potential demand estimated at between 160,000 and 280,000 households⁽¹⁾.

In'li's offering – which has a significant social impact – provides our customers with access to housing that is adapted to their resources and needs, and contributes to the socio-economic development of the areas in which we are present. In the current economic climate, marked by inflation and a steady rise in rents in the Paris region, this approach is even more important as it helps protect the purchasing power of our tenants.

Indeed, the production of intermediate housing appears in second place on the list of Action Logement's 10 commitments presented in 2017: "Taking action for housing means doubling the production of intermediate housing in areas where there is a big gap between social housing and free market rates."

In'li's overriding objective is to build 80,000 units of new intermediate housing over the next ten years in line with the Group's strategy. This means ambitious targets for the new housing that in'li wants to build and operate⁽²⁾ in "supply-constrained" areas (i.e., in zones A bis and A, where the local residential market is under the most strain). Reinforcing the employment-housing link is also a central plank in our strategy: we have set a target of allocating at least 75% of our housing to company employees and their families.

3.2.3 Our actions

3.2.3.1 ADEQUATE TERRITORIAL COVERAGE

The bulk of demand for housing is concentrated in Paris City and the inner suburbs and in the Greater Paris region more generally. More than 95% of our stock of locally operated housing is located in this area. In'li is committed to regional development by producing housing only in areas where there is a high demand (Abis and A zones). In'li is specifically targeting areas in which there is a substantial gap between free market and social housing rents. Also, our strategy of densifying existing properties helps create new housing, while upgrading existing properties and ensuring that soil sealing is kept to a minimum.

In'li takes account of commuting time - an important criterion for our tenants, who are mainly employees and young working people. Development projects therefore incorporate criteria for accessibility to public transport networks, with a commitment to housing in areas near existing or planned metro or rail stations. This approach, which aims to enhance the quality of life of our tenants, also helps to reduce their carbon footprint. Mapping of in'li's portfolio confirms that the vast majority of our existing properties are located close to public transport in the Paris region: 48% of in'li's properties are located less than 500 metres from a rail or public transport station (50% in 2022), and 74% are less than one kilometre away (78% in 2022). 99% of in'li's property portfolio is located less than two kilometres from a rail,

metro or tramway station (99% in 2022).

BUILDING PERMITS IN 2023

TWO EXAMPLES

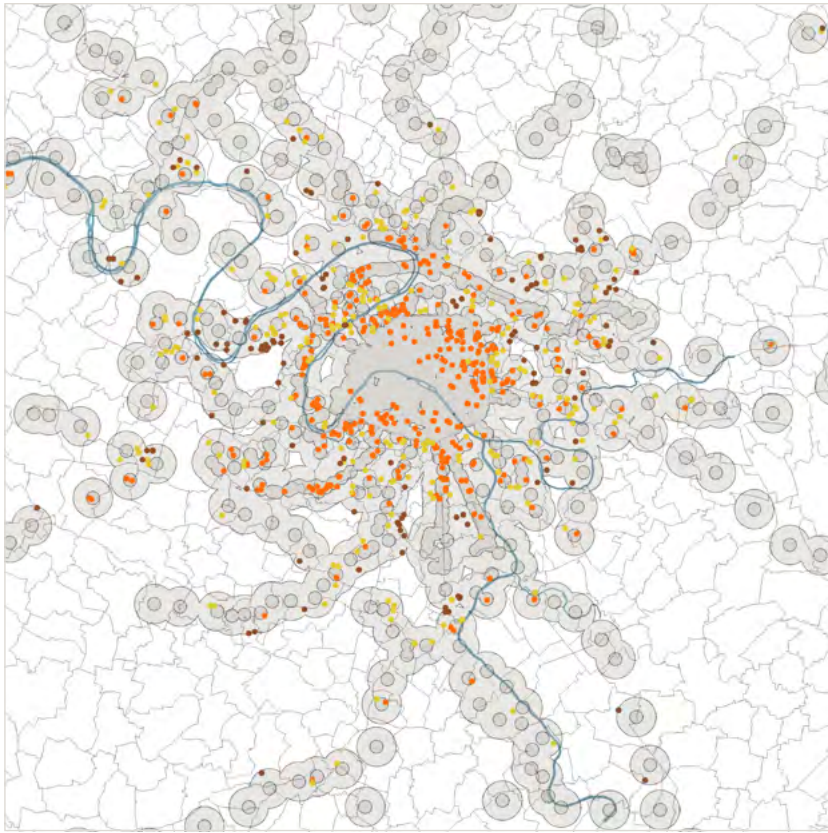
- ▶ **121 units of housing on rue Hemet in Aubervilliers**
Densification project
- ▶ **131 units of housing on rue de Crimée in Paris**
Conversion of an office into housing incorporating a raised extension



(1) April 2021 report by the Inspection Générale des Finances and Conseil Général de l'Environnement et du Développement Durable – "Développement de l'offre de logement locatif intermédiaire par les investisseurs institutionnels" (Growing the supply of intermediate rental housing by institutional investors).

(2) In'li directly operates the properties it owns. Housing owned by property companies in which in'li holds a minority stake are operated by in'li PM, a wholly-owned subsidiary of in'li.

Map of in'li properties in relation to the public transport network: 75% located less than one kilometre away from a rail or public transport station



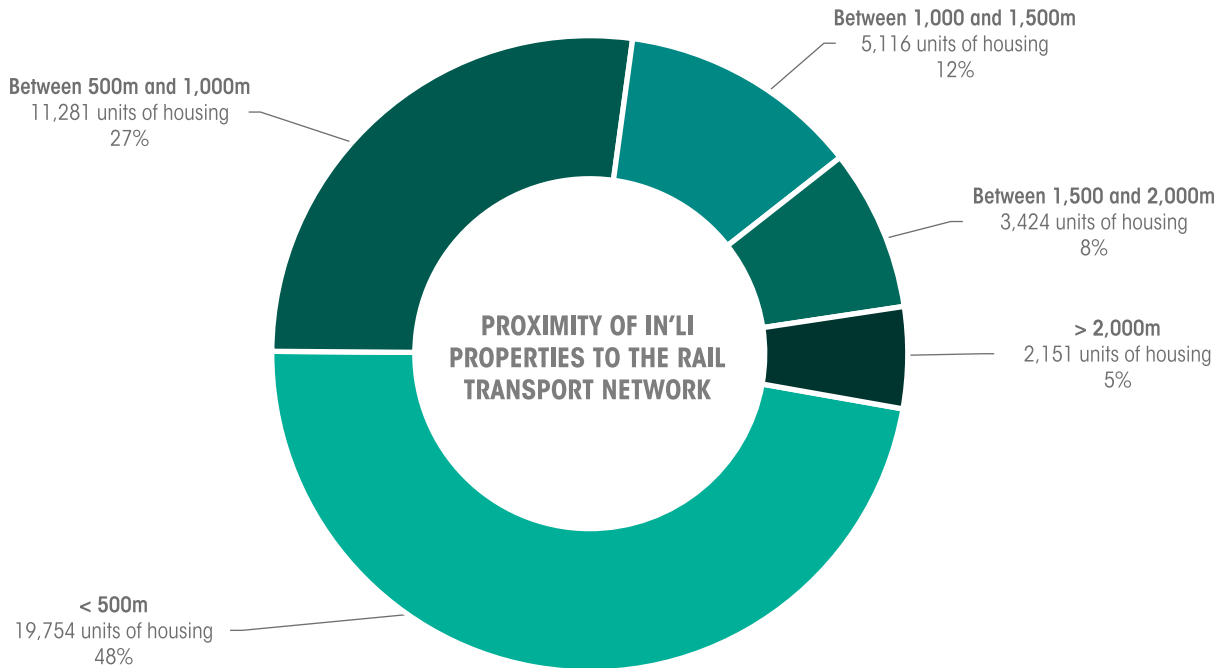
LOCATION OF IN'LI PROPERTIES IN RELATION TO RAIL OR PUBLIC TRANSPORT STATIONS IN THE PARIS REGION

- In'li properties located within 500 meters of a train or a public transport station in the Paris Region
- In'li properties located between 500 metres and 1 kilometre of a train or a public transport station in the Paris Region
- In'li properties located between 1 and 1.5 kilometres of a train or a public transport station in the Paris Region
- ▨ 500 metre zone around a train or public transport station in the Paris Region
- ▨ 1,000 metre zone around a train or public transport station in the Paris Region

0 5 10 km



Source: in'li, ALTEREA, CADASTRE
Production by Alterea (January 2024)



3.2.3.2 AN OFFER TAILORED TO YOUNG AND MIDDLE-CLASS WORKING PEOPLE

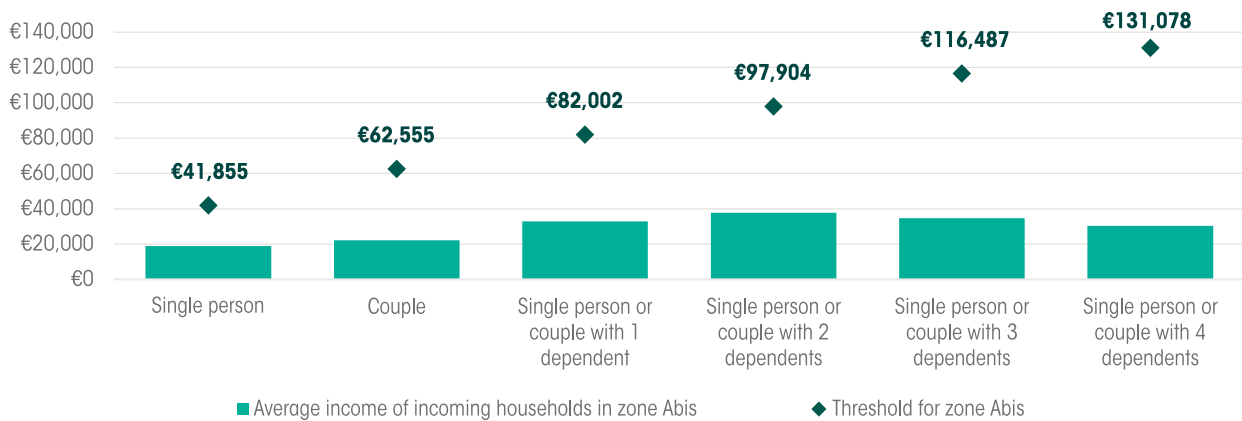
One of in'li's major challenges is to ensure that its offering is adapted to the needs of employees and young working people – who badly need affordable housing. It has therefore set a target of allocating 75% of its housing to employees working for companies who pay into the PEEC programme.⁽¹⁾ This goal was largely achieved in 2023, with 86% of housing allocated to company employees.

Housing accessibility is also largely a function of rents and this issue has been factored into the Company's business model as the vast majority of the rents that in'li charges on its properties are at least 10% to 20% below market rates. 91.9% of in'li's property (in value terms) is currently let out at more than 10% below the market rate, with an average discount of 34.3% compared to free

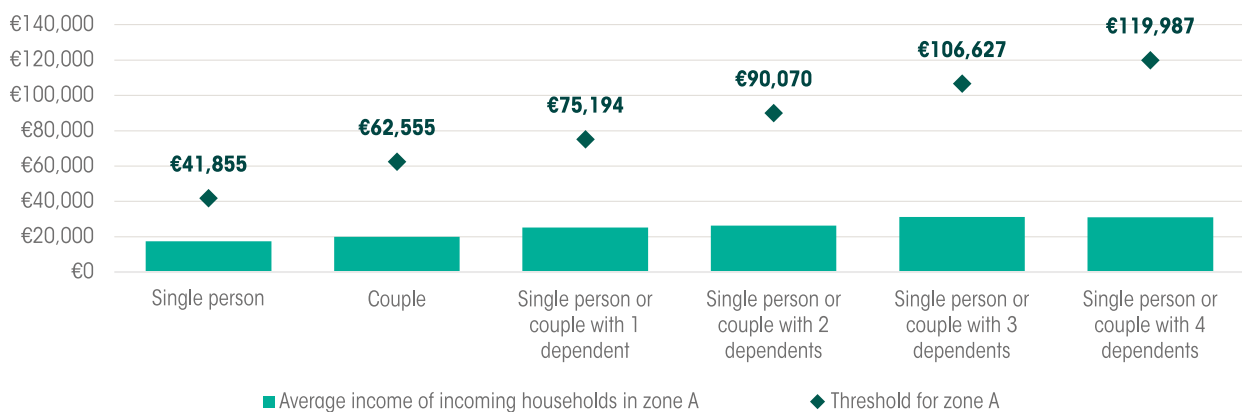
market rents. This discounted rent policy gives each tenant household an annual gain in purchasing power of €3,934, i.e. a gain of approximately €328 a month.

In'li also tracks the average income of incoming tenants, with the aim of giving priority to tenants eligible for Intermediate housing rental status (LLI or Logement Locatif Intermédiaire in French)⁽²⁾. Tenants are eligible for LLI status if their Y-2 income is below the ceilings defined annually by French ministerial decree and calculated based on household composition and zone (i.e., A bis, A, B1). Comparing the average income of incoming tenants with LLI income ceilings reflects in'li's allocation policy and the average income of new tenant households tends to be well below LLI limits, especially in zone A.

COMPARISON OF LLI INCOME CEILINGS AND AVERAGE Y-2 INCOME OF INCOMING TENANTS IN ZONE A BIS



COMPARISON OF LLI INCOME CEILINGS AND AVERAGE Y-2 INCOME OF INCOMING TENANTS IN ZONE A



(1) Participation des Employeurs à l'Effort de Construction (PEEC - Programme in which companies pay a share of building and construction work): mandatory contributions for companies with more than 50 employees to finance social and intermediate housing and provide housing subsidies for employees of contributing companies.

(2) The eligibility of each household for LLI is analysed according to its income in Y-2. Certain properties are not legally covered by the rent and income ceilings applicable to LLI, however, in'li applies LLI rules across all of its properties.

3.2.3.3 SOCIAL SUPPORT TO HELP TENANTS STAY IN THEIR HOMES

In'li works hard to help keep the most vulnerable tenants in their homes through different measures. To do this, in'li has a social services department, whose remit consists of:

- ▶ Providing economic and social support for tenants: helping to get disputed debts paid by getting access to social security and applying for financial aid.

Referring vulnerable households to general public services. Assisting vulnerable tenants (mental health problems) and putting them in touch with specialist social services.

- ▶ Missions to transfer medical and social services applications and collective rehousing: medical and social transfers involve helping disabled/ill/senior tenants to find accessible accommodation.

Collective rehousing is part of the renovation/densification programme and involves rehousing families in accommodation that meets their needs and resources, prior to demolition.

- ▶ On-site support services are designed to help vulnerable tenants (dependent people, people with reduced mobility, etc.) to cope better with a prolonged period of renovation work in their home. They consist of furniture removal and dismantling services, and temporary rehousing in certain cases.

Preventing arrears

- ▶ The Visale guarantee offered by Action Logement Services is offered to prospective tenants when the property is let out.
- ▶ In the event of payment incidents, in'li's social service department helps tenants who have got into difficulties, especially with managing their budget.
- ▶ If no guarantee exists, debt repayment plans are offered to tenants.

Relocating for social reasons

In'li helps its tenants when they need to be rehoused for social reasons. Rehousing is offered in cases of overcrowding (the main reason for tenant mobility within in'li), ageing or disability. In 2023, 100 tenants were rehoused in this way.

Fonds de Solidarité Logement (Housing Solidarity Fund)

In'li helps tenants that have fallen into difficulties due to a deterioration in their health or circumstances: after vetting of applications, eligible candidates are put in contact with the department, which pays out compensation.

In 2023, in'li oversaw the payment of approximately €278,000 to 104 tenants beneficiaries of the Fonds de Solidarité Logement.

L'AIDE ÉNERGIE (ENERGY SUBSIDY): OFFSETTING INCREASES IN CHARGES DUE TO RISING ENERGY PRICES

A grant of €300 per household has been set aside by in'li, which has followed the Group's recommendations in terms of eligibility criteria:

- ▶ 1st half of the year: tenants with an increase in charges equal to or greater than €100 per month in 2023, and living expenses equal to or less than €15/day/person (poverty line).
- ▶ 2nd half of the year: tenants with an increase in charges equal to or greater than €65 per month in 2023, and living expenses equal to or less than €25/day/person.

The aid was offered by the social services department to the most vulnerable tenants following approval on a case-by-case basis, based on the resources provided by the tenants. The budget was tracked on a monthly basis by the Head of the social services department.

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The Collective Rehousing Charter

25 families were assisted in 2023 as part of the programme to renew and extend our portfolio (+ payment of removal costs).

Keeping elderly people in their homes

- ▶ Support is provided to help ageing tenants stay in their homes by adapting their accommodation.
- ▶ In 2023, 49 tenants received help to adapt their bathrooms.
- ▶ In 2023, in'li signed a partnership agreement with Camarage to provide further assistance to elderly tenants living alone.



Commitments to associations with social and/or sustainable goals:

- ▶ In'li is a member of APES, an association that works to provide social amenities that enhance the quality of the living environment, cohesion and social integration within the residences of its members. APES has initiated actions such as "conciergerie séniors" to encourage seniors to work as building concierges and combat isolation among the elderly, or "école des gardiens" which trains people in reconversion programmes to be building caretakers.
- ▶ In'li is a member of the *Plateau Urbain* public interest cooperative, with which it has forged a partnership. As a result, socially useful and environmental activities have been set up at properties slated for renovation or construction studies. In 2023, 1 site will be made available to *Plateau Urbain* in Paris.
- ▶ Since 2021, in'li has been corporate sponsor of Lazare, an association that provides shared accommodation to people who used to be homeless and to young working people.

CAMARAGE: HELPING ELDERLY TENANTS TO AGE WITH DIGNITY WITH AN INTER-GENERATIONAL LEASE

In 2023, in'li signed a partnership agreement with Camarage, a service that brings young and older people together to organise intergenerational living. People who are interested in hosting a student will be referred to this programme, which offers an additional way for our elderly tenants who live alone to be solvent and to socialise, thereby maintaining or even improving the quality of life they enjoy at home.

SCOPE OF PARTNERSHIP

6,000 tenants in our properties live in or near university towns

IN'LI AND APES TEAM UP

Examples of actions deployed in 2023, as part of improving the living environment, cohesion and social inclusion within its residences:

CAMERA, LIGHTS...ACTION!

A film is currently being made to raise awareness among young people of the dangers of nitrous oxide in the town of Épinay-sur-Seine.

PARTICIPATORY MURAL FRESCO IN VILLETANEUSE

A mural fresco was created by *Peint à La main*, winner of the call for projects to enhance an in'li residence. As part of this artistic project, in partnership with the towns of Plaine Commune and Villetaneuse, local residents and children were invited to a sketching workshop to put themselves in the artists' shoes.

3.2.3.4 AN INNOVATIVE OFFERING IN PHASE WITH THE REQUIREMENTS OF THE SECTOR IN THE PARIS REGION

Co-living and student residences

In'li continued developing new managed residence type co-living or student accommodation products featuring smaller individual units, combined with larger common areas, in phase with the expectations of young working people, especially in supply-constrained areas.

The "House co-living project" developed by in'li involves acquiring a very large house and dividing it into shared accommodation with ten or so bedrooms, common lounge-type areas, a cinema room, sports room, "chill out" room and work room. It is operated by a specialist property management company.

Rent to buy

In 2022, in'li began offering an intermediate housing solution that allows middle-class families to rent with an option to purchase after five years at a price that is fixed when the tenants first move in, thus helping them side-step inflation in the property market. In 2023, in'li deliberately paused its commitment to these projects in order to refine its offering and deployment, before offering it to its tenants again.

IN 2023

1 "House Project"-type operation was delivered in July 2023, representing 9 housing units



3.2.3.5 CONCERTED ACTION WITH LOCAL STAKEHOLDERS

In'li is committed to consulting with stakeholders on its projects in order to maintain a dialogue throughout the operating life of the buildings being developed. In'li has therefore initiated a consultation process with local residents, tenants and local authorities as part of its densification or rehabilitation projects, with 3 main objectives.

1. Onboarding local residents and tenants to the project by involving them in its design.
2. Ensuring ongoing communication and deploying actions to manage expectations;
3. Securing "buy in" from local residents and tenants for new spaces and project uses to make them sustainable over time.



NEW IN 2023: A PARTNERSHIP WITH ALACAZA FOR CERTAIN TYPES OF RENOVATION WORK



To strengthen dialogue on the ground with tenants who may have to deal with work to upgrade their homes or densify existing properties, in'li provides them with the Alacaza application. This allows tenants to report or track work-related incidents, to contact their neighbours easily and access all information relating to their living environment.

- ▶ 2023: Pilot
- ▶ 2024: Deployment

When in'li is the project owner or prime contractor, regular consultations are held with residents and local people. This dialogue involves presenting the project and, in certain cases, the involvement of APES, an urban social development association. A communication / consultation handbook has been prepared with the help of an independent mediator that helps us tailor our approach to each operation.

In'li also strives to work closely with local representatives and public authorities in the areas in which it is present. In'li's Management Board participated in 38 meetings with local representatives in 2023 to present in'li's intermediate rental housing offering and discuss its strategy for local development and for ongoing and future projects.

See also "Off-site construction" on [page 82](#).

3.2.4 Indicators

The indicators that appear in bold are priority indicators for in'li. They are also presented in the summary table of key indicators (see appendix).

PERFORMANCE INDICATORS	2022 results	2023 results	Objective
Number of affordable housing units operated at 31 December	40,216	41,726	-
o/w new units	1,567	2,109	-
Number of affordable housing units undertaken during the year	3,232	917 ⁽¹⁾	-
Geographical breakdown of number of affordable housing units operate ⁽²⁾	43% in zone A - 54% in zone A bis	45% in zone A - 54% in zone A bis	Over 95% in zone A bis and zone A every year
% of properties located less than 1 km from a rail or public transport station	78%	75%	-
Geographical breakdown of affordable housing units undertaken	50% in zone A - 50% in zone A bis	72% in zone A - 28% in zone A bis	Over 100% in zone A bis and zone A every year
Number of families housed during the year	4,884	5,053	-
Rate of allocation to employees of PEEC-contributor businesses (in % of families housed)	81%	86%	75% every year
% incoming tenants < 40 years old	82%	81%	-
Percentage of value of rental housing stock with a discount of at least 10%	90%	91.90%	-
Percentage of value of rental housing stock with a discount of at least 15%	80%	82%	-
Average monthly salary of incoming households	€3,518	€3,770.98	-
Average annual gain in purchasing power per household	€3,623	€3,934.49	-
% incoming households eligible for intermediate housing ⁽³⁾	99.50%	99.60%	> 95% each year

✓ Indicator audited for the purpose of obtaining reasonable assurance

(1) Includes housing units undertaken by in'li, la Foncière APEC and Foncière Cronos.

(2) Certain units historically operated by in'li are located in zone B (notably in the Oise department or in a number of towns in zone B1 and B2).

(3) The regulatory analysis of the Y-2 tax income of our new tenants must place 95% of them below the Intermediate Housing threshold.

3.3 Guaranteeing a quality service for tenants



In'li's Management Board is committed to guaranteeing the safety and security of its properties at all times. This overriding priority aims to ensure the safety, not only of our tenants, but also of our employees.

At the same time, we are constantly striving to improve our services and to respond proactively to our tenants' requests and concerns.



THE MANAGEMENT BOARD

3.3.1 Contribution to Sustainable Development Goals (SDGs)

In'li has signed up to the United Nations Global Compact and places the Sustainable Development Goals (SDGs) at the heart of its commitments. As part of its commitment to guaranteeing a quality service for tenants, in'li contributes to the following SDGs:



Providing housing that promotes the well-being and health of tenants.



Optimising the energy performance of housing and deploying actions and measures to reduce tenants' energy bills.

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3.3.2 Our challenges and policies

Customer satisfaction is a key ongoing challenge that drives us to continuously enhance our offering and the services we provide. To track this closely, in'li conducts regular surveys to improve and develop our services (see **3.3.3.3**).

In'li's joint initiatives are organised around a number of focuses:

Making our properties accessible to people with reduced mobility

Renovating our property portfolio to enhance the comfort of our tenants

Maintaining security within our residences (prevention of property risks such as uncivil behaviour)

Facilitating simple and effective communication between in'li and its tenants to respond as effectively as possible to their needs and expectations



MAINTAINING SECURITY BOTH INSIDE AND OUTSIDE OUR PROPERTIES

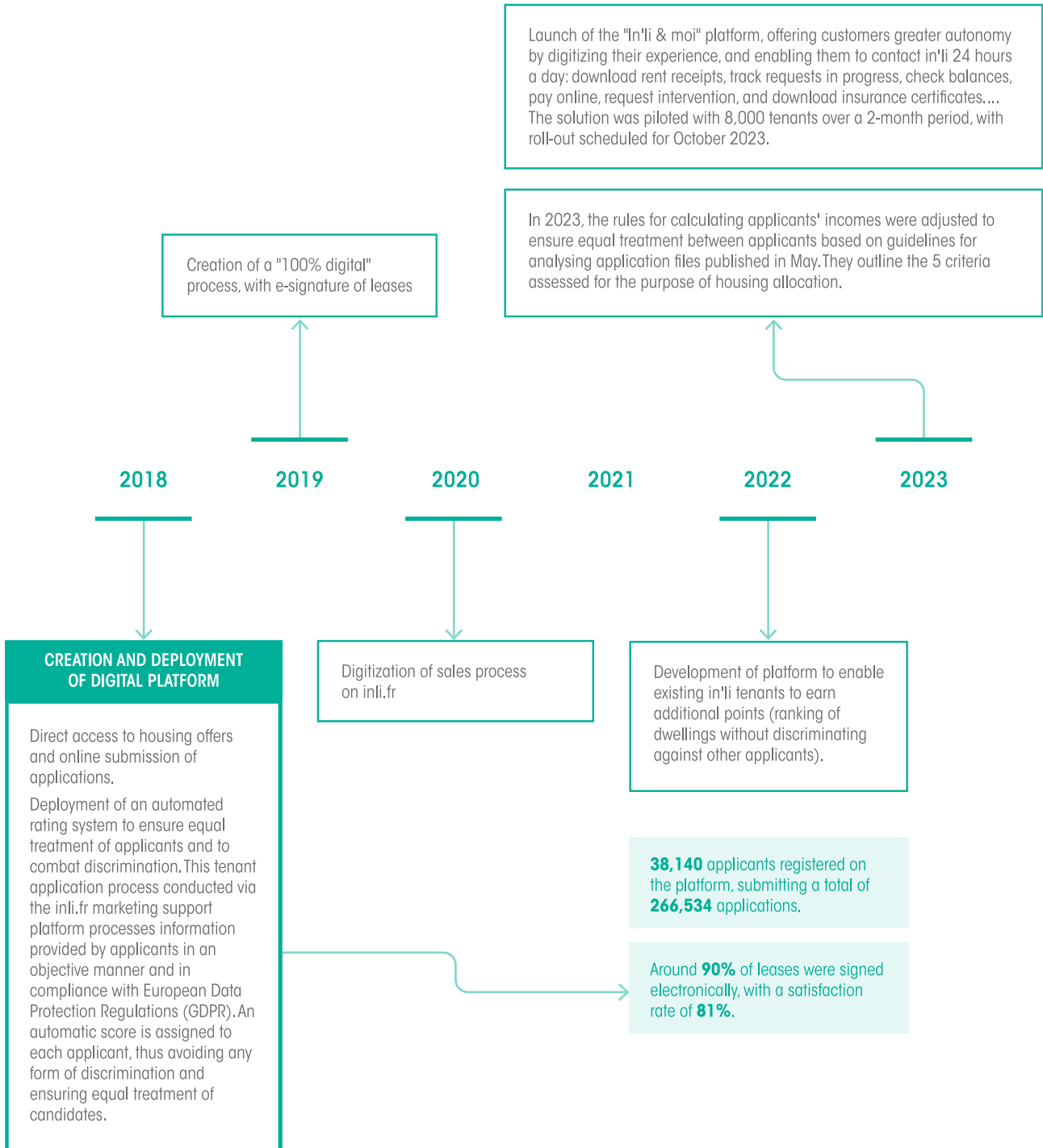
In'li's Management Board is committed to ensuring the safety of its tenants and the security of its properties based on a firm policy:

- ▶ A proactive policy to prevent all property risks (including plant pest control) or uncivil behaviour.
- ▶ This policy is underpinned by collaboration between the Property divisions, which are in constant contact with our tenants, and the Property Portfolio Technical division, which is responsible for compliance and renovating the property portfolio. The latter division also incorporates recommendations made by the external auditors who regularly audit the property as part of their work plan, in accordance with current regulations in force.

3.3.3 Our actions

3.3.3.1 DIGITISATION OF CUSTOMER SERVICES

Since its creation, in'li has been committed to digitised processes aimed at simplifying and streamlining processes for prospective tenants, while rigorously respecting the confidentiality of their personal data, in accordance with the European Data Protection Regulation (GDPR).

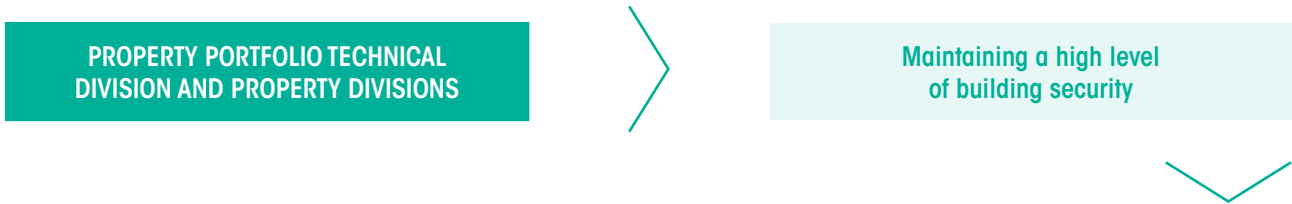


3.3.3.2 TENANT HEALTH, SAFETY AND COMFORT

Tenant comfort and risk prevention are top priorities for the Company. Aside from building maintenance, in’li commissions audits of its facilities and infrastructure in accordance with legislation, and ensures that maintenance is regularly carried out in compliance with current standards and labour regulations. Managing all of these risks is the responsibility of the office of the Deputy CEO – Clients & Assets, which comprises the Property Portfolio Technical division and three Property divisions. This ambition is based on two core pillars for the benefit of our tenants: building and tenant safety and the comfort of our residents.

Pillar 1: Building and tenant safety

In’li is firmly focused on the safety of its tenants and their homes as well as on improving and maintaining the comfort of all, based on their circumstances. In order to secure the strategy underpinned by these two pillars, in’li deploys concrete actions.



TENANT SERVICES ON THE GROUND

An on-call service is provided by in’li employees during the day, and by a service provider in the evening and at weekends, 7 days a week. In the event of an incident outside of working hours, tenants can contact the on-call service free of charge around the clock, which then triggers the intervention required based on the urgency of the situation. Incidents are documented by the on-call service and reported directly to local staff.

Since 2022, information flow between the on-call service provider and in’li Customer Relationship Management (CRM) has been automated and daily incident reports are integrated into the CRM system in the form of requests. Incidents dealt with during working hours are reported and documented by the customer service department and local staff in the CRM system. They are closed out once the incident has been resolved. A project that aims to use this data to map incidents and improve intervention procedures will be finalised in the second-half of 2024.

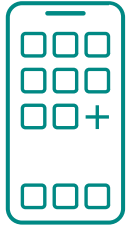
HEALTH AND SAFETY TRAINING FOR THE PROPERTY PORTFOLIO TECHNICAL DIVISION AND THE PROPERTY DIVISIONS

Numerous training courses (roof access, use of scaffolding, etc.) are provided for employees. In 2023, this represented 2,028 hours of training (15.5% of the skills development programme). This training is designed to protect our employees and boost their building safety management skills (examples of building safety training modules include regulations and controls, technical safety of property, lifts and automatic systems, etc.).

The Property Portfolio Technical division ensures that the entire property portfolio complies with regulations. It oversees key security procedures and commissions external auditors who provide detailed reports for each property containing recommendations for action, which are subsequently integrated into the works plan by the Technical Department. These regular audits ensure the safety of our tenants, the service providers who work in our buildings, and our local staff. They cover the physical integrity of the buildings, their amenities and plant health and quality standards, and include the following:

- Search for termites**
- Exposure to lead and asbestos**
- The presence of legionella in water**
- Installation of individual and collective heating installations**
- Prevention of fire risks**
- Safety of lifts and automatic systems (e.g. automatic doors)**

“SOWELL”



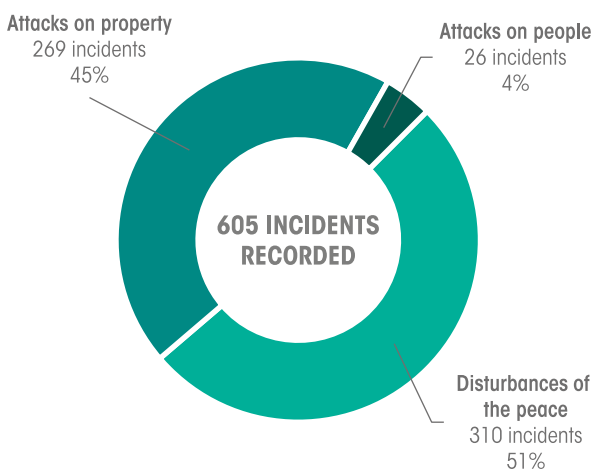
The “SOWELL” application project, which in’li initiated in 2022, continued in 2023. It allows local teams to dematerialise safety monitoring, increase the level of monitoring and ensure the reliability and follow-up of information in the app.

In’li also seeks to provide its tenants with a safe, pleasant living environment and this involves deploying and maintaining video surveillance and/or videoprotection. This deployment will be completed in around 40 targeted residences by late 2024. Video surveillance scrupulously complies with the European Data Protection Regulation (GDPR).

ALI TRANQUIL

This application records incidents at the properties we manage. It enables local staff, (i.e., site managers, sector managers and caretakers) to report all incidents and anti-social behaviour. ALI TRANQUIL scrupulously complies with GDPR as the app does not accept any photos or text, which prevents personal data from being reported. The app was deployed as part of the “Tranquillity & Social cohesion” plan across the entire QWACIO property portfolio in Seine-Saint-Denis in 2020. Since early 2023, ALI TRANQUIL covers all of in’li’s properties in the Paris region (where 99% of its housing is located). In 2023, 257 building caretakers and 69 site managers were trained to use the app, which was used to report 605 incidents.

INCIDENTS REPORTED USING THE ALI TRANQUIL APPLICATION



ALI TRANQUIL enables in’li to map the level of security at each property and gather statistics that can be used to coordinate actions that are proportionate to the seriousness of the incidents noted. These statistics also feed into exchanges with the partners who help in’li tackle security-related issues, namely the police, municipalities and local associations. ALI TRANQUIL has made it possible to structure the support provided to the local staff directly concerned by incidents: building caretakers now have a procedure for each type of incident, detailing the actions that need to be taken immediately and the departments to which the incident should be reported.

To round out these measures, the Company also coordinates a proactive policy of preventing anti-social behaviour and property damage through various actions: neighbourhood enhancement work, local initiatives, etc.

In addition to building security, in’li pays special attention to tenants in distress whose health and safety necessitate urgent rehousing. More specifically, this process concerns:

Victims of domestic violence or violence within their residence,

Tenants who have suffered a loss in income, or who occupy accommodation that is poorly adapted to their needs,

Tenants who have become ill or disabled since they moved in and who now require suitably adapted accommodation. Elderly people are especially concerned here.

In each of these three cases, in’li gives priority to rehousing after checking the veracity of the emergency situation, and it liaises with the social services to facilitate procedures for the tenants concerned.

2023

In 2023, in’li received 400 requests for rehousing on medical social grounds. After vetting, 157 requests were validated (38%). 100 households accepted in’li’s proposal.

Disability, old age and illness are the main reasons why people need to be rehoused: they accounted for 63% of rehousing on medical social grounds in 2023.

Traumatic events occurring within the place of residence (domestic violence, assault, etc.) accounted for 17% of rehousing on medical social grounds in 2023.

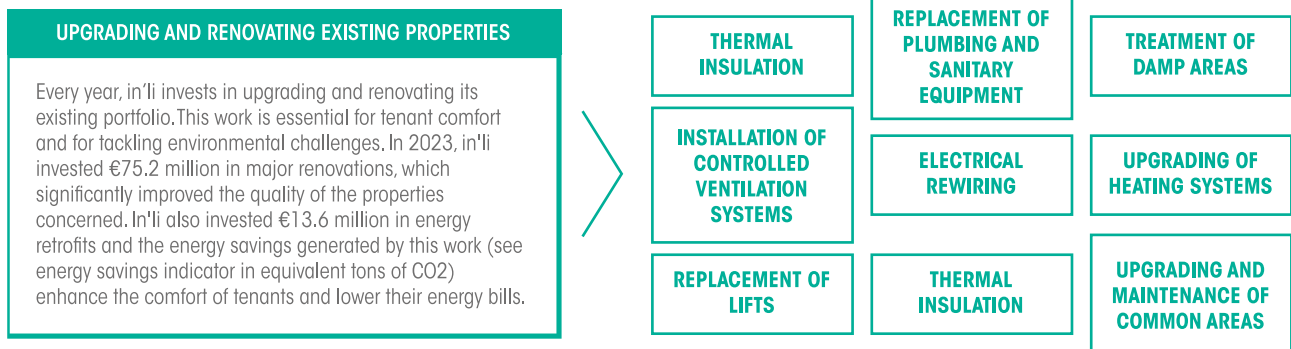
Assessing, monitoring and factoring in new risks in terms of property safety and occupational hazards is performed throughout the year by the three committees dedicated to property and occupational risk prevention:

- ▶ The Safety Policy Committee
- ▶ The Safety Committees
- ▶ The Occupational Risk Prevention Committee.

They classify and rank the risks they identify to ensure the safety of properties and the people who live and work there (see section 3.4.3.4. on health, safety and the work environment).

Pillar 2: priority given to tenant comfort

The second core pillar for in'li consists of monitoring and taking action to improve tenant comfort, especially through regular maintenance of properties (see section 3.4.3.1 on emissions avoided thanks to work carried out in equivalent tons of CO2 /year).



3.3.3.3 IN'LI MAINTAINS ONGOING DIALOGUE AND CLOSE TIES WITH TENANTS

In'li wishes to foster quality, effective dialogue with residents by making building caretakers, site managers and Customer Relations Department staff the "go to" people on the ground. To monitor and improve service quality, in'li measures tenant satisfaction on an annual and ongoing basis through surveys conducted by external service providers.

1. Flash surveys are carried out in the following situations:

- ▶ Once a request is closed by the Customer Relations Department
- ▶ Following a meeting with a tenant
- ▶ In the week following the allocation of a property

The aim of these surveys is to assess tenant satisfaction at these key moments in the customer journey. They enable us to gather quick and accurate feedback, so that we can take corrective action if necessary.

2. More comprehensive "cold" surveys

These are designed to gather information on various topics and they provide us with a more global perspective of our tenants' satisfaction and enable us to identify areas for improvement.

- ▶ The annual survey, which we conduct among a representative sample of our tenants enables us to assess their overall satisfaction, measure the impact of our actions and gather tenants' suggestions for improvement.
- ▶ Survey of occupancy management in newly-let dwellings. This specific survey of occupancy management in newly-let dwellings aims to assess tenants' satisfaction when they move into a new unit, and to identify any related problems or specific needs.

Tenant feedback is really important as it helps us to constantly improve our services and meet tenant needs more effectively. To this end, another flash survey project is being planned, focusing on the solutions provided by the expert services.

We also moderate feedback received on our Google, X and LinkedIn pages.

CUSTOMER SATISFACTION

In 2023, in'li commissioned a customer satisfaction survey covering a sample of 2,500 tenants (same as 2022), indicating a tenant satisfaction rate of 62.10%. The main source of dissatisfaction concerned tenant sensitivity to rent and service charges in 2023. In 2023, in'li had to adjust provisions for service charges upwards following the sharp rise in energy prices and this had an adverse impact on tenant satisfaction.

The "Customer Satisfaction" action plan initiated in 2022 was pursued in 2023 based around the following initiatives:

THE "CUSTOMER SATISFACTION" ACTION PLAN

THE CUSTOMER RELATIONS DEPARTMENT

Reorganisation of the Customer Relations Department (CRD) and upskilling of customer relations personnel and caretakers:

- ▶ Boosting numbers at the CRD
- ▶ Training employees in order to boost their technical, administrative, commercial or digital skills;
- ▶ Establishing cross-functionality between the business lines to serve customers more effectively: all new CRD personnel spend time in the property divisions and vice versa;

PROCESSING MULTI-CHANNEL REQUESTS

Gaining a better understanding of multi-channel requests:

- ▶ From 2024, there will be a single number for contacting caretakers (automatic redirection to the right caretaker).
- ▶ To improve customer satisfaction and provide tenants with a more rapid solution to queries that cannot be dealt with by Level 1 contacts, the Customer Relations Department offers tenants a telephone appointment with a Level 2 expert. For technical queries, the Customer Relations Department uses an app that can send a link to the tenant so they can film the problem encountered. This enables telephone advisers to qualify the problem more effectively so that it can be dealt with more quickly by local staff.
- ▶ Improved processing of enquiries from prospects by providing a dedicated service for handling commercial, technical and administrative queries using staff trained to provide quality solutions.
- ▶ Updating or deleting obsolete telephone numbers in the Yellow Pages;
- ▶ Focusing on in'li's contactability and e-reputation with an Afnor-certified partner to make it easier for customers to contact in'li and find relevant information on the offers provided.

New in 2023 at the Customer Relations Department: introduction of surveys conducted after requests have been closed out.

When a tenant makes a request and it is processed by a Level 1 contact in the case of administrative requests, a survey is sent to the customer to assess their satisfaction with how their request was handled.

3.3.4 Indicators

The indicators that appear in bold are priority indicators for in'li. They are also presented in the summary table of key indicators (see appendix).

PERFORMANCE INDICATORS	2022 results	2023 results	Objective
Overall tenant satisfaction rate	70%	62.10%	80% every year
Percentage of "100% digital" customer services offered	100%	100%	100% every year
Percentage of "100% digital" customer services actually provided	94,62%	99%	-

3.4 Reducing our environmental footprint



In'li has committed to decarbonising its portfolio by 2040 to meet the target of limiting the increase in average global temperatures to 1.5°C above pre-industrial levels (in line with the Paris Climate Agreement). Consequently, for the past three years the Management Board has been committed to monitoring and publishing the environmental performance of in'li's properties on an annual basis, until decarbonisation is achieved.

THE COMMITMENT OF IN'LI'S MANAGEMENT BOARD IS PART OF A BROADER STRATEGY AIMED AT:

- ▶ Protecting the environment
- ▶ Promoting awareness of environmental issues, both inside and outside in'li
- ▶ Reducing in'li's greenhouse gas emissions, discharges and construction waste
- ▶ Reporting regularly on environmental issues
- ▶ Managing the physical risks associated with climate change to which our properties are exposed
- ▶ Expanding in'li's initiatives to include environmental issues other than greenhouse gases.



THE MANAGEMENT BOARD

3.4.1 Contribution to Sustainable Development Goals (SDGs)

In'li has signed up to the United Nations Global Compact and places the Sustainable Development Goals (SDGs) at the heart of its commitments. As part of our commitment to reducing our environmental footprint, in'li contributes to the following SDGs:



Investing in affordable and environmentally-friendly rental housing in supply-constrained areas



Optimising energy performance throughout the housing stock and contributing to tenant comfort and well-being



Commitments to reduce greenhouse gas emissions to contribute to climate change mitigation



Providing housing with adequate sanitation and hygiene services for tenants

3.4.2 Our challenges and policies

The energy efficiency of housing represents a crucial national environmental challenge, as housing is one of the main emitters of greenhouse gases in France. For in'li, it is essential to meet the high expectations of investors, public authorities and our residents. Environmental goals therefore form one of the key pillars of in'li's CSR policy, in phase with the roadmap of Action Logement, our main shareholder.

These goals are underpinned by concrete objectives that factor in the potential physical and transitional risks associated with climate change. They are underpinned by two main pillars:

- ▶ An ambitious policy of retrofitting existing properties, involving the eradication of very poorly insulated housing and generating beneficial environmental and social impacts by reducing tenant energy bills.
- ▶ A policy of increasing the supply of intermediate housing based solely on new energy-efficient housing.

By deploying these two pillars, in'li aims to make its properties **carbon neutral by 2040** and to reduce its energy consumption in 2050 by **over 60%**, in accordance with the Paris Climate Agreement and the French National Low Carbon Strategy (SNBC).

In'li has been able to update and deploy its environmental strategy with the help of a specialised outside research office. This ambitious project began with:

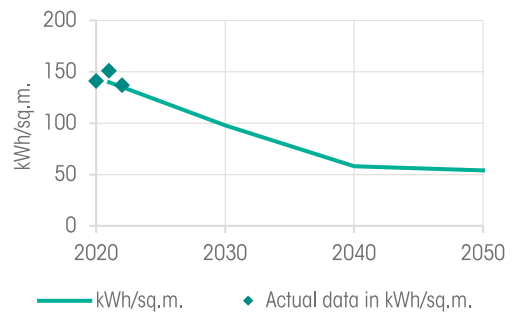
- ▶ Mapping of in'li's properties,
- ▶ Optimising the environmental profile of buildings,
- ▶ Improving the collection of environmental data (energy consumption, greenhouse gas emissions and water consumption), among other key actions.

This scientific approach has made it possible to define the long-term climate trajectory⁽¹⁾ and to make commitments in terms of energy performance and greenhouse gas (GHG) emissions for the property portfolio, for scopes 1 and 2. This trajectory is in line with the Paris Agreement, which aims to limit the rise in average global temperature to 1.5°C above pre-industrial levels.

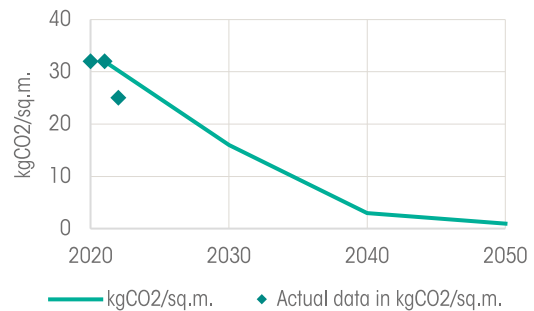
This trajectory will be updated as part of the work on the CSRD Directive, with a target of carbon neutrality by 2040.

In 2024, in'li will begin to measure the Company's overall carbon footprint (and not just that of its properties) in terms of scopes 1, 2 and 3.

TARGETING CARBON NEUTRALITY OF THE PROPERTY PORTFOLIO BY 2040



IN'LI AIMS TO REDUCE PRIMARY ENERGY CONSUMPTION IN ITS BUILDINGS BY OVER 60% BY 2050



(1) The methodology used to plot this trajectory is presented in Appendix 3.

LONG-TERM GOALS

Between now and 2030, the objective is to reduce primary energy consumption in the housing units we operate to below 95kWh/sq.m. per year and greenhouse gas emissions to less than 15 kg eq CO2/sq.m.

In'li is aiming for carbon neutrality in its property portfolio by 2040.



Every year, in'li compares the trajectory laid down against the actual energy consumption and carbon emissions of its properties, via an annual assessment of energy consumption and energy gains from the work carried out.

To oversee the annual consolidation of consumption data for the portfolio as a whole, in'li has commissioned an external research office specialised in the energy transition in the real estate sector.



In'li is going beyond current energy performance regulations

In'li aims to achieve better energy performance than that required, even after anticipating future guidelines. For several years now, our development strategy has been based on outperforming current regulations by 10% to 20% for most new operations. This policy has continued since French RE 2020 environmental regulations came into force, in phase with the Action Logement Group's action plan.

Certain operations are already being developed where energy performance is in line with the 2025 threshold of French Environmental Regulation 2020 and there is also a Positive Energy building in the pipeline.

For properties held on a full ownership basis, our energy retrofit plan prioritises work on housing with an F or G energy label.

We are also committed to eliminating all housing with the E energy label by the end of 2030, i.e. four years before the mandatory regulatory deadline of end-2034.

In 2023, in'li consolidated its approach by joining the Observatoire de l'Immobilier Durable (OID – Sustainable real estate observatory):

Observatoire de l'Immobilier Durable (OID – Sustainable real estate observatory)

The goal of this not-for-profit association founded in 2012 is to accelerate the ecological transition in the real estate sector, both nationally and internationally. In'li is convinced that the sector needs to embark on this transition and it joined the OID in October 2023, in order to meet the environmental challenges along with all of the other players in its ecosystem. Membership enables in'li to act as a responsible stakeholder via the working groups set up by the OID around various themes (governance and society, low-carbon buildings and resilient territories) and applied research programmes.

3.4.3 Our actions

3.4.3.1 MANAGING OUR CARBON FOOTPRINT AND CUTTING GREENHOUSE GAS EMISSIONS

In'li's results for 2023

When the carbon trajectory for in'li's property portfolio was drawn up, targets were set for the end of 2023:

- ▶ Average consumption for the portfolio of less than 125 kWh/sq.m./year
- ▶ Average greenhouse gas emissions of less than 27 kg eq CO₂/m²/year

In'li's intermediate objectives are outlined year by year, for the 2023-2030 period, in the methodological appendix in Appendix 3.

Following the collection and analysis of actual consumption data, the following results were obtained (methodology presented in Appendix 3):

		2021	2022	2023
Average consumption for the portfolio in kWh/m ² /year	Objective ⁽¹⁾	-	133	125
	Reported ⁽²⁾	140,6	151,5	136,9
Greenhouse gas emissions in equiv CO ₂ /sq.m./year	Objective	-	30	27
	Reported	32,3	31,7	26,23

In 2023, an analysis of energy consumption shows that the average for the portfolio is on track.

The reduction in energy consumption automatically leads to a reduction in carbon emissions (GHG).

Average energy consumption for the portfolio is therefore lower than in previous years: -13% compared with 2021, despite a pattern of asset disposals / acquisitions that was not that forecast when the carbon trajectory was prepared.

This fall is attributable to several factors:

- ▶ More reliable collective energy consumption data thanks to CITRON software,
- ▶ The impact of renovations on In'li's portfolio and the gradual connection of In'li's property to urban heating networks, with more than 2,442 homes connected compared with previous years (increasingly virtuous heating networks).
- ▶ Inflation in the cost of energy is leading our tenants to be more frugal,
- ▶ Milder weather in 2022 than in 2021.

An ambitious renovation programme

As part of its strong commitment to energy performance, in'li has devised an ambitious works schedule to **eradicate properties with F and G labels from its portfolio**. To do this, and to manage the environmental performance

of its housing more effectively, in'li undertook a comprehensive diagnostic review of its properties in 2021 to update the energy performance assessment of its portfolio.

The energy performance assessment (EPA) is carried out by an independent third party. It provides energy and climate performance data for a housing unit or building (labels A to G) by assessing final and primary energy consumption and impact in terms of greenhouse gas emissions. The EPA includes recommendations for work designed to improve the environmental performance of the property.

In 2023, this work made it possible to renew most energy performance assessments for in'li properties, providing an accurate overview of the energy performance of in'li's property portfolio (excluding condominiums, i.e., buildings held in joint ownership).

In'li is currently considering mapping properties held in joint ownership. In these properties, in'li cannot intervene at building level, as it is not the sole owner of the property. It has therefore initiated a concerted approach with the property management agencies who look after the properties in which in'li owns units of housing.

The energy performance assessments have enabled in'li to continue its renovation and insulation programme to enhance the environmental performance of its properties.

(1) Average property consumption and greenhouse gas emission targets not applicable in 2021, corresponding to implementation of the trajectory - methodology disclosed in Appendix 3.

(2) Indicators based on Y-1 energy consumption data

By 2023, this programme will have eradicated buildings with F and G labels from all but 0.01% of our fully-owned properties. The renovation programme for units with an E energy label, which runs until 2030, was also continued in 2023. As a result, by end-2023, 39.6% of our portfolio (in number of units) was making a substantial contribution to the EU Taxonomy Climate change mitigation objective.

In'li set aside a substantial annual budget of around €75.2 million for retrofits and renovation, including €13.6 million to improve the energy performance of its properties by 30%. To stay on the path to the carbon neutrality that in'li has committed to as part of its environmental strategy, at least 750 housing units will have to be renovated each year, with an annual reduction in primary energy consumption of at least 30%.

ASSESSMENTS MADE EASIER BY THE OXAND SIMEO APPLICATION

In'li uses the Oxand Simeo application, a predictive asset management solution that assesses the state of the portfolio and its energy performance.

CITRON, AN APPLICATION FOR TRACKING ENERGY DATA

Since 2022, in'li has been using Citron energy data consolidation software to report properties' actual consumption data and visualise the related emissions in real time.

In 2023, 1,880 housing units underwent deep energy retrofits – including 1,398 units with enhanced energy performance, thanks notably to work on the shell and roof of the building (combining façade rendering and external thermal insulation with the replacement of external joinery). This insulation work has a major positive impact on energy consumption in buildings and it is our main lever for reducing emissions.

In 2023, it drove an improvement of more than 30% in the energy performance of the 750 units of housing concerned.

We estimate that approximately three-quarters of operations over the next four years will help enhance the energy performance of properties.

In 2023, the work carried out represented savings of 6,415 MWh/year and a gain of 1,465 equivalent tons of CO₂/year. Most major renovation projects have yielded a B energy label. 37% of renovated properties have been rewarded with the BBC Rénovation label or are aiming for an equivalent level. In'li has therefore exceeded Action Logement's target of obtaining the French BBC Rénovation eco-label for 33% of its energy retrofits in mainland France by 2023.

ENERGY SAVING CERTIFICATES

To programme these retrofits, in'li uses Energy Saving Certificates (ESC), which allow it to benefit from public authority subsidies for energy retrofits through multi-annual partnerships with CERTINERGY, specialised in the valuation of ESCs. This reduces the cost of the work and has generated annual savings of just under €1m, including tax, since the end of 2021.

AN INNOVATIVE NEW DEVELOPMENT IN GENNEVILLIERS

This project was unveiled in 2022. The 96-unit building in Gennevilliers, Hauts-de-Seine, will achieve carbon neutrality 25 years ahead of European regulations.

It will be the first positive energy retrofit in Europe, meaning an energy bill of zero for most of its tenants. The project is currently in the design phase and will use high performance materials and new energy production solutions, such as digital boilers, computerised radiators and the installation of wind turbines and photovoltaic panels on the roof. Delivery is scheduled for December 2026.





111, avenue Raspail, Gentilly (94)
Architecte Cabinet ITAR

Developing high environmental quality new builds

In'li's Environmental Strategy aims to integrate environmental criteria into our properties and projects. We are seeking to increase our investments in new builds with excellent energy performance.

In'li new builds are already designed from a sustainability perspective, in terms of energy performance, materials and resource management. For a number of years, our policy has been aimed at exceeding environmental guidelines for our new operations, outperforming French RE 2020 energy performance requirements by at least 10%.

- ▶ When in'li is the project owner or prime contractor:
 - > We are already developing certain projects in line with the 2025 threshold of French Environmental Regulation 2020, a threshold designed to decarbonise energy sources and achieve primary energy consumption levels that are at least 10% less than the threshold set under RE2020 regulations.
 - > We are also targeting 100% of our new developments to be certified NF Habitat HQE. Cerqual's NF Habitat HQE certification focuses on buildings' environmental quality and overall performance. It guarantees high standards of design, construction and property management, promoting sustainable, safe homes that meet residents' expectations.

Moreover, during the construction phases, in'li works to reduce its carbon footprint by encouraging suppliers to factor in the re-use or re-purposing of materials, thereby extending their useful lives. With this in mind, in'li has set up a working group dedicated to the circular economy and in 2023 it joined the Piraeus platform (**3.4.3.3** Circular economy).

INITIATIVE: A FIRST POSITIVE ENERGY BUILDING IN GENTILLY

In 2022, in'li initiated studies on the rue Raspail project in Gentilly to build a BEPOS-labelled positive energy building. It will produce more energy than it consumes. Reducing a building's energy footprint requires bioclimatic architecture (building orientation, solar protection, minimising heat loss surfaces) and the installation of efficient thermal and electrical equipment. The building permit for this project was submitted on 17 May 2023.

In'li's focus on developing new builds in eco-neighbourhoods is directly in line with its sustainable development objectives. Indeed, these neighbourhoods offer major development opportunities with rigorous environmental performance criteria (i.e., close to public transport, recycling of waste, "green-building" techniques, etc.) and ensure both social and functional diversity through the presence of housing, shops and public amenities.

In 2022, in'li committed to 40 housing units in Chelles in the Gendarme Castermant ZAC (mixed development zone), part of the Lattre de Tassigny eco-neighbourhood. This eco-neighbourhood will comprise 40% higher education and research building programmes, 23% business activities, 31% student and family accommodation, and 6% shops and services.

Since 2021, in'li has committed to over 1,400 units of housing in eco-neighbourhoods.

In 2023, in'li continued its actions through the following commitments:

IN'LI IS COMMITTED TO OFF-SITE CONSTRUCTION

In October 2023, in'li joined *Association pour le développement de la construction hors site* (association for the development of off-site construction methods), an initiative sponsored by Grand Paris Aménagement, Société du Grand Paris and I3F.

It brings together landlords, investors, developers, builders and architects who work together to develop projects where construction takes place off-site. It is supported by the French Ministry of Housing and this new construction method is designed to meet future economic challenges, i.e., building high-performance, energy-efficient, low-carbon structures, while keeping a tight rein on construction costs and timescales.

SIGNATURE OF BIO-SOURCED WOOD PACT

On Thursday 22 June 2023, in'li signed up to the "Bio-sourced wood pact" along with FI-BOIS Ile-de France.

This initiative was launched in 2020 and has already been adopted by 56 property sector players. The aim of this pact is to promote the use of wood and bio-sourced materials in the construction materials market as a means of tackling global warming. The signatories, which include in'li, have undertaken to use wood and bio-sourced materials in 40% of their production in the Paris region by 2024.

It is a perfect illustration of in'li's CSR commitments, especially in terms of promoting the circular economy and working towards carbon neutrality by 2040. The signature of this pact will accelerate the development of building methods that use wood and bio-sourced materials. In 2024, the first operations will be targeted for wood construction once the sale promise has been signed. Moreover, as part of our architect framework agreement, we will be selecting architects with a track record in building with wood and bio-sourced materials. We will be working with the experts associated with the Pact to deploy off-plan acquisitions of operations built using wood and bio-sourced materials.

Developing carbon-light sources of energy

In'li's efforts to cut its carbon footprint also focus on the sources of the energy used to heat its buildings. In'li's goal is to transition to the least carbon-intensive energy sources and to eventually stop using natural gas in its properties. This decision was taken by the in'li Management Board in 2022 for environmental, economic and safety reasons.

To achieve these objectives, in'li has mapped all of the residences and properties held in full ownership that use collective gas heating systems as well as their actual consumption in order to identify the most energy-intensive properties and target actions accordingly. Studies are regularly conducted to examine the feasibility of connecting to the urban heating network (as part of thermal operations, but also off-grid). These studies also enable us to calculate the financial impact on our tenants' service charges. When a balance is struck between the financial impact and the carbon impact, a works operation is scheduled.

Six new residences were connected to district heating systems in 2023 and four more operations are underway. In'li has also identified 63 properties close to urban heating networks to which they will gradually be connected over the coming years. In 2023, 35% of housing held in full ownership using collective heating was connected to a heating network and 85% will have an energy mix composed primarily of renewable energy.

Moreover, in 2023, in'li signed a contract with its gas supplier to provide a "green" guarantee of origin for 10% of its total consumption.

When renewing its energy contracts, in'li negotiates advantageous conditions for its tenants, especially through dynamic and more environmentally-friendly purchasing strategies. For example, it is setting up remote management platforms for all of its energy contracts to enable operators to control and regulate equipment while reducing travel requirements. In'li also strives to improve the contracts it offers to tenants by adding services at no extra cost to them.

FEASIBILITY STUDY FOR INSTALLING PHOTOVOLTAIC PANELS

In 2023, in'li launched a feasibility study on part of its property to install photovoltaic panels along with a service provider, NEOGIES.

Consideration is currently being given to the model to be deployed (self-consumption only, partial self-consumption or resale). Pilot projects may be launched in 2024 depending on the progress of these discussions and those of the Action Logement working group. At the same time, in'li is participating in the Action Logement working group on self-consumption. To date, Action Logement has defined a group-wide action plan aimed at providing its subsidiaries with applications and training between now and the end of 2024.

Since early 2022, we have given priority to operations that use less carbon-intensive sources of energy in new builds. Consequently, the number of investments in operations that will be powered by local heating networks, using low-carbon energy sources, has increased from 29% to 53% of the number of housing units undertaken between 2022 and 2023. Investments in gas-fired developments were halted in 2022.

3.4.3.2 EXPOSURE TO CLIMATE CHANGE RISKS

The design of new builds factors in the most likely physical climate risks, given their location. This means that all new homes comply with all prevention measures designed to protect buildings and residents from natural risks, such as flooding, landslides and mining. These plans, drawn up by government departments, map risks and regulate construction accordingly. New builds undertaken by in'li comply with the regulations contained in the measures to prevent natural risks.

Moreover, in'li has a multi-risk insurance policy covering all its properties for the risks associated with climate hazards, including cover for lost rents following this type of event.

Lastly, since 2021 in'li has been tracking the exposure of its properties to physical risks related to climate change on an annual basis, with the help of an outside research consultancy. Among the list of potential risks, two were identified by the research agency as having a potentially significant impact on the Paris region and therefore on in'li's properties:

Risk of rising water levels

Risk of heat waves



1

2

3

4

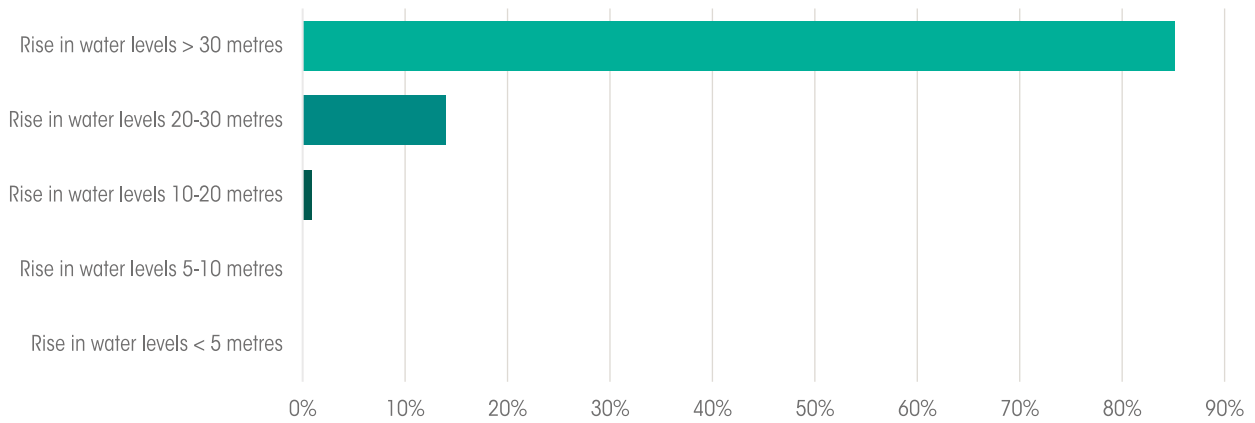
5

Rising water levels

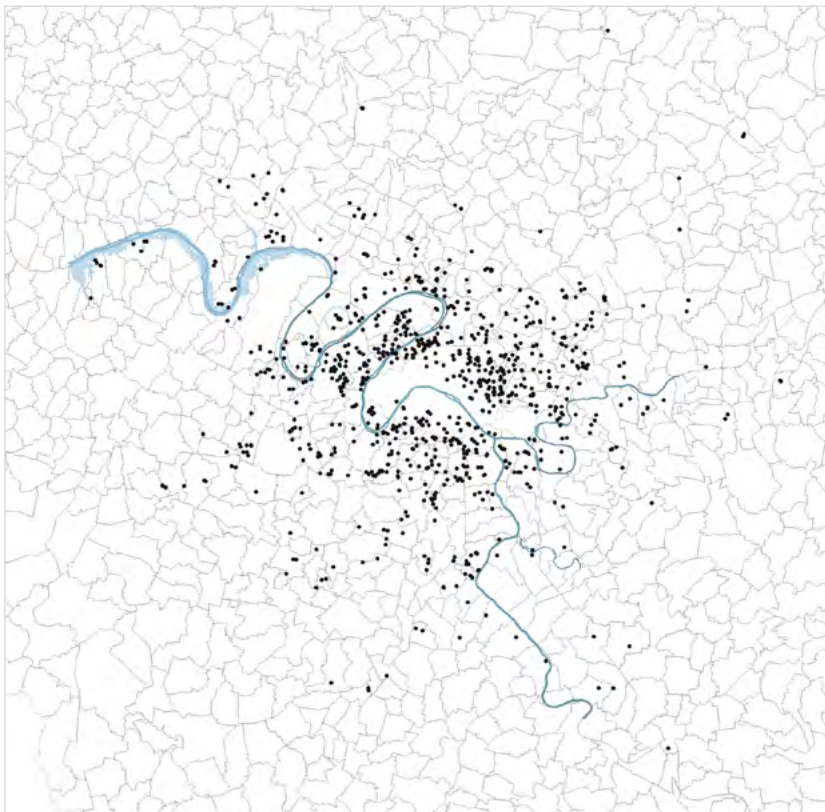
As the following graph shows, if the rise in water levels remains below 10 metres, none of the properties owned by in'li at 31 December 2023 are exposed to this risk.

But none of the scenarios currently envisaged by the Intergovernmental Panel on Climate Change (IPCC) predicts a rise in water levels of more than 1 metre, and this scenario corresponds to a median probability of global warming of 4.4°C by 2100 (the most pessimistic SSP5 8.5 scenario). Consequently, even the most pessimistic scenarios currently envisaged by the IPCC do not require adaptation to the risk of rising water levels.

PORTION OF HOUSING AFFECTED BY RISING WATER LEVELS



Number of dwellings affected by rising water levels



LOCATION OF IN'LI PROPERTIES IN RELATION TO SIMULATIONS OF A RISE IN WATER LEVELS

- Simulation of a 20-metre rise in the water level
- In'li properties

0 5 10 km

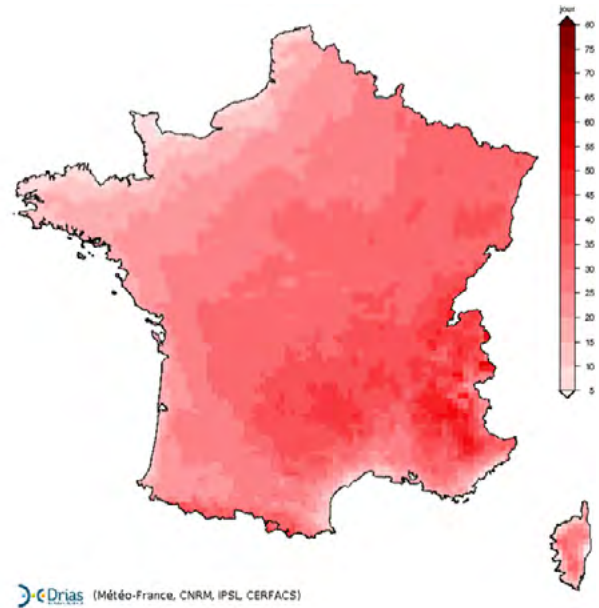


Source: in'li, ALTEREA, CADASTRE
Production by Alterea (January 2024)

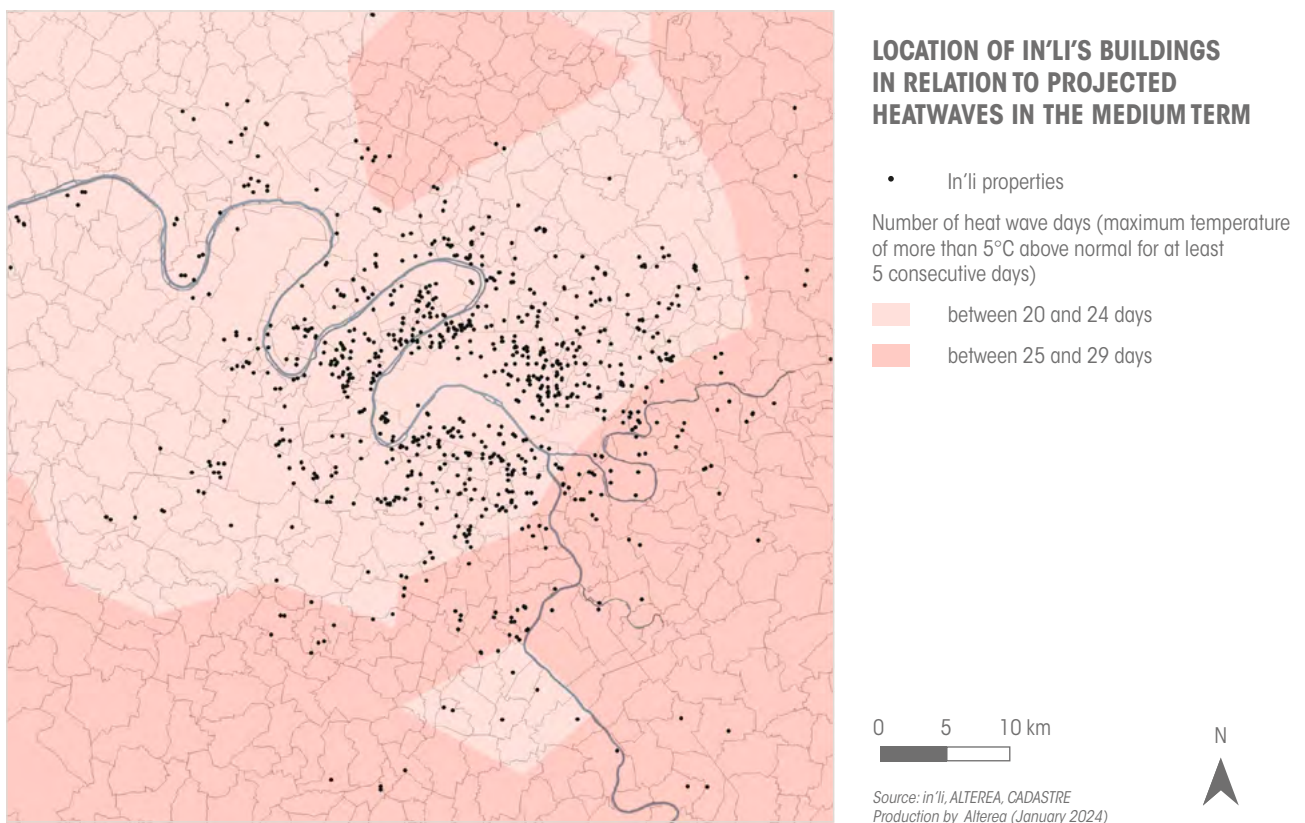
Heatwaves in France

Global warming has also driven in'li to consider the risk of heatwaves to which its properties could be exposed. The following maps present the heatwaves expected to occur between 2041 and 2060, corresponding to the IPCC's intermediate scenario (i.e., SSP2 4.5 scenario), which simulates a median temperature rise of 2°C between 2041 and 2060, and 2.7°C in 2100.⁽¹⁾

(1) Source: "New DRIAS 2020 climate projections for mainland France"



Focus on the Paris Region:



Under this scenario, between 2041 and 2060, most of in'li's properties would be exposed to 20 – 24 days of heatwaves each year (see legend above), i.e., a relatively short period. Indeed, as shown on the map below which simulates this same scenario for the whole of France, the Paris region is much less exposed to heatwaves than most other regions of the country.

The insulation work, installation of shading features and greening work that in'li is currently carrying out at its properties all contribute to the comfort of tenants during heat waves.

In new builds, the maximum summer comfort index not to be exceeded is degree-hours, which measures the number of hours of summer discomfort for tenants, given that:

- ▶ the scenario used to measure degree-hours is the 2003 heatwave experienced in France. Discomfort starts at 26° at night and 26° to 28° during the day, depending on the heat refraction of the building.
- ▶ French RE 2020 energy performance regulations require a degree-hour index of between 350 and 1,250 hours.

We will continue to track this risk and take all necessary measures to ensure the comfort and health of our tenants should this scenario play out over the coming years.

3.4.3.3 OUR ACTIONS IN FAVOUR OF BIODIVERSITY AND THE CIRCULAR ECONOMY

To mainstream all environmental issues into its environmental strategy, in'li made the preservation of biodiversity and promotion of the circular economy one of the challenges for 2023. The approach adopted by in'li goes beyond the framework of regulatory obligations.

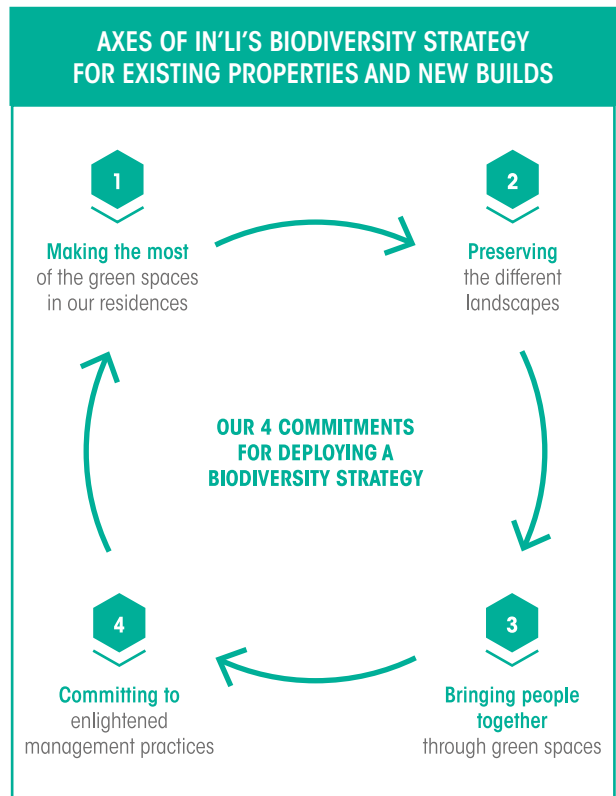
In'li set up several working groups in the second half of 2023 made up of employees and tasked with carrying out an in-depth analysis to devise the strategic focuses the Company wishes to adopt in terms of preserving biodiversity and promoting the circular economy.

During 2024, these working groups will be part of an ongoing process. Their aim is to develop concrete objectives, specific actions and the deployment methods needed to give concrete form to these strategic commitments. This includes identifying levers for action, setting up partnerships with key players, and unlocking internal synergies to maximise the positive impact of these initiatives.



Biodiversity

As project owner and landlord, in'li is involved in both new builds and renovation projects, as well as the day-to-day management of its properties. Consequently, in'li has control over the entire building life cycle and believes it has a major role to play in preserving biodiversity and rewilding its property portfolio. With this in mind, in'li's Management Board has defined a "biodiversity" strategy based on 4 overriding commitments.



In making the most of its green spaces, in'li intends to use landscape architects to create high-quality, sustainable green spaces. The preservation of these belts⁽¹⁾ will guarantee ecological continuity both within the property and within the immediate vicinity of the project. Taking these issues into consideration will result in greater autonomy for the green spaces, meaning less frequent, and therefore more economical management for our residents. Lastly, in'li never forgets its social role and its identity as a Company "Committed to providing you with better housing". It strives to forge ties not only between its tenants and nature, but also between tenants themselves.

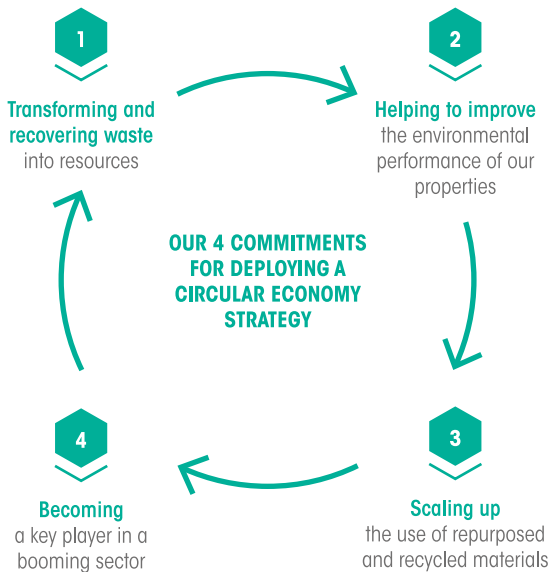
In'li also wishes to make rainwater harvesting a key focus. Water is the source of all life and a pillar of biodiversity, just like flora and fauna. In'li is conscious of the pressure on fresh water reserves and the need to preserve them and this is why the Management Board aims to achieve "Zero discharge" of rainwater into the public domain for 100% of its new-build projects by facilitating ground infiltration of rainwater.

In addition, in'li is studying the potential deployment of a biodiversity pathway and plans to use the start-up Reveleo – incubated at the in'li Lab in July 2023 – to perform an initial assessment of the properties, prioritise sites at which to intervene and determine the Biotope Area Factor.⁽²⁾

Circular economy

In'li's Management Board is firmly committed to mainstreaming the principles of the circular economy into all its activities: construction, renovation and management of its property portfolio. One of the crucial dimensions of this approach is construction, where the Company strives to minimise its environmental footprint by emphasising its commitment to the circular economy.

AXES OF IN'LI'S CIRCULAR ECONOMY STRATEGY FOR EXISTING PROPERTIES AND NEW BUILDS



DETAILS OF IN'LI'S "CIRCULAR ECONOMY" STRATEGY

Promoting the reuse of materials: in'li promotes re-use by working with its partners to prioritise the use of repurposed materials, aligning this approach with the principles of the circular economy.

Responsible management of site waste: in'li is committed to minimising site waste by encouraging selective sorting and recycling of materials.

Extending the useful life of materials: in'li promotes the reuse of materials, thereby helping to extend their life cycle and reduce the demand for new resources.

Anticipating the circular economy from the design phase: in'li incorporates criteria into its building projects that facilitate the dismantling of existing structures and plans for efficient deconstruction, highlighting its commitment to building a sustainable future.

In'li is looking into ways of integrating checks on the circular economy objectives required of service providers into the technical specifications included in its calls for tenders.



(1) Green and blue belts (TVB) aim to preserve and restore a network of ecological continuity so that animal and plant species can move around freely, feed, reproduce and rest, thus preserving their life cycle. This concept has been expanded by brown belts (aimed at maintaining and restoring soil continuity), white belts (comprising a silent ecological continuity) and black belts (characterised by certain forms of darkness).

(2) BAF: BAF or Biotope Area Factor is a coefficient that measures the proportion of surfaces favourable to biodiversity (eco-developable surface area) in relation to the total surface area of a plot of land.

In order to cement its commitment to the circular economy, at the end of 2023, in'li joined *Pirée*, a repurposing platform set up by Upcycléa in liaison with Union Sociale pour l'Habitat.



Pirée represents an opportunity for in'li, as it brings together a community of partner landlords who share common values in terms of sustainability. This collaborative platform will give in'li the opportunity to maximise the use of repurposed materials in its operations. The approach consists in sharing PEMW assessments: PRODUCTS EQUIPMENT MATERIALS AND WASTE (mandatory since 1 July 2023 for projects of more than 1,000m² of floor area) with all partner landlords.

Sharing these assessments allows in'li to declare its own specific re-use requirements, thus creating the possibility of receiving re-use offers from other members of the community.

Joining the platform demonstrates in'li's desire to play an active role in moving the real estate sector forward towards more sustainable practices, and represents not only a concrete step towards achieving its environmental objectives, but an opportunity to strengthen its position as a key player in a constantly evolving sector.

3.4.3.4 INITIATIVES TO INCLUDE TENANTS AND RAISE THEIR AWARENESS OF OUR ENVIRONMENTAL APPROACH

A number of initiatives are regularly deployed to onboard tenants to in'li's environmental approach. Reducing our carbon footprint and improving the energy performance of our properties also depends on the practices of our tenants. Consequently, communication campaigns aimed at our tenants focus on energy consumption, reminding them of government recommendations in terms of energy efficiency, appropriate reflexes, respecting maximum temperatures, etc.

AGREEMENT ON THE "RIGHT TO A RECHARGING POINT" TO FACILITATE TENANT MOBILITY

The "right to a recharging point" is a government programme that gives every owner of an electric vehicle the opportunity to request the installation of a charging point in their building.

To meet the needs of its tenants, in'li signed an agreement in 2023 to facilitate and supervise the installation of charging points by external service providers.

Reducing energy consumption

Since 2021, in'li has been deploying solutions at certain properties to ensure more efficient management of our facilities, improve their performance and reduce energy consumption for both in'li and its tenants. And we continue to strive for energy efficiency, constantly on the lookout for new solutions and pilot programmes to meet our customers' needs. Following analyses of data and results, in'li has decided to deploy these solutions on a permanent basis at its residences. Each one represents an energy saving solution:

HOMEY'S

A solution for analysing electricity contracts in common areas.

TIKO

A remotely controlled technology for electric radiators that allows tenants to reduce their consumption by at least 15%.

ELAX

A connected thermostat that can be installed on electric water heaters to reduce their consumption by an average of 30% – and tenants' energy bills by €108/year.

KOCLIKO

A customised "sensor + software" solution for allocating heating costs and optimising energy performance that will generate gains of between 10% and 35%, depending on the equipment performance.

Deployment of sensors from 2023 on, with the aim of improving temperature control and better management of heating operators.

By 2025, the sensors will be used to break down and allocate heating charges. This structure was incubated at the in'li Lab a few years ago.

See also Alacaza, [page 67](#)

These solutions make it possible to regulate consumption more effectively in terms of operation and maintenance, and for tenants to manage their own heating consumption more effectively, which in turn means extra purchasing power for them.

In addition, at a third of fully-owned properties with collective heating, in'li has decided to install connected sample probes to provide better oversight of housing temperatures as part of its heating contract. 200 sensors were installed in 2023, providing a temperature display for around 8,000 units of housing.

Environmental projects within residences

In'li has introduced a number of initiatives to promote sustainable development in its residences:

- ▶ Take the example of the Vertuo solution: these urban plant modules eliminate the need for watering by capturing and storing rainwater. As well as conserving water resources, this solution also reduces the cost of green spaces for tenants. After deploying the solution at two properties, in'li has decided to systematically integrate it into its neighbourhood enhancement projects.
- ▶ To encourage tenants to control their own water consumption, in'li and L'Apes have taken advantage of the EconEAUme programme set up in Seine Saint Denis department. Given the rising cost of energy, this type of awareness-raising has an impact on purchasing power (the cost of producing hot water accounts for a significant proportion of household energy bills) as well as on water conservation.

The EconEAUme programme is funded entirely by the Seine-Saint-Denis département. The professional integration association, Croix Rouge Insertion - Logis Cité, calls upon tenants and provides them with free water saving kits (comprising 2 flow regulators [5L/min], and a shower head [10L/min]) to measure water flow before and after and they discuss the best ways to control water consumption (detecting leaks, limiting shower times, etc.).

In 2022, of the 32 in'li residences targeted – representing 5,206 households targeted – 2,600 homes were visited.

In 2023, of the 22 in'li residences targeted – representing 3,564 households targeted – 1,636 homes were visited.

Giving a total, over 2 years, of 54 in'li residences in Seine Saint Denis, 8,770 households targeted, and 4,236 households equipped with water-saving devices and good advice.

In addition to this programme, in'li and APES have also developed partnerships to expand the initiative beyond Seine Saint Denis, to the towns of La Haye les Roses, Chatou and Maurepas.

The impact of this type of programme on the actual savings made following the awareness-raising campaigns will be measured in 2024 as part of a partnership with

Syndicat des Eaux d'Ile de France (water utility for the Paris region), the concession provider, Véolia Eau Ile de France, and behavioural science researchers.

In'li has also tested container shelters made of recycled plastic in partnership with a start-up incubated at its Lab.

Lastly, when analysing service offers for the upkeep of its residences, in'li factors in environmental criteria such as vehicle fleet type or use of environmentally-friendly products for the upkeep of green spaces.

3.4.3.5 GREENING OUR FUNDING

In'li is continuing the process of greening its funding. All financing signed since 2019 is green, sustainability-linked or for social purposes.

In 2023, in'li signed €530 million worth of financing, including:

- ▶ €300 million of green financing with a social purpose, backed by in'li's green financing framework. These funds will be allocated to new-builds and energy retrofits on older properties that comply with EU Taxonomy energy performance criteria.
- ▶ €50 million in financing for energy retrofits to our properties
- ▶ €30 million worth of green loans to finance construction projects aligned with the EU Taxonomy Climate change mitigation objective
- ▶ Almost €150 million in sustainability-linked loans. The rates on these loans are indexed to the Company's social and environmental performance, in terms of:
 - ▶ The percentage of in'li turnover aligned with the EU Taxonomy Climate change mitigation objective,
 - ▶ Energy retrofits on existing properties,
 - ▶ Improving the overall carbon footprint and energy performance of property owned by in'li,
 - ▶ A gain in purchasing power for tenants.

These different financing solutions are fully in line with the strong commitments of in'li and Action Logement Group to the energy and environmental transition in the housing sector and the accessibility of affordable rental housing in supply-constrained areas for young and middle-class working people.



3.4.4 Indicators

The indicators that appear in bold are priority indicators for in'li. They are also presented in the summary table of key indicators (see Appendix).

PERFORMANCE INDICATORS	2022 results	2023 results	Objective
Average estimated consumption of primary energy (kWh/sq.m.) ⁽¹⁾⁽²⁾	151.5	136.9	2030: < 95 2040: < 60 2050: < 55
Emissions estimated in ave equiv kilos of CO2 emissions /m ² /year (kg CO2eq/m ²) ⁽¹⁾	31.7	26.23	2030: < 15 kg 2040: < 5 kg 2050: carbon neutrality
Eradication of very poorly insulated housing: number of units of housing identified with an F or G energy label	F energy label: 526 housing units	F energy label: 240 housing units	Eradication of F and G labels in 2023 (work Service Orders signed)
	G energy label: 155 housing units	G energy label: 83 housing units	No units with an E energy label in 2030 ⁽³⁾
% number of units that contribute substantially to climate change mitigation ⁽⁴⁾	35.30%	39.61%	-
Number of households that benefited from improved energy efficiency	1,537	1,398	
Emissions avoided by work carried out in equivalent tons of CO2/year	1699	1465	399 equivalent tons of CO2 /year through 2026
Energy savings achieved in MWh thanks to energy retrofits – in MWh/year (EF)	4288	6415	1,356 MWh/year through 2026
Number of households that benefited from > 30% improvement in energy efficiency	454	750	750 units/year
% housing renovated with BBC R�novation label, aiming for at least energy label C	37%	37%	25% every year
Amount of investment dedicated to energy retrofits and achieving > 30% improvement in energy efficiency	�4.5 million	�13.6 million	-

✓ Indicator audited for the purpose of obtaining reasonable assurance

(1) Scopes 1 and 2. The results for a given year Y are obtained from actual consumption data for Year Y-1.

(2) In 2022, in'li had actual and estimated consumption data for 74% of its properties (compared to 62% in 2021). The data collection methodology is explained in the methodological appendix.

(3) Work delivered or in progress.

(4) Within the meaning of the technical screening criterion, "substantial contribution to climate change mitigation" of EU Taxonomy presented in the methodological appendix.

3.5 Guaranteeing ethical business practices and striving for ethical corporate governance

3.5.1 Our challenges and policies

Business ethics are a major concern shared both by our shareholder Action Logement Immobilier and by in'li itself. Conscious that we operate in an especially exposed sector, in'li is fully committed to 3 core principles:

Business ethics

Compliance

Combating all types of fraud

These commitments are supported at the highest levels of the Company, by our shareholder Action Logement Immobilier, as well as by the Supervisory Board, Management Board and the entire Executive Committee.

For in'li, ethics are an essential condition for running the business and its future development. In'li is fully aware that some of its activities, such as procurement, sales, land acquisition and housing allocation, are particularly exposed to the risk of corruption. These activities are subject to a reinforced policy that includes:

Training and awareness-raising initiatives

Checks to identify failures and halt any fraudulent practices

Dedicated applications for detecting fraudulent practices

Corrective action to strengthen control of identified risks

The Management Board and all managers are strongly committed to deploying a strict ethical framework. All framework rules (charters, codes, procedures) are vetted by the Management Board and Audit Committee, submitted to the Executive Committee and then circulated to all employees. In'li also refrains from any political activity or expenditure on lobbying of any kind. For this reason, there are no expenses for lobbying companies or political parties in in'li's financial statements. In line with in'li's policy of neutrality, no employee, corporate officer or member of the Supervisory Board may involve themselves in politics on the Company's behalf.



We recognise the crucial importance of maintaining ethical conduct, fighting fraud and corruption, and ensuring responsible governance within our Company. As the Management Board of in'li, we take this commitment seriously and assume responsibility for promoting and defending these core values.



THE MANAGEMENT BOARD

1
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3.5.2 Contribution to Sustainable Development Goals (SDGs)

In'li has signed up to the United Nations Global Compact and places the Sustainable Development Goals (SDGs) at the heart of its commitments. As part of its commitment to Guaranteeing ethical business practices and striving for ethical corporate governance, in'li contributes to the following SDGs:



Implementation of measures and commitments by in'li to combat corruption, fraud, conflicts of interest and facilitating payments.



Promotion of sustainable practices in public contracts awarded by in'li.

3.5.3 Actions taken

3.5.3.1 BUSINESS ETHICS PROGRAMME AND PROMOTION OF AN ANTI-FRAUD CULTURE

The strong commitment to ethics of our governing structures, the adoption of core documentation committing employees and/or directors to ethics and the fight against fraud, and the resources deployed to detect unethical behaviour, all reflect in'li's determination to base its development on values of integrity. Convinced that compliance and the fight against fraud and corruption require strong action, in'li is committed to day-to-day prevention and detection measures and spreading this culture with senior managers as its primary ambassadors. In order to do this, In'li has deployed resources and spearheads numerous communication and awareness-raising initiatives.

At Group level, Action Logement has set up an Ethics Committee which reports to the Action Logement Group Board of Directors. This Committee has drafted a Code of Ethics applicable to the whole Group. It is structured around the expected values and behaviour for guiding employees in their day-to-day practices. It may be called upon by subsidiaries to deal with issues that cannot be decided at subsidiary level.

In addition to the Group Ethics Charter, in'li has drafted several other charters, codes and procedures that frame the Company's compliance and ethics processes:

INTERNAL REGULATIONS

- ▶ These require employees to observe an ethical attitude and behaviour when carrying out their professional duties.
- ▶ They cover fraud and corruption prevention, conflicts of interest, confidentiality obligations regarding information held, and the prevention of discriminatory behaviour and harassment.
- ▶ They outline the penalties for employees who fail to comply with these rules, including criminal prosecution where appropriate.

CONFLICTS OF INTEREST AND GIFTS

Two procedures were devised in 2019 to guide the actions of employees:

- ▶ one relating to the rules for gifts and invitations,
- ▶ the other concerning the handling of conflicts of interest.

Online forms for declaring gifts, invitations or conflicts of interest allow each employee to declare gifts and invitations received as well as any conflicts of interest, thereby enabling everyone to play an active role in their own accountability.

CODE OF CONDUCT

A Code of Conduct, approved by the employee representative bodies, is appended to the internal regulations.

- ▶ It explains and illustrates the different types of behaviour to be avoided as they amount to corruption.
- ▶ It reflects management's firm commitment to a proactive approach to corruption prevention and detection.

Disciplinary sanctions are explicitly provided for behaviour that fails to comply with the ethical requirements outlined in the Code.

STOCK MARKET ETHICS CHARTER

This charter is appended to the internal regulations.

It sets out the obligations regarding the possession and communication of inside information and the risk of insider trading.

In'li is committed to a policy of zero tolerance and carries out investigations to identify any form of fraud or corruption. It implements corrective measures to continuously improve the effectiveness of its actions. Firm measures are taken against any persons involved in fraudulent schemes, and legal action may be taken, depending on the nature and seriousness of the facts identified. In'li has designed a system to limit the occurrence of cases of fraud or corruption, or to detect them as early as possible:

- ▶ **Dedicated digital applications for detecting fraudulent practices**
- ▶ **An internal whistleblowing facility for reporting unethical behaviour**
- ▶ **A comprehensive ethics awareness and training programme**

In 2023, the Audit, Internal Control, Anti-Fraud and Cybersecurity department received five alerts, both from inside and outside the Company, on a variety of matters, including corruption, breaches of public procurement regulations, conflict of interest situations, housing allocation fraud, and payment fraud (the report in respect of these alerts is available [here](#)). Their severity was limited in view of the sums of money involved. All were investigated and resulted in criminal prosecution or sanctions applied by the Human Resources Department. It should be noted that the number of alerts and cases of proven fraud are a reflection of in'li's eagerness to identify them and the human and material resources deployed to this end.

3.5.3.2 COMBATING CORRUPTION, FRAUD AND FACILITATING PAYMENTS

Combating fraud and the French Sapin II Law

In'li strictly prohibits its employees, corporate officers and members of the Supervisory Board from engaging in any form of corruption, i.e. being directly or indirectly involved in facilitating payments, obstructing justice or using one's functions or position to obstruct justice or to unduly obtain advantages of any kind for oneself or for others.

With the aim of preserving an ethical business framework, in'li combats fraud in the broadest sense of the term, understood as intentionally deceiving a person or legal entity in order to obtain an illegitimate benefit, or circumventing legal obligations or organisational rules.

Consequently, it is strictly forbidden for any employee, corporate officer or member of the Supervisory Board, in the course of performing their duties, to participate directly or indirectly in facilitating payments, consisting of paying, directly or indirectly, an undue amount to a public official for the completion of administrative formalities, which should be obtained through normal legal channels. In accordance with the French "Sapin II" Law of 9 December 2016, a fraud prevention process has been set up to prevent corruption and, more generally, all categories of fraud. It is structured around the 3 pillars contained in the latest guidelines issued by the French Anti-Corruption Agency (AFA):

1

SENIOR MANAGEMENT'S COMMITMENT

A specific department to tackle fraud has been set up and two experienced employees were recruited in 2021 to battle fraud and corruption.

This department's brief extends well beyond mere regulatory compliance and includes developing the Company's anti-fraud strategy and implementing it operationally via a structured fraud prevention, detection and processing system.

2

RISK MAPPING

▶ Mapping work began in 2018 and resulted in a corruption risk map that has been updated several times to reflect the context and changes within the Company. The latest version, drafted in 2021, will be revised in 2024.

▶ The work is based on an identification, assessment and prioritisation phase, which produces an action plan.

Based on the mapping process, 9 major corruption risks emerged:

- ▶ Bribery of an employee during the housing allocation process.
- ▶ Bribery by a tenant outside of the housing allocation process (unpaid rents, revision of rent, moving in/out, etc.).
- ▶ Subletting of parking spaces.
- ▶ Collusion over selling price – split sales.
- ▶ Collusion over selling price – block sales.
- ▶ Bribery of an employee by a supplier.
- ▶ Conflict of interest, or passive bribery of a developer.
- ▶ Collusion between a referral agent and an in'li employee
- ▶ Bribery involving an elected official to obtain an administrative favour.

3

MEASURES AND PROCEDURES SET UP TO CONTROL RISKS

Risk management procedures are based on the principle set out in the Sapin II Law: prevention, awareness and detection-remediation.

In'li's action plan includes:

- ▶ Identifying key controls and building control plans for each process.
- ▶ The system is constantly evolving; in particular, any shortcomings identified during investigations or audits performed by the Audit, Internal Control, Anti-Fraud and Cybersecurity department result in an action plan that includes measures to enhance risk coverage.
- ▶ Periodic accounting controls using a data analysis application that generates key controls performed on the computerized accounting entries file (FEC). Automated analysis of this file highlights atypical accounting entries that may indicate fraud or corruption.

A structured third-party vetting system makes it possible to identify risky third parties and assess the related level of risk. Depending on the results, more or less extensive due diligence work is then carried out. All third parties (i.e., stakeholders with whom in'li has business relations) should be vetted on a regular basis throughout the term of the contract linking them with in'li. Deployment of this system began in 2023 and will continue in 2024.

Raising awareness and training employees on ethical issues

Combating fraud involves a sustained and ongoing awareness-raising policy pursued by in'li based around e-learning or face-to-face training for all employees. Additional, targeted awareness-raising sessions are also provided for those staff most at risk.

The key elements in documentation relating to business ethics are integrated into a "Compliance Pathway", deployed since 2020. This reminds employees of the bases of compliance rules, benchmarks and values within the Company in order to ensure continuous and maximum vigilance at all levels.

THE COMPLIANCE MODULE (PARCOURS COMPLIANCE)

- ▶ This module is designed to foster employees' awareness of ethics and the fight against corruption. It takes the form of e-learning or face-to-face training,
- ▶ It was developed and provided to all employees in 2020,
- ▶ All new hires must complete this training within a few months,
- ▶ Consequently, an additional 174 new employees had completed the Pathway as of December 2023, taking the percentage of Compliance-certified in'li employees to 88%.

An internal whistleblowing facility for reporting unethical behaviour

INTERNAL WHISTLEBLOWING FACILITY FOR REPORTING UNETHICAL BEHAVIOUR

The internal whistleblowing facility has been set up at a number of different levels.

- ▶ At in'li level, there are three possible channels: direct line manager level or a higher level if necessary; the Audit, Internal Control, Anti-Fraud and Cybersecurity department; or the Customer Service department for tenants. In 2024, an application will be rolled out to facilitate alerts sent to in'li, enhance traceability and guarantee anonymity.
- ▶ The first, at Action Logement Group level, is based on a platform for collecting this type of information known as "WhistleB". This channel places an intermediary between in'li and the whistleblower. Alerts are received and sorted by Action Logement's Risk Audit and Internal Control department and passed on to in'li for processing. This application respects the principles of anonymity imposed by regulations.

<https://report.whistleb.com/fr/groupeactionlogement>

As part of its fraud detection work, in'li encourages all stakeholders to report any unethical behaviour. All alerts are handled speedily and confidentially, regardless of the language in which the alert is made. The in'li and Action Logement Immobilier employees who deal with questions of ethics undertake to respect confidentiality. All whistleblowers have the right to remain anonymous, however, in'li does encourage people to identify themselves to facilitate the analysis of the situation and the conduct of investigations.

Employees who report possible breaches in good faith may under no circumstances be penalised, even if the facts turn out to be inaccurate or do not lead to any subsequent investigation. When an employee questions the ethics of a situation, they are encouraged to structure their declaration around a number of questions designed to separate ethically responsible acts and, in the event of any doubts, consult their line manager or the Audit, Internal Control, Anti-Fraud and Cybersecurity department.

Lastly, in'li reiterates that under French law and regulations, facilitating payments consisting of direct or indirect undue remuneration to a public official in exchange for the completion of administrative formalities which should be obtained through normal legal channels, is strictly prohibited.

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Investigations

Regular checks and analyses are performed to detect fraud, and any suspicions trigger investigations designed to highlight potential fraudulent acts.

Each investigation gives rise to a detailed report that can be produced in court, specifying the facts observed, the *modus operandi*, the people involved and the financial implications. Each file includes evidence substantiating the allegations.

The investigations subsequently consist of an analysis of the control failures that prevented the fraud from being detected or mitigated, and give rise to remediation actions designed to strengthen controls over processes.

Strict sanctions are applied to perpetrators or their accomplices. In 2023, investigations focused on several employees, one of whom was subject to disciplinary measures.

FRAUD INVESTIGATIONS

In 2023, the anti-fraud division carried out investigations in numerous areas such as acts of corruption, fraud in housing applications, billing of fictitious services and conflicts of interest with suppliers.

2023 RESULTS OF ALERTS RECEIVED AND PROACTIVE CHECKS CARRIED OUT BY IN'LI

NUMBER OF INVESTIGATIONS CARRIED OUT FOLLOWING ALERTS	5
Whistleblowing	0
Email	0
Letters	0
Oral	5
BREAKDOWN OF ALERTS BY TYPE OF FRAUD	
Payment fraud	2
Fraud relating to public procurement contracts	3
NUMBER OF CASES OF FRAUD INVOLVING HOUSING APPLICATIONS	1,072 applications containing fraudulent documents

Specific actions to combat fraud in the housing allocation process

DIGITAL TOOLS FOR CHECKING HOUSING APPLICATIONS

- ▶ 2021: a digital application was developed to help the marketing department identify fraudulent documents included in applications.
- ▶ 2022: this cross-functional tool, which may be used by the Marketing Department and the Audit, Internal Control, Anti-Fraud and Cybersecurity department, was integrated into the process for identifying and monitoring fraud in the housing allocation process.
- ▶ 2023: deployment was continued to ensure file traceability and provides the starting point for taking action against fraudster applicants.

The Audit, Internal Control, Anti-Fraud and Cybersecurity department also performs checks to detect fraud that may not have been spotted at the application stage and resulted in a lease being signed. In such cases, in'li takes the necessary steps to terminate the improperly signed lease.

Fraud within the housing allocation process is a major risk. In 2023, 859 applications were identified as fraudulent and removed from the allocation process.

A digital tool was developed and rolled out in 2021 to help the marketing department identify fraudulent documents used in housing applications. It also promotes a cross-cutting approach with the Audit, Internal Control, Anti-Fraud and Cybersecurity department, which is notified via the app once a fraudulent application is detected. These reports enable the anti-fraud division to perform investigations to identify links between fraudulent application files and uncover the networks involved.

This desire to combat fraud is accompanied by a policy of firm actions and repressive sanctions. Any lease signed on the basis of fraudulent documents is subject to a termination procedure, initially on an amicable basis and then legally.

Actions to prevent conflicts of interest

A conflict of interest situation arises when the independent, impartial and objective exercise of a person's duties is likely to be compromised by an interest that is distinct from the interest that the person in question is supposed to defend in the course of their duties. In 2023, the action plan to identify undeclared conflicts of interest was continued. It comprises:

- ▶ A recap of the definition of a conflict of interest and the existing procedure,
- ▶ An obligation for all employees in a potential conflict of interest situation to contact their line manager or the human resources department so that the situation is treated in a completely transparent manner,
- ▶ A declaration of the situation on online forms,
- ▶ Systematic disclosures when employees are hired to ensure the effectiveness of these actions,
- ▶ A series of controls to identify potential undeclared conflicts of interest have been introduced and around 20 such situations have been identified.

Action Logement Immobilier has also initiated a groupwide approach aimed at boosting awareness and preventing conflicts of interest among directors, whereby all future directors must now act in a completely transparent manner by declaring their professional activities, mandates and investments.

ADMINISTRATIVE FILE

As part of the drive to boost efficiency and set an example within the Action Logement group, ethical practices have been strengthened, at the instigation of the Group Ethics Committee and the social partners.

An ethics pack has been put together, comprising:

- ▶ The Group Ethics Charter
- ▶ The Administrative file
- ▶ A presentation on preventing conflicts of interest

The approach is based primarily on raising awareness and preventing conflicts of interest, so that the Group can be managed responsibly and prudently, thereby preserving its image. The Group Ethics Committee has requested that its future directors complete a sworn declaration, providing them with an overview of the risks involved.

3.5.3.3 PERSONAL DATA PROTECTION

In a context of increasing data flows and the development of digital apps and solutions, in'li is committed to a relationship based on trust and transparency *vis-à-vis* its employees, prospects and customers in terms of personal data protection. In'li appointed a Personal Data Protection Officer (DPO) in 2019, dedicated to ensuring in'li's compliance with the European Data Protection Regulation (GDPR) in all circumstances: they deal with all subjects in liaison with the various Committees and business line groups concerned, especially the Strategic Cybersecurity Committee.

Within in'li itself, the Strategic Cybersecurity Committee and relevant business line committees (IT department, Customer Relations and Marketing department, Rental Management division, etc.) meet regularly to discuss these issues and devise actions to be implemented on an ongoing basis.

The Data Protection Officer promotes compliance based around seven different projects outlined in a roadmap validated in June 2019 by the Executive Committee and the Audit and Accounts Committee (see diagram). The roadmap is updated every year and an annual progress report is submitted to the Management Board.

A number of awareness-raising initiatives were organised throughout the year, including:

- ▶ *RGPD Attitud'* (GDPR Attitude): a quarterly newsletter sent out by the Management Board to all employees;
- ▶ *Parcours Compliance* (Compliance Pathway): an e-learning module that focuses on GDPR obligations and best practices. All in'li employees must complete the Pathway.
- ▶ Awareness-raising sessions for Head Office and Property Department staff: 25 face-to-face awareness-raising sessions were organised by the Data Protection Officer.

All employees have access to the relevant documents drafted by the Data Protection Officer (i.e., communications, texts and guidelines, procedures, policies, etc.), which may be consulted via the intranet.

To protect data, in'li has a "Data Controller" Register and a "Data Processor" Register. These registers are constantly updated following regular discussions and exchanges with the various departments. The DPO uses a GDPR compliance oversight platform called "Data Legal Drive", selected by the Action Logement Group. This platform contains processing registers, lists personal data breaches and processes requests to exercise data protection rights.

One of the main personal data protection projects in 2023 was updating the data protection policy for prospective and sitting tenants, which can be consulted at <https://www.inli.fr/confidentialite> website, as well as in the appendix to each lease agreement signed with a new tenant.



3.5.3.4 CYBERSECURITY MEASURES

Because of In'li's rapid growth, the digitalisation of internal processes and the increasing number of cyber-attacks at national level, a robust Information Systems security strategy has been deployed and is headed up by the Chief Information Security Officer (CISO). This function is part of the brief of the Audit, Internal Control, Anti-Fraud and Cybersecurity department, thus guaranteeing its independence from the Information Systems department.

Implementation of cyber security is framed by the information systems security policy, which addresses 31 security objectives based around 11 key themes that are transposed to in'li's information system through 169 applicable rules. The document is based on ISO/IEC 27001, 27002, 27005 and 22301, as well as on the recommendations and best practices published by ANSSI, France's National Cybersecurity Agency.

In'li has created a dedicated governance structure based around:

- ▶ A Strategic Information Security Committee, comprising the Management Board, the IT department and the Audit, Internal Control, Anti-Fraud and Cybersecurity department. It meets twice a year to approve the IT security strategy and track action plans. A presentation on information risk management is given to the Audit Committee twice a year.
- ▶ On a more operational level, an Information System Security Committee (ISSC) meets every two months. It comprises the Information System Security team of 5 people. It discusses the key events of the period as well as monitoring of security projects and actions undertaken.

The strategy is outlined in a roadmap setting out the priorities for strengthening cyber security, overseen by the CISO. In 2023, it contained 7 main projects, including:

- ▶ Deployment of an application to accurately map the IS (in terms of infrastructure, applications and data);
- ▶ Testing of a centralised, automated identity and access management solution for all applications, based on employee arrivals/departures.

The main cyber security initiatives

SECURITY BY DESIGN: IMPLEMENTING, TRACKING AND MAINTAINING COMPLIANCE

The IT contract management process aims to integrate security into the contract life cycle. Before any contractual commitment is made, the CISO produces file-based analyses of the degree of security provided by the solutions (software, hardware, services) being considered or renewed. They make recommendations when deviations are noted and issue an opinion on the compliance or non-compliance of the solutions.

The CISO sits on the steering committees for projects with an IT component. They are therefore able to analyse the technical and infrastructure choices envisaged by the project team to ensure that they are security-compliant. Where necessary, they make recommendations based on the IT Security Policy and the best project-relevant security solutions. In this way, security is integrated into the project life cycle from the get-go.

The accreditation management process incorporates the CISO's opinion when requests for authorisation or changes to authorisation from the business lines are being processed. Through the prism of in'li's technical support, it issues a favourable or unfavourable opinion in light of the need expressed, its appropriateness in terms of the business scope and the functions performed by the beneficiary employee. This procedure is designed to ensure that security is integrated into the accreditation life cycle and career paths of employees within the organisation.

The CISO is invited to sit on certain Change advisory boards. This sovereign IT Department committee meets weekly to validate the release of changes and developments to IS applications/infrastructure. The CISO's contribution to these committees is an exigency of the principle of integrating security into project life cycles.

REGULATORY WATCH

The IS security team constantly monitors technological and regulatory developments to maintain its level of expertise and align security measures with best practices.



SECURITY IS UNDERPINNED BY A NUMBER OF PILLARS:

- ▶ **Asset identification**
- ▶ **Access and authentication controls**
- ▶ **Data encryption**
- ▶ **Vulnerability and patch management**
- ▶ **Network and communications security**
- ▶ **Continuous monitoring and incident response:**
Applications for monitoring network and system activity are used to ensure continuous surveillance of the information system and to qualify alerts. The security team is responsible for clearing up any doubts and for first-level remediation. Security incidents likely to have an impact on the availability, confidentiality or integrity of the information system are immediately reported to the Information Systems Director and the CISO, in accordance with IT Security Policy. Once the threat and its impact have been assessed, a crisis management unit may be activated to remedy the incident under the best possible conditions and allow normal resumption of information system operations.

USER TRAINING

A schedule of campaigns has been devised, following a cycle that allows new employees to take part in an awareness-raising campaign within 3 months of arriving in the Company. This specific content forms the common core of in'li's cybersecurity culture. Other employees continue their awareness programmes with periodic campaigns covering new topics. There are around 2 or 3 sessions a year.

To round out this continuous awareness programme, communications are sent out to all employees in the form of "Sécurité attitude". These are short documents (1 A4 page) illustrating a theme connected to cyber threats or best security practices.

Information system audits are performed on a regular basis. In 2023, Action Logement Group monitored the implementation of the action plan based on the 2019 audit. This follow-up showed that significant progress had been made in terms of securing the IT system.

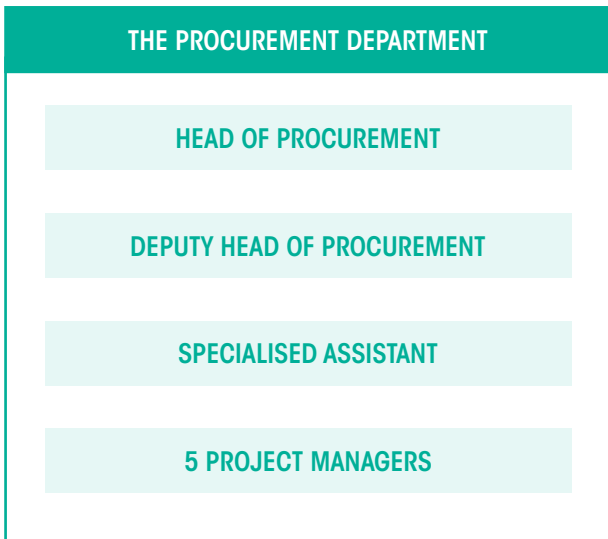
KEY TRAINING INITIATIVES

In 2023, in'li introduced mandatory cybersecurity training campaigns for all employees. Three campaigns a year are organised with the aim of training 100% of employees.

3.5.3.5 MEASURES FOR ANALYSING PUBLIC PROCUREMENT CONTRACTS

As a producer of intermediate housing, in'li, a subsidiary almost 100%-owned by Action Logement Group, has a public service mission. As a company subject to private law, because in'li belongs to Action Logement Group, it must apply the French public procurement code to all procurement relating to its needs, and for all amounts.

The scope of purchasing activity is vast and includes the Company's strategic real estate projects, both in the form of new builds or renovation projects. A Public Procurement department was set up in 2018 within the General Resources Department to oversee compliance with the legal principles applicable to in'li's procurement, and to ensure consistent and efficient procurement practices for the goods and services provided to its tenants.



- ### PROCUREMENT DEPARTMENT MISSIONS
- ▶ Advising and keeping a regulatory watch on the legal position of prescriber departments and services
 - ▶ Identifying and planning public procurement projects for Year Y+1 in Year Y-1 in liaison with the prescriber departments
 - ▶ Helping to prepare procurement strategies
 - ▶ Drafting the administrative documents for calls for tenders
 - ▶ Securing the tender process
 - ▶ Monitoring of the execution of procurement contracts
 - ▶ Handling pre-litigation and litigation
 - ▶ Measuring customer satisfaction at the end.

The number of calls for tender organised by the Procurement department has increased steadily over the past three years:

2020	2021	2022	2023
141 calls for tender	282 calls for tender	353 calls for tender	416 calls for tender
€64.9 million (net of VAT)	€97.7 million (net of VAT)	€199 million (net of VAT)	€321 million (net of VAT)

The volume of contracts that will be handled by the department in 2024 is estimated at 430.

- ### THE CORE PRINCIPLES OF PUBLIC PROCUREMENT
- By virtue of its status as a subsidiary of Action Logement Group, in'li applies the French public procurement code (*Code la Commande Publique*), summarised in three core principles set out in Article L3-1 of the Code:
- ▶ Freedom of access to public contracts
 - ▶ Equal treatment of candidates
 - ▶ Transparency of procedures

A RESPONSIBLE PROCUREMENT INITIATIVE

In October 2023, at the Social Housing Congress in Nantes, western France, in'li signed up to the "Charter for Responsible Purchasing and Supplier Relations".

The Charter forms one of the pillars of Action Logement Group's responsible purchasing policy based around 10 commitments. It encourages all companies, whatever their size or activity, to adopt responsible practices with their suppliers by raising awareness of the issues inherent in responsible purchasing and the quality of customer-supplier relations.

The Charter's 10 commitments:

- ▶ Ensuring a financially responsible relationship with suppliers
- ▶ Maintaining a respectful relationship with all suppliers that is conducive to collaborative relationships
- ▶ Identifying and managing situations of mutual dependence with suppliers
- ▶ Involving signatory organisations in supply chains
- ▶ Assessing all life cycle costs and impacts
- ▶ Mainstreaming environmental and social responsibility issues
- ▶ Ensuring that an entity's organisation is locally responsible
- ▶ Ensuring professionalism and ethics in the purchasing function
- ▶ Having a purchasing function that is responsible for overall management of supplier relations
- ▶ Having a "supplier relations" mediator, responsible for ensuring smooth relations both inside and outside the company

3.5.4 Indicators

The indicators that appear in bold are priority indicators for in'li. They are also presented in the summary table of key indicators (see Appendix).

PERFORMANCE INDICATORS	2022 results	2023 results	Objective
Proportion of employees who completed the Compliance Pathway module	87,60%	88%	-
Proportion of employees who have received personal data protection training	100%	100%	-

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



In'li s Management Board reiterates its firm commitment to equal opportunities for all employees, regardless of status or grade.

We are committed to actively promoting diversity within our organisation and formally undertake to ensure gender equality in all aspects of remuneration.



THE MANAGEMENT BOARD

3.6.1 Contribution to Sustainable Development Goals (SDGs)

In'li has signed up to the United Nations Global Compact and places the Sustainable Development Goals (SDGs) at the heart of its commitments. As part of its commitment to Adapting jobs to the requirements of the sector and the expectations of employees, in'li contributes to the following SDGs:



Deployment of measures and amenities to promote employee well-being and health at work.



Actions and training courses for in'li employees that continually develop their skills..



Actions to promote gender equality and combat all forms of discrimination.



Encouraging an intra-preneurial approach by employees

3.6.2 Our challenges and policies: the 4 pillars of in'li's Human Resources policy

PILLARS	CHALLENGES	ACTIONS
1 Developing employability, new skills and career paths.	"Attracting and retaining qualified talent is a real challenge in a tight job market that exposes in'li to the risk of a shortage of qualified employees, particularly in the digital sector and in project development. It is even more important in the context of the technological innovations taking place in our business (see sections 3.4.3.1. and 3.4.3.2.). Addressing this challenge also helps to meet the rapidly changing expectations of our customers and stakeholders."	Supporting the Company's transformation and anticipating the needs of our new business lines.
2 Engaging in inclusive social dialogue.	Continuous employee-management exchanges are a key part of in'li's corporate culture. Structured opportunities for dialogue are an integral part of the way the Company functions. The Human Resources Department also regularly organises regular events that are conducive to informal exchanges (see sections 3.4.3.3.).	Creating and monitoring formal opportunities for dialogue: employee satisfaction surveys, annual employee interviews, meetings of the Social and Economic Committee (CSE) and the Health and Occupational Safety Commission (CSST).
3 Constantly enhancing our occupational risk prevention culture.	In'li goes beyond regulatory requirements in this area.	Creation of appropriate bodies to ensure that occupational risks are identified, prevented and monitored: an Occupational Risk Prevention Committee and the Safety Committees set up within the property divisions, rounded out by a half-yearly Safety Policy Committee meeting with the Management Board.
4 Promoting a quality work environment and commitment for all employees	Diversity, openness and equal opportunities for all are a key component of this pillar. We want to give all employees and candidates the same chances and opportunities.	We hire, promote and grant mobility opportunities based solely on candidates' skills.

These four pillars of Human Resources policy are in phase with the United Nations Global Compact (compliance with the ten principles of the Compact), which in'li officially signed up to in 2022.

3.6.3 Our actions

3.6.3.1 CREATING AND HELPING EMPLOYEES TRANSITION TO NEW JOBS

Faced with the rapid transformation in its business lines, In'li oversees a manpower and skills planning process focused on current transformation projects. This culminated in an event that brought together employee representative bodies, managers and employees to identify the impacts that our projects will have on the different businesses and anticipate the support that will be required (hiring, training, etc.).

In 2023, in'li focused on strengthening employee skills. This approach demonstrates the continual efforts of our human resources policy in terms of strengthening employee loyalty and reinforces in'li's employer brand. In 2023, we also increased the use of apprenticeships and professional training contracts by providing a career path within in'li to 26 young people entering the labour market for the first time.

ATTRACTING SKILLED NEW TALENT

POSITIONING IN'LI AS AN ATTRACTIVE EMPLOYER

Employer brand promoted on the "Welcome to the Jungle" Platform and its large panel of candidates

Highly-visible online recruitment platforms: in'li is boosting its presence on professional social networks, especially vis-à-vis young graduates.

Social utility and innovation aspects in particular are highlighted in in'li's job offers.

Presence on the LinkedIn professional network.

This extended network provides access to a large panel of potential candidates and boosts in'li's presence on professional social networks.

In 2023, in'li will have more than 22,000 relations on LinkedIn.

Participation in real estate sector job forums

The 2023 forum brought together around 70 recruiters and twenty or so schools specialising in real estate professions.

In 2023, in'li was also present at the Paris job fair, a key event for young graduates and jobseekers.

Establishment of a partnership with ESPI (*École supérieure des professions immobilières*), a real estate business school.

In'li is opening another channel of access to interns, under graduates on work-study programmes and young graduates specialising in real estate activities such as development, auditing, management or sustainable and innovative real estate.

Recruitment of work-study students, in line with Senior Management priorities.

In 2023, 26 new work-study students were hosted, in addition to the 14 already working in the Company, with the aim of offering them a permanent position at the end of their work-study programme.

Thanks to this visibility, in'li hired 136 permanent staff in 2023.

In'li is determined to remain an attractive employer and retain talent. With this in mind, it greatly encourages internal mobility and training for all employees.

STRENGTHENING EMPLOYEE LOYALTY

FACILITATING INTERNAL MOBILITY AND LIFELONG TRAINING FOR EMPLOYEES

Providing tailored training and development programmes.

Developing the in'li intranet and using the Id'ALjob website to enhance the visibility of mobility offers within Action Logement Group.

Creation of new types of jobs offering new opportunities to employees.

HELPING EMPLOYEES TRANSITION TO NEW JOBS

Annual performance review interviews provide an opportunity to assess employees' performance over the past year. The process also sets aside time for exchanging and the employee is invited to give feedback on the Company. It is rounded out by a professional interview to discuss the employee's career path, the training completed and their plans for the future, and to identify an employee's wish to move to new positions.

In 2023, the annual review guide was updated with a new, more collaborative appraisal format. The aim is to give employees a greater say in how the interview is conducted. This time set aside for discussion between employee and manager enables employees who so wish the opportunity to request a meeting with Human Resources (HR).

A mentoring scheme for caretakers and work-study students to provide effective support for new arrivals from their first day on the job: a guarantee of enhanced skills.

In 2023, the HR team sought to improve employee integration in the context of a changing job market. To support this approach, a full-time trainer joined the Human Resources team in 2023, enabling us to train our new employees more quickly and develop links between our IT applications and resources and the Company's business processes.

3.6.3.2 DEVELOPING SKILLS AND CAREER PATHS

1. Employee training is a key focus of HR policy: in 2023, 69% of employees benefited from training opportunities – an average of 20.08 hours training per employee. More specifically, 68% of the employees who benefited from mobility opportunities also received tailored training.

SKILLS DEVELOPMENT PILLARS IN THE 2023-2024 TRAINING PROGRAMME

- ▶ Developing managerial skills by redesigning training paths
- ▶ Deployment of training programmes tailored to the challenges of managing properties held in joint ownership
- ▶ Helping employees to develop their property management expertise
- ▶ Boosting CSR expertise in connection with new build methods (new materials, elevated buildings, zero net soil sealing, etc.).
- ▶ Launching a "Relational excellence" initiative to enhance customer-tenant satisfaction.

3. The job of building caretaker is changing fast and in'li along with other Action Logement subsidiaries launched a "Building caretaker school" with the backing of APES (an association that works to provide social amenities). It is designed to meet fresh recruitment needs on the ground at under-pressure sites.

At the same time, in'li is continuing its long-term partnerships with the Franchir and Egérie associations to train people in distressed situations or in social integration or reconversion programmes to be building caretakers. In 2023, nearly 200 building caretakers were certified "Pass Digital" – recognition of an advanced level of knowledge and expertise in their profession with greater day-to-day responsibility and autonomy.

2. Supporting the development of managers and managerial skills remains a priority. This is borne out by the organisation of five "Manager Clubs" since 2018 – themed workshops that bring managers together to share their experiences and practices. New managers are systematically provided with training based on the methods recommended by the French *Institut d'Accompagnement Psychologique et de Ressources (IAPR)*, a psychological support and listening process that enables psychosocial risks to be more effectively anticipated, understood and managed. In 2023, in'li hired 10 new managers.

"MANAGERS CLUBS" IN 2023

All in'li managers attended at least one Managers' Club meeting in 2023. Several clubs were organised during the year. The April 2023 club dealt with remuneration policy and individual professional development plans, and the June 2023 Club dealt with integration and disciplinary procedures.

Moreover, in July 2023, a managers' seminar brought together the Company's 140 managers to discuss psycho-social risks, with the aim of taking collective action to tackle what has become the leading cause of absenteeism in France.

4. Supporting employees

2023 also provided opportunities to support employees with the transformation of the business and the development of new activities (e.g., property administration, property management agencies, etc.) via the deployment of numerous training initiatives. In'li is able to leverage an extensive network of trainers; a total of 25% of training courses are run in-house by Company employees.

In-house training enables various themes to be addressed and encourages exchanges between employees and managers. Over 12,952 hours of training were provided in 2023.

More generally, since 2019, in'li has been running an intra-preneurial programme open to all employees as part of its innovation strategy. The programme promotes innovative in-house projects and supports personal initiatives and people with ideas for start-ups. It will be rolled out more extensively in 2024 to focus on developing new services for in'li that will make internal processes smoother.

In addition to the employee satisfaction survey, all employees are encouraged to provide their manager with feedback on the Company during their annual performance review interviews. All employees are also invited to express their expectations (in terms of their mission, requests for mobility or training, etc.) during their annual professional interviews.

IN'LI IS WORKING WITH OïD, THE SUSTAINABLE REAL ESTATE OBSERVATORY, ON A TRAINING PROGRAMME: "LABEL'ID"

Label'ID is a multi-stage programme to promote sustainable real estate training for sector professionals. It was launched in partnership with the Ecole de Ponts ParisTech's Master's in sustainable real estate and building and will begin with a workshop featuring the Sustainable real estate fresco, followed by an online process for vetting professional sustainable real estate expertise. Career paths will be created to support the operational focuses of professionals as closely as possible.

3.6.3.3 WORK ORGANISATION AND SOCIAL DIALOGUE

Ongoing dialogue and employee satisfaction survey

To promote ongoing dialogue with employees, in'li regularly organises employee satisfaction surveys. The 2022 survey, which registered a participation rate of 74%, was based around a set of questions put to employees to assess whether or not they would recommend in'li as an employer, and to evaluate the commitment of employees, their understanding of the Company's strategy, their work/life balance and their satisfaction with career development prospects at in'li. 2023 was an opportunity to tackle the areas for improvement identified in the previous survey.

EMPLOYEE SATISFACTION SURVEY: THE HIGHLIGHTS

75% of employees declared that they are ready to commit to in'li's success



82% of employees feel that they have the right level of autonomy in their work



71% of employees declared that their work is meaningful for them.



TOWARDS AN ACTION PLAN

Once the survey had been completed, in'li integrated the points for improvement highlighted by employees into its 2023 action plan, including enhanced cross-cutting complementarity between departments. In the wake of the pandemic, at a time when social ties are fraying and employees are more than ever looking for meaning and commitment in their jobs, these are very positive findings.

Promoting communities for sharing best practices

In'li intends to continue pursuing initiatives that provide recognition to employees and enhance two-way communication. The example that best illustrates our culture of exchange is the "Cross café" initiative based around discussions between representatives of each business line (prime contractors, site managers, rental management personnel, building staff, etc.) that focus on employees' concerns, how they perceive their jobs and their needs going forward.

IN'LI'S "CROSS CAFÉS"

In 2023, in'li launched "Cross Café in'li" with the aim of sharing everyone's projects and activities. These events enable both departments and divisions to showcase their missions in front of other in'li employees. The *Cross Cafés* have tackled a number of themes, including auditing and risk management, rental management expertise and property letting. 2023 ended with a *Cross Café* dedicated to the Investment and Construction Department and the circular economy, where UPCYCLEA was invited to present its Piraeus recycling platform.

Concerning social dialogue, following the renewal of the Social and Economic Committee (CSE) in the wake of professional elections in 2023, new agreements were signed.



THE “LIVE TEAMS” MEETINGS WITH THE MANAGEMENT BOARD

These remotely conducted events are open to all employees and enable the Management Board to talk to them directly, in particular to discuss the Company’s strategic focuses or the results of the past quarter.

The Management Board answers questions put directly (anonymously or otherwise) by employees.

In addition to formal exchanges between management and employee representative bodies, various informal events are organized throughout the year to encourage exchanges between employees and the Management Board.

Lastly, in’li continues to guarantee freedom of expression, trade union freedom and freedom of association to all of its employees in compliance with the basic principles of the International Labour Organisation.

3.6.3.4 HEALTH, SAFETY AND A QUALITY WORK ENVIRONMENT

An organization structured around our Safety policy

Although most of in’li’s businesses are not exposed to accident risks, the Company pursues a highly proactive policy in terms of working conditions and the health and safety of its employees. Since 2020, the Company’s Safety Policy is structured around three steering committees.



These three committees are rounded out by the Occupational Health, Safety and Working Conditions Commission, comprising the Human Resources Department and elected staff representatives. The Commission enables employee representatives to present their viewpoint concerning the Company’s health protection and occupational risk prevention policy.

Our actions in favour of occupational health and safety issues

In'li is fully committed to health and safety in the workplace and has deployed four major actions to ensure compliance with this key component of the Group's policy.

TRAINING

2,028 hours of regulatory and non-regulatory occupational health and safety training was provided to all employees – 15.6% of all training provided in 2023:

- ▶ First aid training (approx. 36 employees received training)
- ▶ Prevention of risks related to physical activities (for local staff)
- ▶ Authorisations required for technical amenities (e.g., for caretakers and managers of programmes where the Company is prime contractor)
- ▶ Prevention of psycho-social risks for managers

In accordance with regulations, in'li organises mandatory occupational risk training for the employees concerned. A session open to all in'li employees on the theme of first aid was organised to coincide with World Health and Safety Day on 28 April, 2023.

UPDATING AND DIGITIZING THE SAFETY HANDBOOK FOR NEW ARRIVALS

The "Golden rules of safety" handbook (*Les règles d'or de la sécurité*) presents the various different occupational risks. It is designed for prevention, raising awareness and empowering employees.

The bodies tasked with monitoring risks continued their work in 2023:

OCCUPATIONAL HEALTH, SAFETY AND WORKING CONDITIONS COMMISSION

This commission comprising the Human Resources Department and elected staff representatives, met four times during the year.

OCCUPATIONAL RISK PREVENTION COMMITTEE

The Human Resources Department and a representative of each business line sit on this committee, which meets each quarter to analyse occupational risk trends and how to develop our key actions.

SAFETY COMMITTEES SET UP WITHIN THE PROPERTY DIVISIONS

These committees, tasked with preventing property and occupational risks, especially those related to physical activities, also meet on a quarterly basis

SAFETY POLICY COMMITTEES

Two Safety Policy Committee meetings were held in the presence of the Management Board.

Prevention of psycho-social risks within in'li

Exposure to psycho-social risks can have adverse consequences for the mental and psychological health of employees. These psycho-social risks include work-related stress due to overwork and/or lack of resources, internal violence (conflict, harassment in the workplace) and external violence such as threats or aggression.

The disruption of the last three years, linked in particular to the 2020 health crisis, has exposed in'li to these risks. To prevent such situations, in'li has designed a HR framework that enables us to raise awareness, provide support and respond to identified cases of psycho-social risk.

INTRODUCTION OF A PSYCHO-SOCIAL RISK ALERT PROCEDURE

This system is activated when a potential or proven individual or collective psycho-social risk situation is identified. It provides for the gradual intervention of different players depending on the reality/severity of each situation, and should enable each employee to receive the support needed to resolve the identified problem.

Lastly, a "Managers Seminar" was also held in July 2023 on this subject to raise awareness and provide managers with the resources they need in this area.

Combating sexual harassment and sexist behaviour in the workplace

2023 was a busy year in this domain, due in particular to the updating of the procedure for dealing with sexist behaviour and sexual harassment. The new procedure outlines 5 steps that enable concrete action to be taken:

1. Any employee may report a situation of alleged sexual harassment or abuse,
2. Referral to the investigation commission,
3. Analysis of the situation,
4. Investigation report,
5. End of procedure and preventive measures.

CORRESPONDENTS FOR "COMBATING SEXUAL HARASSMENT"

Two correspondents have been available for a number of years as part of the fight against sexual harassment and gender-based violence, one of whom is an employee and the other a member of the Social and Economic Committee.

The health, prevention and security policy also protects any employee who reports or witnesses such behaviour.

Wellness at work

In addition to health and safety issues, in'li is also focused on wellness at work and gauging employee expectations.

More broadly, in order to promote a better work/life balance for its employees, for the past few years, in'li has been offering all eligible employees (depending on the nature of their tasks) the possibility of flexible working hours. In'li is just as focused on the quality of the workplace environment. Negotiations were therefore initiated in 2023, with a view to signing an agreement on "Quality of life at work" in 2024.

In'li also organised the Quality of Life at Work Week once again in June 2023. Several participative, awareness-raising workshops were organised, involving over 50 employees, around the themes of occupational health and safety, and conferences dealing with performance and addiction to work.

Lastly, in 2023 in'li continued to organise events focused on quality of life at work, including team seminars aimed at stimulating informal exchanges within each team through activities selected by the manager (sport, escape games, museum outings, etc.) or sports events (e.g. the in'li football team plays in the in the BTP-Immobilier League).

IN'LI AND TELEWORKING

A teleworking agreement for two days a week was signed in 2021, in line with the wishes expressed by employees and negotiations with the social partners. It is available to all employees and helps to promote a better work-life balance. The vast majority of administrative employees (99%) are eligible for teleworking or "nomadism" and 95% have opted for these types of flexible working methods. These are very popular arrangements and 81% of employees eligible for remote or nomad working telework two days a week.

In 2023, two amendments to the teleworking agreement were signed: they extend the possibility of teleworking to employees on a trial period and to students on work-study programmes and they also define a framework for nomadic workers.

3.6.3.5 DIVERSITY, EQUALITY AND INCLUSION

As a leading player in affordable housing for the middle classes in the Paris region and a socially responsible company, combating all types of discrimination is part of in'li's DNA.

This culture is promoted by the Management Board which has made combating inequality one of its key priorities. These issues are regularly discussed at Management Board level in the presence of the Human Resources department. The appointment of the new Management Board, which took office on 1 January 2022, is a perfect illustration of this proactive approach as 60% of its members are women.



The Company intends to turn these differences into a strength, while respecting the opinions of everyone

(Article 11 of in'li's internal regulations).



In accordance with International Labour Organisation (ILO) principles relating to equal pay and discrimination⁽¹⁾ and with French law, in'li's corporate culture is underpinned by the acceptance of diversity in all its forms (ethnic origin, disability, gender, sexual orientation, religion, age, political opinions, social origin, etc.).

PRINCIPLE OF NON-DISCRIMINATION

Compliance with the principle of non-discrimination in recruitment constantly features in awareness-raising initiatives targeting managers via Human Resources correspondents who are responsible for ensuring that the recruitment process and the choice of candidates is based solely on skills.

Prohibition of all forms of discrimination is enshrined in in'li's internal regulations which all new employees must sign. Four articles in particular aim to protect all employees, trainees, candidates or interns from all forms of sexual or psychological harassment, sexist behaviour or discrimination. This prohibition on discrimination also protects any employee who reports or witnesses such behaviour. In'li's internal regulations provide for sanctions against any employee who does not comply with these rules.

DIGITAL INCLUSION

The deployment of digital inclusion initiatives helps to bolster employability. In'li ensures that its employees are systematically trained to use new tools with a twofold objective: enabling employees to feel more comfortable when using new digital tools and applications both at work and in their personal lives. In'li has provided digitalisation job training and support to all of its building caretakers as part of the "Mobility Apps Project". This project, which is recognised both by Action Logement Group and the French Association of HR managers (ANDRH), aims to help caretakers get to grips with their new digital work tools and applications with a view to obtaining internal certification. This project comes in the wake of the negotiation of an agreement on changes in the building caretaker's job, signed unanimously by our trade union delegates.

Gender equality in in'li

In'li pays special attention to gender equality within the Company. To this end, a gender equality agreement was signed in 2021 between Executive Management and trade union representatives guaranteeing equal treatment for all employees, regardless of gender. Balanced representation of women in positions of high responsibility is a reflection of this focus. Of employees on permanent contracts:

56.2%

of management-grade employees are women

52.9%

of managers are women

38.1%

of Executive Committee members are women

In'li is also pursuing its commitment to equality in access to management positions, equal pay and feminisation of technical positions, through salary increases in the event of gender-based discrepancies and anti-harassment awareness-raising initiatives.

As part of mandatory annual negotiations, there is a special focus on gender equality, with the aim of reducing any discrepancies that may exist by profession. The results for 2023 are very conclusive in this respect as the average pay differential between men and women is 2%, which is stable year on year (all indicators may be consulted on [page 113](#)).

This helped in'li achieve a gender equality index of 90/100 in 2023. This means that in'li outperforms most French companies with over 50 employees, which had an average gender equality index of 88/100 in 2023, 2 points lower than in'li's index.

In'li is also striving for equality in maternity leave and the development of paternity leave. In 2023, 14 women left on maternity leave within the company, representing a total of 1,415 days of maternity leave. 100% of fathers who registered the birth of a child opted to take paternity leave, representing a total of 18 paternity leaves in 2023, or 368 days over the year.

(1) OIL conventions n°100 & 110

Integration and employment of people with disabilities

Lastly, in'li is striving to integrate and employ people with disabilities and 6.5% of in'li employees are disabled. As evidence of the growing awareness of this issue, an assessment was carried out in 2022 among all in'li employees of their perception and awareness of disability. It was followed up by an action plan with the support of Agefiph (national manager of the fund for the professional integration of disabled people), focusing on recruitment policy and taking on people with disabilities. In 2023, we adapted workstations for employees who requested this (equipment adapted for the visually impaired and ergonomic accessories, for example). In'li wishes to be more proactive in this area by assisting managers with recruitment and by broadening recruitment briefs to include other profiles and experience.

RECRUITMENT POLICY AND DISABILITY

In'li's recruitment policy factors in disability-related considerations. To give every candidate an equal chance, in'li's offices are accessible to people with reduced mobility. In addition, any candidate suffering from a disability and/or a long-term illness can be assured that in'li will provide equipment adapted to their disability, and if necessary adapt their working conditions.

ACTIONED CONDUCTED BY THE DISABILITY MISSION IN 2023

Disability strategy is an essential component of Human Resources policy: it aims to help people with disabilities to remain in the workforce and integrate and onboard employees with disabilities. It is fully in phase with in'li's Health and Safety policy for protecting the health of our employees and improving their working conditions. In 2023, in'li appointed a Disability correspondent and is fully committed to the Disability mission through 3 committed actions.

DISABILITY POLICY COMMITTEE - MAY 2023

A Disability Policy Committee has been set up to oversee and monitor indicators and the deployment of initiatives. It meets twice a year and conducts a number of actions, including communicating in respect of European Disability Employment Week, as well as organising training and awareness-raising modules about disability.

COMMUNICATION FOR EDEW 2023

To mark the 27th European Disability Employment Week (EDEW) from November 20 – 26, in'li launched a disability awareness campaign based around dedicated communications throughout the week.

The various themes covered were visual impairment, disabling illnesses, hearing impairment, and employee carers.

CREATION OF A DISABILITY MISSION AND AN INFORMATION BOOKLET FOR EMPLOYEES

The Disability Mission – comprising Disability and HR correspondents in liaison with in'li's internal and external services that can be activated depending on the situation – aims to provide day-to-day operational guidance on disability-related issues.

- ▶ **It assists managers and employees** with disability-related issues – from recruitment to integration – via awareness-raising, communication and helping people with disabilities to remain in the workforce.
- ▶ **It is attentive to the needs of disabled employees** by providing:
 - > Administrative support for employees with disabilities (disability recognition [RQTH], financial assistance, etc.)
 - > Organizational adjustments (to workload, working hours, organization of activities, etc.)
 - > Technical adjustments (workstation equipment, ergonomic studies, accessibility of premises, etc.)

3.6.4 Indicators

The indicators that appear in bold are priority indicators for in'li. They are also presented in the summary table of key indicators (see appendix).

PERFORMANCE INDICATORS	2022 results	2023 results	Objective
Number of employees enrolled in certification programmes	18	14	> 5 every year
Number of employees who benefited from functional mobility opportunities	55	37	-
Proportion that received mobility-related training	65.50%	68%	100% every year
Proportion of employees who have received training	77.20%	68.8%	> 70% every year
Average number of hours training per employee	19.5	20.08	> 14 every year
Total number of hours training	12,497	12,952	12,500 every year
Participation rate in the commitment survey	74%	No survey in 2023	> 50% every year
% of employees who declared that their work is meaningful for them	71%	No survey in 2023	> 70% every two years
% of administrative employees eligible for teleworking or "nomadism"-type arrangements	84%	97%	-
% of eligible administrative employees who have opted for flexible working arrangements (teleworking or "nomadism")	86%	81%	-
Gender equality index	95/100	90/100	> 90 every year
Average gender pay gap	2% in favour of men	2% in favour of men	-
Median gender pay gap	NC	1% in favour of women	-
Management Committee members - average F/M fixed salary (permanent contracts ⁽¹⁾)	92%	93.50%	-
Managers excluding Executive Committee members - average F/M fixed salary (permanent contracts)	96%	90.70%	-
Non-managers - Average F/M fixed salary (permanent contracts))	101.50%	102.50%	-
% of employees who received a salary increase after returning from maternity leave	100%	100%	-
Number of women among the ten highest-paid employees	4	3	≥ 4 every year
% of women on permanent contracts among:			
> management grade employees	53%	56.20%	-
> Executive Committee members	41%	38.10%	-
> Managers	55%	52.90%	-
Number of trainee caretakers	3	0	-
Number of work-study trainees	28	26	-
Number of career evaluations performed every six years ⁽²⁾	0%	55.90%	100% every year
% of employees covered by collective bargaining agreements	100%	100%	100% every year
Number of collective bargaining agreements	4	4	-
Number of collective bargaining agreements in force	17	20	-
Turnover rate⁽³⁾	12%	11%	< 10% every year
Number of paternity leaves	24	18	-
Number of maternity leaves	15	14	-
Number of parental leaves	5	0	-
% employees with a disability	5%	6.50%	6% every year
Average full-time equivalent number of employees with a disability	26.5	38.84	-
Correspondents trained to deal with sexual harassment and sexist behaviour	2	2	-

(1) Permanent contracts

(2) The number of employees concerned is low: 33 in 2023, i.e. 4.25% of the permanent workforce.

(3) Defined as the rate of departures of employees on permanent contracts (excluding death, retirement or end of trial period).

Appendices

APPENDIX 1: SUMMARY TABLE OF CSR ISSUES, RISKS, INDICATORS AND OBJECTIVES	115
APPENDIX 2: APPLICATION OF EU TAXONOMY TO IN'LI'S ACTIVITIES	118
I. Overview	118
I.1 Framework and requirements of green EU Taxonomy	118
I.2 Link with In'li Group CSR strategy	118
II. Evaluation and methodology	119
II.1 Organisation and sources of information	119
II.2 Definition of indicators	119
II.3 Taxonomy-eligibility	119
II.4 Taxonomy alignment	122
III. Results	126
III.1 Results of Taxonomy-eligibility and alignment for 2023, 126	
III.2 Year-on-year change	131
IV. Outlook	132
APPENDIX 3: METHODOLOGICAL NOTE	132
APPENDIX 4: REPORT BY AN INDEPENDENT THIRD PARTY	137
APPENDIX 5: ELEMENTS REQUIRED UNDER THE FRENCH COMMERCIAL CODE (<i>CODE DE COMMERCE</i>)	144
APPENDIX 6: GRI 12 CORRESPONDENCE TABLE	145



Appendix 1: Summary table of CSR issues, risks, indicators and objectives

CSR risks	Challenges	Key performance indicators	Results for 2022	Results for 2023	Δ 2022/2023	Objectives	NFPS
CSR PILLAR: SOCIAL 							
	Ensuring adequate territorial coverage of in'li's intermediate housing offering	No. of affordable housing units operated (including new units)	40,216	41,726	3.75%	-	3.2.4.
			1,567	2,109			
		Number of affordable units undertaken	3,232	917 ⁽¹⁾	-71.60%	-	3.2.4.
		Geographical breakdown of affordable housing units operated (including new units) ⁽²⁾	43% in zone A and 54% in zone A bis	45% in zone A 54% in zone A bis	+2 points in zone A	Over 95% of affordable housing units in supply-constrained areas (i.e., A bis et A) every year	3.2.4.
		Geographical breakdown of affordable housing units undertaken	50% in zone A 50% in zone A bis	72% in zone A 28% in zone A bis	+22 points in zone A -22 points in zone A bis		
		Number of families housed during the year	4,884	5,053	3.46%	-	3.2.4.
Poor knowledge of the in'li offering by target "company employees"	Ensuring that the in'li offering is identified and adapted to its target "company" customer base	Rate of allocation to company employees	81%	86%	+5 points	75% of families housed every year	3.2.4.
		Percentage of the value of the rental housing stock with a discount of at least 10%	90%	91.90%	+1.9 points	-	3.2.4.
		Percentage of the value of the rental housing stock with a discount of at least 15%	80%	82%	+2 points	-	3.2.4.
		Average salary of incoming households	€3,518	€3,770.98	7.19%	-	3.2.4.
		Share of incoming households eligible for intermediate housing ⁽²⁾	99.50%	99.60%	+0.5 points	> 95% each year ⁽³⁾	3.2.4.
		Average annual gain in purchasing power per household	€ 3,623	€ 3,934.49	8.60%	-	3.2.4.
Customer dissatisfaction (tenants, businesses, buyers, etc.)	Developing two-way communication, dialogue and close customer ties	Overall tenant satisfaction rate	70%	62.10%	-7.9 points	80% every year	3.3.4.

(1) Includes housing earmarked for in'li, APEC and Cronos.

(2) Since 2003, the French Government has defined five different types of residential zones based on the extent to which the local residential market is supply-constrained. Zones A and A bis are the most supply-constrained zones and they represent in'li's core target market. Certain units historically operated by in'li are located in zone B (notably in the Oise department or in a number of towns in zone B1 and B).

(3) The regulatory analysis of the Y-2 tax income of our new tenants must place 95% of them below the Intermediate Housing threshold.

CSR risks	Challenges	Key performance indicators	Results for 2022	Results for 2023	Δ 2022/2023	Objectives	NFPS
Lack of employee opportunities for developing and learning	Developing employee skills and opportunities on offer	Share of employees who have received training	77.20%	68.80%	-8.4 points	> 70% every year	3.6.4.
		Average number of hours training per employee	19.5 hours	20.08 hours	0.58 hours	> 14 hours every year	3.6.4.
		Number of employees who have benefited from functional mobility opportunities (incl. proportion trained in mobility)	55 (o/w 65.50% were trained)	37 (o/w 68% were trained)	-32.73%	Training provided for 100% of mobility opportunities	3.6.4.
Mismatch between jobs and changing requirements of the sector	Anticipating the needs of tomorrow by designing new jobs in phase with changing activities and helping employees transition towards new skills	Number of employees enrolled in certification programmes	18	14	-	-	3.6.4.
Deterioration in working conditions and the work environment and loss of talent	Offering working conditions that match employee expectations	Turnover rate ⁽¹⁾	12%	11.00%	-1 point	< 10% every year	3.6.4.
		Gender equality index	95/100	90/100	-5 points	> 90 every year	3.6.4.

(1) Defined as the separation rate for employees on indefinite-term employment contracts (excluding death, retirement and end of probationary period)

CSR risks	Challenges	Key performance indicators	Results for 2022	Results for 2023	Δ 2022/2023	Objectives	NFPS
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CSR PILLAR: ENVIRONMENT



Poor adaptation to shareholder expectations (local government, investors, users)	Anticipating new environmental challenges and expectations	Average consumption of primary energy estimated in kWh/sq.m./year ⁽¹⁾	151.5 kWh/sq.m./year	136.9 kWh/sq.m./year	-9.60%	2030: < 95 kWh/sq.m./year 2040: < 60 kWh/sq.m./year 2050: < 55 kWh/sq.m./year	3.4.4.	
		Emissions estimated in equiv kilos of CO2 emissions rejected /sq.m./year ⁽²⁾	31.7 equiv kg CO2/sq.m./year	26.23 equiv kg CO2/sq.m./year	✓ -17.26%	2030: < 15kg eq CO2/m ² /year 2040: < 5 kg eq CO2/m ² /year 2050: carbon neutrality	3.4.4.	
Transition risk: non-compliance with regulations and changes in the environmental performance of dwellings		Eradication of very poorly insulated housing: number of units of housing identified with an F or G energy label ⁽³⁾	F energy label: 526 units	F energy label: 240 units	F energy label: -286 housing units		End-2023: no units with an F or G energy label	3.4.4.
			G energy label 155 units	G energy label 83 units	G energy label -72 housing units		End-2030: no units with an E energy label	
		EU taxonomy-related indicators⁽⁴⁾						
		% of Turnover generated from EU taxonomy-aligned activities ⁽⁵⁾	35.30%	38.80%	✓ +3.5 points	-		3.1.2.4.
	% of Capital expenditure related to EU taxonomy-aligned activities ⁽⁵⁾	80.30%	82.90%	+2.6 points	-		3.1.2.4.	
	% of Operating expenditure related to EU taxonomy-aligned economic activities ⁽⁵⁾	28.00%	30.90%	+2.9 points	-		3.1.2.4.	

CSR PILLAR: GOVERNANCE



Unethical practices and breaches of ethics	Combating fraud and corruption, particularly with regard to allocation of housing	Share of employees who have completed the Compliance module	87.60%	88.00%	+0.4 points	100%	3.5.4
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✓ Indicators audited for the purpose of obtaining reasonable assurance

(1) Scopes 1 and 2

(2) In 2022, in'li had actual and estimated consumption data for 74% of its properties (compared to 62% in 2021). The data collection methodology is explained in the methodological appendix.

(3) Work delivered or in progress.

(4) Within the meaning of the technical screening criterion, "substantial contribution to climate change mitigation" of EU Taxonomy presented in the methodological appendix.

(5) In view of the recent entry into force (1 January 2022) of the French RE2020 environmental regulation, in'li does not yet have the visibility needed to define targets concerning the substantial contribution made by its properties to mitigating climate change.

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Appendix 2: Application of EU Taxonomy to in'li's activities

I. Overview

I.1 FRAMEWORK AND REQUIREMENTS OF GREEN EU TAXONOMY

Regulation (EU) 2020/852 (Taxonomy regulation), adopted on 18 June 2020 by the European Parliament and Council, and effective from 1 January 2022, has introduced a system for classifying activities (Taxonomy) that establishes a common framework for European companies and investors to determine the part of their activities that may be considered to be sustainable.

Since 2021, in'li has been applying the Taxonomy regulation and its delegated acts, providing for reporting of indicators concerning the Taxonomy alignment of the activities of non-financial entities, in accordance with technical screening criteria. To be considered as aligned, an activity must comply with the following technical screening criteria: (1) make a substantial contribution to at least

one of six environmental objectives, (2) do no significant harm to any of the other five objectives, and (3) provide minimum social safeguards.

For 2023, in'li analysed the eligibility of its activities for all 6 objectives defined in the Taxonomy regulation and the alignment of its activities with 2 of these 6 objectives: the climate change mitigation and adaptation objective.

The analysis of the alignment of in'li's activities with the 2 aforementioned objectives was performed based on a detailed analysis of all its activities with regard to regulatory texts⁽¹⁾⁽²⁾⁽³⁾ and the various FAQs⁽⁴⁾⁽⁵⁾ published by the European Commission.

I.2 LINK WITH IN'LI GROUP CSR STRATEGY

In'li's activities are largely covered by EU Taxonomy, as evidenced by the proportion of Turnover, CapEx and OpEx eligible under the climate change mitigation objective, of 95%, 97.1% and 100%, respectively. The Taxonomy regulation therefore fully reflects in'li's commitment to protecting the environment and combating global warming set out in:

- ▶ Part 2 of the Strategic Plan of June 2022, attesting to in'li's proactive approach to positioning itself as an influential player in sustainable development and low-carbon construction;

- ▶ Its CSR handbook which sets out the Company's commitments in terms of the environmental performance and decarbonisation objectives of its property portfolio;
- ▶ Action Logement Group's development plan⁽⁶⁾, which goes beyond regulatory requirements: building new housing and improving the energy performance of its older housing, with environmental performance that exceeds regulatory requirements.

(1) *Delegated Climate Regulation of 4 June 2021 and annexes*

(2) *Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 and annexes*

(3) *FAQ 2 of the European Commission of 2 February 2022*

(4) *Climate FAQs of 19 December 2022*

(5) *FAQ Article 8 of 19 December 2022*

(6) *Action Logement Group's development plan*

II. Evaluation and methodology

II.1 ORGANISATION AND SOURCES OF INFORMATION

To calculate Taxonomy indicators, in'li set up a dedicated internal working groups, composed of members of the Investment and Construction Department, Financing Department, Accounting and Finance Department and Property Portfolio Technical Department. These groups analysed the eligibility and alignment of the Group's activities based on regulations, technical information relating to each in'li activity: technical specifications provided by building/renovation service providers, technical descriptions, etc., and the report drawn up by a Second Party Opinion (SPO) mandated by in'li to evaluate the EU Taxonomy alignment of their 2022 Green Financing Framework, based on internal documents.

Application of the eligibility analysis to all Taxonomy objectives since the 2023 financial year required a fresh review of the Group's activities and its investments in particular.

II.2 DEFINITION OF INDICATORS

Taxonomy indicators (ratios for Turnover, CapEx and OpEx) have been calculated according to the strict definition provided in the Article 8 Delegated Act of the taxonomy regulation.

Turnover net of recoverable charges, CapEx and OpEx are based on financial information taken from in'li's financial reporting systems and checked by the Accounting and Finance Department.

Moreover, the underlying data for each financial flow (Net Turnover, CapEx and OpEx) was measured by property group for each eligible activity. This availability of data greatly limits the risk of double counting.

TURNOVER

The denominator of the ratio relating to Turnover within the meaning of EU Taxonomy, corresponds to in'li's net Turnover, i.e. the revenue from goods and services sold, excluding the impact of rebillable service charges, to avoid double counting of these charges, i.e. €322 million.

CAPEX

The denominator of the ratio relating to capital expenditure within the meaning of EU Taxonomy, corresponds to all acquisitions of property and equipment during the reporting period, i.e. €613 million. As in'li did not sign any leases in 2023 within the meaning of IFRS16, CapEx for 2023 does not include any flows for leases.

OPEX

The denominator of the ratio relating to operating expenditure within the meaning of EU Taxonomy corresponds to direct non-capitalised costs relating to maintenance and other direct expenditure relating to the day-to-day servicing of property, plant and equipment by the company or sub-contractors and short-term leases, i.e. €43 million.

II.3 TAXONOMY-ELIGIBILITY

II.3.1 Eligibility for climate objectives:

In'li's Taxonomy-eligible activities under the two climate objectives are the following:

CLIMATE CHANGE MITIGATION OBJECTIVE:

- ▶ The lease activities (rents, occupancy fees, prepaid charges) are Taxonomy-eligible under category "7.7 Acquisition and ownership of buildings", excluding the lease of terraces, balconies and car parks if these can be isolated.
- ▶ Property development projects:
 - > If intended for sale, property development is Taxonomy-eligible under category "7.7 Acquisition and ownership of buildings".
 - > If intended for exercising ownership (renting), the activity may fall under either category "7.1 Construction of new buildings" or category "7.7 Acquisition and ownership of buildings", as stipulated in FAQs 144 and 147, published by the European Commission on 19 December 2022. In'li has opted to include these activities in category "7.7 Acquisition and ownership of buildings".
 - > Renovation and refurbishment of buildings falls under activity "7.2 Renovation of existing buildings".
 - > Densification projects, acquisition & improvements activity and conversion of offices into housing, consisting of acquiring a property and carrying out major renovation work with the aim of changing its final use (e.g., converting offices into housing or standalone housing into co-living units) are Taxonomy-eligible activities. These operations may come under two activities if the operation includes both renovation and new-build work. When a carve-out is possible, new-build work is eligible for activity "7.7 Acquisition and ownership

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of buildings” and renovation work is eligible for activity “7.2 Renovation of existing buildings”. When it is impossible to distinguish between renovation work and building work, in’li considers the operation to be Taxonomy-eligible under activity “7.7 Acquisition and ownership of buildings”, based on FAQ 144 on the European Commission’s Climate Delegated Act, indicating that an activity in the acquisition process may be categorised under “7.7 Acquisition and ownership of buildings”.

- > In’li’s Turnover includes fees for holding equity investments in property companies. In’li provides project management consultancy (PMC) services on behalf of these property companies (finders’ fees, project management fees and fees for monitoring new builds) and the property companies include these fees in the cost of these real estate assets. This activity may therefore be considered part of the property development process, and Taxonomy-eligible under category “7.1 Construction of new buildings”.

CLIMATE CHANGE ADAPTATION OBJECTIVE:

- ▶ All in’li activities eligible for the climate change mitigation objective are also eligible for the climate change adaptation objective as regards CapEx and OpEx. As none of the activities (7.1, 7.2 and 7.3) are deemed to be enabling activities⁽¹⁾ under Annex II (Adaptation) of the Climate Delegated Act, Turnover related to climate change adaptation is nil and therefore in’li does not report a Turnover indicator for the climate change adaptation objective.⁽²⁾

II.3.2 Eligibility for climate objectives:

In’li’s Taxonomy-eligible activities under the two climate objectives are the following:

TRANSITION TO A CIRCULAR ECONOMY:

- ▶ The construction of new buildings for sale and the renovation of existing buildings – already covered by the climate delegated acts - are covered respectively in sections 3.1 and 3.2 of the transition to a circular economy objective.
- ▶ The demolition and wrecking of buildings as part of new-build projects in which in’li retains ownership, represent investments made by in’li and are covered by section “3.3 Demolition or wrecking of buildings and other structures” of the transition to a circular economy objective.

Other CapEx is not eligible for the transition to a circular economy objective.

POLLUTION PREVENTION AND CONTROL OBJECTIVE

- ▶ Operations to search for pollutants, decontamination, asbestos removal, etc. are covered by section “2.4. Remediation of contaminated sites and areas under the Pollution Prevention and Control objective”. For 2023, in’li only recognised €15k of CapEx relating to this activity, and no OpEx or Turnover. As this is not a material amount, it has been deemed immaterial and in’li does not therefore report a CapEx indicator for the pollution prevention and control objective.

II.3.3 Summary of Taxonomy-eligible activities:

The different activities identified as Taxonomy-eligible for 2023, based on the descriptions provided in the Climate Delegated Act are summarised below.

(1) Article 16 of the Taxonomy regulation defines an economic activity as enabling an activity that directly enables other activities to make a substantial contribution to one or more of the objectives set out in the Regulation.

(2) As stated in the foreword to the Climate Delegated Act C(2021) 2800, page 6, Section 3, these activities should include only the expenditure incurred in making an activity climate-resilient (unless it is an enabling activity), and not the Turnover generated by that activity, unless it meets the criteria for making a substantial contribution.

Article 8, Section 1.1.1 of the Delegated Act, therefore states the following: “The KPI referred to in the first subparagraph shall exclude from its numerator the part of the net turnover derived from products and services associated with economic activities that have been adapted to climate change in line with Article 11(1), point (a) of Regulation (EU) 2020/852 and in accordance with Annex II to Commission Delegated Regulation (EU) (‘Climate Delegated Act’), unless those activities: (a) qualify as enabling activities in accordance with Article 11(1), point (b) of Regulation 2020/852; or (b) are themselves Taxonomy-aligned.”

TABLE 1 IN'Lİ'S TAXONOMY-ELIGIBLE ACTIVITIES

Environmental objective	Activity referred to by EU Taxonomy	EU Taxonomy definition of activity	Corresponding in'li activity	Taxonomy indicators
CLIMATE CHANGE MITIGATION	7.1 Construction of new buildings	Development of building projects for residential and non-residential buildings [...] for later sale.	<ul style="list-style-type: none"> ▶ Property development projects to be offered for sale ▶ Land bank operations in progress with a view to selling them to property developers 	Turnover Capital expenditure
	7.2 Renovation of existing buildings	Construction and civil engineering works or preparation thereof	<ul style="list-style-type: none"> ▶ Renovation and restructuring work. 	Capital expenditure
	7.7 Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate	<ul style="list-style-type: none"> ▶ Property development projects to be offered for sale ▶ Letting out housing, commercial and office property. ▶ "Acquisition & improvement" activities ▶ Letting out office property (IFRS16) ▶ Fees for holding equity investments in property companies 	Turnover, Capital expenditure, Operating expenditure
CLIMATE CHANGE ADAPTATION	7.1 Construction of new buildings	Development of building projects for residential and non-residential buildings [...] for later sale.	<ul style="list-style-type: none"> ▶ Property development projects to be offered for sale ▶ Land bank operations in progress with a view to selling them to property developers. 	Capital expenditure
	7.2 Renovation of existing buildings	Construction and civil engineering works or preparation thereof	<ul style="list-style-type: none"> ▶ Renovation and restructuring work. 	Capital expenditure
	7.7 Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate	<ul style="list-style-type: none"> ▶ Property development projects to be offered for sale ▶ Letting out housing, commercial and office property. ▶ "Acquisition & improvement" activities ▶ Letting out office property (IFRS16) ▶ Fees for holding equity investments in property companies 	Capital expenditure, Operating expenditure
CIRCULAR ECONOMY	3.1 Construction of new buildings	Concerns the development of residential and non-residential new builds.	<ul style="list-style-type: none"> ▶ Property development projects to be offered for sale ▶ Land bank operations in progress with a view to selling them to property developers 	Turnover, Capital expenditure
	3.2 Renovation of existing buildings	Concerns construction and civil engineering works or preparation thereof	<ul style="list-style-type: none"> ▶ Traditional renovation work 	Capital expenditure
	3.3 Demolition and wrecking of buildings and other structures	Concerns the demolition and wrecking of buildings and other structures or the development or redevelopment of land.	<ul style="list-style-type: none"> ▶ Demolition of buildings 	Capital expenditure

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II.4 TAXONOMY ALIGNMENT

For information, analysis of Taxonomy alignment for 2023 focuses solely on climate-related objectives.

For each category of activity, the assessment was performed as follows:

- ▶ Assessment of the substantial contribution of each eligible activity
- ▶ Assessment of DNSH criteria for the activities that comply with the substantial contribution criteria
- ▶ Verification that Generic criteria for DNSH (adaptation) apply to the activities identified
- ▶ Review of minimum social benefits

II.4.1 Analysis of alignment with the climate change mitigation objective

The analysis of Taxonomy-alignment with the climate change mitigation objective was performed as follows:

7.1 CONSTRUCTION OF NEW BUILDINGS

This concerns property development: building projects to be offered for sale.

SUBSTANTIAL CONTRIBUTION

Certain buildings comply with the NZEB - 10% threshold (which corresponds to French RT 2012 – 10% and RE 2020 energy performance regulations). In addition, air tightness tests have been performed, demonstrating certain standards of performance in terms of a building's energy efficiency.

For 2023, this activity did not include any buildings with a floorspace of greater than 5,000 m², so it is not concerned by the life cycle analysis of its buildings or by thermal integrity tests.

DO NO SIGNIFICANT [SPECIFIC] HARM (DNSH)

▶ DNSH – Water:

It could not be demonstrated that buildings comply with the following criterion: "Showers have a maximum water flow of 8 litres/min";

Most of in'li's new programmes are certified NF Habitat or NF Habitat HQE or comply with similar standards, however requirements for this certification indicate minimum flow rates greater than 8 litres/minute. In'li has reported this inconsistency to Cerqual, the certification issuing body, and is awaiting Cerqual's feedback.

▶ DNSH – Circular economy:

Construction waste is managed so as to maximise reuse and recycling:

In'li hereby confirms that its buildings comply with relevant EU legislation such as the Waste Framework Directive⁽¹⁾, which stipulates that by 2020 at least 70% of non-hazardous construction and demolition waste (by weight) must be prepared for reuse, recycling or other types of recovery. In'li is currently looking at how to incorporate procedures into its technical specifications to control the proportion of non-hazardous site waste prepared for reuse, recycling or recovery. The wrecking of buildings is not yet regulated in France, however, it is indirectly covered by local legislation on combating climate change and building

resilience to the effects of climate change. In'li hereby confirms that the buildings included within this framework comply with Article 224 of French Law No. 2021-1104 of 22 August 2021, as of the application date, which permits the extension of existing buildings provided that they can be disassembled.

In'li has adopted a formally documented circular economy strategy consisting of (i) promoting the reuse of materials, (ii) strengthening responsible management of site waste, (iii) extending the useful life of materials and (iv) anticipating the circular economy, starting in the design phase.

The Company's objective is to recover 90% of construction waste. The plan for monitoring this objective is deployed for projects where in'li is the project owner, and requires liaison with the various stakeholders for projects involving external developers.

▶ DNSH – Pollution:

In'li hereby confirms that its buildings located in France comply with European and national requirements applicable to hazardous chemicals and pollutants⁽²⁾ as well as noise and dust emissions during construction. Moreover, in'li's Property Portfolio Technical Department regularly uses the services of independent third-party verifiers to ensure that all buildings comply with applicable regulations.

(1) Directive 2008/98/EC, amended by Directive (EU) 2018/851

(2) In accordance with the provisions of Directive 2011/65/EU (RoHS) and Regulation 1907/2006 (REACH)

► DNSH – Biodiversity:

All of in'li's construction activities are located in urban areas. The building permits issued by the relevant authorities attest to compliance with terrestrial biodiversity criteria.

In'li hereby confirms that the buildings in its portfolio comply with French legislation concerning construction in areas of natural wildlife listed by ministerial order.⁽¹⁾

In accordance with current regulations, in'li's real estate programmes are subject, where applicable, to an Environmental Impact Assessment (EIA) submitted along with the building permit application. This study assesses the potential impacts of the property development programme on fauna and flora and presents mitigation and compensation measures.

For Generic criteria for Do No Significant Harm (DNSH): see section on Generic criteria for DNSH.

In brief, it was not possible to validate DNSH in its entirety for this category of activity (7.1), in particular because of minimum water flow requirements for sanitary equipment, which are incompatible with the comfort objectives outlined in NF Habitat and NF Habitat HQE standards.

7.2 RENOVATION OF EXISTING BUILDINGS

In'li renovates existing buildings in accordance with the regulatory definition.

SUBSTANTIAL CONTRIBUTION

All Taxonomy-aligned renovation work⁽²⁾ identified generates a reduction in primary energy consumption of at least 30%, as certified by an external energy performance assessment.

DO NO SIGNIFICANT [SPECIFIC] HARM (DNSH)

► **DNSH – Water:** In'li's energy renovation work included in reporting does not contain water installations (i.e., taps, flushing cisterns). Consequently, activity 7.2 is not concerned with DNSH – Water for reporting in 2023.

► **DNSH – Circular economy:** → [See section on activity 7.1](#)

► **DNSH – Pollution:** → [See section on activity 7.1](#)

► **For Generic criteria for Do No Significant Harm (DNSH):** → [see section on Generic criteria for DNSH](#)

7.7 ACQUISITION AND OWNERSHIP OF BUILDINGS

In'li is involved in letting out housing, construction of new buildings and acquisition & improvement with a view to exercising ownership over the acquired property.

SUBSTANTIAL CONTRIBUTION

The criteria for making a substantial contribution to climate change mitigation for building ownership activities are as follows:

For buildings for which the building permit was submitted before 31 December 2020, the assessment consisted in noting an A label on the energy performance assessment, or primary energy consumption below the top 15% ceiling defined by the French Government, i.e. less than 135 Kwh/m²/year.⁽³⁾

For buildings for which the building permit was submitted after this date, the primary energy demand, measured by the building's energy performance, was compared to the French NZEB-10% threshold (equivalent to RT2012 regulations -10%), given that since RE2020 regulations

came into force on 1 January 2022, the French government has stated that application of this new standard automatically means compliance with NZEB-10%.

At 31 December 2023, one building categorised under this activity was under construction, with a floorspace greater than 5,000 m² and a building permit submitted after 31 December 2020, so it is not concerned by the life cycle analysis of its buildings or by thermal integrity tests. This property is not aligned because the RT 2012 energy performance regulation with which it must comply does not include either a life cycle analysis or thermal integrity test.

(1) Article L411-1 of the French Environmental Code

(2) As set out in national and regional regulations applicable to major renovation work designed to implement Directive 2010/31/EU. The energy performance of the building (or the renovated part of it) meets the energy performance requirements for major renovation work.

(3) Source: Interpretation of Delegated Regulation (EU) 2021/2139 of 4 June 2021 relating to the building sector.

Not applicable

► **Generic criteria for DNSH adaptation**

In 2021, in'li commissioned a research office to conduct an annual assessment of potential physical climate risks to its building portfolio, based on the geographical location of properties. Among the list of potential risks in Appendix A, rising sea levels and heatwaves have been identified as potentially having a significant impact on the Greater Paris region and therefore on in'li's properties. IPCC scenarios for 2070 and 2100 have been tested and the resulting analyses indicate limited exposure to these risks. In'li has taken the following adaptation measures:

- > Compliance with regulations and local policies concerning flood-prone areas in line with the National Adaptation Plans drawn up by the French Government,
- > Prioritising insulation work at existing properties, focusing on the least well-insulated buildings, to improve the comfort and health of tenants, especially during heat waves,
- > In new builds, compliance with a maximum summer comfort index not to be exceeded – degree-hours, which measures the number of hours of summer discomfort for tenants,
- > Taking out a multi-risk insurance policy covering all properties for the risks associated with climate hazards.

Disclosures related to climate risks are outlined in section 3.4.3.2: → **Exposure to climate change risks**.

II.4.2 Analysis of alignment with the climate change adaptation objective

Qualifying as making a substantial contribution to climate change adaptation implies, inter alia:

- implementation of physical solutions taken from the Adaptation Plan: in'li systematically deploys adaptation solutions through dedicated infrastructures (rainwater drainage, levelling, etc.). However, these measures are systematic for new builds and do not necessarily result from a climate risk analysis at this stage.
- the impact of adaptation solutions: adaptation solutions comply with local regulations, however, they are not specifically monitored and measured and do not necessarily favour the nature-based solutions required by EU Taxonomy.

Consequently, in'li's activities are not deemed to be aligned with the Taxonomy climate change adaptation objective.

II.4.3 Analysing minimum safeguards (MS)

In order for its activities to be considered as Taxonomy-aligned, an entity must implement procedures "to align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights enshrined in the eight fundamental conventions cited in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights" (Article 18 of the Taxonomy Regulation).



TABLE 2: IN'LI POLICIES AND PROCEDURES REGARDING MINIMUM SAFEGUARD CRITERION

Criteria	Detailed criteria	In'li policies and procedures
DUE DILIGENCE ON HUMAN RIGHTS	The Company has deployed an adequate human rights due diligence process, as outlined in UN Guiding Principles and the OECD Guidelines for Multinational Enterprises.	<ul style="list-style-type: none"> ▶ Notice to property developers (for off-plan operations) ▶ Standard technical specifications (for project ownership / prime contractorship operations) ▶ Standard public procurement clauses; ▶ Quality of Life at Work Policy ▶ Occupational Health and Safety Policy; ▶ Human Resources Policy ▶ Whistleblowing procedure ▶ Internal regulations ▶ NFPS FY21
ANTI-CORRUPTION PROCEDURES	The company has introduced anti-corruption processes	<ul style="list-style-type: none"> ▶ Group Code of Conduct/Ethics ▶ Corruption risk mapping ▶ Conflict of interest management plan ▶ Anti-corruption policy ▶ Anti-fraud guidelines ▶ Procedures for compliance with the Sapin II law ▶ Parcours Compliance (Compliance Pathway) must be completed by each employee ▶ Internal regulations + appendices
FISCAL GOVERNANCE	Tax governance and compliance are considered key elements of oversight, and adequate tax risk management strategies and processes have been put in place.	<ul style="list-style-type: none"> ▶ Group tax policy and procedures
FREE COMPETITION PROCEDURES	The Company makes its employees aware of the importance of complying with all applicable competition laws and regulations.	<ul style="list-style-type: none"> ▶ Group Code of Conduct/Ethics ▶ Public Procurement Code (formally documented) ▶ Standard public procurement clauses

To date, in'li has not been convicted of any charges related to corruption, tax, anti-trust or human rights issues. There are a number of procedures within the Company and in contractual documents that bind it to its partners.

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III. Results

III.1 RESULTS OF TAXONOMY-ELIGIBILITY AND ALIGNMENT FOR 2023

TABLE 3: REGULATORY SCHEDULE: TAXONOMY RELATING TO TURNOVER

Year Y	2023			Substantial contribution criteria						DNSH criteria						Share of Taxonomy-aligned Turnover (A.1.) or Taxonomy-eligible Turnover (A.2.), Year N-1 (18)	Category (enabling activity) (19)	Category (transition activity) (20)	
	Code (2)	Turnover (3)	Share of Turnover in Year Y (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				Minimum safeguards (17)
Economic activities (1)																			
		EUR	%	YES; NO; N/EL						YES/NO						YES/NO	%	EN	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITIES (TAXONOMY-ALIGNED)																			
Acquisition and ownership of buildings	CCM 7.7	€124,820,093	38.8%	YES	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	35.3%		
Turnover from environmentally sustainable economic activities (Taxonomy-aligned) (A.1.)		€124,820,093	38.8%							YES	YES	YES	YES	YES	YES	YES	35.3%		
o/w enabling activities		€0	0.0%							YES	YES	YES	YES	YES	YES	YES	0.0%	EN	
o/w transitional activities		€0	0.0%							YES	YES	YES	YES	YES	YES	YES	0.0%		T
A.2. ACTIVITIES THAT ARE TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE (NOT TAXONOMY-ALIGNED)																			
EL; N/EL																			
Acquisition and ownership of buildings	CCM 7.7	€179,159,361	55.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								58.8%		
Construction of new buildings	CCM 7.1 CE 3.1 ⁽¹⁾	€1,893,083	0.6%	EL	N/EL	N/EL	N/EL	EL	N/EL								1.0%		
Turnover from activities that are Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned) (A.1.)		€181,052,444	56.2%														59.8%		
A. Turnover from Taxonomy-eligible activities (A.1. + A.2.)		€305,872,537	95.0%														95.1%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Turnover from activities that are not Taxonomy-eligible		€16,027,222	5.0%																
TOTAL (A. + B.)		€321,899,759	100%																

(1) Only the eligibility calculation is required this year for the four environmental objectives.

TABLE 4: SUMMARY REGULATORY SCHEDULE: TAXONOMY RELATING TO TURNOVER

	Share of Turnover/total Turnover	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	38.8%	95.0%
CCA	NC	0.0%
WTR	NA	0.0%
CE	NA	0.6%
PPC	NA	0.0%
BIO	NA	0.0%

NC - Not calculated: only enabling activities report the Turnover ratio for climate change adaptation.

NA - Not applicable: only the eligibility calculation is required this year for the four environmental objectives.



TABLE 5: REGULATORY SCHEDULE: TAXONOMY RELATING TO CAPEX

Year Y	2023			Substantial contribution criteria						DNSH criteria						Share of Taxonomy-aligned CapEx (A.1.) or Taxonomy-eligible CapEx (A.2.), Year N-1 (18)	Category (enabling activity) (19)	Category (transition activity) (20)		
	Economic activities (1)	Code (2)	CapEx (3)	Share of CapEx in Year Y (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)				Biodiversity (16)	Minimum safeguards (17)
		EUR	%	YES; NO ; N/EL						YES/NO						YES/NO	%	EN	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITIES (TAXONOMY-ALIGNED)																				
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2 ⁽¹⁾	€58,396,753	9.5%	YES	NO	N/EL	N/EL	NO	N/EL	YES	YES	YES	YES	YES	YES	YES	0.7%		T	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	€447,917,323	73.0%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	79.6%			
	CCM 7.7 CCA 7.7 CE 3.3 ⁽¹⁾	€1,973,289	0.3%	YES	NO	N/EL	N/EL	NO	N/EL	YES	YES	YES	YES	YES	YES	YES				
CapEx from environmentally sustainable economic activities (Taxonomy-aligned) (A.1.)		€508,287,365	82.9%							YES	YES	YES	YES	YES	YES	YES	80.3%			
o/w enabling activities		€0	0.0%							YES	YES	YES	YES	YES	YES	YES	0.0%	EN		
o/w transitional activities		€58,396,753	9.5%							YES	YES	YES	YES	YES	YES	YES	0.7%		T	
A.2. ACTIVITIES THAT ARE TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE (NOT TAXONOMY-ALIGNED)																				
				EL; N/EL																
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	€0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										0.1%	
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2 ⁽¹⁾	€56,676,503	9.2%	EL	EL	N/EL	N/EL	EL	N/EL										5.5%	
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1 ⁽¹⁾	€8,138,711	1.3%	EL	EL	N/EL	N/EL	EL	N/EL										1.0%	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	€22,557,880	3.7%	EL	EL	N/EL	N/EL	N/EL	N/EL										6.5%	
CapEx from activities that are Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned) (A.1.)		€87,373,093	14.2%																13.1%	
A. CapEx from Taxonomy-eligible activities (A.1 + A.2)		€595,660,458	97.1%																93.4%	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
CapEx from activities that are not Taxonomy-eligible		€17,710,472	2.9%																	
TOTAL (A. + B.)		€613,370,930	100%																	

NC: not calculated because the Circular Economy objective was not subject to regulatory reporting in 2022.

(1) Only the eligibility calculation is required this year for the four environmental objectives.

TABLE 6: SUMMARY REGULATORY SCHEDULE: TAXONOMY RELATING TO CAPEX

	Share of CapEx/Total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	82.9%	97.1%
CCA	0%	97.1%
WTR	NA	0%
CE	NA	20.4%
PPC	NA	0%
BIO	NA	0%

NA - Not applicable: only the eligibility calculation is required this year for the four environmental objectives.

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TABLE 7: REGULATORY SCHEDULE: TAXONOMY RELATING TO OPEX

Year Y	2023			Substantial contribution criteria						DNSH criteria						Share of Taxonomy-aligned OpEx (A.1.) or Taxonomy-eligible OpEx (A.2.), Year N-1 (18)	Category (enabling activity) (19)	Category (transition activity) (20)	
	Code (2)	OpEx (3)	Share of OpEx in Year Y (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				Minimum safeguards (17)
Economic activities (1)																			
		EUR	%	YES; NO; N/EL						YES/NO						YES/NO	%	EN	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITIES (TAXONOMY-ALIGNED)																			
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	€13,237,675	30.9%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	28.0%		
OpEx from environmentally sustainable economic activities (Taxonomy-aligned) (A.1.)		€13,237,675	30.9%							YES	YES	YES	YES	YES	YES	YES	28.0%		
o/w enabling activities		€0	0.0%							YES	YES	YES	YES	YES	YES	YES	0.0%	EN	
o/w transitional activities		€0	0.0%							YES	YES	YES	YES	YES	YES	YES	0.0%		T
A.2. ACTIVITIES THAT ARE TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE (NOT TAXONOMY-ALIGNED)																			
<i>EL; N/EL</i>																			
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	€29,553,921	69.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								72.0%		
OpEx from activities that are Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned) (A.1.)		€29,553,921	69.1%														72.0%		
A. OpEx from Taxonomy-eligible activities (A.1 + A.2)		€42,791,596	100%														100%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
OpEx from activities that are not Taxonomy-eligible		€0	0.0%																
TOTAL (A. + B.)		42,791,596	100%																

TABLE 8: SUMMARY REGULATORY SCHEDULE: TAXONOMY RELATING TO OPEX

Share of OpEx/Total OpEx

	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	30.9%	100.0%
CCA	0.0%	100.0%
WTR	NA	0.0%
CE	NA	0.0%
PPC	NA	0.0%
BIO	NA	0.0%

NA - Not applicable: only the eligibility calculation is required this year for the four environmental objectives.

III.2 YEAR-ON-YEAR CHANGE

III.2.1 Change in Taxonomy alignment and eligibility concerning the climate change mitigation objective

In'li is focusing its efforts on the climate change mitigation objective, in line with its CSR strategy. The analysis of its ratios will therefore focus on this objective.

TURNOVER

The ratio relating to eligible net turnover remained stable, moving from 95.1% in 2022 to 95% in 2023. The ratio of net turnover aligned with the Taxonomy Climate change mitigation objective increased by 3.5 points year on year, from 35.3% to 38.8%.

This increase was mainly due to new properties delivered during 2023, whose performances are EU Taxonomy-aligned.

CAPEX

The ratio of CapEx aligned with the Taxonomy Climate change mitigation objective increased by 3.7 points between 2022 and 2023, from 93.4% in 2022 to 97.1% in 2023. This increase was attributable to the fall in the proportion of land acquisition within CapEx. Because these acquisitions are not Taxonomy-eligible, their decrease automatically increases the proportion of eligible CapEx.

The ratio of CapEx aligned with the Taxonomy Climate change mitigation objective increased by 2.6 points between 2022 and 2023, to 82.9%. This increase can be explained both by the fall in the proportion of non-eligible expenditure (land acquisitions), and a sharp rise in CapEx for energy retrofits on older properties, aligned with the climate change mitigation objective.

OPEX

As in previous years, 100% of OpEx recognised in 2023 was Taxonomy-eligible.

The proportion of OpEx aligned with the climate change mitigation objective rose by 2.9 points, from 28% in 2022 to 30.9% in 2023. This increase is in phase with that observed in the ratio of net turnover aligned with the Taxonomy Climate change mitigation objective; as for this previous ratio, this increase was also mainly attributable to new properties delivered in 2023.

CHANGES IN METHODOLOGY

A correction has been made to a methodological error in the way in'li analyses densification projects, acquisition & improvements, and conversion of offices into housing, for which in'li intends exercising ownership. For 2022, when this type of operation included both the construction and renovation of existing buildings, in'li considered the entire operation to be aligned if it cumulatively complied with the technical screening criteria for the "7.7 Acquisition and ownership of buildings" and "7.2 Renovation of existing buildings" activities. As indicated previously, in order to allocate a single activity to an investment stream, this type of operation – which is intended to remain the property of in'li – may come under two activities if it includes both renovation and new construction work. When a carve-out is possible, new-build work was analysed with regard to eligibility for activity "7.7 Acquisition and ownership of buildings", and renovation work with regard to eligibility for activity "7.2 Renovation of existing buildings". When it is impossible to distinguish between renovation work and building work, in'li considers the operation to be Taxonomy-eligible under activity "7.7 Acquisition and ownership of buildings", based on FAQ 144 on the European Commission's Climate Delegated Act indicating that an activity in the acquisition process may be categorised under "7.7 Acquisition and ownership of buildings".

The application of the eligibility analysis to the new Taxonomy objectives involved fresh efforts to identify CapEx, but this was based on the accounting records without requiring any major changes to their construction.



IV. Outlook

IV.2.1 Integration of Taxonomy into strategic management processes

In'li is increasingly factoring EU Taxonomy criteria into its investments. Eco-design, energy efficiency and comfort will make it possible to provide tenants with attractive housing that complies with best market practices in terms of energy and the ecological transition.

For information, between now and 2030, the objective is to reduce average primary energy consumption in the housing units we operate to below 95kWh/sq.m. per year and average greenhouse gas emissions to less than 15 kg eq CO2/sq.m. This objective will reinforce compliance with EU Taxonomy criteria and therefore enhance the levels of the indicators (Turnover, CapEx and OpEx) aligned with the Climate change mitigation objective.

Lastly, as part of its proactive approach, in'li has set targets for the sustainability of its activities in line with the EU Taxonomy Climate change mitigation objective, with the aim of generating 55% of its Taxonomy-aligned Turnover from sustainable activities by 2030.

Appendix 3: Methodological note



The Non-Financial Performance Statement (NFPS) presents the most relevant non-financial information concerning in'li's activities, its major risks and the material issues identified by its stakeholders.



PERIOD COVERED

The information disclosed in the Non-Financial Performance Statement covers the financial year, which runs from 1 January to 31 December.

SCOPE

The data reported concerns in'li and the reporting scope is as follows:

Social indicators: reporting covers all of in'li's workforce.

Environmental indicators: reporting covers all housing owned by in'li unless otherwise stated in the Non-Financial Performance Statement or the following sections: It excludes the impacts of in'li's offices.

Governance indicators: reporting covers all of in'li's workforce.

DATA GATHERING TECHNIQUES

The management indicators are produced and verified by the various departments concerned and the management control department based on data available in the information systems.

Environmental data is provided by the Property Portfolio Technical department and the Investment and Construction department.

Information on human resources is provided by the Human Resources department.

Governance information is compiled by the Audit and Risk Management department and by the Data Protection department.

General reporting for the Non-Financial Performance Statement is overseen by the Deputy CEO – CSR, Investments and Construction.

DATA CONTROL AND CONSOLIDATION PROCEDURES

The data presented in the NFPS is compiled by the various divisions involved in CSR strategy and these are detailed in the CSR Governance section. The different divisions liaise with their teams to collect, consolidate and control information for the indicators for which they are responsible.

SPECIFIC FEATURES OF INDIVIDUAL INDICATORS

Indicators related to the housing offering:

Indicators related to the number of housing units in operation correspond to the number of family housing units and managed residences (co-living, student residences, sheltered accommodation, etc.) owned by in'li at 31 December.

The number of housing units undertaken during the year corresponds to the number of housing unit starts committed to by in'li's development teams, regardless of whether they subsequently remain in in'li's property portfolio or are transferred to property development companies in which in'li holds minority interests (i.e., APEC and Foncière Cronos).

The number of families housed corresponds to the number of families who moved into a housing unit during the year.

Service quality indicators:

Tenant satisfaction was measured based on a survey conducted by an external service provider on a representative sample of the portfolio and the population housed by in'li, comprising 2,500 tenants.

Social indicators:

Social indicators are tracked by the Human Resources and business lines department and calculated based on the Company's total workforce.

The percentage of employees trained corresponds to the number of employees who have received training during the year, divided by the number of employees present in the workforce at 31 December. The employee turnover rate corresponds to the number of departures of permanent employees (excluding death, retirement and end of trial period) as a proportion of the permanent workforce at 31 December of the previous year.

The number of employees who have benefited from functional mobility (including those people trained as part of this mobility) corresponds to the number of employees who have benefited from career improvement initiatives (including those who have taken one or more training courses).

The professional gender equality index is calculated based on the overall score attributed in the gender equality index.

Environmental indicators:

The energy and environmental trajectory of in'li's property portfolio was based on scopes 1 and 2 and it was performed in two stages:

DIAGNOSTIC PHASE:

This first phase consists of cross-checking property data (consolidated at 31/12/2023) with energy consumption data for 2022 (gas, district heating network and electricity). For this third year, in'li's target was to increase the completeness of data when compared to prior year.

Consumption data gathered for 2022 covered 52% of properties. To round out these items, the diagnostic phase continued with segmentation of actual data collected, based on:

- ▶ Type of heating: heating management, whether collective or individual heating, is the responsibility of either the user or the operator. Tenants with individual heating pay closer attention to their energy bills.
- ▶ Energy source: gas-fired systems or centralised district heating networks are managed by the operator. Electric systems (individual systems) may be controlled by each tenant. Electric heating systems generally have similar energy performance to gas or district heating systems (but to the detriment of comfort).
- ▶ Year of construction of property: the building method is related to the year of construction. Pre-war buildings are mostly built in brick, with elaborate façade cladding. Buildings dating from the 1970s are made of concrete and begin to incorporate insulation. Buildings built after 2012 comply with French RT 2012 energy performance targets and have a high building performance. Therefore, year of construction provides an indication of the building's energy performance.
- ▶ Assumptions concerning buildings built after 2012 have been refined thanks to the data collected and by factoring in the reinforcement of French RT 2012 energy performance objectives as of 1 January 2018, impacting post-2020 deliveries. These objectives impact the 2020-2022 property segment by reducing target consumption/emissions by over 10%.



- ▶ For gas-fired sites

POST-2012 ASSUMPTIONS

2013 to 2015	120 kWh/sq.m.	28 kgCO2/sq.m.
2016 to 2019	120 kWh/sq.m.	28 kgCO2/sq.m.
2020 to 2022	100 kWh/sq.m.	23 kgCO2/sq.m.

- ▶ For sites powered by centralised district heating networks

POST-2012 ASSUMPTIONS

2013 to 2015	115 kWh/sq.m.	15 kgCO2/sq.m.
2016 to 2019	115 kWh/sq.m.	15 kgCO2/sq.m.
2020 to 2022	100 kWh/sq.m.	12 kgCO2/sq.m.

NEW IN 2023: SEPARATION OF DATA FOR GAS-FIRED SITES FROM DATA FOR SITES POWERED BY CENTRALISED DISTRICT HEATING NETWORKS



Consolidation of the database has made it possible to break out average consumption and carbon between gas-fired sites and sites powered by centralised district heating networks.



This segmentation has made it possible to inject average consumption and carbon into sites where it had not been possible to collect consumption data.

This extrapolation work increased data completeness to 72% of the property portfolio (29,980 units), i.e. a statistically reliable sample, making it possible to continue the analysis and build the environmental trajectory of in'li's property portfolio.



BUILDING THE TRAJECTORY

In'li has built its trajectory in accordance with the National Low Carbon Strategy and Action Logement Group's objectives.

The trajectory factors in the following:

- ▶ For energy retrofits of existing properties: 750 housing units retrofitted per year through 2026, then 500 units a year through 2030, with an annual renovation budget that remains stable over time,
- ▶ For new buildings: reinforcement of French thermal and environmental standards with each passing decade, until carbon neutrality is achieved in 2050.

In the medium term, the decarbonisation trajectory for in'li's property portfolio (scopes 1 and 2) translates into the following intermediate objectives:

	Average GHG emissions targets per sq.m. for the property portfolio	Average primary energy consumption targets per sq.m. for the property portfolio
2023	27 equiv kg CO2/sq.m./year	125 kWh/sq.m./year
2024	25 equiv kg CO2/sq.m./year	121 kWh/sq.m./year
2025	23 equiv CO2 kg/sq.m./year	115 kWh/sq.m./year
2026	21 equiv CO2 kg/sq.m./year	110 kWh/sq.m./year
2027	19 equiv kg CO2/sq.m./year	106 kWh/sq.m./year
2028	17 equiv CO2 kg/sq.m./year	101 kWh/sq.m./year
2029	16 equiv kg CO2/sq.m./year	97 kWh/sq.m./year
2030	15 equiv CO2 kg/sq.m./year	95 kWh/sq.m./year

ENERGY CARBON RATE

For the first NFPS in 2021, based on consumption in 2020, the carbon content imposed by existing regulatory decrees in force, i.e. the Government Order of 15 September 2006 relating to energy performance assessments was used for existing buildings in mainland France:

- ▶ Natural gas: 0.234 kgCO2/kWh
- ▶ Electric heating: 0.180 gCO2/kWh

The overall trajectory mapped that year was therefore based on these base values.

The Decree of 31 March 2021, which came into force on 1 July 2021, "(amended Government Order of 15 September 2006), amended the CO2 content of energy sources, imposing the following standards:

- ▶ Natural gas: 0.227 kg CO2/kWh
- ▶ Electric heating: 0.079 kg CO2/kWh

To be able to compare and analyse changes between 2020, 2021 and 2022, and to isolate the impacts of the renovation effort, acquisition of new assets and for more reliable collection of data, it is not appropriate to change any parameters until then.

IDENTIFICATION OF ENERGY PERFORMANCE ASSESSMENTS LABELS

The database of energy performance assessments is based on new French energy performance requirements.

For sites with an old energy performance assessment (pre-July 2021), the following changes have been applied to the values of the assessments performed to estimate the energy label under the new regulation:

- ▶ Additional usages: old assessments are presented with three uses (Heating, Hot water, Cooling) whereas new assessments have five uses (add Lighting and Auxiliaries).
- ▶ According to its database, built up in the course of the numerous missions it has carried out in the sector, the external research office commissioned by in'li has added a fixed share of consumption linked to the two additional "Lighting and Auxiliaries" uses of up to 15 kWhpe/sq.m. on each assessment.
- ▶ Modification of the PE (primary energy) /FE (final energy) conversion coefficient: for electrical energy, the new regulations have lowered the PE/FE conversion coefficient from 2.58 to 2.3.
- ▶ Change in Energy carbon content: for all energies, carbon content (taken from the Ademe database) has evolved and been factored in to update estimated carbon emissions in kg eq CO₂/sq.m.
- ▶ Regulatory changes to the rule for assigning the property energy label: whereas the old regulation was based on two labels (one for energy, one for carbon), the new regulation is based on a single label: the most unfavourable value between the energy label and the carbon label will be used.
- ▶ Regulatory changes to label thresholds: it should be noted that energy and carbon label threshold values have changed between the two regulations.
- ▶ For example, under the new regulation, energy label C includes properties that consume between 110 kWhpe/sq.m. and 180 kWhpe/sq.m. for the energy portion, and emit between 11 kg eq CO₂/sq.m. and 30 kg eq CO₂/sq.m. for the carbon portion. Under the old regulation, energy label C included properties that consumed between 91 kWhpe/sq.m. and 150 kWhpe/sq.m. for the energy portion, and emitted between 11 kg eq CO₂/sq.m. and 20 kg eq CO₂/sq.m. for the carbon portion.

Energy performance assessments and energy consumption obtained in this way, as well as those obtained by direct readings taken at properties whose assessments have been renewed since 1 July 2021, have been used both:

- ▶ To identify the F and G labels in the portfolio, in'li's objective being to eradicate these labels from "the property portfolio for which in'li is sole decision-maker or has a majority position in the management and upkeep of the properties",
- ▶ To qualify the contribution of properties built before 31 December 2020 for climate change mitigation within the meaning of EU Taxonomy.

Compliance indicators

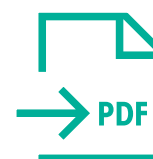
The target population for completing the Compliance Pathway corresponds to employees on indefinite-term employment contracts, employees on fixed-term contracts of more than three months and people on work-study programmes at 31 December. The proportion of employees who have completed the "Compliance Pathway" corresponds to the number of employees present – excluding those on fixed-term contracts of less than three months – who have obtained internal "Compliance" certification (on ethics, internal regulations and GDPR) divided by the number of employees present in the workforce at 31 December.

Indicators of Taxonomy-eligibility and alignment

The carve-out of financial aggregates for numerators and denominators of ratios is explained in the section dealing with EU Taxonomy. The purpose of this methodological appendix is to provide details of how the primary energy consumption of each property has been analysed, for properties for which the building permit was submitted before 1 January 2021.

For properties whose energy performance assessments were issued after 1 July 2021 (i.e., assessments performed under new regulations), the primary energy consumption was taken directly from the energy performance assessment. For properties whose energy performance assessments were issued before 1 July 2021 (i.e., assessments performed under old regulations), primary energy consumption in the energy performance assessment has been restated to reflect the new regulation, as indicated in this appendix in "Identification of energy performance assessments labels".

The French government press release setting 135 kWh/m²/year as the national top 15% threshold and making RE 2020 guidelines equivalent to RT 2012-10% energy performance targets is attached to this appendix on the following page:



METHODOLOGICAL NOTE CONCERNING THE MATERIALITY ANALYSIS OF NON-FINANCIAL ISSUES

Identification of internal and external stakeholders and consultation

Eight stakeholder types were selected and interviewed to reflect the composition of in'li's main stakeholders: Customers (tenants), Suppliers, Local authorities, Property developers, Shareholder, Employees, Lenders and Start-ups.

These stakeholders were grouped into three categories: partners (suppliers, local authorities, property developers, lenders, start-ups), tenants and employees.

Survey methodology

STAKEHOLDERS

Stakeholders were invited to evaluate each issue through 15 questions concerning the five pillars of in'li's CSR strategy, as follows:

	PILLAR	Number of questions
1	Providing an affordable new housing offering near public transport and employment hubs	2
2	Guaranteeing a quality service for tenants	4
3	Adapting jobs to the requirements of the sector and the expectations of employees	4
4	Reducing our environmental footprint	4 ⁽¹⁾
5	Guaranteeing ethical business practices and striving for ethical corporate governance	4

For each question, respondents were asked to give their view of in'li's performance on each item. In total, 936 people responded to the survey: 127 partners (3% of those surveyed in this category), 304 employees (43% of those surveyed in this category) and 506 tenants (18% of those surveyed in this category).

Organisation of the survey and analysis of the results were entrusted to an external service provider specialised in this area to ensure the confidentiality of the responses and representativeness of the sample selected.

MANAGEMENT

Members of the extended Management Board, representing senior management and the various functions of the Company, were questioned using the same questionnaire as that presented to the stakeholders.

Consolidation method

To prepare the materiality matrix, the representativeness of the stakeholders was weighted based on each stakeholder's level of influence with and dependence on in'li.

(1) Of which only 3 were put to employees

Appendix 4: Report by an independent third party

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in'li

Report of the independent third-party
organization on the verification of the non-
financial performance statement included in
the management report

Year ended December 31, 2023

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in'li

The limited company with a Board and Supervisory Board with a capital of 902,106,090 €
Head office: Tour Ariane, 5 place de la Pyramide – 92800 Puteaux
RCS NANTERRE 602 052 359

Report by the Independent third-party organization on the verification of the non-financial statement included in the management report

For the year ended December 31, 2023

This is a free translation into English of the Independent third party organization's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our capacity as Independent third-party organization, member of Mazars Group and accredited by COFRAC Inspection under number 3-1895 (list of accredited sites and their scope of accreditation available on www.cofrac.fr), we have performed work to provide a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the extra-financial performance statement (hereinafter the "Information" and "Statement" respectively), prepared in accordance with the entity's procedures, as well as, at the Company's request and outside the scope of accreditation, a reasonable assurance conclusion on a selection of information, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the financial year ended December 31, 2023, presented in the management report of the company, (hereinafter the "Entity") in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Reasonable assurance report on selected information

For the information selected by the company and identified by the sign √, we have carried out, at the company's request and on a voluntary basis, work of the same nature as that described in the paragraph "Nature and scope of the work" but in greater depth, particularly in terms of the number of tests.

The selected sample thus represents 100 % of the selected information, identified by the sign √.

We are convinced that this work allows us to express reasonable assurance on the information selected by the company and identified by the sign √.

Conclusion

In our opinion, the information selected by the company and identified by the sign √ has been established, in all material respects, in accordance with the Standards.

Preparation of the non-financial performance statement

The lack of a commonly used framework or established practice on which to base the assessment and evaluation of information allows for the use of alternative accepted methodologies that may affect comparability between entities and over time.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Restrictions due to the preparation of the Information

As mentioned in the Statement, the Information may contain inherent uncertainty about the state of scientific or economic knowledge and the quality of external data used. Some of the Information is dependent on the methodological choices, assumptions and/or estimates made in preparing the information and presented in the Statement.

The entity's responsibility

The Supervisory Board is responsible for:

- selecting or setting appropriate criteria for the provision of the Information;
- preparing the Statement with reference to legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and also, the Information required by Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- and implementing internal control procedures deemed necessary to preparation of information, free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Independent third-party organization

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the Information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

We have carried out work designed to provide a reasoned opinion expressing a limited level of assurance on the historical, observed or extrapolated information.

As our responsibility is to express an independent conclusion on the information as prepared by management, we are not permitted to be involved in the preparation of this information, as this could compromise our independence.

It is also our responsibility to express, at the request of the entity and outside the scope of accreditation, a reasonable assurance conclusion on whether the information selected by the Entity¹ has been prepared, in all material respects, in accordance with the Guidelines.

This is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the Information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy) and the fight against corruption and tax evasion);
- the truthfulness of the Information provided for in Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 (revised).

This report has been prepared in accordance with the RSE_SQ_Programme de vérification_DPEF.

¹ Number of affordable housing units undertaken in the A and Abis zones, Average annual gain in purchasing power per household, Emissions estimated in equiv kilos Ave CO₂ emissions / sq.m./year, Number of households that benefited from >30 % improvement in energy efficiency, Percentage of in'li turnover aligned with European Taxonomy

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional.

Means and resources

Our work was carried out by a team of 3 people between January and April 2024 and took a total of 5 weeks.

We called on our specialists in sustainable development and social responsibility to assist us in our work. We conducted some ten interviews with the people responsible for preparing the Statement, representing the Business Transformation Department, the Audit and Risks Department, the Technical Department, the Investment and Construction Department, the Commercial Department Commercial and Customer Relations.

Nature and scope of our work

We planned and performed our work considering the risks of significant misstatement of the Information.

We are convinced that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion:

- we obtained an understanding of the entity's activity and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the Information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the Information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with the entity's activity, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important. Our work was carried out centrally with the contributing departments;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work covers 100 % of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of the entity.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie nationale des commissaires aux comptes. Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

Mazars SAS

Paris La Défense, May, 24 2024

The CNCC considers that the translation has not been signed, insofar as it is a free translation into English of the original French report. A signature is the graphic symbol by which a person identifies themselves in a document and by which they express their approval of the documents' contents. Moreover, a signature on a report confers it with the status of an original document. In this particular case, the original is the French version of the report.

Appendix 1: Information considered most important

- Number of affordable housing units undertaken in the A and Abis zones √;
- Average annual gain in purchasing power per household √;
- Emissions estimated in equiv kilos Ave CO₂ emissions / sq.m./year √;
- Number of households that benefited from >30 % improvement in energy efficiency √;
- Percentage of in'li turnover aligned with European Taxonomy √;
- Number of affordable housing units operated (including new units);
- Number of affordable units undertaken;
- Number of families housed during the year;
- Rate of allocation to company employees;
- Percentage of the value of the rental housing stock with a discount of at least 15 %;
- Average salary of incoming households;
- Proportion of incoming household eligible for intermediate housing;
- Overall tenant satisfaction rate ;
- Proportion of employees who have received training;
- Average number of hours training per employee;
- Number of employees who have benefited from functional mobility opportunities (including proportion trained in mobility);
- Number of employees enrolled in certification programmes;
- Turnover rate;
- Average consumption of primary energy estimated in kWh/sq.m./year;
- Eradication of very poorly insulated housing: number of units of housing identified with an F or G energy label;
- Number of households that benefited from improved energy efficiency;
- % housing renovated with BBC Rénovation label, aiming for at least energy label C;
- Proportion of employees who have completed the Compliance module.

Appendix 5: Elements required under the French Commercial Code (*Code de commerce*)

ISSUE	Section	Page
ELEMENTS COMPRISING THE NON-FINANCIAL PERFORMANCE STATEMENT		
Business plan	In'li: intermediate housing serving the public interest	49
Main non-financial risks	3.1.2	55
MANDATORY THEMES SET OUT IN ARTICLE L. 225-102-1		
Social consequences of the activity	3.2.	60
	3.3.	68
	3.6.	106
Environmental consequences of the activity	3.4.	76
The fight against corruption	3.5.3.1.	92
	3.5.3.2.	93
The climate change impacts of the Company's activity and uses of the goods and services it produces	3.4.3.	83
Societal commitments to the circular economy	3.4.3.3.	86
Collective bargaining agreements concluded within the Company and their impact on the Company's economic performance and on employee working conditions	3.6.3.3.	107
Actions to combat discrimination and promote diversity	3.6.3.5.	111
Societal commitments to combat food waste	N/A : in'li is not concerned by this theme	N/A
Measures taken in favour of disabled people	3.2.3.3.	64
	3.3.3.2.	71
	3.6.3.5	111
Societal commitments to combat food poverty	N/A : in'li is not concerned by this theme	N/A
Societal commitments in favour of animal welfare	N/A : in'li is not concerned by this theme	N/A
Societal commitments in favour of responsible, fair and sustainable food	N/A : in'li is not concerned by this theme	N/A
Societal commitments to sustainable development	3.1.1.1.	50
	3.2.3.1.	61
	3.2.3.2.	63
	3.2.3.3.	64
Actions to promote physical activity and sport	N/A : in'li is not concerned by this theme	N/A
MANDATORY THEMES SET OUT IN ARTICLE L. 225-102-4		
Actions to promote the link between the Nation and the armed forces and to support the commitment to the reserves	N/A : in'li is not concerned by this theme	
Direct and indirect greenhouse gas emissions linked to upstream and downstream transport activities	N/A: the emissions were not calculated in 2023 - no action plan in place A carbon audit will be performed in 2024 (scope 1/2/3).	

Appendix 6: GRI 12 correspondence table

GRI STANDARD	Disclosure content	Description	Section number or omission
GRI 101: General disclosures			
GRI 102 : General disclosures			
PROFILE OF THE ORGANISATION			
	102-1	Name of the organisation	Business model - In'li: intermediate housing serving the public interest
	102-2	Activities, brands, products and services	Business model - In'li: intermediate housing serving the public interest 1.2 Activities
	102-3	Location of headquarters	1.2 Activities 4.7 Presentation of the financial statements under IFRS
	102-4	Location of operations	1.2 Activities 1.2.1 Breakdown of housing portfolio
	102-5	Ownership and legal form	Business model - In'li: intermediate housing serving the public interest Ownership structure Share capital 4.6.11 List of subsidiaries and associates
	102-6	Markets served	Business model - In'li: intermediate housing serving the public interest 1.2 Activities
	102-7	Scale of the organisation	Introduction Key figures for 2023 Business model - In'li: intermediate housing serving the public interest
	102-8	Information on employees and other workers	1.5 Organisation 1.5.2 Our teams
	102-9	Supply chain	Not mentioned
	102-10	Significant changes to the organisation and its supply chain	1.5 Organisation 1.5.1 Committed and experienced governance 1.5.2 Our teams 1.8 Development opportunities 2.1 Highlights
	102-11	Precautionary principle or approach	1.6 Risk management
	102-12	External initiatives	2.1.12 Innovation
	102-13	Membership of associations	3. CSR strategy report 3.2 - Providing an affordable new housing offering near public transport and employment hubs 3.6 Adapting jobs to the requirements of the sector and the expectations of employees

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GRI STANDARD	Disclosure content	Description	Section number or omission
STRATEGY			
	102-14	Statement from senior decision-maker	Message from the Supervisory Board and Management Board
	102-15	Key impacts, risks, and opportunities	1.3 Development strategy 1.6 Risk management 1.8 Development opportunities 3. CSR strategy report 3.1.2 Main CSR risks and challenges 3.1.2.1 Methodology for identifying key non-financial risks and challenges 3. Appendix 1 Summary table of in'li's CSR issues, risks, indicators and objectives 3.1.2.3 In'li's contribution to Sustainable Development Goals
ETHICS AND INTEGRITY			
	102-16	Values, principles, standards, and norms of behaviour	Business model - In'li: intermediate housing serving the public interest 3. CSR strategy report 3.5 Guaranteeing ethical business practices and striving for ethical corporate governance
GOVERNANCE			
	102-18	Governance structure	1.5 Organisation 1.5.1 Committed and experienced governance 5.1 Governance
STAKEHOLDER INVOLVEMENT			
	102-40	List of stakeholder groups	3. CSR strategy report 3.1.2.1 Methodology for identifying key non-financial risks and challenges
	102-41	Collective bargaining agreements	1.5.2 Our teams 4.4.10 Provisions for contingencies and losses - Post-employment benefits 3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	102-42	Identifying and selecting stakeholders	1.5.2 Our teams 3. CSR strategy report 3.1.2.1 Methodology for identifying key non-financial risks and challenges 3.2 - Providing an affordable new housing offering near public transport and employment hubs
	102-43	Approach to stakeholder engagement	1.5.2 Our teams 3. CSR strategy report 3.1.2.1 Methodology for identifying key non-financial risks and challenges 3.2 - Providing an affordable new housing offering near public transport and employment hubs
	102-44	Key topics and concerns raised	1.6.3 Combating fraud 1.6.4 Information system security and personal data protection 3. CSR strategy report 3.1.2 Main CSR risks and challenges 3.1.2.1 Methodology for identifying key non-financial risks and challenges 3. Appendix 1 Summary table of in'li's CSR issues, risks, indicators and objectives

GRI STANDARD	Disclosure content	Description	Section number or omission
REPORTING PRACTICES			
	102-45	Entities included in the consolidated financial statements	4.7.2.3 Scope of consolidation
	102-46	Defining report content and topic Boundaries	3. CSR strategy report 3.1.2.1 Methodology for identifying key non-financial risks and challenges Appendix 3 Methodological note
	102-47	List of material topics	3. CSR strategy report 3.1.1 in'li's CSR strategy and governance 3.1.1.1 Key focuses of In'li's CSR strategy 3.1.2.1 Methodology for identifying key non-financial risks and challenges 3.Appendix 1 Summary table of in'li's CSR issues, risks, indicators and objectives
	102-48	Restatements of information	3. CSR strategy report Appendix 3 Methodological note
	102-49	Changes in reporting	3. CSR strategy report 3.1.1.1 Key focuses of In'li's CSR strategy Appendix 3 Methodological note
	102-50	Reporting period	3. CSR strategy report Appendix 3 Methodological note
	102-51	Date of most recent report	The most recent report was published in June 2022
	102-52	Reporting cycle	3. CSR strategy report Appendix 3 Methodological note
	102-53	Contact point for questions regarding the report	Not mentioned
	102-54	Claims of reporting in accordance with the GRI Standards	3. CSR strategy report 3.1.1 in'li's CSR strategy and governance 3.1.1.1 Key focuses of In'li's CSR strategy 3.1.2.1 Methodology for identifying key non-financial risks and challenges
	102-55	GRI content index	This correspondence table
	102-56	External assurance	Appendix 4: Report by an independent third party

SPECIFIC DISCLOSURES

GRI 200: Economic guidelines			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	3. CSR strategy report 3.1.1.1. Key focuses of in'li's CSR strategy 3.1.2 Main CSR risks and challenges
	103-2	The management approach and its component	1.3 Development strategy 1.4 Funding in'li's development 1.6 Risk management 1.7 - Ownership structure 1.8 Development opportunities 3. CSR strategy report 3.1.1.2 CSR Governance 3.2 - Providing an affordable new housing offering near public transport and employment hubs



GRI STANDARD	Disclosure content	Description	Section number or omission	
	103-3	Evaluation of the management approach	1.3 Development strategy 1.4 Funding in 'li's development 1.6 Risk management 1.7 - Ownership structure 1.8 Development opportunities 3. CSR strategy report 3.1.1.2 CSR Governance 3.2 - Providing an affordable new housing offering near public transport and employment hubs 3.2.4 Indicators	
ECONOMIC PERFORMANCE				
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	2.3 Financial overview	
	201-2	Financial implications and other risks and opportunities due to climate change	2.1.12 Innovation	
			4.7.2.5.5 Operating risk	
	201-4	Financial assistance received from government	2.6 Subsequent events	
4.7.2.4.13 Government grants				
			4.3.8 Financing	
MARKET PRESENCE				
GRI 202: Market presence	202-2	Proportion of senior management hired from the local community	Not mentioned	
INDIRECT ECONOMIC IMPACTS				
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Not mentioned	
	203-2	Significant indirect economic impacts	Not mentioned	
PROCUREMENT PRACTICES				
GRI 204: Procurement Practices – 2016	204-1	Proportion of spending on local suppliers	Not mentioned	
ANTI-CORRUPTION				
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	1.6 Risk management	
			1.6.3 Combating fraud	
			4.7.2.5.4 Risk of fraud or corruption	
			3 CSR Strategy Report	
				3.5 Guaranteeing ethical business practices and striving for ethical corporate governance
	205-2	Communication and training about anti-corruption policies and procedures	1.6.3 Combating fraud	
			3. CSR strategy report	
			3.5 Guaranteeing ethical business practices and striving for ethical corporate governance	
	205-3	Confirmed incidents of corruption and actions taken	3 CSR Strategy Report	
3.5.3.1 Business ethics programme and promotion of an anti-fraud culture				
ANTI-COMPETITIVE BEHAVIOUR				
GRI 206: Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	3. CSR strategy report 3.5.3.1 Business ethics programme and promotion of an anti-fraud culture	

GRI STANDARD	Disclosure content	Description	Section number or omission
TAXES			
GRI 207 :Taxes	207-1	Approach to tax	4.5.8 Income tax
			4.6.1 Expenses non-deductible from income
			4.7.2.4.11 Taxes
	207-2	Tax governance, control, and risk management	4.7.2.5.4 Risk of fraud or corruption
GRI 300: Environmental standards			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	3. CSR strategy report
			3.1.1.1. Key focuses of in'li's CSR strategy
			3.1.2 Main CSR risks and challenges
			3.4 Reducing our environmental footprint
	103-2	The management approach and its component	1.6 Risk management
			1.8 Development opportunities
			3. CSR strategy report
			3.1.1.2 CSR Governance
			3.4 Reducing our environmental footprint
	103-3	Evaluation of the management approach	1.6 Risk management
			1.8 Development opportunities
			3. CSR strategy report
			3.1.1.2 CSR Governance
			3.4 Reducing our environmental footprint
			3.4.4 Indicators
MATERIALS			
GRI 301: Materials	301-1	Materials used by weight or volume	Not applicable
	301-2	Recycled input materials used	3.4.3.3 Our actions in favour of biodiversity and the circular economy
	301-3	Reclaimed products and their packaging materials	3.4.3.3 Our actions in favour of biodiversity and the circular economy
OPERATING			
GRI 302: Operating	302-1	Energy consumption within the organization	3. CSR strategy report
			3.4 Reducing our environmental footprint
	302-3	Energy intensity	3. CSR strategy report
			3.4 Reducing our environmental footprint
	302-4	Reduction of energy consumption	3. CSR strategy report
			3.4 Reducing our environmental footprint
	302-5	Reductions in energy requirements of products and services	3. CSR strategy report
			3.4 Reducing our environmental footprint
WATER AND EFFLUENTS			
GRI 303: Water and effluents	303-1	Interactions with water as a shared resource	Not mentioned
	303-2	Water sources significantly affected by withdrawal of water	Not applicable
	303-3	Water recycled and reused	Not applicable
	303-4	Water withdrawal	Not applicable
	303-5	Water consumption	Not mentioned
BIODIVERSITY			
GRI 304: Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Not mentioned
	304-3	Habitats protected or restored	Not mentioned

GRI STANDARD	Disclosure content	Description	Section number or omission
EMISSIONS			
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	3. CSR strategy report 3.4 Reducing our environmental footprint
	305-2	Energy indirect (Scope 2) GHG emissions	3. CSR strategy report 3.4 Reducing our environmental footprint
	305-3	Other indirect (Scope 3) GHG emissions	Not mentioned
	305-4	GHG emissions intensity	3. CSR strategy report
			3.4 Reducing our environmental footprint
	305-5	Reduction of GHG emissions	3. CSR strategy report
			3.4 Reducing our environmental footprint
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable
WASTE			
GRI 306: Waste	306-1	Water discharge by quality and destination	Not mentioned
	306-2	Waste by type and disposal method	Not mentioned
	306-3	Significant spills	Not mentioned
	306-4	Transport of hazardous waste	Not mentioned
	306-5	Water bodies affected by water discharges and / or runoff	Not mentioned
ENVIRONMENTAL COMPLIANCE			
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	3. CSR strategy report
			3.4 Reducing our environmental footprint
			3.5 Guaranteeing ethical business practices and striving for ethical corporate governance
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Not mentioned
	308-2	Negative environmental impacts in the supply chain and actions taken	Not mentioned
GRI 400: Labour standards			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	3. CSR strategy report
			3.1.1.1. Key focuses of in'li's CSR strategy
			3.1.2 Main CSR risks and challenges
			3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	103-2	The management approach and its component	1.5.2 Our teams
			1.6 Risk management
			1.8 Development opportunities
			3. CSR strategy report
			3.1.1.2 CSR Governance
			3.2.3.2 An offer tailored to young and middle-class working people
			3.2.3.3 Social support to help tenants stay in their homes
			3.3 Guaranteeing a quality service for tenants
			3.6. Adapting jobs to the requirements of the sector and the expectations of employees

GRI STANDARD	Disclosure content	Description	Section number or omission
	103-3	Evaluation of the management approach	1.5.2 Our teams 1.6 Risk management 1.8 Development opportunities 3. CSR strategy report 3.1.1.2 CSR Governance 3.2.3.2 An offer tailored to young and middle-class working people 3.2.3.3 Social support to help tenants stay in their homes 3.2.4 Indicators 3.3 Guaranteeing a quality service for tenants 3.6. Adapting jobs to the requirements of the sector and the expectations of employees 3.6.4 Indicators

EMPLOYMENT

GRI 401: Employment	401-1	New employee hires and employee turnover	3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not mentioned
	401-3	Parental leave	3. CSR strategy report 3.4. Adapting jobs to the requirements of the sector and the expectations of employees

OCCUPATIONAL HEALTH AND SAFETY

GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	1.5.2 Our teams 3. CSR strategy report 3.4. Adapting jobs to the requirements of the sector and the expectations of employees
	403-2	Hazard identification, risk assessment, and incident investigation	1.5.2 Our teams 3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	403-3	Occupational health services	1.5.2 Our teams 3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	403-4	Worker participation, consultation, and communication on occupational health and safety	1.5.2 Our teams 3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	403-5	Worker training on occupational health and safety	1.5.2 Our teams 3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	403-6	Promotion of worker health	1.5.2 Our teams 3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees

GRI STANDARD	Disclosure content	Description	Section number or omission
	403-8	Workers covered by an occupational health and safety management system	1.5.2 Our teams in 2022 3. CSR strategy report 3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	403-9	Work-related injuries	Not mentioned
	403-10	Work-related ill health	Not mentioned
TRAINING AND EDUCATION			
GRI 404: Training and education	404-1	Average hours of training per year per employee	1.5.2 Our teams
			3. CSR strategy report
			3.6. Adapting jobs to the requirements of the sector and the expectations of employees
	404-2	Programs for upgrading employee skills and transition assistance programs	1.5.2 Our teams
			3. CSR strategy report
			3.6. Adapting jobs to the requirements of the sector and the expectations of employees
404-3	Percentage of employees receiving regular performance and career development reviews	3. CSR strategy report	
		3.6. Adapting jobs to the requirements of the sector and the expectations of employees	
			3.6.4 Indicators
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	3. CSR strategy report
			3.6. Adapting jobs to the requirements of the sector and the expectations of employees
			5.1.1.2 <i>Modus operandi</i>
	405-2	Ratio of basic salary and remuneration of women to men	3. CSR strategy report
			3.6. Adapting jobs to the requirements of the sector and the expectations of employees
			3.6.4 Indicators
NON-DISCRIMINATION			
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	3. CSR strategy report
			3.6. Adapting jobs to the requirements of the sector and the expectations of employees
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
GRI 407: Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3. CSR strategy report
			3.6. Adapting jobs to the requirements of the sector and the expectations of employees
CHILD LABOUR			
GRI 408: Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	Not applicable
FORCED OR COMPULSORY LABOUR			
GRI 409: Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not applicable
SECURITY PRACTICES			
GRI 410: Security practices	410-1	Security personnel trained in human rights policies or procedures	Not mentioned
HUMAN RIGHTS ASSESSMENT			
GRI 412: Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Not mentioned
	412-2	Employee training on human rights policies or procedures	Not mentioned
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not mentioned

GRI STANDARD	Disclosure content	Description	Section number or omission
LOCAL COMMUNITIES			
GRI 413: Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	2.1.7 Dynamic letting activity
			3 CSR Strategy Report
			3.2.3.3 Social support to help tenants stay in their homes
			3.2.3.5 Concerted action with local stakeholders
	413-2	Operations with significant actual and potential negative impacts on local communities	3.6.3.2 Developing skills and career paths
			Not mentioned
SUPPLIER SOCIAL ASSESSMENT			
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria	Not mentioned
	414-2	Negative social impacts in the supply chain and actions taken	Not mentioned
PUBLIC POLICY			
GRI 415: Public policy	415-1	Political contributions	3. CSR strategy report
			3.5.3.1 Business ethics programme and promotion of an anti-fraud culture
CUSTOMER HEALTH AND SAFETY			
GRI 416: Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	3 CSR Strategy Report 3.3. Guaranteeing a quality service for tenants
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not mentioned
MARKETING AND LABELLING			
GRI 417: Marketing and labelling	417-1	Requirements for product and service information and labelling	Not applicable
	417-2	Incidents of non-compliance concerning product and service information and labelling	Not applicable
	417-3	Incidents of non-compliance concerning marketing communications	Not applicable
CUSTOMER PRIVACY			
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not mentioned
SOCIO-ECONOMIC COMPLIANCE			
GRI 419: Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	3. CSR strategy report
			3.5 Guaranteeing ethical business practices and striving for ethical corporate governance



Financial statements

4.1	FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023, 156	
4.1.1	Balance sheet at 31 December 2023, 156	
4.1.2	Income statement (€ thousands)	158
4.1.3	Statement of cash flows (€ thousands)	159
4.2	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	160
4.3	SIGNIFICANT EVENTS OF THE YEAR AND SUBSEQUENT EVENTS	160
4.3.1	Allocation of 2022 net income and distribution of dividend	160
4.3.2	Reverse stock-split	160
4.3.3	Share capital increase	160
4.3.4	Changes in accounting methods	161
4.3.5	Disposals	161
4.3.6	Deliveries and acquisitions	161
4.3.7	Complete transfer of the assets and liabilities of Resid'access	161
4.3.8	Complete transfer of the assets and liabilities of Actionnariat in'li Participations	162
4.3.9	Financing	162
4.3.10	Provision for paid leave - Rulings of 13 September 2023, 162	
4.4	NOTES TO THE BALANCE SHEET	163
4.4.1	Non-current assets	163
4.4.2	Non-current financial assets	166
4.4.3	Inventories and work in progress	166
4.4.4	Rent and other receivables	167
4.4.5	Other receivables	168
4.4.6	Cash and cash equivalents (including marketable securities)	168
4.4.7	Prepaid expenses	168
4.4.8	Deferred charges	169
4.4.9	Loan issuing charges	169
4.4.10	Equity	169
4.4.11	Provisions for contingencies and losses	170
4.4.12	Financial liabilities	171
4.4.13	Current liabilities	172
4.4.14	Deferred income	173
4.4.15	Off-balance sheet commitments	173
4.4.16	Breakdown of accrued expenses and income receivable	174
4.5	NOTES TO THE INCOME STATEMENT	174
4.5.1	Calculation of income	174
4.5.2	Revenue	175
4.5.3	Depreciation, amortisation and provisions	175
4.5.4	Releases of amortisation and depreciation charges and provisions	175
4.5.5	Other operating income and expenses	176
4.5.6	Financial income (expense)	176
4.5.7	Net non-recurring income (expense)	177
4.5.8	Corporate income tax expense	177
4.6	OTHER INFORMATION	177
4.6.1	Financial rating	177
4.6.2	Expenses non-deductible from income	177
4.6.3	Information concerning customer and supplier payment terms	178
4.6.4	Incentive bonuses and profit-sharing	178
4.6.5	Workforce at 31 December 2023, 179	
4.6.6	Related party transactions	179
4.6.7	In'li Supports joint venture	179
4.6.8	Statutory Auditors' fees	179
4.6.9	Consolidation	180
4.6.10	Senior executive compensation	180
4.6.11	Five-year financial summary (articles 133, 135 and 148 of the decree concerning commercial undertakings)	180
4.6.12	List of subsidiaries and associates	181

4.1 Financial statements for the year ended 31 December 2023

4.1.1 Balance sheet at 31 December 2023

ASSETS

HEADING	Notes	Gross amount	Depreciation, amortisation & provisions	31/12/2023	31/12/2022
INTANGIBLE ASSETS					
Start-up costs		255,546	255,546		
Research and development costs					
Concessions, patents and similar rights	4.4.1	2,878,537	2,576,560	301,977	275,175
Goodwill		1		1	1
Other		44,262,135	7,219,366	37,042,769	22,167,341
Intangible assets in progress	4.4.1	1,680,544		1,680,544	701,242
Advances and downpayments					
PROPERTY AND EQUIPMENT					
Land		991,831,459	2,311,698	989,519,761	879,875,747
Buildings		3,639,456,628	1,217,374,573	2,422,082,055	2,123,652,646
Technical facilities, machinery & equipment	4.4.1	20,612,214	20,344,397	267,817	21,647
Other		14,752,916	9,216,950	5,535,966	6,946,359
Property and equipment in progress	4.4.1	1,117,929,530		1,117,929,530	1,042,722,264
Advances and downpayments		151,745		151,745	151,745
NON-CURRENT FINANCIAL ASSETS					
Investments in associates					
Other investments		341,869,681		341,869,681	313,122,092
Loans and advances to subsidiaries and affiliates	4.4.2	60,696		60,696	74,470
Long-term portfolio securities					
Other long-term investments		75,108		75,108	75,108
Loans					
Other financial assets	4.4.2	5,718,305		5,718,305	5,099,622
TOTAL NON-CURRENT ASSETS		6,181,535,046	1,259,299,092	4,922,235,954	4,394,733,713
INVENTORIES AND WORK IN PROGRESS					
Raw materials, supplies	4.4.3	12,638,343	11,006,062	1,632,281	1,632,281
Property in production (in progress)	4.4.3	7,093,988		7,093,988	4,713,960
Services in production (in progress)					
Advances and prepayments on orders					1,907
RECEIVABLES					
Trade receivables	4.4.4	83,110,142	27,839,121	55,271,021	53,027,246
Other	4.4.5	128,057,872		128,057,872	124,894,529
MARKETABLE SECURITIES					
Treasury shares					
Other securities	4.4.6	136,405,388	496,384	135,909,004	120,497,622
Cash instruments					
Cash and cash equivalents	4.4.6	268,904,806		268,904,806	288,677,500
Prepaid expenses	4.4.7	4,073,170		4,073,170	3,712,404
TOTAL CURRENT ASSETS		640,283,710	39,341,567	600,942,144	597,157,451
Deferred charges	4.4.8	3,363,347		3,363,347	3,570,005
Loan redemption premiums to be amortized	4.4.9	852,500		852,500	1,007,500
Unrealized foreign exchange losses					
GRAND TOTAL		6,826,034,603	1,298,640,659	5,527,393,944	4,996,468,669

EQUITY AND LIABILITIES

HEADING	Notes	31/12/2023	31/12/2022
Share capital	4.4.10	902,106,090	849,106,089
Additional paid-in capital	4.4.10	572,934,434	572,934,434
Revaluation reserve			
Legal reserve	4.4.10	84,910,609	79,913,048
Statutory or contractual reserves			
Untaxed reserves	4.4.10	4,582,904	4,582,904
Other reserves	4.4.10	422,248,939	422,248,939
Retained earnings	4.4.10	606,868,242	578,991,376
NET PROFIT OR (LOSS) FOR THE PERIOD	4.4.10	25,498,534	49,856,548
Investment grants and subsidies	4.4.10	31,005,524	33,513,257
Regulated provisions		123,773	118,603
TOTAL EQUITY		2,650,279,050	2,591,265,200
Provisions for contingencies	4.4.11	790,613	932,458
Provisions for losses	4.4.11	10,602,117	12,339,455
PROVISIONS FOR CONTINGENCIES AND LOSSES		11,392,730	13,271,914
NON-CURRENT BORROWINGS			
Other bonded debt	4.4.12	599,000,000	599,000,000
Borrowings from credit institutions	4.4.12	2,084,897,309	1,596,567,765
Miscellaneous borrowings and financial liabilities	4.4.12	33,284,082	31,397,452
Advances and prepayments received on orders in progress	4.4.13	29,546,454	23,916,283
OPERATING PAYABLES			
Trade payables	4.4.13	33,995,983	29,852,280
Tax and employee-related liabilities	4.4.13	24,269,638	22,445,023
SUNDRY PAYABLES			
Payables on non-current assets	4.4.13	36,254,100	26,048,144
Other payables	4.4.13	12,156,670	51,740,813
Deferred income	4.4.14	12,317,929	10,963,795
LIABILITIES		2,865,722,164	2,391,931,555
Unrealised foreign exchange gains			
GRAND TOTAL		5,527,393,944	4,996,468,669

Profit for the year (in euro cents)

25,498,534.20

Total balance sheet (in euro cents)

5,527,393,944.05

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4.1.2 Income statement (€ thousands)

HEADING	Notes	31/12/2023	31/12/2022
Sale of goods			
Sale of property			
Sale of services		415,287,599	371,051,995
- o/w advances on service and maintenance charges: 2023 = €89,428,270 / 2022 = €68,382,788			
NET REVENUE	4.5.2	415,287,599	371,051,995
In-house production		2,397,390	1,923,162
Capitalised production		3,937,692	
Operating grants		51,003	82,157
Releases of amortization and depreciation charges and provisions, expense transfers	4.5.4	5,480,192	3,892,152
Other income	4.5.5	107,512,240	122,765,853
OPERATING INCOME		534,666,117	499,715,318
Purchases of raw materials and other supplies			
Change in inventories (raw materials)			
Other purchases and external expenses		183,162,681	151,903,051
Taxes other than income taxes		50,437,891	57,311,377
Wages and salaries		36,571,882	32,424,615
Social charges		18,350,544	16,662,714
ALLOCATIONS TO PROVISIONS			
On non-current assets: depreciation, amortisation and impairment	4.5.3	99,147,774	88,980,076
On non-current assets: provisions	4.5.3	397,349	783,078
On current assets: provisions	4.5.3	4,261,007	1,766,724
Net additions to provisions for contingencies and losses	4.5.3	1,443,809	4,531,753
Other expenses	4.5.5	53,658,776	60,161,308
OPERATING EXPENSES		454,305,198	407,651,209
OPERATING INCOME/(LOSS)		80,360,919	92,064,109
Income from investments in subsidiaries and affiliates			
Income from other marketable securities and receivables on non-current assets		1,406,863	913,085
Other interest and related income		13,671,252	3,140,519
Releases of amortization and depreciation charges and provisions, expense transfers		342,056	
Foreign exchange gains			
Net income on sales of short-term investments		577,229	
FINANCIAL INCOME		15,997,400	4,053,604
Provisions for impairment of investments		651,384	393,779
Interest and similar charges		60,481,453	32,692,004
Foreign exchange losses			
Net expenses on sales of short-term investments			
FINANCIAL EXPENSE		61,132,837	33,085,784
NET FINANCIAL INCOME/(EXPENSE)	4.5.6	(45,135,438)	(29,032,180)
CURRENT INCOME/(LOSS) BEFORE TAX		35,225,481	63,031,929
Non-recurring income on management transactions		1,225,002	1,380,993
Non-recurring income on capital transactions		2,307,733	2,836,907
Releases of amortization and depreciation charges and provisions, expense transfers		98,405	1,368,497
TOTAL NON-RECURRING INCOME		3,631,140	5,586,397
Non-recurring expenses on management transactions		1,529,311	3,028,549
Non-recurring expenses on capital transactions		1,075,269	971,327
Non-recurring amortization and depreciation charges and provisions		1,318,135	1,381,759
TOTAL NON-RECURRING EXPENSES		3,922,714	5,381,636
NET NON-RECURRING INCOME (EXPENSE)	4.5.7	(291,574)	204,761
Employee profit-sharing			
Corporate income tax	4.5.8	9,435,373	13,380,142
TOTAL INCOME		554,294,656	509,355,320
TOTAL EXPENSES		528,796,122	459,498,771
PROFIT (LOSS)		25,498,534	49,856,548

4.1.3 Statement of cash flows (€ thousands)

HEADING	31/12/2023	31/12/2022
NET PROFIT (LOSS)	25,498	49,856
Net depreciation, amortisation and impairment expense	101,013	91,119
Provisions for contingencies and losses and regulated provisions	(1,875)	(4,291)
Reversal of grants	(2,308)	(2,837)
Gains or losses on disposals of non-current assets, net of income tax	(51,702)	(69,52)
Tax impact of disposals of long-term investments	9,435	13,38
Elimination of merger surplus/deficit	3	
GROSS OPERATING CASH FLOW	80,064	77,707
Inventories and work in progress	(2,38)	2,071
Receivables and accruals	45,576	16,843
Payables and accruals	(39,614)	(24,858)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	83,646	71,763
INVESTING ACTIVITIES		
Expenditure on acquisitions of intangible assets	(1,912)	(1,759)
Expenditure on acquisitions of property and equipment	(622,763)	(622,911)
Expenditure on acquisitions of equity investments	(32,549)	(11,546)
Proceeds from borrowings	(712)	(734)
TOTAL ACQUISITIONS OF NON-CURRENT ASSETS	(657,936)	(636,95)
Proceeds from disposals of property and equipment and intangible assets	86,447	99,278
Proceeds from disposals of equity investments	0	0
Repayment of loans granted	107	171
TOTAL PROCEEDS FROM DISPOSAL OF NON-CURRENT ASSETS	86,554	99,449
Impact of merger transactions	517	
NET CASH FLOW USED IN INVESTING ACTIVITIES	(570,865)	(537,501)
FINANCING ACTIVITIES		
Dividends paid	(16,907)	(15,913)
Increases in share capital and issue premiums	53	49,976
New borrowings	620,751	451,773
Repayment of borrowings	(130,535)	(76,72)
Loan issuing charges	(479)	(3,683)
Investment grants received	381	(183)
Advances repaid	(51,96)	(36,375)
Advances received	8,605	9
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES	482,856	377,875
CHANGE IN CASH AND CASH EQUIVALENTS	(4,362)	(87,862)
Net cash and cash equivalents at start of year	409,177	497,039
Net cash and cash equivalents at end of year	404,815	409,177
	(4,362)	(87,862)

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4.2 Summary of significant accounting policies

The company financial statements are prepared in accordance with French generally accepted accounting principles based on the General Chart of Accounts (in its consolidated version at 31 December 2023) as set out in ANC Regulation No. 2014-03 issued by the French accounting standards authority (Autorité des Normes Comptables).

The usual accounting conventions have been applied in compliance with the principle of prudence and:

1. The going concern principle;
2. The accrual basis principle; and
3. The consistency principle.

Only material information is disclosed.

The basic method used to value items recorded in the accounting books is the historical cost method, with the exception of contributions recorded during the merger into OGIF (now known as in'li) of 34 limited property companies between 1973 and 1975, contributions in kind made by SIF DU LOGIS MODERNE to OGIF (now known as in'li) in 1998 and 1999, contributions recorded during the merger of SICB in 2007 and five real estate investment companies (SCIs) located in the Oise department in 2010, contributions recorded during the merger of SLP in 2016, and contributions recorded during the merger of the Ruisseau des Gains real estate investment company (SCI) in 2018.

4.3 Significant events of the year and subsequent events

4.3.1 Allocation of 2022 net income and distribution of dividend

In accordance with the decision of the Annual General Meeting of 11 May 2023, net income for the year ended 31 December 2022 for a total amount of €49,856,548.48 was allocated as follows: €27,876,865.90 was allocated to retained earnings, €4,997,560.80 was allocated to the legal reserve and €16,982,121.78, or €0.03 per share, was paid out in dividends.

4.3.2 Reverse stock-split

The General Meeting of 11 May 2023 authorized a reverse stock-split of €1.50 shares into new €15 shares, i.e., an exchange ratio of one new share for 10 existing shares.

Prior to this, the General Meeting authorized a €6 increase in in'li's capital by issuing 4 new €1.50 shares to Action Logement Immobilier.

4.3.3 Share capital increase

The Combined General Meeting of 11 May 2023 approved an increase in share capital for an amount of €52,999,995, from €849,106,095 to €902,106,090, through the issue of 3,533,333 new shares of €15 each.

This capital increase was reserved for Action Logement Immobilier and subscribed by offsetting an amount of €2,999,995 against a certain debt of a fixed amount that it held with the Company, and by the payment of an amount of €50,000,000 in cash.

4.3.4 Changes in accounting methods

CHANGES IN ACCOUNTING METHODS

None

CHANGES IN PRESENTATION

None

4.3.5 Disposals

Gains or losses on disposals and/or contributions of assets in portfolio are presented in operating income and no longer in non-recurring income. This presentation is intended to reflect the manner in which real estate assets are operated, providing for regular disposals of assets in order to finance new operations

During 2023, in'li disposed of 500 units of housing and 141 units through off-plan operations:

- ▶ 210 units in Villeteuse in a block sale to SEQENS for an amount of €24,400k;
- ▶ 3 operations located in the Oise department (in Compiègne, Nogent sur Oise and Senlis), representing 138 units sold in block sales to ICF Nord Est for an amount of €11,771k.
- ▶ Several operations located in Antony, representing 93 units, sold to Hauts de Bièvre Habitat for an amount of €15,740k.
- ▶ 59 single-housing units for an amount of €14,260k.
- ▶ A 24-unit off-plan operation in Colombes, sold to Foncière CRONOS for an amount of €4,869k.
- ▶ 3 off-plan operations ceded to APEC DEV4, representing 117 units of housing for an amount of €23,119k.

These disposals generated pre-tax gains of €52,929k.

4.3.6 Deliveries and acquisitions

71 new operations comprising a total of 2,178 new units of housing were delivered in 2023.

Due to in'li's accelerated accounts closing procedure, December deliveries are still recorded under property under construction and have not been subject to a property appraisal. This concerns 88 units delivered in December 2023.

Capitalised construction costs for operations (excluding December deliveries) and land amounted to €480,345k (2,090 units).

Deliveries in 2023 may be broken down as follows:

- ▶ 63 off-plan developments representing 2,007 units, including 262 units of student accommodation, 9 units of co-living-type accommodation, and usufruct on 112 units located in Paris and Saint Ouen.
- ▶ One 23-unit operation for which the Company is prime contractor.

Moreover, a 60-unit building has been acquired in Courbevoie and the property will be renovated and the number of units increased to 72.

4.3.7 Complete transfer of the assets and liabilities of Resid'access

As part of a programme to boost access to home ownership, in July 2022, in'li contributed a property under construction (off-plan) located in Le Blanc Mesnil to Resid'access, consisting of 30 housing units and 26 parking spaces.

Given the current economic climate and anticipated difficulties in letting out the property, a decision was taken to postpone a pilot programme and, as in'li is the sole shareholder, to wind up Resid'access by transferring all of its assets and liabilities to in'li on 17 August 2023.

The value of the Blanc Mesnil operation transferred to in'li is €6,239,730. The property was delivered on 23 March 2023.

4.3.8 Complete transfer of the assets and liabilities of Actionnariat in'li Participations

SAS Actionnariat in'li Participations was created in 2022 to deploy an employee share ownership scheme within in'li and to enable in'li employees to contribute directly to developing intermediate housing for company employees.

Because the French financial markets authority (*Autorité des marchés financiers – AMF*) did not authorise Actionnariat in'li Participations to carry out this activity, in'li as sole shareholder decided on 23 October 2023 to wind up Actionnariat in'li Participations by transferring all of its assets and liabilities to in'li.

4.3.9 Financing

The main loans received in 2023 comprised:

- ▶ Funding from the European Investment Bank (EIB) for an amount of €71,840k. The final repayment will be made in 2053.
- ▶ €100,000k in Green Bond financing arranged with the EIB.
- ▶ Four fixed-rate bullet loan agreements with Caisse d'Épargne for a total amount of €200,000k. These loans have maturities of between 36 and 40 years.
- ▶ A variable-rate, 7-year mortgage with Société Générale for an amount of €63,500k.

4.3.10 Provision for paid leave - Rulings of 13 September 2023

To comply with European Union (EU) law, on 13 September 2023 the Court of Cassation (France's highest civil court) handed down a number of rulings that gave employees enhanced rights to paid leave. More specifically, an employee may accrue paid leave while they are off work due to illness or a non-work-related accident.

The Court now considers that:

- ▶ Sick leave is a period of actual work that determines the duration of leave entitlement in the same way as maternity leave or paid leave, for example;
- ▶ In the event of a workplace accident or occupational illness, the employee shall continue to accrue leave entitlement during the entire period of their sick leave. Calculation of paid leave entitlement will therefore no longer be limited to the first year of absence from work;
- ▶ The statute of limitations on entitlement to paid leave only begins to run if the employer has given the employee the opportunity to exercise this entitlement.

As the French Labour Code has not yet been amended, the impacts of these rulings have yet to be calculated.

In view of established French case law in this area, a loss and contingency provision for an amount of €1,135,640 has been set aside for 2023.

This provision is calculated over a two-year period (2021 and 2022), corresponding to the statute of limitations for wage claims, and it covers current employees.

Paid leave earned in this way in 2023 is recorded under employee-related liabilities.

SUBSEQUENT EVENTS

None

4.4 Notes to the balance sheet

4.4.1 Non-current assets

INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance, controlled by an entity as a result of past events from which future economic benefits are expected to flow to the entity. It is identifiable when it is separable or arises from contractual or other legal rights.

Intangible assets are stated at cost (purchase price plus any ancillary expenses) and amortised over their expected useful life using the straight-line method.

At 31 December 2023, intangible assets mainly consisted of:

INTANGIBLE ASSETS	Gross amount	Carrying amount	Useful life
Start-up costs	255,546	0	1 year
Software, licenses and capitalised IT development costs	10,020,049	4,118,861	3 to 5 years
Usufruct (i.e., beneficial ownership) ⁽¹⁾	36,501,060	33,225,885	term of beneficial ownership
Other intangible assets	619,564	0	3 to 5 years
Intangible assets in progress	1,680,544	1,680,544	
TOTAL	49,076,763	39,025,291	

NON-CURRENT ASSETS – CONSTRUCTION LEASES AND ADMINISTRATIVE LONG LEASES

Under a construction lease, the owner cedes the use of the land to a lessee who, in return, undertakes to build on and maintain the lessor's land in good condition for the entire term of the lease.

Over the term of the lease, in'li has a real, freely transferable property right. When the lease expires, ownership of the buildings reverts to the lessor.

Buildings held on a non-freehold basis are broken down by component in the same way as buildings held in freehold, with the exception of the building structure, which is depreciated over the construction lease term.

The Company's capitalised leases are as follows:

AREA	No. of housing units	Start date	End date	Term	Residual term
Pantin	68	01/09/1988	31/08/2058	70 years	35 years
Boulogne Billancourt	38	29/06/1987	28/06/2039	52 years	16 years
Egly	178	08/07/1966	01/07/2036	70 years	13 years
Saint Denis	100	28/10/1959	27/10/2057	99 years	34 years
Sceaux	33	25/01/1984	24/01/2049	65 years	25 years
Ablon sur Seine	18	12/11/1987	11/11/2057	70 years	34 years
Neuilly sur Seine	35	26/04/2013	25/04/2048	35 years	25 years
Levallois-Perret	24	13/12/1985	12/12/2025	40 years	2 years
Sceaux	offices	25/01/1984	24/01/2049	65 years	25 years

(1) Usufruct corresponds to:

- a 12-unit operation in Rueil-Malmaison delivered in 2015.
- a 35-house operation in Saint Cyr delivered in 2018.
- a 19-unit operation in Versailles delivered in 2020.
- a 31-unit operation in Neuilly-sur-seine delivered in 2021.

- a 31-unit operation in Rueil-Malmaison delivered in 2021.
- a 23-unit operation in Montreuil delivered in 2022.
- a 35-unit operation in Paris delivered in 2023.
- a 77-unit operation in Saint Ouen delivered in 2023.

NON-CURRENT ASSETS – INVESTMENT PROPERTY

Investment property is property (land or buildings) held to earn rentals.

Land is stated at cost (purchase price plus any ancillary expenses). For off-plan acquisitions, the value of land is calculated using a price scale for each different locality.

Buildings are measured at cost plus notarial fees and registration fees, or at their transfer value, and broken down by component. The allocation basis follows the guidelines and recommendations of the French Scientific and Technical Centre for Building (CSTB) for social housing companies (ESH).

When components are renovated and/or upgraded, the components initially recorded in non-current assets are derecognised.

From 2023, the personnel expenses of the Investment and Construction Department that are directly attributable to new builds are capitalised. They are calculated based on the contribution of employees to construction projects and they factor in a non-completion rate for each operation. At each stage in construction, the amount of internal costs per housing unit is calculated.

These costs will gradually be incorporated into construction costs between 2023 and 2025 to reflect the phasing of the construction work over time.

DEPRECIATION OF BUILDINGS:

For new buildings, expenses are allocated based on actual costs when these can be determined. If this is not possible – for off-plan acquisitions and acquisitions from old property portfolios for example – expenses are allocated based on the CSTB table below.

COMPONENT	Useful lives	Allocative keys: collective housing	Allocative keys: standalone housing
Lifts	15 years	2.80%	
Collective heating systems	25 years	3.20%	
Standalone heating systems	15 years	3.20%	3.20%
External joinery	25 years	3.30%	5.40%
Waterproofing work	15 years	1.10%	
Rendering	15 years	2.10%	2.70%
Electricity	25 years	5.20%	4.20%
Plumbing	25 years	4.60%	3.70%
Structure	50 years	remainder	remainder

Reconstruction and improvement work on roads and amenities, neighbourhood enhancement and redevelopment of outdoor spaces are capitalised under "Outdoor spaces" and written down over 20 years.

The useful lives of buildings from mergers that took place in previous periods have not been amended. Consequently, the structure component is depreciated over a period of between 40 and 60 years. New property is written down over 50 years.

VALUATION OF INVESTMENT PROPERTY

In'li's property portfolio is valued every year by an independent real estate appraiser, BPCE Expertises Immobilières.

The appraiser calculates the market value of each property at the reporting date. The market value is the most likely price obtainable on the market at the valuation date under reasonable conditions.

At 31 December, 2023, the portfolio was measured using three different sets of assumptions. Depending on the assumption chosen, the valuations were as follows (excluding taxes and duties):

		12/2023	12/2022	12/2023 (like-for-like basis)
ASSUMPTION 1	"block sale" value; based on continued use and current occupancy	€7,991 million	€7,879 million	€7,507 million
ASSUMPTION 2	"unit sale" value; based on continued use and current occupancy	€9,236 million	€9,106 million	€8,662 million
ASSUMPTION 3	"unit sale" value; rented at the market rental value	€11,174 million	€10,972 million	€10,515 million

PROVISION FOR IMPAIRMENT OF INVESTMENT PROPERTY

In'li carries out impairment testing by comparing the net book value of the buildings of each operation with the valuations performed by BPCE Expertises Immobilières.

When there is a prolonged and material unfavourable difference between the appraisal value (excluding taxes and duties) and the net book value (net of investment grants) for a given real estate operation, an impairment loss provision is recognised for the difference.

OTHER PROPERTY AND EQUIPMENT

Other property and equipment is depreciated using the straight-line method. It includes the following:

Other property and equipment	Useful life
Technical facilities	10 to 20 years
Machinery & equipment	5 years
Fixtures and fittings	10 years
Transport equipment	5 years
Office and IT equipment	5 years
Office furniture	5 years

As the depreciation schedules of merged entities have been maintained, useful lives may be different in certain cases.

MOVEMENTS IN PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

(in €)	12/2022	Acquisitions and additions to charges	Disposals and releases	Complete transfer of the assets and liabilities of Resid'access	Reclassifications	12/2023
Intangible assets (gross amount)	30,032,499	171,892			17,191,829	47,396,219
Land	882,152,078	7,847,706	(3,809,045)		105,640,720	991,831,459
Rental property	3,126,943,621	11,980,258	(26,040,291)		392,764,210	3,505,647,799
Improvement work	104,130,505		(3,534,480)			100,596,024
Construction leases	32,796,865		(401,241)		817,18	33,212,805
Miscellaneous non-current assets ⁽¹⁾	35,499,439	24,469	(389,893)		231,115	35,365,130
NON-CURRENT ASSETS IN PROGRESS						
Intangible assets in progress	701,242	1,439,084			(459,782)	1,680,544
Property and equipment in progress	1,042,722,264	613,115,345	(27,962,536)	6,239,730	(516,185,272)	1,117,929,530
Advances and downpayments on non-current assets		151,745				151,745
TOTAL GROSS VALUE	5,254,978,512	634,730,499	(62,137,486)	6,239,730		5,833,811,255
Amort./prov. on intangible assets	(7,589,982)	(2,461,491)				(10,051,474)
Deprec./prov. on rental property	(1,028,502,381)	(94,992,247)	15,292,255			(1,108,202,372)
Deprec./prov. on improvement work	(100,277,096)	(289,526)	3,534,480			(97,032,141)
Deprec./prov. on construction leases	(13,715,199)	(1,011,468)	274,91			(14,451,758)
Deprec./prov. on miscellaneous non-current assets	(28,531,432)	(1,417,698)	387,783			(29,561,347)
Deprec./prov. on property and equipment in progress						
TOTAL DEPRECIATION, AMORTISATION AND PROVISIONS	(1,178,616,090)	(100,172,430)	19,489,428			(1,259,299,090)
CARRYING AMOUNT	4,076,362,422	534,558,069	(42,648,058)	6,239,730		4,574,512,165

Movements in gross values of fixed assets amount to €578,833k and were mainly attributable to increases in property under construction (€613,115k), rental property and land (€19,828k) following acquisitions made over the period.

Derecognised assets (€62,137k) correspond to the disposal of housing referred to in Note 4.3.5 and the replacement of components.

(1) includes merger deficit of €4,282k.

4.4.2 Non-current financial assets

Non-current financial assets are stated at cost (purchase price plus any ancillary expenses) or at their transfer value. If necessary, a provision for impairment is recognised.

Non-current financial assets mainly comprise equity investments, loans and advances to subsidiaries and affiliates and security deposits.

(in €)	12/2022	Increase	Decrease	Complete transfer of assets & liabilities	Reclassifications	12/2023
Net non-current financial assets	318,371,292	36,719,490	(3,565,206)	(3,801,784)	0	347,723,792
GROSS AMOUNTS	318,371,292	36,719,490	(3,565,206)	(3,801,784)	0	347,723,792
Equity investments ⁽¹⁾	313,122,092	36,006,899	(3,457,525)	(3,801,784)	0	341,869,681
Other loans and receivables due from subsidiaries and associates ⁽²⁾	74,47	0	(13,773)	0	0	60,696
Other long-term investments	75,108	0	0	0	0	75,108
Other non-current financial assets (gross amounts) ⁽³⁾	5,099,622	712,591	(93,908)	0	0	5,718,305
IMPAIRMENT PROVISIONS	0	0	0	0	0	0
on equity investments	0	0	0	0	0	0
on other non-current financial assets (gross amounts)	0	0	0	0	0	0

4.4.3 Inventories and work in progress

Buildings used in commercial property development are recognised in inventories at their acquisition or full cost. If there is an indication that the future resale value may be impaired, an impairment loss is recognised for the difference.

Any provision for the impairment of land values is calculated based on their expert appraisal value.

Land in inventory comprises:

- ▶ Several plots in Chatou totalling 12,759 sq.m valued at €483,619;
- ▶ A plot in Cannes valued at €350k.
- ▶ Several plots in Domont totalling 868,720 sq.m valued at €11,770,974, and a 27,241 sq.m plot in Moisselles valued at €382,199k (gross values); Provisions of €10,648,479 and €356,382, respectively, have been accrued.

Six other property development projects are in progress for a total of €7,093,988. No new operations were launched in 2023. These operations are scheduled for delivery in 2024 and 2025.

(in €)	12/2022	Increase	Decrease	Reclassifications	12/2023
Inventories	6,346,241	2,380,028	0	0	8,726,269
Land in inventory	12,620,981	17,362	0	0	12,638,343
Impairment of land in inventory	(10,988,700)	(17,362)	0	0	(11,006,062)
Property development inventories	4,713,960	2,380,028	0	0	7,093,988
Impairment of other inventories	0	0	0	0	0

(1) The increase in equity investment corresponds to the increase in the share capital of APEC Développement (€6,807k) and of in'li Participations (€29,200k).

The decrease of €3,457k in equity investments is attributable to the reduction in Terrae Optimae's share capital.

Resid'access (€3,801k) and Actionnariat in'li Participations (€1k) were wound up by means of a complete transfer of their assets and liabilities to in'li.

(2) Used to record the balance of the amount paid to fund the working capital of GIE ASTRIMMO.

(3) This heading is used to record working capital payments made to property management agencies (€3,301k) and the security deposit paid for the Tour Ariane premises (€1,390k).

4.4.4 Rent and other receivables

Receivables are recorded at face value.

Rent receivables comprise:

- ▶ Outstanding rents and service and maintenance charges at 31 December 2023 (€62,678k);
- ▶ Adjustments to unbilled service and maintenance charges corresponding to the difference between prepaid charges called and expenditure recorded (€13,914k);

Other receivables primarily consist of:

- ▶ The balance due on the off-plan sales of four property developments located in Montreuil, Villeparisis, Pontault Combault and Le Pecq for a total of €3,252k. The outstanding balances are paid up on a percentage of completion basis.
- ▶ The Project Management Consultancy fees due from Foncière CRONOS and Apec (€1,268k).
- ▶ Rebilling of building caretaker charges to in'li PM for services rendered in the CRONOS and APEC property portfolios (€900k).

(in €)	12/2023	12/2022	Δ
TRADE RECEIVABLES, NET	55,271,021	53,027,247	2,243,775
Rents owed by sitting tenants	33,682,845	28,739,578	4,943,267
Rents owed by former tenants	28,950,050	27,469,028	1,481,022
Rents owed by tenants covered by delegated management agreements	45,182	22,228	22,954
Service and maintenance charges to be regularised	13,914,098	13,484,244	429,854
Gross rents and other receivables	76,592,175	69,715,078	6,877,097
Provisions for impairment of rents owed by sitting tenants	(4,709,292)	(4,172,941)	(536,351)
Provisions for impairment of rents owed by former tenants	(23,105,078)	(21,653,388)	(1,451,690)
Provisions for impairment of rent and other receivables	(27,814,370)	(25,826,329)	(1,988,041)
CARRYING AMOUNT OF RENT AND OTHER RECEIVABLES	48,777,805	43,888,749	4,889,056
Other trade receivables (gross amount)	6,517,968	9,163,249	(2,645,281)
Provisions for impairment of other trade receivables	(24,751)	(24,751)	0
CARRYING AMOUNT OF OTHER TRADE RECEIVABLES	6,493,216	9,138,497	(2,645,281)

Rent receivables are due in less than one year.

Other receivables due in less than one year amount to €6,408,309 and those due in one to five years amount to €109,659.

PROVISION FOR IMPAIRMENT OF RENT RECEIVABLES

The provision for impairment of rent receivables is calculated using a statistical method based on the non-recovery rates for rent arrears due from sitting tenants and from former tenants (i.e., tenants who have vacated the property).

For tenants who have vacated the property, the non-recovery rate has been analysed over a six-year period following the departure of the tenants in question. At 31 December 2023, the average non-recovery rate was 81.60% (78.80% at 31 December 2022), calculated based on arrears at the end of 2012, 2013, 2014, 2015, 2016 and 2017.

For sitting tenants, the percentage of people who were in arrears and who left their properties without paying off these arrears was calculated. It corresponds to the ratio of the total amount of arrears on the date the tenants left to the average amount of arrears of sitting tenants, calculated based on arrears between 2018 and 2023. It came

out at 40.80% at 31 December 2023 (versus 42% in 2022).

The rate obtained was then multiplied by the non-recovery rate for arrears due from former tenants to determine the coverage rate for the arrears of sitting tenants. This rate came out at 33.29% at 31 December 2023 (32.39% at 31 December 2022).

The amount of the provision for impairment of rent receivables from tenants who are individual persons is €29,089,345.

Provisions for rent receivables from legal entities are calculated on a case-by-case basis. This provision stood at €373,254 at 31 December 2023. The total provision for impairment of rent receivables therefore stands at €27,814,370.

4.4.5 Other receivables

(in €)	12/2023	12/2022	Δ
OTHER RECEIVABLES (NET)	128,057,872	124,894,529	3,163,343
Grants receivable ⁽¹⁾	399,865	922,068	(522,203)
Receivables on disposals of non-current assets	1,000,304	2,379,682	(1,379,378)
Calls for funds from property management agencies & building ownership associations	6,927,649	4,025,500	2,902,149
Receivables from Group and associates ⁽²⁾	98,559,986	96,662,201	1,897,785
Tax and social security receivables ⁽³⁾	5,445,407	11,140,379	(5,694,972)
Other receivables (gross amount) ⁽⁴⁾	15,724,661	9,764,700	5,959,961
Provision for impairment in value	0	0	0

All receivables are due in less than one year.

4.4.6 Cash and cash equivalents (including marketable securities)

Short-term investments are stated in the balance sheet at cost. A provision for impairment loss is recognised if their realisable value is less than their carrying amount.

Bank overdrafts are stated in current liabilities in "Borrowings from credit institutions".

(in €)	12/2023	12/2022	Δ
CASH AND CASH EQUIVALENTS	405,310,194	409,517,178	(4,206,984)
Short-term investments	136,405,388	120,839,678	15,565,710
Cash at bank and cash on hand	268,904,806	288,677,500	(19,772,694)
Bank overdrafts (in liabilities)	0	0	0
NET CASH AND CASH EQUIVALENTS	405,310,194	409,517,178	(4,206,984)
Provision for impairment of investments	(496,384)	(342,056)	(154,328)

4.4.7 Prepaid expenses

(in €)	12/2023	12/2022	Δ	due in < 1 year	due in 1 to 5 years	due in > 5 years
Prepaid expenses	4,073,170	3,712,404	360,766	2,258,639	234,07	1,580,461

Prepaid expenses mainly include prepaid rent on the construction lease for the Neuilly-sur-Seine project with a termination date in 2048 (€1,888k) and first-quarter 2024 rent on Tour Ariane (€1,282k).

(1) Grants receivable to finance new programmes.

(2) Receivables as associate or from Group entities, mostly consisting of advances given to Apec Résidence for €3,622k, Apec Développement for €14,829k, RESICOFFIM (€1,852k), in'li PM (€500k) and in'li Participations (€77,363k).

(3) Mainly relates to VAT and outstanding income tax (€582k).

(4) Other receivables (gross amount) mainly concern miscellaneous income receivable, amounts rebilled for the in'li SUPPORTS joint venture (€6,952k) and miscellaneous receivables.

4.4.8 Deferred charges

(in €)	12/2023	12/2022	Δ
Loan issuing charges	3,363,347	3,570,005	(206,658)

Corresponds to hedging premiums on the HSBC, EIB and CACIB loans contracted in 2022 and 2023.

4.4.9 Loan issuing charges

(in €)	12/2023	12/2022	Δ
Loan issuing charges	852,500	1,007,500	(155,000)

This concerns the €1,550k issue premium for the €500,000 bond loan. It is amortised over the term of the loan, i.e. 10 years (from 2/7/2019 to 2/7/2029). The charge recorded for 2023 amounted to €155,000.

4.4.10 Equity

At 31 December 2023, the Company's share capital comprised 60,140,406 shares, each with a par value of € 15.

(in €)	12/2022	Increases in capital	Allocation of net income (loss) for 2022	Net income (loss) for the year	Other movements	12/2023
Equity	2,591,265,200	53,000,001	0	25,498,534	(2,502,563)	2,650,279,049
Share capital	849,106,089	53,000,001				902,106,090
Additional paid-in capital	572,934,434					572,934,434
Reserves	506,744,891		4,997,561			511,742,452
Retained earnings	578,991,376		27,876,866			606,868,242
Net profit (loss) for the year	49,856,548		(49,856,548)	25,498,534		25,498,534
Investment grants and subsidies	33,513,257				(2,507,733)	31,005,524
Regulated provisions	118,603				5,17	123,773
Dividends distributed			16,982,122			

The €53,000,001 capital increase was subscribed by Action Logement Immobilier by paying up an amount of €50,000,006 in cash and by offsetting an amount of €2,999,995 against receivables.

SUBSIDIES AND GOVERNMENT GRANTS

Grants used to finance depreciable fixed assets are written back to profit and loss on a straight-line basis over the useful life of the depreciable fixed asset concerned.

4.4.11 Provisions for contingencies and losses

POST-EMPLOYMENT BENEFITS

Post-employment benefits for employees are mostly covered by an externally managed defined benefit pension plan. A provision is recognised for any amounts not covered.

The amount of post-employment benefit commitments is calculated based on various criteria that are reviewed annually, including the employee turnover rate (adm = 5.66%, PIME = 3.45%, PIMG = 1.37%), employee wage growth (adm = 3.07%, PIME = 3.69%, PIMG = 3.49%), the discount rate (3.17%), and the payroll tax rate (adm = 59.01%, PIME = 51.13%, PIMG = 50.75%).

The average retirement age used is 64 (compared with 62 in 2022).

At 31 December 2023, post-employment benefit commitments amounted to €7,750,942, a year-on-year decrease of €608,453. A provision of €808,008 was released, bringing the provision for the amount not covered in the main defined benefit plan (retirement indemnities plan) to €429,702.

French pension reforms have had an impact of (€627,394) on the 2023 provision.

A collective bargaining agreement concerning employee status was signed in October 2018 that impacts the calculation of retirement benefits. Consequently, "a closed group" was set up for employees who meet certain age and length of service criteria.

LENGTH-OF-SERVICE AWARDS

At 31 December 2023, the provision for length-of-service amounted to €745,811. €21,423 of this provision was released over the period.

<i>(in €)</i>	12/2022	Additions	Reversals	12/2023	o/w amounts reversed for utilised provisions
Provisions for contingencies and losses	13,271,914	1,426,447	(3,305,631)	11,392,730	(1,881,305)
Prov for retirement indemnities, pensions and long-service awards ⁽¹⁾	2,004,944	0	(829,431)	1,175,513	(517,142)
Provisions for property taxes (mergers) ⁽²⁾	9,248,685	0	(1,757,948)	7,490,737	(1,096,720)
Provisions for paid leave and paid sick leave ⁽³⁾	0	1,135,640	0	1,135,640	0
Other provisions for contingencies and losses ⁽⁴⁾	2,018,285	290,807	(718,252)	1,590,840	(267,443)

(1) The provision for retirement indemnities decreased by an amount of €808k, due mainly to a change in the assumptions used to calculate them and to employee departures during the year. The amount paid into an external savings fund totalled €7,321k.

(2) Provisions for property taxes fell by an amount of €1,758k following the disposal of properties in the Oise department.

(3) Provision set aside following the ruling of the Court of Cassation concerning employees' entitlement to paid leave during periods of illness (see Note 4.3.10).

(4) Other provisions for contingencies and losses mainly cover various legal disputes.

4.4.12 Financial liabilities

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are included in the cost of that asset.

(in €)	12/2022	Reclassifications	Additions	Repayments	12/2023
FINANCIAL LIABILITIES	2,226,965,216		620,750,754	(130,534,579)	2,717,181,390
Bond issuance	599,000,000				599,000,000
PEEC loans	205,317,632	(496,000)	400,000	(19,023,323)	186,198,309
CFF loans	71,248,857			(3,527,239)	67,721,619
CDC loans	70,372,614			(1,229,214)	69,143,400
Crédit Agricole loans	272,459,218		59,702,126	(12,249,249)	319,912,095
Caisse d'Épargne loans	223,921,167		200,000,000	(13,510,638)	410,410,529
Société Générale loans	20,116,163		63,500,000	(1,582,488)	82,033,675
EIB loans	238,160,000		171,840,000		410,000,000
Mortgage loan	190,000,000				190,000,000
Other borrowings	293,512,309		737,792	(14,686,264)	279,563,836
Renewable loan facilities			100,000,000	(50,000,000)	50,000,000
Accrued interest	11,459,804		19,913,845	(11,459,804)	19,913,845
Short-term borrowings					
Borrowings from credit institutions	2,195,567,764		616,093,763	(127,268,219)	2,683,897,308
Security deposits	26,241,556		4,656,991	(2,843,965)	28,054,581
Other	5,155,896	496,000		(422,395)	5,229,501
Miscellaneous financial liabilities	31,397,452		4,656,991	(3,266,360)	33,284,082

New borrowings to finance new projects amounted to €616,094k. These mainly comprise:

- ▶ Financing of €71,840k, enabling the full amount of the €310,000k facility negotiated with the EIB to be drawn down.
- ▶ €100,000k in new Green Bond financing arranged with the EIB over 10 years.
- ▶ A seven-year mortgage for an amount of €63,500k contracted with Société Générale.
- ▶ Four loans from Caisse d'Épargne totalling €200,000k. Moreover, a fresh €85,000k revolving credit facility has been added to the two existing facilities (of €210,000k and €600,000k), giving a total line of credit of €895,000k. Borrowings and other financial liabilities repaid during the year amounted to €116,231k.

FINANCIAL LIABILITIES BY MATURITY (in euros)	End-2023	< 1 year	Between 1 and 5 years	> 5 years
TOTAL FINANCIAL LIABILITIES	2,717,181,390	131,306,792	452,620,333	2,133,254,264
PEEC loans	186,198,309	13,262,590	50,166,130	122,769,589
CFF loans	67,721,619	3,108,008	13,038,125	51,575,486
CDC loans	69,143,400	1,138,883	4,832,953	63,171,564
Crédit Agricole loans	319,912,095	13,545,334	50,881,510	255,485,251
Caisse d'Épargne loans	410,410,529	13,762,585	58,096,247	338,551,697
Société Générale loans	82,033,675	1,196,974	4,210,736	76,625,965
Bond issuance	599,000,000			599,000,000
EIB loans	410,000,000		17,215,086	292,784,914
Mortgage loan	190,000,000		190,000,000	
Other borrowings	279,563,836	14,970,410	62,600,648	301,992,778
Renewable loan facilities	50,000,000	50,000,000		
Accrued interest on borrowings & long-term liabilities	19,913,845	19,913,845		
Bank accounts in credit				
Borrowings from credit institutions	2,683,897,308	130,898,629	451,041,435	2,101,957,244
Security deposits	28,054,581			28,054,581
Other	5,229,501	408,163	1,578,898	3,242,440
Miscellaneous financial liabilities	33,284,082	408,163	1,578,898	31,297,021

Type of interest rate	Amount outstanding	%
Fixed	1,411,249,522	52.9%
Indexed	1,257,963,443	47.1%

At 31 December 2023, the average maturity of in'li's debt was 8 years and 5 months and over half of outstanding debt is amortisable.

Concerning in'li's interest rate management policy:

58% of debt is at fixed rates (including amounts hedged using fixed-variable swaps);

19% of the debt is indexed to the interest rate paid to holders of French passbook savings accounts (Livret A). Although this is a variable rate, it is regulated by the French State, which is not directly subject to market trends.

23% of debt is indexed to variable monetary rates (Euribor, Eonia), and 17% is hedged by caps and collars.

This means that only 6% of in'li's debt is at variable rates and actually exposed to a rise in interest rates.

DERIVATIVE INSTRUMENTS

In'li uses derivative instruments to hedge variable-rate borrowings against interest rate risk.

They may be broken down as follows:

LOAN	loan amount	amount hedged	type of hedge
EIB	84,160,000	84,160,000	Interest rate swap
EIB	154,000,000	62,000,000	Interest rate swap
		62,000,000	Collar
EIB	71,800,000	30,000,000	Collar
		30,000,000	Interest rate swap
		40,000,000	Collar
		40,000,000	Interest rate swap
EIB	100,000,000	50,000,000	Collar
HSBC	190,000,000	95,000,000	Collar
		95,000,000	Collar
Société Générale	30,000,000	30,000,000	CAP
CFF-BRED	19,000,000	19,000,000	CAP

4.4.13 Current liabilities

(in €)	12/2023	12/2022	Variation
TRADE PAYABLES	70,250,083	55,900,424	14,349,659
Trade payables	33,995,983	29,852,280	4,143,703
Amounts owed to property developers	36,254,100	26,048,144	10,205,956
OTHER SHORT-TERM LIABILITIES	65,972,763	98,102,120	(32,129,357)
TENANTS AND ADJUSTMENTS TO CHARGES WITH CREDIT BALANCES⁽¹⁾	29,546,454	23,916,283	5,630,171
Tenants with credit balances	2,820,501	2,320,741	
Service and maintenance charges to be adjusted	26,725,953	21,595,542	
EMPLOYEE-RELATED LIABILITIES	13,600,003	12,282,622	1,317,381
Provision for paid leave and time saving accounts	8,247,851	7,473,569	
Provision for employee profit-sharing + charges			
Provision for incentive bonuses + charges	1,912,370	1,436,366	
Other employee-related liabilities	3,439,782	3,372,687	
TAX LIABILITIES	10,669,635	10,162,401	507,234
Corporate income tax			
Value added tax	9,617,575	6,950,198	
Other tax-related liabilities	1,052,060	3,212,203	
Sundry payables ⁽²⁾	12,156,670	51,740,813	(39,584,143)

(1) The amount of service and maintenance charge accounts in credit awaiting regularisation is €26,726k. This amount is partially offset by accounts in debit awaiting regularisation for an amount of €13,914k (Note 4.4.4).

(2) The decrease in this item is attributable to the balance of the Action Logement Immobilier current account (€41,000k) following subscription to in'li's capital increase by converting a receivable for an amount of €3,000k and repayment of an amount of €38,000k.

4.4.14 Deferred income

(in €)	12/2023	12/2022	Δ	due in < 1 year	due in 1 to 5 years	due in > 5 years
Deferred income	12,317,929	10,963,795	463,535	8,630,000	1,666,961	2,020,967
Construction lease payments 2011 to 2064 - SEQUENS	2,095,264	2,146,368	(51,104)	51,104	204,416	1,839,744
Off-plan agreement - 22 units of housing in Montreuil	3,431,115	3,431,115		3,431,115		
Off-plan agreement - 10 units of housing in Villeparisis	1,403,683	1,403,683		1,403,683		
Off-plan agreement - 4 units of housing in Viroflay	422,400	422,400		422,400		
Off-plan agreement - 7 units of housing in Le Pecq	1,088,040	1,088,040		1,088,040		
Off-plan agreement - 7 units of housing in Pontault Combault	889,824		889,824	889,824		
Deferred interest rate differential on €99 million bond issue	2,016,194	2,391,379	(375,185)	372,426	1,462,545	181,223
Insurance claims	890,598			890,598		
Other	80,810	80,810		80,810		

Concerns:

- ▶ Advance lease payments from SEQUENS (€2,095k) following an extension to an administrative long lease in 2010 on land located in the 20th arrondissement of Paris.
- ▶ Five property developments sold to lessors.

4.4.15 Off-balance sheet commitments

Off-balance sheet commitments at 31 December 2023 were as follows:

(in thousands of euros)	12/2023	12/2022
COMMITMENTS GIVEN		
Mortgages and lender's liens	1,017,025	974,642
Signed acquisition agreements to be settled	9,975	38,978
Off-plan agreements to be settled	50,039	205,645
Share subscriptions	0	24,980
Payment of loan	0	14,354
Charges on construction leases	12,877	12,877
TOTAL COMMITMENTS GIVEN	1,089,916	1,271,476
Commitments received		
Bank guarantees and financial guarantees ⁽¹⁾	1,631	19,328
Guarantees from suppliers	23,781	20,713
Loans receivable	873,000	885,121
Off-plan builders' commitments	50,039	205,645
Signed sale agreements to be settled	77,231	64,457
Right of use of lands covered by construction leases	12,877	12,877
TOTAL COMMITMENTS RECEIVED	1,038,559	1,208,141

(1) Bank guarantees for property reservation agreements.

4.4.16 Breakdown of accrued expenses and income receivable

<i>(in thousands of euros)</i>	12/2023	12/2022
BREAKDOWN OF ACCRUED EXPENSES		
Borrowings and financial liabilities	19,914	11,460
Advances and downpayments	26,710	21,595
Payables on non-current assets	14,560	11,158
Trade payables	19,488	19,897
Tax and employee-related liabilities	11,007	11,863
Other payables	4,902	2,410
TOTAL ACCRUED EXPENSES	96,581	78,383
BREAKDOWN OF INCOME RECEIVABLE		
Trade receivables	13,914	14,155
Other receivables	10,608	7,604
Grants receivable	400	977
Marketable securities	1,820	293
TOTAL INCOME RECEIVABLE	26,742	23,029

4.5 Notes to the income statement

4.5.1 Calculation of income

<i>(in €)</i>	12/2023	12/2022	Δ
Operating income/(loss)	80,360,919	92,064,109	(11,703,190)
Financial income (expense)	(45,135,438)	(29,032,180)	(16,103,258)
Net non-recurring income (expense)	(291,574)	204,761	(496,335)
Employee profit-sharing	0	0	0
Corporate income tax	(9,435,373)	(13,380,142)	3,944,769
NET PROFIT	25,498,534	49,856,548	(24,358,014)



4.5.2 Revenue

(in €)	12/2023	12/2022	Δ
REVENUE & REBILLABLE CHARGES	415,287,599	371,051,995	44,235,604
Rental income from dwellings	295,024,909	274,038,688	20,986,221
Rental income from parking spaces	15,301,817	13,902,522	1,399,295
Commercial and office lease income	7,477,682	5,570,515	1,907,167
Household charges	1,741,947	1,313,024	428,923
Property development projects			
Fees	1,893,083	3,215,023	(1,321,940)
Other	4,419,892	4,629,435	(209,543)
Rebillable service and maintenance charges	89,428,270	68,382,788	21,045,482

Under the terms of agreements entered into with Foncière CRONOS and APEC Développement, in'li is paid finders' fees as well as project management fees and fees for monitoring new builds.

These fees amounted to €1,893k in 2023; €1,423k billed to Foncière CRONOS and €470k billed to APEC Développement.

4.5.3 Depreciation, amortisation and provisions

(in €)	12/2023	12/2022	Δ
ADDITIONS TO DEPR, AMORT & PROV	105,249,939	96,061,631	9,188,308
Additions to depreciation/amortisation of non-current assets	99,147,774	88,980,076	10,167,698
Additions to provisions for impairment of non-current assets	397,349	783,078	(385,729)
Additions to provisions for impairment of rent receivables	4,261,007	1,766,724	2,494,283
Additions to provisions for current assets			
Additions to other provisions ⁽¹⁾	1,443,809	4,531,753	(3,087,944)

4.5.4 Releases of amortisation and depreciation charges and provisions

(in €)	12/2023	12/2022	Δ
RELEASES OF AMORTISATION & PROV	5,480,192	3,892,152	1,588,041
Releases of provisions for impairment of rent receivables	2,272,966	124,610	2,148,356
Releases of provisions for retirement benefits	808,008	1,857,093	(1,049,085)
Releases of provisions for impairment of non-current assets		176,013	(176,013)
Releases of provisions for taxes	1,757,948	1,489,376	268,572
Releases of other provisions ⁽²⁾	641,270	245,059	396,211
Expense transfers			

(1) Mainly comprises the following:

- provision for paid leave on sick leave taken in 2021 and 2022: €1,136k
- provision for sundry litigation: €291k

(2) These consist mainly of:

- releases of provisions for long-service awards: €21k
- provisions for sundry litigation.

4.5.5 Other operating income and expenses

(in €)	12/2023	12/2022	Δ
OTHER OPERATING INCOME	107,512,240	122,765,853	(15,253,613)
Disposal gains on investment property ⁽¹⁾	94,501,612	112,581,571	(18,079,959)
Proceeds from sale of equity investments			
Positive adjustments to recoverable service and maintenance charges	5,487,663	4,097,017	1,390,646
Other income	7,522,965	6,087,265	1,435,700
OTHER OPERATING EXPENSES	53,658,776	60,161,308	(6,502,531)
Carrying amount of investment property sold ⁽¹⁾	41,572,789	42,090,048	(517,259)
Carrying amount of equity investments sold			
Positive adjustments to recoverable service and maintenance charges	8,470,085	12,848,326	(4,378,241)
Unrecoverable rent receivables ⁽²⁾	2,031,490	2,198,813	(167,323)
Other expenses	1,584,412	3,024,120	(1,439,708)

4.5.6 Financial income (expense)

(in €)	12/2023	12/2022	Δ
FINANCIAL INCOME (EXPENSE)	(45,135,438)	(29,032,180)	(16,103,258)
Interest expense on rental operations	(59,766,535)	(31,177,547)	(28,588,988)
Losses on equity interests	(7,442)	(14,515)	7,073
Other finance costs	(707,476)	(1,499,942)	792,466
Charges on sale of marketable securities			
Net (additions to) reversals of provisions	(309,328)	(393,779)	84,451
Income from investments and share in net income of associates ⁽³⁾	1,406,863	913,085	493,778
Income from advances and current accounts	12,969,618	2,400,229	10,569,389
Management fees ⁽⁴⁾	559,567	196,991	362,576
Other income from investment of surplus cash	142,067	543,299	(401,232)
Income on sale of marketable securities	577,229		577,229

(1) As indicated in Note 4.3.5, disposals of investment property were recognised in operating income. In 2023, these disposals generated gains of €52,929k.

(2) Other income includes amounts rebilled to regional in'li entities and to in'li PM as part of the in'li SUPPORTS joint venture (€6,952k).

(3) Mainly corresponds to the distribution of income from APEC Résidence (€133k), in'li AURA (€241k), in'li Grand Est (€212k) and Terrae Optimae (€602k).

(4) Commission billed to APEC Développement.

4.5.7 Net non-recurring income (expense)

(in €)	12/2023	12/2022	Δ
NET NON-RECURRING INCOME (EXPENSE)	(291,574)	204,761	(496,335)
Net income (loss) on disposal of non-current assets ⁽¹⁾	(1,075,269)	(971,327)	(103,942)
Net income (loss) on disposal of securities			
Claims expense	(1,395,262)	(857,882)	(537,380)
Net (additions to) reversals of provisions	(1,219,730)	(13,262)	(1,206,468)
Other non-recurring expenses ⁽²⁾	(134,048)	(2,170,668)	2,036,620
Non-recurring income from claims	917,490	418,076	499,414
Reversal of grants	2,307,733	2,836,907	(529,174)
Other non-recurring income	307,512	962,917	(655,405)

4.5.8 Corporate income tax expense

(in €)	12/2023	12/2022	Δ
TOTAL INCOME TAX	9,435,373	13,380,142	(3,944,769)
Current tax	9,435,373	13,380,142	(3,944,769)

All corporate income tax for 2023 was attributable to recurring items.

The amount of tax on provisions reinstated for tax purposes in 2022 but deductible in 2023 amounted to €128,174.

4.6 Other information

4.6.1 Financial rating

As part of its mission of building 80,000 units of new intermediate housing in supply-constrained areas of the Paris region over the next 10 years, in'li applied for a financial rating in 2019.

In January 2020, Standard & Poor's Global Ratings assigned it a rating of 'A' with a stable outlook,

This rating was confirmed in September 2023 by Standard & Poor's, making in'li one of the best-rated European property companies by S&P Global Ratings.

In'li is also rated by Moody's as A2 long-term and P-1 short-term.

4.6.2 Expenses non-deductible from income

Expenses non-deductible from income for tax purposes amounted to €26,627 in 2023.

(1) Corresponds to properties derecognised after the replacement of components.

(2) In 2022, this item comprised the unwinding of the ANRU programmes in Epinay and Saint Denis.

4.6.3 Information concerning customer and supplier payment terms

The French Commercial Code only covers business-to-business payment terms and does not deal with business-to-customer relations. Consequently, disclosures concerning civil claims with individuals have been excluded from the following tables, pending clarification from the legal affairs commission of the CNCC (French Institute of Statutory Auditors) on this subject.

Article D. 441.6 I.

Invoices received and due for payment but not settled at the reporting date	0 days (approx.)	1 - 30 days	31 - 60 days	61 - 90 days	> 91 days
(A) OVERDUE AMOUNTS					
Number of invoices concerned ⁽¹⁾	NA	NA	NA	NA	NA
Total amounts of invoices concerned (€ thousands, including VAT)	31,926	(7)	102	182	845
Percentage of total amount of purchases for the period concerned (excluding VAT)	2.6%	0.2%	0.0%	0.0%	0.2%
Percentage of total amount of revenue for the period concerned (excluding VAT)	5.5%	0.4%	0.0%	0.1%	0.3%

Article D. 441.6 I.

Invoices issued and due for payment but not settled at the reporting date	0 days (approx.)	1 - 30 days	31 - 60 days	61 - 90 days	> 91 days
(A) OVERDUE AMOUNTS					
Number of invoices concerned		270			136
Total amounts of invoices concerned (€ thousands, including VAT)		2,427			141
Percentage of total amount of purchases for the period concerned (excluding VAT)		0.1%			0.1%
Percentage of total amount of revenue for the period concerned (excluding VAT)		0.2%			0.2%

(B) Invoices excluded from **(A)** concerning disputed payables or unrecorded invoices.

Number of invoices excluded None

Total amounts of invoices concerned (€ thousands) None

(C) Payment terms of reference used (contractual or legal - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)

Payment terms used to calculate late payment interest: Legal

4.6.4 Incentive bonuses and profit-sharing

(in €)	12/2023	12/2022	Δ
Incentive bonuses	1,437,872	1,099,082	338,790
Profit-sharing	1,437,872	1,099,082	338,790

Amounts do not include social security contributions and taxes.

(1) An aged analysis of outstanding invoices is not available from our management system.

4.6.5 Workforce* at 31 December 2023

<i>(no. of employees)</i>	12/2023	12/2022	Δ
TOTAL WORKFORCE	835.7	821.8	13.9
Indefinite-term employment contracts – administrative personnel	487.4	472.2	15.2
Indefinite-term employment contracts – caretakers and building employees	287.8	285.7	2.1
Fixed-term employment contracts – administrative personnel	19.5	21.6	(2.1)
Fixed-term employment contracts – caretakers and building employees	2.0	5.3	(3.3)
Apprentices	39.0	37.0	2.0

* Full-Time Equivalents (FTE)

Caretakers and building employees rebilled to in'li PM represented 61 FTE's at 31 December 2023.

4.6.6 Related party transactions

Transactions with related parties are generally carried out on an arm's length basis.

4.6.7 In'li Supports joint venture

Joint ventures are governed by articles 1871 to 1872-2 of the French Civil Code. They have no separate legal identity.

The participants in in'li SUPPORTS are in'li, in'li Property Management, in'li AURA, in'li Grand-Est, in'li Sud-Ouest and in'li PACA.

The purpose of this entity is to manage support functions, particularly human resources, accounting, financial services, legal services, administrative services, general resources, IT services, communication, rental management support services and strategic consulting.

Internal expenditure is allocated between the participants based on several criteria: the number of housing units under management during the period, time spent, headcount, revenue, etc.

The joint venture is managed by in'li.

To speed up the accounts closing process, from 2023 onwards, rebilled charges will be calculated based on the situation at 30 November, projected to 31 December 2023.

Once the accounts have been closed and actual expenses and average daily staff billing rates are known, the final invoices will be drawn up.

On this basis, charges to be rebilled in 2023 within the scope of the in'li SUPPORTS joint venture include:

- ▶ Amounts rebilled by in'li to regional in'li entities and to in'li PM estimated at €6,951,742.
- ▶ An amount of €570,108 rebilled by in'li PM to in'li following the shelving of the project to create Foncière OIKOS.

4.6.8 Statutory Auditors' fees

Statutory Auditors' fees recorded in the income statement amount to €147k.

- ▶ Audit fees, statutory audit engagement = €116k
- ▶ Services other than statutory audit engagements = €31k

4.6.9 Consolidation

The financial statements of in'li are consolidated by Action Logement Immobilier.

In'li does not prepare consolidated financial statements for the subsidiaries it controls (i.e., in'li PM, SAMCEH and SAS in'li Participations) due to the non-material nature of these subsidiaries, both individually and collectively.

The fact that these subsidiaries are not consolidated has no material impact on in'li's results. For example, in 2023, the two subsidiaries together accounted for less than 2% of the total balance sheet, indebtedness, net non-current assets and net income, and of revenue.

4.6.10 Senior executive compensation

Because these disclosures would make it possible to identify, directly or indirectly, the individual situations of members of the Company's management bodies, this information is not disclosed as authorised by Article 833-17 of the French General Chart of Accounts.

4.6.11 Five-year financial summary (articles 133, 135 and 148 of the decree concerning commercial undertakings)

INDICATORS <i>(in €)</i>	2019	2020	2021	2022	2023
I - SHARE CAPITAL AT YEAR-END					
a) Share capital	613,331,009	748,811,607	799,130,481	849,106,089	902,106,090
b) Number of shares issued	408,887,339	499,207,738	532,753,654	566,070,726	60,140,406
II - OPERATIONS AND EARNINGS					
a) Revenue before tax	387,177,249	401,977,329	355,312,860	371,051,996	415,287,599
b) Income (loss) before tax, incentive bonuses and profit-sharing, depreciation, amortisation and provisions	186,042,003	156,286,030	810,510,356	157,249,576	138,145,082
C) Income (loss) after tax, incentive bonuses and profit-sharing, depreciation, amortisation and provisions	63,340,536	38,102,513	523,480,767	49,856,548	25,498,534
D) Incentive bonuses and profit-sharing for the year	2,083,186	1,873,047	7,152,643	1,436,366	1,912,370
III - EARNINGS PER SHARE (IN EUROS)					
a) Income (loss) after tax, incentive bonuses and profit-sharing, but before depreciation, amortisation and provisions	+ 0.37	+ 0.25	+ 1.12	+ 0.25	+ 2.11
B) Income (loss) after tax, incentive bonuses and profit-sharing, depreciation, amortisation and provisions	+ 0.15	+ 0.08	+ 0.98	+ 0.09	+ 0.42
IV - EMPLOYEES					
a) Number of employees	737	761	716	762	775
b) Total payroll for the period	29,922,111	30,101,370	31,061,097	32,424,615	36,571,882
c) Total employee and social benefits paid in the period	16,331,692	16,348,317	16,766,051	16,662,714	18,350,544

4.6.12 List of subsidiaries and associates

(in €)	Share capital	Equity other than capital	% Ownership	Carrying amount of investment		Outstanding loans and advances granted by the company	Guarantees given by the company	Net revenue (most recent reporting period)	Income/(loss) (most recent reporting period)	Dividends received by the company	Information for the period ended:
				Gross	Net						
SUBSIDIARIES											
SAS in'li Property Management	225,000	462,152	100.00%	24,621	24,621			12,268,025	(516,594)		31/12/2023
SPPICAV in'li Participations	211,472,478	64,790,590	100.00%	211,560,852	211,560,852				2,030,252	210,832	31/12/2023
ASSOCIATES											
SAS TERRAE OPTIMAE 1	16,515,800	1,670,244	37.99%	2,817,475	2,817,475			0.00	1,314,646	602,400	31/12/2022
SA in'li Aura	238,693,732	221,418,870	6.90%	48,759,459	48,759,459			60,744,467	(10,438,075)	240,843	31/12/2023
SA in'li Grand Est	112,275,578	49,087,393	8.16%	34,401,695	34,401,695			16,827,438	722,432	212,133	31/12/2023
SAS APEC RESIDENCE	67,776,226	1,715,182	25.00%	14,338,160	14,338,160			3,917,983	1,715,182	133,036	31/12/2023
SAS APEC DEVELOPPEMENT	96,283,807	2,907,431	25.00%	24,954,722	24,954,722				2,907,431		31/12/2023
SCCV PARIS REILLE	5,000	0	35.00%	1,750	1,750						31/12/2021
SCI Foncière RésiCOFFIM	35,100	4,599,419	40.00%	14,040	14,040				46,579		31/12/2023
OTHER											
SA d'HLM ERIGERE	125,009,248	351,495,844	1.02%	4,673,482	4,673,482			122,015,063	13,173,924	7,620	31/12/2022
SA d'HLM IMMOBILIERE RHONE-ALPES	67,061,315	524,133,841	0.00%	14	14			120,663,379	19,236,735		31/12/2022
SA d'HLM 3F GRAND EST	151,468,540	90,526,644	0.00%	152	152			56,055,063	9,633,075		31/12/2022
SEMCODA	81,040,300	589,957,039		152	152			282,471,470	18,941,611		31/12/2022
SEMARELP	19,823,475	24,427,796	0.14%	15,275	15,275			11,074,139	(675,151)		31/12/2022
SAEM VILLE DE ROMBAS	239,066	8,930,372		9,818	9,818			4,291	(199,856)		31/12/2022
SCI SAINT-CHARLES	260,392	110,881		15	15			273,722	(51,857)		31/12/2018
SCI Montreuil Chavaux	1,000	(44,170)		0.15	0.15				(6,492)		31/12/2022
SCIC Plateau Urbain				50,000	50,000						
Real estate investment companies (SCI) – freehold				230,350	230,350						
Real estate investment companies (SCI) – joint ownership				92,755	92,755						
TOTAL				341,944,789	341,944,789					1,406,864	

Consolidated financial statements at 31 December 2023

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023, 184

1 CONSOLIDATED FINANCIAL STATEMENTS 184

I. Consolidated income statement	185
II. Consolidated balance sheet	186
III. Consolidated statement of cash flows	187
IV. Statement of changes in consolidated equity	188

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 189

Note 1 : Highlights 189

1.1 Basis of preparation of the consolidated financial statements	189
1.2 Financing	190
1.3 Increases in capital	190
1.4 Complete transfer of the assets and liabilities of Resid'access	190
1.5 Complete transfer of the assets and liabilities of Actionnariat in'li Participations	190
1.6 Provision for paid leave - Rulings of 13 September 2023, 190	

Note 2 : General consolidation principles 191

2.1 International Financial Reporting Standards	191
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2.2 Standards, amendments and interpretations applicable for the first time within the European Union at 31 December 2023, 191	
2.3 Adjustments to company-only accounts	191
2.4 Inter-company transactions	191
2.5 Measurement basis – Assessment and use of estimates	192
2.6 Segment reporting	192

Note 3 : Scope of consolidation 192

3.1 Consolidation methods	192
3.2 Scope	193
3.3 Business combinations	193

Note 4 : Accounting methods 194

4.1 Property portfolio	194
4.2 Equity investments	195
4.3 Inventories (IAS 2), building contracts and off-plan sales (IFRS 15)	197
4.4 Trade receivables	197
4.5 Cash and cash equivalents	197
4.6 Leases (IFRS 16)	197
4.7 Financial liabilities (IAS 32, IFRS 39 and IFRS 9)	198
4.8 Long-term, non-financial provisions and liabilities	198
4.9 Impairment of assets (IAS 36)	198
4.10 Employee benefits	199
4.11 Income taxes	199

4.12	Revenue and receivables	200
4.13	Subsidies and government grants	200
Note 5 : Risk exposure		200
5.1	Interest rate risk	200
5.2	Counterparty risk	200
5.3	Liquidity risk	201
5.4	Risk of fraud or corruption	201
5.5	Operational risks	201
Note 6 : Notes to the consolidated balance sheet		202
6.1	Investment property	202
6.2	Other property and equipment	204
6.3	Financial assets	205
6.4	Investments in associates	206
6.5	Derivative instruments	206
6.6	Deferred tax assets and liabilities	207
6.7	Trade receivables	207
6.8	Other receivables	207
6.9	Cash and cash equivalents	208
6.10	Consolidated equity	208
6.11	Borrowings and financial liabilities	208
6.12	Provisions	210
6.13	Pensions and other post-employment benefits	210
6.14	Trade payables	211
6.15	Other payables	211
6.16	Recognition of financial assets and liabilities	211
Note 7 : Notes to the consolidated income statement		212
7.1	Gross rental income	212
7.2	Operating expenses	213
7.3	Overheads	213
7.4	Proceeds on disposals	213
7.5	Fair value adjustments to investment property	213
7.6	Net financial income (expense)	214
7.7	Income tax	215
Note 8 : Other disclosures		216
8.1	Off-balance sheet commitments	216
8.2	Related parties	216
8.3	Headcount	217
8.4	Senior executive compensation	217
8.5	Statutory Auditors' fees	217
8.6	Subsequent events	217



Consolidated financial statements at 31 December 2023

In'li is a French *Société Anonyme à Directoire et Conseil de surveillance* (French limited company with a Supervisory Board and a Management Board), which is 99.52%-owned by Action Logement Immobilier (ALI). It is registered in the Trade and Companies Register (RCS) under no. 602,052,359 and headquartered at Tour Ariane, 5 place de la Pyramide - 92800 - Puteaux – France.

The in'li Group is the biggest intermediate housing landlord in the Paris region and manages a portfolio of 41,726 units of housing. Virtually all of this portfolio is located in the Paris region and 74% of units (81% in value terms) are located in Paris City and in the inner suburbs.

The consolidated financial statements cover the period from 1 January 2023 to 31 December 2023.

Consolidated financial statements

The financial statements are presented in thousands of euros and amounts may be rounded up or down.

I. Consolidated income statement

IN'LI GROUP (€ thousand)	Notes	31/12/2023	31/12/2022
Gross rental income	7.1	319,998	295,240
Building-related expenses	7.2	(88,034)	(80,982)
Income from recoverable rental charges	7.2	88,503	67,988
Recoverable rental charges	7.2	(93,432)	(70,960)
NET RENTAL INCOME		227,035	211,286
Income from property development		-	-
Cost of inventory		-	-
PROPERTY DEVELOPMENT MARGIN		-	-
Income from other activities	7.3	6,589	7,745
Purchases consumed	7.3	(576)	(440)
Maintenance	7.3	(6,012)	(4,468)
External services	7.3	(29,941)	(25,400)
Taxes other than income taxes	7.3	(30,760)	(25,715)
Personnel expenses, incentive bonuses and profit-sharing	7.3	(41,888)	(36,990)
Other operating income	7.3	27,471	18,073
Other operating expense	7.3	(25,699)	(35,025)
RECURRING OPERATING INCOME		126,219	109,066
Gains (losses) on disposals of equity investments	7.4	-	-
Proceeds on disposals of investment property	7.4	2,059	691
Fair value adjustments to investment property	7.5	(371,806)	(314,669)
OPERATING INCOME/(LOSS)		(243,528)	(204,912)
Share in net income of associates		(29,497)	32,726
OPERATING INCOME/(LOSS) AFTER SHARE IN NET INCOME OF ASSOCIATES		(273,025)	(172,186)
Financial income		21,877	34,770
Financial expenses		(87,300)	(35,074)
NET FINANCIAL INCOME/(EXPENSE)	7.6	(65,423)	(304)
INCOME (LOSS) BEFORE TAX		(338,448)	(172,490)
Income tax expense	7.7	91,843	52,208
INCOME (LOSS) INCLUDING NON-CONTROLLING INTERESTS		(246,605)	(120,282)
Attributable to non-controlling interests		-	-
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS		(246,605)	(120,282)

(€ thousand)	31/12/2023	31/12/2022
NET INCOME (LOSS)	(246,605)	(120,282)
Gains (losses) on non-consolidated investments	(129)	(129)
Deferred tax on fair value adjustments to non-consolidated investments	32	32
Actuarial gains and losses on post-employment plans	(1,371)	892
Deferred tax on actuarial gains and losses on post-employment plans	343	(223)
Items that may not be recycled to profit or loss	(1,125)	572
TOTAL COMPREHENSIVE INCOME (LOSS)	(247,730)	(119,710)
Attributable to non-controlling interests	-	-
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNER	(247,730)	(119,710)

II. Consolidated balance sheet

IN'LI GROUP (€ thousand)	Notes	12/31/2023	12/31/2022
NON-CURRENT ASSETS		9,426,163	9,292,774
Investment property		9,021,481	8,851,667
<i>Investment properties measured at fair value</i>	6.1.1	7,903,551	7,808,945
<i>Investment properties measured at cost</i>	6.1.2	1,117,930	1,042,722
Other property and equipment	6.2	20,594	23,616
Intangible assets		4,120	5,996
Financial assets	6.3	96,845	103,606
Investments in associates	6.4	263,841	273,163
Derivative instruments	6.5	19,282	34,726
CURRENT ASSETS		705,848	683,336
Assets held for sale	6.1.3	69,385	64,457
Inventories		8,726	6,346
Trade receivables	6.7	55,279	53,031
Other receivables	6.8	166,551	138,459
Tax receivables		627	9,774
Financial assets	6.3	21,593	41,594
Cash and cash equivalents	6.9	383,687	369,675
TOTAL ASSETS		10,132,011	9,976,110
EQUITY ATTRIBUTABLE TO OWNERS	6.10	6,108,325	6,320,326
Share capital		902,106	849,106
Additional paid-in capital		572,934	572,934
Consolidated reserves		4,879,890	5,018,568
Consolidated net profit (loss)		(246,605)	(120,282)
NON-CURRENT LIABILITIES		3,731,921	3,400,051
Borrowings and financial liabilities	6.11	2,576,366	2,146,978
Non-current portion of borrowings relating to leases		10,242	13,494
Derivative instruments	6.6	1,138,483	1,236,990
CURRENT LIABILITIES	6.12	3,004	2,589
Liabilities related to assets held for sale	6.5	3,826	-
Trade payables		291,765	255,733
Other payables	6.1.3	12,736	14,690
Borrowings and financial liabilities	6.14	99,858	79,929
Current portion of borrowings relating to leases	6.15	23,973	62,657
Deferred tax liabilities - current portion	6.11	130,567	71,692
Tax and employee-related liabilities		3,111	3,082
Current provisions	6.6	220	258
TOTAL EQUITY AND LIABILITIES		10,132,011	9,976,110

III. Consolidated statement of cash flows

(€ thousand)	12/31/2023	12/31/2022
OPERATING ACTIVITIES		
NET PROFIT (LOSS)	(246,605)	(120,282)
Depreciation, amortisation and provisions	5,266	4,115
Share in net income of associates	29,497	(32,726)
Disposal gains and losses	(2,059)	691
Elimination of income from dividends	(1,064)	(434)
Gross cash flow from (used in) operating activities after cost of debt and tax	(214,965)	(148,636)
Fair value adjustments to financial instruments	19,749	(31,043)
Fair value adjustments to investment property	371,806	314,883
Cost of net debt	56,250	30,864
Income tax expense/benefit (incl. deferred tax)	(91,843)	(52,208)
Gross cash flow from operating activities before cost of debt and tax	140,997	113,860
Interest paid	-	-
Tax paid	(288)	(29,143)
Change in operating working capital		
Change in inventories	(2,380)	2,071
Change in trade payables and receivables	(26,990)	11,484
<i>o/w Change in receivables</i>	(3,384)	21,341
<i>o/w Change in payables</i>	(23,606)	(9,857)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)	111,339	98,272
INVESTING ACTIVITIES		
Acquisitions of intangible assets	(1,611)	(1,760)
Acquisitions of investment property	(633,122)	(622,289)
Acquisitions of financial assets	(23,689)	(34,950)
Disposals of investment property	94,502	112,582
Disposals of financial assets	106	170
Investment grants received	-	681
Dividends received (from associates, non-consolidated investments)	1,197	894
Movements in short-term investments	20,001	(20,001)
Impact of changes in scope of consolidation and in cash and cash equivalents	-	-
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(542,616)	(564,673)
FINANCING ACTIVITIES		
Increases in capital	32,602	42,288
Dividends paid	(16,906)	(15,616)
New borrowings	600,139	437,158
Repayment of borrowings	(122,271)	(69,762)
Net interest paid	(47,796)	(30,042)
Premiums paid on derivative instruments	(479)	(3,683)
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES (C)	445,289	360,343
Impact of changes in accounting methods (D)	-	-
CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)	14,012	(106,058)
NET CASH AND CASH EQUIVALENTS AT START OF YEAR	369,675	476,127
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	383,687	369,675

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IV. Statement of changes in consolidated equity

(€ thousand)

	Share capital	Additional paid-in capital	Consolidated reserves	Equity attributable to owners	Non-controlling interests	Total equity
EQUITY AT 1 JANUARY 2022	799,130	572,934	5,033,865	6,405,929	-	6,405,929
Net income reported in the income statement	-	-	(120,282)	(120,282)	-	(120,282)
Other comprehensive income (loss)	-	-	572	572	-	572
TOTAL COMPREHENSIVE INCOME REPORTED IN THE INCOME STATEMENT	-	-	(119,710)	(119,710)	-	(119,710)
Increases in capital	49,976	-	-	49,976	-	49,976
Payment of dividends	-	-	(15,983)	(15,983)	-	(15,983)
Other movements	-	-	114	114	-	114
EQUITY AT 31 DECEMBER 2022	849,106	572,934	4,898,286	6,320,326	-	6,320,326
Net income reported in the income statement	-	-	(246,605)	(246,605)	-	(246,605)
Other comprehensive income (loss)	-	-	(1,125)	(1,125)	-	(1,125)
TOTAL COMPREHENSIVE INCOME REPORTED IN THE INCOME STATEMENT	-	-	(247,730)	(247,730)	-	(247,730)
Increases in capital	53,000	-	-	53,000	-	53,000
Payment of dividends	-	-	(16,981)	(16,981)	-	(16,981)
Other movements	-	-	(290)	(290)	-	(290)
EQUITY AT 31 DECEMBER 2023	902,106	572,934	4,633,285	6,108,325	-	6,108,326

The increase in in'li's share capital is presented in Note 1.3.

Notes to the consolidated financial statements

Note 1 : Highlights

1.1 Basis of preparation of the consolidated financial statements

PRESENTATION OF THE BALANCE SHEET

Items are broken out into their current and non-current portions.

Non-current assets have maturities of greater than 12 months and mainly comprise intangible assets, investment property, non-consolidated investments, investments accounted for by the equity method, derivatives, other non-current financial assets and deferred tax assets.

Current assets comprise assets held for sale or for consumption in the course of the Group's business cycle such as inventories and work in progress, trade accounts receivable and cash and cash equivalents.

Non-current liabilities include the portion of bank debt, derivatives and other borrowings with maturities of greater than one year and deferred tax liabilities.

Current liabilities consist of all operating liabilities and the portion of debt that falls due within 12 months of the reporting date. Current liabilities also include bank overdrafts.

PRESENTATION OF THE INCOME STATEMENT

The income statement is presented by type of income or expense and broken down as follows:

Recurring operating income

Recurring operating income comprises all income and expenses generated by the Group's main cash-generating units (CGUs) and all of its other businesses before net disposal gains or losses on equity interests and investment property and fair value adjustments to investment property.

Operating income

Operating income comprises recurring operating income and net disposal gains or losses on equity interests and investment property and fair value adjustments to investment property. Operating income comprises all income and expenses generated by the Group's main cash-generating units (CGUs) and all of its other businesses that are not related to investing or financing activities.

Operating income after share in net income of associates

In accordance with Recommendation 2013-01 issued by France's accounting standards setter (Autorité des Normes Comptables) on 4 April 2013, "Share in net income of associates" is now presented as part of "Operating income".

Net financial income (expense)

Net financial income (expense) consists of all items that comprise net debt for the reporting period. Fair value adjustments to non-consolidated investments are included in net financial income (expense).

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1.2 Financing

The main loans taken out in 2023 are as follows:

- ▶ Funding from the European Investment Bank (EIB) for an amount of €71,840k. The final repayment will be made in 2053.
- ▶ €100,000k in Green Bond financing arranged with the EIB.
- ▶ Four fixed-rate bullet loan agreements with Caisse d'Épargne for a total amount of €200,000k. These loans have maturities of between 36 and 40 years.
- ▶ A variable-rate, 7-year mortgage with Société Générale for an amount of €63,500k.

1.3 Increases in capital

The Combined General Meeting of 11 May 2023 approved an increase in share capital for an amount of €52,999,995, from €849,106,095 to €902,106,090, through the issue of 3,533,333 new shares of €15 each.

This capital increase was reserved for Action Logement Immobilier and subscribed by offsetting an amount of €2,999,995 against a certain debt of a fixed amount that it held with the Company, and by the payment of an amount of €50,000,000 in cash.

1.4 Complete transfer of the assets and liabilities of Resid'access

As part of a programme to boost access to home ownership, in July 2022, in'li contributed a property under construction (off-plan) located in Blanc Mesnil to Resid'access, consisting of 30 housing units and 26 parking spaces. Given the current economic climate and anticipated difficulties in letting out the property, a decision was taken to postpone a pilot programme and, as in'li is the sole shareholder, to wind up Resid'access by transferring all of its assets and liabilities to in'li on 15 August 2023. The value of the Blanc Mesnil operation transferred to in'li is €6,239,730. The property was delivered on 23 March 2023.

1.5 Complete transfer of the assets and liabilities of Actionnariat in'li Participations

SAS Actionnariat in'li Participations was created in 2022 to deploy an employee share ownership scheme within in'li and to enable in'li employees to contribute directly to developing intermediate housing for company employees.

Because the French financial markets authority (Autorité des marchés financiers – AMF) did not authorise Actionnariat in'li Participations to carry out this activity, in'li as sole shareholder decided on 23 October 2023 to wind up Actionnariat in'li Participations by transferring all of its assets and liabilities to in'li.

1.6 Provision for paid leave - Rulings of 13 September 2023

To comply with European Union (EU) law, on 13 September 2023 the Court of Cassation (France's highest civil court) handed down a number of rulings that gave employees enhanced rights to paid leave. More specifically, an employee may accrue paid leave while they are off work due to illness or a non-work-related accident.

The Court now considers that:

- ▶ Sick leave is a period of actual work that determines the duration of leave entitlement in the same way as maternity leave or paid leave, for example;
- ▶ In the event of a workplace accident or occupational illness, the employee shall continue to accrue leave entitlement during the entire period of their sick leave. Calculation of paid leave entitlement will therefore no longer be limited to the first year of absence from work;

- ▶ The statute of limitations on entitlement to paid leave only begins to run if the employer has given the employee the opportunity to exercise this entitlement.

As the French Labour Code has not yet been amended, the impacts of these rulings have yet to be calculated. At the present moment, these rulings only represent a contingent liability – a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, i.e. the effective amendment of the provisions of the French Labour Code. In the meantime, a loss and contingent provision has been set aside for 2023.

This provision is calculated over a two-year period (2021 and 2022), corresponding to the statute of limitations for wage claims, and covers current employees. Paid leave earned in this way in 2023 is recorded under employee-related liabilities.

Note 2 : General consolidation principles

In view of its reporting requirements vis-à-vis its financial partners, in'li has elected to prepare its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

2.1 International Financial Reporting Standards

The consolidated financial statements for the period ended 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union before the reporting date, in accordance with European directive 1606/2002/EC of 19 July 2002.

2.2 Standards, amendments and interpretations applicable for the first time within the European Union at 31 December 2023

STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT WERE MANDATORY FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2023

The new standards, amendments and interpretations applicable for accounting periods beginning on or after 1 January 2023 did not have a material impact on in'li's consolidated financial statements at 31 December 2023. These standards were the following:

- ▶ Amendments to IAS 1 and IFRS Practice Statement 2: material accounting policy information;
- ▶ Amendments to IAS 8 — Definition of changes in accounting methods;
- ▶ IFRS 17 — Insurance Contracts;
- ▶ Amendments to IFRS 17: initial application and IFRS 9 – comparative information
- ▶ Amendments to IAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- ▶ Amendments to IAS 12 — International Tax Reform - Pillar Two Model Rules

The following standards, amendments and interpretations adopted but mandatory for subsequent periods, or awaiting adoption by the European Union, were not early adopted due to the non-material impact they are expected to have on the consolidated financial statements:

Other standards awaiting adoption by the European Union:

- ▶ Amendments to IAS 1 — Classification of liabilities as current or non-current and liabilities subject to covenants;
- ▶ Amendments to IFRS 16 — Lease Liability in a Sale and Leaseback
- ▶ Amendments to IAS 7 — Statement of cash flows, and IFRS 7 — Financial Instruments: Disclosure requirements: Supplier Finance Arrangements

2.3 Adjustments to company-only accounts

The accounting policies applied by entities included within the scope of consolidation are restated to bring them into line with the Group's policies and all entities have a 31 December year-end.

2.4 Inter-company transactions

Inter-company transactions and any disposal gains or losses between Group entities are eliminated in consolidation.

2.5 Measurement basis – Assessment and use of estimates

The preparation of the Group's consolidated financial statements involves making certain estimates and assumptions that are revised regularly and based on both historical data and other factors, including reasonable forecasts of future events in light of present circumstances. The estimates that could significantly affect the carrying value of assets and liabilities during the following reporting period are analysed below.

The fair value of the property portfolio (whether held for short- or long-term investment purposes) is determined essentially based on independent expert appraisals as described in Note 4.1.1.

The method used to measure the fair value of non-consolidated equity investments in subsidiaries is disclosed in Note 4.2.1.

Measurement of provisions for employee benefits is described in Notes 4.8 and 4.10.

The basis for determining fair value in accordance with IFRS 13 is described in Note 4.1.2.

2.6 Segment reporting

The Group only reports one operating segment for the following reasons:

- ▶ The vast majority of its activities are concentrated in a single business segment, i.e., the management of property consisting primarily of housing used for rental purposes held in freehold or on a non-freehold basis;
- ▶ The Group's entire property portfolio is located in France, mainly in the Paris region.

This business segment is used for management reporting purposes and the chief operating decision maker is the Management Board.

Note 3 : Scope of consolidation

3.1 Consolidation methods

The Group consolidates all entities over which it exercises exclusive control, significant influence or joint control, either directly or indirectly.

Under IFRS 10, an investor is deemed to control an investee when the investor has exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of these returns.

The consolidation method used depends on the nature of the control:

- ▶ Exclusive control: full consolidation method.
- ▶ Joint control, which involves the contractually agreed sharing of control over an operation, only exists when decisions about the relevant activities require the unanimous consent of the parties sharing control. Entities are classified as joint operations or joint ventures based on the rights and obligations of the parties involved:
 - > a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Each party recognises its rights to the assets and obligations for the liabilities, as well as its rights to the corresponding revenues and obligations for the corresponding expenses.
 - > a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for by the equity method.
- ▶ Entities over which the Group exercises significant influence are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee without exercising exclusive or joint control over these decisions. It is deemed to exist when the Group holds 20% or more of the voting rights in the investee, either directly or indirectly, unless it can clearly be shown that the Group does not exercise significant influence.

3.2 Scope

The Group's scope of consolidation at 31 December 2023 is as follows:

Entity	SIREN [company database code no.]	31/12/2023		31/12/2022	
		% control	Consolidation method	% control	Consolidation method
IN'LI	602,052,359	100%	Parent Co.	100%	Parent Co.
IN'LI Participations	884,854,175	100%	Full	100%	Full
APEC résidences	333,542,892	25%	Equity	25%	Equity
APEC développement	892,072,687	25%	Equity	25%	Equity
Cronos	882,922,404	25%	Equity	25%	Equity

FULL: fully consolidated

EQUITY: consolidated by the equity method

3.3 Business combinations

Business combinations are accounted for in accordance with Revised IFRS 3.

When determining whether a transaction is a business combination under IFRS 3, the Group determines whether an integrated set of activities has been acquired in addition to the real estate. Examples of the criteria used include the number of real estate assets owned, the scope of the processes acquired or the acquiree's autonomy. The cost of a business combination corresponds to the fair value of the assets and liabilities contributed or equity instruments given in exchange for the acquiree. Goodwill is recognised in assets for the excess of the cost of the acquisition over the Group's share in the net fair value of the acquiree's identifiable assets after adjusting for the impact of deferred taxation. Any negative goodwill is recognised directly in profit or loss. Costs directly attributable to the acquisition are expensed directly.



Under Revised IFRS 3, allocation of the purchase price to assets and liabilities acquired must be finalised within 12 months of the acquisition date. Any adjustments must be related to circumstances that existed at the acquisition date. Beyond this 12 month period, any additional cost must be expensed to profit or loss for the period unless the matching entry is to an equity instrument.

In the case of multi-step acquisitions, the previously-held equity interest is remeasured at fair value if and when control is acquired. The difference between the fair value and carrying amount of this equity interest is recognised directly in profit or loss.

A gain or loss on disposal must be recognised for any change in interest that results in a loss of control over an entity and the interest retained must be remeasured at fair value through profit or loss.

Operations that do not affect control (acquisition of additional stakes or disposals) only result in a reallocation of equity between Group and non-Group share without any impact on earnings and/or adjustment to goodwill.

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Note 4 : Accounting methods

4.1 Property portfolio

4.1.1 INVESTMENT PROPERTY (IAS 40)

Property held on a long-term basis and leased to third parties under operating leases and/or held for capital appreciation purposes is deemed to be investment property. Investment property is stated at cost, including acquisition-related costs and transfer taxes.

In'li has elected to measure investment properties at fair value in accordance with IFRS 13 (see Note 4.1.2). In the consolidated financial statements, this is based on independent expert appraisals of the block value of buildings, excluding property transfer taxes (performed by BPCE Expertises Immobilières at 31 December 2023 and 31 December 2022). The Group's property portfolio is measured from a long-term ownership perspective each 31 December and includes capitalised building work. Expert appraisals are performed in accordance with the rules of the profession of real estate appraisers, based on the fair value of each asset, in accordance with the guidelines set out in the real estate appraisal charter. In'li uses independent appraisals to measure all of its assets and fair value adjustments to investment property are recognised in the income statement. Consequently, these buildings are not depreciated. Fair value adjustments to each building are calculated as follows:

- ▶ Market value Year Y – (market value Year Y-1 + building work and other changes in capitalised items in Year Y).

Investment property under construction or in development is recognised at fair value when this can be measured reliably. In'li considers that the fair value can be measured reliably when there is no major uncertainty concerning building prices. When fair value cannot be measured reliably, the building is recognised at its most recent known value plus any costs capitalised over the period.

Appraisal methodology

Each property is valued separately by an independent appraiser using the methods outlined below. The appraisers' brief is to value the buildings net of taxes and duties. This is in line with the position of Afrexim (French Association of Property Valuation Firms), which recommends using the following rates:

- ▶ 1.8% for legal fees and services, for buildings subject to VAT;
- ▶ 6.9% to 7.5% for costs and transfer taxes for other buildings.

The asset is measured at its fair market value, which is the price that would be paid by knowledgeable, willing parties under arm's length conditions, without considering questions of financing at the measurement date. The value recognised in the consolidated financial statements excludes taxes and duties.

Residential housing

The fair block value of each asset is calculated as the simple arithmetic average of the three following methods: direct comparison, income capitalisation and discounted cash flow. If these methods give very different results, the expert may determine the most appropriate value.

- ▶ Direct comparison method: this involves comparing the property with transactions for similar-type properties in terms of their nature and location at dates close to the valuation date.
- ▶ Income capitalisation method: this method involves determining existing or potential rents and capitalising them based on the yield expected by an investor for a similar-type asset. Income is generally determined based on annual gross rents or market rental value. For occupied properties, the expert must analyse the legal, financial and rental market conditions lease by lease. For vacant properties, the market rental value is used, after adjusting for reletting periods, any renovation work required and other miscellaneous costs.
- ▶ Discounted cash flow method: the value of the property is equal to the discounted sum of the financial flows expected by the investor, including the expected resale value after ten-years. The resale value is calculated based on the net cash flow for Year 11 capitalised at a certain rate of return. The discount rate is based on the risk-free interest rate (e.g., the 10-year Treasury bond rate) plus a risk premium assigned to the property based on discount rates applied to cash flows generated by similar-type assets.

4.1.2 FAIR VALUE MEASUREMENT (IFRS 13)

The Group applies IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 sets out the following three-level measurement hierarchy for the inputs used in the valuation process:

- ▶ **Level 1** inputs are (unadjusted) quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- ▶ **Level 2** inputs are inputs that are observable for the asset or liability, either directly or indirectly in active markets;
- ▶ **Level 3** inputs are unobservable inputs for the asset or liability.

The fair value measurement hierarchy ranks measurement inputs in order of importance, it does not rank the measurement techniques actually used. In the event that inputs from different levels are used, the resulting fair value is classified at the same level as the lowest-ranked input use.

Investment property

Measurement at fair value must reflect the asset's highest and best use. Measuring buildings at their fair value requires the use of different measurement techniques that use observable and unobservable inputs that have been subject to certain adjustments. Consequently, the Group's property portfolio is deemed to be measured based on level 3-type inputs under the IFRS 13 fair value measurement hierarchy, even though certain level 2 inputs are used.

4.1.3 PROPERTY AND EQUIPMENT (IAS 16)

Property and equipment consist mainly of the right of use of the head office, technical facilities, office improvements and furniture. They are measured at historical cost and depreciated over periods of between five and forty years using the straight-line method.

4.2 Equity investments

4.2.1 NON-CONSOLIDATED ENTITIES

Under IFRS 9, measurement at fair value has been reinforced. The asset must be measured at fair value either:

- ▶ Through profit or loss ("FVPL"); or
- ▶ Through other comprehensive income ("FV OCI") but may not be reclassified to profit or loss (potential gains and losses during the asset holding period or actual gains or losses at disposal are never recognised in profit or loss).

4.1.4 ASSETS HELD FOR SALE (IFRS 5)

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, states that a non-current asset must be classified as held for sale if it represents a separate major line of business and its carrying amount will be recovered principally through a sale transaction instead of through continuing use. The sale must be highly probable and this is deemed to be the case if the following three conditions are met:

- ▶ Management is committed to a plan to sell;
- ▶ The asset is being actively marketed for sale at a sales price reasonable in relation to its fair value;
- ▶ The sale is highly probable within 12 months (subject to limited exceptions).

When the sale covers an asset or group of assets that the entity intends to dispose of in a single transaction, these assets are presented on a separate line in the balance sheet in "Assets held for sale" and measured at the lower of their carrying amount and fair value, based on the promise to sell or purchase offer, less costs to sell and any residual claims related to deferred commercial benefits under IFRS 16.

Any related liabilities are also presented on a separate line in "Liabilities related to assets held for sale".

4.1.5 INTANGIBLE ASSETS (IAS 38)

An intangible asset is an identifiable non-monetary asset without physical substance, controlled by an entity as a result of past events from which future economic benefits are expected to flow to the entity. It is identifiable when it is separable or arises from contractual or other legal rights.

Intangible assets are stated at cost (purchase price plus any ancillary expenses) and amortised over their expected useful life using the straight-line method.

The Group has classified its investment portfolio on this basis and its investments are measured at fair value through Other Comprehensive Income, with the exception of investments in entities with activities that are dissimilar to the Group's main businesses and/or with limited investment terms. The following bases are used for fair value measurement:

► The fair value of social housing entities is equal to at most, the acquisition cost of the shares, plus interest for each year preceding their disposal calculated at the interest rate paid to holders of passbook savings accounts plus 1.5 points, less any dividends paid over the same period (Article 423-4 of the French building and housing code (Code de la construction et de l'habitation));

► Entities operating partially or entirely in the unregulated market are measured on a case-by-case basis by taking their actual economic value or based on share in net assets.

Fair value adjustments are presented on a separate line of the income statement and in the consolidated statement of changes in equity.

BREAKDOWN OF NON-CONSOLIDATED EQUITY INVESTMENTS WHOSE GROSS CARRYING AMOUNT IS GREATER THAN 1% OF IN'LI'S SHARE CAPITAL.

Equity investment	Share capital	Equity other than capital	% control	Gross carrying amount of shares	Impairment	Net carrying amount of shares	Choice of revaluation method
SAS in'li Property Management	225	334	100%	25	0	25	FVOCI
SAS TERRAE OPTIMAE 1	16,516	1,670	38%	2,817	0	2,817	FVOCI
SCCV PARIS REILLE	5	0	35%	2	0	2	FVOCI
SA in'li Aura	170,027	227,826	7%	48,759	0	48,759	FVOCI
SA in'li Grand Est	28,814	48,867	8%	34,402	0	34,402	FVOCI
SA d'HLM ERIGERE	125,009	351,495	1%	4,673	0	4,673	FVOCI
SA d'HLM IMMOBILIERE RHONE-ALPES	67,061	524,133	0%	0	0	0	FVOCI
SA d'HLM 3F GRAND EST	151,469	90,526	0%	0	0	0	FVOCI
SEMCODA	81,040	589,957	0%	0	0	0	FVOCI
SEMARELP	19,823	24,427	0%	15	0	15	FVOCI
SAEM VILLE DE ROMBAS	239	8,930	0%	10	0	10	FVOCI
SCI SAINT-CHARLES	260	111	0%	0	0	0	FVOCI
SCI Montreuil Chavaux	1	(44)	0%	0	0	0	FVOCI
SCI Foncière RésiCOFFIM			0%	14	0	14	FVOCI
SCIC Plateau Urbain			0%	50	0	50	FVOCI
Real estate investment companies (SCI) – freehold			0%	230	0	230	FVPL
Real estate investment companies (SCI) – joint ownership			0%	93	0	93	FVPL

Non-consolidated entities are either dormant companies and / or companies in liquidation, or entities that would not have a material impact on the Group's line items, either individually or collectively.

4.2.2 OTHER FINANCIAL ASSETS

Loans, receivables and other financial instruments are measured at amortised cost using the effective interest rate. Any risk of non-recovery or default is recognised in profit or loss.

Impairment loss provisions are calculated using the new expected credit loss model under IFRS 9 and recognised in unrealised losses in profit or loss.

4.3 Inventories (IAS 2), building contracts and off-plan sales (IFRS 15)

Buildings that are related to commercial property development or acquired subject to French tax treatment applicable to estate agents, with a view to being resold in the near term are recognised in inventories at cost. They are tested for impairment once there is an indication that the assets may be impaired. If an indication of impairment exists and the estimated recoverable amount is less than the carrying amount, an impairment loss is recognised for the difference.

The cost of building contracts and off-plan sales is equal to costs directly attributable to the contract (including the cost of land).

Marketing fees are expensed directly. If it becomes probable that total project costs will exceed total revenue, the Group recognises a provision for loss on completion in profit or loss for the period.

Partial payments received for these contracts before completion of the corresponding work are recorded as prepayments in liabilities.

4.4 Trade receivables

Rent receivables are recognised for the initial amount of the invoice less any provisions for doubtful receivables, which are recognised in building-related expenses. Rent receivables are stated at amortised cost. Impairment losses are calculated using the simplified approach permitted under IFRS 9. Expected credit losses are calculated based on the Group's historical bad debts over the term of the receivables. Rent receivables for which receipts have been issued are systematically written down based on how long they are overdue and the situation of the tenants in question

(i.e., sitting / departed tenants and ordinary tenants / tenants in dispute). The net-of-tax amount of the receivable, less the security deposit, is written down as follows:

- ▶ Departed tenants: 81.60% in 2023 and 78.80% in 2022;
 - ▶ Sitting tenants: 32.29% in 2023 and 32.39% in 2022,
- and provisions for doubtful receivables are adjusted on a case-by-case basis.

4.5 Cash and cash equivalents

Cash consists of cash at bank and demand deposits. Cash equivalents are highly liquid, short-term investments that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. They are held to meet the Group's short-term liquidity requirements.

Cash and money market funds are disclosed at fair value and any adjustments are recognised in profit or loss.

4.6 Leases (IFRS 16)

The Group has elected to use the modified retrospective transition method in accordance with IFRS 16. Leases covered by the standard mainly relate to construction leases and the head office and division leases. Leases with a term of less than 12 months, or for which the underlying asset is of low value are not covered by the standard. Therefore, the Group recognises the following items on its balance sheet:

- ▶ In liabilities under "Non-current and current portion of borrowings relating to leases", a financial liability for residual lease payments, discounted at a rate the Group would have had to pay over a term equivalent to the lease terms;
- ▶ In assets under "Other property and equipment", right-of-use assets, depreciated on a straight-line basis from the inception of the leases.

In the income statement, rents and fees paid are replaced by:

- ▶ Depreciation and provisions on right-of-use assets, recognised in Other operating expense over the lease term;
- ▶ A financial expense, equal to the portion of interest included in lease payments in addition to the principal repaid to reduce the debt.

The right-of-use asset consists of the initial measurement of the lease liability, lease incentives, direct costs incurred and any future renovation expenses.

IAS 36 – Impairment of Assets should be applied to right-of-use assets to calculate any accumulated impairment losses.

4.7 Financial liabilities (IAS 32, IFRS 39 and IFRS 9)

Derivative hedging instruments

Interest rate risk is hedged as part of the Group's macro-hedging strategy based on a portfolio of derivatives that is not allocated in a specific manner and does not therefore qualify for hedge accounting.

The Group has opted to apply the provisions of IAS 39 rather than hedge accounting under IFRS 9. Consequently, derivatives are recorded in the balance sheet at fair value through profit or loss.

Any interest paid or received on the derivatives is recognised in "net finance costs", while adjustments to fair value and any impact from the transfer or termination of contracts is recognised in "Change in fair value of financial instruments".

Fair value is calculated by external financial consultants in accordance with IFRS 13 (see Note 6.5).

Hedging derivatives at fair value are measured based on observable market data corresponding to Level 2 of the IFRS 13 fair value hierarchy (fair values are disclosed in Note 6.16.1).

Impairment of financial assets

Under the impairment model, Expected Credit Losses ("ECL") are recognised on loans and debt instruments at amortised cost or fair value through other comprehensive income, on loan commitments and on financial guarantee contracts not recognised at fair value.

4.8 Long-term, non-financial provisions and liabilities

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised when the Group has a present obligation (legal or constructive) to a third party, arising from a past event, and when it is probable or certain that this obligation will result in an outflow of resources to that third party, without at least equivalent consideration from said third party. Provisions are reviewed at each reporting date and brought into line with current assessments.

4.9 Impairment of assets (IAS 36)

Assets are tested for impairment once there is an indication that they may be impaired and at least once a year in the case of intangible assets with indefinite useful lives and right-of-use assets recognised under IFRS 16. Impairment testing involves comparing the carrying amount and the recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised when the carrying amount of an asset exceeds its fair value.

Other financial assets and liabilities

Financial assets are recognised at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. Debt instruments (instruments with contractually defined cash flows) are classified into three different categories depending on their business model and an analysis of their contractual features. Equity instruments are recognised at fair value through profit or loss unless there is an irrevocable option to classify them at fair value through other comprehensive income (provided they are not held for trading).

Financial liabilities mostly comprise a bond loan, bank borrowings, lines of credit and security deposits. Medium- and long-term lines of credit may be drawn down over variable periods. Successive drawdowns are recognised in the financial statements at their nominal value and the residual borrowing capacity is recorded as an off-balance sheet commitment received.

Long-term bonds are stated at their amortized cost (net of transaction costs) using the effective interest rate method.

Security deposits are treated as long-term liabilities in view of residential lease terms and are not discounted.

4.10 Employee benefits

Under Revised IAS 19, all of a company's commitments to its employees must be recognised (i.e., present and future, legal or constructive, remuneration or benefits in kind). Benefit expense must be recognised during the period in which the corresponding rights vest.

SHORT-TERM BENEFITS

Short-term benefits (i.e., salaries, paid leave, social security contributions, profit-sharing incentives, etc.), which fall due within twelve months of the end of the period in which employees provided the corresponding services, are recognized as "Accrued expenses" and appear in the balance sheet under "Tax and employee-related liabilities".

POST-EMPLOYMENT BENEFITS

Pension plans are either defined contribution plans or defined benefit plans.

Under defined contribution plans, the employer's obligation is limited to the payment of a contribution and there is no commitment in respect of the level of benefits paid. The contributions paid by the employer are recorded as expenses in the period.

Under defined benefit plans, the employer has a legal or constructive commitment to pay a defined amount or level of benefit and assumes this risk into the medium or long term. A provision is recognised in liabilities to cover all of these post-employment benefits and remeasured on a regular basis by independent actuaries using the projected unit credit method, which factors in demographic assumptions, early retirements, wage increases, and discounting and inflation rates.

A provision is set aside for defined benefit retirement indemnities based on the net present value of future benefits. Actuarial gains and losses are recognised in Other Comprehensive Income in accordance with Revised IAS 19.

LONG-TERM BENEFITS

Long-term benefits are benefits paid to employees more than 12 months after the end of the period in which they provided the corresponding services. The basis of measurement is identical to that used for post-employment benefits. The provision for length-of-service awards is deemed to be a long-term benefit.

4.11 Income taxes

IAS 12 distinguishes between current and deferred taxes. Current tax is the amount of income tax due on the taxable profit or loss for the period. Deferred tax liabilities are taxes on income payable in future periods due to taxable temporary differences.

Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The amendment to IAS 12 relating to implementation of Pillar Two Model Rules has no impact on the financial statements of the in'li Group, which does not fall within the scope of the rules insofar as its annual turnover does not exceed €750 million.

4.11.1 STANDARD TAX TREATMENT

Current tax is determined based on tax rates applicable to Group entities.

4.11.2 DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes result from temporary differences between the carrying amount of assets and liabilities and their tax base. Deferred tax assets are recognised for tax loss carryforwards when it is probable that future taxable profit will be available against which these losses can be utilised.

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4.12 Revenue and receivables

Gross rental income

Rental income generated by operating leases mainly comprises housing rental income as well as some office rental income. This revenue is recognised on a straight-line basis over the fixed term of the leases along with any specific provisions or advantages (rent-free periods, step rents, lease rights, etc.) without adjusting for inflation. The benchmark period is the first fixed lease term.

Property development (building contracts and off-plan sales)

Income from property development is recognised on a percentage-of-completion basis. The portion recognised during the period corresponds to estimated final forecast revenue multiplied by the cumulative percentage of completion at the reporting date (including the cost of land in accordance with IFRS 15), less revenue recognised in prior periods for the operations already in construction at the beginning of the period. Only revenue for plots sold is recognised on a percentage-of-completion basis and the recognition period begins on the date on which the notarial deed is signed.

4.13 Subsidies and government grants

The Group recognises subsidies and government grants received in the course of its business in income in the period in which they are granted.

Note 5 : Risk exposure

5.1 Interest rate risk

The Group operates a centralised hedging policy run from a single department – the Financing Department.

At 31 December 2023, the average maturity of in'li's debt was 8 years and 5 months and over half of outstanding debt is amortisable.

Concerning in'li's interest rate management policy:

- ▶ 58% of debt is at fixed rates (including amounts hedged using fixed-variable swaps);
- ▶ 19% of the debt is indexed to the interest rate paid to holders of French passbook savings accounts (Livret A). Although this is a variable rate, it is regulated by the French State, which is not directly subject to market trends.
- ▶ 23% of debt is indexed to variable monetary rates (Euribor, Eonia), and 17% is hedged by caps and collars.

This means that only 6% of in'li's debt is at variable rates (excluding debt indexed to the rate paid on Livret A passbook savings accounts) and directly exposed to a rise in interest rates.

It should be noted that the percentages indicated are for financial debt excluding borrowing costs.

5.2 Counterparty risk

As part of its counterparty risk management, in'li is especially attentive to the quality of the banks in which it holds deposits. It favours banks with excellent ratings from the established rating agencies.

In'li is constantly seeking to expand its banking partner base to minimise and diversify counterparty risk.

5.3 Liquidity risk

The Group's liquidity risk management process is structured around the following four pillars:

- ▶ managing loan maturities and the Company's debt maturity profile;
- ▶ ensuring constant availability of credit;
- ▶ diversified sources of funding;
- ▶ cash and investment management: the Company favours secure liquid investments that offer capital guarantees.

Moreover, most of in'li's debt comprises amortisable loans and there are no significant repayment deadlines over the next five years.

5.4 Risk of fraud or corruption

In'li has incorporated fraud prevention and anti-corruption procedures into its internal control process in three different ways:

- ▶ A risk mapping process was deployed for the first time in 2018 by the Internal Audit and Risk Management department;
- ▶ E-learning awareness-raising initiatives in the form of a Compliance module and publication of a Code of Conduct;
- ▶ The Group began drawing up internal control guidelines in 2020 that will provide more effective risk management and control plans tailored to each operational process.

5.5 Operational risks

In'li is mainly exposed to the following operational risks:

BUSINESS DEVELOPMENT RISK

The Group's capacity to maintain a sufficient level of equity.

In'li's strategic plan involves diversifying its financing arrangements (i.e., bond loans, loans from the EIB, etc.), freeing up equity through unit or block disposals, forging partnerships with institutional investors by creating property development companies and receiving equity contributions from Action Logement Immobilier, its strategic shareholder.

Meeting delivery deadlines and controlling costs.

To avoid late deliveries and financial overruns, dedicated reporting systems have been deployed to oversee construction operations and the percentage of completion of off-plan operations.

RENTAL MANAGEMENT RISK

Unoccupied housing units may result in significant amounts of lost revenue.

Vacancy rates are tracked on a regular basis through periodic management reviews and rent arbitrage strategies may also be discussed if necessary at regularly-held rent committees.

PROPERTY PORTFOLIO RISK

Boosting investment in the energy transition.

To achieve the energy efficiency targets that in'li has set for its housing portfolio, all properties with F or G energy labels (the worst ratings) will get energy retrofits by 2025.

This investment will reduce service and maintenance charges and generate Energy Saving Certificates that may be traded on the market.

Setting objectives in terms of block and split sales of property.

To help it achieve its property disposal targets, in'li has set up data rooms to house all of the technical, lease-related and legal documentation relating to the real estate groups concerned by the sales. Split sales campaigns will also be organised along with general contractors.

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Note 6 : Notes to the consolidated balance sheet

6.1 Investment property

In'li's property portfolio is valued every year by an independent real estate appraiser, BPCE Expertises Immobilières (formerly Crédit Foncier Expertise).

The appraiser calculates the market value of each property at the reporting date. The market value is the most likely price obtainable on the market at the valuation date under reasonable conditions.

At 31 December 2023, the portfolio was measured using three different sets of assumptions. Depending on the assumption chosen, the valuations were as follows (excluding taxes and duties):

ASSUMPTIONS	31/12/2023	31/12/2022
assumption 1 = "block sale" value; based on continued use and current occupancy	€7,991 million	€7,879 million
assumption 2 = "unit sale" value; based on continued use and current occupancy	€9,236 million	€9,106 million
assumption 3 = "unit sale" value; rented at the market rental value	€11,174 million	€10,972 million

Investment property is measured at fair value under assumption 1.

6.1.1 INVESTMENT PROPERTIES MEASURED AT FAIR VALUE

(€ thousand)	Investment property at FV	Buildings held for sale	Total Investment property at FV
01/01/2022	7,825,455	65,000	7,890,455
Acquisitions and capitalised expenditure	2,270	-	2,270
Disposals and derecognised assets	(9,394)	(65,000)	(74,394)
Reclassifications and transfers between categories	305,501	64,457	369,958
Fair value adjustments	(314,887)	-	(314,887)
31/12/2022	7,808,945	64,457	7,873,402
Acquisitions and capitalised expenditure	19,999	-	19,999
Disposals and derecognised assets	(37,506)	(26,957)	(64,463)
Reclassifications and transfers between categories	483,919	31,885	515,804
Fair value adjustments	(371,806)	-	(371,806)
31/12/2023	7,903,551	69,385	7,972,936

a) Breakdown of disposals

During 2023, in'li disposed of 641 units of housing:

- ▶ 210 units in Villetaneuse in a block sale to SEQENS for an amount of €24,400k;
 - ▶ 3 operations located in the Oise department (in Compiègne, Nogent sur Oise and Senlis), representing 138 units sold in block sales to ICF Nord Est for an amount of €11,771k.
 - ▶ Several operations located in Antony, representing 93 units, sold to Hauts de Bièvre Habitat for an amount of €15,740k.
 - ▶ 59 single-housing units for an amount of €14,603k.
- These disposals generated pre-tax gains of €2,051k.

b) Details of sale agreements

In accordance with IFRS 5, properties for which sale agreements have been signed, together with the related liabilities are presented on a separate line of the consolidated balance sheet under "Assets held for sale" and "Liabilities related to assets held for sale". At 31 December 2023, assets held for sale and liabilities related to assets held for sale mainly comprise the properties in Compiègne, Creil, Maison Alfort and Senlis.

The impacts of this presentation are as follows:

(€ thousand)	31/12/2023
NON-CURRENT ASSETS	(69,385)
Investment property	(69,385)
Investment properties measured at fair value	(69,385)
CURRENT ASSETS	69,385
Assets held for sale	69,385
TOTAL ASSETS	-
NON-CURRENT LIABILITIES	(12,736)
Borrowings and financial liabilities	(1,321)
Deferred tax liabilities	(11,415)
CURRENT LIABILITIES	12,736
Liabilities related to assets held for sale	12,736
TOTAL EQUITY AND LIABILITIES	-

c) Fair value adjustments

See Note 7.5 "Fair value adjustments to investment property".

VALUATION ASSUMPTIONS AND SENSITIVITY

In view of the scarcity of publicly-available data, the complexity involved in measuring real estate assets and the fact that appraisers use confidential Group tenancy schedules for valuation purposes, in'li considers classification based on level 3-type inputs to be the most appropriate. Furthermore, experts use unobservable inputs such as assumptions concerning rent increases or capitalisation rates to determine the fair values of in'li's assets.

As of 31 December 2023, 100% of the property portfolio operated by the Group had been subject to an external appraisal.

6.1.2 INVESTMENT PROPERTIES MEASURED AT COST

(€ thousand)	Gross amounts	Impairment provisions	Total IP at cost	Buildings held for sale	Total IP at cost
01/01/2022	852,309	-	852,309	-	852,309
Acquisitions and capitalised expenditure	621,110	-	621,110	-	621,110
Disposals and derecognised assets	(37,497)	-	(37,497)	-	(37,497)
Reclassifications and transfers between categories	(393,200)	-	(393,200)	-	(393,200)
31/12/2022	1,042,722	-	1,042,722	-	1,042,722
Acquisitions and capitalised expenditure	613,115	-	632,138	-	632,138
Disposals and derecognised assets	(27,962)	-	(27,962)	-	(27,962)
Reclassifications and transfers between categories	(509,945)	-	(529,245)	-	(529,245)
31/12/2023	1,117,930	-	1,117,653	-	1,117,653

Assets measured at cost essentially comprise property under construction. No impairment was recognised at 31/12/2022 or at 31/12/2023.

a) Acquisitions

In 2022 and 2023, acquisitions corresponded to expenditure on investment property under construction and buildings delivered during the period.

b) Disposals

Disposals in 2023 concerned 4 operations representing 141 units of housing:

- ▶ A 24-unit off-plan operation in Colombes, sold to Foncière CRONOS for an amount of €4,869k.
- ▶ 3 off-plan operations ceded to APEC DEV4, representing 117 units of housing for an amount of €23,119k.

These disposals generated pre-tax gains of €24k.

c) Other movements

Reclassifications concerned investment property at cost transferred to investment property at fair value during the period.

6.1.3 ASSETS AND LIABILITIES HELD FOR SALE (IFRS 5)

(€ thousand)	31/12/2023	31/12/2022
Buildings at fair value held for sale	69,385	64,457
TOTAL ASSETS HELD FOR SALE	69,385	64,457

(€ thousand)	31/12/2023	31/12/2022
Borrowings and financial liabilities	1,321	130
Deferred tax liabilities	11,415	14,560
Trade payables and other operating liabilities	-	-
TOTAL LIABILITIES RELATED TO ASSETS HELD FOR SALE	12,736	14,690

Liabilities held for sale at 31 December 2023 mainly concern the properties located in Compiègne, Creil, Maison Alfort and Senlis presented in Note 6.1.1 B.

6.2 Other property and equipment

(€ thousand)	31/12/2023	31/12/2022
Right of use of property and equipment	25,303	25,469
Technical facilities, machinery & equipment	20,612	20,688
Other property and equipment	16,586	15,513
TOTAL OTHER PROPERTY AND EQUIPMENT (GROSS)	62,501	61,670
Depreciation of right-of-use assets	(12,346)	(9,525)
Depreciation of technical facilities, machinery & equipment	(20,344)	(20,666)
Depreciation of other property and equipment	(9,217)	(7,863)
Impairment provisions	-	-
TOTAL DEPRECIATION AND IMPAIRMENT OF OTHER PROPERTY AND EQUIPMENT	(41,907)	(38,054)
TOTAL OTHER PROPERTY AND EQUIPMENT	20,594	23,616

DISCLOSURES CONCERNING RIGHT OF USE OF LEASED PROPERTY AND EQUIPMENT (IFRS 16)

<i>(€ thousand)</i>	01/01/2023	Acquisitions	Disposals	Depreciation expense over the period	Release of depreciation expense over the period	31/12/2023
Right-of-use assets	25,469	-	(166)	-		25,303
Cumulative amortisation and depreciation charges	(9,525)	-	-	(2,819)		(12,346)
TOTAL (GROSS AMOUNT)	15,944	-	(166)	(2,819)	-	12,957

Right of use of leased property and equipment comprise the in'li headquarters building and two new construction leases at Suresnes and Noisy le Grand for terms of 40 and 55 years, respectively.

DISCLOSURES CONCERNING LEASES – LEASE TYPE

Category of asset leased	Conditions of renewal or purchase	Indexation clauses	Lease term
Offices (headquarters)	No renewal option at present	Rent review index (IRL) 1.25%	7 years
Construction leases	No renewal option	Rent review index (IRL) 1.3%	40 years

6.3 Financial assets

<i>(€ thousand)</i>	31/12/2023	31/12/2022
Non-consolidated investments	91,754	99,143
Security deposits and guarantees	5,091	4,463
Other financial assets	-	-
NON-CURRENT FINANCIAL ASSETS	96,845	103,606
Marketable securities	21,593	41,594
CURRENT FINANCIAL ASSETS	21,593	41,594
TOTAL (GROSS AMOUNT)	118,438	145,200
Impairment provisions	-	-
TOTAL (NET AMOUNT)	118,438	145,200

Financial assets mainly consist of investments in subsidiaries and associates (see Note 4.2.1).

6.4 Investments in associates

Investments in associates consist exclusively of investments accounted for by the equity method.

<i>(€ thousand)</i>	APEC Résidence		APEC Développement		Cronos	
SUMMARY BALANCE SHEET	2023	2022	2023	2022	2023	2022
Property portfolio	94,910	98,280	152,777	134,599		
Other assets	2,791	4,679	8,217	9,622	1,412,834	1,394,487
TOTAL ASSETS	97,701	102,959	160,994	144,221	1,412,834	1,394,487
Equity	68,539	71,898	98,066	85,650	888,760	935,101
Borrowings	11,574	8,711	60,127	43,197	458,373	358,699
Other liabilities and deferred taxes	17,588	22,350	2,801	7,158	65,701	100,687
TOTAL LIABILITIES	97,701	102,959	160,994	136,005	1,412,834	1,394,487
Net profit (loss)	(2,780)	4,750	(8,818)	9,992	(106,389)	116,164
% control	25%	25%	25%	25%	25%	25%
SHARE IN INCOME OF ASSOCIATES	(695)	1,188	(2,205)	2,498	(26,597)	29,041
Equity	68,539	71,898	98,066	85,650	888,760	935,101
% control	25%	25%	25%	25%	25%	25%
INVESTMENTS IN ASSOCIATES	17,135	17,974	24,516	21,413	222,190	233,775

<i>(€ thousand)</i>	2023	2022
TOTAL SHARE IN NET INCOME OF ASSOCIATES	(29,497)	32,727
TOTAL INVESTMENTS IN ASSOCIATES	263,841	273,162

Following the contribution of assets to Foncière Cronos on 15 January 2021, In'li Participations, a wholly-owned subsidiary of In'li, owns 25% of Cronos, which itself owns 100% of Foncière Cronos.

In'li's share in Cronos's net income was a negative amount of €26,597k compared to a positive amount of €29,041k in 2022.

6.5 Derivative instruments

In 2023, the In'li Group contracted derivatives as part of its strategy of hedging against interest rate risk. Outstanding amounts at 31 December 2023 were as follows:

<i>(€ thousand)</i>	Fair value at 31/12/2023	Due in < 1 year	Due in 1 to 5 years	Due in > 5 years	Fair value at 31/12/2022
Fixed-rate receiver swaps	17,922			17,922	26,696
Collars	-			-	5,591
Caps	1,360			1,360	2,439
DERIVATIVE INSTRUMENTS IN ASSETS	19,282			19,282	34,726
Fixed-rate receiver swaps	-			-	-
Collars	3,826			3,826	-
Caps	-			-	-
DERIVATIVE INSTRUMENTS IN LIABILITIES	3,826			3,826	-

6.6 Deferred tax assets and liabilities

At 31 December 2023, net deferred tax (excluding deferred taxation on assets reclassified in accordance with IFRS 5) was a liability amounting to €1,139 million that mainly includes the tax effects of gains on investment property (including provisions for taxes).

(€ thousand)	31/12/2021	Change in income	Reclassifications	Other movements	31/12/2022	Change in income	Reclassifications	Other movements	31/12/2023
Total deferred tax assets	-	-	-	-	-	-	-	-	-
Deferred tax liabilities on investment property	1,311,570	(71,873)	(5,178)		1,234,518	(95,085)	(11,414)		1,128,019
Other deferred tax liabilities	(9,802)	6,285	6,055	191	2,729	(6,193)	14,522	(375)	10,684
TOTAL DEFERRED TAX LIABILITIES	1,301,768	(65,588)	877	191	1,237,248	(101,278)	3,108	(375)	1,138,703
TOTAL NET DEFERRED TAX LIABILITIES	(1,301,768)	65,588	(877)	(191)	(1,237,248)	101,278	(3,108)	375	(1,138,703)

6.7 Trade receivables

(€ thousand)	31/12/2023	31/12/2022
Receivables from tenants	76,592	73,154
Other trade receivables	6,518	5,725
Suppliers with debit balance – Advances and prepayments	8	3
GROSS RECEIVABLES	83,118	78,882
Provisions for bad debts	(27,839)	(25,851)
TRADE RECEIVABLES, NET	55,279	53,031

Receivables are recorded at face value and mainly comprise:

- ▶ Outstanding rents and service and maintenance charges (€62,678k at 31 December 2023, and €56,230k at 31 December 2022);
- ▶ Adjustments to unbilled service and maintenance charges corresponding to the difference between prepaid charges called and actual final expenditure (€13,914k at 31 December 2023, and €13,484k at 31 December 2022).

Provisions are calculated in accordance with the Group's accounting policies (see Note 4.4).

6.8 Other receivables

(€ thousand)	31/12/2023	31/12/2022
Other loans and advances to subsidiaries and affiliates	114,670	89,747
Loans and advances to subsidiaries and affiliates - current	1,498	-
Group current account balances in assets	21,197	26,488
Prepaid expenses	4,119	3,755
Tax receivables other than on income tax	1,022	1,066
Other	24,045	17,403
OTHER GROSS RECEIVABLES	166,551	138,459
Impairment provisions	-	-
OTHER RECEIVABLES (NET)	166,551	138,459

6.9 Cash and cash equivalents

(€ thousand)	31/12/2023	31/12/2022
Available-for-sale money market securities	113,000	79,000
Cash at bank	271,176	290,969
Accrued interest on cash and cash equivalents	7	48
TOTAL ASSETS	384,183	370,017
Bank overdrafts	-	-
TOTAL LIABILITIES	-	-
Impairment of money market securities	(496)	(342)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	383,687	369,675

Cash and cash equivalents increased by €14,012k in 2023.

6.10 Consolidated equity

See "Statement of changes in consolidated equity" in Note 1.1.4.

6.11 Borrowings and financial liabilities

6.11.1 FINANCIAL LIABILITIES BY NATURE

(€ thousand)	2023	2022
Bonded debt	593,831	593,926
Bank borrowings	1,949,658	1,522,077
Security deposits	28,055	26,241
Other borrowings and credit facilities	4,822	4,734
NON-CURRENT BORROWINGS AND FINANCIAL LIABILITIES (OVER 1 YEAR REMAINING)	2,576,366	2,146,978
Current borrowings (less than 1 year remaining)	110,259	59,812
Other borrowings and credit facilities	408	422
Bank overdrafts	-	-
Accrued interest	19,900	11,458
CURRENT BORROWINGS AND FINANCIAL LIABILITIES (LESS THAN 1 YEAR REMAINING)	130,567	71,692
BORROWINGS AND FINANCIAL LIABILITIES	2,706,933	2,218,670
Financial investments	(21,593)	(41,594)
Cash and cash equivalents	383,687	369,675
NET FINANCIAL LIABILITIES	3,069,027	2,546,751

CHANGE IN FINANCIAL LIABILITIES <i>En K€</i>	Outstanding at 31/12/2022	New loans	Repayments	Reclassifications and other changes	Outstanding at 31/12/2023
Bonded debt	593,926	-	(95)	-	593,831
Bank borrowings	1,581,889	595,460	(115,808)	(1,624)	2,059,917
Other borrowings and credit facilities	5,156	22	(444)	496	5,230
Security deposits	26,241	4,657	(2,843)	-	28,055
Bank overdrafts	-	-	-	-	-
Accrued interest	11,458	19,913	(11,464)	(7)	19,900
BORROWINGS AND FINANCIAL LIABILITIES	2,218,670	620,052	(130,654)	(1,135)	2,706,933

6.11.2 DETAILS OF MAIN BORROWINGS

In 2023, in'li contracted €595,460k worth of borrowings to finance new operations.

These mainly comprise:

- ▶ Financing of €71,840k, enabling the full amount of the €310,000k facility negotiated with the EIB to be drawn down.
- ▶ €100,000k in new Green Bond financing arranged with the EIB over 10 years on 21 December 2023.
- ▶ A seven-year mortgage for an amount of €63,500k contracted with Société Générale on 4 December 2023.
- ▶ Four loans from Caisse d'Épargne totalling €200,000k and dated 24 May 2023.

Moreover, a fresh €85,000k revolving credit facility has been added to the two existing facilities (of €210,000k and €600,000k), giving a total line of credit of €895,000k.

Borrowings and other financial liabilities repaid during the year amounted to €116,347k.

In 2022, in'li contracted €436,148k worth of borrowings to finance new operations.

These mainly comprised:

- ▶ Two loans totalling €238,160k drawn down from the €310,000k facility negotiated with the EIB.
- ▶ A six-year mortgage for an amount of €190,000k contracted with HSBC on 26 October 2022.

Also, two lines of revolving credit totalling €210,000k were added to the €600 million syndicated credit facility signed in 2018 with a consortium of French and international banks.

Borrowings and other financial liabilities repaid during the year amounted to €62,855k.

6.11.3 MATURITIES OF BORROWINGS AND FINANCIAL LIABILITIES

(€ thousand)	Outstanding at 31/12/2023	Due in		
		< 1 year	Between 1 and 5 years	> 5 years
Bonded debt	593,831	-	0	593,831
Bank borrowings	2,059,917	110,077	448,135	1,501,705
Other borrowings and credit facilities	5,230	408	1,578	3,244
Security deposits	28,055	-	0	28,055
Accrued interest	19,900	19,900	0	-
Bank overdrafts	-	-	0	-
BORROWINGS AND FINANCIAL LIABILITIES	2,706,933	130,385	449,713	2,126,835
Financial investments	(21,593)	(21,593)		
Cash and cash equivalents	-	-		
NET FINANCIAL LIABILITIES	2,685,340	108,792	449,713	2,126,835
Fixed-rate debt	1,406,081			
Variable-rate debt	1,252,898			
<i>Variable-rate hedged debt</i>	<i>428,160</i>			
<i>Variable-rate unhedged debt</i>	<i>824,738</i>			

6.11.4 COVENANTS

Most of in'li's loans are subject to compliance with financial ratios which are contractually defined in the loan agreements. The main covenants are the following:

Ratio	Commitment	2023	2022
LTV = Net financial debt / remeasured value of portfolio (block value, net of taxes and duties)	maximum 65%	24.4	19.7
ICR = EBITDA / finance costs	minimum 1.5%	5	7.9
Consolidated portfolio value	> €3,000 million	9,490	9,211
Value of property portfolio (block value, net of taxes and duties)	> €2,500 million	8,922	8,779

6.12 Provisions

Provisions and other non-current liabilities are analysed in the following table.

(€ thousand)	31/12/2022	Additions	Reversals	Actuarial gains and losses	Reclassifications	31/12/2023
Provisions for contingencies and losses	1,477	1,437	(720)	-	285	2,479
Employee benefits	1,112	-	(2,200)	1,371	242	525
NON-CURRENT PROVISIONS	2,589	1,437	(2,920)	1,371	527	3,004
Provisions for contingencies and losses	589	-	-	-	(285)	304
Employee benefits	378	-	-	-	(242)	136
CURRENT PROVISIONS	967	-	-	-	(527)	440
TOTAL	3,556	1,437	(2,920)	1,371	-	3,444

Determining provisions for contingencies and losses requires the use of estimates and assumptions produced by management based on information or situations that existed at the reporting date – which may turn out to be different from reality – and the use of judgement.

6.13 Pensions and other post-employment benefits

POST-EMPLOYMENT BENEFITS

Post-employment benefits for employees are mostly covered by an externally managed defined benefit pension plan. A provision is recognised for any amounts not covered.

The amount of post-employment benefit commitments is calculated based on various criteria that are reviewed annually, including the employee turnover rate (adm = 5.66%, PIME = 3.45%, PIMG = 1.37%), employee wage growth (adm = 3.07%, PIME = 3.69%, PIMG = 3.49%), the discount rate (4.09%), and the payroll tax rate (adm = 59.01%, PIME = 51.13%, PIMG = 50.75%). The average retirement age used is 64 (compared with 62 in 2022).

At 31 December 2023, post-employment benefit commitments amounted to €7,750,942, a year-on-year decrease of €608,453. A provision of €808,008 was released, bringing the provision for the amount not covered in the main defined benefit plan (retirement indemnities plan) to €429,702.

French pension reforms have had an impact of (€627,394) on the 2023 provision.

A collective bargaining agreement concerning employee status was signed in October 2018 that impacts the calculation of retirement benefits. Consequently, "a closed group" was set up for employees who meet certain age and length of service criteria.

LENGTH-OF-SERVICE AWARDS

At 31 December 2023, the provision for long-term commitments in relation to length-of-service amounted to €745k.

6.14 Trade payables

Changes in trade payables balances over the reported periods may be analysed as follows:

(€ thousand)	31/12/2023	31/12/2022
Trade payables for goods and services	55,767	44,856
Amounts owed to property developers	14,560	11,158
Tenants with credit balances	2,821	2,321
Service and maintenance charges to be adjusted	26,710	21,594
TRADE PAYABLES	99,858	79,929

6.15 Other payables

(€ thousand)	31/12/2023	31/12/2022
Group current account balances in liabilities	3	41,092
Deferred income	12,318	10,964
Other	11,652	10,601
OTHER PAYABLES	23,973	62,657

6.16 Recognition of financial assets and liabilities

(€ thousand)	NBV at 31/12/2023	Amortised cost	Fair value through equity	Fair value through profit and loss	Fair value
ASSETS					
Financial assets	96,845	96,974	(129)	-	96,845
Trade receivables	55,279	55,279	-	-	55,279
Derivative instruments	19,282			19,282	19,282
Cash and cash equivalents	383,687	383,687	-	-	383,687
TOTAL	555,093	535,940	(129)	19,282	555,093
EQUITY AND LIABILITIES					
Bond loan	593,831	593,831	-	-	593,831
Other	2,113,102	2,113,102	-	-	2,113,102
Derivative instruments	3,826	-		3,826	3,826
Trade accounts payable	50,824	50,824	-	-	50,824
TOTAL	2,761,583	2,757,757	-	3,826	2,761,583

6.16.1 BREAKDOWN BY LEVEL OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

Under IFRS 13, the different techniques used to measure financial instruments must be ranked. It sets out the following categories:

- ▶ **Level 1:** financial instruments traded on an active market;
- ▶ **Level 2:** financial instruments whose fair value is measured by comparison with observable market transactions for similar-type instruments (i.e., no modification or restructuring) or using variables based only on observable market data;
- ▶ **Level 3:** financial instruments whose fair value is calculated wholly or partly from estimates that are not based on observable market transactions for similar-type instruments (i.e., no modification or restructuring) or observable market data.

<i>(€ thousand)</i>	Total	Level 1	Level 2	Level 3
Investment property (including assets held for sale)	7,972,936	-	-	7,972,936
Derivative instruments	19,282	-	19,282	
TOTAL ASSETS	7,992,218	-	19,282	7,972,936
Derivative instruments	3,826	-	3,826	
TOTAL LIABILITIES	3,826	-	3,826	-

Note 7 : Notes to the consolidated income statement

7.1 Gross rental income

Gross rental income may be analysed as follows:

<i>(€ thousand)</i>	2023	2022
Rental income from dwellings and related revenue	295,400	274,379
Rental income from parking spaces	15,302	13,903
Rental income from commercial and office leases	7,478	5,571
GROSS RENTS	318,179	293,852
Other rental income	1,819	1,388
GROSS RENTAL INCOME	319,998	295,240

The year-on-year increase was mainly attributable to:

- ▶ Application of the 3.5% increase in the rent review index;
- ▶ Rent revaluations when properties were relet;
- ▶ The extra rent generated by the 2,178 new units delivered in 2023.

7.2 Operating expenses

Operating expenses consist of:

- ▶ Charges for which the owner is liable, work-related expenditure, any litigation costs and property management costs;
- ▶ The rebillable portion of service and maintenance charges by nature that must be paid by the Group, mostly for vacant properties.

(€ thousand)	2023	2022
Subcontracting and maintenance	24,969	17,962
Upkeep and repair work	32,720	34,080
Taxes and other levies	17,895	17,019
Personnel expenses	7,224	6,567
Other expenses	5,226	5,354
BUILDING-RELATED EXPENSES	88,034	80,982
Fluids	42,113	24,244
Taxes and other levies	8,656	7,704
Personnel expenses	5,810	5,530
Other charges (including management agency fees)	36,853	33,482
REBILLABLE CHARGES	93,432	70,960
Provisions for charges	(98,190)	(71,673)
Charges to be regularised	4,759	372
Charges on vacant properties	4,928	3,313
CHARGES REBILLED	(88,503)	(67,988)
NET OPERATING EXPENSES	92,963	83,954

FAIR VALUE HIERARCHY:

RESIDENTIAL PROPERTY	"Block" value per m ²		Discount rate (DCF)		Rate of return	
	Min	Max	Min	Max	Min	Max
Paris City	1,512	10,750	3.2	6.2	1.0	4.00
Seine-Saint-Denis	241	7,606	3.5	9.6	1.3	7.2
Hauts-de-Seine	390	10,581	3.1	8.6	0.9	6.4
Val-de-marne	713	6,663	3.7	8.2	1.5	6.0
Yvelines	126	5,769	2.9	9.4	0.7	7.2
Val-d'Oise	650	5,717	5.0	10.5	2.6	8.3
Essonne	239	4,063	5.4	9.2	3.2	8.5
Seine-et-Marne	435	4,953	4.5	9.0	2.3	6.6
Other departments	373	3,333	4.2	16.7	2.0	14.5

In accordance with IFRS 13, the above table discloses the ranges of the main unobservable inputs (Level 3 inputs) used by real estate appraisers.

7.3 Overheads

Overheads mostly consist of personnel expenses, fees paid by the Company and headquarters operating costs (maintenance, IT, insurance, advertising costs, etc.).

Personnel expenses relate to the Company's employees, with the exception of building personnel who are included in building charges. Certain personnel expenses and management fees are reclassified to building charges, depending on their nature.

7.4 Proceeds on disposals

No entities were sold in 2022 or 2023.

For disposals of investment property, see the breakdown provided in Notes 6.1.1 and 6.1.2.

7.5 Fair value adjustments to investment property

Fair value adjustments to investment property may be analysed as follows:

(€ thousand)	2023	2022
Investment properties measured at fair value	(371,806)	(314,669)
TOTAL FAIR VALUE ADJUSTMENTS	(371,806)	(314,669)

1

2

3

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	Change in "block" value per m ² (direct comparison method)		Change in DCF (DCF method)		Change in return (income capitalisation method)	
	Min	Max	Min	Max	Min	Max
	<i>price per m² and per unit -5%</i>	<i>price per m² and per unit +5%</i>	<i>Discount rate +25 pdb</i>	<i>Discount rate -25 pdb</i>	<i>Rate of return +25 pdb</i>	<i>Rate of return -25 pdb</i>
Paris City	1,328,049,000	1,481,811,000	1,353,199,000	1,473,391,000	1,263,159,000	1,544,431,000
Inner suburbs	4,695,302,000	5,252,176,000	4,794,796,000	5,088,110,000	4,634,875,000	5,312,323,000
Outer suburbs	1,503,923,000	1,684,230,000	1,567,802,000	1,663,638,000	1,493,078,000	1,685,849,000
Other	36,517,000	40,639,000	39,879,000	41,233,000	36,685,000	40,167,000
TOTAL	7,563,671,000	8,458,736,000	7,755,556,000	8,266,252,000	7,427,677,000	8,582,650,000
<i>Variance with conclusive value of method in question</i>	<i>(5.7%)</i>	<i>5.5%</i>	<i>(2.9%)</i>	<i>3.5%</i>	<i>(6.5%)</i>	<i>8.0%</i>

7.6 Net financial income (expense)

Net financial income (expense) mostly consists of interest payable on borrowings from credit institutions and interest on the bond loans contracted in July 2019 and November 2021.

<i>(€ thousand)</i>	2023	2022
Income from long-term investments	1,064	434
Miscellaneous interest income	7,918	857
Fair value of derivatives	-	31,043
Other financial income	12,553	2,436
Financial provisions released on other financial assets	342	
FINANCIAL INCOME	21,877	34,770
Banking services	(2,027)	(1,985)
Charges on disposal of short-term investments		-
Interest on bonded debt	(13,883)	(6,745)
Interest on borrowings from credit institutions	(50,202)	(24,432)
Fair value of derivatives	(19,749)	-
Miscellaneous interest expense		(267)
Other finance costs	(678)	(1,554)
Provisions for impairment of financial assets	(678)	31
FINANCIAL EXPENSES	(87,217)	(34,953)
Lease finance costs	(83)	(121)
FINANCIAL INCOME (EXPENSE)	(65,423)	(304)

7.7 Income tax

The tax expense for the period can be broken down as follows:

<i>(€ thousand)</i>	2023	2022
Income tax surcharge	(278)	(404)
Other	-	-
RECURRING TAXES	(278)	(404)
Corporate income tax	(9,157)	(12,976)
Deferred taxes	101,278	65,588
NON-RECURRING TAXES	92,121	52,612
TOTAL TAX EXPENSE	91,843	52,208

A reconciliation of the effective tax rate is provided in the following table:

RECONCILIATION OF THE EFFECTIVE TAX RATE <i>(€ thousand)</i>	2023	2022
Net profit (loss)	(246,605)	(120,282)
Income tax expense	91,843	52,208
INCOME BEFORE TAX	(338,448)	(172,490)
TAX RATE	25%	25%
Standard tax (amount)	84,612	43,122
Impact of share in net income of associates	(7,374)	8,182
Standard tax adjusted to include share in net income of associates	77,238	51,304
Income tax expense	91,843	52,208
TAX-RELATED DIFFERENCES	(14,605)	(904)
Permanent differences	(229)	2,756
Dividends	17	11
Change in deferred tax position	(13,341)	-
Other movements	(1,052)	(3,671)
EXPLANATIONS	(14,605)	(904)

Note 8 : Other disclosures

8.1 Off-balance sheet commitments

Off-balance sheet commitments at 31 December 2023 and at 31 December 2022 were as follows:

(€ thousand)	31/12/2023	31/12/2022
Mortgages and lender's liens	1,017,025	974,642
Signed acquisition agreements to be settled	9,975	38,978
Off-plan agreements to be settled	50,039	205,645
Share subscriptions		24,980
Payment of loan		14,354
Charges on construction leases	12,877	12,877
TOTAL COMMITMENTS GIVEN	1,089,916	1,271,476
Bank guarantees and financial guarantees ⁽¹⁾	1,631	19,328
Guarantees from suppliers	23,781	20,713
Available borrowings	873,000	885,121
Supplier commitments on off-plan operations to be settled	50,039	205,645
Signed sale agreements to be settled	77,231	64,457
Right of use of lands covered by construction leases	12,877	12,877
TOTAL COMMITMENTS RECEIVED	1,038,559	1,208,141

Off-plan commitments totalling €50,039k comprise reciprocal commitments given and received on reservation agreements with property developers to build over 190 units of housing.

8.2 Related parties

The Company's parent, Action Logement, complies with the notion of a "government-related entity" under Revised IAS 24 and in 'li avails of the reporting exemption provided under paragraph 25 of the standard.

The Companies main related parties are:

- ▶ The subsidiaries
 - > In'li PM: rebilling of amounts of €7 million and a €0.5 million cash advance;
 - > In'li PM: rebilling of €0.6 million to in'li;
 - > APEC Développement: current account advance of €14.8 million and accrued interest of €0.7 million, of which €0.2 million in income receivable. Sale of three off-plan property developments for an amount of €23.1 million;
 - > APEC Résidence: current account advance of €3.6 million and accrued interest receivable of €0.2 million;
- > In'li Participations: current account advance of €77.4 million and accrued interest receivable of €4.2 million;
- ▶ The Chairman of the Management Board and the Chief Executive Officer;
- ▶ The parent company, Action Logement Immobilier, and Action Logement Groupe.
- ▶ All other related-party transactions were deemed non-material.

(1) Bank guarantees for property reservation agreements.

8.3 Headcount

Average Group headcount may be broken down as follows:

Average headcount ⁽¹⁾	31/12/2023	31/12/2022
Management grade	297	275
Employee-grade and supervisor-grade	203	192
Building personnel	291	280
Apprentices	39	29
TOTAL	830	776

8.4 Senior executive compensation

Because these disclosures would make it possible to identify, directly or indirectly, the individual situations of members of the Company's management bodies, this information is not disclosed as authorised by Article 833-17 of the French General Chart of Accounts.

8.5 Statutory Auditors' fees

Statutory Auditors' fees for auditing the Company-only and the consolidated accounts and for non-statutory audit engagements for 2022 and 2023 are disclosed in the following table:

STATUTORY AUDITORS' FEES <i>(€ thousand)</i>	Mazars			
	2023		2022	
	Gross	%	Gross	%
Audit of the individual company and consolidated financial statements	108	78%	108	81%
Services other than statutory audit engagements	31	22%	26	19%
TOTAL	139	100%	134	100%

8.6 Subsequent events

None

(1) Full-time equivalent (FTE) headcount

02. PRESENTATION

Densification urbaine

- ❖ Création de 22 logements neufs dans le prolongement des bâtiments existants
- ❖ Réhabilitation de 16 logements existants (bâtiments 1 et 5)
- ❖ Rénovation des parties communes des bâtiments 2, 3 et 4
- ❖ Ravalement de façade avec isolation par l'extérieur de l'ensemble de la résidence
- ❖ Charte chantier propre / chantier à faibles nuisances mise en place pour cette opération



Perspective sur le futur projet – par Poirier & Rieth

5

Report on corporate governance

5.1	GOVERNANCE	220
5.1.1	Supervisory Board	220
	5.1.1.1. Composition	220
	5.1.1.2. <i>Modus operandi</i>	221
5.1.2	Management Board	222
5.1.3	Board Committees	222
5.1.4	List of directorships and positions held in any Company	224
5.2	RELATED-PARTY AGREEMENTS FALLING WITHIN THE SCOPE OF ARTICLE L.225-88-1 OF THE FRENCH COMMERCIAL CODE	226
5.2.1	Delegation of authority to increase the Company's share capital	226
5.2.2	Observations of the Supervisory Board concerning the management report prepared by the Management Board and the financial statements for the year	226
5.2.3	Arrangements for shareholder participation at General Meetings	226



5.1 Governance

The report on corporate governance was prepared in accordance with Article L.225-68 of the French Commercial Code (*Code de commerce*). Every year, the Board of Directors prepares a report for the purpose of presenting to the shareholders, at the General Meeting called to deliberate upon all matters relating to the financial statements for the previous year, information relating to the Company's corporate governance, notably the composition and organisation of its Supervisory Board.

5.1.1 Supervisory Board

Missions

The Supervisory Board's organisation and operating procedures are set out in the Company's Articles of Association and in the Board's own rules of procedure. At its meeting of 14 November 2017, the Supervisory Board unanimously adopted rules of procedure setting out the composition, organisation and operation of the Board, as well as its relations with the Management Board. The Supervisory Board's rules of procedure are reviewed on a regular basis and amended as appropriate to keep them in line with the Company's organisational structure and the regulatory environment more generally. The Company's Supervisory Board exercises ongoing control over the management of in'li by its Management Board. As such, it performs all controls and checks and issues all opinions that it considers appropriate within its remit concerning:

- ▶ The documents and disclosures provided by the Management Board, for which it assesses the regularity, relevance and reliability;
- ▶ The financial statements and the reliability and consistency of the accounting principles and methods used to prepare the Company's financial statements and results presented by the Management Board, as well as the resources deployed for this purpose by the Statutory Auditors;

5.1.1.1. COMPOSITION

- ▶ The appropriateness of the strategic choices and acts of management of the Management Board;
- ▶ Monitoring the implementation of decisions taken.

The Supervisory Board exercises the specific powers conferred on it by law, which are listed in the Articles of Association. It also authorises the Management Board to perform transactions that require its prior authorisation. Lastly, the Supervisory Board monitors the implementation of decisions taken.

Three Board committees: the Audit and Accounts Committee, the Appointments and Compensation Committee and the Investment Committee are made up of members of the Supervisory Board. These committees have an advisory role and regularly report back to the Supervisory Board. Their *modus operandi* is set out in the Supervisory Board's rules of procedure.

The members of the Supervisory Board are appointed or reappointed by the General Shareholders' Meeting. In the event of a vacancy – due to death or resignation – of one or more seats on the Board, the Supervisory Board may make appointments between two General Meetings. These provisional appointments must subsequently be ratified at the next General Meeting.

The members of the Supervisory Board are not paid for their services. The General Meeting of 29 September 2017 decided that the members of the Supervisory Board would not be remunerated for their services and this principle continued to be applied in 2023.

In'li's Supervisory Board had eleven members at 31 December 2023: eight representatives of employers' organisations, including the Chairman, and three trade union representatives, including the Vice-Chairman, all of whom have been appointed by the social partners.

Each Supervisory Board member serves a three-year term. The terms of office of one-third of the members of the Supervisory Board are renewed every year, in accordance with the Company's Articles of Association.

At 31 December 2023, the following people were members of the Supervisory Board:

- ▶ **Michel Goyer**, Vice-Chairman
- ▶ **Patricia Gomez-Talimi**
- ▶ Action Logement Immobilier, represented by **Pascal Landrin**;
- ▶ **Xavier Hesse**
- ▶ **Philippe Amram**
- ▶ **Marie-Pierre Huré**
- ▶ **Laurianne Dijol**
- ▶ **Hervé Morel**
- ▶ **Sandra Bues-Piquet**
- ▶ **Philippe Thel**
- ▶ **Jackie Xiaohua Troy**

5.1.1.2. MODUS OPERANDI

The Supervisory Board met five times in 2023, pursuant to a convening notice issued by the Chairman, including once in writing.

It deliberated on the deployment of the Company's strategic plan, its performance since 2018, took arbitrage decisions concerning the property portfolio, approved decisions concerning the Company's capital, signed off on the annual financial statements and the allocation of net income, and analysed the financial statements and quarterly results. The Board approved the budget, the audit plan and the 2024 risk management plan.

The Supervisory Board also deliberated on the programme of split sales and the property development companies.

It authorised a number of related-party agreements necessary for the conduct of business.

Diversity policy

The Supervisory Board comprises five women out of eleven members, three of who also sit on one of the three Board committees. The Audit and Accounts Committee is chaired by a woman.

The quest for gender balance is also apparent in senior management and three of the five deputy CEOs are women.

The members of the Supervisory Board are chosen for their expertise, their wide-ranging experience, their willingness to be a part of defining and implementing corporate and subsidiary company strategy, and the contribution they can make to the work of the Board. The Company's Articles of Association stipulate that the proportion of members over 70 years of age may not exceed 30% of all current members in office. If this proportion is exceeded, the oldest member of the Supervisory Board – with the exception of the Chairman – must leave office at the end of the next Ordinary General Meeting.

The composition of the Supervisory Board also takes account of governance rules in force within the Company and Action Logement Group, notably the rules of procedure regarding the proportion of representatives of employers' organisations and trade unions.

The Annual General Meeting to be held on 12 June 2024 will be asked to renew the terms of office of Philippe Thel, Jackie Troy and Action Logement Immobilier (represented by Pascal Landrin) as members of the Supervisory Board for a three-year term to expire at the end of the Annual General Meeting in 2027 called to approve the financial statements for 2026.

For example, the Chairman is selected from among the natural person representatives of employers' organisations, and the Vice Chairman is selected from among the natural person representatives of trade unions.

There is a constant search for diversity within the Executive Committee and 38.1% of its members were women at 31 December 2023.

In'li pays special attention to gender equality within the Company. To this end, a gender equality agreement was signed in 2011 between Executive Management and trade union representatives guaranteeing equal treatment for all employees, regardless of gender. Balanced representation of women in positions of high responsibility is a reflection of this focus. Of employees on permanent contracts: aside from the Executive Committee, 53% of management-grade employees are women and 55% of managers are women at 31 December 2023.

Ethics – Preventing conflicts of interest

Each member of the Supervisory Board is bound to perform their duties in good faith, in the manner they consider most appropriate for promoting the interests of the Company and with due care and prudence in the exercise of such a mission.

Each member of the Supervisory Board undertakes, in all circumstances, to maintain their freedom of analysis, judgement, decision-making and action and to reject any direct or indirect pressure that may be exerted upon them.

The Supervisory Board's rules of procedure contain an anti-corruption code which stipulates that each member of the Supervisory Board must act in all circumstances in the Company's general interest. Each member must inform the Supervisory Board of any actual or potential conflict of interest that may concern them directly or indirectly.

A Code of Ethics drawn up at Action Logement Group level applies to all Group managers and employees. It sets out commitments to business ethics and guides behaviour and best practices. A Group Ethics Committee has been set up to deal with issues relating to ethics and to examine cases submitted to it based on the Group's charter.

An Ethics Handbook is sent to each member of the Supervisory Board appointed or whose term of office is renewed, to raise awareness among Supervisory Board members of best ethical practices, especially concerning the prevention of conflicts of interest.

A stock market ethics charter applicable to all the Company's managers and employees was also drawn up following the Company's inaugural bond issue. Its purpose is to raise awareness among employees of the legal requirements in relation to holding, communicating and making use of certain information about the Company known as insider information, the rules applicable to certain sensitive information and trading in the Company's securities, and the preventive measures and administrative and/or criminal sanctions applicable in the event that said rules are breached.

5.1.2 Management Board

COMPOSITION

The composition and workings of the Management Board are governed by specific rules of procedure.

The composition of the new Management Board was approved by the Supervisory Board at its meeting of 21 December 2021. The three-year terms of office of each of the five members of the Management Board will expire in December 2024:

- ▶ **Damien Robert**, Chairman of the Management Board;
- ▶ **Antoine Pinel**, Chief Executive Officer, Member of the Management Board;
- ▶ **Emmanuelle Robin-Teinturier**, Deputy CEO – Resources and Digital Transformation, Member of the Management Board;
- ▶ **Stéphanie Caulet**, Deputy CEO – Clients & Assets division, Member of the Management Board;
- ▶ **Marie Lefebvre-Souce**, Director of in'li Property Management, Member of the Management Board;

MODUS OPERANDI

The Management Board is tasked with running the Company in a collegial manner. It has the broadest powers to act in the Company's name under all circumstances, within the scope of the corporate purpose and subject to the powers vested by the law.

The Management Board adopts a collegial approach, without any specific division of management tasks among its members.

It sets out general guidelines and supports strategic initiatives for the Company's different activities, determines the structure and management oversight, and defines the objectives and resources needed to deploy operations.

5.1.3 Board Committees

By a decision of 14 November 2017, the Supervisory Board set up three standing committees and defined the main duties of each committee as follows:

Audit and Accounts Committee

Examines the appropriateness of the methods used to prepare the parent company financial statements and verifies that internal procedures for gathering and monitoring information have been correctly applied by examining the financial information provided after the accounts have been closed, the draft parent company financial statements, the relevance and consistency of the accounting methods used, the external audit process and the Company's internal control systems.

More generally, it deliberates on the most important issues concerning the management of the Company.

The Management Board meets as often as necessary to deliberate upon general policy and approve key projects. It reports to the Supervisory Board. Once every quarter it submits a report to the Board outlining key events and developments, focusing in particular on the Company's strategic policy, key business indicators, internal audit and risk management and in'li's new organisation structure based around new applications and business lines.

Investment Committee

Reviews certain new investment projects within the scope of the development strategy presented by the Management Board. The Committee is tasked with:

Being kept informed by the Management Board of the deployment of in'li's investment policy in accordance with the strategic plan and, in particular, of the terms and conditions of the investments;

Reporting at least once a year to the Supervisory Board on how this policy is being deployed;

Issuing a preliminary opinion to the Management Board concerning specific investments to be undertaken by in'li;

Issuing a preliminary opinion to the Supervisory Board concerning decisions to sell Company assets for material amounts;

Issuing a preliminary opinion to the Supervisory Board in respect of joint ventures, equity investments and innovative, or more traditional forms of financing that are directly related to in'li's corporate purpose, and, more generally, reviewing and issuing opinions on any matter requested by the Supervisory Board.

Appointments and Compensation Committee

Issues recommendations concerning the appointment of new members to the Supervisory and Management Boards and their compensation.

Each committee has a maximum of four members, appointed from among the members of the Supervisory Board. They are appointed for their term of office on the Supervisory Board and the rules for appointment are based on Action Logement Immobilier guidelines for non-social housing subsidiaries.

ACTIVITY IN 2023

Audit and Accounts Committee

Sandra Bues-Piquet, Chairwoman of the Committee

Michel Goyer

Action Logement Immobilier, whose permanent representative is **Pascal Landrin**

Xavier Hesse

4 MEETINGS HELD IN 2023

The Audit and Accounts Committee met on 4 April, 30 May, 2 October and 28 November 2023 to review and deliberate upon the following: the annual financial statements and projected management accounts, the Company's financing policy and structuring of the property development companies, the work performed in relation to audit, risk management, internal control and combating fraud, and the Plan for 2024.

Investment Committee

MICHEL Goyer, Chairman of the Committee

Philippe Thel

Jackie Xiaohua Troy

4 MEETINGS HELD IN 2023

The Committee met at regular intervals over the past year on 20 March, 3 May, 4 July and 28 November 2023, to examine management reporting information concerning project ownership, commitment committees, development project arbitrage and decisions to dispose of properties (block sales and split sales).

Appointments and Compensation Committee

Pierre Brajeux, Chairman of the Committee (until 25 July 2023)

Michel Goyer

Patricia Gomez-Talimi

2 MEETINGS HELD IN 2023

The Committee met on 8 February and 3 April 2023. For 2023, based on the opinion of the Appointments and Compensation Committee of Action Logement Group and Action Logement Immobilier, in'li's Appointments and Compensation Committee issued recommendations on the compensation of the members of the Management Board (in terms of basis of calculation and amount). In accordance with Article 16 of the Company's Articles of Association, the Supervisory Board meeting of 13 April 2023 subsequently approved the Committee's proposals. For information, these decisions were also approved by the Board of Directors of Action Logement Immobilier, which vets the appointment of all corporate officers within its subsidiaries in accordance with its Articles of Association, and deliberates on their compensation.

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5.1.4 List of directorships and positions held in any Company

Pursuant to Article L.225-37-4 of the French Commercial Code, here is a list of all directorships and positions held by each corporate officer in the Company during 2023.

CORPORATE OFFICER	COMPANY NAME	OFFICE/POSITION HELD
MANAGEMENT BOARD		
Damien Robert	SA in'li	Chairman
Antoine Pinel	SA in'li	CEO, member of the Management Board
	Association UDLI	Chairman, permanent representative of in'li
SUPERVISORY BOARD		
Pierre Brajeux	SA in'li	Chairman of the Supervisory Board
	SAS BRENNCORP	Chairman
	SAS TORANN-FRANCE	Chairman
	SAS NOVASCOTIA	Chairman
	SARL ASGARTH CONSULTANTS	Manager
	SARL VIGILANE	Manager
	SARL FERGUS AUTORITE	Manager
	SCI VOLFONI	Manager
	SCI BERETTO	Manager
	SCI WILLSDORF	Manager
	Association Horizon Santé Travail	Director
	MEDEF 92	Director (Secretary)
	MEDEF Île-de-France	Director
	Groupement des Entreprises de Sécurité	Director
	Union Française des Acteurs de compétence en Sécurité	Director
	Groupement des Professions de Services	Director
	Conseil National des Sapeurs-Pompiers Volontaires	Director
Michel Goyer	SA in'li	Vice-Chairman of the Supervisory Board
	CFDT HTR trades union (hotel, catering & restaurant section – Paris region)	Regional Secretary
	Tribunal judiciaire de Paris (Paris Court of Justice)	Presiding judge
	SAS AREAS SERVICES	Sales outlet manager
	Cour d'Appel d'Amiens (Court of Appeal of Amiens)	Presiding judge
Sandra Bues-Piquet	SA in'li	Member of the Supervisory Board
	SA D'HLM IMMOBILIÈRE 3F	Director
	SA D'HLM SEQENS	Director
	SA VEOLIA ENVIRONNEMENT	Corporate Financial Director
Florence Soustre-Gasser	SA in'li	Member of the Supervisory Board
	SAS PRAXILAB	Chairman
	Association EMCC FRANCE	Chairman
	SIMACS	Director
Laurianne Dijol	SA in'li	Member of the Supervisory Board
	Groupe Albaron	Chairman
	FFB Île-de-France	Director
	GCCP trades union	Director
Philippe Thel	SA in'li	Member of the Supervisory Board
	SA D'HLM SEQENS	Director

CORPORATE OFFICER	COMPANY NAME	OFFICE/POSITION HELD
	SAS PHT CONSEIL	Chairman
	IFPImm (Financing institute for real estate professionals)	CEO-Founder
Marie-Pierre Huré	SA in'li	Member of the Supervisory Board
	Joint labour/management organization	Alternate employer's representative
	Social dialogue observatory (Hauts-de-Seine (92))	Lead employer's representative
	MEDEF 92	General Secretary
	Association Horizon Santé Travail	Director
Patricia Gomez-Talimi	SA in'li	Member of the Supervisory Board
	SCP PDGB	Partner & Lawyer
	Labour Relations Tribunal	Presiding judge
	Social Security Tribunal	Presiding judge
	APPI	Director
	ESAIP Angers	Member of the Supervisory Board
Xavier Hesse	SA in'li	Member of the Supervisory Board
	EIRL PARISSPEED	Businessman
Jackie Xiaohua Troy	Réseau RIVALIS	Independent consultant
	SARL société générale pour l'impression et la papeterie (SOGIP)	Manager
	SCI BAMBOO	Manager
	SCI LISA	Manager
	SCI TROY-YAN	Manager
	CCI Paris Ile-de-France	Elected member
	CPME Paris Ile-de-France	Director
Pascal Landrin	Member of the Supervisory Board, permanent representative of Action Logement Immobilier	
	SAEM de Maisons-Laffitte	Director, permanent representative of Action Logement Immobilier
	SA KONE	Regional Service Director
Hervé Morel	SA in'li	Member of the Supervisory Board
	SA D'HLM 1001 VIES HABITAT	Head of group insurance and public procurement
	Mutuelle MUTLOG	Director
	Mutuelle MUTLOG GARANTIES	Director
Philippe Amram	SA in'li	Member of the Supervisory Board
	MEDEF 92	Director
	VALLEE SUD EMPLOI	Director



5.2 Related-party agreements falling within the scope of Article L.225-88-1 of the French Commercial Code

The Statutory Auditor's special report on related-party agreements and commitments falling within the scope of articles L.225-86 and L.225-88-1 of the French Commercial Code covers related-party agreements authorised during the period and agreements authorised in previous periods that remained in force during the year. The Supervisory Board approved the agreements listed in this report and they will be submitted for approval at the Annual General Meeting to be held in May 2023.

THE FOLLOWING AGREEMENTS WERE AUTHORISED DURING THE YEAR:

- ▶ Social engineering and project management assistance in social and urban development for subsidiaries of Action Logement Immobilier: Convention with APES (an association that works to provide social amenities), approved by the Supervisory Board on 26 June 2023.
 - ▶ Transfer of off-plan acquisition agreements to SA Seqens in Epinay-sur-Seine (a social housing subsidiary of Action Logement Immobilier), authorised by the Supervisory Board on 26 June 2023;
 - ▶ Transfer of off-plan acquisition agreements to SA I3F in Gentilly (a social housing subsidiary of Action Logement Immobilier), authorised by the Supervisory Board on 26 June 2023;
- The following related-party agreements authorised in previous periods remained in force during the year:
- ▶ Agreement to make the support functions of the in'li Supports joint venture available to associates for certain specific projects, approved by the Supervisory Board on 20 December 2017.
 - ▶ Agreement with GIE Astrimmo for the use of the ALIOP product, approved by the Supervisory Board on 10 September 2018.

5.2.1 Delegation of authority to increase the Company's share capital

The Combined General Meeting of 11 May 2023 entrusted the Management Board with all necessary powers, with the option of sub-delegation, to increase the Company's capital by an amount of €52,999,995. The Board noted that this operation had been duly completed for the portion in cash on 26 October 2023 and for the portion offsetting a receivable on 6 November 2023.

5.2.2 Observations of the Supervisory Board concerning the management report prepared by the Management Board and the financial statements for the year

The Supervisory Board has no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

5.2.3 Arrangements for shareholder participation at General Meetings

Articles 26 to 34 of in'li's Articles of Association, as updated on 11 May 2023, set out the arrangements for shareholder participation at General Meetings.

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