

COVIVIO

Covivio

Green Bond Framework



Introduction

Covivio is a leading European real estate investment company that focuses on developing and managing green buildings across European capital cities. Covivio holds EUR 23bn of assets centred in major European cities, in particular around Paris, Berlin and Milan. Being the fourth largest REIT in Europe, Covivio has undertaken the responsibility and commitment to provide environmental certifications for 100% of the core office portfolio (new and refurbished buildings) by the end of 2025.

Sustainable development and innovation are at the heart of Covivio's economic model. In connection, Covivio has identified eight major United Nation Sustainable Development Goals, taking into account the company's issues, impacts and stakeholders:



Covivio has developed a comprehensive European strategy for Sustainable Development, which encompasses:

Update the portfolio to include changes that affect sustainable buildings, building use and health

- Commitment: promote responsible, energetically, environmentally and socially efficient real estate that creates long-term value for the Company and the community.

Build a smarter, more inclusive and sustainable city

- Commitment: encourage eco-responsible practices and innovation in transport, biodiversity and waste, and take part in sharing knowledge alongside local stakeholders

Develop, diversify and retain our human capital

- Commitment: enhance employees' skills through innovative policies and encourage their mobility, diversity and ability to adapt to change

Guarantee ethical practices

- Commitment: guarantee an ethical and transparent framework that ensures exemplary practices at all levels of the Company.

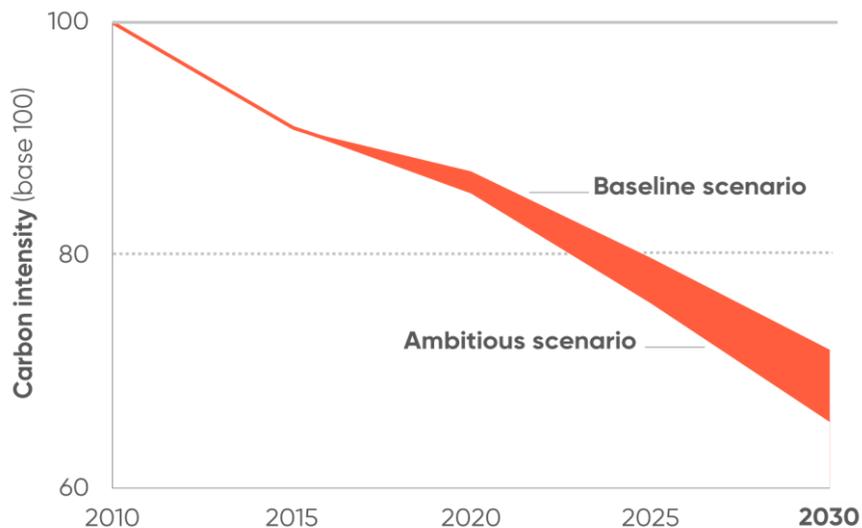
Covivio is optimising energy performance and reducing CO₂ emissions by increasing awareness of the various agents in the chain at every phase in the property's life cycle: development, management, and renovation. The company has an eco-construction approach, which concentrates on building a more resilient and more inclusive city by working to combat climate change, urban sprawl, favouring the circular economy and placing people at the centre of every project. In connection, Covivio's office space includes innovative flexible co-working

spaces, which provide a sense of community, and services that accommodate Micro-Small-Medium Sized Enterprises (MSMEs) and start-ups.

As a signatory of the Paris Climate Action Charter, Covivio has shown leadership and commitment to the 2°C target of the Paris Agreement by 2030, by building carbon trajectory models, based on construction, refurbishment and operation, in order to set a clear pathway towards meeting the objective. 2030 Covivio’s carbon trajectory was created with the French Scientific and Technical Centre for the Construction Industry (CSTB) and was approved by Science-Based Targets (SBT) initiative in 2018.

These works led to the definition of an ambitious commitment in the reduction of GHG emissions by square meter directly managed by Covivio (Scopes 1 + 2), by 35% in 2030 compared with 2017. On a perimeter widened to the construction, exploitation and the end of life of the whole Group’s portfolio in Europe, included takers’ energy consumption (Scopes 1, 2, 3), Covivio also commits to reduce its GHG emissions by square meter by 34% in 2030 compared with 2010.

2030 Trajectory of the average carbon footprint of a sqm
(construction + restructuration + exploitation) (Synthesis of Covivio’s activities in Europe)



Reduction in energy consumption and CO₂ Emissions

Country	Offices with HQE / BREEAM / LEED certification	Energy consumed	CO ₂ Emissions (kgCO ₂ e/m ²)	Base year	Target offices with HQE / BREEAM / LEED certification	Target year
France	84%	-32%	-39%	2008	100%	2020
Italy	67%	-58%	-82%	2015	80%	2022

Beyond Carbon, Covivio focuses on all aspects of the environmental performance of the buildings:

- Water: the water footprint is reduced through systemic use of water-saving systems and by closely monitoring consumption.
 - Target of maintaining average water consumption at under 1 m³/m²/year for its France & Italy Offices operating assets.
- Transport and accessibility: reducing the carbon footprint also involves choosing sites, which encourage the use of public and environmentally-friendly modes of transport.
 - Target at least 90% of office assets to be located within a 10-minute walk (1 km) of public transport link (99% as at 31 December 2018 for offices in France and Italy).
- Waste:
 - 100% of assets owned by Covivio as at 31 December 2018 benefit from selective collection.

Covivio implements a rigorous ESG screening system at each stage of the life cycle of the assets, incorporating biodiversity as well as broader environmental safety, and health considerations, namely limiting noise pollution, improving indoor air quality, avoiding urban sprawl, adapting to the consequences of climate change, and controlling health and climate risks, each defined by a comprehensive set of criteria

Covivio's on-going commitment to sustainability and environmental best practices has been recognised by the French Ministry for Ecological and Solidarity Transition, which awarded the company for the best environmental non-financial declaration of performance in 2018.

Use of proceeds:

An amount equal to the net proceeds from the issuance of the Green bonds will be used to finance or refinance, in part or in full, **Eligible Green Projects**, as defined below.

Eligible Green Projects

Eligible Green Buildings refer to office assets located in the European Union, including (i) new or on-going projects;(ii) existing assets under management by Covivio, which meet each following criteria :

1) Recent Green buildings

Eligible projects are either on-going development or in use and delivered since a maximum of 3 years. For each new project, a forecast date of delivery is communicated.

2) Minimum building certification:

Eligible projects should have received, or are expected to receive a minimum certification of HQE “Très bon” (very good), or BREEAM “Very good”, or LEED “Gold” (renovation, construction, or in-use) or any equivalent standard.

3) Energy Efficiency:

Eligible projects should achieve a high level of energy efficiency (HQE target n°4 with “HE” or “E” score, or equivalent standard).

4) Accessibility to public transportation:

Eligible projects should offer a good accessibility (located within a 10-minute walk of public transportation networks)

5) Tenants relationships:

Eligible projects should have signed green annexes (in France) or memorandum of understanding (in Italy) for new leases on the assets financed (sharing best practices with tenants)

Process for Project Evaluation and Selection

Covivio has already set up a dedicated Management Committee which engages in Corporate, Social and Responsible (CSR) Performance. Management Committee members are responsible for approving all investments and dispositions who value exceeds EUR 5mn. Selected representatives from their particular area of responsibility work in coordination with the Sustainable Development Department to implement CSR objectives, which represent the first step for the process for project evaluation and selection.

These CSR objectives encompass strong environmental and social criteria, such as

- the reduction in environmental footprint (water, waste, installation of a building management system) and
- the social and territorial responsibility (health and safety, socio-economic impact, accessibility for people with reduced mobility...)

The second step for the process for project evaluation and selection consists in identifying the Eligible Green Projects and is carried out by the Green Bond Committee (“GBC”), a cross-departmental committee set up by Covivio. The GBC is expected to be comprised of members from the following members/teams/departments:

- Sustainable Development Director
- Chief Financial Officer
- CEO Italy
- Operations Director France
- Head of Development France
- Head of Asset Management Italy
- Head of Development Italy

The GBC’s role will be to:

1. Review, select and validate the pool of Eligible Green Projects, based on the Green Bond Framework;
2. Validate annual reporting for investors;
3. Monitoring the on-going evolution related to the Sustainable Capital Markets in terms of disclosure/reporting in order to be in-line with market best practices; and
4. Review the Framework to reflect any changes with regards to the Company’s sustainability strategies and initiatives, and any change in their third party validator of social and environmental criteria for Green buildings

Management of Proceeds

The net proceeds from Covivio's Green bonds will be deposited in the general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects as selected by the GBC. The process will be in accordance with Covivio's Green Bond Framework.

All relevant information regarding the issuance of Green bonds and Projects (re)financed will be monitored and kept in its reporting systems. The balance of the tracked proceeds should be periodically adjusted annually, in order to match allocations to Eligible Green Projects (re)financed during this period. Net proceeds can refinance Eligible Green projects delivered up to 3 years before the issuance of a Green bond.

Covivio will use its best efforts to substitute any divested assets or assets that are no longer eligible, as soon as practical once an appropriate substitution option has been identified.

The payment of principal and interest on any bond issued by Covivio under the Framework will be made from its general funds and will not be linked to the performance of any Eligible Green Project.

Unallocated Proceeds

Pending the allocation or reallocation, as the case may be, of the net proceeds, Covivio will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalents and/or other liquid marketable instruments, as per the Company's treasury policy.

Reporting

Covivio is committed to be as transparent as possible and has published a Sustainable Development Report annually since 2011, which includes the company's Green Bond report (also included in Covivio's annual Reference Document). The issuer will report on the allocation of net proceeds and associated impact metrics within one year from the issuance of the Green bond and annually thereafter until the proceeds have been fully allocated, and as necessary in the event of material development.

Allocation Reporting

- The list of Eligible Green Projects (re)financed;
- The proportion of net proceeds used for financing versus refinancing; and,
- The balance of any unallocated proceeds invested in cash and/or cash equivalents.

Indicators in the Green bond report have been selected based on GRI Standards. For confidentiality reasons consumption details are only disclosed on a portfolio level.

Impact reporting - Portfolio impact metrics include, but are not limited to:

Portfolio reporting metric
Coverage of reporting scope (m ² GIA)
Coverage of reporting scope (number of properties)
Total energy consumption (kWhfe)
Energy intensity (kWhfe/m ² GIA/year)
Total emissions (tCO ₂ e/year)
Carbon intensity (kgCO ₂ e/m ² GIA/year)
Total water consumption (m ³)
Water intensity (m ³ /m ² GIA/year)
Distance to public transportation (share of properties located at less than 10 minutes by walk from public transportation)

Individual project impact metrics include, but are not limited to:

Individual project reporting metric
Total green floor area in m ²
HQE certification : V1 profile : score out of 14 ; or V2 profile : “Très bon” (very good) at minimum
Energy efficiency level : HQE target No 4 noted “E” or “HE” or equivalent standard
BREEAM certification level (Outstanding, Excellent or Very good)
LEED certification level (Gold or Platinum)

External Review

The allocation of Green Bond proceeds, adherence to asset selection criteria, and environmental metrics will be reviewed by EY (Ernst & Young or any other third-party appointed by Covivio as a successor to EY), and the auditors’ report will be made available on Covivio’s website [<https://www.covivio.eu/en/finance/financial-strategy/bond>]. In compliance with the law and the applicable decrees regarding the transparency of companies’ extra-financial information, Covivio’s Sustainable Development report is verified by a third-party independent organization.

This framework is submitted to a Second-Party Opinion (SPO) from Vigeo Eiris (or any other Second-Party Opinion provider).



CONTACTS

Press Relations

Géraldine Lemoine

[Tel : + 33 \(0\)1 58 97 51 00](tel:+330158975100)

geraldine.lemoine@covivio.fr

Investor Relations

Paul Arkwright

[Tel : + 33 \(0\)1 58 97 51 85](tel:+330158975185)

paul.arkwright@covivio.fr

Laetitia Baudon

Tel : + 33 (0)1 44 50 58 79

laetitia.baudon@shan.fr



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 23 Bn€ in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.

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 + Sustainability), CDP (A), Green 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, Oekom, Ethibel, Sustainalytics and Gaïa ethical indices. Covivio is rated BBB/Positive outlook by Standard and Poor's.