

Turn each site into a biodiversity driver

In May 2019, a group of international biodiversity experts (IPBES⁽²⁾), made a stark statement: "Nature is declining globally at rates unprecedented in human history – and the rate of species extinctions is accelerating". Around 1 million animal and plant species are now threatened with extinction, "many within decades". Researchers warn that the sixth mass extinction is under way.

For the past 10 years, Covivio has included the protection of biodiversity as a major qualitative aspect of its portfolio strategy, by ensuring that each of the sites built, managed or renovated by it constitutes a biodiversity lever. Covivio's commitment has been expressed in its signing of the "Objectifs 100 hectares" of green walls and terraces charter and in 2013 and 2018 of the "Paris Action Climat" charter. This commitment continues to be asserted in the Group's Purpose manifesto, which provides for the inclusion of green spaces (including gardens, green walls and terraces) in Covivio's new projects.

MAKING BIODIVERSITY A MAJOR ASPECT OF THE GROUP'S PURPOSE

Biodiversity may be defined as "all interacting living things, including micro-organisms and services provided by ecosystems". Biodiversity is the foundation of life and carries major global challenges. It poses a challenge in the construction and management of buildings, as well as on the sites where raw materials are extracted and in the manufacturing sites of the materials and equipment used in buildings.

Although its property portfolio is mainly located in urban areas, Covivio has a direct and indirect impact on biodiversity. The development of real estate remains one of the most significant sectors contributing to the loss of biodiversity. At each phase of a building's life cycle, from the extraction of raw materials to demolition operations, this sector plays a role of some kind in the five major causes of the erosion of biodiversity identified by the Convention on Biological Diversity (CBD): overexploitation of natural resources; destruction/disturbance of species and natural habitats and the fragmentation of habitats; pollution; introduction and spread of invasive exotic species; climate change.

On this observation, Covivio's biodiversity policy covers six areas:

- eco-design of developments and renovations by taking biodiversity into account before the start of a project: eco-friendly corridors, stakeholders' expectations taken into consideration and materials chosen so as to promote a circular economy
- creation of green terraces in urban environments that contribute to mitigating the urban heat island effect
- planting of native plant species to limit the need for watering and preserve the local fauna
- environmentally-responsible management of green spaces: modifying lawn-maintenance schedules, striving to limit the use of plant protection products, etc.
- enhancing the functions of green spaces for building users
- participating in research and innovation.

To ensure that biodiversity-related issues are taken into account, two internal charters dating back to 2014 were updated in 2019:

- a charter governing the creation of green spaces – for projects involving the development or total renovation of green spaces – and promoting compliance with labels such as BiodiverCity®
- a charter governing the management of green spaces – for projects in operation – and making it easier to obtain a label such as BiodiverCity Life®, Eve® or EcoJardin.

Of the four buildings covered by the Green Bond issue of September 2019, three aim to obtain the BiodiverCity® label, including The Sign – a first in Italy.

A total of 230,000 m² of Covivio office space under development or already delivered will have a BiodiverCity® or Eco-jardin label.

In order to push the implementation of this policy even further, Covivio has commissioned a European study to characterise its potential impacts on biodiversity. The results of this study are presented below, with reference to GRI indicators.

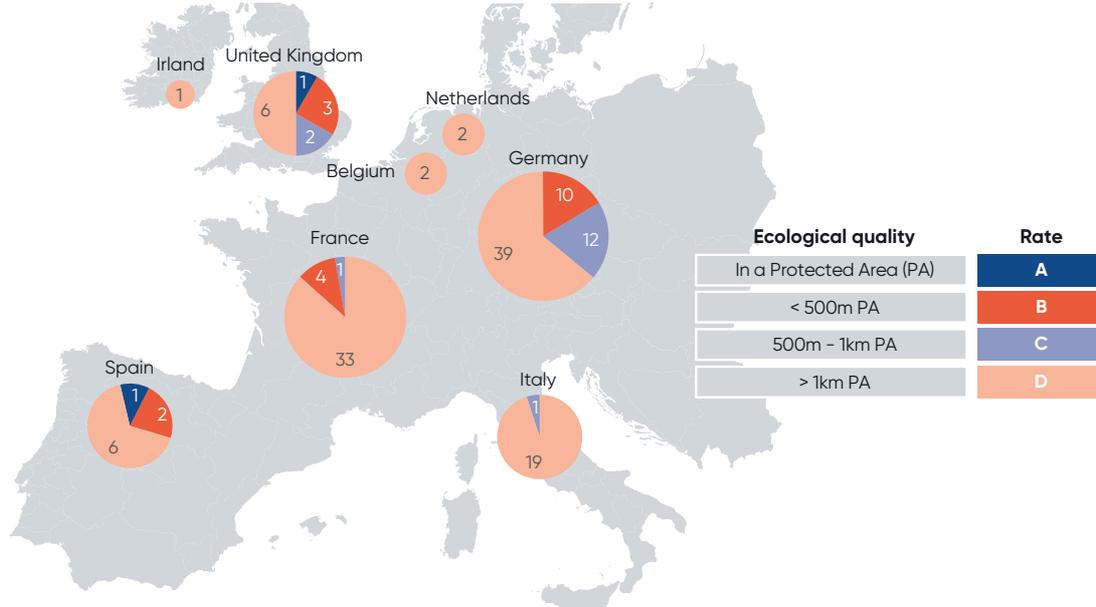
(2) IPBES: Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

EUROPEAN MAPPING OF THE IMPACTS

At the end of 2017, Covivio carried out a mapping exercise, updated in early 2020, of its building construction and operation activities to measure its indirect impacts on:

- Biodiversity: use of space, destruction and fragmentation of natural habitats, "artificialisation" of environments, soil sealing, and impacts on rainwater infiltration
- "Ex situ biodiversity" i.e. the effect of the extraction of raw materials and the manufacture and use of construction materials on biodiversity.

■ Mapping of Covivio sites in or adjacent to protected areas



AN ANALYSIS BASED ON GRI STANDARDS INDICATORS

Covivio's real estate portfolio has changed since it was first mapped in 2017. In 2020, Covivio therefore commissioned a third party, Gondwana, to update this mapping in compliance with the Standards of the Global Reporting Initiative (GRI), based on a sample of 144 sites owned by the Group in Europe. These include:

- 44 directly managed office buildings (multi-let) – 24 in France and 20 in Italy
- the 50 largest assets in a representative sample of residential assets located in Germany
- the 50 largest assets in the European hotels portfolio (Germany, Belgium, Spain, France, Ireland, the Netherlands and the UK).

Four performance indicators for biodiversity were analysed and are presented below. The study fed into a comprehensive report summarizing the results, as well as factsheets for sites located less than 250 metres away from a protected area.

Operational sites held, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value (Disclosure GRI 304-1)

- This indicator aims to describe the location and size of the land owned, leased or managed by the organisations in, or adjacent to, protected areas and areas of high biodiversity value.
- The study was conducted with the help of *Système d'Informations Géographiques (SIG)* on the 144 sites described above. All protected areas (Natura 2000 and biotope protection orders) and areas of high biodiversity value (ZNIEFF type I and II) were taken into account and identified within radii of 0.5, 1, 2 and 5 km of the sites concerned.
- The result showed that 75% of the sites were located more than one kilometre away from an area of interest, 11% were in a "potentially sensitive" area within a radius of 0.5 to 1 km of a protected area, and 12.5% were in a "sensitive" area less than 500 metres from a protected area or one with ecological value. Two assets (i.e. less than 1.5% of the assets covered by the study), in Spain and the UK, are located in areas of ecological interest, as defined by the GRI Standards (see below). The first site, in Spain, had already been identified in 2017 as located in a protected area and had undergone an ecological study.
- Given the nature of the activities carried out on these sites and the layout of the landscaped areas, the impact of so-called "sensitive" sites can be considered low in these areas of ecological interest.

Conclusion: on the 304-3 criterion, Covivio's activity can be considered "Effective".

*Description of the impact of activities on biodiversity
(Disclosure GRI 304-2)*

- This indicator covers the direct and indirect impacts on biodiversity caused by Covivio's activities.
- The analysis of the Company's complete real estate portfolio value chain showed that Covivio's activities have an effect on the five major causes of the erosion of biodiversity.
- Upstream of a building's value chain, construction materials can have impacts on biodiversity ("ex situ biodiversity") through the extraction of raw materials and the production and use of materials. The operating impacts mainly relate to the design and management of the buildings and green areas.
- Covivio has implemented a number of initiatives aimed at reducing the severity of these impacts (p. 58).

Conclusion: on the 304-2 criterion, the activity of Covivio can be considered "Effective".

Protected or Restored Habitats (Disclosure GRI 304-3)

- This indicator is used to measure the surface area and location of protected or restored habitats on sites influenced by the Company's activities.
- Out of the 144 sites analysed, two are located within a protected area:

The first site is a hotel in Spain. The entire right-of-way of the hotel is located within a protected area. The protected area was designated to halt the disappearance and degradation of wetlands. Given the location of the hotel in an urban environment and the nature of the activities, the asset's impact on the protected habitats can be categorised as low. An ecological diagnostic of the site was also carried out following the first mapping in 2017.

The second site – a hotel in the UK – is located within an "Area of outstanding natural beauty". In the British isles, these are areas recognised for the beauty of their landscapes and protected through specific measures. Given the surface areas of the hotel's green spaces and the nature of the activities performed there, the impact of the site on protected habitats can be considered as low.

- In Germany, the teams work with the Leipzig association for the conservation of nature (NABU – *Naturschutzbund Deutschland* e.V) to install artificial nests for swallows at the residential Mannheimer Straße complex.
- The landscaping of the gardens and planted terraces of the Carré Suffren building in Paris, in consultation with an ecologist, obtained BiodiverCity® accreditation – a first in 2016 for an operating property. Moreover, three of the four buildings in the portfolio covered by the Green Bond issue of September 2019 will aim for the BiodiverCity® label, including The Sign in Italy (p. 70). The Vitae project – winner of the Re-inventing Cities competition – plans to have a vineyard on its rooftop and should also obtain this label.

Conclusion: on the 304-3 criterion, Covivio's activities can be considered to be "Effective" to "Very effective".



JEAN-FRANÇOIS NOBLET
CO-PRESIDENT – ASSOCIATION LE PIC VERT



In France, for several years now, Covivio has been participating in the environmental restoration of an old quarry in the Plaine de Bièvre nature reserve (Department 38) alongside the nature protection association "Le Pic Vert", as the 117-hectare site is on one of the main flyways for migratory birds in south-eastern France. Actions undertaken include the setting up of bird hides for observation, the creation of bodies of water to house wildlife and encourage the presence of newts (amphibians that are endangered in the region), and the construction of a nesting facility for sand martins (the first of its kind in France). Today, thanks to the efforts made, the biodiversity reserve boasts numerous species of birds (128), mammals (23), amphibian reptiles (14), butterflies (17) and dragonflies (8).



Impact of sites on species appearing on the IUCN's Red Lists (Disclosure GRI 304-4)

- This indicator assesses, by level of the risk of extinction, the total number of threatened species on the IUCN Red List and its national equivalent and whose habitats are in areas affected by Covivio's activities.
- No animal or plant species on the IUCN Red Lists have been observed on the sites subjected to ecological diagnostic tests or environmental inventories. This impact can therefore be considered nil.

Conclusion: on the 304-4 criterion, the activity of Covivio can be considered "Very effective".