

Paris, 19<sup>th</sup> May 2022

### Covivio launches the conversion of its bond issues into “Green Bonds”

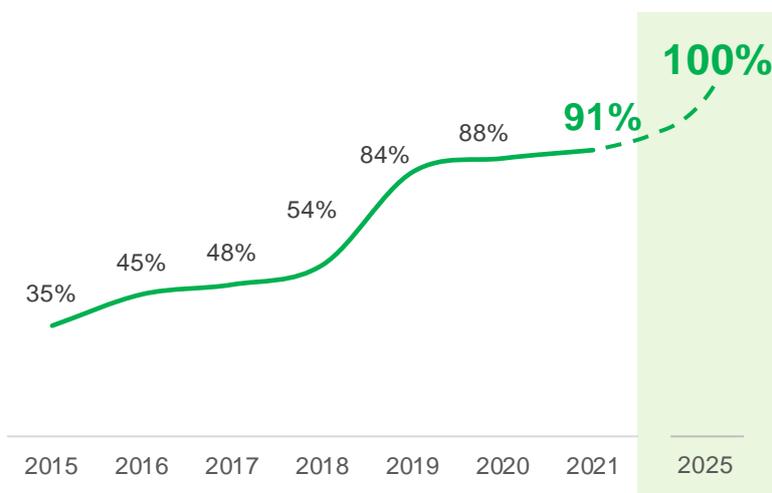
*A pioneer in the issuance of Green Bonds since 2016, Covivio has reached a new milestone in aligning its financing policy with its ESG goals by launching the conversion of some of its bonds into Green Bonds, allowing Covivio to have a 100% green bond portfolio.*

#### **Environmental ambition reaffirmed in late 2021**

Towards the end of 2021, Covivio revised its carbon trajectory and announced new targets (approved by the SBT initiative) aiming at a 40% reduction in greenhouse gas emissions by 2030. This target, which encompasses scopes 1, 2 and 3, covers the full range of activities in Europe and the entire asset life cycle: construction, remodelling, materials and operation. Covivio is also targeting a net zero carbon contribution from 2030 onwards for scopes 1 and 2.

In pursuing these goals, Covivio continues to increase the share of certified portfolio. At the end of 2021, 91% of Covivio's portfolio is covered by HQE, BREEAM, LEED or equivalent certification, for operation and/or construction. Close to its target of 100%, Covivio is now aiming to improve the levels of certification obtained. The Group is also working on aligning its assets with the green criteria of the EU taxonomy.

#### Greening the portfolio



## Acceleration on the alignment of financing policy with ESG goals

In line with its enhanced environmental goals, the Group has decided to raise the standards of its Sustainable Bond Framework by launching the conversion of all regular bond tranches issued by Covivio into Green Bonds.

Under the new Sustainable Bond Framework, which will gradually phase in EU taxonomy criteria and whose alignment with the Green Bond Principles and Sustainability-Linked Bond Principles published by the International Capital Market Association has been confirmed by Moody's ESG ([link to the reports](#)), eligible assets must:

- hold minimum HQE Excellent, BREEAM Excellent ("Very Good" in the case of assets already delivered), LEED or DGNB Gold certification;
- be located less than 500 m from a public transport;
- provide environmental annexes or clauses on leases in France and new leases in Italy and Germany.

Office assets worth €4.7 billion are already eligible for the Framework<sup>1</sup>. The Group plans to increase the eligible share of its assets mainly by continuously improving portfolio quality with a focus on redevelopment and improvements in existing portfolio buildings such as Monceau and Anjou in Paris. These projects are now also covered by the Sustainable Bond Framework.

Besides issuing Green Bonds in order to align its financing policy with the environmental quality of its buildings, Covivio will also be able to issue Sustainability-Linked Bonds (SLB) under the new Framework. SLBs have the characteristic of offering investors an interest rate linked to the achievement of environmental objectives. In line with its strategy, Covivio has selected its greenhouse gas reduction targets as approved by the Science Based Targets initiative<sup>2</sup>.

Moody's ESG *Second Party Opinion* recognises the consistency of the Sustainable Bond Framework with Covivio's CSR strategy and objectives, and gives a "Robust" rating to the contribution, expected impacts and CSR risk management of the Green Bonds Framework. Covivio's key performance indicators and carbon footprint reduction targets are rated "Advanced" (best grade), as is Covivio's overall CSR performance. On the carbon trajectory, Moody's stresses that Covivio's targets are more ambitious than those of peers.

As part of the rollout of the new Framework, Covivio seeks the approval of the holders of bonds maturing in October 2024, June 2027, February 2028 and June 2030 (€1.7bn) to have their bonds reclassified as Green Bonds. The first general meeting of bondholders will be held on 20<sup>th</sup> June 2022. Furthermore, existing Green Bonds issued in 2016, 2019 and 2021 (€1.1bn) will henceforth be governed by the more stringent criteria of the new Framework.

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<sup>1</sup> Assets in operation and committed development projects at end March 2022. Net of dedicated financing, the value amounts to €4.0bn.

<sup>2</sup> [Companies taking action - Science Based Targets](#)

**COVIVIO**  
**PRESS RELEASE**

The reclassification of outstanding bonds as Green Bonds will have no impact on the other bond characteristics such as terms and conditions, coupon and maturity.

If the bondholders vote in favour of the change, **Covivio's balance sheet will include nearly €3 billion of green debt.**

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 **ABOUT COVIVIO**

Thanks to its partnering history, its real estate expertise and its European culture, Covivio is inventing today's user experience and designing tomorrow's city.

A preferred real estate player at the European level, Covivio is close to its end users, capturing their aspirations, combining work, travel, living, and co-inventing vibrant spaces.

A benchmark in the European real estate market with €27 billion in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation, and responsible performance.

Build sustainable relationships and well-being, is the Covivio's Purpose who expresses its role as a responsible real estate operator to all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities but also to future generations and the planet. Furthermore, its living, dynamic approach opens up exciting project and career prospects for its teams.

Covivio's shares are listed in the Euronext Paris A compartment (FR0000064578 - COV) and on the MTA market (Mercato Telematico Azionario) of the Milan stock exchange, are admitted to trading on the SRD, and are included in the composition of the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the "EPRA" and "GPR 250" benchmark European real estate indices, EPRA BPRs Gold Awards (financial + extra-financial), CDP (A-), 5 Star GRESB and in the ESG FTSE4 Good, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, ISS ESG, Ethibel and Gaïa ethical indices.

**Notations solicited:**

Financial part: BBB+/Stable outlook by Standard and Poor's

Extra-financial part: A1+ by Vigeo-Eiris