

**COVIVIO**

**SUSTAINABLE  
PERFORMANCE  
REPORT**

2020 EDITION



# CONSOLIDATED STATEMENT OF EXTRA-FINANCIAL PERFORMANCE

Each year, Chapter 2 of the Covivio Universal Registration Document (URD) reflects the company's sustainable development strategy. This chapter is part of the Statement of Non-Financial (or extra-financial) Performance (SNFP) of the Covivio group for the year 2020 and presents all the information required by Articles L. 225-102-1, R. 225-104, R. 225-105, R. 225-105-1 and R. 223-105-2 of the French Commercial Code. This SNFP was prepared with support from the Group's functional and operational departments. It is shared by the Executive Committee and then by the Board of Directors, which is particularly attentive to the social and environmental issues related to the company's business and Covivio's Purpose. Unless otherwise specified, the data presented in the SNFP is provided on a current basis. The reporting scope and methodology for the information in this chapter are presented in Section 2.71.

Chapter 2 also explains how Covivio's low-carbon strategy and objectives and initiatives align with the goal of limiting global warming to 2°C as enshrined in the Paris Agreement of December 2015. In particular, it presents energy consumption and CO<sub>2</sub> emissions related to building use corrected for climate conditions. Every year, Covivio presents an accurate report on greenhouse gas emissions for each activity, by describing the challenges associated with climate, in compliance with the provisions of Article 173 of the Energy Transition and Green Growth Act and its Decree of 29 December 2015. Covivio includes the recommendations made by the group of climate experts that make up the Task Force on Climate-related Financial Disclosures (TCFD).

## A GLOBAL REPORTING

**For many years, Covivio publishes different types of documents, which offer complete information, subject to verification by independent third parties. These documents are available on the company's website ([covivio.eu/en](http://covivio.eu/en)), and are completed with press releases: quarterly results publications, occasional information, etc.**

Since 2017, this reporting has been aligned to the 17 Sustainable Development Goals (SDGs) defined by the United Nations. It contains information on how the company takes the social and environmental consequences of its activity into account, as well as an analysis of the consequences of this activity on climate change.

The financial risks inherent in the effects of climate change seem limited in the short term. However, since 2017, Covivio has conducted various specific and more in-depth evaluations to this subject. The action already taken, in coordination with key tenants, associations, initiatives (IFPEB, Sekoya, etc.), and organisations such as the Building Scientific and Technical Centre (CSTB) or MSCI, aims to control these risks.

In accordance with the GRI Standards framework, the SASB<sup>(1)</sup> framework and the EPRA 2017 Best Practices Recommendations on Sustainability Reporting, two reporting controls are carried out by an independent third party (2.8): the first relating to Green Bonds issued in 2016 and 2019 and the second relating to other aspects addressed in Chapter 2.

This information is also contained in Covivio's Annual Report on Sustainable Performance ([www.Covivio.eu/fr](http://www.Covivio.eu/fr)).

<sup>(1)</sup> Sustainability Accounting Standards Board.

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# ● SUSTAINABLE DEVELOPMENT ●

## AT COVIVIO – KEY DATES

	2008	<ul style="list-style-type: none"> <li>• Delivery of DS Campus, first development project and first asset certified HQE</li> <li>• Adoption of the Afeq-Medef Code as a corporate governance framework</li> </ul>
03/08 Grenelle I Law	2009	<ul style="list-style-type: none"> <li>• Environmental and energy mapping of the portfolio</li> <li>• Definition of the Sustainable Development strategy</li> <li>• Launch of the Passerelle programme in relation with Sciences Po</li> </ul>
12/07 Grenelle II Law	2010	<ul style="list-style-type: none"> <li>• Signing of the first environmental annexes</li> <li>• Realisation of the Life Cycle Analysis (LCA)</li> <li>• Signing of the Diversity Charter</li> <li>• First SD Report, in addition to the CSR chapter</li> </ul>
31/12 Decree on environmental annexe	2011	<ul style="list-style-type: none"> <li>• New Governance form, creation of a Board of Directors</li> <li>• Covivio selected for the first time in the FTSE4Good index</li> <li>• Signing of the UN Global Compact</li> <li>• Signing of the HQE Performance Charter</li> <li>• Definition, then launch of the Responsible Purchasing Charter</li> </ul>
24/04 Decree on CSR transparency	2012	<ul style="list-style-type: none"> <li>• The 2011 SD Report obtain the level GRI B+</li> <li>• Tie first place in the Novethic Barometer</li> <li>• 1<sup>st</sup> COP in-line on the UN Global Compact website</li> <li>• Implementation of the Responsible Purchasing Policy: 107 suppliers rated at the end of 2012</li> </ul>
Charter for energy efficiency of the tertiary buildings	2013	<ul style="list-style-type: none"> <li>• Covivio is selected in the DJSI and 4 Vigeo indexes</li> <li>• First LCA on a Covivio Hotels development project: B&amp;B Porte des Lilas</li> <li>• First LCA on an office development project: Paris Steel</li> <li>• Delivery of the first "green" hotel for Covivio Hotels: B&amp;B Porte des Lilas</li> <li>• Signing of the Charter for energy efficiency of the tertiary buildings</li> <li>• 7 first assets certified under BREEAM In-Use</li> </ul>
22/10 EU CSR transparency Directive	2014	<ul style="list-style-type: none"> <li>• Writing of two technical specifications on biodiversity</li> <li>• Covivio received the GBC France prize, category "Stakeholders"</li> <li>• The 2013 SD Report is awarded by an EPPA Gold</li> </ul>
22/07 French Law on the energy	2015	<ul style="list-style-type: none"> <li>• Responsible Purchasing: White Paper and signing of the Sustainable Suppliers' Relations Charter</li> <li>• Realisation of the study "Buildings and culture"</li> </ul>
12/12 Paris Agreement		<ul style="list-style-type: none"> <li>• Carré Suffren, first asset in use to obtain the BiodiverCity Label</li> <li>• Covivio, lone French REIT on the Carbon Disclosure Project "A-List"</li> <li>• First cost-shared study about the immaterial value with Goodwill</li> </ul>
	2016	<ul style="list-style-type: none"> <li>• Covivio receives the "Best COP" Award from the Global Compact France (category &lt;500 employees)</li> <li>• Success of the first "Green Bond"</li> <li>• Circular economy: work in relation with the University La Sorbonne, first "Cradle-to-Cradle" study</li> <li>• Cube 2020 Award (energy efficiency – Carré Suffren)</li> </ul>
19/07 Ordinance		<ul style="list-style-type: none"> <li>• Implementation of the reporting on the "Green Bond" portfolio</li> <li>• Technical specifications on Building Management systems</li> <li>• Consideration of a monitoring device for energy and water consumptions</li> <li>• Writing of the "Mobility Plan"</li> </ul>
09/08 Decree on CSR transparency	2017	
Statement of Non-Financial Performance made mandatory		<ul style="list-style-type: none"> <li>• Finalisation of the 2<sup>o</sup>C trajectory approved by the SBT initiative 6 months later. CDP: Climate A-List</li> <li>• Update of the Sustainable Purchasing policy tools: charter, questionnaire...</li> <li>• 2018 General Meeting Grand Prix - "Jury Prize" for the CSR component</li> <li>• Realisation of a CSR risk mapping at the Group level</li> <li>• "Best Statement of non-financial performance, environmental component" / PEE-Pollutec 2018</li> </ul>
22/05 Implementation of the PACTE law	2019	<ul style="list-style-type: none"> <li>• Covivio expresses its Purpose: Build sustainable relationships and well-being</li> <li>• Vigeo-Eiris Sustainability Rating: A1+ and Sector Leader</li> <li>• Success of the second €500 M Green Bond emission in September</li> <li>• Launching of the supervision platform on the managed portfolio</li> <li>• Obtention of the HQE Exploitation certification on the whole German residential portfolio</li> </ul>
23/07 Tertiary Decree		
09/03 Report on the EU green taxonomy	2020	<ul style="list-style-type: none"> <li>• Creation of 2 monitoring tools for the carbon trajectory + 1 European LCA specifications</li> <li>• Creation of a European risks mapping of procurement</li> </ul>
10/04 "Method" order related to the tertiary decree		<ul style="list-style-type: none"> <li>• GRESB: Covivio obtains the status Global «Sector Leader», in the category Diversified Offices/Residential – listed companies».</li> <li>• Organisation of the European Air Quality Challenge, in partnership with EDF</li> <li>• Drafting of the European tertiary specifications summarising Covivio CSR standards</li> <li>• Resilience: Mapping on the European office park (France, Germany, Italy)</li> <li>• Anticipation of the implementation of the tertiary decree and European taxonomy</li> </ul>



## EDITORIAL BY THE CHIEF

### EXECUTIVE OFFICER



## CSR, A LEVER FOR RESILIENCE IN THE FACE OF THE HEALTH AND ECONOMIC CRISIS

2020 will go down as the year of an international health crisis of unprecedented magnitude, with considerable social and economic consequences for several months and for a period that no one can determine. It is still too early to quantify the changes that this crisis will cause to our lifestyles and our businesses. For some, this shock is only a foretaste of the greater upheavals that our civilization will encounter due to climate change. Even if these two shocks are different, in practice, they have consequences that impact simultaneously and in an interlinked manner, the economy, society, the environment and public health.

Placing the health and safety of its customers, employees and suppliers at the centre of its concerns, Covivio has endeavoured to deploy best practices both internally and externally from the start of the epidemic. In order to ensure the safety of its customers' workplaces, Covivio has implemented a rigorous health protocol in its offices, supplemented by audits, which has resulted in a certification developed with Bureau Veritas, as part of the Covivio CARE program. In addition, in view of the urgency of the situation, Covivio has made several of its hotels available to serve as emergency accommodation, in particular to accommodate caregivers. As we started to come out of the crisis and as soon as its franchised hotels reopened, Covivio offered, among other initiatives, nearly 2,000 free overnight stays to hospital caregivers in Metz, the historical cradle of the company and a region particularly affected by the crisis.

This health crisis, which quickly became an economic and social crisis, once again confirmed the resilience of the Covivio model and the relevance of our CSR policy. This was enriched at the end of 2019 with the expression of our Purpose: "Building well-being and lasting ties". Covivio, as a responsible property developer and owner, with all its stakeholders, is devoted to this purpose, as well as to a number of commitments and concrete objectives expressed in a charter published on the company's website. In 2020, Covivio created a Corporate Foundation to bring together all of our initiatives promoting equal opportunities and environmental protection. In addition, in order to monitor, challenge and renew the commitments associated with our Purpose, Covivio has also decided to create a Stakeholders' Committee, bringing together customers, suppliers and partners, local authorities, urban planners, sociologists, etc. Each year, this Committee will make public the conclusions of its work.

The following pages provide an overview of the extensive work carried out by our Group in the area of sustainability over the past year, covering many of the United Nations 17 Sustainable Development Goals (SDGs) to be achieved by 2030: low-carbon construction and low energy consumption, health and safety, biodiversity, resilience, digital transition, circular economy, green finance, local roots and culture, ethics and transparency, our actions consistently cover all aspects of sustainable development, and help the Group progress every year in each of these challenges. These actions embody the values of our Group and are at the heart of our business model and our asset management policy, which they help to develop. At the end of 2020, 88% of our buildings were green, that is to say certified HQE, BREEAM, LEED etc. with performance levels still improving across all our portfolios.

This year, we conducted several studies on climate change and resilience, including an analysis of the portfolios based on IPCC criteria, as well as initial mapping focused on our European office assets portfolio, thus enriching our TCFD (Task Force on Climate-related Financial Disclosures) reporting. In 2020, we also created a map of the risks related to purchases and three European specifications: one concerning the CSR standards of our buildings, another one on life cycle analyses (LCA) in order to make them more comparable from one country and one product to another, and a third dedicated to BIM: work that will provide further structure to the ambitions of our projects and facilitate the achievement of our objectives in these areas.

The participation in initiatives concerning carbon and the circular economy, such as the "Low-carbon specifiers hub" and Sekoya, or the organisation of the "Air Quality challenge" in Europe, in partnership EDF; these are some of the examples showing the achievements made jointly with our stakeholders. It is the sum of these actions and the results obtained that reinforce the solidity and relevance of our sustainable development policy. This was once again praised this year by extra-financial rating agencies, with ratings still rising.

Covivio obtains the status of "Sector Leader" World from GRESB, in the category "Diversified portfolio of Offices/Residential - listed companies"; Vigeo-Eiris gives Covivio the highest rating of A1+ in the framework of its requested rating, thus ranking first among real estate operators and the fifth worldwide, all sectors combined. Similarly, the ratings obtained from MSCI (AA), ISS-ESG (top 5% worldwide), DJSI Europe and World (top 4%), EcoVadis (top 1% worldwide), and the A- rating awarded by the CDP for our policy and our results in terms of carbon, confirms Covivio's position among the world benchmark groups in terms of CSR.

In addition to these excellent results, we must face new challenges such as the acceleration of teleworking and the development of the use of shared office space (hot desking/desk sharing) or the development of demand for more flexible formulas in office rental. Our response is based in particular on our global approach, including our Wellio proworking offer, which enables us to offer tailored and flexible solutions to these new challenges. They will not distract us from our CSR concerns, on the contrary, since they are one of the keys to the response. More than ever, the fight against climate change, the ecological and digital transition and the fight against inequalities are major and structural challenges for a responsible player like Covivio.

It is in this context, involving uncertainties and major challenges, but also exciting projects, that Covivio is approaching the new decade, with renewed enthusiasm and ambition. It is essential that this decade be one which sees the advent of a circular and low-carbon economy, a sustainable and more responsible city, and more resilient and inclusive regions. Covivio, through its activity, its will and its history, is at the heart of these transformations!

**Christophe Kullmann**  
Chief Executive Officer

## ● PURPOSE ●

### Covivio expresses its Purpose

For more than 20 years, Covivio has been helping to shape major European cities, designing Offices, hotels and housing for its customers.

By adopting its new identity in 2018, Covivio stated its ambition to get even closer to its end users and create living spaces for them to work, travel and live.

Today, the Board of Directors and the Covivio teams have decided to go further and express how we intend to contribute, by involving all our stakeholders, to the main social, environmental and economic issues no highlight.

#### **Build sustainable relationships and well-being**

By offering a high level of well-being in each of our buildings, Covivio enriches relationships between people and thus contributes to the fulfilment of each individual, the effectiveness of organisations and the sustainability of development methods.

Our Purpose places the human being at the heart of the city, makes our activities a long-term commitment and constitutes the backbone of our development. It encourages us to make concrete and ambitious commitments to all our stakeholders:

#### **For our clients,**

we provide places and services that facilitate and enhance exchanges and ensure well-being and comfort: quality of locations, proximity to public transport, air quality, acoustic and thermal comfort, natural light, green spaces, diversity and flexibility of uses, "just like home" hotel concepts, so many assets to support the users of our spaces as they live their lives, to connect them between them, to increase their opportunities for relationships and exchange, and to allow them to show their full potential

#### **To our shareholders and financial partners,**

we ensure the long-term solidity of our business model, which articulates the roles of investor, developer, manager and creator of services, throughout a value creation chain. They can count on our demanding standards in the areas of transparency and reporting.

#### **With our suppliers and consultants,**

we build quality, sustainable and balanced relationships, based on trust and respect for commitments. Working with us means sharing our Purpose and contributing to achieving our ambitions.

## For our teams,

well-being at work and rich professional relationships are the foundation of our employer brand. Concerned about the development of talents, and in addition to our actions in favour of gender equality, the retention of older employees and the quality of life at work, we work together with our employees to build their career paths and the development of their skills.

## Working alongside local authorities,

we contribute to the attractiveness of the regions. We promote the emergence of environmentally-responsible practices and innovations in terms of urban quality of life, openness of buildings to the city, development of biodiversity, waste management, etc. We thus contribute to the challenges of tomorrow's cities, which consume less energy, are connected and concerned with social well-being and environmental quality, placing people at the centre of their ecosystem. For future generations and our planet, because the well-being and quality of relationships are inseparable from the preservation of our environment, we place our real estate and service footprint in the framework of the United Nations Sustainable Development Goals (SDGs), via ambitious, precise and public commitments. Because individual and collective well-being can only develop sustainably in a society where all social bodies harmoniously coexist, we are working to help reduce the inequalities that cause imbalances and fragilities.

## In 2020, to monitor these commitments linked to our Purpose,

to challenge and renew them, Covivio will set up a Stakeholders' Committee, which will bring together customers, suppliers and partners, representatives of the team, shareholders, local authorities, town planners and sociologists.

Every year, this Committee will release the findings of its work on the monitoring of our mission statement objectives, and its new commitments.

# To do this, we make the following commitments:

## To improve our impact on the environment

- From 2020, all our new development projects will have green areas (terraces, patios, roof tops, urban agriculture, etc.).
- In 2025, 100% of our portfolio will be "green" (certification or labelling for buildings or operations).
- By 2030, we aim at reducing our carbon emissions by 34% compared to 2010.

## To maximise the well-being of our customers and our teams

- From 2020, all our new projects will target well-being accreditation.
- Any customer request will be dealt with in less than 24 hours, satisfaction will be regularly measured and reflected in our teams' remuneration.
- In 2025, 95% of our portfolio will be located within a ten-minute walk of public transport.
- In the same year, all our Office developments will benefit from a high level of connectivity.
- And all our multi-tenant office buildings will offer a broad range of services accessible by means of a mobile application.
- Every two years, our teams' well-being will be measured. We will inform them of the results and, together with them, we will address the points for improvement put forward.

## To reinforce our societal commitments

- In 2020, Covivio will set up a Foundation which will group together all our actions in favour of equal opportunity and environmental protection.
- So that our teams contribute to increasing our commitments, Covivio employees may devote one solidarity day per year to support a societal project identified by the Foundation.



**26 billion**  
in assets

## A vision of living property

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 **a portfolio of €25 billion**, Covivio offers support to companies, hotel brands and regions in their pursuit of 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 dynamic approach opens up exciting project and career prospects for its teams.

### Dividend 2020 : €3.60/share

Covivio will propose to the Annual General Meeting of 20 April 2021 the distribution of a dividend of €3.60 per share in cash, corresponding to a distribution rate of 86% of EPRA Earnings.

**Launch of the Covivio Foundation** as guidelines: the promotion of equal opportunities and the preservation of the environment. In 2021, the foundation will focus its actions on supporting disadvantaged populations affected by the current economic crisis.

# A European strategy

For Covivio, with operations in France, Germany, Italy, Spain, and the United Kingdom, etc., Europe is our field of expression and the best market in terms of scale to capture emerging uses. Through our businesses and activities in Europe we are able to benefit from responsible and supportive best practice to move forward together, design efficient real estate and enrich one another.

Our expertise extends along the entire value chain of a real-estate project: from design, through technical development, to asset and property management.

As a global operator we are able to design end-to-end real estate projects.

Today, the synergies between our businesses are becoming stronger. Offices, hotels, residences all share one goal: to express changing needs and desires through real estate. We must understand, anticipate and satisfy all of these needs so that we can enrich the experience.

**€1.4 billion**  
of investments  
in European cities  
at the end of 2020

**969**  
employees  
in Europe

**50%**  
women  
and

**50%**  
men employees  
in Europe

**92.4%**  
open-ended  
employment contracts

**3.1%**  
students on  
apprenticeships

F/M 2020 gender  
equality index

**93/100**



## ● 2020 HIGHLIGHTS ●

# The customer, at the heart of our concerns

In the current context, it is essential to remain open and attentive.

Proximity to our customers remains essential. In 2020, our client culture and our ability to design offers that adapt to new demands have made all the difference, both with our hotel partners to help them get through the crisis, and with our office clients who have chosen Covivio spaces, or with our residential tenants who continue to put their trust in us.



# OUR CARE APPROACH

SAFE REAL ESTATE, SAFE CLIENTS, SAFE BUSINESS!

Guaranteeing the best sanitary conditions for a safe and efficient return to the office is a priority for Covivio today. Because our CARE approach applied to real estate is not limited to the quality of health of our buildings, it also includes a service component and heightened attention to customer relations.

As owner, developer, manager and creator of services, we are constantly adapting to the needs of our customers and are able to act on all the real estate levers.

To ensure the safe and healthy use of work spaces, all necessary measures have been put in place. Covivio called on Bureau Veritas, which analysed our practices, issued recommendations and then certified our health guides.

The principle of defining and certifying specific health protocols has also been initiated at the Wellio pro-working sites with the company SPRIM. This has enabled all Wellio sites to remain open at all times to accommodate teams who need to visit their workplace. Italy, a strict health protocol





# Maintaining our development commitments

€1.7 billion development pipeline committed at the end of 2021, of which 96% located in the city centres of Paris, Berlin and Milan while two-thirds are redevelopments of existing buildings.

Today, in Europe, we are pursuing our objective to certify all of our developments and the entire asset portfolio is committed to our far-reaching greening strategy.

We have the backing of all our stakeholders who are committed to ensuring a better integration of our projects in the community. Mobility, connectivity, biodiversity, openness to the neighbourhood, cultural development, all of which are an integral part of a Covivio real estate project.

Covivio is developing this mixed and fluid approach to the city in Berlin with the Alexanderplatz project, in Milan with Vitae and in Paris with Stream Building. The buildings open onto the city and the uses converge in the same place.

**€1.7 billion**  
development pipeline committed  
at the end of 2021

of which **96%** located in the city  
centres of Paris, Berlin, Milan and

**2/3** are redevelopments  
of existing buildings







### ► Development as a tool for transformation

- Coima SGR, Covivio and Prada win the tender for the purchase of the Porta Romana railway station land in Milan. A benchmark urban regeneration operation in Europe.
- Covivio and Crédit Agricole Assurances renew and extend their partnership with the extension of the Dassault Systèmes Campus by 27,600 m<sup>2</sup> and renewal of the leases in place until the end of 2032.
- Covivio announces the results of the architecture competition for a future development in Leipzig, near the central station. The HENN agency will design two office towers with a total surface area of around 30,000 m<sup>2</sup>.
- Covivio signed sale agreements for six office buildings and three shopping centres in Italy, for a total amount of €162 million, thus continuing to improve the quality of its portfolio by rotating assets and financing its development projects in Milan.

### ► An exemplary asset portfolio

- **88%** of Covivio's total assets have an environmental label (BREEAM, HQE or LEED), well on the way to the target of 100% by 2025.

► In 2019, Covivio became the first operator to obtain HQE Exploitation certification for its entire German residential portfolio, almost **40,000 housing units**.

► Covivio recognised as one of the **global references on the environmental aspect, thanks to its strategy and actions in response to climate change**

- Reduce its carbon trajectory by **34%** between 2010 and 2030.

► Covivio continues its progression in the **GRESB ranking for 2020** (The Global ESG Benchmark for Real Estate)

and obtains the status of "Global Sector Leader" in the category **"Office/Residential Diversified portfolio - listed companies"**. A score that once again confirms the performance and relevance of the Group's CSR policy .

► **Extra-financial rating**

- Covivio remains the leader in its sector thanks to its A1+ Sustainability Rating by Vigeo Eiris.





# A LONG-TERM STRATEGIC VISION



# 1

With a portfolio worth over €25.7 billion (€17 billion Group Share), Covivio is the fifth largest Real Estate group in Europe. Its success is the result of its unique decision to expand in several countries at the same time and develop several products while retaining the agility that has enabled it to seize opportunities since it was set up in the early 2000s. Active throughout the value chain, Covivio has managed to develop its unique assets and values, while capitalising on its financial and technical expertise, enabling it to anticipate changes in its clients and markets, to constantly adapt its buildings, services and know-how.





# 1 A long-term strategic vision

Assert a role of responsible real estate operator

Covivio's activity consists of investing to hold real estate assets over the long term, while developing and renovating buildings to constantly improve the performance (technical, CSR, financial) of its portfolio. Covivio's business model is based on a long-term vision, which is organised along three main lines:

- a stronger presence in major European cities offering good market depth and attractive economic prospects;
- development projects as a source of growth, making it possible to constantly improve the quality of the portfolio and capture greater value creation;
- a customer-centric approach aiming to anticipate customer needs, and market and regulatory developments.

Covivio's unique profile is particularly relevant at a time when flexibility is a priority in terms of real estate, with offers such as: flexible Offices; teleworking and nomadic work; co-working, co-living and new "home-style" hotel concepts. By placing people, health and safety and the service dimension at the centre of our projects, Covivio is supporting the implementation of all transitions (energy, climate, environmental, digital, etc.).

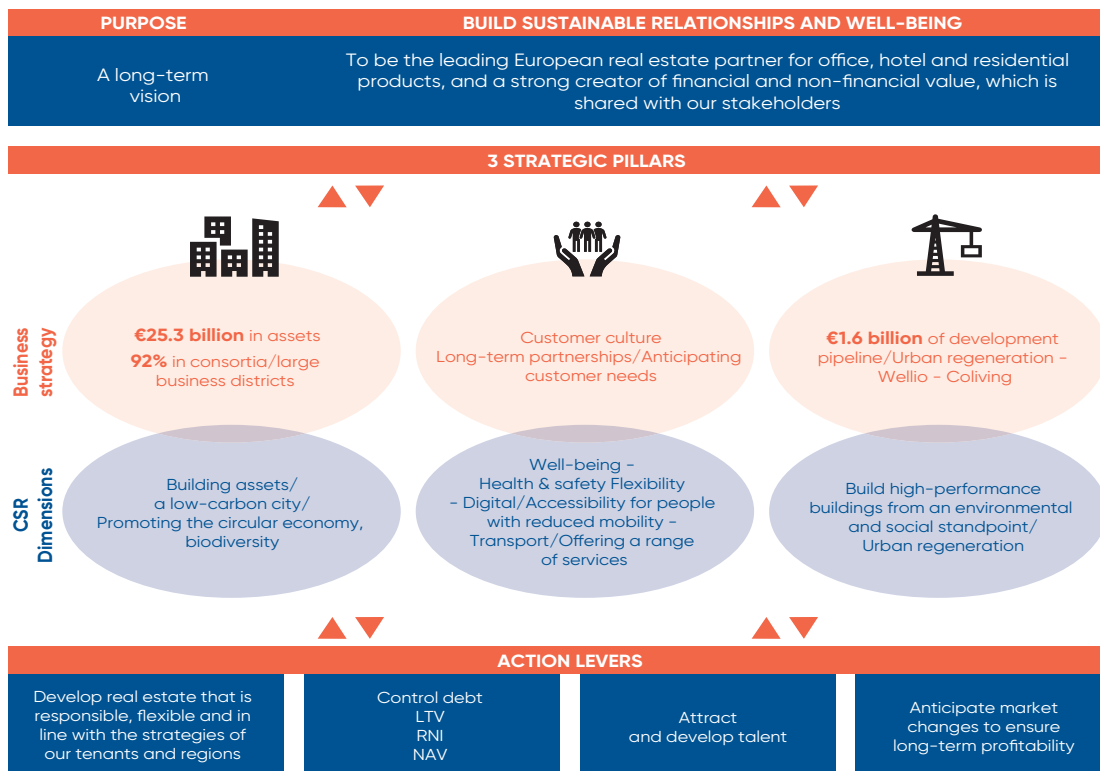
## ASSERT A ROLE OF RESPONSIBLE REAL ESTATE OPERATOR

Covivio has built its success by establishing itself as the preferred partner of key tenants, which it supports in their real estate strategies. As well as buying portfolios of buildings from major players (Orange, Telecom Italia, EDF, AccorHotels, etc.,) under "sale and lease back" transactions, Covivio has successfully begun the development and refurbishment of buildings. Starting with its very first project in 2008, the Dassault Systèmes headquarters in Vélizy (Yvelines), Covivio opted for green and responsible real estate, a choice that was pioneering at the time, obtaining the HQE (Haute Qualité Environnementale) certification. Covivio occupies a unique position among major REITs, both in terms of its geographical allocation and European coverage and its positioning on three products:

Offices, Hotels and Residential. Thanks to its integrated expertise, Covivio is able to control the entire value creation chain.

The purpose of Covivio, expressed at the end of 2019, is part of this long-term vision and opens up the company's scope for action to integrate the financial and extra-financial ambitions and objectives arising from the interactions between the Group and all of its stakeholders described on page 25. Covivio's long-term vision is driven by the Group's mission, namely to build on strong know-how in long-term partnerships, and on its ability to create unique living spaces and to contribute to the emergence of more sustainable, resilient and inclusive real estate and cities.

### A long-term vision based on extensive expertise



## Covivio: three activities, 12 European countries

Covivio's strategic plan strengthens its European ambitions and its diversification, both in terms of countries and products, with a leading position in:

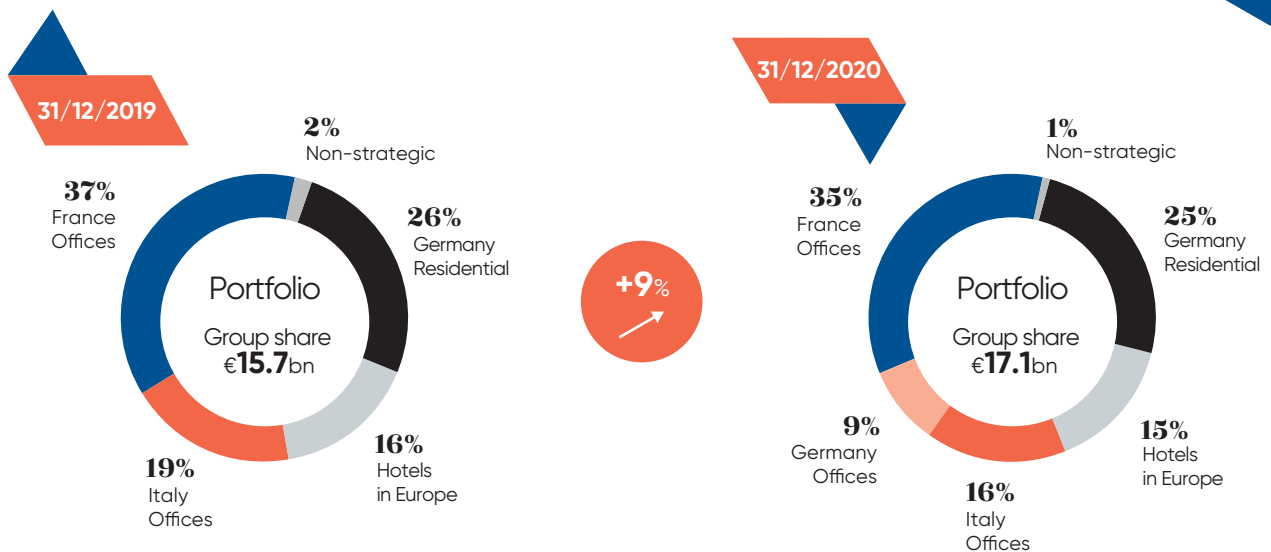
- the Offices in France, Italy and more recently in Germany, deep markets in which Covivio is developing real estate with the highest international standards;
- Residential property in Germany, via Covivio Immobilien;
- Hotels in Europe, via Covivio Hotels, which supports leading players in this sector.

This product diversity is accompanied by diversification of the offer: in Offices, development of an innovative pro-working solution under the Wellio brand; in Residential the implementation of a co-living solution; and in Hotels support for new concepts with brands such as NH Hotel Group and Meininger. Its areas of expertise in these three sectors complement each other and are driven by changes in lifestyles and work patterns and the convergence of services offered in these three categories of assets. As a major player in each of these three segments, Covivio benefits from a geographic diversification that allows it to depend upon various economic cycles and markets to optimise the balance of investments, reduce risks and support clients to expand internationally.



CAMPUS DASSAULT - Vélizy

### Evolution of Covivio's European portfolio



## A sector at the heart of major transitions

Buildings and urban planning must respond to considerable challenges: revolution in lifestyles and technologies, environmental, climate and health emergencies, demographic explosion, etc. Climate change has a direct impact on regions: sea level rise, increasingly frequent hot days and heat waves, more and more storms and heavy rainfall, etc. Cities and buildings must become more resilient, in other words, able to offer appropriate responses to these situations. Which solutions should be chosen first to limit the acceleration of climate change and mitigate its effects on city life? How can we support the inhabitants, particularly the most vulnerable, to offer them solutions for accessing water or buildings where they can cool down during heat waves? It is imperative, on the one hand, to limit the factors contributing directly to the increase in outdoor temperatures (urban heat islands accentuated by the installation of equipment that discharges heat outdoors, etc.) and, on the other hand, limit the contribution of buildings to climate change via their

greenhouse gas emissions. Social, economic and environmental dimensions are inextricably linked. The city must therefore also become more inclusive, reducing the number of those left behind, by redesigning transport or making the most of the digital revolution.

As the owner of portfolios of real estate assets in cities and as a player in the reconstruction of urban spaces, Covivio endeavours to fight urban sprawl and to reduce the land take, by considering the conditions for implementing a "zero net land take" philosophy. A player in major transitions, Covivio designs and manages its buildings as part of an urban ecosystem in terms of climate, culture and society, as well as in terms of well-being, connectivity, mobility, biodiversity, etc. in partnership with associations, colleagues, consultants, suppliers, local authorities, etc.



## 1 A long-term strategic vision

Assert a role of responsible real estate operator

### 17 Sustainable Development Goals to transform the world

So that public and private actors can provide tangible solutions to the aforementioned human and environmental challenges, in September 2015 in New York, the 193 member states of the United Nations adopted a sustainable development programme entitled "Transforming our world: the 2030 Agenda for Sustainable Development". Effective since 1 January 2016, this programme is composed of 17 Sustainable Development Goals (SDGs), broken down into 169 targets. Their aim is to fight extreme poverty, inequality, exclusion, or address climate change and the erosion of biodiversity. The opportunities opened up by the SDGs represent important challenges in terms of employment (\$12 trillion of opportunities every year by 2030 according to Better Business, Better World<sup>(1)</sup> and an increase in investments of \$5 to \$7 trillion, according to UNEP-FI).

Signatory of the Global Compact in 2011 and having reached the GC Advanced level in 2018, Covivio has explicitly referred to the UN's 17 SDGs since 2016, in particular in its various CSR publications: Universal Registration Documents, Sustainable Development Reports and, of course, as part of the Communication On Progress (COP), available on the UN website and on the Covivio website<sup>(2)</sup>. Covivio's multi-year CSR objectives presented in this document are consistent with the 17 UN 2030 SDGs to which they contribute, the 10 principles of the Global Compact, and the 2°C trajectory of the December 2015 Paris Agreement.

#### THE GLOBAL GOALS For Sustainable Development



The study conducted internally in 2017 and added to in 2018 and again in 2020, based on an analysis matrix, made it possible to characterise the nine major SDGs for Covivio, given its targets:



The challenges represented by each of these objectives occupy an important place in Covivio's CSR policy and its business model. Each refers to the actions carried out within the portfolios of buildings developed and held by Covivio as well as internally, within the corporate scope of the company, as an employer.



● IRO - Chatillon

(1) <http://www.globalcompact-france.org/actualites/objectifs-de-developpement-durable-comment-aller-plus-loin-dans-leur-integration-par-les-entreprises-103>

(2) <https://www.Covivio.eu/app/uploads/2018/11/2018-Pacte-Mondial-des-Nations-Unies-Communication-sur-le-progrès.pdf>

## Adopting the eight key SDGs

The following pages show how Covivio's actions contribute positively to these eight SDGs and to the other nine with varying impacts.

### 3 - Good health/well-being

Provide the occupants of Covivio's buildings, as well as its own employees, with spaces that promote comfort and enjoyment of life, based in particular on the choice of materials, layout and surface optimisation, which have a positive impact on well-being, work capacity, attraction of talent and health.

Target example: 3.9 – By 2030, dramatically reduce the number of deaths and illnesses from hazardous chemicals, pollution and contamination of air, water and soil. (p. 69)

### 5 - Gender Equality

Achieve gender equality and pay equity.

Target example: 5.5 Ensure that women participate fully and effectively in leadership roles at all levels of decision-making, in political, economic and public life, and on an equal footing. (p. 116)

### 7 - Clean and affordable energy

Conduct an ambitious policy to reduce energy consumption (through building certifications, green electricity contracts, etc.) and participate in working groups to gradually integrate concrete solutions to energy transition challenges into buildings.

Target example: 7.2 – By 2030, significantly increase the share of renewable energy. (p. 63)

### 8 - Decent work and economic growth

Participate in the momentum and economic growth of communities by supporting several thousand jobs in Europe through its various businesses.

Target example: 8.5 – By 2030, achieve full and productive employment and ensure all women and men, including young people and persons with disabilities, have decent work and equal pay for work of equal value. (p. 116)

### 9 - Industry, innovation and infrastructure

Be part of a more sustainable and resilient urban vision by designing and renovating buildings in the most circular and socially acceptable way possible while taking into account the environment and stakeholders and supporting innovation within the value chain.

Target example: 9.1 – Establish high-quality, reliable, sustainable and resilient infrastructure, including regional and transboundary infrastructure, to support economic development and human well-being, with a focus on universal, affordable and fair access. (p. 48)

### 11 - Sustainable cities and communities

Create responsible real estate and promote more resilient and inclusive cities by being a player in the construction and growth of major European cities.

Target example: 11.6 – By 2030, reduce the negative environmental impact of cities per inhabitant, by paying attention to air quality and municipal waste management. (p. 57)

### 12 - Responsible consumption and production

Produce and consume responsibly through development and asset management activities and through the supply chain.

Target example: 12.6 – Encourage companies, especially large and transnational corporations, to adopt sustainable practices and include sustainability information in reports. (p. 96)

### 13 - Measures to combat climate change

Adopt a global vision to reduce the company's carbon footprint and that of its buildings, at each stage of their life cycle.

Target example: 13.2 – Incorporate climate change measures into national policies, strategies and planning. (p. 69)

### 15 - Life on earth

Commit to the fight against urban sprawl, the preservation of biodiversity, the emergence of the circular economy, etc., based on an action plan shared at the European level.

Target example: 15.5 – Urgently take vigorous measures to reduce the degradation of the natural environment, halt the loss of biodiversity and, by 2020, protect endangered species and prevent their extinction. (p. 91)





## 1 A long-term strategic vision

Assert a role of responsible real estate operator

### Inventing new uses for real estate

Covivio is committed to a policy of innovation that permeates all of its business lines. This innovation strategy focuses investments and resources on projects that deliver value for its customers, in four areas: energy transition, customer relations, digital transformation and ecosystems. Each of these pillars is a major contributor to the Group's operational excellence.

#### The energy transition or how innovation contributes to producing more sustainable real estate

Covivio's innovation strategy is first and foremost at the service of all of the Group's operational departments, starting with sustainable development. By relying on new technologies as well as on the many innovative players, the impetus given makes it possible to test new solutions in terms of new materials, eco-design of buildings, energy management, the circular economy and the use of new technologies. All of these innovations have a concrete outlet for improving Covivio's environmental performance.

#### Sensors to collect data on the energy consumption of buildings

Via the monitoring system deployed with Delta Dore on around twenty buildings in France, Italy and Germany, energy consumption is reported in real time on digital platform Powerbat. This digital innovation based on the Internet of Things (IoT) makes it possible to improve the management of facilities and the control of rental expenses.

#### Air Quality Challenge, European call for projects to innovate in the area of indoor air quality

In mid-2020, Covivio launched a European call for projects with EDF and the support of our innovation partner Impulse Partners: "The Air Quality Challenge". The aim is to identify innovative solutions to improve indoor air quality while reducing energy consumption in buildings



**Philippe Boyer** –

*Director Institutional Relations and Innovation – Covivio*



Imagined in 2019, the Air Quality Challenge that we organized with our partners EDF and Impulse Partners has found even more meaning with the health crisis we are going through.

With nearly 70 applications from a dozen countries, the challenge was a great success. Finally, 9 companies were selected by a jury composed of experts in innovation, R&D, real estate and air quality. After evaluating the proposed solutions based on criteria related to the improvement of indoor air quality and energy efficiency, Covivio and EDF selected two companies: OCTOPUS LAB and ENERBRAIN. Experiments on these solutions will take place in 2021.





**The customer relationship or how innovation meets new customer expectations**

- Covivio deploys, in most of its buildings, a wide range of "à la carte" services: catering, well-being, comfort, etc.
- Wellio, a pro-working offer, enables Covivio to offer its customers a full range of flexible real estate solutions that meet the new needs of companies.

**Digital transformation or how innovation enables Covivio to meet the new needs of its customers and its teams**

- Covivio and Wellio offer their customers new digital experiences thanks to mobile applications. These digital tools simplify the customers' experience and how they use facilities, by providing new practical services: living in buildings, organisation of work, mobility, interactions with colleagues, customers and partners, etc. Close to customers, Covivio teams are able to anticipate new uses and imagine new digital solutions that facilitate customer journeys.
- This digital transformation also involves new ways of building and managing buildings. Whether using Internet of Things (IoT) technology, digital modelling (BIM), or Big Data, Covivio has deployed many innovative initiatives to build and manage its buildings thanks to its use of these new technologies.
- Thanks to the European deployment of specific digital tools (cloud computing or customer relationship software, CRM), Covivio has equipped itself with high-performance tools focused on customer satisfaction and team performance.

**Innovation ecosystems or how to create the conditions for the emergence of new ideas**

Innovation is fuelled by openness. Internally, Covivio encourages the emergence of ideas and collective intelligence. Externally, it supports a network of players who enrich its approaches and provide new ideas.

- Internally: in addition to the "1,001 ideas" collaborative innovation approach rolled out in 2018 and 2019, and which allowed each employee to propose their ideas for the company of the future, the design of office buildings now includes specific innovation approaches such as "design thinking" which brings together co-workers, customers and partners. This approach is based on a co-creativity process involving feedback from future users. It offers stimulating opportunities to share perspectives and make the most of multidisciplinary.
- Externally: since 2016, Covivio has been resolutely committed to cooperation with innovative players in the real estate world. As such, its innovation strategy is designed to embrace co-creation, open innovation and partnerships, in order to adapt ever more quickly and better to new uses. This strategy is illustrated by several thematic partnerships developed: Impulse Partners in France for the sourcing of new players or support for specific events such as the "Air Quality Challenge"; PropTech One in Germany; the Politecnico di Milano foundation in Italy.

● STREAM -  
Paris



## PROMOTING A RESILIENT ECONOMIC MODEL

Since it was created, Covivio has invented a robust business model and occupies a pioneering position in how it develops its business lines. The Group has a recognised ability to build strong links with companies and local authorities which it supports in their real estate strategies (sale and lease back, modernisation, management, development, etc.). The quality of the partnerships established with key account tenants in Europe, combined with long-term leases, distinguishes Covivio from its peers.

The health crisis caused by the Covid-19 epidemic was a new opportunity to see the resilience of Covivio's business model: the diversification of its products and markets, combined with proximity to its stakeholders and in particular its tenants, made it possible to negotiate, under the best conditions, during the lock-down period and the economic tensions affecting in particular the hotel sector, unavoidable effects of the restrictions to people's movements.

Chapter 3 of the URD provides comprehensive and transparent information on the company's economic and portfolio situation.



**Dominique Ozanne –**  
*Deputy Chief Executive Officer – Covivio Hotels*

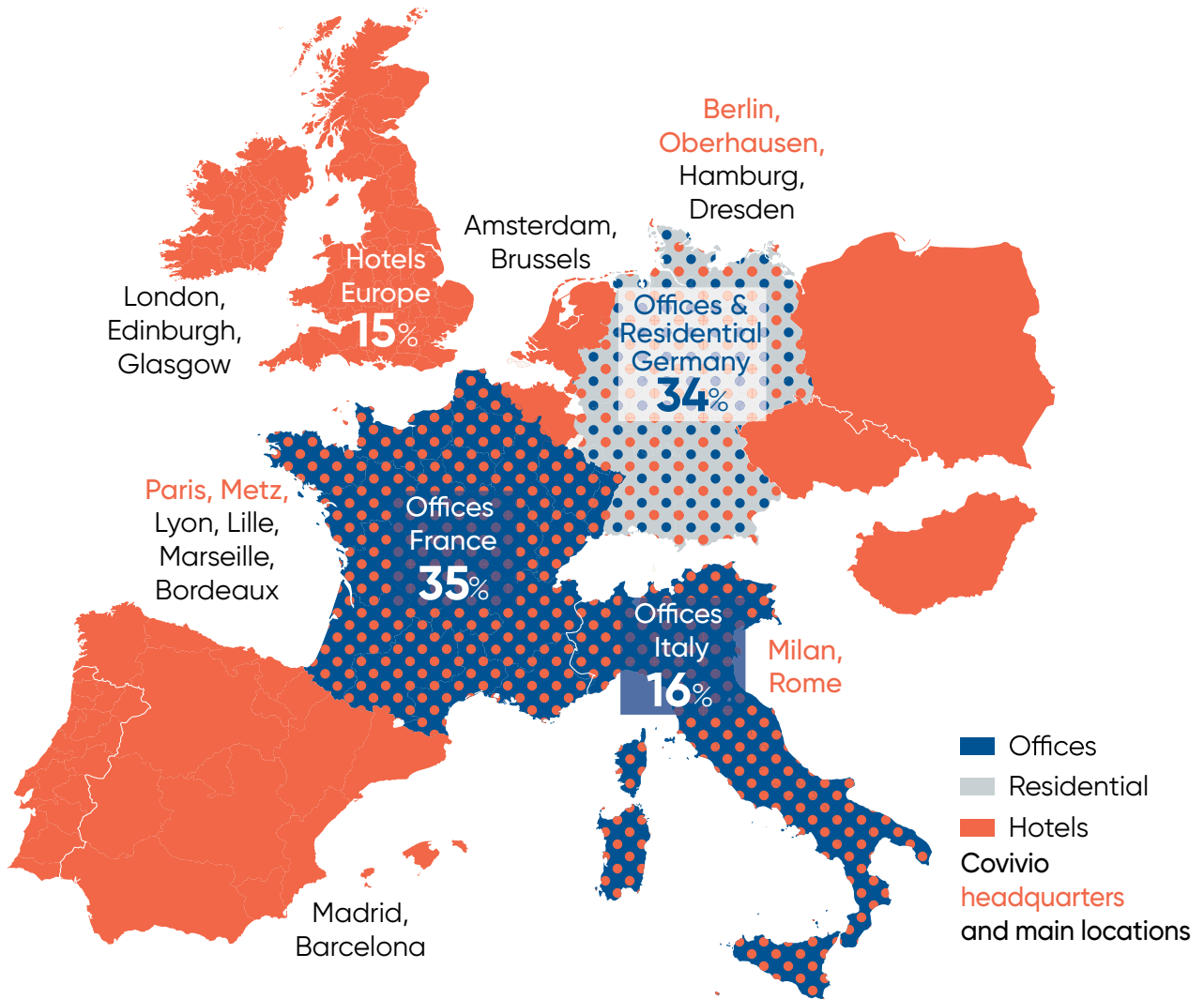
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We are going through the biggest crisis in the hotel industry in 50 years. At the height of the Covid crisis in 2020, only 22% of the Group's hotels were still open. Discussions with our tenant partners and major brands have made it possible in a number of cases to accept rent exemptions, in return for a staggered payment and/or an extension of the term of their lease. While Covivio Hotels' revenue is declining significantly, the value of the hotel portfolio remains resilient in the face of the crisis. Ultimately, the impact to be deplored is primarily social and economic, at the level of the hotels concerned by temporary closures. The crisis also highlights the need for adaptability, flexibility in contracts, whether it is a management contract or a lease, in order to allow products to adapt and continue to evolve.

”

● PALAZZO NAIADI -  
Rome

## A policy of asset rotation to serve the Group's ambitions



From its main platforms, historically established in France, Germany and Italy, Covivio works in markets where the Group has a significant size and is continuing to develop. In 2020, Covivio acquired the company Godewind Immobilien, which holds a portfolio of ten prime office assets in major German cities, for a total value of €1.2 billion. Confident in its long-term hotel strategy, Covivio Hotels also finalised the acquisition of a portfolio of eight high-end hotels in major European cities, for a €573 million.

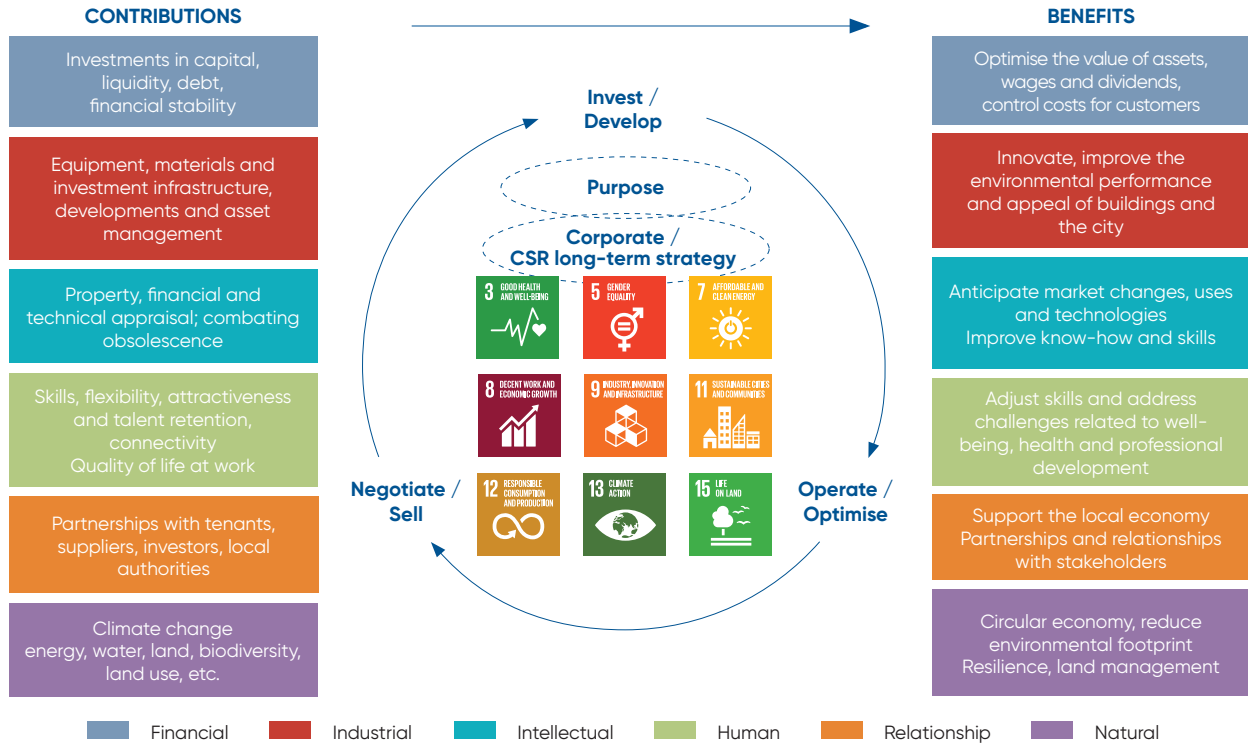
The year was also rich in disposals, in line with Covivio's strategy to refocus its activity on core assets in major European cities. The Group also sold mature assets with high environmental performance, sometimes following major renovation work carried out by Covivio in the past.

## A business model that creates value in a sustainable way

The Covivio business model is a creator of value at every stage of the real estate cycle: acquisition or development, management and arbitrage. Profitable for stakeholders, this value creation takes place responsibly and is part of a long-term strategy. The illustration below summarises Covivio’s model. It uses the six

capitals of the Integrated Reporting <IR> (IIRC<sup>(1)</sup>) framework as well as the colour code. At the heart of the business model are the nine UN Sustainable Development Goals that are emphasised as part of its activities (p. 16-17.)

### The Covivio business model



The financial and non-financial indicators presented in the URD are closely and regularly monitored to optimise the benefits drawn from these six types of capital and to ensure the durability of the Covivio business model.

(1) International Integrated Reporting Council (IIRC).

## Cash flow secured over the long term

With an average occupancy rate of 94.7% at Group level, Covivio deploys an investment strategy that favours single-tenant assets (leased to a single user). The firm residual lease term, which was an average of 7.3 years at the end of 2020 (7.2 years at the end of 2019), provides Covivio with good visibility over its cash flows to come, with almost no structural vacancy. Securing of Covivio's revenue over the long term also involves a pipeline of committed projects of €1.6 billion (€1.2 billion Group Share), which will support European development over the coming years.

To continue to increase its rental income, Covivio selects buildings that have advantages in terms of location, accessibility and attractiveness and strives to improve the level of service and satisfaction of its tenants. When a building becomes vacant, Covivio restructures it to bring it up to the highest international standards. Covivio is developing environmentally-friendly, flexible and innovative real estate, which maximises its use and financial value



**Tugdual Millet** –  
CFO – Covivio

“

In a low interest rate environment, real estate returns continue to attract significant capital flows. Thanks to our diversified and European profile, we show solid performance in 2020 with a strong complementarity of our activities. Despite the crisis, our action retains a strong attractiveness in the market, offering a significant return. The financial rating awarded to Covivio by Standard & Poor's, BBB+, with a stable perspective, praises the quality of the assets and the robustness of our economic and financial model.

”

### Creating lasting value

Building performance, be it environmental (energy performance, etc.), social (well-being, services, etc.), or societal (culture, accessibility, etc.) is likely to create goodwill on the assets called green value, which is not currently isolated by real estate valuation experts.

For the tenant company, the gains in terms of comfort, well-being, and health and safety of its employees translate into a reduction in work stoppages and an increase in their concentration, creativity and ultimately productivity. This economic dimension is called value-in-use, or immaterial value. Since 2014, Covivio has been involved, together with Goodwill Management and several partners, in a working group (VIBEO) to analyse the correlation between productivity and themes such as well-being, biophilia, new layouts of premises, art and architecture, etc. Thesaurus VIBEO is a unique framework for responsible, sustainable and

social building design. It is enriched within the framework of the working group. In 2020 it became the "VIBEO Value in Use Hub", created and run by Goodwill Management and the IFPEB, and supported by around ten members<sup>(1)</sup>. The work carried out in 2020/2021 focuses in particular on the impacts of teleworking on changes in terms of organisation and company expectations<sup>(2)</sup>.

By integrating all aspects of CSR and innovation into its strategy, Covivio has an economic model that is creating long-term value – one of the most material issues for the Group.

Finally, in the context of creating and sharing value, Covivio measures the socio-economic impacts and territorial anchoring of its activities (p. 86).

(1) As of 31 December 2020: BNP Paribas RE, Bouygues Construction, Bouygues Immobilier, Covivio, Dalkia, EDF, Ivanohé Cambridge Korus, Orange, Poste-Immo, and Sercib.

(2) [https://www.ifpeb.fr/wp-content/uploads/2021/02/Rapport-teletravailV3\\_planche.pdf](https://www.ifpeb.fr/wp-content/uploads/2021/02/Rapport-teletravailV3_planche.pdf)





# A long-term strategic vision

A performance built jointly with stakeholders

## A PERFORMANCE BUILT JOINTLY WITH STAKEHOLDERS

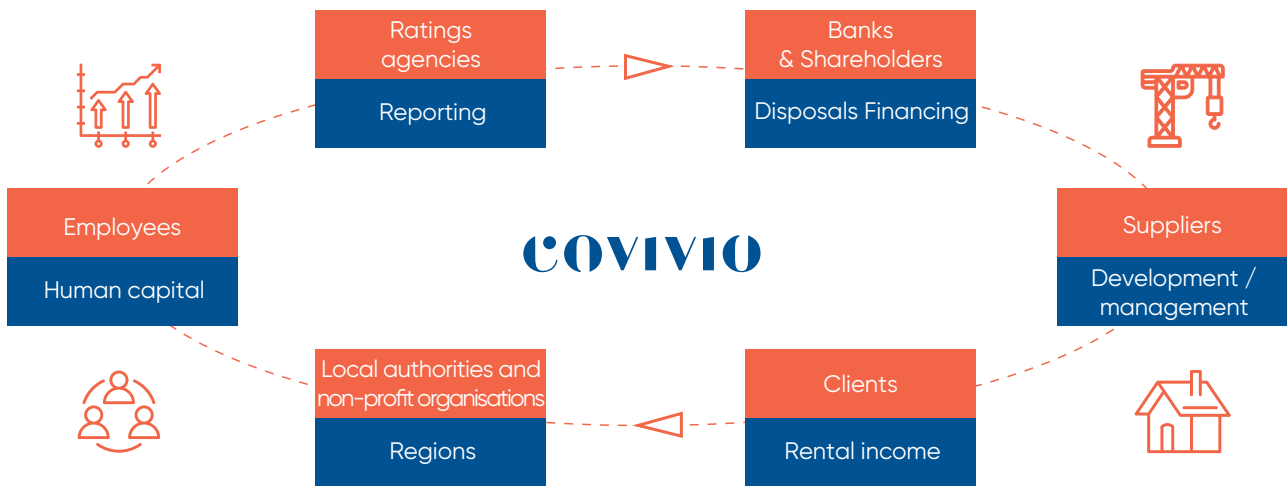
To reach high levels of financial and non-financial performance, Covivio is attentive to its stakeholders and works in close collaboration with them to develop the most appropriate real estate solutions together. Since 2012, Covivio has carried out a materiality analysis, which has been regularly updated since then. This approach relies on a good understanding of its stakeholders and the challenges that each of them face.

### A driving force at the heart of the sector

The building and real estate sector brings together extremely diverse business lines and expertise, benefiting the activity of each of them: architects, technical design Offices, communities, surveyors, bankers, suppliers, marketers, legal professionals, client users, investors, associations, media – and of course employees and tenants.

Covivio is located at the heart of this relationship network. Aware of its economic weight and leadership role, the Group wants to be exemplary in the management of its activities and its relationship with its various stakeholders

#### ■ Positioning of Covivio in the building/real estate sector



● WELLIO GOBELINS  
- Paris





**Céline Leonardi** –  
Head of Leasing - Covivio



Covivio relies on the complementarity of its offers in traditional lease and flexible contract, as well as on its service culture to provide ever more tailored solutions to its customers. Customer surveys, satisfaction surveys and design thinking workshops enable the Group to go further and involve our stakeholders in the design of the spaces and services of tomorrow that we develop.

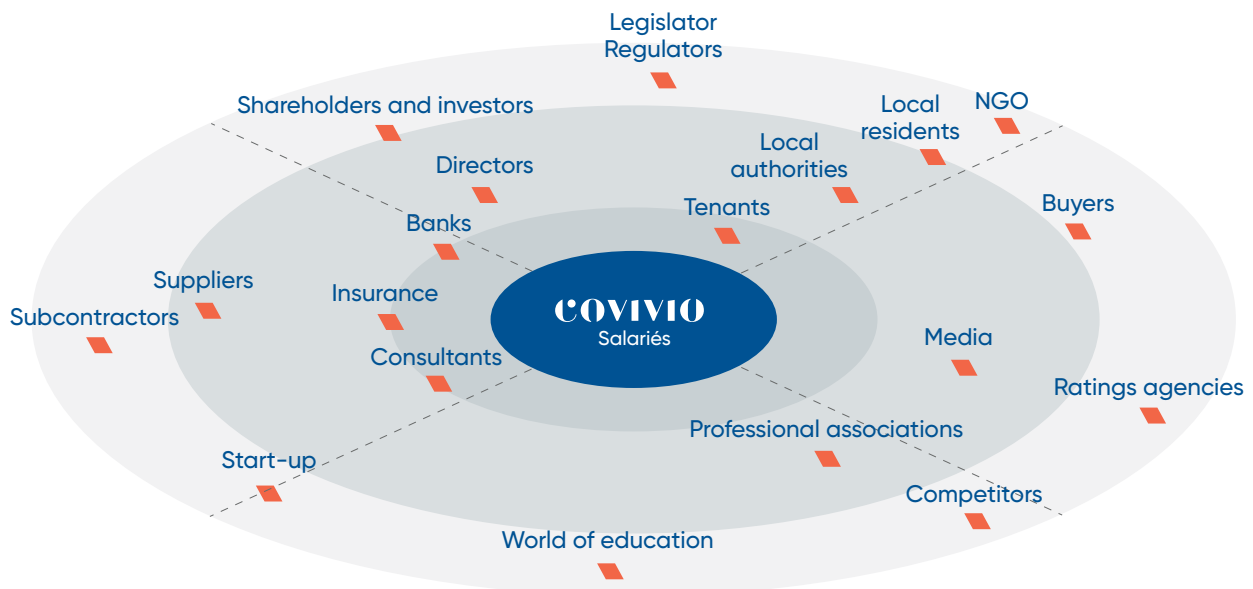


## Meeting stakeholders' expectations (GRI 102-40; GRI 102-42; GRI 102-43; GRI 102-44)

Since 2010, a mapping of the Group's stakeholders has made it possible to improve how their expectations are taken into account and create a materiality matrix.

The main stakeholders were first selected from among the commercial community (key account tenants, suppliers), the financial community (shareholders), Human Resources (managers, employees), public authorities (local governments), and civil society (associations, media). Interviews with internal and external stakeholders have identified their CSR expectations, constraints and priorities. These stakeholder groups were then ranked according to their interest and impact on the company's business, resulting in the mapping shown below as well as the introduction of appropriate tools for dialogue. They were reviewed and updated in 2015 and 2018

### Mapping of Covivio's main stakeholders



Shareholders and investors given the diverse range of main stakeholders identified and their expectations, Covivio has gradually introduced communication tailored to each stakeholder. To do this, the Group has used both internal and external communication methods, notably social networks such as tenant extranets, Twitter, LinkedIn, and Yammer.



# 1 A long-term strategic vision

A performance built jointly with stakeholders



● GARIBALDI TOWERS - Milan

As part of the expression of its purpose, Covivio has decided to create a Stakeholders Committee. Its objectives will be to monitor and renew the commitments made in line with the Raison d'être and to reflect on the future challenges facing Covivio and their inclusion in the strategy.

Composition of the Stakeholder Committee: Bertrand de Feydeau (Chairman of the Committee, Chairman of the Fondation Palladio and the Fondation des Bernardins), Sonia Lavadinho (Founding Director of Bfluid), Jean-Paul Viguier (Architect & urban planner), Siegrid Henry (Advisor to the French High Commissioner for Employment and Corporate Engagement at the French Ministry of Labour), Stephan de Fay (Chief Executive Officer of Grand Paris Aménagement), Patricia Savin (lawyer, Chairman of the Orée association, independent Director of Covivio) reporting to Jean Laurent (Chairman of the Board of Directors of Covivio), Christophe Kullmann (Chief Executive Officer) and Yves Marque (General Secretary).

## ■ Tailored communication methods

Main stakeholders	Expectations of stakeholders	Communication method	Page
Clients	Co-construction of innovative, tailored solutions to support each stakeholder's real estate strategy in the best possible way	Partnership Committees and Sustainable Development Committees	p. 100
Shareholders	Visibility and longevity of the business model and profitability	Letter to shareholders, press releases, financial releases, road shows, investor days, website...	p. 130
Ratings agencies	Transparency of financial and non-financial communications	Universal Registration Document (UCR) and Annual Sustainable Performance Report	p. 126
Employees	Follow-up support for professional development and training	Intranet site and internal communications tools	p. 104
Local authorities and non-profit	Awareness of their socio-economic challenges	Sustainable Development Report Involvement in various collaborative projects, conferences, etc	p. 84
Suppliers	Fair business practices	White paper on supplier relations Responsible Purchasing Charter	p. 96

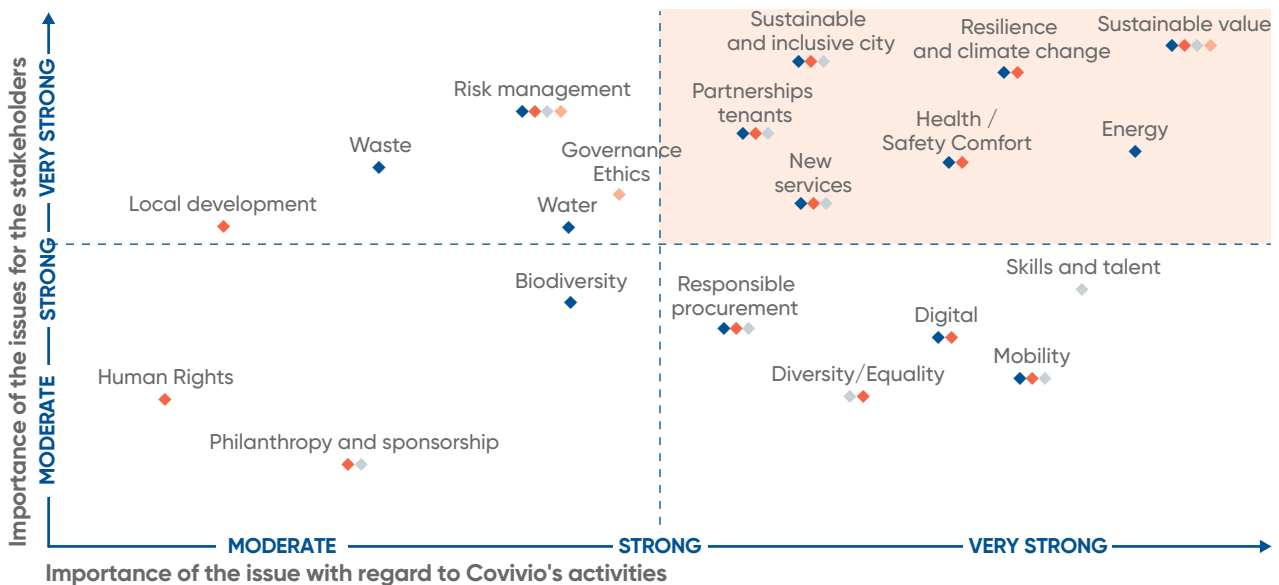


## Covivio's material CSR challenges (GRI 102-46; GRI 102-48; GRI 102-49)

The CSR issues identified by external stakeholders were ranked and cross-referenced with those of Covivio, to create the materiality matrix shown below. Reassessed each year to ensure that results remain relevant over time, this study enables Covivio to focus concrete actions on the most significant challenges for

Covivio and its main stakeholders. This approach is taken with a view to continuously improving upon our ability to respond to stakeholders. It has enabled policies and relevant performance indicators to be established based on GRI, IIRC and SNFP guidelines.

### Covivio materiality matrix



- E** ♦ Environment / Sustainable buildings (see Chapter 2.3)
- S** ♦ Societal (see Chapter 2.4)
- S** ♦ Social (see Chapter 2.5)
- G** ♦ Governance (see Chapter 2.6)

This matrix evolves gradually as new concerns and issues emerge: digital, new services, resilience, inclusive and sustainable city, etc. Employee health and safety issues, whether in its own Offices or in buildings in operation or under construction, already occupied a high place in the matrix. The health crisis linked to the Coronavirus has highlighted the merits of this analysis. More generally, Covivio's CSR policy covers all issues present in this matrix, with greater emphasis on the most significant ones. The challenges identified here are consistent with the major CSR risks identified during the risk mapping exercise carried out in 2018 (p. 28), demonstrating the alignment of the most material issues with the Group's business and strategy.

As for human rights, Covivio is a signatory of the Global Compact (GC Advanced), respects its 10 principles and applies the eight fundamental conventions of the International Labour Organisation. In addition, the Group operates in countries with highly protective laws in this area; this issue is therefore limited when performing its activities, but Covivio remains attentive to these subjects. In addition, Covivio has an active policy in terms of philanthropy and skills-based sponsorship (p. 90), which are now supported by its Corporate Foundation. The priorities in the matrix are cross-referenced with the GRI Standards in an annex in pages 151-152.

## IDENTIFYING RISKS AND SEIZING OPPORTUNITIES

Chapter 1.11 of this 2020 Universal Registration Document describes the risk factors which may have a significant effect on the financial and non-financial position of Covivio or on its results. The Governance Section (p. 122-137) details the measures taken to identify and manage these corporate risks (all the risks that the Group must face structurally). The methodology and results of this work are presented in the Risk Factors and Internal Control section of the management report

### ■ Corporate risk monitoring process



The CSR risks identified ranged from asset obsolescence to business interruption in exceptional circumstances (cybersecurity, pandemic, fire etc.). The corresponding action plans are periodically followed up on by General Management and the Audit Committee. In 2020, the implementation of health measures was facilitated by the implementation of an already operational continuity plan, the practice of teleworking, which is already widespread within the Group, the flexibility of IT tools and the strong commitment of teams and management.

In accordance with the new French regulation on the transparency of non-financial information (2017) resulting from the transposition of the European Directive (2014), specific mapping of CSR risks was conducted internally at Covivio in 2018. In addition, and in addition to regulations, a mapping of risks related to purchases was carried out within the Group for the first time in 2020, with the support of a specialist advisor; it is presented on page 99.

### Methodology for selecting and prioritising the main CSR risks

Conducted by the Sustainable Development Department in coordination with the Internal Audit and Control Department, CSR risk mapping was audited by the independent third-party body mandated to audit the Statement of Non-Financial Performance (SNFP), to ensure compliance with the framework defined for the SNFP. This study was conducted in 2018 with a panel of French, German and Italian Covivio managers in charge of operational or functional departments exposed to the identified risks. The first stage consisted of a series of interviews conducted internally with the panel to define the universe of CSR risks on a European scale. The second stage focused on the rating of the risks identified, according to three parameters: reputation, frequency and level of control.

The CSR mapping therefore distinguishes between:

- inherent risks, considered in absolute terms given Covivio's industry and activities;
- residual risks, assessed after consideration of the actions conducted by Covivio to control those risks.

This map was verified by the Management Committee and communicated to the Board of Directors at its Meeting of 21 November 2018. Since it failed to reveal any major deficiencies in controlling inherent risks, the study did not result in immediate corrective measures. In accordance with the requirements of the SNFP, specific interviews are conducted between the independent third party as part of its annual audit and the employees most affected by the nine risks identified.

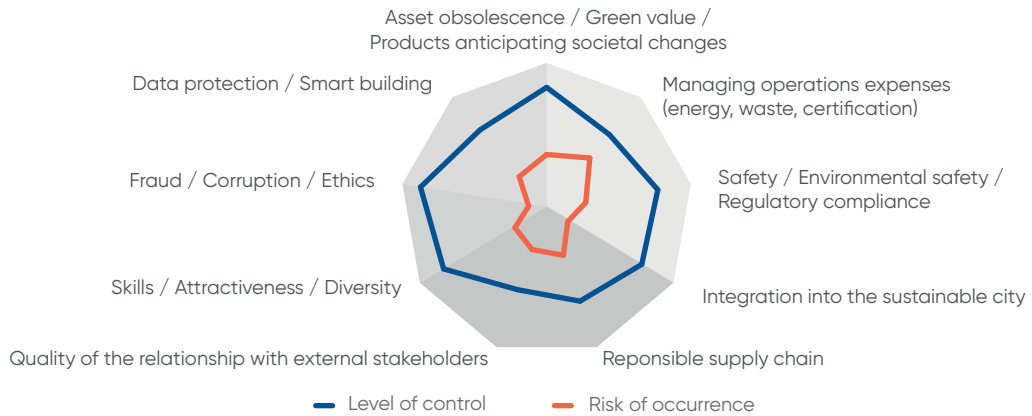
### List and description of the main CSR risks and opportunities

The risk mapping study revealed nine major CSR risks:

- asset obsolescence/green value/products anticipating societal changes (p. 48);
- managing operating expenses (energy, waste, certifications) (p. 57);
- security/environmental safety/regulatory compliance (p. 67);
- integration into the sustainable city (p. 84);
- responsible supply chain (p. 96);
- quality of relations with external stakeholders (customers, suppliers, etc.) (p. 100);
- skills/attractiveness/diversity (p. 110);
- fraud/corruption/ethics (p. 130);
- data protection/smart building (p. 136).

Issues such as resilience, climate risks or well-being and health are characterised by several of these nine risks, which is why they do not appear as such.

■ Summary of Covivio CSR risks



The Task Force on Climate-related Financial Disclosures (TCFD) recommends the quantification, financial or otherwise, of certain carbon-related risks. The report based on the TCFD is presented in the introduction pages 44-45.







# 1 A long-term strategic vision

Putting CSR at the heart of the business model

## PUTTING CSR AT THE HEART OF THE BUSINESS MODEL

By communicating its mission statement at the end of 2019, Covivio confirmed the importance placed on social and environmental issues and innovation at the core of its corporate and portfolio strategies. By developing its economic model, Covivio goes beyond the mere search for profit, considering that this objective must form part of a broader mission including all those participating in the success of the company.

### A comprehensive and European Sustainable Development strategy

Covivio's sustainable development strategy covers all its activities in Europe and all levels of the company. Built on the experience from the analysis of its material issues and CSR risks, this strategy sets out an action plan (p. 34-39) that echoes the various objectives conveyed by the mission statement.

The four components of this CSR strategy are common to each of the activities: Sustainable buildings, Societal, Social and Governance.



### European planning and coordination of Covivio's CSR strategy

The Sustainable Development Department proposes and coordinates initiatives across the Group's various business activities, with the support of General Management. It is closely monitored by the Board of Directors. This dedicated, interdisciplinary team engages with all of the Group's business lines, providing technical expertise to their various departments, and playing an instrumental role in terms of innovation, raising awareness and reporting. Christophe Kullmann, Chief Executive Officer, and Patricia Savin, Environmental lawyer and President of the Orée Association, Director, bring CSR issues to the Board of Directors.

The operational deployment of the CSR policy is based on several mechanisms. The Sustainable Development Committee, which brings together, on a monthly basis, Christophe Kullmann, Yves Marque (Chief Operating Officer (COO)) and Jean-Éric Fournier (Director of Sustainable Development), produces a progress report on the CSR action plan, notes the measures to be taken in order to implement the sustainable development strategy and give these decisions the necessary profile within the Executive Committee and Board of Directors.

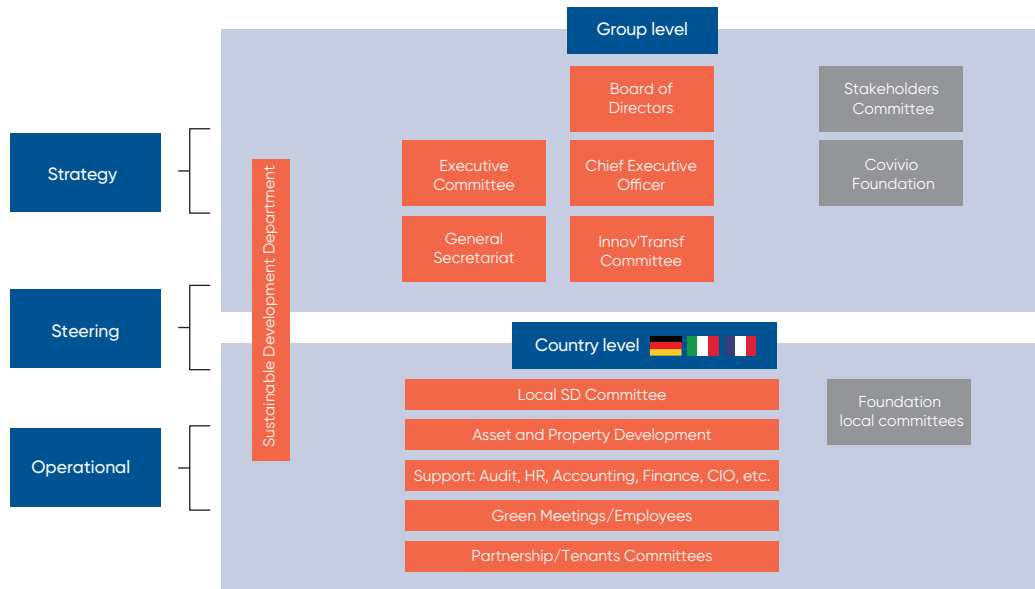
The Innovation-Transformation Committee aims to share ideas on innovation topics and approve certain operational choices and tools, in particular on sustainable development (carbon trajectory, etc.), digital technology (BIM, BOS, etc.) or services (implementation of solutions); it brings together Olivier Esteve (CEO), the managers of Development, Asset Management, IT, Wellio, Innovation, Sustainable Development and the Chief Digital Officer.

In each country, "Green Committees" enable actions and achievements to be noted by the CEO and local managers, in coordination with the business lines and support functions, and with the support of awareness-raising actions (e.g. Green Meetings) and training (led by HR). In order to apply the strategy at the operational level, the Sustainable Development Director is in charge of a network of nearly thirty representatives within the Group. In France, in connection with the environmental annexes, he jointly chairs the Sustainable Development Partnership Committees with the asset manager and technical manager of the asset, as well as the representatives of the key account tenants involved.

In addition to this organisation, 2020 saw the creation of a Stakeholders Committee, chaired by Bertrand de Feydeau, as well as the Covivio Corporate Foundation, whose Board of Directors has eight members: Jean Laurent (Chairman), Alix d'Ocagne (Vice-Chairman-independent Director), Géraldine Lemoine (Chief Communication Officer), Tugdual Millet (Chief Financial Officer), Giovanna Ruda (Chief corporate officer Italy), Daniel Frey (CEO Germany) and three external members: Marion Chapulut (Founder of CitizensCorps - a consultancy for the development

of charitable associations), Guillaume Rossignol (Director of JRS France - a refugee support group) and Anne Lhuillier (head of corporate philanthropy - Fondation Bettencourt). In France, Germany and Italy, Local Committees guarantee a strong local presence, good responsiveness and long-term leadership. Each is composed of four employees from different Covivio business lines and has a wide variety of profiles: expertise, seniority length of service, etc.

■ **Managing Sustainable Development at Covivio**



**A calibrated and reliable performance**

The tables presented on pages 140-145 provide an overview of the indicators used by Covivio to measure its environmental and social performance, particularly with respect to the targets that have been set. These indicators have been chosen based on international standards: the GRI Standards and its sector specific supplement CRES<sup>(1)</sup>, EPRA's Best Practices Recommendations on Sustainability Reporting (SBPRs) as well as annual questionnaires such as the Carbon Disclosure Project (CDP) and the Global Real Estate Sustainability Benchmark (GRESB). The reporting scope for each business activity is detailed on pages 140-145.

Covivio's CSR reporting undergoes two verifications by an external, independent third party (EY). The first confirms that Covivio's reporting is in line with the regulations (decree of 9 August 2017), the recommendations of the EPRA (sBPR), and the GRI and SASB Standards frameworks. The second verification relates to the Green Bond: allocation of funds, adherence to asset selection criteria, environmental performance monitoring, etc. The two letters of assurance are reproduced on pages 156-160.

● **RESIDENTIAL - Hamburg**

(1) CRES<sup>D</sup>: Construction and Real Estate Sector Disclosures.





## A long-term strategic vision

Putting CSR at the heart of the business model

### A CSR strategy recognised by the non-financial ratings agencies

For many years, Covivio's sustainable development policy has been recognised internationally by non-financial rating agencies. The success of the Green Bonds issued in 2016 and 2019 (p. 72) is another example of the value of this policy and its results

Covivio is also part of the DJSI World and Europe indices, Euronext Environment CDP, Ethibel Sustainability Index, FTSE4Good, Gaïa de Ethifinance (second out of 230), MSCI (AA rating), STOXX Europe Sustainability and Global ESG Impact, Vigeo-Eiris 20 France, 120 Europe, 120 Eurozone, 120 World, and has an A- rating from the CDP. In 2020, Covivio was awarded Global Sector Leader status by GRESB in the "Portfolio diversified Office/Residential" category. Lastly, in October 2020, Sustainalytics awarded an ESG risk rating of 8.5 (inverse scale of 0 to 100), considering Covivio's risk of significant financial impacts related to ESG factors to be negligible.

In addition, Covivio regularly receives awards in the various CSR compartments: "Best Non-Financial Performance Statement for the environment" at the Grand Prix Entreprises et Environnement 2018; Grand Prix AGEFI for corporate governance; Special jury award at the General Meeting Grand Prix in 2018 and the Compliance Grand Prix in 2020. Lastly, Covivio again received two EPRA Gold Awards in 2020 for its financial and non-financial reporting.








#### Covivio obtained the best corporate rating (A1+) from Vigeo-Eiris

At the end of its sustainability rating that was sought from Vigeo-Eiris, Covivio obtained the maximum rating of A1+. Vigeo-Eiris (acquired by Moody's) assesses and analyses the risks and sustainability performance of companies based on more than 330 indicators. Covivio is therefore Sector Leader for the second year in a row, with the highest rating obtained by a company in the "Financial Services - Real Estate Europe" sector and the 5th in Europe and worldwide, all sectors combined.

IRO -  
Chatillon



Change in non-financial ratings 2019-2020

		2019		2020
	VIGEO-EIRIS First ESG rating requested in 2019	<b>A1+</b> Sector rank: 1/84 World: 7/4,869	▶	<b>A1+</b> Sector rank: 1/86 World: 5/4,823
	Carbon Disclosure Project Participant since 2012	<b>A-</b>	▶	<b>A-</b>
	ISS-ESG Prime rating since 2015	<b>C+</b>	◀	<b>B-</b>
	GRESB Green Star since 2013	<b>80/100</b> (Group)	◀	<b>85/100</b> (Global Sector Leader)
	DJSI World index since 2013, Europe index since 2016	<b>68/100</b>	◀	<b>73/100</b>
	Gaia RATING Included in the index since 2013	<b>88/100</b> Rank: 2/230	◀	<b>89/100</b> Rank: 2/230
	Ecovadis Gold since the first participation in 2018	<b>81/100</b>	▶	<b>81/100</b> Top 1%
	MSCI	<b>AA</b>	▶	<b>AA</b>
	Sustainalytics ESG Risk Rating (scale reversed from 0 to 100, where 0 qualifies as zero risk)	<b>12.1</b>	◀	<b>8.5</b> Sector rank: 10/953 World: 37/12,820

## AN AMBITIOUS EUROPEAN CSR ACTION PLAN

The CSR Europe 2015/2020/2025 action plan for Covivio's various activities is presented below. It is based on the major risks revealed by the CSR risk mapping conducted in 2018, in accordance with the SNFP framework. The actions performed for risks deemed a lower priority but still important are also traced.

This action plan details, by activity, the main multi-year objectives and gives updates on the level of achievement of each of them. The various objectives are reported internally and are monitored at all levels of Governance of the Group.

FAMILY OF RISK	RISK	COMMITMENT	OBJECTIVES
<b>SUSTAINABLE BUILDINGS</b>	<b>AREA 1: REDUCE PROPERTIES' ENVIRONMENTAL FOOTPRINT, MAINTAINING THEIR ATTRACTIVENESS AND RETAINING THEIR VALUE</b>		
Obsolescence of stock, energy and carbon transitions, and resilient city	Asset obsolescence/ Green value/Products anticipating societal changes	<p>Improve the portfolio's environmental performance</p>	<p>Hold green assets at: 100% </p>
			<p>Develop and restore green assets at: 100% N/A</p>
	Guarantee customer well-being		<p>Develop assets labelled for well-being 100% </p>
	Managing operating expenses (energy, waste, certifications)	<p>Improve energy performance and reduce CO<sub>2</sub> emissions</p>	<p><b>Reduce energy consumption in the portfolio as a whole</b></p> <p>2008/2020: -40% - Objective: 295 kWhpe/m<sup>2</sup>GIA/year</p> <p>2015/2020: -15% - Objective: 165 kWhpe/m<sup>2</sup>GIA/year</p> <p>Target: 194 kWhpe/m<sup>2</sup>Nütz/year</p> <p>2008/2020: -40% - Objective: 415 kWhpe/m<sup>2</sup>/year</p> <p><b>Reduce CO<sub>2</sub> emissions:</b></p> <p>2010 / 2030 -34% </p> <p>2008/2020: -20% - Target: 20 kgCO<sub>2</sub>e/m<sup>2</sup>GIA/year</p> <p>Objective: 20.5 kgCO<sub>2</sub>e/m<sup>2</sup>GIA/year</p> <p>Objective: 29 kgCO<sub>2</sub>e/m<sup>2</sup>Nütz/year</p> <p>Objective: 33.6 kgCO<sub>2</sub>e/m<sup>2</sup>/year</p>











Energy and water consumption, carbon emissions and tonnages of waste registered significant reductions in the various portfolios in 2020. With regard to office buildings, it is difficult to distinguish the part attributable to the improvement in their intrinsic performance from that inherent to the impact of teleworking and containment measures. In this context of increasing working from home, the reduction in energy consumption and GHG emissions observed in the German residential scope must be highlighted.

◆ Challenge      ◆ ◆ Objective in progress      ◆ ◆ ◆ Objective met or exceeded

SCOPE	MATURITY	2020 ACHIEVEMENTS	PROGRESS	PAGES
Core European assets	2025	<ul style="list-style-type: none"> <li>Total portfolio: 88.1% green buildings at the end of 2020 (compared to 83.8% in 2019)</li> </ul>	◆ ◆	53-55
		<ul style="list-style-type: none"> <li>France Offices: 99% of core buildings green at the end of 2020 (compared to 90.4% in 2019 &gt; the target will be achieved at the beginning of 2021)</li> </ul>	◆ ◆	
		<ul style="list-style-type: none"> <li>Italy Offices: 88.7% green buildings at the end of 2020 (compared to 72.5% in 2019 &gt; target of 80% achieved)</li> </ul>	◆ ◆ ◆	
		<ul style="list-style-type: none"> <li>Germany Offices: 36.4% green buildings at the end of 2020 (first year)</li> </ul>	◆ ◆ ◆	
		<ul style="list-style-type: none"> <li>German Residential: 100% of buildings certified HQE Exploitation by the end of 2019 (target 100% achieved)</li> </ul>	◆ ◆ ◆	
		<ul style="list-style-type: none"> <li>Hotels: 72.5% green buildings at the end of 2020 (compared to 56.8% in 2019 &gt; target of 66% achieved)</li> </ul>	◆ ◆ ◆	
Commercial portfolio	2025	<ul style="list-style-type: none"> <li>100% of buildings delivered or renovated in 2020 received HQE or BREEAM or LEED certification: 13 green assets delivered, i.e. 91,460m<sup>2</sup> and 108 rooms</li> </ul>	◆ ◆ ◆	56
German Residential	2025	<ul style="list-style-type: none"> <li>Completion of a first pilot operation for development of 106 housing units in Berlin (HQE certification)</li> </ul>	◆ ◆	55
Offices	2020 / 2030	<ul style="list-style-type: none"> <li>Covivio is experimenting with WELL labels on the Flow operations (Montrouge) and Symbiosis D (Milan), Osmoz for the renovation of the rue Jean Goujon building in Paris, and Fitwel following the renovation of Art&amp;Co. (Paris). Its well-being labelling policy will be determined based on this experiment.</li> </ul>	◆ ◆	50
Group	2019 / 2030	<ul style="list-style-type: none"> <li>234 kWhpe/m<sup>2</sup> in 2020</li> </ul>		
France Offices	2030	<ul style="list-style-type: none"> <li>261.1 kWhpe/m<sup>2</sup> in 2020 -46.7% compared with 2008</li> </ul>	◆ ◆ ◆	58
Italy Offices	2030	<ul style="list-style-type: none"> <li>130.9 kWhpe/m<sup>2</sup> in 2020 -33.2% compare with 2015</li> </ul>	◆ ◆ ◆	
German Residential	2025	<ul style="list-style-type: none"> <li>204.3 kWhpe/m<sup>2</sup> in 2020 -10.4% compared with 2017</li> </ul>	◆ ◆ ◆	
Hotels in Europe	2020	<ul style="list-style-type: none"> <li>228.8 kWhpe/m<sup>2</sup> in 2020 -66.8% compared with 2008</li> </ul>	◆ ◆ ◆	
Group: construction, operation, renovation	2030	<ul style="list-style-type: none"> <li>Carbon trajectory (Scope 1, 2, 3) approved by the SBT initiative: -34% by 2030 compared with 2010</li> </ul>	◆ ◆	61
France Offices	2030	<ul style="list-style-type: none"> <li>11.1 kgCO<sub>2</sub>e/m<sup>2</sup> in 2020 -55,6% compared to 2008</li> </ul>	◆ ◆ ◆	
Italy Offices	2020	<ul style="list-style-type: none"> <li>15.5 kgCO<sub>2</sub>e/m<sup>2</sup> in 2020 -62.2% compared to 2015</li> </ul>	◆ ◆ ◆	
German Residential*	2025	<ul style="list-style-type: none"> <li>291 kgCO<sub>2</sub>e/m<sup>2</sup> in 2020 -14.9% compared to 2017</li> </ul>	◆ ◆	
Hotels in Europe	2020	<ul style="list-style-type: none"> <li>17.8 kgCO<sub>2</sub>e/m<sup>2</sup> in 2020 -68.8% compared to 2008</li> </ul>	◆ ◆ ◆	

\* Representative panel

Ⓡ Objective linked to Covivio's purpose (see Annexe)

FAMILY OF RISK	RISK	COMMITMENT	OBJECTIVES	
Obsolescence of stock, energy and carbon transitions, and resilient city	Managing operating expenses (energy, waste, certifications)	<b>Lead the eco-transition</b>  	Keep water consumption below: $\leq 0.5\text{m}^3 / \text{m}^2\text{SHON}/\text{year}$ $\leq 1\text{m}^3 / \text{m}^2\text{GLA}/\text{year}$ $\leq 1.5\text{m}^3 / \text{m}^2\text{Nutz}/\text{year}$ $\leq 2\text{m}^3 / \text{m}^2 / \text{year}$	
			Reduce the production of waste from directly managed assets	2019 / 2030 -15%
			Cut waste and promote recycling across 100% of the portfolio and 100% of development and renovation projects	100%
Health, safety, well-being	Security/Environmental safety/Regulatory compliance	<b>Control health and safety related risks</b>    	Manage health and environmental risks	NA
			Health and safety	NA
			Hold assets accessible to people with reduced mobility at:	80%
<b>SOCIETAL AREA 2: CONTRIBUTE TO THE DISSEMINATION OF ECO-FRIENDLY PRACTICES AND TAKE AN ACTIVE ROLE IN CITY LIFE IN PARTNERSHIP WITH STAKEHOLDERS</b>				
Sustainable and inclusive city	Responsible supply chain	<b>Communication with suppliers and clients</b>  	Obtain signatures on Responsible Purchasing Charter from all of our key suppliers	
			Innovate with our suppliers on Group values	
	Quality of relations with external stakeholders (customers, suppliers, etc.)		Optimise tenant satisfaction <b>R</b>	
			Innovate with our clients <b>R</b>	
	Integration within the sustainable city		Participate in initiatives to boost the regions	
			Co-construct a consistent and collaborative urban space with our stakeholders <b>R</b>	
Promote human rights and equal opportunities <b>R</b>				






















◆ Challenge    ◆ ◆ Objective in progress    ◆ ◆ ◆ Objective met or exceeded

SCOPE	MATURITY	2020 ACHIEVEMENTS	PROGRESS	PAGES
France Offices	2025	<ul style="list-style-type: none"> <li>0.27 m<sup>3</sup>/m<sup>2</sup> in 2020 -35.7% compared to 2008</li> </ul>	◆ ◆ ◆	64
Italy Offices	2025	<ul style="list-style-type: none"> <li>0.68 m<sup>3</sup>/m<sup>2</sup> in 2020 -26.9% compared to 2015</li> </ul>	◆ ◆ ◆	
German Residential*	2025	<ul style="list-style-type: none"> <li>1.24 m<sup>3</sup>/m<sup>2</sup> in 2020 +5.3% compared to 2016</li> </ul>	◆ ◆	
Hotels in Europe	2025	<ul style="list-style-type: none"> <li>0.95 m<sup>3</sup>/m<sup>2</sup> in 2020 -58.7% compared to 2008</li> </ul>	◆ ◆ ◆	
Group	2030	<ul style="list-style-type: none"> <li>83% of buildings under direct management benefit from waste reporting 7.2kg/m<sup>2</sup>/year in 2020 (vs. 16.2kg/m<sup>2</sup>/year in 2019)</li> </ul>	◆ ◆	66
Group	Permanent	<ul style="list-style-type: none"> <li>100% of assets are fitted with selective waste collection systems</li> </ul>	◆ ◆ ◆	
Group	Permanent	<ul style="list-style-type: none"> <li>100% of sites are monitored and checked.</li> <li>Pilot resilience audit of the capacity to resist main potential environmental shocks</li> </ul>	◆ ◆ ◆	67
Directly managed and corporate buildings	Permanent	<ul style="list-style-type: none"> <li>Air Quality Challenge in 2020 to identify and test innovative indoor air quality solutions</li> <li>Care programme certified by Bureau Veritas guaranteeing compliance with a health protocol in buildings under direct management</li> </ul>	◆ ◆ ◆	71
France Offices	Permanent	<ul style="list-style-type: none"> <li>Compliance with each restructuring operation 83.5% (in Group share value) of offices accessible at the end of 2020</li> </ul>	◆ ◆ ◆	95
Italy Offices	Permanent	<ul style="list-style-type: none"> <li>Compliance within the framework of each restructuring operation 99.9% (in group share terms) of the offices directly managed by Covivio in Italy were accessible at the end of 2020</li> </ul>	◆ ◆ ◆	
Group	2025	<ul style="list-style-type: none"> <li>Responsible purchasing policy launched on the French scope in 2010 and fully updated in 2018</li> <li>Experimentation launched on the Italian scope in 2019</li> <li>In 2020: European mapping of procurement risks</li> </ul>	◆ ◆	96
France Offices	Permanent	<ul style="list-style-type: none"> <li>Participation in various working groups in conjunction with our suppliers: energy flexibility, carbon, intangible value, etc.</li> <li>In 2020: completion of the Air Quality Challenge in partnership with EDF and Impulse Partner</li> </ul>	◆ ◆ ◆	84
Group	Permanent	<ul style="list-style-type: none"> <li>In 2019: completion of a tenant satisfaction survey in office space (France + Italy)</li> </ul>	◆ ◆	100
Group	Permanent	<ul style="list-style-type: none"> <li>Development of new service concepts: Continued development of Wellio: deliveries of Wellio Gobelins in Paris and Wellio Dante in Milan</li> <li>Covivio Immobilien application in Germany</li> <li>Launch of the MonBuilding application on multi-tenant office buildings</li> </ul>	◆ ◆	102
Group	Permanent	<ul style="list-style-type: none"> <li>Study on socio-economic impacts for all Group activities in Europe 15,100 jobs provided in 2018</li> </ul>	◆ ◆ ◆	86
Group	Permanent	<ul style="list-style-type: none"> <li>Making our projects real parts of the city integrating different urban uses: co-working, connectivity, etc.:</li> <li>Symbiosis in Milan, Euratlantique in Bordeaux, Euromed in Marseille</li> <li>Creation of a Stakeholders Committee – first actions in 2021</li> </ul>	◆ ◆	89
Group	Permanent	<ul style="list-style-type: none"> <li>Adherence to the principles and values of the UN Global Compact: GC Advanced level since 2018</li> <li>Creation of the Covivio Corporate Foundation in 2020 bringing together all actions in favour of equal opportunities and environmental protection</li> </ul>	◆ ◆ ◆	18

\* Representative panel



Objective linked to Covivio's purpose (see Annexe)

FAMILY OF RISK	RISK	COMMITMENT	OBJECTIVES
Sustainable and inclusive city	Integration within the sustainable city	<b>Turn each site into a biodiversity driver</b> 	Participate in the integration of biodiversity in cities and conduct innovative initiatives on the subject <b>R</b>
		<b>Own assets with good accessibility</b>  	100% of assets located within a 10-minute walk from public transport
<b>SOCIAL</b>			
<b>AREA 3: ADOPT INNOVATIVE POLICIES TO ENHANCE EMPLOYEES' SKILLS, MOBILITY, DIVERSITY AND CAPACITY TO ADAPT TO A CHANGING ENVIRONMENT</b>			
Skills/Attractiveness/ Diversity	Skills/Attractiveness/ Diversity	<b>Develop human capital</b>  	Attract, develop and retain talent
			Promote diversity and equality
			Improve the quality of life at work and achieve work-life balance
			Measure the well-being of teams every two years <b>R</b>
		<b>Be exemplary in the application of our CSR values</b> 	Cut CO <sub>2</sub> emissions generated by our employees
			Make every employee a player in sustainable development
<b>GOVERNANCE</b>			
<b>AREA 4: GUARANTEE AN ETHICAL AND TRANSPARENT FRAMEWORK TO ENSURE EXEMPLARY PRACTICES AT ALL LEVELS OF THE COMPANY</b>			
Effective and ethically-aware governance	Fraud/Corruption/Ethics	<b>Conduct effective governance</b>  	Optimise the performance of the Board of Directors
		 	Remain the leader in terms of the transparency of our business activities reporting
		 	40% women on the Board of Directors
	Data protection/Smart building	<b>Promote ethical values</b> 	45% of Board of Directors independent members
			Disseminate and share ethics/anti-corruption best practices with all employees
		<b>Improve the connectivity of buildings</b> 	Develop innovation and undertake forward-looking studies with a view to value creation
	Provide a high level of connectivity in our buildings <b>R</b>		
	Carry out pilot tests relating to the introduction of systems for the remote monitoring of consumption (smart metering)		

◆ Challenge      ◆ ◆ Objective in progress      ◆ ◆ ◆ Objective met or exceeded

SCOPE	MATURITY	2020 ACHIEVEMENTS	PROGRESS	PAGES
Group	Permanent	<ul style="list-style-type: none"> <li>First European mapping exercise of the Group's business impacts on biodiversity. More than 75% of the sites studied at more than 1 kilometre from areas of ecological interest</li> </ul>	◆ ◆ ◆	91
		<ul style="list-style-type: none"> <li>230,000 m<sup>2</sup> of offices have the BiodiverCity or EcoJardin label. Starting 2020, all new development projects will have green spaces (terraces, patios, roof tops, urban agriculture, etc.)</li> </ul>	◆ ◆ ◆	92
Group	2025	<ul style="list-style-type: none"> <li>99.1% (in value) of the portfolio located less than 10 minutes on foot from public transport: 100% France Core Offices/99.9% Italy Offices/96.6% Hotels Europe/96.6% German Residential (representative panel)</li> </ul>	◆ ◆ ◆	94
Group	Permanent	<ul style="list-style-type: none"> <li>969 employees (50.2% women and 49.8% men) of which 92% on permanent contracts</li> <li>Sharing know-how and knowledge at Group level and multiplication of cross-functional projects between the three European entities</li> </ul>	◆ ◆ ◆	110
		<ul style="list-style-type: none"> <li>Ex-aequo programme: raising employee awareness about gender equality; mentoring programme benefiting 22 French, Italian and German employees</li> </ul>	◆ ◆ ◆	116
		<ul style="list-style-type: none"> <li>Quality of Life at Work Agreement in France, Senior Agreement in 2020. Implementation of teleworking since 2018 - Generalised since the start of the Covid crisis</li> </ul>	◆ ◆ ◆	112
		<ul style="list-style-type: none"> <li>Employee satisfaction survey conducted in 2019 at Group level</li> </ul>	◆ ◆	115
Group	2020	<ul style="list-style-type: none"> <li>First corporate carbon footprint study conducted at Group level in 2017. 2,7tCO<sub>2</sub>e/employee in 2019. Not updated in 2020 due to the international health crisis and its impact on travel and office life</li> </ul>	◆ ◆	119
Group	Permanent	<ul style="list-style-type: none"> <li>Numerous actions organised using video-conferencing in 2020: organisation of green meetings, sustainable development week</li> </ul>	◆ ◆	121
Group	Permanent	<ul style="list-style-type: none"> <li>Employee involvement in different actions: Palladio, Article.1, Passerelle, etc. From 2021, employees will be able to dedicate, each year, one solidarity day to take part in a societal project identified by the Foundation in order to expand the Group's commitments</li> </ul>	◆ ◆	90
Covivio	Permanent	<ul style="list-style-type: none"> <li>Assessment of the members of the Board of Directors annually and, formally, every three years. 7 Directors (i.e. 47 %) have CSR skills/expertise</li> </ul>	◆ ◆ ◆	127
		<ul style="list-style-type: none"> <li>Observation of the best international benchmarks: EPRA, Afep-MEDEF, GRI, SASB, etc. Strong recognition from non-financial rating organisations (ratings still rising in 2020)</li> </ul>	◆ ◆ ◆	126
		<ul style="list-style-type: none"> <li>40% female members on the Board of Directors since 2017</li> </ul>	◆ ◆ ◆	127
Covivio	Permanent	<ul style="list-style-type: none"> <li>60% independent members on the Board of Directors since 2017</li> </ul>	◆ ◆ ◆	127
Group		<ul style="list-style-type: none"> <li>In 2019: update and distribution of the Ethics Charter to all Group employees. 100% of employees trained in these principles</li> </ul>	◆ ◆ ◆	131
Group	Permanent	<ul style="list-style-type: none"> <li>Studies carried out in partnership with the non-profit organisations SBA, Orée, Alliance, HQE-GBC, IFPEB, etc. on various topics: BIM, BOS, biodiversity, AVC, energy flexibility, carbon, etc.</li> </ul>	◆ ◆	89
Group	Permanent	<ul style="list-style-type: none"> <li>Riverside in Toulouse, the first building to receive the R2S label in France. All Wellio sites have the R2S or WiredScore label. Wellio Dante first Wiredscore labelled building in Italy</li> </ul>	◆ ◆	136
Group	2022	<ul style="list-style-type: none"> <li>Implementation of the PowerBat Supervision system on core tertiary buildings under direct management. In 2020/2021: completion of 21 pilot projects in France, one in Germany and two in Italy</li> </ul>	◆ ◆	136

\* Representative panel

® Objective linked to Covivio's purpose (see Annexe)







# SUSTAINABLE BUILDING



## 2

More than ever, buildings may be confronted with the risk of obsolescence, with a resulting loss of value, if they do not meet the challenges related to ecological and digital transformations or do not sufficiently take into account societal changes or the need for flexibility and services.

In addition to these challenges which affect the attractiveness and liquidity of buildings, CSR risk mapping carried out in 2018 at Covivio underscored the importance of properly managing operating expenses both in terms of property operating costs and reducing the asset's environmental footprint.

The third risk covered by this section concerns the environmental safety dimension, and in particular regulatory compliance with respect to asbestos, legionella, soil pollution, etc.



As part of the implementation of its pipeline, Covivio is working to adapt its portfolio to a trajectory compatible with the 2°C scenario set forth in the Paris Agreement of 2015, and if possible, 1.5°C. For this, Covivio has set itself ambitious objectives and action plans consistent with its activities in Europe, which consider the risks related to climate change. The climate risk was also the subject of particular attention in 2019, with the production of a dedicated report, discussed below in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2020 various studies completed this reflection, in particular to measure these impacts on the portfolio, in quantitative and financial terms, and to anticipate the criteria being defined in the framework of the European taxonomy (p. 72-74).

VITAE -  
Milan

## KEY PERFORMANCE INDICATORS FOR SUSTAINABLE BUILDINGS (AT 31 DECEMBER 2020)

### "ASSET OBSOLESCENCE/GREEN VALUE/ PRODUCTS ANTICIPATING SOCIETAL CHANGES" RISK

**99%**

OF CORE OFFICES  
IN FRANCE ARE  
GREEN

**88.7%**

OF CORE OFFICES IN ITALY  
ARE GREEN

**100%**

OF GERMAN RESIDENTIAL ASSETS  
ARE CERTIFIED FOR OPERATIONS

**72.5%**

OF HOTELS  
IN EUROPE ARE GREEN

### "MANAGING OPERATING EXPENSES" RISK

**234** kWhpe/m<sup>2</sup>

INTENSITY  
AVERAGE ENERGY

**16.2** kgeqCO<sub>2</sub>e/m<sup>2</sup>

AVERAGE CARBON  
INTENSITY

**100%**

OF ASSETS BENEFIT FROM  
SELECTIVE WASTE  
COLLECTION

### "SECURITY/ENVIRONMENTAL SAFETY/REGULATORY COMPLIANCE" RISK

**100%**

OF TERTIARY ASSETS BENEFIT FROM HEALTH  
AND SAFETY MONITORING AND CONTROLS

**<2%**

OF PROPERTIES AFFECTED BY  
1 METRE RISE IN SEA LEVEL





## Sustainable building

Alignment with the recommendations of the TCFD

# ALIGNMENT WITH THE RECOMMENDATIONS OF THE TCFD

## Governance

The governance and organisation of Covivio is organised so as to strategically address climate issues:

- the Board of Directors controls the risks and opportunities related to climate change by monitoring the CSR performance of the company, and the strategic policies given to the Group. The Chief Operating Officer is responsible for the issues of sustainable development and climate change on the Board, as well as an independent member, Patricia Savin, a lawyer specialising in environmental law and sustainable development, particularly in the areas of pollution and nuisances, real estate, renewable energies, protected species, water, ICPE etc. (p. 127);

- the Sustainable Development Department proposes and coordinates, with the support of General Management, initiatives concerning the fight against climate change in the Group's activities. The Sustainable Development Department is, together with the "Europe" Executive Committee, in charge of deploying the Group's strategy to implement the Group's objectives in climate matters (p. 31).

The labels and certifications obtained by Covivio represent medium-term opportunities by making Covivio's assets more competitive and attractive in a market facing climate change and strong changes in demand. They anticipate the subject of taxonomy (the definition of "green" assets, eligible for sustainable finance mechanisms) by providing transparency and comparability on criteria shared at the international level by the profession and by the SRI (Socially Responsible Investment) sector.

## Risk management

In 2018, Covivio updated its risk mapping at the Group level, including all its subsidiaries and activities. The results were presented to, and shared with the Covivio Audit Committee in September 2018. This presentation enabled the company to take stock of the improvements made in terms of risk management for which specific action plans had been defined and implemented.

The Sustainable Development Department, in coordination with the Audit and Internal Control Department, carried out a CSR risk mapping in 2018, validated by the Management Committee, to

identify the inherent and residual risks affecting Covivio's activities. Then in 2020/2021, a mapping of the risks attached to purchases (p. 99).

Of the risks identified, the "Asset obsolescence/Green value/Products anticipating societal changes", "Control of operating expenses" and "Safety/Environmental safety/Regulatory compliance" risks are related to climate risks. The plans to manage these risks are specified in their respective sections.

## Indicators and Objectives

Covivio's various CSR objectives are presented in the CSR action plan in the introduction to this document (p. 34-39). The state of progress of these objectives is detailed in the parts concerned, notably the main indicators related to Covivio's strategy for the fight against climate change:

- energy intensity of the portfolio (p. 58): 234 kWhpe/m<sup>2</sup> at 31 December 2020 - Target -15% by 2030 (vs 2019);
- carbon intensity of the assets (p. 61): 61 kgeqCO<sub>2</sub>/m<sup>2</sup> (scopes 1, 2, 3 including construction, renovation and operation), i.e. -20% compared to 2010 - Target -34% by 2030);
- greening of the European portfolio (p. 50): 88% of green buildings as of 31 December 2020 - Objective 100% by 2025

Fundamental for the activity of the Group, the work carried out to prepare the 2030 carbon trajectory and the objectives arising from it are presented below



RESIDENTIAL - Leipzig

## Strategy

### Climate-related risks

Risks	Description of risks	Potential financial impact	Covivio's strategy	Indicators monitored
<b>Physical risks</b>				
<b>Extreme (medium-term)</b>				
Climatic phenomena: <ul style="list-style-type: none"> <li>• storms</li> <li>• hail</li> <li>• fires</li> <li>• flood</li> <li>• drought.</li> </ul>	Material destruction, including the destruction of assets.  Disruption of transport.  Difficulties in the supply of water and power.	<b>Construction:</b> <ul style="list-style-type: none"> <li>• loss of assets</li> <li>• costs of repair or replacement</li> <li>• construction delays.</li> </ul> <b>Operation:</b> <ul style="list-style-type: none"> <li>• loss of assets</li> <li>• loss of value</li> <li>• interruption of activity.</li> </ul>	Gradual adaptation of the portfolio  Targeted resilience studies  Choice of location  Switching assets	Reporting on environmental risks  Share of certified assets  Energy consumption
Temperature variations: <ul style="list-style-type: none"> <li>• heat wave</li> <li>• cold wave.</li> </ul>	Loss of thermal comfort.  Risk to the health of tenants	<b>Construction:</b> <ul style="list-style-type: none"> <li>• dimensioning heating/cooling installations</li> <li>• additional costs</li> </ul> <b>Operational:</b> <ul style="list-style-type: none"> <li>• costs</li> <li>• drop in occupancy rates</li> <li>• drop in rents.</li> </ul>	Analysis of the dimensioning of equipment/installations  Regulatory monitoring and anticipation	
<b>Chronic (long-term)</b>				
Increase in temperatures	Drop in air quality. Proliferation of insects.  Destruction of green spaces.	<b>Operation:</b> <ul style="list-style-type: none"> <li>• operational costs.</li> </ul>	Biodiversity Charters BiodiverCity label  Green spaces objective	Energy consumption  CO <sub>2</sub> emissions
Rise in water levels	Submersion of assets	<b>Operation:</b> <ul style="list-style-type: none"> <li>• loss of assets</li> <li>• business interruption</li> </ul>	Switching assets Choice of location  Targeted resilience studies	Study on the submersion of the portfolio/statistics
<b>Risks of transition</b>				
<b>Political and legal (medium-term)</b>				
Fossil fuel/carbon taxation	Implementation of carbon taxation on construction, on carbon-emitting buildings and fossil fuels.	<b>Construction:</b> <ul style="list-style-type: none"> <li>• increase in costs.</li> </ul> <b>Operation::</b> <ul style="list-style-type: none"> <li>• increase in costs.</li> </ul>	Low carbon construction policy  Calculation of the CO <sub>2</sub> impact of the choice of materials	Percentage of green buildings
Regulatory developments	Risk of non-compliance	<b>Operation:</b> <ul style="list-style-type: none"> <li>• legal risks leading to penalties and excess costs.</li> </ul>	Calculation of the CO <sub>2</sub> impact of energy efficiency actions	Amount of penalties
<b>Development of the market (long-term)</b>				
Obsolescence	Loss of attractiveness of the portfolio	<b>Operation:</b> <ul style="list-style-type: none"> <li>• increase in operating costs</li> <li>• drop in liquidity</li> </ul>	Refurbishment policy	Percentage of green buildings
Economic slowdown	Drop in purchasing power	<b>Operation:</b> <ul style="list-style-type: none"> <li>• inability to pay rent</li> </ul>	Diversification policy	Revenue per activity/ per country, etc.
Demand for 'green' buildings	Reputational risk	<b>Operation:</b> <ul style="list-style-type: none"> <li>• loss of attractiveness of assets.</li> </ul>	Certification of buildings	Percentage of green buildings

## Assessing the potential impact of climate change risks

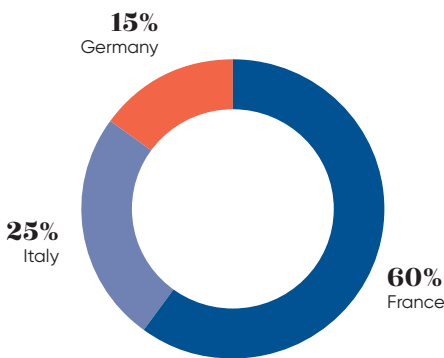
In December 2020, Covivio commissioned MSCI to conduct an MSCI Real Estate Climate-Value-at-Risk® study on its Offices portfolio in Europe. This tool was designed to calculate the financial impact of physical and transition climate risks using a series of recognised scientific models. Climate Value-at-Risk® represents the discounted costs up to 2100, expressed as a percentage of the value of the asset or portfolio.

For this first study of the financialisation of the costs related to climate change on the value of assets, Covivio decided to submit its portfolio of Core Offices in Germany, France and Italy, i.e. 188 assets. For the study, MSCI used data specific to Covivio's assets (location, surface area, building type, energy consumption and CO<sub>2</sub> emissions).

For each asset, the model analyses the main physical risks (coastal and river flooding, extreme cold, extreme heat, cyclones) and the cost of transition risks. The study confirms that few Covivio assets are exposed to significant physical risks, so that

the challenge at the portfolio level is more at the level of transition risks. By 2100, physical risks account for 0.04% of the value of the assets analysed and the main risks identified are extreme heat and river flooding. Almost all of the financial risk is therefore based on transition risks (which are inherent to the need to reduce greenhouse gas emissions and taking into account expected changes in terms of demographics, energy mix and carbon costs) amounting to 2.92% of the value, due to the efforts required to align with a 2°C trajectory. This represents an annual effort to reduce emissions by 3.7% over the next 15 years.

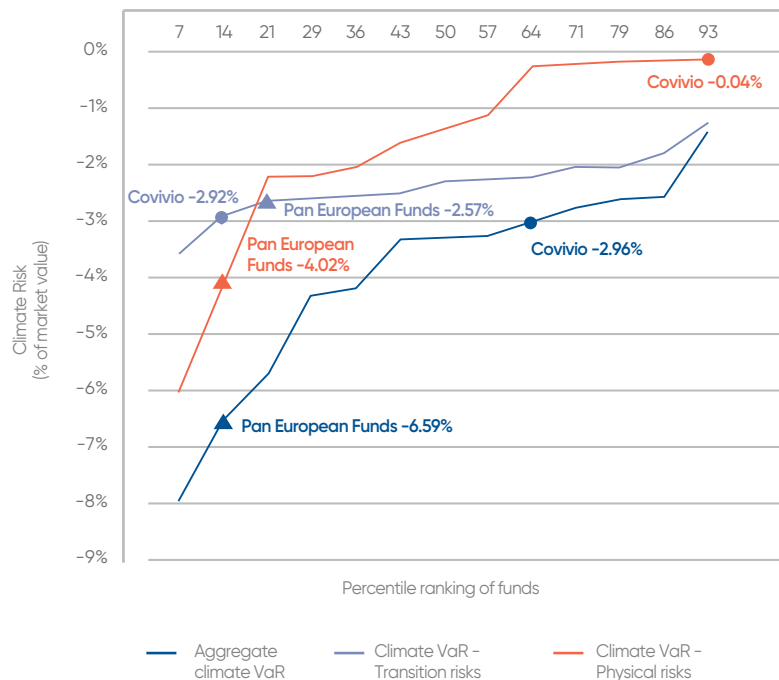
The Climate Value at Risk® is therefore 2.96%, based on the values of the 188 assets analysed (representing more than €7 billion in Group Share of assets, i.e. €10.5 billion in total). According to MSCI, this level is below the sector average of 6.6% (based on proxies for a sample of pan-European open funds in June 2020).



**René Veerman** –  
Head of Real Estate, MSCI



MSCI worked with Covivio's ESG team in 2020 to deepen their climate risk analysis by integrating a new axis, the value at risk. In a context of growing awareness of the implications of climate change, Covivio was a pioneer in the space and adopted MSCI Real Estate Climate Value-at-Risk. The solution is a forward-looking and return-based valuation assessment for individual assets and portfolios enabling investors to measure the impact of climate related risks today and in the future.



The analysis integrates the physical risks, arising from the impact of climatic events, and the transition risk - arising from efforts to address change to a decarbonated world. The methodology was developed by the MSCI Climate Risk Centre (formerly Carbon Delta, acquired by MSCI in 2019). This analysis aims to translate climate related risks into a financial impact, and it delivers a concrete vision of how Covivio's portfolio is exposed to both types of risks.

### Carbon footprint of the activity

The priority of Covivio's climate strategy consists of reducing its residual carbon footprint and that of its tenants in compliance with the "2°C scenario". This strategy will soon be supplemented by work on carbon neutrality, without waiting for 2050, when it will be mandatory.

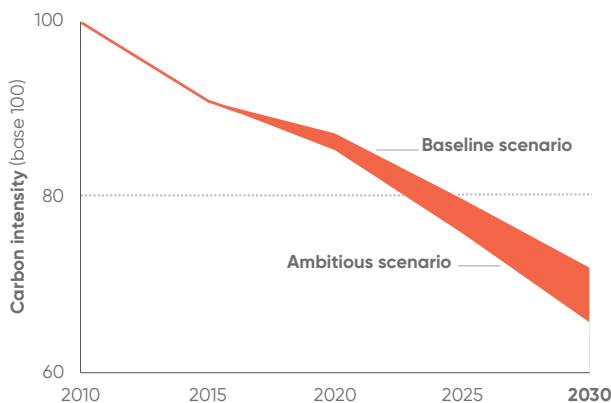
The Work carried out with the CSTB in 2017/2018 enabled Covivio to calculate its carbon trajectory for all its activities in Europe (Offices, Hotels, Residential). Covivio's carbon objectives cover both new buildings (development), work carried out on the existing assets (renovation/refurbishment) and portfolios in operation (multi-year work plans and the energy consumption of buildings). In 2018, the Science Based Targets (SBTi) initiative approved these targets, in line with the "2°C scenario" of the Paris Agreement. This initiative is the result of the collaboration of the CDP (Carbon Disclosure Project), the United Nations Global Compact, the WRI (World Resources Institute) and the WWF (World Wide Fund for Nature).

Two prospective scenarios for 2030 were constructed, in order to take into account the changes likely to impact Covivio's carbon performance, whether they be internal or external. This was done by modelling in seven large areas: roadways, pipes, conduits and cabling; infrastructure; superstructure; building shell; finishing work; equipment; and local energy production. An innovative approach to modelling carbon intensity has been adopted in order to monitor the Group's carbon performance by comparing it to a composite square meter, all countries/all products.

This work has led to the definition of an ambitious commitment to reduce greenhouse gas emissions:

- reduce greenhouse gas emissions per square meter directly managed by Covivio (Scopes 1 and 2) by 35% by 2030 compared to 2017; at 31 December 2020, the carbon intensity of the portfolio under direct management (scopes 1 and 2) fell 8 compared to 2017;
- reduce greenhouse gas emissions by 34% over a scope extended to the construction and operation of the entire European portfolio (Scopes 1, 2 and 3) by 2030 compared to 2010; at 31 December 2020, Covivio's total carbon intensity (scopes 1, 2 and 3) was 61 kgCO<sub>2</sub>e/m<sup>2</sup>, i.e. -20.1% compared to 2010.

### 2030 trajectory of average carbon weight per m<sup>2</sup> (construction + restructuring + operation) (Summary of Covivio's various business lines in Europe)



**Lionel Bertrand** –

Deputy Director Energy & Environment – CSTB

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Building on the long-term partnership established with Covivio for more than 10 years, in particular with regard to carbon-related work, we participated in the development of two tools in 2020 to monitor the portfolio's real performance in relation to the 2°C trajectory. For the development teams, the first focuses on construction and renovation, in the form of an "Express LCA" that makes it possible to estimate the sensitivities to the impacts of the choice of materials and constructive techniques on the carbon footprint of the operation. The second covers the operating phase and calculates the financial and carbon impact of the energy efficiency actions conducted on the portfolio.

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## ASSET OBSOLESCENCE/GREEN VALUE/PRODUCTS ANTICIPATING SOCIETAL CHANGES

Combatting the obsolescence of Covivio's portfolio involves a high level of ambition concerning the design and management of buildings. To this end, Covivio is developing buildings with excellent accessibility and meeting high standards in terms of connectivity, comfort and well-being. The buildings are designed to offer maximum flexibility to accommodate different types of users and organisations and assist tenants with their changing needs over the long term. Open to the city, their gardens and terraces have been created to act as real drivers of biodiversity. Eco-designed and then eco-managed, the buildings developed or renovated by Covivio provide solutions tailored to each user, while ensuring greater integration of the building into its environment.

Identified as a major inherent risk as part of the CSR risk mapping exercise (p. 29), the "Asset obsolescence/Green value/Products anticipating societal changes" topic covers a range of challenges that are central to the company's concerns and portfolio strategy. If these challenges are not met, the company could be exposed to myriad adverse impacts, including owning certain assets with little potential for creating value; loss of the portfolio's attractiveness or the need for additional work due to a lack of maintenance and upkeep; and competitive disadvantages due to a lack of certification or poor locations. To respond to the potential risks and better anticipate their impact, Covivio anticipates regulatory changes and meets the highest international standards in terms of construction and service, with strong long-term partnerships that rely on a good understanding of each and every client, their needs and those of the market (p. 24). By managing the entire value-creation chain, Covivio ensures that the quality of its buildings meets both client and market expectations. Lastly, by putting people and CSR at the centre of each project, Covivio optimises the value of its assets and the company's reputation whilst participating in the transition towards a more circular, low-carbon economy and factoring in resilience issues (p. 68) to better adapt its portfolio to climate change.

### Co-inventing new commercial and residential real estate

In several programmes developed by Covivio, emphasis has been placed on mixed functions: Offices, co-working areas, residential, ground-floor shops, hotels and co-living. This new market trend is reflected in Covivio's numerous operations: N2 Batignolles in Paris, Symbiosis in Milan and Alexanderplatz in Berlin. These programmes are designed for the purpose of cooperation with stakeholders and contribute to strengthening the attractiveness and influence of the districts in which they are built.

#### Flexibility First!

In 2020, Covivio asked Opinion Way to conduct three waves of studies on a representative sample of French employees and managers in the private sector in companies with 250 employees (in February, July and October 2020) in order to define the office issues for the coming years. Published under the name "Flexibility first!", it shows that employees and managers have shared expectations and requirements for the evolution of the office as a physical space and a collective destination. Employees strongly express their desire to preserve the social dimension of the workspace and thus increase their level of requirements in terms of flexibility, and also the working environment and the provision of varied spaces which are well adapted to all working set-ups. Flexibility is thus a new priority for all in the approach to real estate; to the famous phrase "location, location, location", we must add "flexibility, flexibility, flexibility".



● SYMBIOSIS - Milan

**62%**

OF EMPLOYEES SEE FLEXIBILITY AS AN IMPORTANT ACTION LEVER TO IMPROVE THEIR WORK ENVIRONMENT

**46%**

OF EMPLOYEES EXPECT THE DEVELOPMENT OF ALTERNATIVE SOLUTIONS (SUCH AS CO-WORKING) TO TRADITIONAL SPACES

**70%**

OF EXECUTIVES SAY THEY WANT TO DEVELOP THEIR PROPERTY IN ORDER TO MAKE IT WORK FOR THEM

Cette étude est publique sur le site de Covivio : [https://www.covivio.eu/fr/wp-content/uploads/sites/2/2020/11/Kit-presse\\_-sondage.pdf](https://www.covivio.eu/fr/wp-content/uploads/sites/2/2020/11/Kit-presse_-sondage.pdf)



**Olivier Estève** – Deputy CEO - Covivio

The office is becoming a key tool in companies HR policy; the Covid-19 situation is only accelerating this phenomenon, in an environment where market expectations are rapidly evolving in favour of more flexibility. We provide flexible and scalable solutions to our clients' real estate and service needs and at the same time strengthen the attractiveness of our sites. Our value proposition will allow us to embody the culture of the tenant company by opening up all our experience as an actor with more than 3 million m<sup>2</sup> of office real estate in Europe.



### Towards greater flexibility and service for customised projects

By capitalising on the experience of its subsidiary Wellio, a specialist in flexible pro-working spaces launched in 2017, and on its skills acquired in the hotel industry, Covivio continues to develop its solutions to better meet the needs of its customers. Convinced that flexibility and services will in the future be decisive in the collective performance of organisations, Covivio is combining its leases and service contracts in order to offer mixed offers. The Group is also adapting its processes in order to involve users as early as possible in the design of projects developed through design thinking workshops or work sessions with innovative partners, particularly in the field of services.

This approach, specific to Covivio, is illustrated by early examples, such as the Gobelins building in the 5th district of Paris, a 4,500 m<sup>2</sup> asset restructured after the departure of Orange. Its sole occupant benefits from a service contract of 58 months and will settle in spaces designed during dedicated workshops where teams and management were able to express the company culture and the specific needs essential to their activity (spaces, design, services, etc.).



#### Roxane Maillard –

Head of the Tertiary Development Division – Covivio

“

Winner of “Réinventer Paris” (Reinventing Paris), Stream Building is a building of about 16,000 m<sup>2</sup> under construction within the ZAC Clichy-Batignolles (Paris 17th). Stream Building is a mixed ensemble in terms of working methods as well as the uses and lifestyles it proposes. It is a real platform of services for its users and the inhabitants of the neighbourhood. Our shared desire with the PCA-Stream agency was to design a modular building, able to easily and quickly adapt to the future needs of the occupants. An area of approximately 9,500 m<sup>2</sup>, including 4,500 m<sup>2</sup> of “proworking” Wellio, will be reserved for an offer of offices and services, alongside a hotel of 109 rooms and an event space on the top floor with a roof-top, not to mention the roof terrace on which a vegetable garden of 300 m<sup>2</sup> will be erected near photovoltaic panels. The project has exemplary environmental qualities: certified HQE Exceptional, BREEAM Excellent and labelled BBCA and E+C-, it is also designed in a constructive mode combining wood frame and concrete structure.

“

In addition, Covivio Immobilien launched a co-living offer in 2017. Between a hotel and a traditional flat-share, the co-living apartments offer a “home-like” experience. Facilities include a fully equipped kitchen, modern decoration, quality furniture and Wi-Fi. Covivio Immobilien now manages 200 rooms under the Covivio to Share brand.

### Improving client satisfaction

Proximity and personalised customer relations are part of Covivio's DNA. To continually meet customer expectations and develop the Group's offering, services and processes, Covivio regularly conducts satisfaction surveys on various topics. Action plans are rolled out following these surveys, ensuring that customers are listened to and that their needs are rapidly taken into account. The service offering emphasises a simple and fluid experience as well as flexible and personalised spaces for an ever-changing experience throughout the day. Each of the rented office buildings is designed specifically for the well-being of its occupants.

The surveys were carried out to measure the level of satisfaction on the following topics: services in buildings; customer relations; the responsiveness and relevance of the solutions provided or the adaptations implemented in the context of the current health crisis.

These surveys highlighted very positive feedback from customers (p. 100).



● STREAM – Paris


### Beyond construction standards

For many key account tenants, energy and environmental performance has become a prerequisite that impacts on their choice of location. In addition, new criteria contributing to the well-being of their employees are becoming increasingly important to their choice of location (user-friendliness, services, connectivity, accessibility, etc.). Covivio incorporates these new expectations into the buildings it develops, manages and


renovates by exceeding construction standards, with the use of certifications and labels (p. 53), as well as innovative solutions that go beyond legal obligations and anticipate changes in regulations.

For Covivio, the building of tomorrow is both sustainable and smart and must simultaneously display the following five features.


THE BUILDING OF TOMORROW




**FLEXIBLE:** innovative construction choices fostering fluidity, mixed uses and flexible spaces




**SERVICE-FOCUSED:** menu of à la carte services based on the tenant's needs and accessible through a special app



**OPEN TO THE REGION:** in terms of architecture as well as dialogue with local authorities



**CONNECTED:** "ready for" real estate in terms of building management (BMS, BIM, supervision etc.)



**ENVIRONMENTALLY EFFICIENT:** comprehensive eco-design approach, use of new materials, biophilia, renewable energy, etc.

These characteristics were defined in 2017 by a dedicated internal working group composed of representatives of the Technical, Innovation, Sustainable Development, Asset and Property Management Departments. A grid showing the innovation criteria constituting the building of tomorrow was created. Each renovation or development project is compared with these standards by the Investment Committee, to ensure compliance with the strategic and essential criteria defined by Covivio and to incorporate, where appropriate, additional features in terms of sustainability.

- Osmoz: Paris Jean Goujon (8,500 m<sup>2</sup>) and St-Ouen So Pop (30,000 m<sup>2</sup>);
- Fitwel: Art&Co (13,600 m<sup>2</sup>) and CB21 (68,000 m<sup>2</sup>).

These labels make it possible to measure and improve the human factors considered during the construction (WELL, OsmoZ) and management (Fitwel) of a building.



**Jacques Legrand** –

*Director of Real Estate Engineering – Covivio*

In 2020/2021, CSR specifications are drafted in coordination with the European teams, in order to define the types and levels of labels and certifications used for Covivio's developments and renovations; this framework is intended to be shared internally with the technical teams (and management given its educational nature) and externally with architects and engineering consultants, in order to inform them of the company's standards.

#### Commitment to the well-being of clients

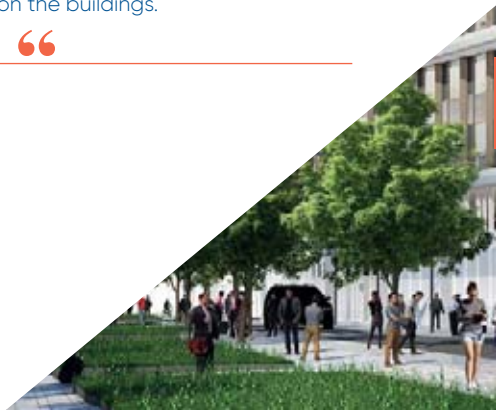
People in the northern hemisphere spend 90% of their time in an interior environment. A building has an impact on health and well-being, due to its temperature, indoor air quality, the quality of its lighting, noise and the amount of green space. By aiming for better construction standards, Covivio seeks to optimise the comfort and well-being of building users. In accordance with the objectives set out in Covivio's mission statement, from 2020, all new office development projects will aim for a well-being-related label.

List of projects undergoing certification:

- WELL: Montrouge – Flow (23,500 m<sup>2</sup>) and in Milan: Vitae (8,400 m<sup>2</sup>), Unione (4,200 m<sup>2</sup>) and Symbiosis D (18,600 m<sup>2</sup>), which also has the WELL Health & Safety rating;



Beyond the certifications of buildings and/or their operation, the international health crisis related to Coronavirus has led Covivio to strengthen prevention and hygiene practices in its Office buildings in direct management (multi-tenants). The certification developed with Bureau Veritas, as part of Covivio's CARE programme, includes the drafting of a strict health protocol and the performance of audits to ensure its proper deployment on site. It also takes into account the training of operational teams. The health protocol is shared with the tenants of the sites as well as all service providers working on the buildings.





## Accelerating the transition to the circular economy

The design and management of Covivio's buildings address the challenges posed by the circular economy as ways to consistently implement its CSR policy. The aim of a circular economy<sup>(1)</sup> is to separate economic growth from the depletion of natural resources by creating innovative products, services, business models and public policies. According to the French Circular Economy Institute, this includes "extending the life of materials (reuse, recycling) and products (eco-design without in-built obsolescence) throughout the life of a product or service".

Awareness-raising actions are carried out with the teams, in order to integrate the challenges of the circular economy into the activities and day-to-day operations of the company. The use of sustainable and more easily recyclable materials is now widespread in Covivio's practices, in line with the environmental certifications targeted by the Group. For example, as part of Covivio Immobilien's renovation projects, glass wool and other recyclable materials are systematically used to insulate facades and roofs. In addition, all of these priorities are covered by targets set out in the certifications Covivio hopes to obtain for its development projects, such as HQE Target 3: "Low-impact work site", with respect to optimising waste management, minimising on-site noise and other forms of pollution and reducing on-site resource consumption.

For example, as part of the So Pop project in Saint-Ouen, a site vacated by Citroën, Covivio organised the demolition of this 20,000 m<sup>2</sup> building by using blockchain for the contractualisation of the works contract before launching the construction of over 30,000 m<sup>2</sup> of Offices. Also, a specific audit of all equipment that could be reused or recycled was carried out before clearance. The list of equipment was uploaded to a dedicated online platform (Cycle Up) to be sold, in order to give it a second life. This prevented equipment that was still in working order from being thrown away and promoted employment and supported local organisations (associations, start-ups and local authorities). During the construction phase, it is planned that 3,000 m<sup>3</sup> of suspended ceiling will come from the circular economy sector, i.e. 10% of the total covering.

For low- nuisance site charters drafted by Covivio for all its certified developments in France, targets in this area are set to ensure that all stakeholders on the site comply with a high level of environmental performance. For example, for the IRO project in Chatillon, the target for recycling site waste was set at 85%, including 50% material recovery. Precise monitoring of waste by stream is also specified in these charters, also recalling the best practices to be adopted.

In Italy, a partnership with Politecnico di Milano (p. 89) has resulted in the creation of a database that contains a wide range of sustainable building materials. Available on the University's Intranet site, the database is constantly updated with new sustainable materials, bringing them to the attention of the technical teams.

In addition, Covivio conducted a "Cradle to Cradle" (C2C) study (pilot site: Motel One Porte Dorée). The concept of "cradle-to-cradle" underlies the idea that in the future, raw materials used in the construction of new buildings will be largely taken from deconstructed buildings. This study resulted in a C2C guide that is used to select virtuous, healthy materials that provide added value by protecting the health of the building's occupants. To continue to make progress towards a circular economy, Covivio takes part in projects with organisations (Orée, IFPEB, etc.), suppliers and universities. This work paved the way for the study conducted jointly with the CSTB on the carbon trajectory of Covivio's strategic portfolios (p. 47).



**Nadège Oury** –

Project Manager – Alliance HQE-GBC France

“

In 2019 and 2020, the So Pop project of Covivio participated in the HQE Performance Circular Economy test organized by the HQE-GBC Alliance, which allowed to experiment with material flow analysis (MFA Building) which consists in accounting for the material flows involved in the operation of the building at the beginning and end of its life.

This accounting makes it possible to differentiate, at the beginning of the life of the building, the flows of entry resulting from the reuse to the recycling of those extracted from raw materials. The same applies to the end-of-life output flows of building elements: the method records the flows that will be reused, recycled or buried. The MFA makes it possible to calculate the circularity indicators over the entire life of a building, based on the LCA results already calculated by E+C- and the existing indicators in the FDES (Environmental and Health Declaration Forms) and PEP (Product Environmental Profile).

”

## Optimising the management of development and operation through BIM (Building Information Modelling)

BIM builds a comprehensive and consistent 3D building database and maintains it throughout the lifetime of a project: design, completion, operation, and deconstruction. BIM also improves operational management of the building by facilitating interior design and access to fixtures (geolocation of equipment). As part of a circular economy approach, BIM is also a tool that enables traceability of materials and equipment so they can be reused. Covivio already owns buildings constructed using BIM and most of its recent development projects now use this technology.

(1) [http://www.institut-economie-circulaire.fr/Qu-est-ce-que-l-economie-circulaire\\_a361.html](http://www.institut-economie-circulaire.fr/Qu-est-ce-que-l-economie-circulaire_a361.html)





## Sustainable building

Asset obsolescence/Green value/Products anticipating societal changes

At the end of 2020, 78% (by surface area) of development operations over 10,000 m<sup>2</sup> in France, Germany and Italy were implemented with the help of BIM i.e. eight operations representing more than 150,000 m<sup>2</sup>.

In 2020/2021, with the help of an external consultant and in conjunction with the various technical, asset and property management teams, a European BIM specification was drawn up in order to better characterise Covivio's needs in this area and the profile of BIM environments that will be created as part of future projects in France, Germany and Italy.

### Laying the groundwork for the "Smart City" of the future

Buildings will gradually become part of the energy grid. As both generators and consumers of energy, smart buildings will form an integral part of smart grids at the neighbourhood, town and city levels, therefore having a role as part of larger networks. Covivio is actively involved in energy flexibility studies, in particular FlexEner, in partnership with IFPEB<sup>(1)</sup>, RTE and Enedis, in order to lay the groundwork for the smart city of the future.

In 2020, Covivio tested R2S-4Grids, a label created by the Smart Building Alliance (SBA) and supported by Certivea, as part of its Toulouse office building "21 Marquette", which is the first building to be labelled with the R2S (2018) label. R2S4Grids is a label focused on energy management and demand response. Covivio has set itself the goal of obtaining one of these labels on several of its sites under development or renovation (R2S on So Pop or Jean Goujon, Wiredscore on Alexanderplatz or Flow for example), and on 100% of its Wellio sites. As a result, its first Wellio site in Milan (Dante) is also the first WiredScore site in Italy.



**Alfredo Ferrara** –

Project Manager Development Italy – Covivio



The buildings developed and renovated by Covivio are designed to meet all the expectations of demanding users, particularly in terms of digital features and connectivity.

The tenants expect to have the cabling carried out according to their activity and need, but the building must provide every facility in this regard and not limit the tenant to a single operator. Covivio is providing the best buildings connectivity standards in order to meet user expectations in this area. In 2020 Dante's Wellio site, having undergone a complete renovation, became the first WiredScore-labeled building in Italy, thus consolidating Covivio's position as a pioneer in these aspects.



(1) The French Institute for Building Efficiency (IFPEB).

● WELLIO DANTE - Milan



## Towards 100% certified buildings

Since its first development project, the Dassault Systèmes headquarters completed in 2008, Covivio has chosen to measure the performance of its new buildings through global, internationally recognised certifications, such as HQE, BREEAM or LEED. Likewise, in order to improve the performance of its assets already in operation, Covivio has the HQE Exploitation, BREEAM In-Use and ISO 50001 certifications to highlight the quality of its energy management. Furthermore, certain tenants use labels that are particularly suited to their activities, notably in the hotel sector.

In addition to helping to create certain labels, Covivio is also a pioneer in testing new standards, such as Level(s), which was launched in 2017 by the European Commission to promote sustainable construction and the transition to the circular economy. An investor at the European scale, Covivio is one of the few players who are testing this new system, which is based on various indicators (energy, water, carbon, etc.) and on a common language. At the end of 2020, this label was still at the experimental stage.

For Covivio, the reliance on certifications and labels meets a dual requirement of transparency and accountability. For Covivio, these markers are part of its global and sustainable vision of for buildings.

### A GLOBAL AND SUSTAINABLE VISION OF THE BUILDING

#### CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT

Anticipating regulations, incorporating constraints relating to the market and changes in lifestyles and work practices

Reducing the environmental footprint of the building throughout its life cycle

Maximising social and societal contributions with regards to its occupants, local residents, the housing market, etc.

Placing the criteria of comfort, health and well-being of the end-user and environmental issues at the heart of the project

Using solutions which encourage diverse uses, players, energies, etc.



## Greening of assets at 31 December 2020

The "greening" rate is the proportion of buildings certified for their construction (HQE, BREEAM, LEED) or their operation (BREEAM In-Use, HQE Exploitation, etc.).

Covivio has set itself the objective of holding 100% green Core assets by the end of 2025, following the 2010–2020 objectives for each business line (88.1% at 31 December 2020 vs 83.9% at the end of 2019):

- 100% of the France Offices portfolio by the end of 2020: at the end of 2020: 99%;
- 100% of the German Residential portfolio: since 2019;
- 66% of the Hotels portfolio by the end of 2020. at the end of 2020: 72.5%;
- 80% of the Italy Offices portfolio by end of 2022 - by end of 2020: 88.7%;
- 100% of the Germany Offices portfolio by the end of 2025 -: at the end of 2020: 36.4%.

By exceeding regulatory standards, Covivio is helping to create an offer that meets new market expectations. These global certifications are known to the chain of players in the sector: builder, advisors, real estate company, tenant, banker, shareholder. Nevertheless, the framework for defining green products is set to evolve under the impetus of the European Green Taxonomy (p. 72-74).

In addition to these global certifications, new labels have been created that focus on a building's performance in terms of specific issues, namely energy with BBC renovation, Effnergie+, E+C-; carbon footprint with BBCA (p. 61); biodiversity with BiodiverCity (p. 91); connectivity with R2S or WiredScore (p. 50); and well-being and health with Well, Fitwell or OsmaZ. Covivio is regularly a pioneer in the experimentation of these labels, even collaborating in the drafting of some of them

### Changes to the greening rates of the different portfolios

Performance against this indicator is monitored as part of monthly internal CSR reporting and plays a decisive role in development, upgrade and asset replacement policies. This indicator is also used in calculating the variable share of the remuneration of the corporate officers and managers concerned.

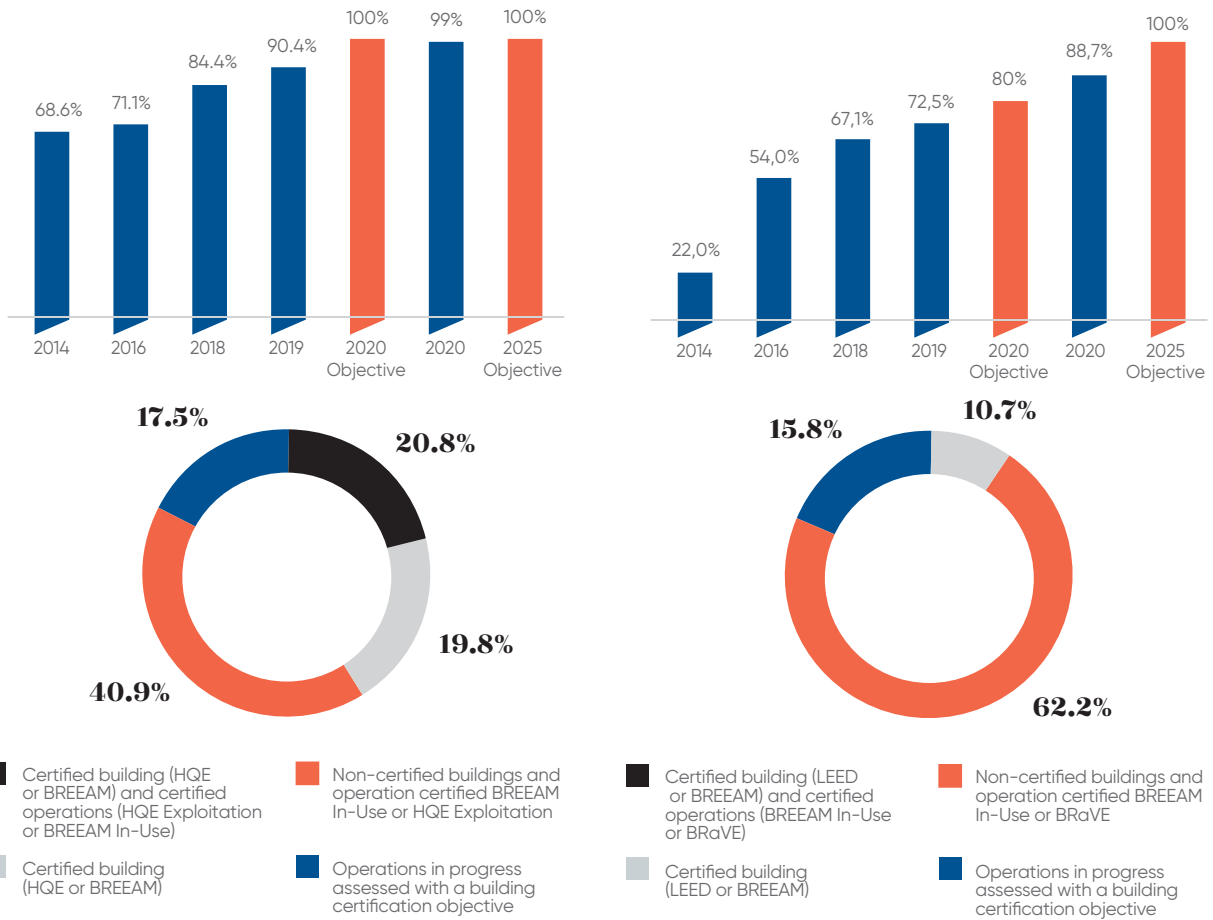


## Sustainable building

Asset obsolescence/Green value/Products anticipating societal changes

### Offices

#### Share of green buildings and distribution by type of certification (Group Share value at 31 December 2020)



The portfolio of 15 German office buildings included this year has already achieved a greening rate of 36.4% due to the presence of two DGNB or LEED certified assets and three ongoing development projects aiming for such certification. A specific action plan will be defined to certify the entire portfolio by 2025, in line with the Group's objective.

The objective of 100% for the France Offices scope was not fully achieved at the end of the year due to the difficulties encountered this year in the certification of two assets in the portfolio, which it should be possible to audit in the course of 2021.

#### Engaging stakeholders on the construction site: the "clean" or "low nuisance" construction site charter.

As a developer, Covivio engages its stakeholders on a project by means of a strong partnership relationship and detailed procedures and documents. For all certified projects: four key documents detail technical and environmental performance: environmental notice, management system of the operation, assessment of the environmental quality of the building (HQE or BREEAM), low nuisance site charter. The latter commits all those involved in the project and details the environmental principles to be followed as well as specific objectives adapted to each project. It draws up a list of recommendations on the following subjects (at least): waste, acoustics, consumption of resources, communication with local residents, materials, communication, social aspects (comfort, safety, well-being). The charter explains each person's roles and sets specific objectives: for example, aiming for an 85% recovery of construction waste, limiting the maximum noise level on the construction site to 80 dB (A), using 80% of PEFC or FSC certified wood, etc.

ZEUGHAUS - Hamburg



**German Residential**

In 2018, Covivio Immobilien began a process of certification of the whole of its residential portfolio according to the standard NF Habitat HQETM which can qualify the environmental performance of assets. This approach establishes a management system that is regularly assessed and based on four commitments: Responsible management relating to the organisation of the project owner; Quality of life; Respect for the environment; Economic performance. Certification of the entire portfolio was achieved in December 2019 following 481 site visits and a management audit which revealed very good quality of the portfolio and its management.



**Rainer Langenhorst** –  
CTO – Covivio Immobilien

“

Following the HQE Exploitation certification obtained in 2019, the second stage of the process was launched in 2020 with the audit of around 500 new sites. This gave rise to the delivery of a new audit report which recalled the quality of the management of the residential portfolio and made it possible to identify new areas of progress in a logic of continuous improvement. In 2020, Covivio Immobilien implemented Cerway's initial recommendations, notably by modifying its framework contracts with its suppliers to include more sustainable aspects and to use more resource-efficient products.

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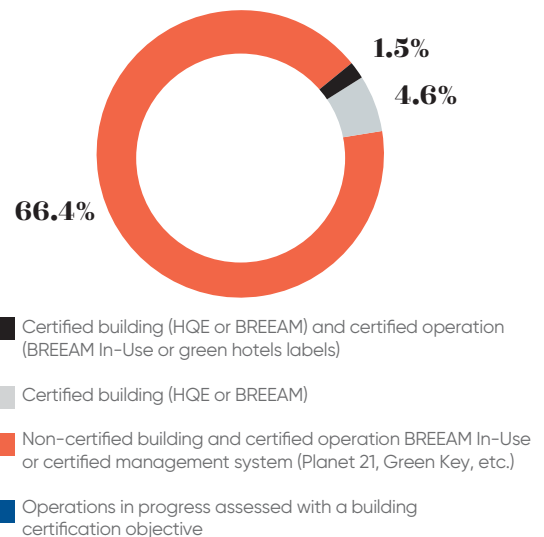
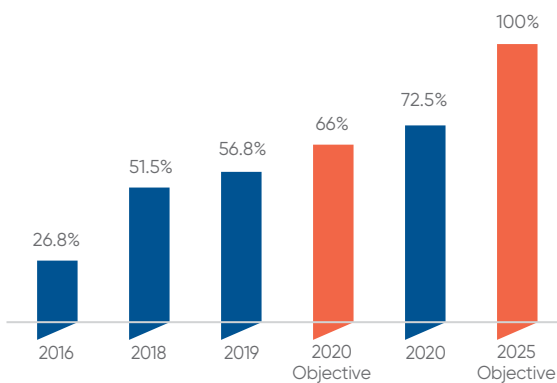
Covivio Immobilien is also testing the HQE Sustainable Building certification for the Berlin Biesdorf development. With very good access to public transport and numerous green spaces nearby, this project consists of 106 housing units over four new buildings with ground floor and two or three floors in a residential zone where Covivio already owns eight buildings. At this stage, the project aims for a status of "Exceptional" and should be delivered by the end of 2021.



BIESDORF – Berlin

**Hotels in Europe**

■ Share of green buildings and distribution by type of certification (Group Share value at 31 December 2020)



The greening of the hotel portfolio is aided by the environmental commitment of the tenants, who are large operators developing their own Sustainable Development strategies. Most have established systems equivalent to environmental operation certifications, like Planet 21 for Accor or Green Engage for IHG, or use labels specific to hotels (Green Key, Green Hotel) and

leisure (Green Globe). Moreover, and without this being taken into account in the calculation of the greening rate of Covivio's assets, it should be noted that 27% of the hotels owned have the Green Leader status of TripAdvisor.





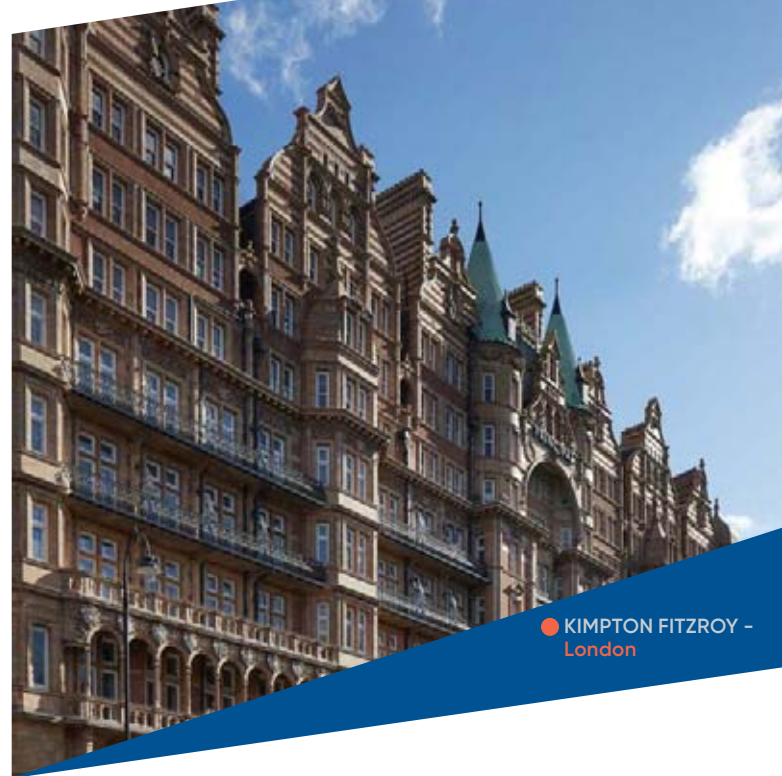
**Gwenaëlle Pouy** –

Head of Development Hotels – Covivio

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At the end of a process that took approximately one year, Covivio Hotels obtained BREEAM In-Use certification at the end of 2020 for its 12 hotels located in the United Kingdom (i.e. 2,228 rooms), thus characterising the environmental performance of these 4 and 5 star hotels operated by IHG. The various evaluations carried out received an average rating of 56% on the building component and 61% on the operation/maintenance component, i.e. the “Very Good” level in both cases. These very good results are due both to the strong involvement of IHG’s technical teams and the quality of the buildings and the technical management of the buildings, which meet high internal standards.

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**KIMPTON FITZROY** –  
London

The details of Covivio’s various development projects in progress are available at [Covivio.eu/fr](https://covivio.eu/fr) in the Projects section.

### Profile of the environmental certifications obtained and targeted for the commercial assets

The table below presents the various levels of certification obtained or targeted for the projects developed by Covivio. The certifications used for the construction or renovation phase are mainly HQE, LEED, DGNB and BREEAM. One asset has also been ITACA certified as level Good in Italy. These certifications cover various themes concerning integrating environmental and social issues into development projects

#### Summary of certifications obtained and targeted for the Group’s tertiary assets or projects

HQE	Level	Good	Very good	Excellent	Outstanding	TOTAL
<b>HQE</b>						
Construction 543,807 m <sup>2</sup>		2	6	20	6	34
Operation 103,951 m <sup>2</sup>	Number of assets	-	1	2	-	3
<b>BREEAM</b>	Level	Pass	Good	Very Good	Excellent	Total
Construction 566,924 m <sup>2</sup>		5	9	12	6	32*
Operation 1,188,060 m <sup>2</sup>	Number of assets	14	58	18	3	93
* Including 17 assets also HQE certified for their buildings.						
<b>LEED</b>	Level	Certified	Silver	Gold	Platinum	TOTAL
Construction 214,301 m <sup>2</sup>	Number of assets	-	2	5	8	15

## MANAGING OPERATING EXPENSES (ENERGY, WASTE, CERTIFICATIONS)

The CSR risk mapping carried out by Covivio in 2018 underscored the importance of managing operating expenses, especially owing to the implications in terms of client satisfaction. The expenses relate to energy, water, waste and certifications for buildings in operation. They intersect on these points with broader environmental challenges that also affect both cities and regions.

As Covivio is both the owner/landlord and often the developer of its own buildings, issues concerning operating expenses are addressed from the beginning of the project, and then for any asset replacement which is carried out during its construction and, of course, during the management phase. Obtaining environmental certification (HQE, BREEAM, LEED) for 100% of projects under development enables high levels of performance to be achieved, notably in terms of consumption of energy and water. Covivio also often chooses to supplement these certifications with specific labels, notably on energy with *effinergie+*, E+C- or ISO 50001 for buildings in operation. In addition, these initiatives reduce the financial consequences that might arise if a carbon tax is introduced. In return, the in-use certification process

generates costs through property and facility management fees and auditing and certification fees (certification body, support services). Nevertheless, these certifications are a sound investment as energy and water prices can be expected to continue to rise. In addition to energy, carbon and water performance, in-use certifications (HQE In-Use, BREEAM In-Use) also cover other issues, namely the environment, quality of life, responsible management, etc. As early as 2010, Covivio believed that these certifications were a tool relevant to monitoring and improving its portfolio's CSR performance. The feedback is very positive, in terms of the momentum created with tenants and suppliers, recognition from analysts and the world of finance, and of course the improvement of the environmental performance of buildings.

### Improving the portfolio's environmental performance

Improving the portfolio's environmental performance aims to reduce its footprint in terms of energy (p. 58), carbon (p. 61), water (p. 64), and waste (p. 66), as well as to increase its occupants' comfort and well-being, through the choice of materials, the quality of space and air in the building and the care given to issues such as proximity to nature and services.

#### A proactive works policy

When carrying out work in buildings (upkeep, equipment replacement, modernisation, etc.), the solutions adopted play a role in improving the environmental and energy performance of the portfolio.

For example, for the portfolio of Offices directly managed by Covivio in Italy, the following amounts were committed to carry out renovation and maintenance work (in € Thousand):

Thermal insulation (walls and façades)	Windows	BMS	Heat pumps/ HVAC	Air conditioning	Photovoltaic panels
43 K€	1,333 K€	93 K€	571 K€	230 K€	99 K€

In France, operating expenses related to energy efficiency amounted to more than €1.8 million. Given the volume of residential assets held in Germany, the energy renovation programmes for buildings are spread over several years in line with the Group's targets for reducing energy consumption and greenhouse gas emissions. In 2020, the value of renovations improving the environmental performance of assets reached €15 million. In concrete terms, this work plan resulted in the replacement of energy-intensive equipment, the installation of double or triple glazed windows, the insulation of façades or roofs and of course

the switch to LED in the common areas. In addition, the German teams systematically choose to connect to the urban heating network as soon as conditions allow. This is one of the priorities identified last year (368 buildings concerned in 2020 for a total cost of €2.8 million) and is included in the renovation plans for the coming years. When the use of district heating is not technically feasible, the teams opt for modern boilers that consume less energy (a 15% reduction in the capacity of the equipment installed thanks to improved performance).





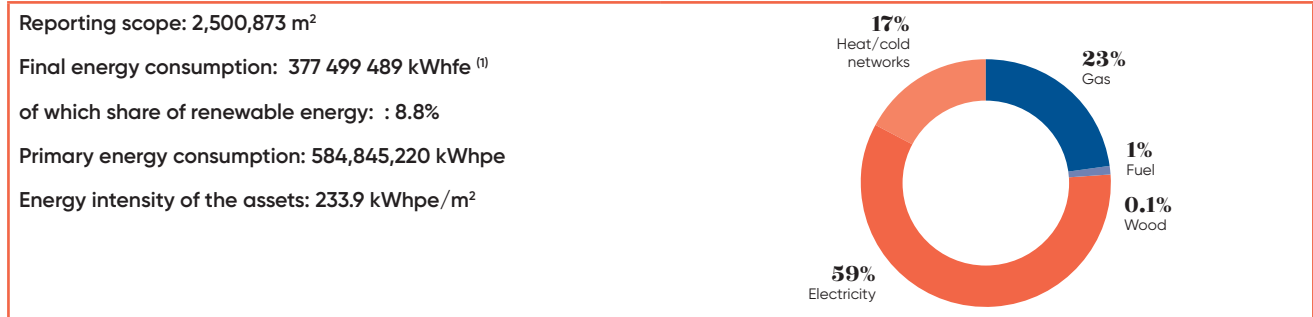
## Sustainable building

Managing operating expenses (energy, waste, certifications)

### Energy trajectory

The energy and environmental mapping study of the assets, carried out with the CSTB in 2009/2010, is updated every year. Based on a set of twenty indicators, this mapping enables Covivio to set out its objectives in terms of its portfolio's energy and carbon performance (p. 34-39).

#### ■ Main indicators at the Group level



(1) Extrapolating the consumption of the representative panel to the entire German residential portfolio (2,746,046m<sup>2</sup>), the energy consumption would be 499,600,388 kWhpe, or an energy intensity of 182 kWhpe/m<sup>2</sup> (p. 144-145).

### Change in the energy consumption of the various portfolios

In France, after a ten-year wait, the so-called "tertiary" decree was published in July 2019, in line with the ELAN law<sup>(1)</sup>. The tertiary decree imposes, for any building, part of a building or real estate complex of at least 1,000 m<sup>2</sup> of floor space, a reduction in energy consumption of 40% by the year 2030, a 50% by 2040 and 60% by 2050. This decree was supplemented by the so-called "method" order of 10 April 2020 and the "absolute values" order of 24 November 2020, published on 17 January 2021, which defines the consumption thresholds, for 2030, of final energy (by type of building, geographical area, etc.) which may be targeted alternatively at -40%. Covivio has anticipated these measures and, in particular via the Related Environmental Committees, shares with these tenants the implementation of these new obligations. In addition, at the end of 2020/beginning of 2021, a newsletter was distributed to all tenants to inform them of the implementation of this system. The latter will be supplemented by the obligation on both lessor and lessee to report energy consumption annually on the OPERAT platform (Observatory of Energy Performance, Renovation and Tertiary Actions), with the lessor reporting common expenses and the lessee reporting those generated in tenant areas.

To continue to make progress, in 2019, the Group began to set up a monitoring platform, the Delta Dore PowerBat portal, which collects consumption data in real time. The analysis of these data will be carried out with the help of a single energy manager, initially for the portfolio in the first development phase: a pilot site in Germany (Covivio's Offices in Berlin), two in Italy (the first two buildings delivered under the Symbiosis operation) and the 19 buildings managed directly by Covivio's property management teams in France. In addition, in anticipation of future German regulations for the residential sector, which should require landlords to communicate their home's energy consumption to all tenants, Covivio Immobilien is working on the automation of data reporting and has launched a smart metering pilot operation with a German specialist company on a residential building in Hamburg.

In France, two initial energy performance contracts were signed for two flagship assets, which contribute to providing innovative and concrete solutions to mobilise the chain of actors to reach the multi-year objectives that the Group has set itself



**Olivier Ruton** –

Head of Real Estate Engineering Offices – Covivio



As part of our project CB2021, the interior spaces were completely redesigned with the help of the firm Saguez. The programme of works (2019-2021) plans the renovation of the tower's service base in order to provide the occupants with a Premium service up to the fully recreated interior gardens; the project also targets the WiredScore and Fitwel labels. Energy management plays a central role: beyond the widespread use of LEDs, the modernisation of the lifts has made it possible to install an energy recovery model allowing an electrical saving of 30% and also to restore the energy produced to supply common parts areas. Finally, the implementation of the supervision project and the Energy Performance Contract contributed to the continued decrease in spending (compared to the reference year and after climate adjustment: -26% in 2019 and -15% in 2020).



● CB21 - La Défense

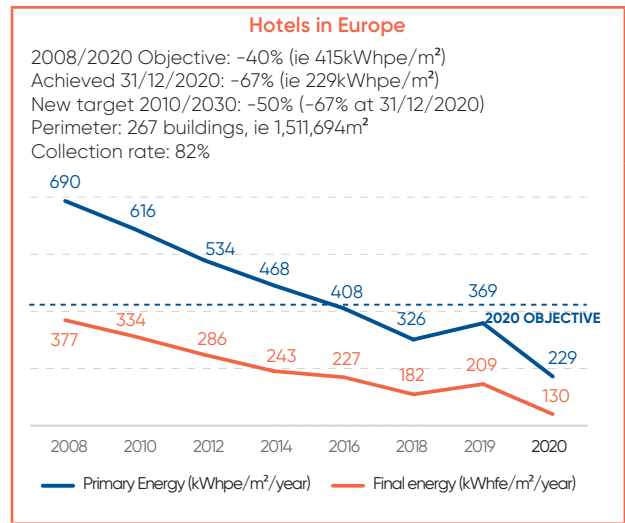
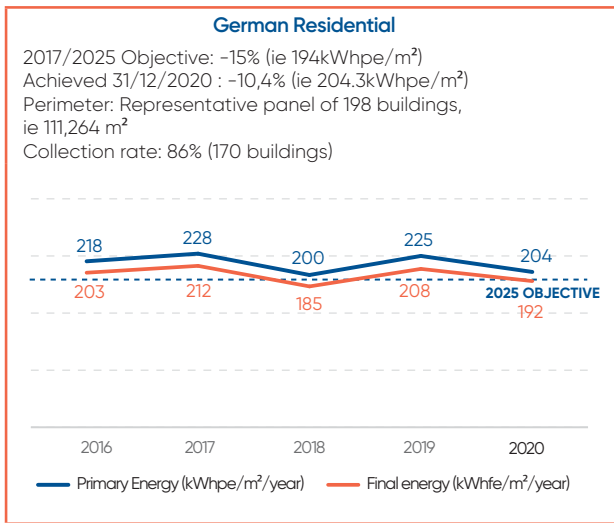
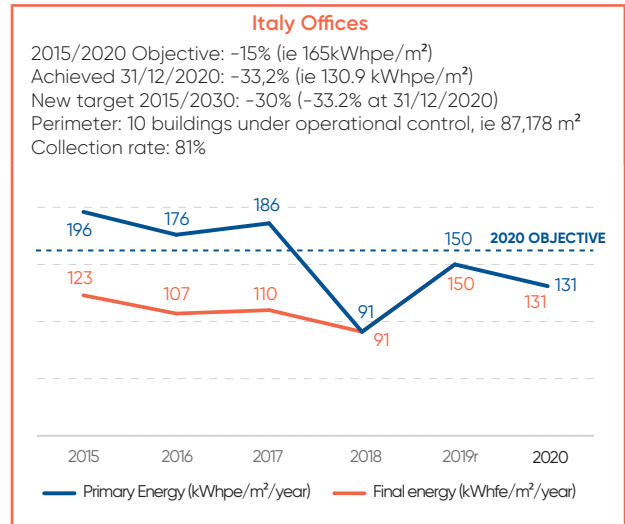
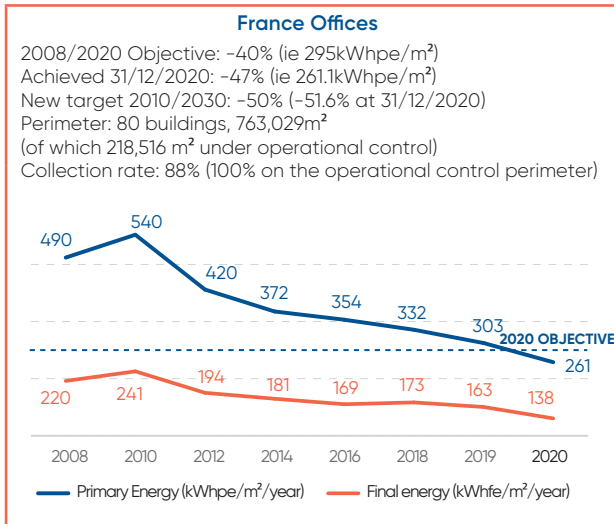
(1) The law of 23 November 2018 on changes to housing, development and digital matters, or the ÉLAN law.



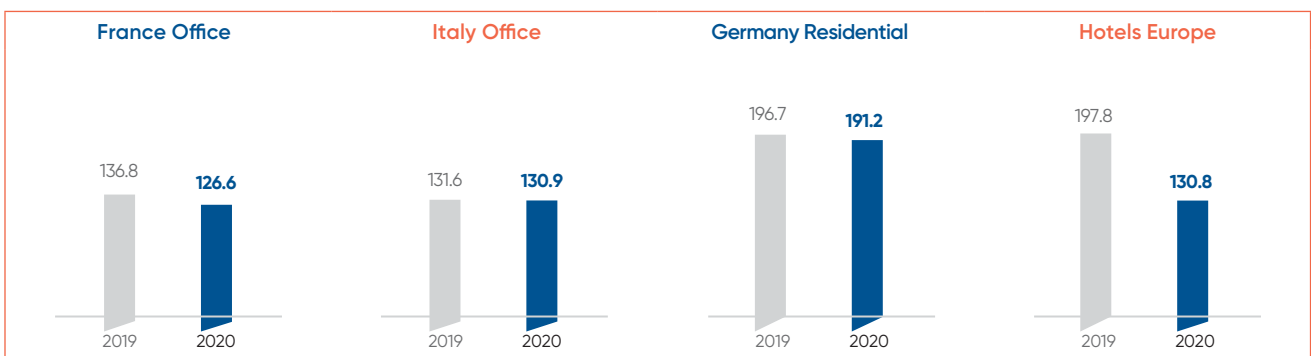
In Italy, Covivio has appointed Politecnico di Milano to conduct an advanced energy audit of the portfolio, based on site inspections and a review of the various pieces of energy equipment. The audit report of the first six representative assets selected showed the energy efficiency of each site and highlighted areas for improvement, which could thus be included in work plans. In total, 54% of the core portfolio has been subject to an energy audit and an internal energy manager is responsible for reducing and rationalising the energy consumption of the portfolio under direct management.

The graphs below show the energy consumption history of the four portfolios analysed.

Energy consumption showed a decline in 2020 across all four portfolios. Changes in the number of visitors to buildings by their end-users, due to the health measures linked to the COVID pandemic, do not allow us to measure the share of the improvement in the performance of buildings in the reductions in energy consumption and carbon emissions in 2020. As regards the residential portfolio in Germany, consumption returned to the level of 2018, under the combined effect of management measures resulting from the HQE Exploitation certification and the multi-year works programme.



Change in energy consumption on a like-for-like basis for the portfolios (in kWhfe/m<sup>2</sup>)







## Sustainable building

Managing operating expenses (energy, waste, certifications)

### Energy performance diagnostics

In accordance with the European Directive on the energy performance of buildings and its transposition into national law in the countries where Covivio operates, the Group ensures that energy performance diagnostics are carried out on its buildings (Energieausweis in Germany, Attestato di Prestazione Energetica in Italy). As the methodologies adopted by each country are different, it is difficult to make comparisons between performance levels. Particular attention has been paid to the change in the score obtained following a renovation, to assess the gain in energy performance.

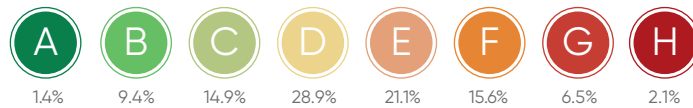
#### Rate of diagnostics performed per activity

France Offices:	99.7% by value/99.3% by surface area
Italy Offices:	99.8% by value/99.3% by surface area
German Residential:	94.8% by value/95.7% by surface area
Hotels Europe:	75.4% by value (93.9% for hotels in France)/65.5% by surface area (81.6% for hotels in France)

#### Focus on the Energieausweis of the German residential portfolio

At 31 December 2020, 37,537 housing units were subject to an Energieausweis (Energy Performance Certificate) and in total had the following scores:

#### ■ Share of housing units per score obtained in the Energy Performance Certificate (by number of housing units)



Ultimately, just over 55% of housing units that were subject to the diagnostic obtained a score of between A+ and D.



SO POP -  
Saint-Ouen

## carbon transition

The greenhouse gas emissions presented below are inherent to energy consumption in the operation of buildings, while the data presented in the introduction this section cover the whole of their life cycle. The variations take into account the energy mix and conversion coefficients assigned to each energy type. By setting ambitious objectives, which are in line with the Group's strategy, and reiterated in connection with its mission statement, Covivio's aim is to continue its activity within the trajectory of a maximum 2°C rise (p. 4-5), and where possible 1.5°C. To achieve this, after calculating its carbon trajectory in 2017/2018, Covivio developed two tools in 2020, again in coordination with the CSTB: cf. p. 47 "Innovative tools designed for Covivio by CSTB".

In addition, Covivio participates in various working groups, in particular:

- the hub of low-carbon specifiers, directed by the IFPEB<sup>(1)</sup>, with the support of Carbone 4, pools analysis resources for those choosing low-carbon solutions in the building sector. Two tools are already available to participants in the platform:
  - an analysis database from the E+C- observatory: how are high-performance buildings constructed today?
  - a tool for analysing materials: which materials should be chosen to lower the carbon footprint while limiting the extra cost?
- in particular, the Hub for low-carbon specifiers launched the Call for Low-Carbon Concrete Innovation in 2020, in order to provide an overview of the sector and provide an overview of innovative solutions to reduce the carbon impact of buildings; this may concern the concrete product itself, construction processes, support services, or any other area that reduces concrete-related carbon emissions;
- the Sekoya platform, launched by Eiffage and Impulse Partners, which brings together players such as Gerflor, GRDF, Legrand, Saint-Gobain, Vicat, USH and CSTB. This carbon & climate platform, dedicated to low-carbon materials and

processes, has enabled Covivio to identify new suppliers, such as Circouleur, 70% of whose paint is made up leftovers and unsold goods, thus reducing Covivio's carbon footprint, as well as the VOCs released..



### Vincent Floquet –

Technical Manager – Covivio Développement

“

As part of the So Pop project, we value the recycling of acrylic paint. Leftovers and unsold paint, 28 million litres of paint, were sent to incineration each year, or nearly 150,000 tonnes of CO<sub>2</sub> that could be avoided in the atmosphere. Using Circouleur's paints is to divide by 12 the carbon impact on this post.

In addition, the positive impact on volatile organic compounds and indoor air quality must be emphasized: an already open paint has lost much of its harmfulness. While Class A+ requires less than 1,000 micrograms/m<sup>3</sup>, these products emit less than 30 micrograms.

Finally, the sorting is carried out by people in professional reintegration, in a Social and Solidarity Economy approach.

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## Main indicators at the Group level

Reporting scope: 2,500,873 m<sup>2</sup>

Total GHG emissions: 40,500 teqCO<sub>2</sub><sup>(1)</sup>

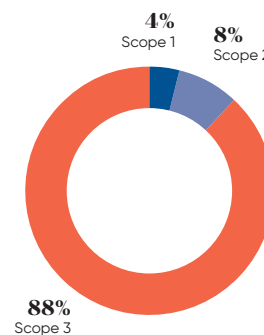
Of which corporate emissions: 541 teqCO<sub>2</sub>

Scope 1: 1,762 teqCO<sub>2</sub>

Scope 2: 3,144 teqCO<sub>2</sub>

Scope 3<sup>(2)</sup>: 35,594 teqCO<sub>2</sub>

Carbon intensity of the assets: 16.2 kWhpe/m<sup>2</sup>



Breaking down the intensity of 16.2 kgeqCO<sub>2</sub> by type of GHG gives: CO<sub>2</sub> = 14.68; CH<sub>4</sub> = 1.289; NO<sub>2</sub> = 0.086; HFC = 0.001; PFC = 0; SF<sub>6</sub> = 0.003; NF<sub>3</sub> = 0; Other GHG = 0.136.

(1) By extrapolating consumption from the representative panel to the entire German residential portfolio (2,746,046 m<sup>2</sup>), total GHG emissions would be 71,154 tCO<sub>2</sub>, or a carbon intensity of 25.9 kgCO<sub>2</sub>/m<sup>2</sup>.

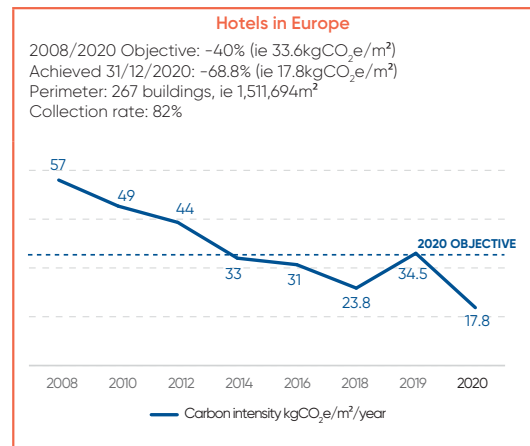
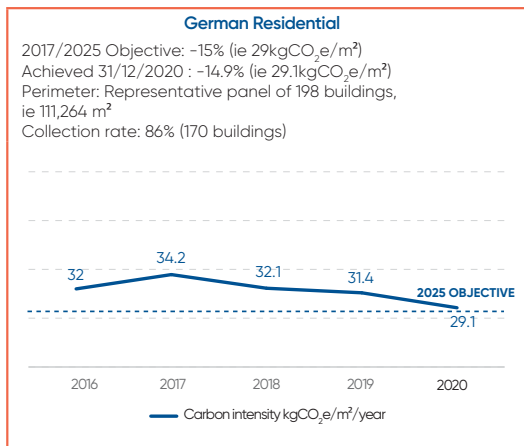
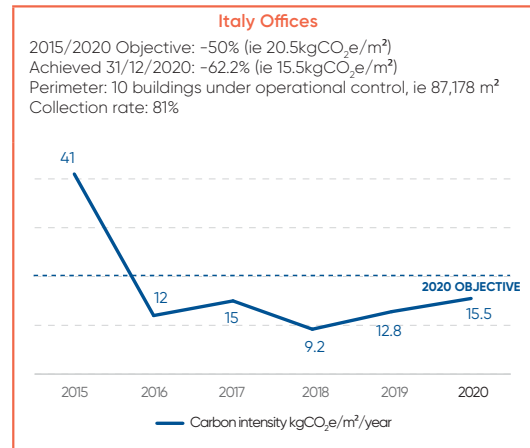
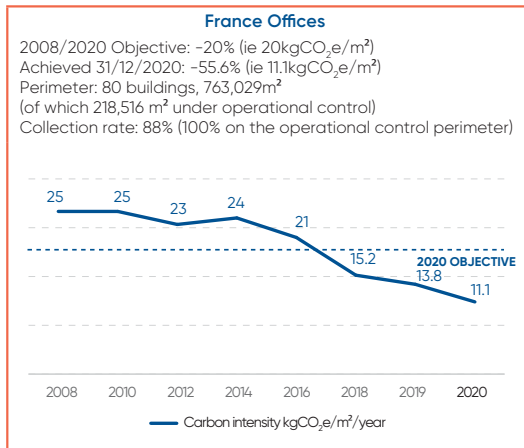
(2) Scope 3 here relates exclusively to emissions related to energy consumption from environmental reporting (non-operational scope), and does not include maintenance/construction/renovation operations that are included in Covivio's carbon trajectory (p. 47). When emissions from construction and upstream activities are included, scope 3 represents 98% of the Group's total emissions

(1) <https://www.ifpeb.fr/2019/11/25/hub-de-prescripteurs-bas-carbone>

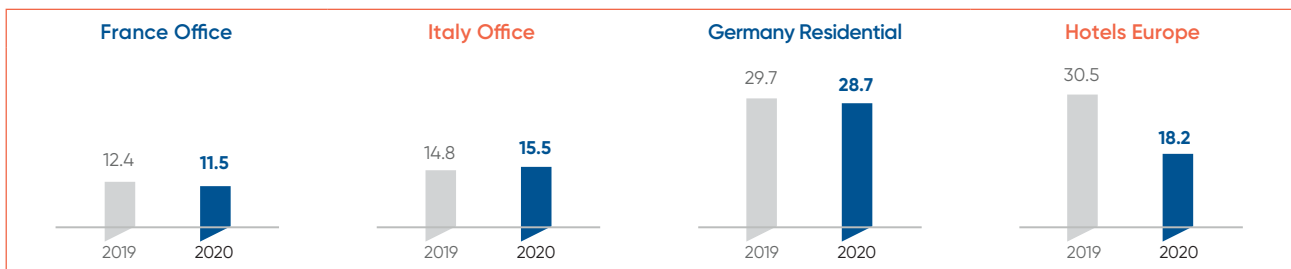
### Change in the greenhouse gas emissions of the various portfolios

The ratios set out below have been calculated using energy consumption data collected from Covivio's various portfolios. These calculations include greenhouse gas emission ratios specific to each country and climate adjustments to allow data to be compared between years (p. 140). Reporting scopes for each portfolio are the same as those referred to in the section on energy (p. 58).

For the France Offices and German Residential portfolios, reductions are fairly proportional to those observed in energy consumption. As for hotels, some of them were closed during the lockdown, including establishments with sub-optimal energy mixes which had a negative effect on the figures in 2019. This situation, coupled with the fall in energy consumption due to the reduction in economic activity, explains the very heavy fall registered in 2020. In Italy, the growing number of new developments using community heating (less favourable than green electricity) explains the slight decline in the energy mix, and the slight uptick in greenhouse gas emissions in 2020.



### Change in GHG emissions on a like-for-like basis for the (in kgCO<sub>2</sub>e/m<sup>2</sup>)



## Harnessing renewable energy

Renewable energy has great potential to reduce the carbon footprint of a building. In the different countries in which Covivio operates and in its various projects, the use of renewable energy has been carefully studied to determine the opportunities it provides taking into account environmental specificities and the regulatory context.

The choice to sign a green energy contract is made in conjunction with the tenants, on a certain number of Group assets, notably in France for the CB21 Tower, in La Défense, or in Italy, where Covivio has, since December 2015, chosen green electricity for all its assets under direct management.

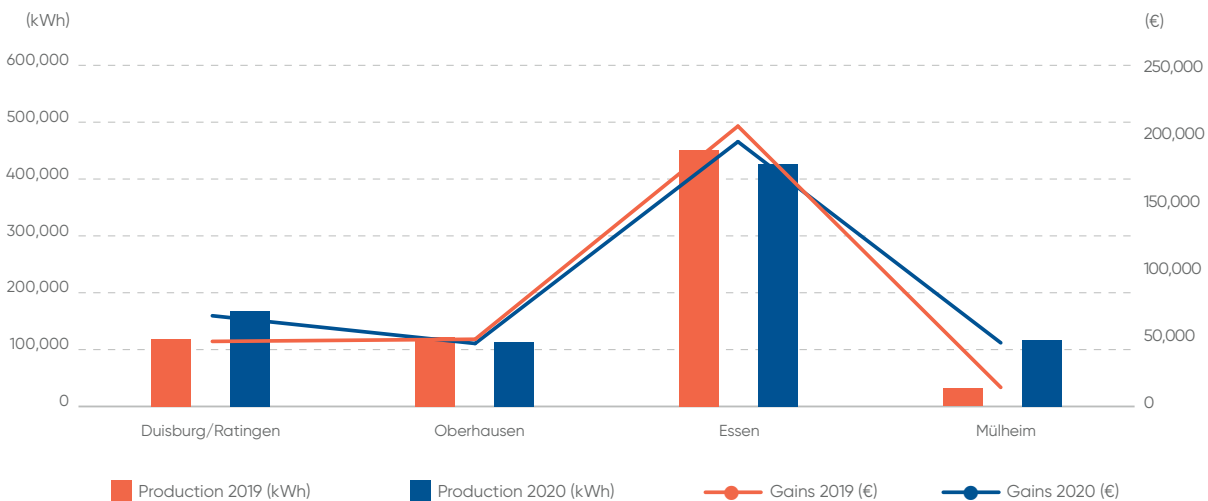
Several sites were also equipped with thermal solar panels (domestic hot water) or photovoltaic panels (production of renewable energy). Use of geothermal energy is also widespread,

through innovative initiatives such as Massileo® in Marseille, a warm water system managed by Dalkia, which supplies the buildings with hot and cold water based on 100% renewable energy from ocean thermal energy conversion

### Photovoltaic production in the German residential portfolio

47 residential buildings are equipped with photovoltaic panels in Germany. An investment made by Covivio since 2012 (with an average cost of €436/m excl. VAT, depreciated over nine years on average) which has enabled development of know-how in the field, and anticipated the shift in regulations towards passive buildings. 22 pieces of new equipment were installed in 2019, mainly in Mülheim. A total of 910,220 kWh was generated this year, an increase of more than 10% compared to 2019.

### Evolution of production and gains related to photovoltaic production for the German residential portfolio



Covivio's technical teams systematically examine all possible solutions, in particular heating and cooling networks. Since 2014, Covivio Immobilien has chosen, when possible, to connect its buildings to urban heating networks that use co-generation. This solution is particularly viable in cities such as Berlin, Oberhausen and Mülheim, where Covivio owns numerous assets. These renovations also provide an opportunity to implement new solutions, like the Tours Garibaldi in 2010, which were equipped with 804 m<sup>2</sup> of photovoltaic panels on the façades and solar water heaters on the roof.

## Life Cycle Analyses (LCA)

Covivio has carried out Life Cycle Analyses (LCA) since 2010 in order to quantify the environmental impact of projects at each stage of their life cycle (extraction and manufacture of materials, operation and ultimately deconstruction). These LCAs are carried out by analysing six modules (materials, energy, water, travel, building sites and waste). In 2013, Covivio commissioned France's first LCA on a property renovation (Steel building, Paris 16th arrondissement) and in 2014, France's first LCA on a hotel (B&B Porte des Lilas). These studies were added to the HQE Performance programme and thereby contributed to the construction of a database used for purposes such as BBCA (low carbon building) certification.

Following the HQE Performance-ACV Rénovation test carried out in 2017 in order to calculate the impacts related to the renovation of buildings, the HQE-GBC Alliance is coordinating a program in France organised under the aegis of World GBC aimed at identifying a method to increase the performance of existing buildings throughout the life cycle and highlight effective levers for reducing carbon emissions. This is the NZC Renovation project, which aims to identify the best levers for reducing carbon emissions in existing buildings. One of the seven pilot buildings of this operation is the "Jean Goujon" asset, owned by Covivio. This project will end with the publication of a report and communications intended to enable a wider European public to take ownership of the lessons learned.

To capitalise on these experiences and continue to make progress in analysing the performance of its buildings, Covivio commissioned CSTB to draw up LCA specifications that can be used in various European countries and for its three activities: office, residential and hotel. This document will enable Covivio to facilitate the comparison of its buildings and monitor its 2030 carbon trajectory. It will also make the LCA Express more reliable (p. 47 "Innovative tools designed for Covivio by the CSTB").





## Sustainable building

Managing operating expenses (energy, waste, certifications)

### Water transition

Water is likely to become a major issue in Europe as climate change starts to be felt. Over the past 10 years, Covivio has prepared reports in this area, enabling it to monitor the objectives set for the operation of its assets. Water is mainly consumed by tenants, for cleaning the common areas and watering green spaces and, where applicable, by the operators of company restaurants or hotels. For each of its components, measures are adopted, which aim for greater frugality in the use of water.

Main indicators at the Group level

The figures below are calculated using the tables presented on pages 144-147.

Reporting scope:	2,411,646 m <sup>2</sup>
Total water consumption:	1,831,615 m <sup>3</sup>
Water intensity of the assets:	0.76 m <sup>3</sup> /m <sup>2</sup>

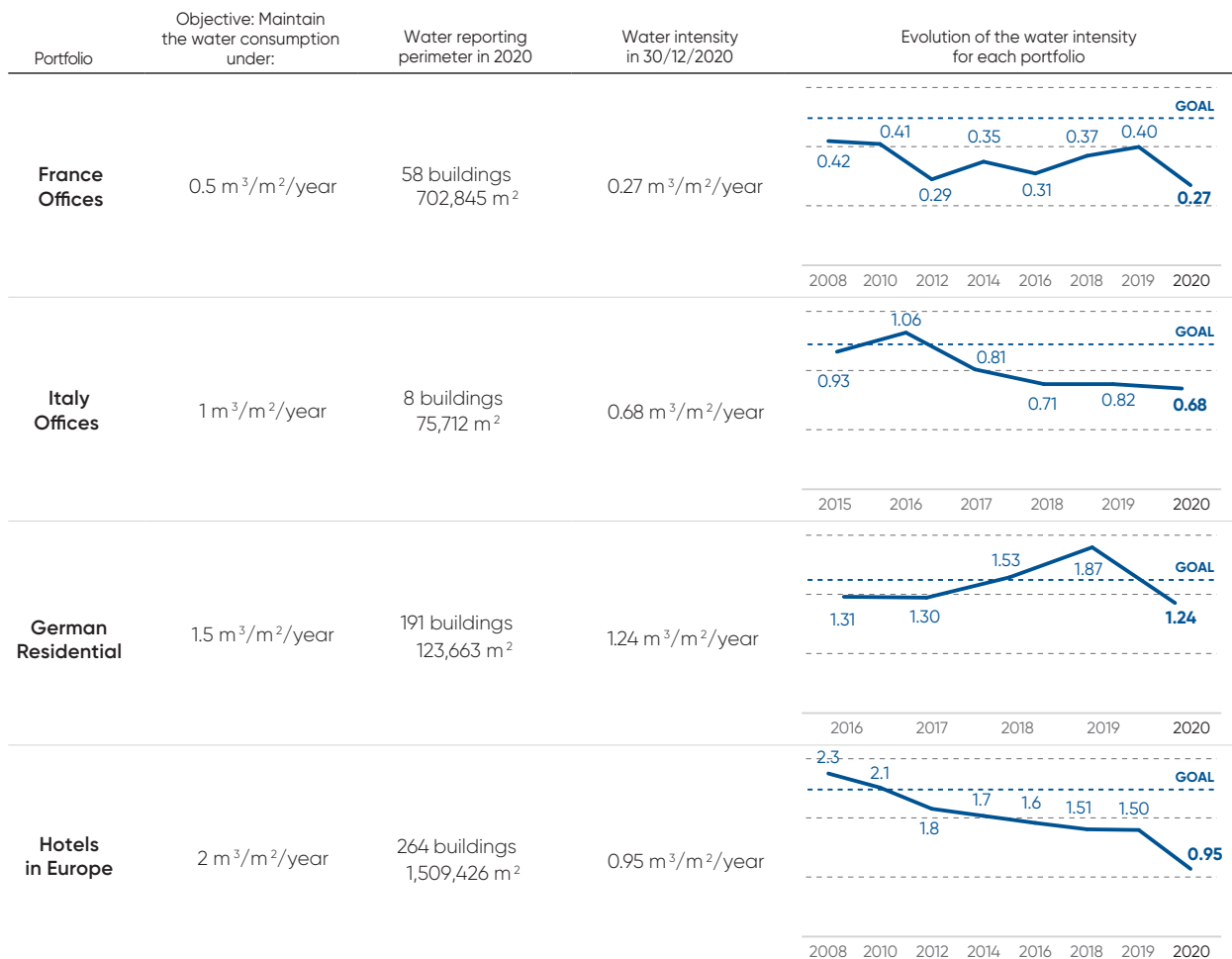
### Change in the water consumption of the various portfolios

A building consumes water during its construction (concrete, cleaning, etc.) and then during the period of its operation (housekeeping, watering, company restaurant, etc.). Within Covivio's portfolio, reducing the water footprint involves the systematic use of water-saving installations (aerator taps, 3 litre/6 litre toilets, etc.), and closely monitoring consumption. Most of Covivio's new developments collect rainwater for watering plants, keeping the collected water out of the water infrastructure system and hence out of rivers and seas, ultimately helping to replenish water tables. Considering that water intensity levels tend towards a minimum threshold, Covivio has opted for this indicator not to use a performance target, in particular given the floor reached for Offices in France (around 0.27 m<sup>3</sup>/m<sup>2</sup>/year) and hotels in Europe (around 0.95 m<sup>3</sup>/m<sup>2</sup>/year).

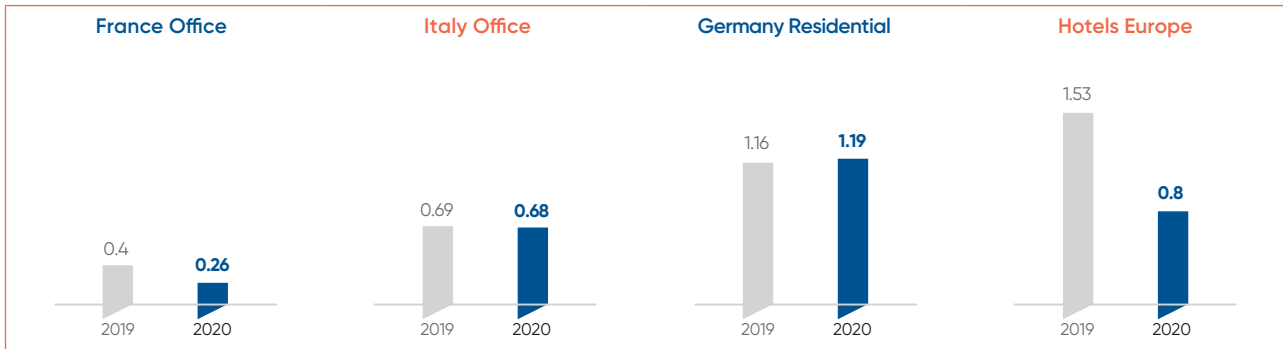
Water consumed by the assets in operation and during development comes exclusively from the municipal water networks. Covivio does not have to directly draw groundwater. On construction sites, water consumption is also monitored and measures are put in place to reduce it in the context of environmental certifications (p. 50).

In 2020, water consumption fell significantly across all portfolios, following a drop in the use of buildings due to the Covid crisis. In Italy, this reduction is less significant insofar as the occupancy rate has increased for certain buildings that had vacant space.

### Targets and changes in water consumption for the various portfolios (in m<sup>3</sup>/m<sup>2</sup>)



■ Change in water consumption on a like-for-like basis for the portfolios (in m<sup>3</sup>/m<sup>2</sup>)



**Transforming grey water into energy: the case of the Meininger Porte de Vincennes hotel**

As part of the Meininger Porte de Vincennes development project, Covivio has opted for the installation of a heat pump to recover thermal energy contained in gray water. Given the high environmental performance aimed for with this hotel and the extent of the water consumption related to the hotel activity, this technology has great advantages. This heat pump covers 100% of the production of domestic hot water and recycles the heat contained in waste water. As a general rule, the installation of the system provides a 40% reduction in energy consumption compared to a system without recovery, thus reducing the CO<sub>2</sub> emissions from operating the building. This hotel is one of the pilot assets that is testing the European LCA specifications (p. 22).



## Waste transition

Collecting data on waste removal is made difficult by the lack of weighing in most of the countries where Covivio operates: the concession operators appointed by the municipalities do not provide any data. The only data available concerns buildings for which a private service provider has been appointed to collect paper, cardboard, confidential paper and other non-hazardous industrial waste. In the absence of information on the amount of waste collected, Covivio has systematically implemented selective waste collection (100% of selective collection in 2019 and 2020).

Covivio has also set itself the target of reducing waste production by 15% between 2019 and 2030 on its direct management portfolio.

Private companies are responsible for waste removal on certain sites, making it possible to monitor waste by tonnage, by type and the percentage of waste recycled (p. 144-147). Also, development and renovation operations are subject to rigorous control for the treatment of waste. Dedicated procedures are therefore put in place on construction sites to ensure recycling in accordance with the low pollution construction site charters put in place for the environmental certification of development projects.

In 2018, Covivio Immobilien employed waste managers for a number of its buildings, who work with tenants to raise awareness of recycling and improve waste sorting. These measures resulted in a reduction in the number of collection containers. Other initiatives have also been launched for the portfolio, particularly in terms of the circular economy (p. 50) and the fight against food waste.

### Summary of the consolidated environmental reporting of a construction site

#### ORLY BELAIA

Office space (in m <sup>2</sup> floor space)	23,342 m <sup>2</sup>
Energy consumed	740 MWh
	of which 435 MWh of electricity
Eau	3,543.1 m <sup>3</sup>
	of which 1,870 m <sup>3</sup> related to the site facilities

Waste reporting at end of construction site	Of which recycled / reused	Of which % incinerated including with energy recovery	Of which landfill	Of which managed by the municipality	TOTAL
Non-hazardous waste - (NHW)	80.4% (510t)	14.2% (90t)	5.4% (34t)	-	634 tonnes
Green waste	-	-	-	-	0 tonnes
Non-hazardous waste - Steel	100% (20.7t)	-	-	-	20.7 tonnes
Inert waste	80.4% (39t)	13% (6.3t)	6.3% (3.1t)	-	48.4 tonnes
Wood waste	100% (46.6t)	-	-	-	46.6 tonnes
Cardboard waste	100% (6.3t)	-	-	-	6.3 tonnes
<b>TOTAL NON-HAZARDOUS WASTE</b>	<b>82% (622.6T)</b>	<b>13% (96.3T)</b>	<b>5% (37.1T)</b>	<b>-</b>	<b>756 TONNES</b>
Hazardous waste					0.18 tonnes

PULLMAN -  
Roissy

## SECURITY/ENVIRONMENTAL SAFETY/REGULATORY COMPLIANCE

The “Security/environmental safety/regulatory compliance” risk has been identified as a top priority considering Covivio’s operations. Security flaws in buildings or a lack of asset resilience might make Covivio unable to manage major crises that may result in a loss, accident, health risk or liability. Covivio implemented suitable procedures and indicators for its operations in Europe to deal with this risk several years ago. Health and environmental risks are monitored and managed on a daily basis through effective tools and dedicated teams, going beyond regulatory requirements. Underlying this risk, the issue of the portfolio’s climate resilience is key and requires long-term thinking, in line with the Group’s strategy.

Three factors must be considered to assess the regions’ vulnerability i.e. regional interdependence, demographic growth and urbanisation and climate change challenges facing the regions under consideration.

The issue of urban resilience is relevant on various regional levels, namely buildings/blocks/neighbourhoods/cities/regions. A region is resilient provided that each one of its parts is strongly committed to such resilience, by providing the best solutions in terms of eco-design, accessibility, circulation, biodiversity, biomimetics, management of networks (energy, wastewater and rainwater) and communication systems.

Covivio’s response to the challenges of resilience are to reduce its environmental impact and adapt to climate change by anticipating its consequences. For the eco-design of its buildings in Europe, Covivio makes every effort to opt for low-carbon building solutions (materials, systems), to insulate its buildings and protect them with awnings/blinds/glazing/green roofs and façades to enhance the night-time cooling effect, etc.

Resilience can also be improved by adapting how the building is used, through the involvement of users in the choice of leasehold improvements, adoption of a public transport policy, working from home, flexitime, videoconferencing, Green IT solutions, etc. Covivio relies on these various solutions in its own operations and encourages its stakeholders to adopt them as well.

Lastly, managing and optimising the building facilities is based on striking the right balance between control over operating expenses and the occupant’s health and comfort. These challenges have taken on particular importance with the international health crisis. Covivio immediately adopted strong measures in its buildings in operation and in its own premises; similarly, tenants have taken measures to protect their employees and customers, such as Accor, which launched the “Allsafe<sup>(1)</sup>” label with Bureau Veritas to guarantee cleanliness and compliance with hygiene measures in its hotels. At the end of 2020, more than 60% of Accor assets held by Covivio had this label.



**Charles de Menthiere** –

*VP Asset Management Southern Europe – AccorInvest*

“

As a result of the Covid-19 pandemic and to further ensure the safety of customers, employees and institutions, Accor in collaboration with Bureau Veritas has strengthened its already high standards of hygiene and cleanliness by creating the ALLSAFE Cleanliness and Prevention Label. This label, approved by Bureau Veritas, a world leader in hygiene and cleanliness inspection, incorporates the most rigorous cleaning standards and operational protocols in the hospitality world.

Upon the reopening of our properties, each AccorInvest Group hotel operated under the Accor brand will have to apply these protocols and will be audited by Bureau Veritas auditors to receive this label, thus guaranteeing compliance with ALLSAFE cleanliness standards.

”

In order to assess the capacity of buildings to withstand the consequences of climate change, Covivio had a resilience analysis carried out in 2019 and 2020 on two emblematic assets in the portfolio. Through several adaptation scenarios, the building is screened in relation to a list of climate risks according to the location of the site and its main characteristics. This study resulted in several recommendations and an assessment of the potential impact on rental value depending on the adaptation scenario adopted.

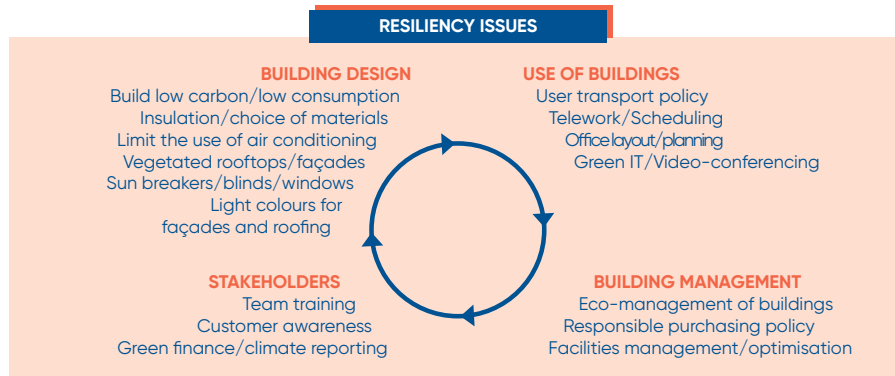
(1) (<https://group.accor.com/fr-FR/Actualites/2020/05/allsafe-cleanliness-prevention-label>).





The diagram below illustrates the main challenges of resilience and a few examples of performance drivers which can be implemented.

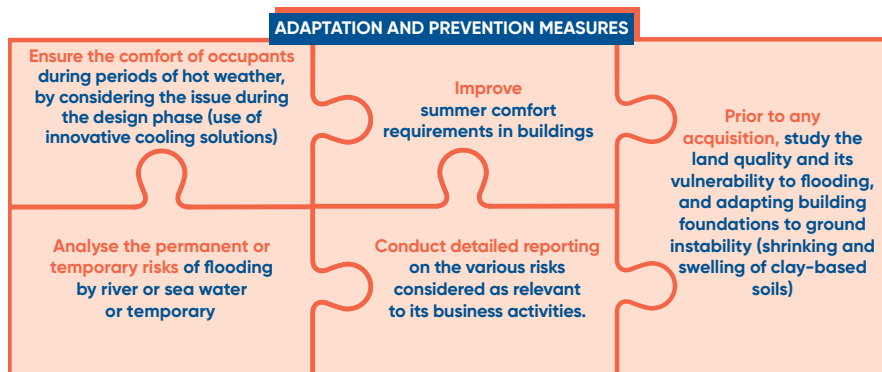
■ **Optimizing the resilience of buildings**



**Adapting to the consequences of climate change**

In addition to compliance with the local regulations (e.g. in France: ERP – Inventory of risks and pollution), Covivio has identified the main uncertainties which could impact its activities and put in place prevention and adaptation measures which are described

in the following diagram. The TCFD reporting presented in the introduction to this chapter also provides an overview of the strategy implemented by Covivio to address the consequences of climate change.



In 2020 Covivio tested the PREDICT model developed by EY in order to better assess the exposure of the portfolio of buildings held by Covivio to climate change. This study covered all commercial assets included in its 2019 environmental reporting, with two objectives

- measure the share of assets directly affected by certain climate change risks;
- equip and protect the Group's buildings to cope with this

● THE SIGN – Milan



Based on the IPCC scenarios, the model made it possible to determine that, on average, Covivio's portfolio should face an average increase in temperature over the period 2015–2050 compared to the period 2005–2014 of 0.8 degrees (scenario SSP3-7.0, intermediate). Over the same period, 14% of the assets analysed (in surface area) should face an increase of more than one degree. The model also addresses two major hazards given the location of the Group's assets: heat waves (five consecutive days at a temperature five degrees higher than the historical average) and intense precipitation (over 20 mm/m<sup>2</sup>/day). Also calculated on the basis of the SSP3-7.0 scenario of the IPCC, 29% of the assets analysed could face a heat wave of 20 days (respectively 13% in the event of a heat wave lasting 25 days), and 13% could experience ten days of intense precipitation on average per year.

These initial results reinforce the relevance of Covivio's strategy in terms of location choices and the fight against global warming.

In addition, Covivio conducted an internal risk mapping exercise to visualise a sea level rise of more than a metre, in order to identify which assets might be affected by such a risk. The results of the mapping indicated a very low risk Change to "of up to 2% (in value) of the assets analysed across all the commercial portfolios and a representative sample for the German residential portfolio (SASB 450a.1).

## Fighting urban sprawl and the land take

Covivio strives to avoid urban sprawl by integrating its developments within redevelopment projects that encourage "rebuilding the city on the city". The economical use of land reflects the Group's determination to limit land sealing, avoid the use of agricultural land for new buildings, and take flood risks into consideration. Throughout Europe, the projects completed by the Group meet this requirement allowing for effective participation in protecting areas with high biodiversity potential.

In 2017, Covivio added a "polluted sites and soil" module to the Provexi platform dedicated to asset risk management. This module provides a complete overview of all the information in the assessments by summarising the topics analysed (identifying potential sources of pollution, summary of the completed analyses). Employees can access all of this information, as well as interactive data maps. Sites on which special monitoring may be necessary are identified, and management of the required actions is simplified.



**Eric Duvaud –**

*Partner – Climate Change & Sustainability – Ernst & Young et Associés*

“

In 2020, Covivio wanted to measure the long-term impacts of climate change on its tertiary portfolio. To do this, an innovative approach has been tested: the location of Covivio's assets has been crossed with the IPCC (Intergovernmental Panel on Climate Change) scenarios to measure the exposure of heritage by 2050 to the most material climate risks. The PREDICT model, developed by EY, made it possible to verify the calculated results and reinforce Covivio's strategic convictions regarding the choice of its locations.

”

## Managing health and environmental risks

In 2020, as in 2019, Covivio was not subject to any proceedings that ordered it to clean up or remove pollution from any of its sites in operation, nor was it subject to any court ruling for non-compliance with environmental regulations.

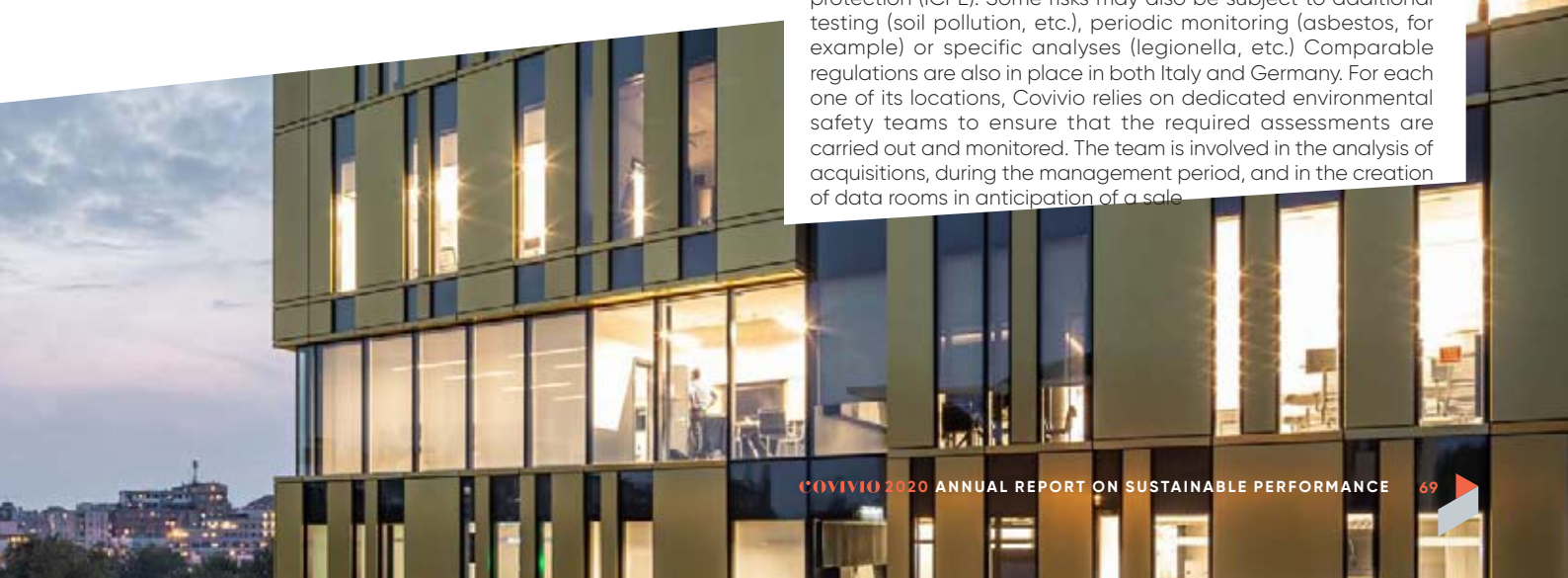
As a precautionary measure, Covivio decided to provision €2.5 million in the event it would have to cover clean-up costs for a site owned in conjunction with a non-strategic activity.

Anticipating changes in regulations and aware of its environmental impact, the Group is keen to move towards projects with "net zero reallocation of natural land to urbanisation", with a significant portion of its operations (54% of ongoing France Offices operations) consisting of restructuring and upward extension projects.

### Regulatory compliance

Property acquisition and management require certain assessments which may be mandatory depending on the date of construction of a building. These assessments cover asbestos, pest status depending on the municipality (termites), mining and technological risks status (including flood risks, mudslides, coastal submersion and Seveso risks).

In France, Covivio's Environment Department oversees compliance with the regulations on structures classified for environmental protection (ICPE). Some risks may also be subject to additional testing (soil pollution, etc.), periodic monitoring (asbestos, for example) or specific analyses (legionella, etc.) Comparable regulations are also in place in both Italy and Germany. For each one of its locations, Covivio relies on dedicated environmental safety teams to ensure that the required assessments are carried out and monitored. The team is involved in the analysis of acquisitions, during the management period, and in the creation of data rooms in anticipation of a sale.



As an example, the table below outlines the risks considered relevant to Covivio's Offices segment in France and Italy.

Number of sites concerned	France		Italy	
	2019	2020	2019	2020
Subsidence	29	28	0	0
Earthquake	1	1	227	187
Flood	52	44	1	1
Thermal effect	1	1	0	0
"Storm surge"	1	1	0	0
Toxic effect	1	1	0	0
Drought	4	4	0	0
Avalanche	0	0	0	0
Forest fires	0	0	0	0
Exceptional precipitation*	N/A	N/A	227	187
Cyclone	0	0	0	0
Rise in groundwater levels	1	1	8	8
Volcano	0	0	1	1
Mining	0	0	0	0
Other mining risks	0	0		
Other natural risks	23	20		

\* Definition in line with Italian regulations, outside the scope of the inventory of risks and pollution in France.

Area	Diagnostics implemented			
	2019	2020	2019	2020
Inventory of risks and pollution – number of cases examined(1)	205	100%	186	100%
Cooling towers – number of sites involved(2)	0	-	0	-

(1) Inventory of established risks.

(2) Sites where the tower's operator is the owner.

In Germany and Italy, Covivio's technical teams use internal tools to monitor the risks to which buildings are exposed. In Germany, special attention is also paid to the consideration of health and environmental risks. Mining risks are particularly closely monitored. 195 sites are located in areas considered to be at risk by authorities. In addition, following an analysis conducted by Covivio Immobilien's insurance company, the risk of flooding was considered negligible for the portfolio as a whole. In accordance with legislation, in 2017 and 2018, smoke detectors were installed in residential units in North Rhine-Westphalia, Hamburg and Berlin. In addition, carbon monoxide detectors have been installed in all gas-heated apartments.

In Italy, environmental risks are monitored by the Property Management Department. All due diligence in the acquisition phase now includes a sustainable development chapter to cover the main environmental risks concerning the asset: biodiversity, adaptation to climate change, energy efficiency, floods, health and well-being, transport, management of water and waste, for example.

In the case of buildings owned by Covivio Hotels, environmental health and safety risks are monitored in the Environment Department within Covivio's Technical Department, France. Investigations covering topics such as asbestos and ground pollution are carried out when an asset is either purchased or sold. The leases of Covivio's hotels systematically stipulate that the tenant retains control of and responsibility for environmental risks, and that the user or the site manager is responsible for the premises' compliance with regulations governing environmental risks.



**Caroline Allingri** –  
Head of Environment – Covivio

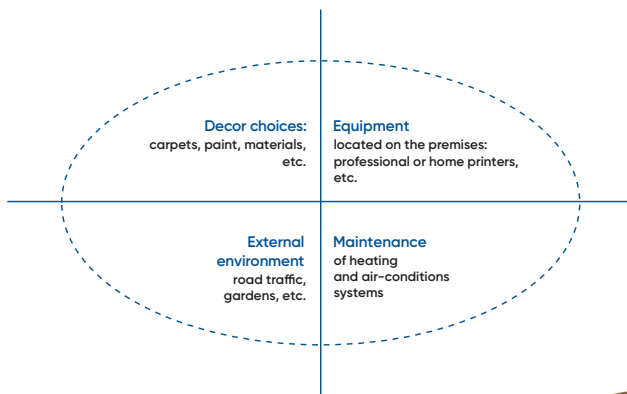
“ During disposals and acquisitions, the Environment Department screens all environmental issues that could affect the value or liquidity of the asset: asbestos, soil pollution, energy performance, exposure to natural or technological hazards, Classified Facilities... A detailed and scrupulous analysis of all available documentation is systematically carried out during the Due Diligence phase, in order to obtain the necessary guarantees during acquisitions or to answer the questions of the acquirers during the disposal. The environmental risks are thus carefully assessed and their short- or long-term impacts estimated to allow a precise control of the costs that may arise from remediation.

### Limiting noise pollution

Noise can cause stress and is harmful to concentration and creativity and hinders productivity. User comfort and well-being is a central concern for Covivio as we strive to develop buildings that provide optimum acoustic conditions for occupants (choice of materials, décor, space layout, etc.) against a backdrop of increasing demand for flexible premises. As part of its development and renovation projects, Covivio also makes every effort to reduce the exposure of tenants and local residents to noise pollution from construction sites.

### Indoor air quality, a health issue

Air quality is a growing public health challenge as fine particle pollution alone, generated by human activities, is said to be responsible for 48,000 deaths<sup>(1)</sup> in France each year. In addition, the harmful effects on health caused by this pollution annually is thought to cost between €20 and €30 billion<sup>(2)</sup>. Regulations are gradually becoming more stringent across Europe, especially with regard to transport and buildings. Indoor air quality in buildings is related to various factors:



It is to respond to these challenges that Covivio, EDF and the Impulse Partners incubator decided in 2019 to join forces to conduct the "Air Quality Challenge" call for projects. The aim is to identify innovative solutions to improve indoor air quality while reducing energy consumption (p. 91). The winners, Octopus Lab and Enerbrain, will be able to test their innovative solutions on Covivio and EDF buildings in 2021.

For its development and renovation projects, Covivio pays careful attention to all of these factors that can improve air quality, for example by using low-VOC (A+ rated) products and materials (paint, carpets, etc.) for the health and comfort of occupants. The specifications for Covivio's various business activities have factored in these issues.

In the absence of regulatory obligations, Covivio conducts annual studies of the quality of the air in most of its multi-tenant buildings in France. These studies are focused on the microbiological parameters of the air (germs, flora and mould among others), and may include physical parameters (including humidity, VOCs and CO<sub>2</sub>).

In Italy, a one-year trial is being carried out of the air quality of Covivio's head office in Milan. It was preceded by a survey of employees to question them on their feelings before the installation of five measuring units in the Offices.



● CARRE SUFFREN - Paris

(1) 2016 Report "Impact of chronic exposure to fine particles on mortality in mainland France and analysis of health benefits associated with various scenarios for reducing atmospheric pollution" – Public Health France.  
 (2) Report from the Environmental-Economic Accounting Commission Health and quality of outdoor air. French Ministry of Ecology, Sustainable Development and Energy (MEDDE), Department for the Economics, Assessment and Integration of Sustainable Development (SEIDD), June 2012.





## Sustainable building

Participate in the implementation of sustainable finance

# PARTICIPATE IN THE IMPLEMENTATION OF SUSTAINABLE FINANCE

Finance can be qualified as sustainable when it takes into account ESG criteria (Environment, Social, Governance); it brings together socially responsible investment (SRI), solidarity finance and green finance<sup>(1)</sup>. Since 2018, investors have increasingly taken ESG criteria into account in their analysis and investment choices. Covivio regularly organises road shows focusing on financial and ESG topics, or even exclusively ESG



### Jean-Eric Fournier –

Sustainable Development Director – Covivio



Sustainable finance is an important vehicle to drive the transition to a carbon-neutral economy that can limit global warming. At the European level, the Financing Sustainable Growth Action Plan aims to give a major boost to promote responsible investment through various initiatives. Among these, the creation of an European Taxonomy (“EU Taxonomy”) occupies a major place, with the objective of framing the market for “green” or “sustainable” financial products. Attentive to this initiative, Covivio is gradually taking into account, in its CSR reporting, the new criteria identified by this Taxonomy, still under development.



## What compliance with the European “green” taxonomy?

This Taxonomy is intended to become the foundation on which future regulations on sustainable investment will be based, as well as the new European green label. While the final texts remain under discussion within the European bodies at this stage, Covivio is concerned by four “sectors” on the list defined by the Taxonomy, namely: construction of new buildings; renovation of existing buildings; individual measures and professional services; (divided into four sectors in the draft delegated act to differentiate between energy efficient equipment, electric vehicles, measuring and controlling the energy performance of buildings, renewable energies) acquisition and holding of real estate assets.

For each of these sectors, the company may declare that it exercises a green activity within the meaning of the Taxonomy if it simultaneously complies with the three conditions listed in the first column of the table below.

At the end of 2020, the green portion of assets held by Covivio was 88.1% in value (including one third for their buildings), and 86.3% of gross rental income. This rate, which is based on levels of environmental certification, contributes to expressing Covivio’s commitment to the climate transition, by reducing its own footprint and that of its assets, and by adapting its portfolio and its business model, in a process of permanent progress.

In accordance with its commitments, Covivio’s entire tertiary pipeline, i.e. €1.2 billion as of 31 December 2020, is made up of projects aiming for global environmental certifications (HQE, BREEAM, LEED) with a minimum level of “Very Good” or equivalent. Among the acquisitions of the year, the hotel portfolio was the subject of preliminary studies with a view to certification of its operations, while the German office portfolio already has a certified property percentage of 36.4%.

The subject of operating expenses is presented in detail in the section “Control of operating expenses” (p. 57), which details the measures taken to improve assets’ energy efficiency.

At this stage of the discussions, only the objectives “Mitigation” and “Adaptation” to climate change were covered by the preliminary texts. To meet the taxonomy, at least one of the six objectives listed in the table below must be met, without prejudice to the other objectives. The definition of the concept of “green” is based on different criteria under the Taxonomy. The table below shows how Covivio plans to meet these conditions.

(1) <https://www.novethic.fr/actualite/finance-durable.html>



■ **The three conditions for compliance with the Taxonomy**

Three conditions to respect	Examples of Covivio actions	Page	Indicators monitored
<b>L'activité doit contribuer substantiellement à l'un des six objectifs environnementaux, détaillés ci-après</b>			
1. Climate change mitigation	Construction and renovation of certified buildings with high levels of environmental performance	53	Greening rate  Multi-year works plan
	European LCA specifications to make LCAs more comparable		
	Installation of high-performance equipment and materials (HVAC, façades, insulation, etc.)		
	Installation of terminals or spaces for electric vehicles on new projects		
	Reporting on environmental risks		
	Annual reporting and target to reduce the fleet's energy consumption	58	Energy intensity Carbon intensity
	Carbon trajectory		
	Raising tenant awareness and environmental certification of assets in operation	48	
2. Adaptation to climate change	Gradual adaptation of the portfolio through the delivery of buildings to the highest standards and energy renovation of the portfolio	53	Greening rate  Multi-year work plan
	Monitoring of environmental risks and work on the resilience of assets	68	Percentage of sites covered
3. Sustainable use and protection of water and resources	Water consumption	64	Water intensity
	Own site charters for certified projects		
4. Protection and restoration of biodiversity and ecosystems	Biodiversity Charters for construction and operation, biodiversity mapping, etc.	91	Percentage of sites analysed  Area given biodiversity label
5. Pollution prevention and control	Reporting on environmental risks	91	Percentage of sites monitored for health and environmental risks
	Specific procedures on construction sites for the treatment of pollution		
6. Transition to a circular economy	Works on circular economy:	53	Greening rate
	<ul style="list-style-type: none"> <li>• HQE Performance programme;</li> <li>• reuse of materials;</li> <li>• etc.</li> </ul>	63	



## Sustainable building

Participate in the implementation of sustainable finance

Three conditions to respect	Examples of Covivio actions	Page	Indicators monitored
<b>The activity must not significantly harm any of the other environmental objectives.</b>			
Comply with performance criteria or standards and regulations	Use of certifications and labels for buildings and/or operations	57	Greening rate
	Low-carbon construction – ACV	63	SBTi approved carbon trajectory
	Analysis of the dimensioning of equipment/installations	57	
	Compliance with recognised international standards for both financial and extra-financial aspects	138	EPRA sBPR/TCFD/GRI/SASB
	Choice of location	94	
	Targeted resilience studies	68	
	Regulatory watch	153-157	
<b>The company must respect the minimum social guarantees: compliance with the eight "fundamental conventions" of the International Labour Organisation.</b>			
The eight fundamental conventions are as follows:			
The Freedom of Association and Protection of the Right to Organise, Convention no. 87, 1948	As a signatory of the Diversity Charter and the Global Compact, in which it has attained GC Advanced	108	Publication of an annual Communication on Progress (COP) on the Global Compact website
Right to Organise and Collective Bargaining, Convention no. 98, 1949	(Global Compact – advanced level),	153-157	
Forced Labour Convention No. 29, 1930 + its protocol of 2014	Covivio is committed to observing the eight fundamental conventions of the ILO and ensuring that its suppliers comply with them		
Abolition of Forced Labour, Convention, no. 105, 1957			
Minimum Age, Convention, no. 138, 1973			
Worst Forms of Child Labour, Convention no. 182, 1999			
Equal Remuneration, Convention no. 100, 1951			
Discrimination (Employment and Occupation), Convention no. 111, 1958			





## Already 14% of Covivio's debt is "green"

At the end of 2020, Covivio had already issued two Green Bonds: the first in May 2016, with a value of €500 million (maturity 2026 - fixed coupon of 1.875%), and the second in September 2019 (maturity 2031 - fixed coupon of 1.125%). The success of these issues rewarded Covivio's ambitious sustainable development strategy across all of its activities in Europe. These two Green Bonds have enabled Covivio to significantly expand the circle of players that finance it, with great diversity at the international level.

As part of its second green issue, Covivio has chosen to modify its "Green Bond Framework" to make the eligibility criteria for green projects more readable and compatible with international standards. The detailed information relative to two Green Bonds issued by Covivio is available on its website in the section "Financial strategy/Debt". In accordance with the Green Bond Framework, the selected projects comply with the following criteria:

- recent green buildings: the eligible projects are (i) projects under development (for which a projected delivery date has been communicated) or (ii) buildings in operation delivered less than three years prior to the date of issue; in practice, these are buildings under development or refurbishment;

- minimum level of certification to be achieved: HQE Very Good, BREEAM Very Good, LEED Gold or other equivalent standards; in short, the selected assets are all aiming for HQE Excellent or BREEAM Excellent or LEED Platinum levels;
- energy efficiency: the projects must achieve a high level of energy performance, characterised by a level P or TP in target four of the HQE standard, or other equivalent standards;
- access to public transport: the projects must be located less than 10 minutes away on foot from a public transport network;
- relationships with tenants: the projects must be the subject of an environmental annexe in France or a Memorandum of Understanding in Italy for new leases signed with tenants

Projects are selected and evaluated by the Green Bond Committee, composed of representatives of the main functions within the Group (Financial department, Operations Department (Asset and Property Management), Sustainable Development Department, etc.). This Committee also has to select the buildings intended to come within the Green Bond, when it is being formed or in case of the disposal of one of the assets, in accordance with the Green Bond Framework criteria published on Covivio's website.

● SILEX2 -  
Lyon







## Sustainable building

Participate in the implementation of sustainable finance

### A proven performance

In addition to the checks carried out internally to ensure compliance with the eligibility criteria, Covivio has again called on Vigeo-Eiris to give a Second Party Opinion. The purpose of this external audit is to make sure that the Green Bond Framework is aligned with the Green Bond Principles of the International Capital Market Association. Following its work, Vigeo-Eiris expressed a reasonable level of assurance (the highest level achievable) concerning Covivio's commitments and the potential contribution of its Green Bond to sustainable development, and more particularly to SDGs 7, 11 and 13 (p. 16-17).

As for its first green issue, Covivio undertakes to call on an independent third party annually to audit the correct allocation of funds in accordance with the principles laid down in the Green Bond Framework, as well as the environmental performance indicators. The independent third-party audit report is published on Covivio's Internet site, as well as in this document on pages 159-160. This report covers both Green Bonds. As the assets in the second portfolio are undergoing work, the audit of the operating report covered only the first portfolio.

The indicators selected for the Green Bond and audited by the independent third-party are aligned with the GRI Standards indicators and the recommendations of the Green Bond Principles and are separated into two main categories (2.71.2 of the 2020 URD):

- reporting indicators for the portfolio: rate of coverage of reporting (in m<sup>2</sup> and number of buildings), total energy consumption (in kWhfe), energy intensity (in kWhfe/m<sup>2</sup>/year), total GHG emissions (in tCO<sub>2</sub>e), carbon intensity (in kgCO<sub>2</sub>/m<sup>2</sup>/year), total water consumption (in m<sup>3</sup>), water intensity (m<sup>3</sup>/m<sup>2</sup>/year), distance of assets from public transport (accessible parts of buildings);
- reporting indicators per project: delivery date, location, environmental annex, total surface area of building (in m<sup>2</sup>), levels of certifications and labels obtained, energy efficiency (expressed by the energy target of the certification standard concerned), percentage of financing, percentage allocated to joint-venture assets.



## Highlights concerning the first Green Bond in 2020

Following the disposal of a building from the portfolio in 2019, the composition of the scope has changed, with the inclusion of the Quai 8.2 asset located in Bordeaux. This asset, delivered at the end of 2019, offers attractive environmental performance, having obtained dual HQE (Excellent)/BREEAM (Very Good) certification and respecting all the criteria laid down in the 2016 Green Bond Framework.

2016 is the baseline year for carbon emissions in addition to water and energy consumption for this property portfolio. As with the reporting for the entire portfolio (2.7.1.2 of the URD), buildings being developed or renovated or those that have been bought or sold during the year are not taken into account. Although the Green Bond was issued in April 2016, the reporting with respect to this portfolio covers the 2016 full calendar year, in order to obtain an accurate comparison with consumption for the following years. As in previous years, 100% of the consumption data was collected on buildings within the reporting scope defined i.e 8 buildings.

For confidentiality reasons, especially as regards single-let buildings, the breakdown of consumption by building has not been reported in this document. However, these details were verified by EY as part of its assignment. Summary tables can be found in Section 2.7.1.2 of the URD.

Adjusted for weather and on a like-for-like basis, this data shows a decline in the carbon emissions ratio between 2019 and 2020, dropping from 7.7 to 7.1 kgCO<sub>2</sub>e/m<sup>2</sup>GIA/year. This decline is the result of a 8.6% reduction in energy consumption on a like-for-like basis, dropping from 119.4 to 109.1 kWhfe/m<sup>2</sup>GIA/year. These two lower percentages are not the same as the energy mix that varies from one building to another. Lastly, water consumption was significantly down at 0.27 m<sup>3</sup>/m<sup>2</sup>GIA/year (against 0.40 in 2019). The table below presents the portfolio's environmental reporting in 2020 (the full version is presented in 2.7.1.2 of the 2020 URD)

	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (m <sup>2</sup> )		143,503	126,014
Proportion of estimated data		0%	0%
<b>Energy - carbon</b>			
Reporting Energy/carbon scope coverage by surface area (%)		100%	100%
<b>Intensity (kWhfe/m<sup>2</sup>/year)</b>	<b>Energy-Int</b>	<b>121</b>	<b>108</b>
<b>Intensity (kWhpe/m<sup>2</sup>/year)</b>		<b>258</b>	<b>238</b>
Total Direct energy (Gas-Wood)	Fuels-Abs	836,107	181,817
Total Indirect energy (Electricity - Networks)	Elec-Abs	16,464,128	13,429,853
Generation of renewable energy	Elec-Abs	153,139	135,779
<b>Total energy consumption (in kWhfe)</b>		<b>17,300,235</b>	<b>13,611,671</b>
Total energy (in GJ)		6.7%	6.6%
<b>Total energy consumption (in kWhpe)</b>		<b>36,977,394</b>	<b>29,983,237</b>
<b>Carbon intensity (in kgCO<sub>2</sub>e/m<sup>2</sup>/year)</b>	<b>GHG-Int</b>	<b>8.5</b>	<b>7.1</b>
<b>Water</b>			
Reporting Water scope coverage by surface area (%)		97%	100%
<b>Water intensity (in m<sup>3</sup>/m<sup>2</sup>/year)</b>	<b>Water-Int</b>	<b>0.36</b>	<b>0.27</b>
<b>Total water consumption (in m<sup>3</sup>)</b>	Water-Abs	51,017	34,573
<b>Waste</b>			
Reporting Waste scope coverage by surface area (%)		42%	93%
<b>Total waste (in tonnes)</b>	<b>Waste-Abs</b>	<b>277</b>	<b>371</b>
<i>of which recycled, re-used or composted waste</i>		15.3%	45%

The table below provides a summary of the eligibility criteria to which the selected assets meet under the 2016 Green Bond Framework.



## Summary – Compliance with the criteria

### ■ Portfolio of assets selected for the Green Bond of April 2016

The Green Bond issued in 2019 allows the financing or refinancing of four office projects under development, including two redevelopments

Assets	Fontenay Le Floria	Metz Le Divo	Velizy Hélios	Vélizy Europe	Paris Passy Steel	Issy les Mx Edo
Company	Covivio	SCI Pompidou Metz	Covivio	SCI 11 Place de l'Europe	Technical	Covivio
Ownership	100%	100%	50%	50.1%	100%	100%
Delivery date	2012	2014	2014	2015	2015	2017
Surface	9,175m <sup>2</sup>	5,286m <sup>2</sup>	46,749m <sup>2</sup>	33,268m <sup>2</sup>	3,681m <sup>2</sup>	10,938m <sup>2</sup>
<b>HQE profile</b>	<b>12/14</b>	<b>9/14</b>	<b>11/14</b>	<b>14/14</b>	<b>11/14</b>	<b>10/14</b>
<b>BREEAM</b>	<b>-</b>	<b>-</b>	<b>Very Good</b>	<b>-</b>	<b>-</b>	<b>Very Good</b>
Amount allocated: €500 M	€27 M	€12 M	€45 M	€37 M	€30 M	€72 M
Amount used: €475 M at 31/12/2020	€27 M	€12 M	€45 M	€37 M	€30 M	€72 M
Energy accreditation	BBC	BBC	-	BBC	BBC	-
Target 4 (Energy) E or VE	VE	VE	VE	VE	VE	E
Environmental annexes	✓	✓	✓	✓	✓	✓
Target 3 (Construction site) E or VE	VE	VE	E	VE	VE	VE
Water management	✓	✓	✓	✓	✓	✓
Waste management	✓	✓	✓	✓	✓	✓
Installation of a BMS	✓	✓	✓	✓	✓	✓
Health and safety clauses	✓	✓	✓	✓	✓	✓
Combating urban sprawl	✓	✓	✓	✓	✓	✓
Accessibility for disabled people	✓	✓	✓	✓	✓	✓
Accessibility to public transport (< 1km)	✓	✓	✓	✓	✓	✓
Dialogue with tenants and stakeholders	✓	✓	✓	✓	✓	✓
Eco-management (≥ 3 E or VE on 4 targets)	✓	✓	✓	✓	✓	✓
Comfort (≥ 2 E or VE on 4 targets)	✓	✓	✓	✓	✓	✓

\* Pending signature of the lease.

### ■ Assets selected for the Green Bond of September 2019

Building	Paris – Jean Goujon	Lyon – Tour Silex2	Châtillon – IRO	Milan – The Sign
Surface	8,460 m <sup>2</sup>	29,900 m <sup>2</sup>	24,600 m <sup>2</sup>	25,200 m <sup>2</sup>
Delivery	2021	2021	2020	2020 (A)/2021 (B-C)
Pre-lease rate	0%	53%	37%	100% (A)/97% (B-C)
Main certification	HQE Excellent	HQE/BREEAM Excellent	HQE TB/BREEAM Excellent	LEED Platinum
Labels	Osmoz/R2S/ Biodiversity	R2S	Wiredscore/ Biodiversity	Biodiversity
Amount allocated: €500 M	182	138	74	106
Amounts used: €413 M	144.9	91.5	74	102.6

Levallois Thais	Toulouse 21 Marquette	Bordeaux Quai 8.2 E	Montrouge Flow	Montpellier Orange	St-Ouen So Pop	TOTAL	Nanterre Respiro	Nancy O'origin
Covivio	BGA Transactions	SCI Factor E	Avenue de la Marne	Covivio	6 rue Fructidor		Covivio	Covivio
100%	100%	35%	100%	100%	50%		100%	100%
2017	2018	2019	2020	2021	2022		2015	2017
5,555m <sup>2</sup>	10,854m <sup>2</sup>	10,425m <sup>2</sup>	21,204m <sup>2</sup>	16,500m <sup>2</sup>	31,300m <sup>2</sup>	204,935m <sup>2</sup>	11,173m <sup>2</sup>	6,437m <sup>2</sup>
12/14	12/14	12/14	Target: 14/14	Target: 12/14	Target: HQE 2016 Excellent	12-14 average	-	12/14
Very Good	Very Good	-	Target: Excellent	Target: Excellent			Excellent	Excellent
€30 M	€31 M	€36 M	€100 M	€43 M	€37 M	€500 M	€49 M	€17 M
€30 M	€31 M	€36 M	€88 M	€30 M	€37 M	€475 M	€49 M	€17 M
-	-		Effinergie		E+C-		BBC Effinergie+	-
VE	E	VE	VE	VE	C	100%	74%	VE
✓	✓	✓	•	•	•		✓	✓
VE	VE	VE	VE	VE	M2	100%	86% (Waste)	E
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	M2	100%	✓	✓
✓	✓	✓	✓	✓	3 stars	100%	✓	✓





# ACCELERATING REGIONAL TRANSFORMATION



## 3

In an effort to address climatic, environmental, social and digital challenges, Covivio makes sure that its portfolio is consistent with local needs, equipment, infrastructure, culture and customs, as well as local expertise and markets.

Each building must fit in the most relevant way possible with the various requirements for transport, energy, communications networks, biodiversity, etc. The CSR risk mapping carried out by Covivio in 2018 highlighted "Integration within the sustainable city", an issue where the Group is able to capitalise on its acknowledged expertise in the area of long-term, value creating partnerships. This multi-stakeholder involvement is central to the response to two other societal issues raised by the mapping, namely "Responsible supply chain" and "Quality of relations with external stakeholders".



**With a European development pipeline worth €1.6 billion at the end of 2020, Covivio is participating in the emergence of more sustainable and inclusive cities. The Group has focused its investment strategy on European cities and capitals. These cities will have to face major challenges in terms of population growth and the environment as they seek to limit urban sprawl, protect biodiversity and improve the quality of the air, housing and public transport. They will continue to look to attract businesses and talents, host the best training facilities and enjoy a significant share of innovation and growth. In this competition, to ensure their attractiveness, the regions must take account of the emergence of new digital tools, robots and artificial intelligence. By relying on new digital tools, the “smart city” will facilitate the advent of a carbon-neutral society, by eliminating the use of fossil fuels, no later than 2050.**

Real estate plays a central role in this major upheaval, which involves the environment, the economy and social cohesion.

Under the leadership of the Board of Directors, Covivio's Purpose is the result of extensive internal consultation over several months within dedicated working groups. This innovative collective reflection process has enabled a large number of employees from the company's different business lines to express their views. Covivio's CSR policy has thus been strengthened, through the commitment of employees and the degree of shared ambition on objectives across all company levels.

Covivio's Purpose is resolutely focused on its various stakeholders, in particular through three initiatives

- the establishment of a Stakeholder Committee (composition: see p. 25);
- the creation of a Foundation that will bring together all actions in favour of equal opportunities and the preservation of the environment;
- the opportunity for teams to contribute to increasing social commitments and links with the regions, by dedicating a solidarity day each year to support a societal project proposed on the “Socovivio” platform.



**Stéphanie La Sala –**

*Head of Tenant Relations and Property Management – Covivio*

“

The demand from tenants is mainly for buildings that enable them to rationalise their occupancy and expenses and adapt to the changes in their organisations and business segments. The international health crisis linked to Covid-19 has only accelerated these trends. The projects developed by Covivio, whether for new or renovated buildings, promote cross-functionality, flexibility and services to users. The new digital tools have, at least partially, erased the frontier between work and personal life, and paved the way for “nomadism” by providing extensive flexibility. Throughout Europe, the quality of the location (in terms of accessibility, shops and safety among other issues) remains the decisive factor in tenant's choices, whether it comes to offices, homes and hotels.

”



## KEY SOCIETAL PERFORMANCE INDICATORS (AT 31 DECEMBER 2020)

€1.6 bn

EUROPEAN COMMITTED DEVELOPMENT PIPELINE  
(IN 100%)

### "INTEGRATION WITHIN THE SUSTAINABLE CITY" RISK

15,100

JOBS SUPPORTED THROUGH  
THE GROUP'S ACTIVITIES (2018)

1

BIODIVERSITY MAPPING  
WITH A EUROPEAN DIMENSION

99.1%

SITES ACCESSIBLE  
BY PUBLIC TRANSPORT

146

SUPPLIERS HAVE SIGNED THE NEW VERSION OF  
THE RESPONSIBLE PROCUREMENT CHARTER

### "RESPONSIBLE SUPPLY CHAIN" RISK

81/100

COVIVIO SCORE IN THE ECOVADIS  
SUSTAINABILITY LEADERSHIP AWARD

1

PURCHASING MAPPING  
WITH A EUROPEAN DIMENSION

68

SUPPLIERS WHO RESPONDED  
TO THE CSR SURVEY HAVE BEEN AUDITED

### "QUALITY OF RELATIONS WITH EXTERNAL STAKEHOLDERS" RISK (CUSTOMERS, SUPPLIERS, REGIONS, EDUCATION SECTOR, ETC.)

92%

OF OFFICE TENANTS IN FRANCE ARE  
SATISFIED WITH THE RESPONSES GIVEN  
TO THEIR REQUEST

Number 1

PRIVATE COMPANY IN THE GERMAN  
RESIDENTIAL SECTOR IN THE FOCUS  
MONEY 2020 SURVEY

100%

OF FRANCE OFFICES LEASES >2,000m<sup>2</sup>  
ARE COVERED BY AN ENVIRONMENTAL  
ANNEXE





## INTEGRATION WITHIN THE SUSTAINABLE CITY

The city of the future will be low-carbon and interconnected, and contribute to the circular economy. To limit the need for commuting and to provide more user-friendly living spaces, the buildings of the future will need to take into account the challenges associated with mixed use; namely, enabling city-dwellers to use these areas for everyday life, work and relaxation.

By anticipating these changes, Covivio is able to better manage the risks that could adversely affect the appeal of its assets if the Group did not make every effort to work very closely with its stakeholders, especially major cities. The "Integration within the sustainable city" risk has been identified as a major risk with regard to Covivio's activities in Europe.

The integration of a building within its environment is a major challenge in terms of the urban landscape and biodiversity, energy and transport networks, as well as its acceptability to local residents and public authorities. Its successful integration within the city also has social and economic dimensions in terms of employment and culture.

### Understanding local areas and strengthening cooperation with stakeholders

Backed by the strong partnership-based approach that has underpinned the company's success, Covivio's cooperation with its stakeholders has been given new impetus through its Purpose manifesto.

To work in close contact with its stakeholders, in addition to its premises in Paris and Metz, Covivio has four regional Offices in France (in Lille, Lyon, Bordeaux and Marseille). In Germany, Offices and branches have been opened in cities including Berlin, Dresden, Hamburg and Leipzig to supplement the teams historically located in Oberhausen. In Italy, the teams are based in Rome and Milan. Elsewhere, in 2017, Covivio opened an office in Spain and appointed a Country Manager to support its local development and build a close relationship with partners.

Covivio strives to boost the outreach of the local areas in which its assets are located, in particular by supporting numerous public relations events.

Anticipating and understanding new trends, particularly in terms of user needs and expectations, are at the heart of Covivio's strategy and that of its subsidiary Wellio. Studies, surveys and polls (available at [www.Covivio.eu](http://www.Covivio.eu)) are conducted on a regular basis. They enable the teams, customers and stakeholders to fully appreciate the challenges facing the sustainable city and better meet end-user expectations. They include studies into the appeal of large cities: "The sharing economy and work spaces: the viewpoint of European employees", "What if Offices made work appealing again?", "Expectations and customs of European employees".

### Symbiosis and Vitae, at the heart of the city's renewal

The ambition underlying Project Symbiosis developed by Covivio in Milan is to transform a historically industrial district into a new commercial destination that becomes a benchmark for smart working. Symbiosis is a unique proposition for the market in Milan: around ten new generation office buildings, marketed as they are completed and forming a centre of business excellence. Symbiosis perfectly meets the needs of innovative companies seeking sustainable buildings and offers flexible spaces for working better together. Located in a booming neighbourhood, opposite the Prada Foundation and near the Bocconi University, Symbiosis has become a showcase for new high-performance office concepts.

A key part of the Symbiosis project is a large "eco-friendly" square in the business district, which was inaugurated by the Mayor of Milan, Giuseppe Sala, in September 2018. This central square is destined to become a cultural and social space where people can share experiences and skills and create synergies. After the inauguration of the first building in September 2018, the construction of the other buildings is underway, including the design of a school for the ICS International School and the project of urban redevelopment Vitae, designed by the Italian architect Carlo Ratti for Covivio and winner of Reinventing Cities. This prestigious international competition is organised to accelerate urban and environmental regeneration. It is led by collective of cities committed to the climate. Vitae is at the cutting edge of innovation and sustainable development: technology integrated in the exterior walls to regulate the level of light according to solar exposure, a Nearly Zero Energy Building with a wooden framework, a sustainable restaurant concept on the ground floor combined with a hydroponic greenhouse and a vineyard on the rooftop, etc. The project will also comply with Milan's new urban plan, which is part of a process of carbon neutrality.



**Alexei Dal Pastro** –  
CEO Italy – Covivio

“

The consortium Covivio-Coima SGR-Prada plans to develop a mixed-used project combining offices, housing, services and an urban park of over 93,000 m<sup>2</sup> by 2026. The site is an over 190,000 m<sup>2</sup> former railyard area South-East of Milan, near Symbiosis business district and Prada Foundation.

The site will also host the Athletes' Village for the 2026 Milan-Cortina Olympic Games. Covivio will be in charge of the Offices section, by developing buildings open to the city and with high environmental performance, in line with its strategy and its purpose. Thus, it is a whole piece of the town that is subject of an urban regeneration project, ambitious in its societal and environmental objectives.

“



● SCALO PORTA ROMANA –  
Milan





## Quantifying regional socio-economic anchoring

### Measuring the socio-economic impact of the activities on a European level

Aware of its economic weight and its presence in several major European cities, Covivio wanted to measure its contribution to local economic development. Covivio has been committed to characterising and quantifying the socio-economic consequences of its France Offices and Italy Offices activities since 2014 and 2016

respectively. In 2018, Covivio extended the scope of its study to all of the Group's activities in Europe by measuring the impacts of its Residential business in Germany and its Covivio Hotels subsidiary. These studies are performed with the company Utopies and use the LOCAL FOOTPRINT® methodology.

#### The LOCAL FOOTPRINT® model

The LOCAL FOOTPRINT® model is based on national trade statistics tables of exchanges between industries, in particular from Input-Output Eurostat tables (sources: Eurostat and Eora) and research on regional economics from the University of Bristol. Based on real or modelled purchasing, payroll and tax data of companies, LOCAL FOOTPRINT® is used to simulate the socio-economic benefits of a business in a given area.

The analysis conducted in 2019 and presented below covers all of the sites under development, undergoing renovation and in operation. It is based on the data collected for the period from 1 January 2018 to 31 December 2018 for Offices (France and Italy) and German Residential activities. Covivio also wished to conduct an exploratory study into the socio-economic impacts of the hotels it owns and operates. To do so, the cash injected by these economic players was modelled using national statistics such as those published by INSEE, the French national office of economic statistics.

As the year 2020 is atypical due to the health and economic situation in Europe, the figures presented below are those published in the Universal Registration Document 2019.

#### The main results of the socio-economic consequences of Offices, residential & hotels activities

**Direct impacts:** these are related to Covivio's presence in France, Germany and Italy through its **922 employees** (full time equivalent at the end of 2018).

**Indirect impacts:** these translate the economic benefits generated by purchases or investments. Covivio spent €520 million on purchasing goods and service and this generated economic activity for its service providers and suppliers. This activity has

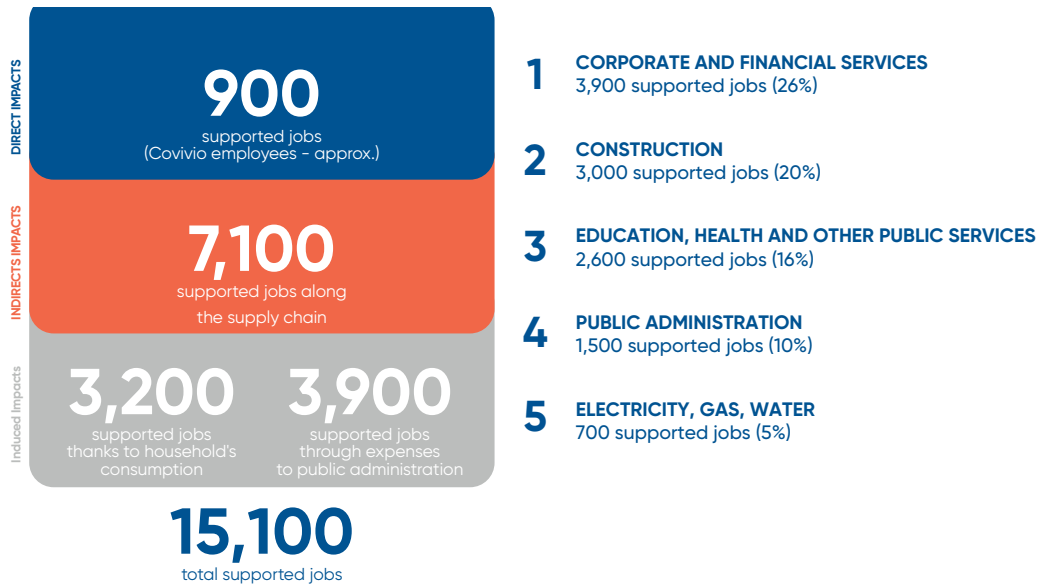
repercussions for the full supply chain. As a result, Covivio helps to support 7,100 jobs in France, Germany and Italy, which break down as follows: 4,000 (56%) for direct (tier 1) suppliers and 3,100 (44%) for tier 2 suppliers and below. In France, this means 3,100 indirectly supported jobs, 3,000 jobs in Germany and 1,000 in Italy.

**Induced impacts:** these correspond to the capacity to encourage other economic players to spend money on consumables. Household consumption, supported by the salaries paid to Covivio employees, as well as those paid by other players in its supply chain, contribute towards maintaining or creating **3,200 jobs** in France, Italy and Germany. Furthermore, payments made to public administrations (generated by the taxes paid by Covivio and those of its supply chain) help to support **3,900 jobs** in the 3 countries. A total of 7,100 induced jobs are thus supported: 3,400 in France, 2,500 in Germany and 1,200 in Italy.

**Total impacts:** these correspond to the sum of direct, indirect and induced impacts. Through its Offices and Residential businesses, Covivio thus supports **15,100 jobs** in the three countries where it operates (6,800 in France (45%), 6,000 in Germany (39%) and 2,300 in Italy (16%)), generating **€900 million of GDP**. Therefore, for **one job** at Covivio, **15 additional jobs** are supported



■ Details of the 15,100 jobs supported by type of impact and main business segments supported

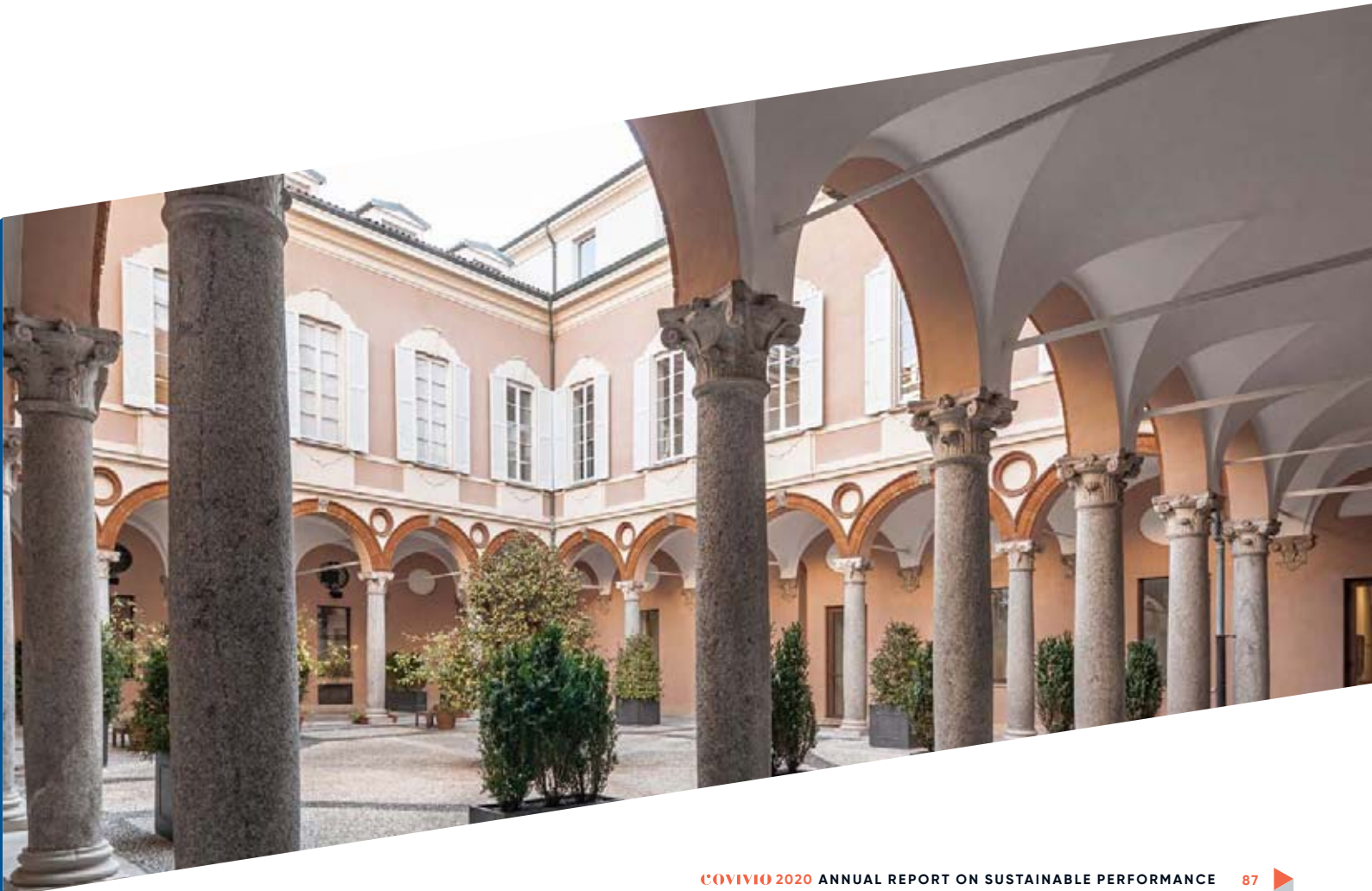


Source: Utopies.

**Catalytic impact of almost 400 hotels in asset base**

With a portfolio valued at €6.5 billion (€6 billion at the time of the study), Covivio Hotels, a subsidiary of Covivio, is the main real estate partner of hotel operators in France and in Europe, particularly in the most dynamic European cities.

Covivio undertook to evaluate the gross economic value from the operation of its hotels. Accordingly, it was estimated in early 2019 that the hotel operators holding leases with Covivio contribute to the economic life of Europe by generating some 34,800 jobs (direct, indirect and induced). As this contribution is not directly attributed to Covivio, but to its tenants, it cannot be added to or compared with the economic impacts of Covivio's management and development activities, described above.



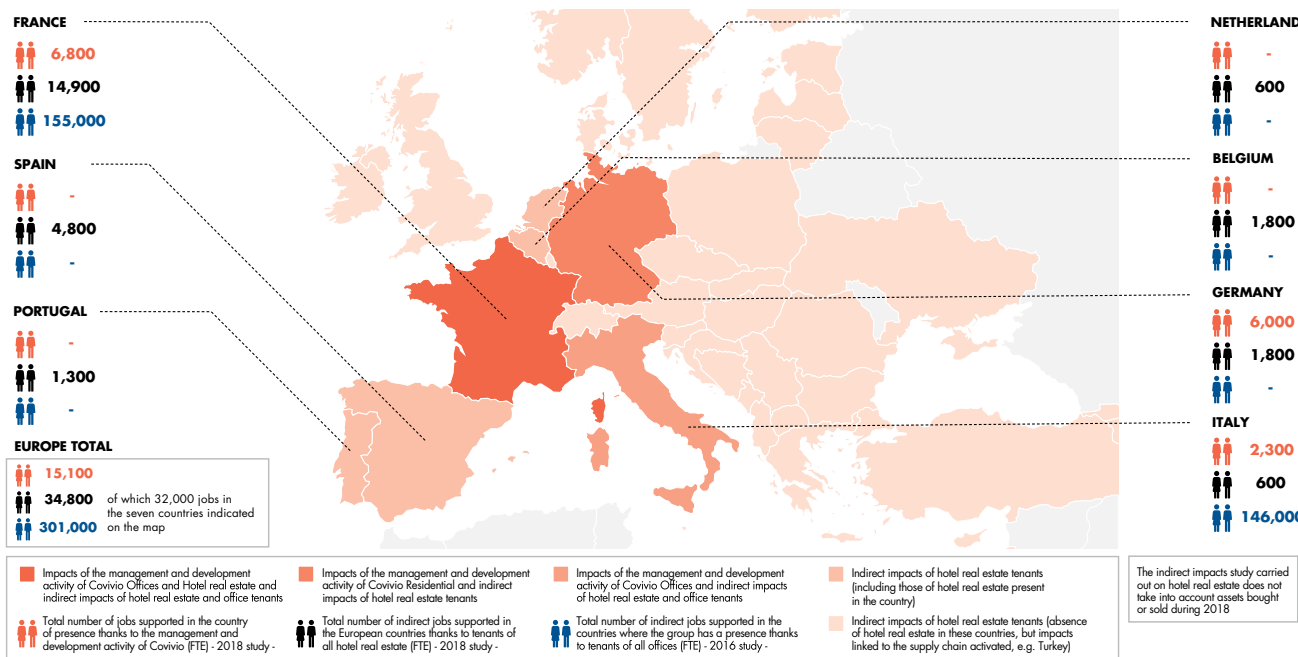


## Summary of the socio-economic impacts of Covivio in Europe

Through its management and development activities, Covivio supported a total of 15,100 jobs in 2018 across the three countries where its teams are based – France, Germany and Italy. The companies that lease hotels, Offices and private residential

properties have economic activities that have consequences on a pan-European basis. As such, it is estimated that, to date, 34,800 jobs are supported by portfolio hotels in Europe, and 301,000 jobs inherent in occupying portfolio Offices in France and Italy.

## Socio-economic impact mapping of Covivio in Europe



## Optimising regional impact

A socio-economic footprint assessment is a tool that helps provide a better understanding of the broad impact of a business, and helps Covivio identify potential opportunities to optimise the economic benefits created for the regions in which it operates. This optimisation may happen either by increasing the quantity of impacts (notably the number of local jobs supported), or by improving the quality of the impacts (including the nature and types of jobs supported and working conditions).

Accordingly, Covivio identified two main drivers for maximising its local impact and intends to focus on these increasingly going forward:

- the “Employment” approach: using local organisations who hire disabled people (protected workers) or long-term unemployed people (insertion companies);
- the “Procurement” approach: promoting local suppliers and subcontractors in the supply chain.

The signature by Christophe Kullmann, on 17 December 2019, of the Plaine Commune company-Territory Charter in favour of employment, the local economy and the circular economy is part of this dynamic. It relates in particular to the Saint-Ouen - So Pop project. The project should deliver many benefits in terms of employment, the local economy and the circular economy:

- 10% of total working hours required to complete the project are reserved for unemployed people;
- local businesses are given preferential treatment for 25% of the total amount of works and services contracts;
- reuse of technical floors, use of recycled paint (from unsold items), use of crushed concrete to make aggregates (used to build roads), etc.: these initiatives significantly reduce the building's carbon footprint;
- participation in the HQE-Performances programme and experimentation with the MFA method.

## Disseminating and sharing knowledge

Since 2008, Covivio has developed a partnership and collaborative policy with the world of education, focused on equal opportunities, relying in particular on skills-based sponsorship, which helps to promote internal know-how

### Training future real-estate industry decision-makers

The Palladio Foundation was created in 2008 by entities in the real estate industry, including Covivio, to address the huge challenge of urban planning. Covivio supports the Foundation, a place for meetings, exchanges, debates and reflection, via financial sponsorship and the involvement of its managers and teams in the projects and events of the Palladio Foundation. In 2020, the Foundation awarded grants to 15 students with innovative research projects.

Since 2012, Covivio has also been participating in job forums organised by higher education institutions such as HEC (École des Hautes Études Commerciales de Paris), ESSEC Business School,

ESCP Europe, EDHEC, ESTP and Paris Dauphine university in France, as well as Politecnico di Milano and Università Boconi in Italy. For Covivio, they provide special opportunities for interchanges with potential future candidates.

In addition, a number of Covivio employees do presentations often centred on sustainable development – at various institutions such as ESTP and Dauphine University in Paris. Every year, in Italy Covivio shares its practical knowledge and offers advice to students taking courses in real estate.

### Promoting equal opportunities

Through the Article 1 association (resulting from the merger between Frateli and Passport Avenir), Covivio has been involved since 2015 in a financial and skills-based sponsorship initiative, focusing on solidarity and equal opportunities. Article 1 develops and supervises the sponsorship of young high-potential scholars by industry professionals. The objective is to reveal the talents of students coming from disadvantaged backgrounds by providing them with tools, methods, access to networks and the confidence to pursue their goals. The association also provides accommodation in university residences to scholars, selected through an interview process. This programme, aimed at creating a community of mutual support and learning, is based on three main pillars: "live together", "do together" and "learn together". A number of Covivio employees are mentors and provide support for students on under- or post-graduate courses for two or three years, even helping them at the start of their careers.

In 2020, and despite the health crisis, Covivio carried out various actions with Article 1:

- at the start of the lockdown, in March 2020, several Covivio employees volunteered as part of the Réussite Virale initiative. Launched by Article 1 and the FAGE (federation of general student associations), this mechanism enabled contacts between sixth-formers and students, and students with professionals, in order to provide effective support during a difficult time
- in April 2020, Covivio responded favourably to the call for the mobilisation of companies launched by Article 1; this support was expressed through financial donations from employees
- in November 2020, Covivio took part in the job interview week, organised by Article 1; several employees took part in the simulation of job interviews with students in the programme. In March 2020, several other employees had also conducted mock interviews with students.



**Bérénice Mey** –

*Development and Partnerships Manager - Jobready*

“

As part of Covivio's support for the Equal Opportunities Association Article 1, new initiatives were introduced in 2020. Covivio has become a partner of Jobready, a programme consisting of an online platform and collective workshops created by Article 1 whose objective is to allow students to determine and evaluate their transversal skills (also called soft skills). These skills, such as adaptability, methodology, ability to learn, creativity, are developed throughout life. They have become essential for recruiters. That is why Covivio also signed the Soft Skills Manifesto, recognizing the role of soft skills in the recruitment and support of young people as part of its own HR policy. Jobready has been working with Covivio's HR department since the beginning of 2021, through training/awareness workshops aimed at the company's trainees and apprentices, as well as their tutors. The aim is for the latter to put all the chances on their side to develop their employability and their professional skills.

”

**JOBREADY**  
Article1

The Passerelle programme, which Covivio has been running since 2008 in partnership with the Lycée Louise Michel de Bobigny (Hauts-de-Seine), located in priority education zones (ZEP), is continuing and is another skills-based sponsorship initiative. It allows students of BTS or preparatory classes to meet professionals working in different professions at Covivio. In a period of their lives when they need to make long-term choices, more than 1,500 pupils and students from this establishment have benefited from various initiatives since 2008 – such as job interviews, CV workshops, intake of trainees, round table discussions on jobs, and visits to buildings – thanks to more than 55 volunteers from the Group.



## Accelerating regional transformation

Integration within the sustainable city

Under the Article 1 and Passerelle programmes, students also had the opportunity to benefit from summer jobs or six-month internships at Covivio

### Investing in urban life

In 2020, Covivio commissioned Opinion Way to conduct a study to better identify the challenges in terms of offices for the coming years. Published under the name "Flexibility first!" This study is described in page 48 and is public on the Covivio website. As a long-term partner of the French Association of Real Estate Directors (ADI), Covivio supports and participates in various events in the aim of jointly thinking about buildings, their uses and associated transport. The Group is also involved in studies carried out by the Association. Since 2015, Covivio has contributed to a number of white papers. The most recent, "Barometer of service sites in France", was produced in partnership with EY and published at the end of 2019.

Covivio is also involved in local authorities, particularly in public planning establishments (EPAs) such as Bordeaux Euratlantique and Marseille Euromed, bringing together public and private players to participate in the sustainable urban development of the region.

In Italy, Covivio has developed strong ties over a number of years with the Politecnico di Milano. In 2018, a partnership agreement was thus signed with the Politecnico di Milano Foundation for a period of three years and a total of €70,000. It includes the University contributing its expertise to innovative projects being carried out by the Group.

Covivio also works alongside the city of Paris by committing to the Paris Climate Action network, which launched the Paris Climate Action Charter. The Paris Climate Action Charter invites companies to commit to the fight against climate change and the Climate Plan. It was updated in 2018 and signed again, at Gold level, by Covivio, which is committed to adopting an operational action plan by 2030 and contributing to Paris's carbon neutrality trajectory.

In 2019, the PropTech Joint Research Center (JRC) was launched by Politecnico di Milano in partnership with Covivio and other companies operating in Milan (BNP Paribas RE, Bosch, Accenture, Edison and Vodafone). This project is dedicated to launching research into new technologies that could change the real estate professions and, most importantly, the real estate market.

In Germany, Covivio Immobilien is heavily involved in the life of the districts where its buildings are located, participating in cultural activities and running projects for the elderly and/or people with disabilities, in collaboration with local non-profit organisations, mainly in Berlin and the Ruhr (p. 95).

Covivio Immobilien also supports other social and societal causes, including making temporary accommodation available for war refugees; participating in the financing of corporate sponsorship programmes for schools, crèches and retirement homes; and, supporting the renovation of housing for elderly people and a social project for homeless people in Berlin.



### Jochen Humpert –

*Jochen Humpert – COO, Co-head of property management – Covivio Immobilien*



At the start of 2020, Covivio Immobilien entered into a partnership with the Malteser association to support its elderly tenants. In accordance with the Group's principles, the association helps with a 24-hour home emergency line and other services, such as ambulant care, driving services, ambulance transport, shopping service, with the aim of maintaining the independence of the tenants even in old age. Covivio tenants get the 24-hour home emergency call at a reduced rate.

Covivio's contribution is to make this Malteser offer known to its tenants. Due to this, they have already been informed via letters and notices in stairwells, and flyers have been distributed in the service centres. Given the evolution of the pandemic, it is also planned to organise tenant parties and special information events in Covivio service centres to make this programme even better known.



Since 2008, Covivio employees have been invited every year to participate in the "Foulées de l'Immobilier" race organised by students from Paris-Dauphine University's Master of Real Estate Management (Master 246) programme.

Over the Christmas period, Covivio collected toys from its employees for the benefit of the Rejoué Association. This operation brought out the best in terms of employee generosity (p. 121).

CARRE SUFFREN - Paris





## Turn each site into a biodiversity driver

In May 2019, a group of international biodiversity experts (IPBES<sup>(1)</sup>) made a stark statement: "Nature is deteriorating 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.



**Didier Guion** –

Technical Director Development – Covivio

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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 constitutes a biodiversity lever. This commitment was expressed in particular by the signature of the charter "Objective 100 hectares of "green walls and terraces", set up by the City of Paris. 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.

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### Biodiversity, a key focus of Covivio'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

Based on this observation, Covivio's biodiversity policy is broken down into six points:

- 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..

A total of 230,000m<sup>2</sup> of Covivio office space under development or already delivered will have a Biodivercity® or Eco-jardin label..



**Cyrille Frey** –

Project Manager – LPO AURA

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As part of the renovation of the ex-EDF tower that became «Silex2 », in the Part Dieu business district of Lyon, we had to process the temporary relocation of the falcon nest box during the period of work. This birdhouse had in the past several times welcomed pairs of peregrine falcons, who came to settle there during the time of reproduction. Located on the facade, more than 80 meters high, this birdhouse was ideally positioned. During the restructuring of the tower, it was moved to the building of the Part-Dieu Public Library, then reinstalled at the end of the 36 months of work at a height of 105m, after a fruitful collaboration between the LPO (Bird Protection League) and Covivio, that we supported during this project.

”

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



In order to implement this policy further, Covivio is currently studying the best conditions for implementing a “positive biodiversity” indicator on sites under development or restructuring.



**Aurélie Auterbe –**  
Project Director - Covivio

“

In the case of the renovation of the Gobelins building (Paris – 5<sup>th</sup>), the technical premises on the ground-floor were destroyed as well as a part of the slab in the courtyard following the liberation of Orange allowing to find the open ground to create a genuine interior garden complementing the planted terraces. Beyond the preservation of biodiversity in the city, the landscaping project has made the views of the garden from offices and meeting rooms, as well as from the panoramic elevators. In total, this operation has made it possible to develop 369m<sup>2</sup> of vegetated spaces, including 63m<sup>2</sup> in open ground, a gain of 34% compared to the initial situation, which, in a highly urbanized area, is an excellent result.

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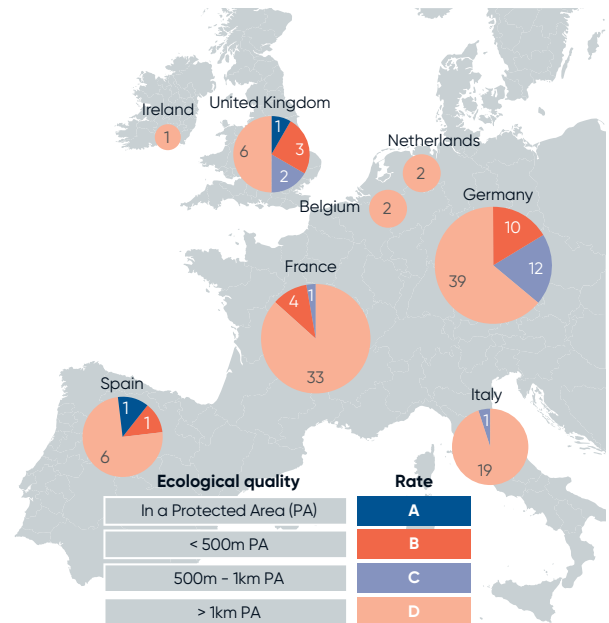
In addition, and for several years, Covivio has commissioned a regularly updated European study to characterise its potential impacts on biodiversity. The results presented below are those of the analysis conducted in 2019/2020, based on the GRI indicators.

**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 on biodiversity of the extraction of raw materials and the manufacture and use of construction materials

**Mapping of Covivio sites in or adjacent to protected areas**



**WELLIO GOBELINS – Paris**

## An analysis based on GRI Standards indicators

Covivio's real estate portfolio has changed since it was first mapped in 2017. In 2019, 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 summarising 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 or 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 (ZNIIEFF - Natural zone of ecological interest, fauna and flora- type I and II) were taken into account and identified within radii of 0.5, 1, 2 and 5km 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 1km 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 304-1 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 area.
- Covivio has implemented a number of initiatives aimed at reducing the severity of these impacts (p. 69).

**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", 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 France, for several years now, Covivio has been participating in the environmental restoration of an old 117-hectare quarry in the *Plaine de Bièvre* nature reserve (department 38) alongside the nature protection association "Le Pic Vert", as the site is on one of the main flyways for birds migrating to 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).
- 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.
- 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. 84). *Vitae*, which should host a vineyard in Milan, is also expected to obtain this label.

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

- 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".**

## Accessibility of the buildings as a driver of inclusion

### An asset with good connections to public transport

Reducing carbon footprints involves choosing sites that encourage the use of public and environmentally-friendly modes of transport (such as walking and cycling) by employees and tenants.

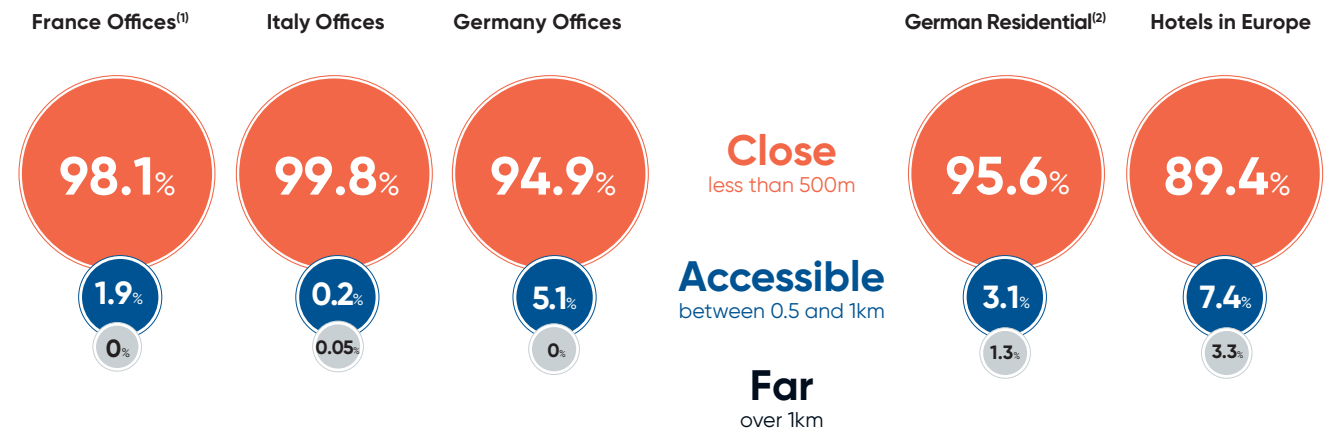
Covivio has set itself the objective of having at least 90% of the buildings it owns at the end of 2020 no more than 10 minutes away on foot (1km) from public transport (trains, suburban trains, underground systems, buses and trams). This objective – which has been part of Covivio’s CSR action plan for several years – is now reasserted as part of the Group’s Purpose manifesto: in 2025, at least 95% of Covivio’s buildings will be less than 10 minutes on foot from public transport (99.1% at end-2020 vs 98.7% at end 2019).

A growing number of large cities in which Covivio operates are focusing on the issue of atmospheric pollution, which has major impacts on health and well-being. As of 2013, Covivio’s teams in Italy have benefited from free recharging stations and four electric vehicles are available in Milan and Rome. In Germany, Covivio provides its employees with charging stations for electric vehicles as well as bicycles and has equipped workers based in Oberhausen with electric vehicles.

To ensure that its portfolio has good access in terms of public transport, every year Covivio conducts a mobility study for all its European assets (including a representative sample for residential assets in Germany). The study shows that the objective of having more than 90% of assets accessible at less than 10 minutes on foot has once again been achieved. The following graphs show the results for the different portfolios at 31 December 2020.

The in-depth study carried out in 2020 made it possible to further qualify the accessibility of the offices to the transport networks. 93.7% of the office buildings owned by Covivio in Europe are located within a ten-minute walk of at least one urban or regional rail network and 52% even had the same access to both the urban and regional rail networks.

#### ■ Accessibility of public transport at 31 December 2020 (in Group share value)



(1) Core Portfolio + development  
(2) Representative panel

● GARIBALDI TOWERS - Milan



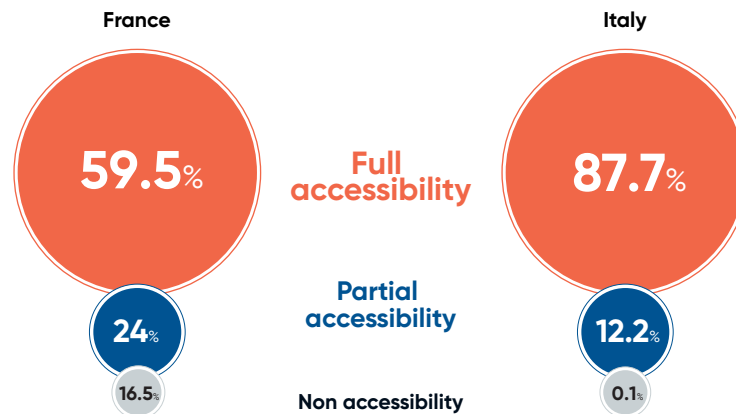


## Making buildings accessible for people with disabilities

Covivio pays particular attention to the accessibility of its buildings and removing architectural barriers in public spaces. The legislative framework of the countries in which Covivio operates provides for technical parameters to be guaranteed: minimum width of doors, characteristics of the staircases (in particular to favour their use for the first floors rather than the lifts), size of the lifts, access ramps, toilet characteristics, etc. Covivio's developments and renovations comply with the strictest accessibility standards.

The following graph shows the accessibility scores of office buildings for people with reduced mobility.

### Office accessibility for people with reduced mobility (in Group share value)



Various solutions have been deployed for new buildings and those in operation, in order to improve the quality of life of people with visual or hearing disabilities, in particular with the installation of sound signals or light markings.

In Germany, major work has been carried out to adapt existing housing for persons with disabilities whenever technically possible, including widening of doors, installing access ramps, additional lifts or stairlifts.

The Probewohnen project, launched in 2015, aims to offer people with mental disabilities the opportunity to test their autonomy in adapted housing. The Wohnen im Pott project consists of opening an outreach office in Oberhausen for people with disabilities to learn about the rights and solutions they can take advantage of in respect to housing. This multi-purpose room is open to all inhabitants and encourages residents of the neighbourhood to socialise with one another.

### RESIDENTIAL - Berlin





## RESPONSIBLE SUPPLY CHAIN

Covivio was one of the first European real estate companies to adopt a Responsible Procurement Policy. The policy, rolled out in 2011, covers the whole of the supply chain for the development and management activities of the France Offices portfolio, as well as the company's overheads.

Having a "responsible supply chain" is crucial for the Group, as its impact in terms of Covivio's business continuity and reputation can pose a major risk. This includes the issue of building site accidents, and more generally the monitoring of measures put in place by suppliers to protect the health and safety of people working on building sites.

In 2020, Covivio received recognition from CDP as a leader in terms of supplier engagement (CDP Supplier Engagement Leader A-List), being part of the top 7% worldwide on these aspects among all CDP respondents. Covivio also obtained a score of 81/100 Gold level, stable rating in its third EcoVadis assessment (as in 2019), placing itself among the top 1% of companies rated by this body and thus benefiting from the Platinum level.



**Sonya Bhonsle** –

*Global Head of Value Chains, CDP*



Companies' emissions do not end at the factory door. In fact, CDP data shows a company's supply chain emissions are over 11.4 times greater than its direct emissions on average. Meaningful corporate climate action means engaging with suppliers to reduce emissions across the value chain. Despite the challenges from COVID-19, in 2020 nearly 400 companies achieved a place on CDP's Supplier Engagement Leaderboard. Congratulations to Covivio – as one of the Supplier Engagement Leaders, driving the transition towards the net-zero sustainable economy.



### One policy, four tools

Covivio's Responsible Procurement Policy is deployed by means of four tools:

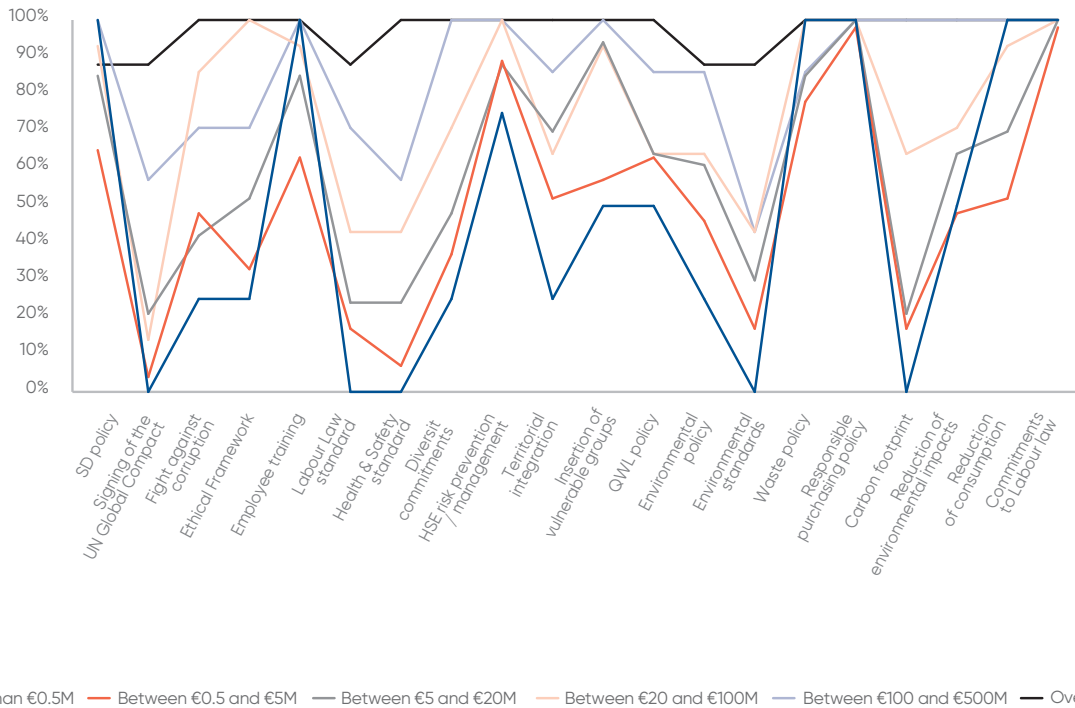
- the Responsible Procurement Charter drawn up by Covivio promotes the principles of the UN Global Compact, the Diversity Charter, the International Labour Organisation and its own Code of Ethics (p. 131). The latter aims in particular to fight against corruption and money laundering, anti-competitive practices, as well as bad environmental (products used) or social practices (non-compliance with regulations). The Responsible Procurement Charter sets out how Covivio's CSR actions correspond to the UN's 17 Sustainable Development Goals (SDGs) for 2030 and the 10 principles of the Global Compact. At the end of 2020, nearly 150 suppliers had signed the new version of the charter, i.e. more than 30% of the suppliers in the France panel targeted by the Responsible Purchasing policy. In terms of expenses, the charter covers 25% of expenses for the year in France (excluding the exclusions below). In 2018/2019, it was also translated into Italian and German so that it could be applied in these two countries (primarily in the context of new development). The Responsible Procurement Charter was updated in 2019 to include the GDPR regulation and in 2020, in particular to take into account the provisions relating to the BREEAM-In-Use certification

- a CSR clause making it possible to contractualise the CSR commitment of suppliers, in the contracts and specifications for maintenance and works contracts. In Italy, the Property Management team has incorporated green clauses into maintenance contracts, including waste management, the use of environmentally friendly materials and cleaning products, etc. Similarly, in Germany, the vast majority products referenced (materials, equipment, etc.) by Covivio Immobilien benefit from a demanding German label, guaranteeing respect for the environment and the health of users. These guidelines were reviewed in 2020, in particular to incorporate the environmental recommendations linked to the portfolio's HQE certification for buildings in use (HQE Exploitation). Finally, a clause on the fight against corruption has been included in the new contracts and specifications signed in France
- a survey questionnaire on suppliers' sustainable development practices, was updated in 2018/2019 and sent to all French suppliers taking one or more orders of over €200,000 before taxes in any 12-month period. The following are excluded from this process: insurance, banking, joint ownership, tax, notaries, duties and royalties. A rating is calculated on the basis of the responses, weighted according to the number of employees of the respondent company. The 49 questions cover topics ranging from governance (fight against corruption, existence of a Code of Ethics, etc.) to the consideration of environmental risks (toxic emissions, waste policy, etc.) through social/societal issues (workers' rights, health/safety at work, etc.). The updated version of the questionnaire has been distributed since the second half of 2019, and yielded over 110 responses at end-2020
- a verification of the questionnaire responses of around ten suppliers each year: at the end of 2020, nearly 70 suppliers and consultants had been assessed by an independent consulting firm specialising in purchasing. This check makes it possible to ensure the quality of the responses to the questionnaire and to examine certain subjects in greater depth: actions taken by the audited company regarding specific subjects examined each year, such as the management of subcontracting, accidents or carbon trajectories for example

The graph below shows the percentage of positive responses to a number of topics dealt with in the questionnaire. It shows a correlation between the level of CSR commitment of suppliers and their economic weight, expressed in number of employees, based on best practices, as detailed below.

● GRAND HOTEL DEI DOGI – Venice

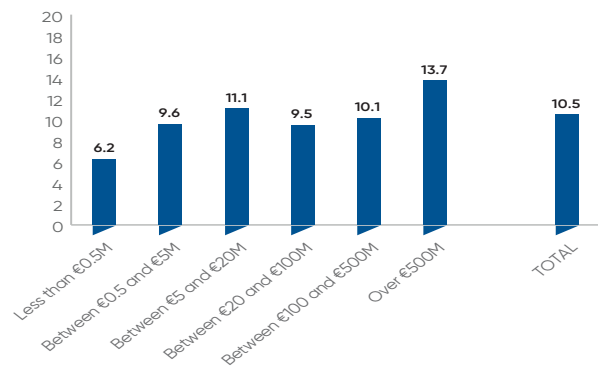
Percentage of positive responses to the CSR questionnaire topics by revenue category At 31/12/2020



The graph below shows the average scores obtained by suppliers on the basis of the first 112 responses to the questionnaire and after weighting according to the number of employees (less than 50, between 51 and 250, more than 250). The results show a correlation between the size of the companies and the scores obtained, due to different levels of maturity in terms of CSR, but also to heterogeneous financial and human resources.

It should be noted that these results need to be qualified, due to a greater number of respondents from the small companies (66 vs 23 medium-sized and 23 large companies). As mentioned later in this document, the average scores of the different categories of companies tend to become more consistent due to the increasingly high scores obtained by the smallest companies.

Average scores by revenue category At 31/12/2020



Since 2015, Covivio has been a signatory of the Responsible Supplier Relations charter (RFR - national initiative led by the State) confirming the maturity of this approach. Signing this charter is a milestone in improving relations between customers and suppliers and promotes the dissemination of ethical purchasing practices in relation to suppliers. An internal mediator, the Sustainable Development Director, represents the Group in managing any potential disputes with suppliers. None arose in 2020.



## Annual audit

In 2020, a panel of ten suppliers was surveyed as part of the annual audit carried out by a specialised and independent third party (BuyYourWay) on the basis of the responses to the questionnaire presented above. At the end of 2020, no serious anomalies had been identified and no suppliers were de-listed. Nevertheless, this exchange with the supplier or the consultant makes it possible to identify areas for improvement and then give rise to recommendations in the form of a personalised summary.

The responses of 68 suppliers have thus been audited by this specialist body since 2015; these have been followed up followed up with recommendations.

These new verifications concerned various sectors: engineering, construction, energy, etc. The companies interviewed obtained scores on the questionnaire that ranged from 3.5 to 15.5/20. These scores depend on the ability of suppliers to document their responses (the smallest often find it difficult to identify their actions as being able to respond to CSR issues even when they are acting in the field), their sector of activity and whether they belong to a larger group. It should be noted this year that the ratings of the smallest players, even in the tertiary sector, show a positive development and a better consideration of the issues of Social Responsibility. As a result, SMEs see their average approaching that of the largest companies. Smaller companies are becoming better at identifying the challenges they face, and are increasingly creating formal frameworks for their practices.

Covivio does not intend to conduct or initiate on-site audits. In France, for example, on-site inspections are performed by the Health and Safety Coordinator (Coordonnateur SPS) or by the Labour Inspectorate (French government body) for worker registration, working conditions etc. Equivalents of the SPS coordinator<sup>(1)</sup> also exist in Italy and Germany. Accidents are subject to specific monitoring (p. 98).

## Supplier CSR risk mapping

In 2020, a study was initiated to determine the main CSR risks of the Covivio supplier panel in France, Germany and Italy. This is the first real European project on the subject of purchasing!

Poorly managed purchases, or even a supplier chain, could have negative impacts in terms of reputation and business for Covivio, but also for its stakeholders: tenants, suppliers themselves, etc.

Methodology:

Several purchasing categories were determined in each of the three countries, based on the expenditure for the 2019: nine in France, seven in Italy and six in Germany. The categories common to each country are: telecommunications, maintenance, design/consulting, major works and insurance. The small equipment, major equipment purchase families are specific to France, and occupant services and operating expenses are specific to France and Italy.

For each of these families, two separate analyses were carried out:

## Construction site accidents

Covivio has implemented monitoring of accidents across all its development and renovation operations. The following table presents the data collected at the sites of investment properties under development during 2020. Across all the sites of properties under development in Europe, there were no deaths in subcontracting companies in 2020.

In Italy and Germany, there were no serious accidents in the developments led by Covivio in 2020.

The accident statistics for the France Offices portfolio are presented in the following table..

### ■ Accidents on developments and renovations in France in 2020 (Supplier data)

Total number of hours worked on the sites	497,407
Number of lost-time occupational accidents	4
Number of lost working days	42
Accident frequency rate	8.04
Severity rate	0.84

The average figures for the construction industry as calculated by the French National Health Insurance Fund, are 29.3 and 2.6 for frequency and severity respectively. The data published by Covivio was taken from three sites that were completed in 2019 and 2020.

- an analysis of the context of the purchasing family: risk of supply chain disruption, possibility of alternatives, possibility of influence of suppliers, media exposure, expectations of the main stakeholders, etc.
- macro CSR risk analysis:
  - environmental: energy consumption, CO<sub>2</sub> emissions, biodiversity, pollution etc.
  - social: health/safety, quality of life at work, respect for human rights, etc.
  - tenant: well-being, data security, etc.
  - ethics: corruption, money laundering, etc.
  - regional: nuisance for local residents, economic development, etc.

The risks analysed are the residual risks remaining after the implementation of specific actions and measures. The interviewees had to quantify these various risks on a scale ranging from non-existent to critical, including limited, significant and major, based on their feelings as buyers

(1) Health and Safety Coordinator



**Julie de Nailly** –

Sustainability Project Manager - Covivio



This study has already led to the following results: in France, perceived CSR risks are generally limited because they are managed internally. The environmental risk is the most significant overall. Social and Tenant risks are also not to be neglected, respectively for the major works and consulting families. In Germany, the risks related to business ethics are perceived as the most important and in Italy those related to local development. Therefore, perceptions differ from one country to another.

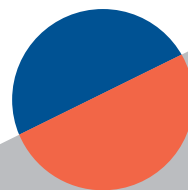
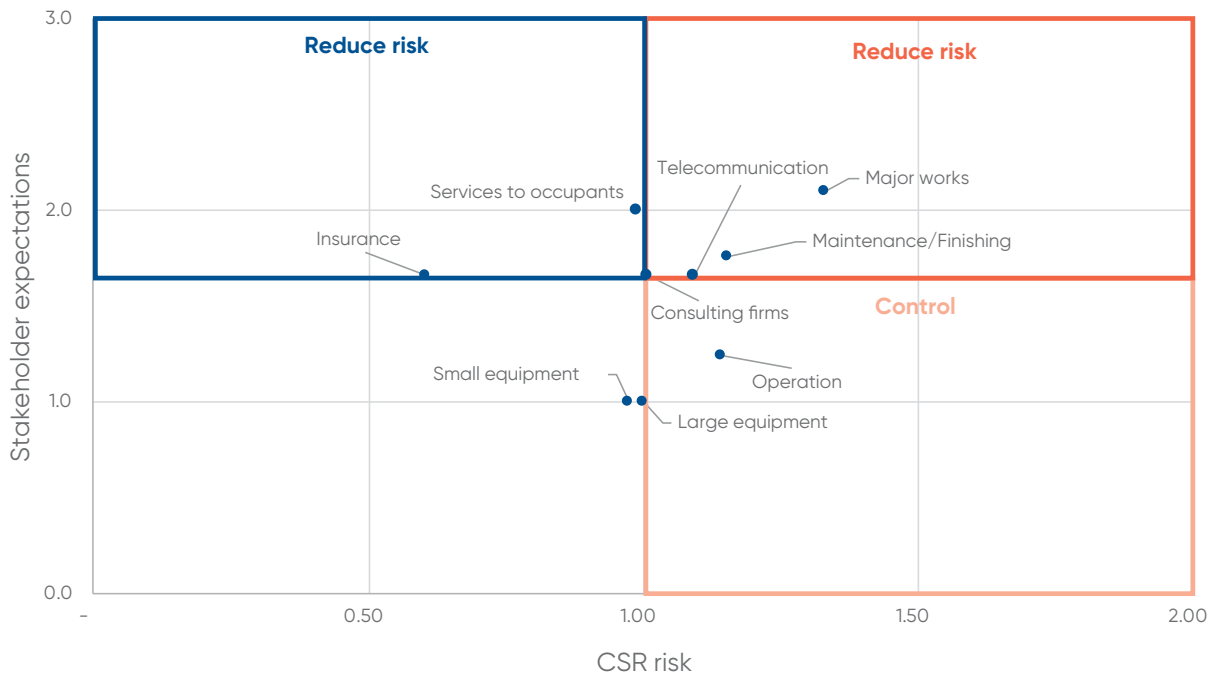


The chart below shows the categories of purchases studied according to their respective levels of CSR risks (average of each of the risks mentioned above), by cross-referencing them with the expectations of stakeholders with regard to each of categories. The higher the point on the right, the more significant the expectations and risks.

The higher the expectations of stakeholders, the greater significance of the final risk to be managed, because it will not only affect Covivio, but also its ecosystem.

The Major Works and Maintenance purchasing families are identified as the most at risk in terms of CSR and those on which stakeholders have the most expectations. The risks are mainly environmental (waste, pollution) and social (including health and safety of people). Ethical risks were also raised, as well as risks for tenants (notably related to on-site maintenance, for example). These categories give rise to specific actions. The other families identified as having risks to reduce are insurance and BET/consulting, requiring specific actions.

Prioritisation matrix/CSR risks and stakeholder expectations





## QUALITY OF RELATIONS WITH EXTERNAL STAKEHOLDERS (CUSTOMERS, SUPPLIERS, ETC.)

Covivio has grown by building and developing strong ties with its main stakeholders. Its business necessitates a multitude of relationships with different stakeholders, both private and public, and of varied sizes and sectors (p. 24). As the Group's success is at least partly based on the quality of relations with external stakeholders (including customers and suppliers), these are now deemed to constitute a risk, which has been analysed and found to be very well managed. Specific strategies have been put in place to better meet expectations (p. 25) in particular those of customers, suppliers and advisers (p. 96). Above and beyond the quality of these relationships and the trust that is built through structural partnerships, Covivio sees cooperation with its external stakeholders as a driver of innovation and growth.

### A long-term strategy based on partnerships

Covivio favours a long-term partnership strategy with its tenants, shareholders, suppliers, and in the context of its initiatives with local authorities and non-profit organisations.

Always seeking to enhance customer satisfaction, Covivio makes every effort to understand its customers' strategic issues and anticipate how these will evolve in order to improve the "customer experience". Complete control of the real estate chain and the service-based approach, creating "on demand" properties, enables Covivio to improve the customer and user experience.

In support of its Purpose, Covivio has set itself qualitative objectives relating to the well-being of its customers:

- starting in 2020, all new projects will aim to obtain a well-being certification
- all customer requests will be dealt with within 24 hours; satisfaction will be measured on a regular basis and reflected in the teams' remuneration..

To achieve its objectives, Covivio relies on the experience of its teams and its partnership-based DNA, which has enabled it to establish a relationship of trust with its customers. The Covivio Customer Culture is based on five pillars: the customer journey, services, well-being, digital and ongoing adaptation. Companies and their employees seek engaging experiences in the workplace and expect reversible and adaptable common spaces. The health crisis has acted as a catalyst for trends, particularly in health aspects. By offering connected collaborative spaces, a diversified and innovative range of services, Covivio intends to increase the well-being of occupants by adapting to their needs. To ensure this, the range of services offered is jointly defined with customers and varies according to the surrounding neighbourhood in order to simplify the daily lives of users by offering, for example, concierge services or sports and cultural activities. Covivio has deployed the MonBuilding application on its multi-tenant buildings and is carrying out satisfaction measurements. Wellio is of course also part of the range of services offered by Covivio (p. 48).



**Marielle Seegmuller** –  
Director of Operations – Covivio

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At a time when office life is disrupted, Covivio reaffirms its ambition to make its buildings real destinations. As a European real estate operator present in the office, residential and hotel sectors, we place flexibility and services at the heart of our spaces. While the crisis is acting as a catalyst for existing trends, it is also creating new needs, particularly on the health aspect. But this does not affect our vision of the Covivio Customer Culture, which is based on 5 pillars: the customer journey, services, well-being, digital and permanent adaptation.

“

In addition to the major satisfaction survey conducted in France in 2019 on 1,300 end users in order to better define the services offered in its buildings, Covivio regularly conducts targeted satisfaction surveys on its customers directly in conjunction with the Customer Relations teams. In 2019, the survey conducted among 127 customers of the 27 core multi-tenant buildings of offices in France related to the availability of the teams, the quality of the responses and interventions of the facility managers, as well as the use of the extranet. The results were very satisfactory, with 90% of respondents acknowledging the availability of the Customer Relations teams. In 2020, the survey focused on the availability of Covivio teams during the lockdown. Of the 143 tenants in 20 multi-tenant buildings, 93% of respondents rated the availability of Covivio contacts as Fairly or Very Satisfactory, as well as the quality and relevance of the action plans and health communications deployed in the buildings.

The survey conducted in Italy on 131 tenants in 2019 also revealed an excellent satisfaction rate, with 31.3% of tenants totally satisfied and 68.7% quite satisfied.

Beyond these periodic measures, the tenant Partnership Committees remain an excellent way for the teams to identify customer needs and adapt their offering accordingly. These Committees meet at least twice a year in France and in Italy, for all of the buildings.

In Germany, Covivio Immobilien has close knowledge of its customers' expectations thanks to around thirty local branches and a telephone line available to tenants so they can report any requests or malfunctions concerning their accommodation. An emergency number is also available seven days a week, in order to implement the appropriate solutions as quickly as possible. In 2019, an app was rolled out for German tenants, giving them access to information related to their home as well as a number of online services.



● COLIVING - Berlin

In 2020, Covivio Immobilien was recognised by the specialist magazine "Focus Money"<sup>(1)</sup> as the fairest private company in the residential sector, achieving the highest possible score for the third year in a row following the survey conducted by the ServiceValue on 1,390 tenants from 26 German real estate companies. In this online survey, tenants were asked about their experience with their landlords over the last 24 months, covering six categories: estate agency, technical support, services, costs, building quality, sustainable development. This year, Covivio obtained the highest possible score for each category, compared to five out of six in previous years



**Daniel Frey** –

CEO Germany – Covivio Immobilien

“

Fairness, customer focus and communication are, at the same level, the cornerstones of our daily work. The Covid-19 pandemic highlighted the relevance of our local anchor, allowing us to respond quickly to our customers' expectations. The Focus Money study once again reported very good scores for Covivio Immobilien and I am particularly pleased with the best score in the "Sustainable Development" category. Covivio is also the first major landlord in Germany to have its entire residential portfolio certified, and this according to the HQETM Residential Operation approach by Cerway.

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Covivio also holds regular meetings with customers and prospects to talk with them about the problems encountered and get their feedback. These meetings are essential for Covivio in order to inform its discussions and better define its service offering.

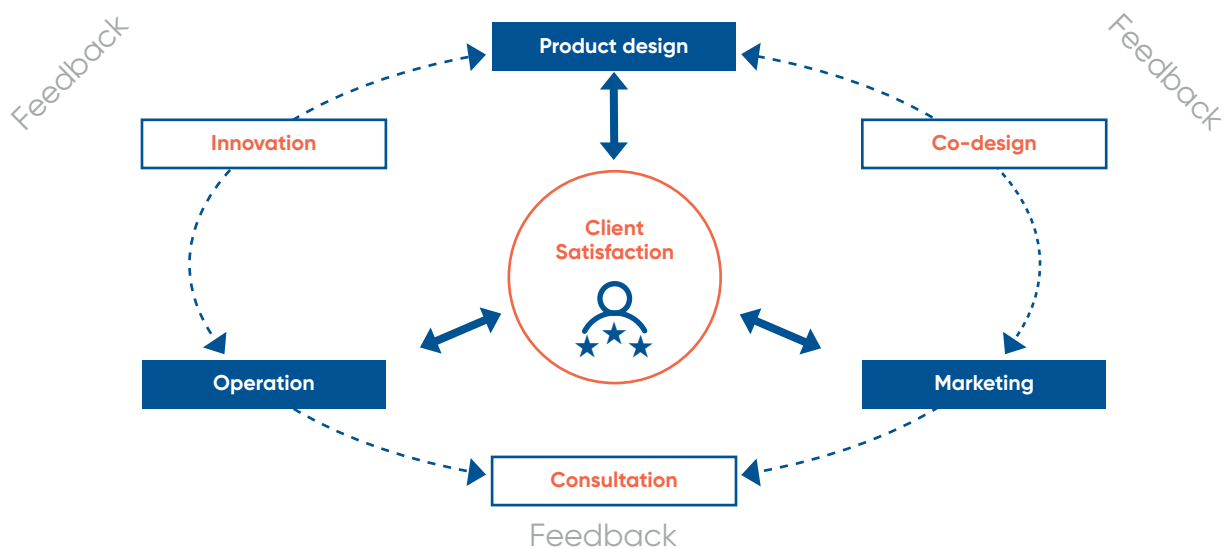
(1) [https://www.focus.de/finanzen/news/studie-fair-zum-mieter\\_id\\_10131786.html](https://www.focus.de/finanzen/news/studie-fair-zum-mieter_id_10131786.html)

## Proximity and art at the heart of the customer approach

Real estate is experiencing an unprecedented change due to new technologies and new customer needs and practices. For Covivio, innovation is both a source of enhanced competitiveness and a way of opening up new markets. To accompany the trends that drive its markets, Covivio implements its innovation-driven approach on a pan-European basis through various means:

- developing synergies with innovation players: Covivio has set up partnerships with incubators (such as Impulse Partners) to identify real estate innovations developed by start-ups at an early stage, and with Maddynews, the magazine for start-ups and innovation that promotes Covivio's actions with regard to its ecosystem
- create innovation partnerships with key account tenants (e.g. Sekoya p. 61, Air Quality Challenge p. 71) in order to accelerate the transformation of real estate for the benefit of the customer experience, as with the Orange group in the context of the restructuring of the Paris-Montmartre building
- instilling a culture of innovation in all employees: as innovation is cross-functional and collaborative, actions have been initiated in all Group entities to identify and work with new players in the world of real estate.

### Bringing innovation into the heart of the customer experience



For example, Covivio called on the start-up Facilioo to digitise its customer relationship for its German residential portfolio. Facilioo developed the application "Covivio #home" and made it available to all Covivio housing customers in Germany, making it possible to post service requests for the portfolio, digitise administrative documents related to the rental of housing units and allow customers to track requests in real time.

The AR4CUP project (Augmented Reality for Collaborative Urban Planning) in collaboration with Politecnico di Milano also illustrates this collaborative approach. The AR4CUP project aims to promote the marketing of a new SAAS (Software As A Service) product that will allow the on-site presentation of urban projects through

Augmented Reality, so citizens and decision-makers can work with architects and developers in a virtuous creation process. This new product was tested on the Vitae project, winner of the international Reinventing Cities competition.

As innovation is part of Covivio's DNA, it has an integral place in the Expression of its Purpose, with the aim of offering a wide range of services accessible via a mobile application in all multi-tenant buildings. This application, already deployed in its main buildings, offers centralised access to all building services and improved information flow.

● PROJET A-FENCE - Berlin







**Clara Descours –**

*Marketing & Product Communications Director – Covivio*



Another strong lever of the Covivio Customer Culture, and underlined in its Purpose, is art, which helps to improve the well-being of users. By signing in 2018 the “One building, one work” charter at the initiative of the Ministry of Culture,

Covivio committed to promoting contemporary French artistic creation in its buildings by making it accessible to as many people as possible. The works of art already installed on the portfolio (ten works at the end of 2020) are intended to enhance or extend the spirit of the place and to create an interaction with the occupants but also with local residents.

Covivio has chosen to extend this approach to Germany and Italy. For example, with the «A-FENCE» project in Berlin, Covivio is taking part in one of the city’s largest street art projects. During the construction of the second Alexanderplatz tower, artists will be able to use the 240 metre construction fence as a canvass.



(1) The press kit is available at the following link: <https://www.covivio.eu/en/art-and-real-estate/> and more details about the project <http://www.a-fence.eu>

## Making a success of the environmental transition together

Covivio is fully aware of the need to involve its partners to ensure the success of its actions in terms of environmental transition, particularly for its 2030 carbon footprint target (p. 47). Build sustainable relationships and well-being: Covivio’s Purpose reflects this goal and its expertise in the field.

By putting in place different actions, such as environmental annexes and sustainable development Partnership Committees, Covivio has laid the foundations for a relationship based on effective and constructive dialogue, in order to optimise the environmental performance of its buildings.

As part of its special relationship with each tenant, Covivio has been organising Sustainable Development Committees in France since 2010. The Committees have facilitated and anticipated the inclusion of environmental annexes in 100% of leases for more than 2,000m<sup>2</sup> of office or retail space in France. Other leases, which are not subject to this requirement, also benefit from annexes, and this formalises the parties’ commitment to CSR including energy, carbon, water, waste, transport, biodiversity, etc. These exchanges make it easier to obtain HQE certification for buildings in use (HQE Exploitation) or BREEAM In-Use certifications, selected in collaboration with tenants. Looking ahead, the framework provided by the environmental annexe will facilitate application of the service sector decree of July 2019. Given the exceptional situation in 2020, the majority of the Sustainable Development Committees were postponed, but these issues were of course raised during the regular meetings between the Customer Relations teams and the tenants.

In 2017, in Italy, Covivio drew up a Memorandum of Understanding (MoU) containing environmental clauses for tenants who wished to sign up. As such, the parties are invited to cooperate in order to identify any solutions and measures that could be deemed useful, appropriate and/or necessary for the purpose of improving the building’s energy efficiency throughout the term of the lease. This document is now available to all new tenants, supplementing the “green clause” on the energy efficiency of buildings included in all leases. In 2020, 16 new MoUs were signed (i.e. 80% of leases signed in 2020).

To assist the residents of Covivio buildings in Germany and raise awareness, a welcome booklet is provided to them when they move in and is available on the German website [www.Covivio.immo/mieterhandbuch/](http://www.Covivio.immo/mieterhandbuch/). This booklet contains information on aspects such as the proper use of the heating system and waste sorting, as well as tips to reduce the energy consumption of the housing unit.

The tenants of the Covivio Hotels portfolio have all implemented proactive policies to reduce their expenditure on water and energy, reduce the amount of waste they generate and their ecological footprint, strengthen their ties with their stakeholders, and be acknowledged as responsible and committed players when it comes to the major environmental and social challenges. Their customers, both private and professional, are also increasingly demanding in terms of organic, healthy food and virtuous products and services.









# EUROPEAN HUMAN CAPITAL THAT CREATES VALUE



# 4

Convinced its success is based on an ambitious and future-oriented human resources policy, Covivio strives, on a daily basis, to create an environment where its women and men can develop their full potential.

In 2020, in the context of an unprecedented health crisis, Covivio took action to protect the health of its employees and enable them to continue working in the best possible conditions. The actions undertaken concerning employee health and safety during this period are detailed in this section.





**In the different positions and jobs within Covivio, levels of expertise and skill play a decisive role at all levels. Attracting the best talent is not enough, however, as such talent must also be retained and developed, which involves monitoring the career path of each person.**

**The health crisis in 2020 did not prevent Covivio from continuing its ambitious training programme which accompanies and supports this system, in line with the company's strategy, in a dynamic that gives full place to diversity in various forms.**

**All these actions hedge the “Skills/Attractiveness/Diversity” risk. They are described in detail on pages 110 to 116, with additional insights on pages 117 to 121 concerning employer-employee dialogue and the company's carbon footprint.**

The Human Resources (HR) policy developed by Covivio revolves around four action areas that are essential to the momentum of the 2015-2020/2020-2025 objectives detailed below, namely:

- professionalisation and the pursuit of excellence at every level
- a fair remuneration policy, directly linked to performance and achievements
- exemplary management at the local team level
- a transparent and constructive social climate.

As of 31 December 2020, Covivio employed 972 people: 301 in France, 94 in Italy, 574 in Germany, two in Luxembourg and one in Spain. The report presented below concerns the 969 employees located in the Group's main countries: France, Germany and Italy (Luxembourg and Spain-based employees are operationally attached to these main entities).

While some aspects are handled locally (including recruitment and the negotiation of agreements) in view of local practices and regulations, others reflect shared values across the Group and are similarly deployed in all three countries. Diversity, social dialogue, professional development, quality of life at work, work/life balance and prevention of all forms of discrimination are among the common concerns that underpin Covivio's HR policy on a pan-European basis.

In France, a survey measuring the impact of teleworking on the state of mind of Covivio employees during lockdowns

In France, a survey on the impact of teleworking was initiated in April 2020 during the first lockdown. Despite the special situation, Covivio employees gave their working conditions a score of 7.7/10. This is partly due to the comfort provided by the IT tools made available, with an average satisfaction rating of 8.2/10. For 36% of French employees, working from home allows them to concentrate on certain tasks and avoid transport fatigue.

However, the results show that combining family life with childcare and teleworking is not so simple. Available for several years, employees were reminded of the existence of the “Pro-Consult” number (occasional telephone support provided by certified psychologists) in order to prevent or contain the psychosocial risks related to confinement and continuous teleworking. Specific training sessions were also organised on the topics of the right to disconnect and mindfulness, in order to better experience teleworking (22 participants).

In Germany, a survey was carried out in August 2020. The results are similar to those observed in France. Covivio employees appreciated the responsiveness of the IT teams and most of them saw the opportunity to establish a better work/life balance.

In terms of well-being at work, the Commitment Barometer carried out in 2019 by Kantar TNS already showed positive scores in the three countries, whether in terms of material working conditions (86% satisfaction), work/life balance (73%), the content of work (91%) or the opportunity for everyone to develop their skills (72%).



● BARCELO TORRE - Madrid

## KEY SOCIAL PERFORMANCE INDICATORS (AT 31/12/2020)

**969**

EMPLOYEES IN FRANCE, GERMANY AND ITALY

### "SKILLS/ATTRACTIVENESS/DIVERSITY" RISK

**92.4%**

EMPLOYEES ON PERMANENT CONTRACTS (+1.7%)

**32**

INTERNAL MOBILITY

**84.6%**

FULL-TIME EMPLOYEES

**50%/50%**

MEN/WOMEN PERMANENT EMPLOYEES IN EUROPE

**22**

PARTICIPANTS IN EX-AEQUO PROGRAMME

**3.1%**

STUDENTS ON APPRENTICESHIP CONTRACTS

**100%**

OF EMPLOYEES COVERED BY A SECTORAL AGREEMENT

**115**

PEOPLE RECRUITED ON PERMANENT CONTRACTS (+6.5%)





## HEALTH, SAFETY AND WELL-BEING AT WORK: A YEAR MARKED BY THE MANAGEMENT OF THE HEALTH CRISIS

### Covid-19: crisis management focused on employee health and maintaining business activity

The top priority for Covivio in 2020 was to protect the health and safety of all Group employees. While the teams have adapted to the government directives in their country, a consistent response has been provided through the sharing of best practices across Europe.

Covivio did not use any form of furlough or downsizing in 2020 and does not foresee any restructuring plan leading to redundancies for 2021 in France, Germany or Italy.

The practice of teleworking, which came into force in 2018 within the company, has enabled the successful transition to continuous teleworking. In France, 80% of employees had already used teleworking on a regular or occasional basis. The transition to full-time teleworking could thus be anticipated before the announcement of the lockdown by the government. The Information Systems department provided employees with the IT equipment needed to carry on working. Thus, all employees who had never used teleworking were equipped from the first few weeks. In Germany, 200 employees who were initially equipped with a desktop computer were equipped with a laptop and 300 headsets were distributed in March 2020. In Italy, 41 laptops were distributed to enable all employees to work from home.

In order to ensure the health of employees when returning to the office has been possible, a precise and strict protocol has been put in place in France, Germany and Italy: wearing a mask, providing free masks and hand gel, providing bins for sensitive waste at crossing points, reinforced cleaning of risk areas and points of contact (door handles, lifts, coffee machines, toilets, etc.), management of flows within offices, possibility of staggered schedules, setting up occupancy gauges by department, restriction or even elimination of domestic and international travel, creation of an isolation room in each building, provision of a thermal camera and dissemination of a best practice guide to ensure that physical distances are respected.

In France, the Management Committee met very regularly in order to build and develop, in real time, the action plan best suited to these exceptional circumstances. The DUER (Single Document for the Evaluation of Occupational Risks) and the health protocol were updated in line with the risks identified throughout the year, in partnership with occupational health. In Germany, the equivalent of the French DUER has also been modified in view of the evolution of the epidemic and government directives, and in close collaboration with Management, General Management, the occupational safety expert and the occupational doctor. In Italy, the first country in Europe to be massively affected by Covid-19, a Safety Committee has been set up to better manage the impact of the epidemic on employees and work organisation.

Occupational medicine and the prevention and protection service mandated by the State were part of this Safety Committee, which notably contributed to the drafting of the health protocol and the creation of an email address to answer questions and respond to employee alerts. All the documents listing the health measures are available on the intranet for employees in the three countries.

Covivio and its subsidiaries cultivate a permanent, transparent and constructive dialogue with employee representative bodies. Employer-employee dialogue intensified in 2020 to enable employee representative bodies to be regularly contacted in order to co-construct the company's health protocol. In France, seven extraordinary CSE meetings and five meetings of the Health, Safety and Working Conditions Committee (CSSCT) were organised remotely in 2020. In Germany, several extraordinary meetings were organised and a company agreement on remote working arrangements was concluded with employers and unions in September 2020. In Italy, employee representatives were part of the Safety Committee, which met daily at the start of the epidemic, then monthly.



**Elsa Canetti** –

*Human Resources Director – Covivio*



The maintenance of the social ties during the health crisis was expressed in particular through various actions, such as the communications carried out by the General Management during the «Covivio Talk», the photo challenges organized on Yammer, or special attention to the most isolated employees.

In Italy, the CEO of the Italian subsidiary spoke to his teams every month via videoconference. In addition, Covivio allowed certain isolated employees to come to the office if they felt the need to do so, and the Human Resources Department also made regular contact with at-risk populations.



## Other health and safety issues made further progress

Each of the entities of the Covivio group applies the eight conventions of the International Labour Organisation (ILO) concerning: freedom of association, effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labour, effective abolition of child labour and elimination of discrimination in employment, remuneration and occupation.

Health and safety are very much part of Covivio's employee policy and numerous initiatives are carried out to support employee health, such as flu vaccinations (in France and Germany), skin cancer prevention measures, specific office layouts (variable height desks, adjustable stands for additional computer monitors) for employees who have musculoskeletal problems, and the holding of awareness meetings concerning screen work. An ergonomist doctor is regularly called upon in the French premises. Yoga classes are also offered to the Berlin teams, and a partnership with a national gym chain allows employees to benefit from preferential rates. In France, the Works Council partially finances the sports activities of employees who so wish and a chatbot was set up to allow everyone to enjoy the benefits of yoga through exercises applicable to all workstations.

In terms of work safety, Covivio is committed to meeting and exceeding French statutory requirements, with 5.3% of employees being certified workplace first-aiders. The prevention of electrical risks is also taken into account through the H0-B0<sup>(1)</sup> accreditation of all employees exposed to this type of risk within the Real Estate Engineering and IT departments. In Germany, a majority of employees were made aware of workplace safety in 2020, through workshops lasting an average of 30 minutes. In Italy, first aid training was provided to seven employees, for a total of 60 hours, and twelve employees received training in firefighting, for a total of 66 hours.

More generally, the Health and Safety Committees (CHSCT) in France, and the equivalent national bodies in Germany and Italy, verify the compliance and comfort of the facilities provided to the employees, and are informed of all refurbishment projects and preliminary schedules for any work. In Italy, this Committee meets at least once per quarter and an "Employee Safety Manager" is, in addition, responsible for making sure that the organisation complies with security and safety principles.

The rate of workplace accidents with lost time is very low, at 1% in France, 1.7% in Germany and 1.08% in Italy. The absenteeism rate also remains low, at 2.2% in France, 1.7% in Germany, and 2.4% in Italy. At Group level, Covivio has set a target of less than or equal to 2.5% absenteeism and a workplace accident rate of less than 1.7%.

(1) The H0-B0 electrical accreditation concerns all activities performed in electrical rooms and all electrical work carried out on a professional basis.

● HEADQUARTER COVIVIO - Paris



## SKILLS/ATTRACTIVENESS/DIVERSITY

Covivio conducts its business in an industry in which human capital is a key factor to the success of the company. The challenges related to skills, attractiveness and diversity were identified in the CSR risk mapping as major issues for the company. The different initiatives in these domains are described below, with an overall approach set at the European level that preserves local autonomy, in order to guarantee better flexibility and responsiveness for these three entities: Economic and Social Unit (ESU) France (Offices and Hotels), Italy (Offices) and Germany (Residential and Offices).

The risks associated with human capital are related to potential losses of skills and know-how in the event of high turnover or low capacity to attract and retain talent; a lack of development of existing skills in the event of a lack of investment in training; psychosocial disorders (unease at work, occupational illnesses) if not prevented or treated; or discriminatory practices in the absence of awareness-raising and whistle-blowing mechanisms, leading to a high reputational risk.

### A recruitment policy that supports the strategy

Covivio's European headcount was down slightly compared to 2019 (-2.5%), with a total of 969 employees at 31 December 2020, compared with 994 at the end of 2019. This decrease is mainly due to the outsourcing of Property Management on behalf of third parties in Italy (60 people transferred to Revalo), a decision made before the crisis. This decrease in headcount was largely offset by the continued recruitment momentum in Germany, where the overall headcount increased by 10.4% compared to 2019, partly due to the acquisition of Godewind Immobilien AG and the integration of 11 employees.



**Giovanna Ruda** –

*Chief corporate officer Italy - Covivio*

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In Italy, the integration of Revalo in 2017 made it possible to internalize know-how and knowledge of the Covivio heritage via the Property Management teams. In 2020, Covivio decides to maintain this competitive advantage by legally integrating Revalo employees dedicated to the Covivio portfolio. Keen to develop the activity on behalf of third parties in a more offensive manner, the management of Revalo is simultaneously resuming its independence, by buying out its own activity, with the support of Covivio. The management of Revalo and its 60 employees therefore left the workforce in 2020.

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### An ambitious recruitment policy

Recruitment needs are studied and determined by General Management according to the priorities and multi-year business challenges. Mid-year and end-of-year appraisal interviews as well as “people reviews” are used to measure both employees' workloads, the depth of skills required, their long-term allocation, and any changes in skills that need to be addressed. These components are used to outline a recruiting plan, which is reviewed monthly in all three countries.

In France, 16 staff were hired on permanent contracts in 2020, with half of these being new jobs. The recruitment policy is supporting the development of Wellio's coworking activity with the recruitment of two coworking site managers, a Customer Experience Manager and an Assistant. Coworking is thus further consolidating its position as a product in its own right within Covivio's strategy. Covivio's recruitment strategy, driven by the creation of new activities, incorporates the desire to acquire and develop new skills in order to put them, through synergies and cross-functional knowledge sharing, at the service of all business lines, in particular in the area of services and B2C activities (coworking, hotel asset management), and of course digital, supported by the recruitment of a Smart Building Manager, 80% dedicated to coworking. In Germany, 98 permanent staff were hired in 2020. More than 25% of new hires correspond to the integration of Godewind Immobilien into the Covivio workforce, thus enabling the acquisition of know-how in office space (asset management, property management) and the strengthening of cross-functional functions (HR, legal, IT etc.).

With its long-standing focus on developing talent, Covivio continues to boost its “incubator” policy through the recruitment of young people (under age 30) under open-ended contracts (50% on open-ended contracts) and apprenticeships. Covivio's presence in student forums was once again significant in 2020 (ESTP, HEC, ESSEC, EDHEC), and the continuation of a specific partnership with ESTP allows the Group to be present with students from the moment they join at school (sponsorship of the integration seminar, for example) and during partner meetings. In Italy, Covivio took part in the virtual forums organised by Politecnico and the Università Bocconi. In Germany, 16 people under the age of 30 were recruited (double the figure for 2019, representing almost 16.3% of permanent hires), bringing this age group to 15.2% of the workforce at the end of 2020 (compared to 3.6% at the end of 2017), and allowing for continuous generation rotation within teams. The Graduate Program, created in 2019, materialised in 2020 with the hiring of two young graduates on permanent contracts. Young people on the Graduate Program benefit from an 18-month course consisting of three rotations, one of which must be in another Group country. As an integral part of Covivio's recruitment and development policy, the programme reflects Covivio's strategy of generating an incubator of talent that is entirely European.

In addition, Covivio is pursuing its work-study policy despite the effects of the crisis, enabling 30 students to benefit from an apprenticeship or professional training contract within the Group. In Germany, four young apprentices completing their training in 2020 were hired on permanent contracts. In Italy, one internship student was recruited into the Communication team.

The quality of the recruitment and integration process is a focus of attention. Through four interviews, intended to be discussions, candidates have the opportunity to obtain a practical overview of the company and its strategic challenges. An interview with the General Management is organised at the end of the recruitment process, designed as the first step of a true working

partnership. An English test is conducted during the process, in line with the Group's requirements for European integration. A personality questionnaire is also offered to candidates to serve as a starting point for discussing their behavioural skills during the HR interview. Summaries of their personalities and motivations are automatically generated after completing the questionnaire. In 2020, the Germany HR department set up a new recruitment platform to improve the candidate experience on the career website.

Once recruited, each new employee meets three members of the Management Committee, including the Chief Executive Officer, during their integration. In Germany, in order to ensure the smooth integration of new hires and trainees, tours of new properties or cities with interesting features for the residential sector are regularly arranged. In France, new employees are given priority on site visits organised every quarter for the Group's employees.



**Jeanne Salaün –**

*Human Resources Business Partner – Covivio*



Convinced that supporting employees during their first months in the company is essential, Covivio decided to expand its integration system in 2020. In France, in addition to the induction day involving representatives from each department who came to present the essential aspects of their business, the astonishment report made to two members of the Management Committee, and a breakfast discussion with the Chief Executive Officer, in 2020 an e-learning module "120 minutes to understand real estate" and a sponsorship programme were added. The objective of the latter, called the "Buddy Programme", is to pass on the know-how and personal skills essential to the successful integration of the new employee, to create social ties and also to answer the newcomer's questions concerning the operations and strategy of Covivio.

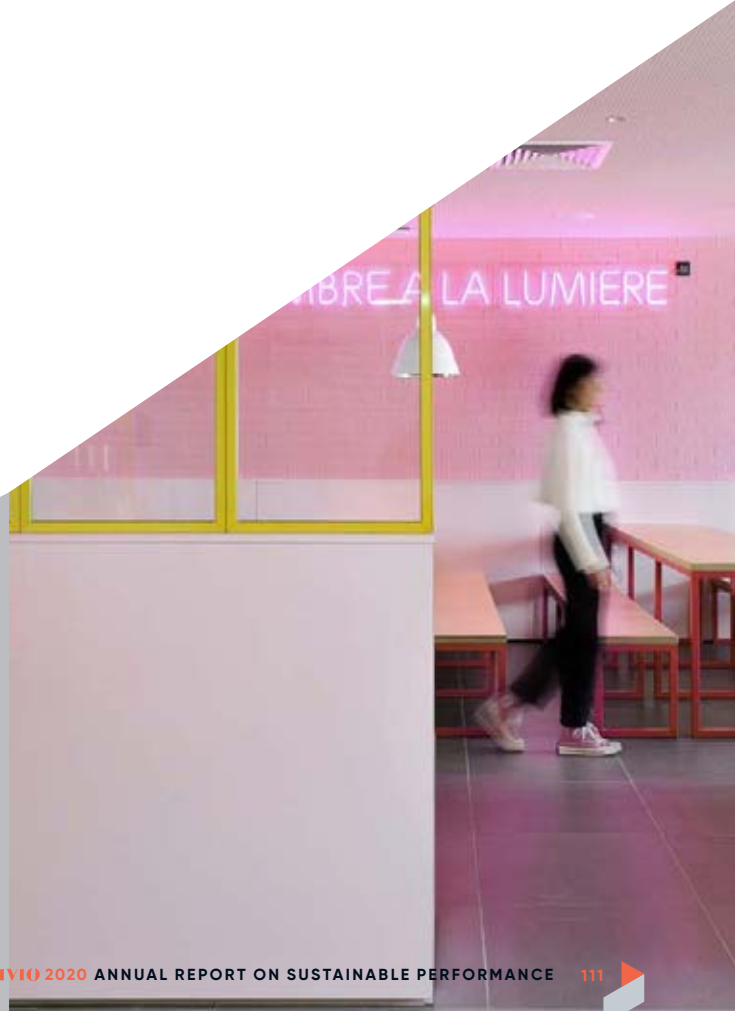


In Germany, the time between the signing of the contract and the first day of the employee is the subject of special attention with the sending of a welcome card. Then, during the first week, the employee receives training (GDPR, security rules). Lastly, an exchange is also organised with the HR representative during the first week and regular follow-ups are carried out during the first months.

The Employer Branding policy implemented in 2019 as part of the change of identity continues and takes on a European dimension. In 2020, a second wave of ambassadors appointed from among the teams was trained for this role during a dedicated day in France and Italy (planned for Germany in 2021). Lending their image and voice to the Covivio Employer Brand, these employees represent the Group and its business lines on social networks as well as in forums organised by schools. The communication agency ZComme, a partner of Covivio in the organisation of the Ambassadors Days, received the Bronze award in the commitment category during the 2020 HR Creativity Grand Prix organised by the Association of Communication Consulting Agencies (ACCE) thanks to the Employer Brand project conducted with Covivio. Recruitment and sourcing tools, publications and advertisements match the Covivio brand that is now deployed across Europe.

HR procedures in France related to employee career paths were updated in 2020 in order to address the risks identified (financial risks, fraud, image, lack of efficiency or breach of personal data protection regulations). Rules also applicable to non-corporate personnel/service providers (external service providers, IT maintenance, Covivio employees of foreign subsidiaries) who may have access to certain resources (tools, applications, equipment, badges) have been identified.

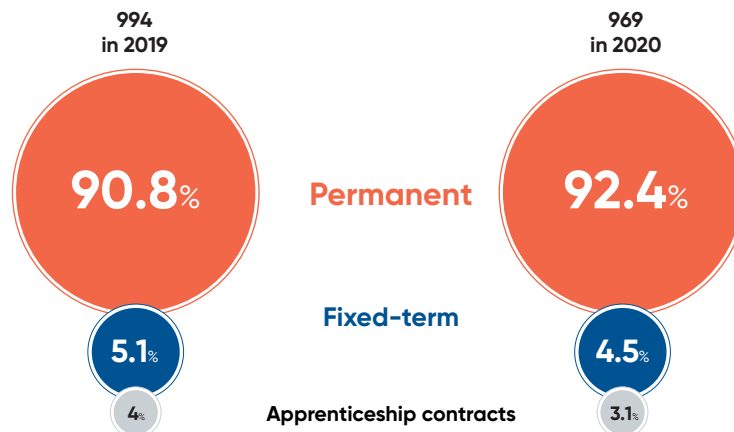
● MEINENGER –  
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## Strategic HR guidelines for performance

### Change in the number of employees



In 2020, the number of employees on fixed-term contracts in France still represented a small proportion of the workforce (1% at 31 December). Two thirds of fixed-term contracts correspond to absences and one-third to increased activity. In Germany, the use of temporary contracts is traditionally more frequent, but is still limited (7% of the workforce at 31 December 2020). The proportion of employees on open-ended contracts thus continued to grow (accounting for 92.4% of the total workforce at end-2020) testifying to the emphasis placed on talent retention and supporting the Group's future growth. In Italy, the proportion of fixed-term contracts was down sharply (1% compared to 6% in 2019).

The turnover of permanent departures in France is 7%. Retention risk, which is high in the real estate sector and is identified clearly in our CSR risk mapping, has been addressed by strengthening an aggressive HR policy in terms of career development (see below regarding the introduction of career development interviews since 2019), mobility, promotion, remuneration and quality of life at work. Turnover due to resignations alone (excluding retirements and termination of the trial period) was 4.2%. In Italy, turnover was down at 4.1%, from 6.8% at end-2019. In Germany, restated for departures related to the Godewind operation, employee turnover was down to 8.5% compared to 9.6% at the end of 2019.

Covivio is pursuing its youth employment policy despite the effects of the crisis. Ten internship contracts were added in France during the year to the 30 apprentices already existing in Europe at 31 December 2020. This was in addition to 67 students in Germany on fixed-term contracts of 20 hours per week maximum, in accordance with German legislation (not included in the workforce figures). These students are systematically assigned a supervisor within the company, who is a professional recognised in their field, and they are monitored throughout the year by the Human Resources Department. In addition, the Human Resources Department ensures the proper progress of apprenticeships in terms of tasks assigned, integration into the company and workload through a mid-year interview with each apprentice. In 2020, Covivio received the "Happy Trainees" certification issued by the organisation "Choose My company" based on an anonymous survey sent to all trainees and apprentices. With a recommendation rate of 84.6% and an overall score of 4.18/5, Covivio obtained the certification for the second consecutive year.

To promote Covivio's openness to more diversified profiles, and make a concrete contribution to equal opportunities, the Group is committed alongside the Article 1 association, which supports high-potential students from modest backgrounds (e.g. p. 89). Some of these young people have a mentor among Covivio staff.

## Providing skills development

Covivio considers the development of individual and collective skills as key factors in providing the best possible service to its customers and partners and in ensuring a suitable and motivating career path for each employee. Each of the three countries defines its annual training plan, depending on multi-year priority focuses. Since 2017, digital technology and English-language proficiency have been strategic priorities for skills development.

### A training policy that supports the strategy

For skills development, Covivio continues to align the training plan with the company strategy and the individual development of each employee. The training plan has two main objectives: to support the company's strategy through the definition of collective training courses in line with strategic challenges and changes in context (new market opportunities, legislation, etc.); and to support the development of individuals through training on the business lines, fluency in English, use of digital tools or training related to professional and personal development, both with a view to developing Covivio's skills capital, and also to retain employees who are increasingly concerned about their development and employability.

Every year, meetings are organised with each activity Director, to determine the changes that could impact business activities and require training to allow employees to improve their skills. The People Reviews conducted for each business activity also enable multi-year priorities for training to be defined. The annual interviews then identify individual needs in the field, based on the overall list of requirements, and refine them on an individual basis through discussions with and observations from the employees and local managers.

Covivio pays particular attention to developing the skills of its employees by offering group or individual training, carried out within or between companies, or more rarely internally. The number of employees trained this year fell slightly in 2020 due to the cancellation of several training sessions during lockdown periods and the withdrawal of certain employees who preferred to postpone their training to 2021 in order to benefit from it in person. A certain number of training courses were held remotely, such as health and safety training. Nevertheless, each French employee trained received 18 hours of training, an increase of three hours compared to 2019. This increase can be explained by the success of the English-language training sessions (21 hours on average), which were initially planned remotely and therefore continued during periods of continuous teleworking

3.95% of the payroll was invested in training in France during 2020.

Covivio's objective is to be able to train 70% of its employees every year

In France, 68% of employees received at least one training course this year, targeting as a priority the business aspects which account for 44% of training actions (GDPR, service design and customer experience, real estate fundamentals). Next comes language training (20% of training), which is part of Covivio's European development strategy. In the context of the health crisis, Covivio wanted to offer more training related to occupational health (eight times more than in 2019), three quarters of which focused on teleworking and mindfulness (22 employees concerned). In addition, as every year, retirement training is systematically offered to support employees concerned who so wish.

The Italy HR department once again invested in business and technical training with, in 2020, training related for example to the Smart Building or the new Milan urbanisation plan in partnership with Assolombarda (Association of industrial groups of the Milan metropolis). In 2020, 59% of Italian employees received training. Despite the cancellations of many training courses due to the pandemic, the training effort in English continued, with 546 hours of training via Teams (compared to 350 hours in 2019).

In Germany, almost half of the training hours were dedicated to learning or improving English. 16% of employees completed more than half a day's training in 2020, averaging 16 hours. In late 2019, individual lists of training needs were compiled for the first time through discussions between managers and their teams. On this basis, a skills development plan was drawn up in 2020. It consists of several actions including training to develop behavioural and leadership skills, team building sessions, and internal and external co-development workshops with real estate professionals, in order to facilitate the sharing experience. Eight employees from technical and sales teams in Hamburg also benefited from collaboration and leadership coaching.

In France, 18% of the training catalogue (i.e. 41 training courses) is devoted to certifying training. In 2021 a catalogue dedicated to these training courses will be offered to enable identified employees to develop their soft skills, their business expertise and their employability. In 2020, Covivio contributed to the financing of work-study training to the tune of more than €260,000 (including apprenticeship tax).

## Integrated and dynamic career management

From a collective point of view, the key moment in Covivio's talent management cycle in France is the people reviews, cross disciplinary meetings that provide an overview of a business line's talent "pool" and the keys to employee retention, development and recruitment, based on the business line's development, the company's objectives and the relevant job markets. One People Review was conducted in 2020 within the scope of the Information Systems department (DSI). Feedback was provided to employees with follow-up with managers set for early 2021, in order to sustain the skills management process initiated. The People Review dedicated to Young Talents aged 30 and under, initially planned for the end of 2020, has been postponed until the first half of 2021.

On an individual level, the annual meeting between employees and their managers, along with various interviews conducted by the Human Resources Department, lie at the heart of the professional development programme for every employee. In 2020, 100% of employees present had their annual appraisal with their manager, as well as a mid-year appraisal to discuss progress on achieving objectives and updating them, where appropriate. Discussions are based on two separate components in the annual interview. The first part is devoted to performance, evaluating attainment of objectives, measuring the employee's main results, both quantitative and qualitative, and setting the objectives for the following year. The second part is devoted to skills development and training.

In Italy, annual performance meetings, introduced in 2015 based on the French model, combine performance evaluation, skills development, establishing training needs and any request for a change, and are now offered to all employees. In 2020, 86% of appraisals were completed. A mid-year interview was instituted in 2019 to review the annual goals at the mid-way point. Given the health and economic situation in Italy in March 2020, these interviews were, exceptionally, not held.



**Rüdiger Wandres** –

*Head of Human Resources – Covivio Immobilien*



In Germany, an increasing portion of the workforce takes part in end-of-year interviews (64% in 2020 compared with 62% in 2019). Initially considered as optional, the number of interviews carried out is increasing. They enable employees and managers to take stock of the past year, to make decisions about variable compensation more objective, and to jointly define progress objectives. These appraisals are also an opportunity to discuss the training needs or wishes of each employee.



Every year, Covivio promotes mobility within the Group. In 2020, eight transfers were made in France. Among these types of mobility, there were three promotions, two of which involved women promoted to the position of Project Director following the reorganisation of the Service Projects department. In Italy, three transfers took place, including two promotions to managerial positions. In Germany, 21 transfers were recorded, including three promotions. At the European level, the mobility rate reached 3.3%.

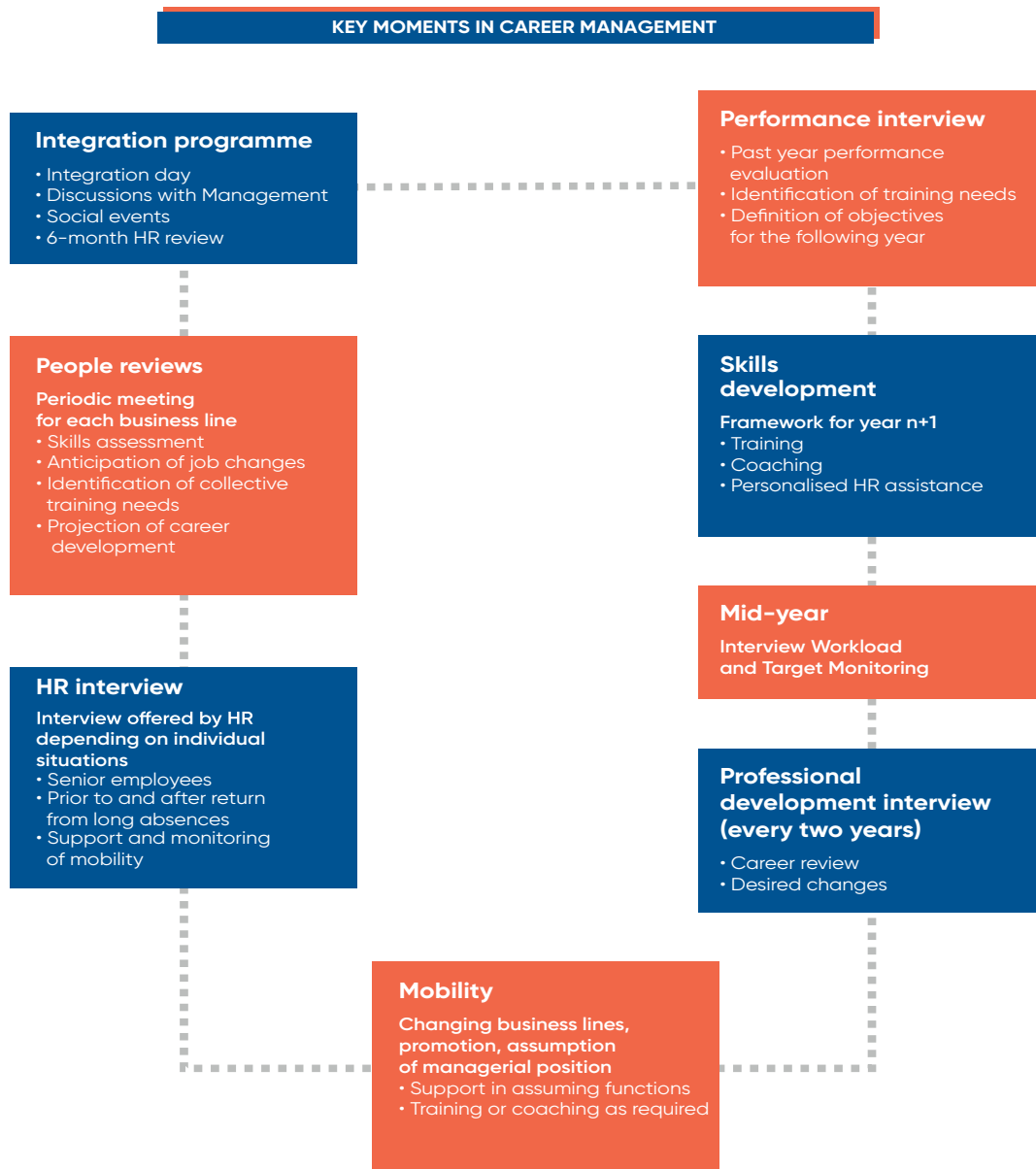


### Promoting European career paths

Convinced that the sharing of best practices and the strengthening of links between countries must be carried out by everyone at all levels, Covivio strives to encourage the European mobility of its employees, in particular by setting up both mobility schemes for young people and HR coordination at the European level, led by the European HR Committee.

In 2020, two employees were able to benefit from this policy. The first, coming from France, joined the Berlin teams for two years, in order to contribute to the development of the Offices activity in Germany. The second, from Germany, joined the Asset Management and Acquisitions France Division as Asset Manager.

Since 2019, discussions on the employee career development path have been taking place through a specific "career development review" conducted at least every two years. This is an opportunity for a healthy dialogue between manager and employee about the employee's expectations. All managers were trained in 2019 in conducting this review, which requires a different attitude from that of the end-of-year interview and needs a "coach manager" approach. This career development review may be followed by a human resource interview to assess the feasibility of any proposal and to put in place the necessary support (covering skills assessment, individual training account, career transition, professional development advice, coaching, job training etc.). If a move is requested in the short term (one year) or medium term (three years) during this interview, an additional exploratory interview will be scheduled with the HR team to search for short-term growth opportunities through internal postings.



## Digital transformation

Covivio is continuing its digital transformation, structured by its digital roadmap launched in 2019, which outlines the ambitions and milestones to accomplish this transformation.

In terms of working methods, remote working applications (Office 365 and in particular Teams) were very popular throughout the periods of lockdown and continuous teleworking in France, Germany and Italy, thus enabling the emergence of a "Smart Working" philosophy based on technology and team spirit between employees. Team building sessions were also organised remotely, such as the Bimbi in ufficio (translated as "Children in the office") and the Christmas party.

A new European intranet was created in 2020. This Digital Workplace, in Covivio's colours, centralises clearer information. Corporate news and business lines, HR space, document library, Directory, simplified access to Yammer and to Microsoft 365 tools, links to social networks are all features available on this new platform that promotes exchanges, information sharing and social bonds. In addition, there is the bimonthly European newsletter "Covivio Inside" distributed by email to all Group employees.

Covivio continues to adapt its HR services and user experience. Meal vouchers are now all digital thanks to a dedicated application and for the first time French employees were able to sign their free share allocation letters by affixing their electronic signature.

Digital coaching accessible to all

Covivio participates in the democratisation of coaching and offers all French employees who so wish remote coaching with its partner MoovOne. This tailor-made offer allows employees to be supported during eight sessions by a video-conference coach. An HR meeting is scheduled in advance to define with the employee his or her development priorities. Once this step is completed, the employee can choose their coach on the MoovOne platform and start their coaching. The discussions, which are strictly confidential, result in the creation of action plans at the end of each session, and tool sheets are also made available. At the end of the course, an interview with the HRBP (human resources business partner) and the line manager provides an overview of the coaching. MoovOne thus supported seven employees in 2020 and seven other employees signed up in 2021 to follow this coaching.



**Manon Zych** –

*Transformation Project Manager - Covivio*



I was lucky to be able to benefit from an online coaching course thanks to the partnership developed between Covivio and MoovOne. Each course consists of 8 working sessions on previously determined work axes with our HR Manager and a DISC personality profile. The course is very fluid: from the selection of the coach, based on very detailed presentation videos, to sessions punctuated by theoretical training. In this way, I was able to explore some concepts that were of particular interest to me: transactional analysis, questioning, situational management, etc. I appreciated the personalized advice of the coach, the simplicity of the platform and the tool cards available to us to keep a better track of our learnings.



## Talent retention

### Commitment to the well-being of employees

2020 was marked by the health crisis and the health and safety of employees was a constant concern (p. 108). Covivio remains committed to Quality of Life at Work (QVT), particularly as part of the Quality of Life at Work agreement signed in 2014 and renewed in 2018, which allowed the introduction of many tools in France:

- an *ad hoc* Committee composed of elected CSSCT (Health and Safety Committee) members, trade union representatives and management representatives (which met five times in 2020)
- telephone counselling exclusively by qualified psychologists and available twenty-four hours/seven days a week via a free-phone number
- workload monitoring meetings each half-year.

In Germany, the Human Resources Department put in place a conflict management procedure, in collaboration with employee representatives. This strictly confidential procedure provides for mediation support for the person or people concerned, led by the Human Resources Director and supported by an employee representative. The existence of this procedure was widely communicated to employees and has been a tool for resolving disputes.

In 2018, Covivio instituted teleworking through a collective agreement that allows all eligible French employees (those on open-ended and fixed-term contracts with six months' seniority) to telework five days per month from home or another location, either on a fixed basis (one set day during the week) or a flexible basis (at the employee's discretion with 24 hours' notice). At the end of 2019, 76% of the eligible population was working from home (up from 64% at the end of 2018) – the range for all private companies offering telework is between 30% and 60% – for an average of 3-4 days of teleworking per month. In 2020, teleworking has become the preferred way of working in view of the health crisis, and its long-term integration into operating methods is no longer debated. Part of the minutes of the 2020 Obligatory Annual Negotiations (NAO), a new agreement will be signed in 2021 to extend the practice of teleworking to two days per week.

In Italy, teleworking will be set up permanently for one day per week from the end of the health crisis. The arrangement exists in Germany and helps facilitate better work-life balance; employees are eligible for teleworking on a case-by-case basis by mutual agreement with their manager.

In France, a subsidy (up to 50% and up to a limit of €100) was granted to each employee for any purchase of office equipment (chair, desk, screen, keyboard, etc.). A headset of their choice will also be distributed to each employee in early 2021 to make every-day teleworking more comfortable. In Germany, a contribution of €60 was proposed to enable employees to better equip themselves. In total, more than 200 employees have benefited from this assistance.

In France, employees benefit from an additional health cover (mutual) 75% financed by Covivio for non-managers and 65% for managers, and their salary is maintained from the first day of absence for sick leave. In Italy, employee health insurance now includes new services such as ambulance transport.



## Workload monitoring meetings

The mid-year appraisals in France, introduced under the agreement of 25 November 2014 on the reorganisation and reduction of working time, are an effective way of raising the alarm in the event of work overload, in line with measures laid down for the prevention of stress and psychosocial risks. In 2020, 37% of meetings reported a work overload at one time or another during the year, and 10% on a regular basis, which was less than in 2019. The Human Resources Department shares, with staff representatives on the QVT Commission, a summary of the alerts identified, their level of severity, and action plans put in place.

The interviews with the Human Resources Department or management also gave some employees an opportunity to bring up personal obligations that could impact their work lives, particularly issues related to taking care of ageing parents on a regular or ongoing basis. Through a social security-healthcare costs platform, employees can access all the information and social institution contacts that are appropriate in this type of situation.

## Performance-based pay

In France and Italy, the bonus pay policy is incorporated into the concept of individual performance, based on the extent to which job objectives determined during the annual interviews are achieved. The challenge is to make this measurement of an employee's contribution to the Group more objective and more transparent to employees. In France, 100% of employees on permanent contracts are eligible for variable compensation. In Italy, bonuses concerned 77% of the workforce in 2020.

In Germany, a new employee remuneration model was put in place in 2017. This includes the option of receiving bonus remuneration, and joining the policy for performance-based remuneration already existing in Covivio. This agreement was negotiated and approved by staff representative bodies. Employees can choose to join this new model or remain covered by the previous collective bargaining agreement. In 2020, 80% of employees received variable compensation. As of 31 December 2020, 92.5% of the workforce was covered by one of these two collective agreements; only four executive managers are not covered due to their different contractual status.

Employee incentives, profit-sharing schemes and savings agreements have been rolled out within the France ESU as part of existing collective agreements. An average incentive of 9.76% of annual salary averages was paid to employees in 2020 based on their performance in 2019. 90% of these beneficiaries opted for a partial or total investment under the Group Savings Plan, and 84% opted for an investment in Covivio shares, this investment giving rise to an additional contribution from the Group, in order to encourage employee share ownership.

In 2020, 87% of employees Europe-wide were also eligible to receive free company shares.

## Promoting diversity and equality

As a signatory to the Diversity Charter in 2010 and the Global Compact in 2011, Covivio's HR policy is consistent with the objectives of these agreements, in particular by analysing wage gaps between people performing the same job, starting with any wage that is 5% below the median. Two staff members were affected by an adapted salary measure following this review in 2020. Covivio received a score of 93 on the Gender Equality Index implemented in France in 2020. A similar procedure for reviewing potential inequalities was put in place in Italy in 2017: the only differences identified were a difference in average seniority of service between men and women, involving a wage gap as per the rules set out by the collective agreement.

In France, the gender breakdown in the workforce remained stable, with 56% women at 31 December 2020. Women are now more numerous in the managerial population: 51.7% of managers were women on 31 December 2020, and the proportion of women on the French Executive Committee of Covivio is 40%. In Germany, the workforce was nearly equally split between men and women, representing 52% and 48% of employees respectively. The proportion of female managers rose (34% of managers are women), in line with the progress that started in 2016, rising 11 percentage points since then. In Italy, the workforce is 52% male, and women represent 41.7% of managers.

The Executive Committee of Covivio, a European management body, comprises 36% women, up compared to 2019 following the departure of Marcus Bartenstein and the appointment of Barbara Pivetta.



**Marjolaine Alquier** –

*Director Risk Compliance Audit and Internal Control – Covivio*

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For more than 4 years now, Covivio has been committed through the Ex-Aequo program to promoting and helping women within the Group. Through this initiative, Covivio was able to set up a mentoring programme in Europe, allowing female employees to benefit from the support of a mentor, member of the Management Committee, for a period of 12 to 18 months. Through the richness of the exchanges and the sharing of his experience, the mentor advises and helps the mentee to progress. Also, testimonials and training are offered to employees to raise their awareness about gender equality and diversity.

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In terms of recruitment, the review of applications and invitations for job interviews are being reviewed to ensure diversity among the candidates' profiles considered for each job. In the Group as a whole, all recruitment processes must present at least one candidate of each sex, and the recruitment guide for Human Resources and managers sets out the principles of non-discrimination in hiring as well as regulations in this area. Recruiters within the French HR department undergo training every three years on combating discrimination in hiring. In Germany, following a decision of the German Constitutional Court, Covivio added the term "Other" in its job advertisements "Job title (Man/Woman/Other)". Covivio thus affirms its goals in terms of combating discrimination, here against transgender people.

In the case of equally qualified candidates, Covivio promotes the recruitment of candidates with disabilities. At 31 December 2020, employees with disabilities made up 1.3% of Covivio's workforce in France, 4% in Italy (compared to 2.7% in 2019) and 4.3% in Germany. Covivio also promotes indirect employment of people with disabilities by calling on ESATs (establishments and services providing assistance through work) or companies that specialise in employing people with disabilities for events (group meals, waste audits, etc.). A Disability action plan for 2021 was designed following the intervention of an external firm at the end of 2020 and two disability contacts have already been appointed within the HR department and the Sustainable Development Department.

No complaints related to discrimination issues were submitted to the Ethics Officer in 2020. The whistleblowing system in place also covers all types of harassment and discrimination and protects whistle-blowers. In response to the 2017 French Labour law, two sexual harassment officers were also appointed (one on the Works Council and the other in the Human Resources Department), increasing the number of available reporting and response channels.

In Germany, special attention is paid to family life. Irrespective of whether the employee is the mother or the father, parents can benefit from a working time arrangement during their parental leave and opt for part-time work. 100% of employees return to their positions at the end of their parental leave and can benefit, if they wish, from an adjustment to their work hours. Working from home can also be implemented on a case-by-case basis, depending on the employee's situation. Work schedules can also be made flexible for parents of children under 16 years of age.

In France and Italy, where the national environment is more favourable to collective childcare and where there is a greater offering, systems are put in place as needed to promote the balance of times of life, such as the Flexicrèche emergency service in the event of a child care problem, limited to 15 days per year. The partnership with Flexicrèche continued in 2020 via the "Summer Camps" offer dedicated to childcare during the summer. In France, maternity leave is 16 weeks and may be supplemented by a 14-day sick leave. From July 2021, paternity leave will be increased to 28 days and Covivio has already confirmed that the salary of the men concerned will be maintained at 100% for the duration of this leave. In addition, parental leave allows parents of a child younger than three years old to work part-time until the child turns three, or to suspend their full-time employment contract for as long as they would like. Any parents who choose this second option return to their positions at Covivio at the end of their parental leave. When parents wish to continue to work part-time after their children turn three, they may apply to do so. At Covivio, all these applications have been granted. In Germany, a plan called BUK reconciles family life with work life by helping employees find childcare solutions or support for ageing parents.

In France, employees returning after an absence of more than three months (illness, maternity leave) are supported to facilitate their return. In particular, an HR interview is organised to discuss their working conditions and pace. Following this interview, the employee's schedule can be adjusted or an appointment can be made with an ergonomist in order to meet the needs of the employee.

With regards to support provided to the senior workforce, Covivio introduced a systematic interview with the Human Resources Department in the year of each employee's 55th birthday. This interview, which can be held for employees each year at their request, examines issues relating to their job, any desired changes and measures to be taken in terms of ergonomics, for example. In 2020, 100% of seniors were invited to this interview and 33% responded favourably (senior employees in general hope to have this interview every two years rather than annually). In addition, Covivio allows employees over 55 to work part-time while maintaining their retirement contributions based on full-time employment. In 2020, four employees took advantage of this provision, nearly 13% of eligible senior employees. An agreement on seniors promoting the retention of older employees and the preservation of their working conditions was signed in 2020. A Senior Time Savings Account (CET) for employees aged 55 and over will enable them to anticipate their retirement.



SYMBIOSIS -  
Milan



## OTHER ISSUES IDENTIFIED IN THE CSR RISK MAPPING

Even if they are not considered as major risks in the risk mapping (p. 110), the subjects considered on pages 108–109 and 117–121 are important issues for Covivio. In particular, the richness of employee-employer dialogue, or the challenges relating to the reduction of the Group's environmental footprint.

### Ensuring transparent social dialogue

Covivio and its subsidiaries maintain permanent, transparent and constructive dialogue with employee representative bodies.

In France, collective agreements are negotiated by Trade Union Representatives, and three unions were represented within Covivio in 2020 (CFE CGC, CFDT and CFTEC). The Employee Representatives are responsible for any individual questions and issues. All elected representatives are "protected" by labour law, including after the end of their term of office, and may only be subject to sanctions with the authorisation of the State. They enjoy great freedom of speech and time devoted to their responsibility as elected officials.

### The Social and Economic Committee (CSE)

The CSE is composed of 11 full members elected by the staff. It has been in office since 1 January 2020 and in addition to the missions of the former Works Councils, it includes the missions of the "Employee representatives" and the CHSCT, thus making it their representation to General Management more understandable for employees. The Social and Economic Committee manages and independently decides how to allocate a budget equivalent to 2% of the total payroll to fund social and cultural activities for Covivio employees.

In France in 2020, during seven meetings of the Social and Economic Committee, employers and unions were informed and consulted on the health measures related to the pandemic as mentioned in page 117, and also on the Group's employee policy, the economic and financial situation, as well as on strategic orientations and their impact on jobs (changes in business lines and skills in particular). A fixed-term agreement on emergency measures in terms of paid holidays, working hours and rest days to deal with the economic, financial and social consequences of the spread of Covid-19 was signed in March 2020.

For the past several years, Covivio has reached salary agreement with Trade Union Representatives under the Mandatory Annual Negotiations (NAO). The negotiations must cover the fields defined by law: mainly the remuneration and the sharing of added value, but also working time, gender equality and quality of life at work. In 2020, several measures were signed or renewed in this context, including the collective allocation of free shares despite the crisis, to reward the involvement of teams. As part of measures promoting work-life balance, in 2020 it was decided that 31 December would not be a working day. A fixed-term agreement on the payment of an exceptional purchasing power bonus of €1,000 was also decided in January 2020.

At the same time, two other agreements were signed: an agreement on the implementation of a paid on-call system, now extended to the entire UES (corporate entity), and an agreement on Seniors, promoting the retention in employment of older employees and allowing them to anticipate their retirement thanks to a CET (Time Savings Account).

In Germany, the social dialogue is organised through different channels. As in France and Italy, the German Constitution (Article 9) guarantees companies and their employees the freedom to join or abstain from joining a professional association or union. Every month, a meeting is held to discuss different topics and is attended by management, the Human Resources Director and employee representative bodies. Department managers are responsible for relaying information about potential changes to working conditions. All information related to collective bargaining agreements, ethical principles, major divestments and acquisitions made by the company and the Covivio group's strategy and news updates are made available to employees via the intranet. In 2020, three collective agreements were signed in Germany: a regulatory agreement for the test phase of the use of the Lanes & Plans IT tool, which makes it possible to book hotel rooms and flights as well as the reimbursement of travel expenses, an agreement on the implementation of new IT systems and an agreement on remote working. In Germany, collective bargaining on wages (20% of the scope) was concluded in August 2020.



## Advancing together

Covivio strives to be exemplary in its day-to-day operations, applying best practices to reduce the environmental footprint of all its own offices. This dynamic is an integral part of the Group's sustainable development policy and relies on the support of each employee.

### Annual assessment of greenhouse gas emissions

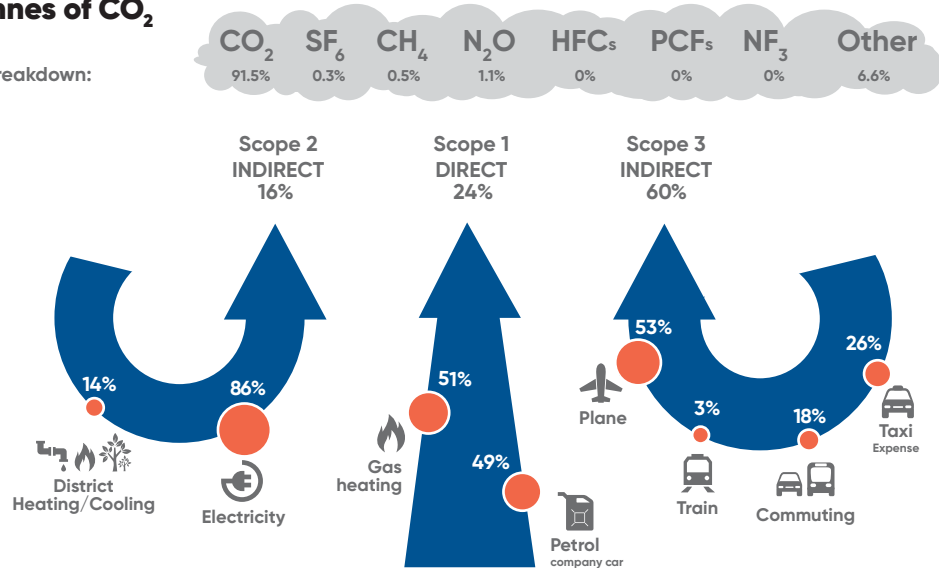
Slowdown of activity in buildings, teleworking, reduced travel and the international health crisis had a significant impact on the elements used in the calculation of the greenhouse gas (GHG) balance sheet in 2020. In order not to present results that are distorted by these exceptional conditions, the GHG accounting presented below relates to 2019. It is calculated on the basis of ADEME's V7 carbon footprint balance sheet table.

The results are presented according to the three emission scopes distinguished by the GHG Protocol, an internationally recognised standard

- scope 1 - direct emissions from the combustion of fossil fuels used for company buildings or vehicles. For Covivio, this corresponds to natural gas consumption (90 tCO<sub>2</sub>e/year) and fuel in service vehicles and company cars provided by the company (372 tCO<sub>2</sub>e/year)
- scope 2 - indirect emissions from purchased electricity, heating, and cooling: for Covivio, this corresponds to the consumption of electricity (308 tCO<sub>2</sub>e/year) and the heating and cooling networks (197 tCO<sub>2</sub>e/year)
- scope 3 - other indirect emissions, in particular passenger transport. For Covivio, other indirect emissions come primarily from transport inherent to the business (435 tCO<sub>2</sub>e/year), as well as commuting to work (1,324 tCO<sub>2</sub>e/year). Commuting emissions take account of the mode of transport of each employee, the type of energy of all motor vehicles used, as well as their precise mileage.

## Total: 2,726 tonnes of CO<sub>2</sub>

Covivio emissions breakdown:



● ALIS -  
Levallois-Perret





## European human capital that creates value

Other issues identified in the CSR risk mapping

For the second consecutive year, the Group's average carbon footprint per employee in Europe was down in 2019, to a level of 2.74 tCO<sub>2</sub>e (2.88 tCO<sub>2</sub>e in 2018). To reduce its carbon footprint, Covivio has put in place several measures including the creation of mobility plans in France and Germany, making electric vehicles available in Germany and Italy and reducing building consumption.

For their commuting and business travel, French employees have been educated about and encouraged to use public transport, with, for example, the company covering 80% of the cost of the "Navigo transit pass" for employees in the Paris region. Business trips requiring less than three hours by train cannot be made by plane and those of more than 250km cannot be made by car. For travel by taxi, an agreement was signed with the company G7 to encourage the use of hybrid or electric vehicles; G7 has teamed up with non-profit organisation Reforest'Action and committed to planting one tree for every 10 journeys (G7 Green). The reimbursement of mileage allowances for employees commuting to the office by bicycle and the provision of secure bike storage in Paris and Metz also help to encourage employees towards more environmentally friendly modes of commuting to work.

### Exemplary premises

In its most recent establishments, in France and Germany, Covivio uses flexible arrangements emphasising well-being and user-friendliness, that foster collaborative and creative work.

In France, in 2017, an agricultural greenhouse was constructed in the centre of premises occupied by Covivio at 30, avenue Kléber, in Paris. The company Topager was put in charge of urban agriculture, both for the design and implementation of different crops planted and sown and for monitoring and maintenance. This greenhouse is, in addition, a great tool for raising awareness of the challenges facing nature in the city. Awareness meetings were held with Topager to present the planting and first harvests and explain the importance of urban biodiversity to employees.

In addition, to help boost employee well-being, a concierge service manages the Paris and Metz sites. Fruit baskets are also made available to employees in France and Germany.

Employees increasingly demand tangible actions from the company to support the environment and society in general. Covivio's commitment to sustainable development relies on the active involvement of all employees, both in their work and through civic-minded action which is gradually becoming automatic.

Many initiatives taken in this area contribute to employees' pride in working for the company:

- environmental certifications for headquarters buildings: HQE for the Le Divo building in Metz, BREEAM In-Use for the buildings at 30 and 10 avenue Kléber in Paris and BRaVe BB for Milan Cornaggia
- 100% green electricity contract for the Italian sites and photovoltaic panels on the headquarters in Oberhausen (Germany)
- renovation work to improve the buildings' energy efficiency: more efficient heating and cooling systems, LED lighting, motion detectors in common areas, etc.
- installation of devices to measure air quality at the Milan headquarters
- waste sorting and recycling of all paper and cardboard, collection and recycling of coffee capsules, collection of printer toner, batteries and plastic caps for recycling, phasing in of sorting of other waste (metal, plastic, etc.)
- food waste avoided by redistributing uneaten food to employees after meetings
- increased use of maintenance and cleaning products with an Ecolabel
- water savings through the use of dual flush toilets
- elimination of plastic water bottles and installation of water fountains
- distribution of recycled plastic bottles
- in line with its Paper Policy, launched in 2013, all paper used in Covivio printers is PEFC certified (paper from sustainably managed forests), and has the European Ecolabel label (taking into account the product's entire life cycle, its quality and its use). This Paper Policy applies to all printouts and external publications related to administration and marketing.

A waste audit of the premises hosting Covivio's teams in Paris was carried out in December 2019, with the help of Cèdre, a company employing 74 disabled people (which provided work for the equivalent of just over one disabled employee during the audit period, which lasted one week).

## Informed employees

The process of change relies on a set of comprehensive actions. Examples of these are the awareness-raising articles regularly distributed on the Group's intranet, or the bi-monthly Covivio ("Green" or "Innovation") Meetings for raising awareness and providing information on sustainable development, through various subjects related to Covivio's business lines. Experts (start-ups, engineering firms, attorneys, non-profit organisations, local authorities, etc.) on CSR (low-carbon construction, digital tools, new labels, biodiversity, resilience, etc.) and innovation topics (new uses, artificial intelligence, etc.) come to present innovative solutions, new concepts and results of studies commissioned by Covivio (energy flexibility, carbon trajectory, etc.).

In 2020, these Covivio meetings were held by videoconference; in 2019 and 2020, the topics covered Parisian regional resilience with the Paris Town Hall, the labels relating to the quality of life at work/health/well-being and carbon, the 2020 Environmental Regulation, sustainable finance, etc., with large audiences (from 50 to more than 100 participants).

In 2020, the Sustainable Development Week was transformed into a Fortnight and took place in September/October, instead of the traditional month of June. The situation did not allow the organisation of physical events, as in previous years, but numerous articles to raise awareness on various subjects (climate resilience and biomimicry in particular) were published.

In general, each new employee is made aware of CSR, particularly during the induction day, which they take part in during the weeks following their arrival.

One-off educational and engagement actions for employees are also held throughout the year, including:

- community collection of toys organised at the Paris sites with the Rejoué non-profit association, which employs workers on a social inclusion programme. 24kg of toys were collected in late 2020 (15kg in late 2019) in time for Christmas, the third consecutive year this initiative was held
- collection for Restos du Cœur
- collection of stuffed animals and of donations to Pièces Jaunes
- planting of 924 trees in 2019 with Reforest'Action for Covivio's first anniversary in June 2019 (924 represents the number of Group employees at the time of this action; according to Reforest'Action, this offsets 534,996km driven)
- actions related to national/European/international weeks: for example, during the week of waste reduction, initiatives in 2019 relating to composting in the agricultural greenhouse, and in 2020, distribution of a guide on waste sorting
- partnership with Bilium, an organisation that gives a second life to materials as part of the recycling of advertising banners from the Silex2 project. 140 kits were produced in this way in 2019
- events at the Wellio space in Marseille: including showcasing of local organisations or start-ups through afterworks, such as Plastic Odyssey and Lemon Tri, the collection of toys and a joint bookstore, etc.
- in Italy in 2019, site visits by the children of employees in Rome and Milan, with an educational event on sustainable development led by an NGO
- also in Italy, participation in September 2019 in an international campaign, Clean Up the World, and in cleaning around schools in districts where Covivio operates and around schools (two in Milan and two in Rome).



**Amandine Friot** –  
Waste Strategy Consultant

“

The waste audit carried out in 2019 on the Parisian sites in Covivio made it possible to assess and map the overall waste production on the Parisian sites. The objective was to calculate the difference between recycling potential and sorting errors.

The audit findings revealed a gap that remains small, with areas for improvement that are easily achievable. To this end, actions to raise awareness of selective sorting and food waste wastage were implemented in 2020 among staff and complement actions already carried out in this area during the European Week for Sustainable Development 2019. An in-house guide on sorting waste for employees on a day-to-day basis was distributed to employees in 2020.

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## Exemplary IT solutions

As part of its digital transformation, Covivio is adopting innovative IT solutions to help smooth the flow and increase the reliability of information Europe-wide with the aim of bringing the three countries where it operates closer together. User-friendly collaborative tools (such as SharePoint, Teams and Onenote) have been adopted by all the sites. Video-conferencing equipment has been modernised, on the one hand facilitating exchanges between the various departments/entities, and also promoting a reduction in the number of trips. Similarly, the shift towards the cloud and the pooling of certain resources on a European scale are helping to reduce the Group's energy and carbon footprint.

In France, multifunction printers were replaced in 2018 by more modern and more environmentally-friendly equipment. Their total number was reduced and individual printers were eliminated. A number of processes have already been made paper-free. A report on printing initiated in 2012 tracked the impacts of initiatives carried out in this area and showed a 22% decrease in the number of pages printed in 6 years.

Data security is identified as a major risk in the 2018 risk mapping study (p. 136). Finally, a business continuity plan has been put in place and is tested periodically (p. 136).

In early 2021, the Information Systems department is also implementing a new anti-phishing plan (cyberattacks aimed at recovering and exploiting personal data) in the form of a document enabling employees to identify this type of attacks and, ultimately, to avoid them.







# GOVERNANCE BASED ON ETHICS AND TRANSPARENCY

A large, stylized blue number '5' is positioned vertically. To its right is a grey vertical bar. Below the '5' is a dark blue circle, partially overlapping the grey bar and the orange background area.

For several years now, Covivio has been one of the European leaders in its sector, a position strengthened in particular by the merger-absorption of its Italian subsidiary Beni Stabili, completed on 31 December 2018, which resulted in the creation of a branch in Italy and the admission of its shares for trading on the Milan stock exchange, in parallel with the listing of its shares on compartment A of Euronext Paris. Covivio's governance has adapted to this status in order to be able to respond effectively to the challenges it presents. The analysis of the CSR risk mapping does not place the risks relating to governance among the most sensitive risks for the Group. However, Covivio intends to continue to benefit from effective governance adapted to the company's strategy. Thus, Covivio's executive and non-executive management is constantly evolving and adapting to the evolution of the company and its subsidiaries, with the aim of high performance and agility.

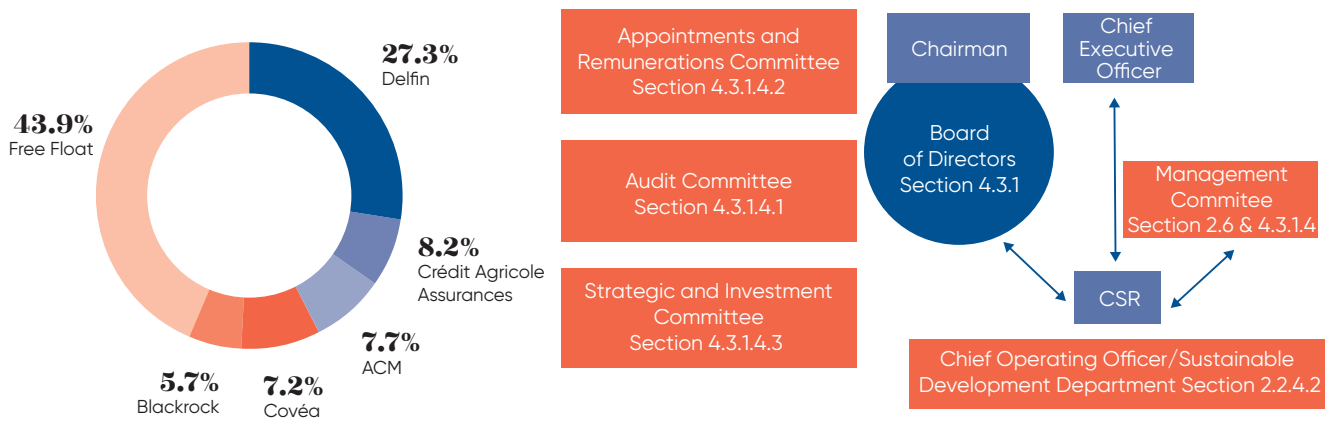


**This section focuses on the organisation of the company’s governance, as well as its main requirements, which are ethics and transparency. Other governance risks that fall outside the scope of CSR are detailed in Chapter 1 of the 2020 Universal Registration Document.**

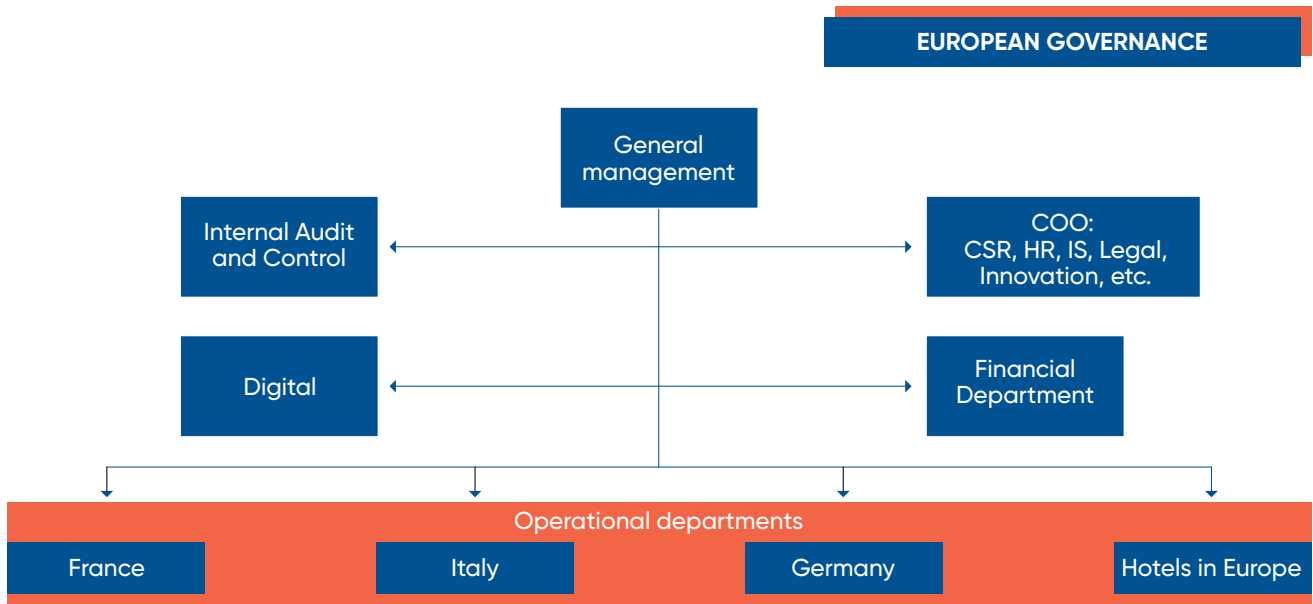
## EFFECTIVE GOVERNANCE TAILORED TO THE CORPORATE STRATEGY

Placing CSR at the heart of its business model and development strategy, Covivio’s governance bodies integrate the various social and environmental challenges facing the company’s activities. The CSR risk mapping has highlighted the importance for Covivio of efficient and stable governance.

### Shareholders and organisation of the Board of Directors and its Committees



Simplified organisation chart of the European Executive Management



Governance key performance indicators (at 31/12/2020)

**15**  
DIRECTORS

**60%**  
INDEPENDENT  
DIRECTORS

**40%**  
WOMEN

"EFFECTIVE GOVERNANCE TAILORED TO THE CORPORATE STRATEGY"

**0**  
CONTROVERSIES

**2**  
GOLD EPRA  
AWARDS IN 2020

**0**  
SUPPORT FOR  
POLITICAL PARTIES

"FRAUD/CORRUPTION/ETHICS"

**1**  
EUROPEAN ETHICS  
CHARTER

**100%**  
EMPLOYEES TRAINED IN FRAUD  
AND CORRUPTION RISKS

**0**  
CONVICTION FOR ACTS  
OF CORRUPTION

"CORPORATE DATA PROTECTION/SMART BUILDING"

**1**  
CYBER INSURANCE  
PURCHASED FOR THE GROUP

**3**  
DATA PROTECTION  
OFFICERS IN EUROPE

**1**  
EUROPEAN GDPR  
INTERNAL CODE



**Jean Laurent** –

*Chairman of the Covivio Board of Directors*



To deal with the crisis, an exceptional organisation has been developed at the level of both the Board of Directors and the General Management. In 2020, the Board held three extraordinary meetings (April, June, December) dedicated to crisis management in addition to its regular meetings, with an average attendance rate of 93.3%.

At the unanimous decision of the Board, the Directors decided to return all the attendance fees associated with these extraordinary meetings to the Covivio Foundation. The Foundation's budget has also been increased from €300K to €500K for 2020 in order to support initiatives in favour of people weakened by the crisis.

In addition, Covivio has deployed exceptional support measures for its clients directly affected by the crisis and has offered 2,000 overnight stays in hotels to healthcare staff at hospitals in Metz.



## An effective governance structure, in line with the recommendations of the Afep-Medef Code

In November 2008, Covivio adopted the Afep-Medef Code as a reference framework for its corporate governance. The company continues to refer to this Code, in its updated version published in January 2020, and draws on the work of the High Committee on corporate governance, as well as on the various recommendations of the Autorité des Marchés Financiers (French Financial Markets Authority), the EPRA and the Code of Ethics of the French Federation of Real Estate Companies (Fédération des Sociétés Immobilières et Foncières – FSIF).

Since 2013, Covivio has increased the percentage of independent Directors and the number of female Board members, while strengthening the Board's competencies in real estate, legal, environmental/CSR and financial matters, international experience and experience in managing listed companies.

An overview of the skills and expertise of the Directors is provided in paragraph 4.3.2.1.3 of the Universal Registration Document.

These developments have enabled Covivio to embrace an open, transparent and ethical governance that is tailored to its share ownership structure and with the aim of serving the long-term interests of the company, its shareholders, tenants, stakeholders and employees.

These efforts have been applauded by analysts and rating agencies and widely recognised, in particular through the award of AGEFI's "2018 Grand Prix for corporate governance" and "2020 Grand Prix for Compliance".

The Board of Directors regularly endeavours to adapt its Internal Regulations to the governance changes introduced by the Afep-Medef Code, the provisions of which were updated in 2020, in particular in order to integrate:

- the Board's setting of gender diversity targets for the governing bodies and decide on the procedures for presentation to the Board of their implementation by General Management and the results obtained
- the determination of a selection process by the Board of Deputy General Managers to ensure that at least one person of each gender is among the candidates.

● EUROMED –  
Marseille

## The Board of Directors at the centre of corporate governance

### Composition and operation of the Board of Directors and its Committees

The governance of Covivio is based on a Board of Directors structure, with separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, thus guaranteeing an effective balance of powers between, on the one hand, the Chairman, who oversees the proper functioning of the Board of Directors, and on the other hand, the Chief Executive Officer, who ensures the executive management of the company. The Chairman of the Board of Directors, who is also an independent Director, ensures that the Governance bodies are transparent and effective. His ongoing discussions with the Chief Executive Officer, who is also a Director, help strengthen the functioning of the Board and the efficiency of its meetings.

The Board of Directors, which approves the Group's strategic policies and oversees their implementation, pays special attention to the monitoring of CSR performance. The Board's composition brings together individuals with complementary experiences and skills, with a preponderance of independent Directors and broad international perspective.

The Board's strategic seminars, held since 2015 in Berlin, Milan and London, have enabled the Directors to get a better grasp of the local specificities of certain products and markets.

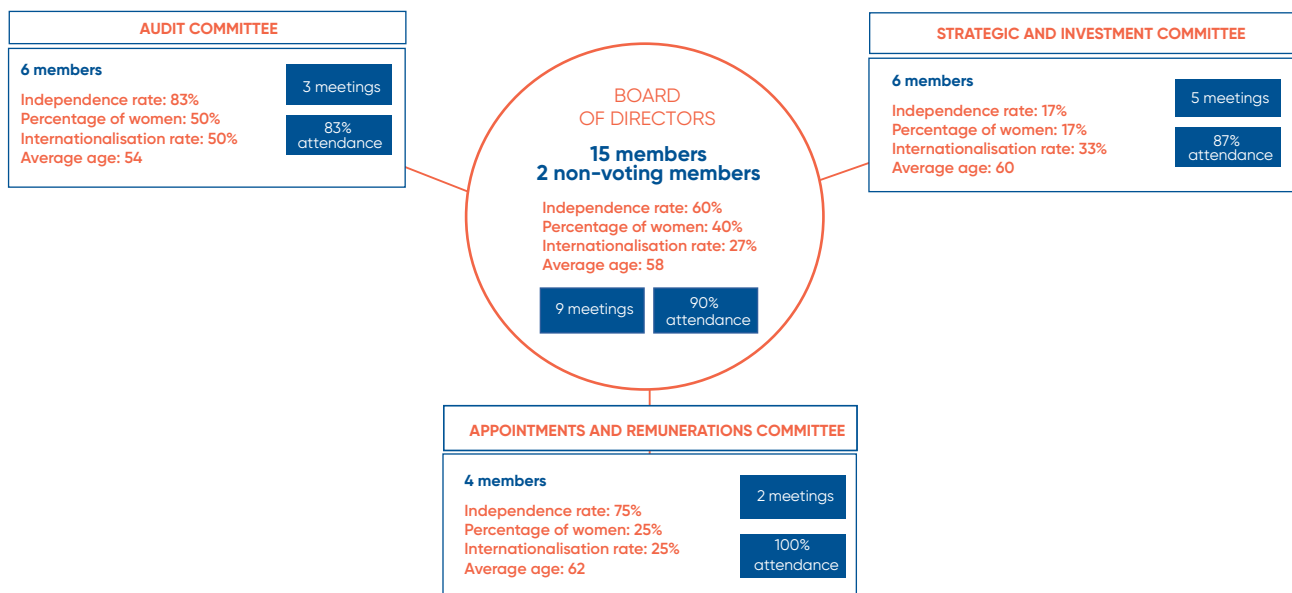
The Social and Economic Committee appointed two of its members to represent it at the meetings of the Board of Directors. These members attend all of the Board's meetings in a consultative capacity and receive the same documents as those issued to Directors.

Subject to the approval by the General Combined Meeting of 20 April 2021 of the resolutions relating to the renewal of the term of office as Director of Predica, represented on the Board by Jérôme Grivet, as well as independent Directorships of Sylvie Ouziel and Jean-Luc Biamonti::

- the composition of the Board of Directors of Covivio would remain the same, it being specified that the reappointment of Jean-Luc Biamonti is proposed for a limited period of two years beyond which he would lose his status as an independent Director in application of the rule set out in article 9.5.6 of the revised Afep-Medef Code
- the proportion of independent Directors would be maintained at 60% (Jean-Luc Biamonti, Christian Delaire, Sigrid Duhamel, Jean Laurent, Alix d'Ocagne, Sylvie Ouziel, Olivier Piani, Patricia Savin and Catherine Soubie)
- the proportion of women on the Board would be maintained at 40% (Sigrid Duhamel, Stéphanie de Kerdel, Alix d'Ocagne, Sylvie Ouziel, Patricia Savin and Catherine Soubie).

The Board is supported by three specialised Committees set up within it.

### Three specialised Committees



The detailed composition of the Board and its Committees, as well as the list of mandates and functions exercised by each Director in office as of 31 December 2020 are presented in section 5.3.2.1. of the Universal Registration Document.



### An efficient Board of Directors

- Every year the Board of Directors discusses its operations and that of its Committees and formally assesses, at least every three years, its ability to meet the expectations of shareholders, periodically reviewing its composition and that of its Committees, its organisation and working methods. Three formal assessments were carried out at the end of the 2013, 2016 and 2019 fiscal years. This confirmed that the Board of Directors is deemed well-balanced, efficient, with a positive momentum, and with all the required tools to perform its duties. The year 2020 was used to continue the positive momentum and work on the areas for improvement proposed by the Directors. The Compensation and Appointments Committee presented various proposals to the Board of Directors concerning the composition of the Board, the content of the discussions and the coordination between the Committees, which decided to implement them. The details of these proposals are presented in paragraph 4.3.2.2.6.3. of the Universal Registration Document.
- Through the application of the Board's Internal Regulations, the company strives to prevent the occurrence of conflicts of interest, in particular when presenting investment opportunities submitted to the Board and/or to the Strategic and Investment Committee. Under these regulations, all Directors are required to make every effort possible to determine in good faith whether or not a conflict of interest exists. They must report this to the Chairman as soon as they are aware of any situation that may constitute a conflict between the company and themselves, the company which they represent, or any company of which they are employees or corporate officers. The system for preventing conflicts of interest is presented in paragraph 4.3.2.2.6.1 of the Universal Registration Document

This applies in particular when, for any transaction being considered or undertaken by the company, a member of the Board or a company of which a Director is an employee or corporate officer might have competing interests or interests opposed to those of the company or the companies within its Group. In such a case, the Board member in question must refrain from participating in the discussions and deliberations of the Board and/or Strategic and Investment Committee and, more generally, observe a strict duty of confidentiality.

For their work with the Board, Directors and the non-voting members receive a remuneration, the amount of which is determined by the Board of Directors based on a maximum overall annual amount of €800,000 approved by shareholders at the Combined General Meeting of 19 April 2018. The remuneration includes a fixed component and a variable component linked to attendance at meetings and effective contribution to the work of the Board and its Committees.

### A Board of Directors attentive to CSR issues

CSR matters are regularly referred to the Board in order to incorporate them in the company's strategic guidelines. The actions undertaken by the company in this area are presented annually to the Board of Directors. The latter examines the company's performance in terms of environmental, social and corporate responsibility, monitors the progress made in relation to established objectives, approves major opportunities for improving CSR performance and compares the progress of the companies within the Group with that of peers in Europe.

The Board of Directors also examines non-financial information published by the company, with a particular focus on social and environmental matters. It also analyses the ratings issued by non-financial rating agencies. Lastly, it ensures that the ethical rules set out by the Group are applied and assesses sponsorship and philanthropic policies and actions carried out.

The progress made in relation to the objectives in each of the four areas of Covivio's sustainable development policy is regularly presented to the Board of Directors.

In addition to the overall mapping of the risks and the special analyses conducted annually on matters that may represent specific risks (such as Cyber risks, the risks of Fraud and Corruption and CSR risks), in 2020, Covivio carried out a review of the action plans put in place to address the main risks identified (p. 29) and approved the 2021 audit plan and risk management policy.



**Patricia Savin** –

*Independent Director of Covivio*

“

The crisis that is shaking the planet is, more than ever, forcing private actors to question their societal impacts. It is clear that this question has existed for many years within Covivio, as the extra-financial rating agencies welcome it. "Build sustainable well-being and relationships", beyond being the Purpose that Covivio has adopted following consultations between all stakeholders, including the Board of Directors, this hook could be the Purpose of each in its relation to the World. Congratulations to Covivio for finding such a beautiful Purpose.

”

## An Executive Committee attentive to CSR performance

The Executive Committee, which met several times a month in one of the major cities in which the company operates, and on a total of 50 occasions in 2020, has a European dimension, approves every decision or significant operation concerning the monitoring of subsidiaries and holdings, the financial policy and the asset rotation policy. It also addresses issues of organisation, CSR, tools, etc.

At the close of the 2020 fiscal year, the Executive Committee, whose composition is presented in section 4.3.1.4 of the Universal Registration Document, brings together 11 members, including representatives of all Covivio "country" and "product" activities.

The diversity of this Committee, in terms of gender, age, experience, nationality and skills, helps it support the Group's strategic challenges. The Covivio Executive Committee is responsible for approving all investments and disposals whose value exceeds €5 million. Its members are in charge of implementing the CSR objectives of the Group within their area of responsibility and in coordination with the Sustainable Development Department. The results achieved in this domain are now systematically incorporated into the criteria for determining the variable portion of the remuneration of Committee members. The following objectives are therefore taken into account when calculating the variable compensation of the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Executive Committee: improving the portfolio's environmental performance, proportion of women on teams; talent attraction and retention. These objectives are then rolled out operationally to the Group's managers, according to their operational responsibilities, and are communicated during individual appraisals.

## General Meetings

Since 2013, Covivio has provided its shareholders with an online resource enabling them to receive their meeting invitation and obtain details and input voting instructions prior to the General Meeting.

At the close of its General Combined Meeting of 17 April 2015, Covivio maintained the principle of "one share = one vote". This was approved by the shareholders, thereby waiving the automatic assignment of double voting rights provided by the Florange law of 29 March 2014.

The results of the votes at General Meetings are published on the company's website within two business days of the meeting.

One or more shareholders satisfying the conditions specified in Article R. 225-71 of the French Commercial Code or the

associations of shareholders fulfilling the conditions set out in Article L. 22-10-44 of the French Commercial Code are entitled to request the inclusion of items and/or draft resolutions on the agenda of the General Meeting.

Requests for the inclusion of items or draft resolutions on the agenda must be received by the company by means of a registered letter with acknowledgement of receipt, along with a certificate attesting that they are a registered shareholder, no later than the 25th day preceding the date of the General Meeting, and which may not be sent more than twenty days after the date of publication of the notice in the Bulletin des annonces légales obligatoires (BALO) (the French Legal Gazette).

## Minutes of the General Combined Meeting of 22 April 2020

This shareholders' Meeting was exceptionally held behind closed doors (excluding the physical presence of shareholders and other persons entitled to attend) at the headquarters of the administrative department, in accordance with the provisions of Article 4 of Decree no. 2020-321 of 25 March 2020, applying article 11 of emergency law no. 2020-290 of 23 March 2020, due to the measures imposed by the Government by the decrees of 23 March and 14 April 2020 prohibiting, on French territory, any gathering, meeting or of more than 100 people and limiting travel until 11 May 2020.

It was an opportunity to present, to shareholders, the CSR policy developed by Covivio. The policy was praised on several occasions by non-financial rating agencies, and its main strategic focuses are:

- "Sustainable Buildings" through the continued greening of the portfolio, the reduction of carbon emissions and the accessibility of assets by public transport
- European human capital through a proactive Human Resources policy in favour of professional equality and focused on strengthening gender equality within teams, the launch of the employer brand to reinforce the attractiveness of Covivio, and the expression of the company's Purpose and the adoption of its Manifesto
- relations with stakeholders, including the implementation of societal measures aimed at contributing to the collective effort during the Coronavirus crisis
- ethical and transparent governance.

Shareholders were offered the option of sending their questions (traditionally asked during debates in meetings) by email until 20 April 2020 (at 3pm) in addition to written questions sent no later than the fourth working day before the date of the General Meeting in accordance with Articles L. 225-108 paragraph 3 and R. 225-84 of the French Commercial Code. However, no written questions were sent to the company.

### General Meeting statistics

	Combined Annual General Combined Meeting of 22 April 2020		Change 2019/2020	
	Ordinary resolutions	Extraordinary resolutions	Ordinary resolutions	Extraordinary resolutions
Number of shareholders represented or having voted by post	1,300	1,303	-10.96%	-8.82%
Number of votes cast	67,429,807	67,430,164	+2.01%	+2.08%
Attendance rate	77.56%	77.56%	-2.04 points	-1.98 points
Resolution approval rate	97.85%	99.35%	+2.68 points	+1.50 points

## Shareholder consultation on “say on pay”

The shareholders at the Annual General Combined Meeting on 22 April 2020 voted on the compensation policy applicable to the Chairman of the Board of Directors, the Chief Executive Officer, the Executive Vice-Presidents and the Directors in respect of the 6th, 7th, 8th and 9th resolutions (ex ante “say on pay”), and on elements of individual compensation paid or allocated in the 2019 fiscal year under the 10th, 11th, 12th, 13th and 14th resolutions (ex post “say on pay”, “global” and “individual”). The average approval

rates for the resolutions relating to the ex ante and ex post “say on pay” are 97.45% and 94.62% respectively, thus confirming the good balance and effectiveness of the compensation policy. The ex post “say on pay” resolution concerning the Chief Executive Officer, approved with a lower score than the others, gave rise to a specific analysis by the Compensation and Appointments Committee, then by the Board of Directors.

### ■ Details of the results of the “say on pay” resolutions

	Ex ante say on pay	“Global” ex post “say on pay”	“Individual” ex post “say on pay”
Corporate officers			
Jean Laurent, Chairman of the Board of Directors	99.85%		99.72%
Christophe Kullmann, Chief Executive Officer	95.34%		84.62%
Olivier Estève, Deputy General Manager	94.61%	99.27%	94.23%
Dominique Ozanne, Deputy General Manager	94.61%		95.23%
Directors	99.98%		N/A

The amounts resulting from the implementation of these remuneration policies and paid or allocated for the fiscal year ended 31 December 2020 will be submitted to the approval of the shareholders at the General Combined Meeting to be held on 20 April 2021 as part of the approval of the 9th to 13th resolutions (ex post “say on pay”).

## Addressing shareholder concerns and ensuring the transparency of financial information

Covivio does its utmost to provide institutional investors and individual shareholders with quality information regarding its business and strategy. It is conducting substantive work to consolidate its long-term relationship of trust with the financial community and to develop its market transparency.

The company is also helping to raise the level of professionalism within the industry and to issue high-quality information by means of its active involvement with the IEIF (Real Estate Savings Institution), the FSIF (Fédération des Sociétés Immobilières et Foncières), and EPRA (European Public Real Estate Association). Covivio participates annually in around ten conferences for international investors and organised by renowned brokerage firms (such as Bank of America and Goldman Sachs).

Covivio also takes a proactive attitude in dealings with institutional investors. As such, management holds some 400 meetings every year with their main representatives, particularly when the annual and semi-annual results are released in the major European and US markets and sets up around fifteen site visits of representative assets in its portfolio for these groups.

## Covivio listening to individual shareholders

Covivio publishes an annual newsletter for its 10,000 individual shareholders, sent by post. Covivio provides them with a dedicated section on its website, a documentation service as well as a shareholders' freephone number (0 805 400 865).

## A policy recognised by the 2020 EPRA Awards

The quality and transparency of Covivio's financial and non-financial reporting were recognised at the 2020 EPRA Annual Conference with two awards. Covivio received two EPRA Gold Awards: one for the financial part of its 2019 Reference Document, and the other for the quality of its non-financial reporting included in that document and its compliance with EPRA's Best Practices Recommendations.

These awards highlight the relevance of Covivio's integrated model, which is rolling out best practices across Europe.

## ETHICS AND THE FIGHT AGAINST FRAUD AND CORRUPTION, FOUNDATIONS OF COVIVIO'S GOVERNANCE

Promoting fair and ethical practices with all of the Group's stakeholders is a major challenge for Covivio and represents a response to the "fraud/corruption/ethics" risk identified in the CSR risk mapping. A breach of the professional ethics rules and of the Group's internal procedures, or insufficient control of commercial (negotiation, contracting, invoicing, etc.) and financial processes could lead to significant risks: negative reputational impact, loss of stakeholder confidence, financial losses, an obstacle to the development of activities, etc. To remedy this, Covivio has implemented numerous risk management actions, in accordance with the regulations of the various countries in which it operates and according to the most recognised international standards in the sector. Its Ethics charter, updated in 2018, is now binding on its employees and covers all of the ethical issues that Covivio may be faced with.

Covivio signed the Diversity Charter in 2010 and has been a member of the UN Global Compact since 2011. It incorporates the 10 principles of the Global Compact into its strategy and practice and promotes them to its stakeholders, in particular its suppliers, through its Responsible Procurement Charter and yearly publication of a Communication on Progress (COP), made at the behest of the UN. Since its 2018 COP, Covivio has reached the highest standard, GC Advanced, which demonstrates the fact that the Group is embracing the SDGs (Sustainable Development Goals) to a greater extent and highlights the connections between them and Covivio's CSR strategy.

Covivio's COPs are published on its website:

<https://www.covivio.eu/app/uploads/2018/11/2018-Pacte-Mondial-des-Nations-Unies-Communication-sur-le-progr%C3%A8s.pdf>

and on the Global Compact website: <https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/422170>

### An Ethics charter for greater responsibility

A fundamental element of Covivio's ethics and compliance approach, its Code of Ethics is adapted, from a common base, to the specific legal and regulatory requirements of each country; it covers all of the Group's French, German and Italian employees. It is available on the Covivio website and intranet (<http://www.covivio.eu>). The Code of Ethics defines the ethical principles that all employees must follow as part of their professional practices and in their behaviour with external contacts. The core principles set out in this charter are as follows: respecting laws and regulations (prevention of insider trading, combating money-laundering, bribery and similar crimes); respect for the environment and individuals (health and safety in the workplace, prevention of discrimination, respecting third parties); protecting

the company's assets (reputation, property, resources) and transparency of information provided; protection of personal data. The charter has been revised twice: the first time in 2015 with the implementation of a whistleblowing system, and then again in 2018, as part of the roll-out of the anti-bribery system stemming from the Sapin 2 law of 9 December 2016.

Since it is legally enforceable against Group employees, the Ethical Charter is henceforth interpreted as a Code of Conduct within the meaning of the Sapin 2 law. As such, any breach of the rules laid down therein, and notably any proven incident of corruption, could, in addition to legal sanctions, be subject to heavy penalties leading to the possible termination of the employment contract or mandate of the person responsible.

The charter also restates Covivio's "zero tolerance" approach regarding corruption and influence peddling, as well as the possibility for all stakeholders (internal and external) to signal any conduct that contravenes the principles of this charter, via an alert system ([alerte@covivio.fr](mailto:alerte@covivio.fr)). In 2020, no employee was subject to disciplinary measures related to non-compliance with the Ethical Charter. Moreover, there were no complaints or convictions against Covivio on these grounds.

#### Employees aware and trained

The Internal Risks, Compliance, Audit and Control department has put in place regular and compulsory training courses for all of its employees. These training sessions called "Process Mornings" focus on ethics, compliance and internal control. Initially launched in France, this practice has been generalised to involve all of the Group's employees in Germany and Italy. Each new employee is given a copy of the charter upon being hired by the Group.

#### The Ethics Officer

In 2020, 54 notifications were received and processed by the three Group Ethics Officers. In addition, they recorded 279 declarations of gifts received for which the cumulative annual value may not exceed €150 (43 in France, 71 in Italy, and 165 in Germany) in accordance with the Group's Gift Policy.





**Yves Marque –**

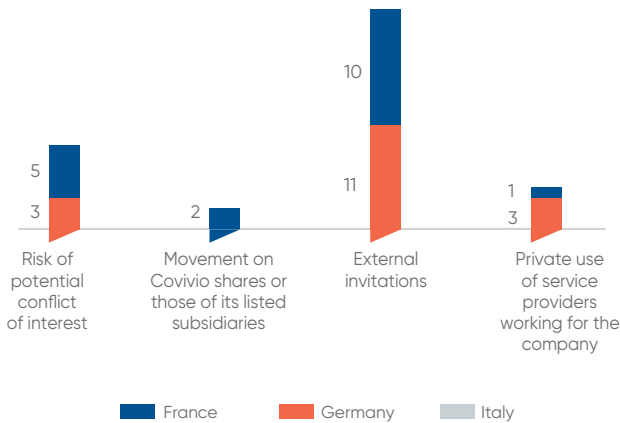
CCO and France Ethics Officer – Covivio

“

The Ethics Officer reports only to General Management. This function has been deployed in France, Germany and Italy. They have a duty of confidentiality with regard to information forwarded to them. Its mission includes several aspects: advising employees on conflicts of interest, gifts and other benefits received or offered; reminder of stock market law rules; monitoring the application of ethical rules; regulatory monitoring in terms of ethics.

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**■ Number of requests from compliance officers in 2020**



**The Group Compliance Officer**

This function was created in 2018. The Group Compliance Officer coordinates the compliance activity at the European level with the support of local officers: the Compliance Officer Germany and the Compliance Officer Italy. As part of their duties of ensuring Group compliance with the rules and ethical principles applicable to it, the Group Compliance Officer:

- contributes to the drawing up of the Code of Ethics and its updating
- ensures its dissemination to all employees whenever it is updated and forwards it to all new employees when they take up their positions
- is in charge of its implementation: in this respect, they ensure that each department puts in place the necessary means to satisfy the provisions that apply to it, and draws on the support of the Audit function to conduct the checks deemed necessary
- maps and updates the corruption and influence peddling risks and ensures the proper implementation of the resulting recommendations
- conducts due diligence with regard to third parties
- in the event of failure to comply with these rules, ensures implementation of appropriate measures.

**Preventing the risk of fraud and corruption**

In compliance with the tenth principle of the UN Global Compact, Covivio has strengthened its risk prevention system in the areas of fraud, corruption and related infringements, such as influence peddling.

**Fraud risk management**

The separation between scheduling (ordering) and launching (payment) operations, as well as procedures related to competitive bidding thresholds, significantly reduce the risk of fraud. During the "Process Morning" sessions, the company makes employees who handle transactions aware of the risks of fraud and corruption and reminds them of the Group's zero tolerance approach. "Anti-fraud" audits are carried out regularly within the Group and have revealed no significant dysfunction. These measures are the subject of internal control and assessment procedures under the audit plans validated by the Audit Committee.

### Prevention of corruption risks

Covivio has implemented eight measures to prevent the risks of corruption and influence peddling as governed by the Sapin 2 law.

- Corruption risk mapping

The cornerstone of the corruption risk prevention system, Covivio's corruption risk map was updated in 2020 to reflect changes in the Group's activities. The recommendations resulting from the mapping are implemented at the European level by the Group Compliance Officer and are regularly monitored by the Audit Committee and the Management Committees in each country.

- Procedures for assessing the situation of customers and suppliers and accounting control procedures.

With regard to the major risks identified by the mapping, Covivio pays particular attention to the integrity of its main customers and suppliers by carrying out appropriate analyses and implements specific accounting reporting aimed at detecting any acts of fraud and corruption in its accounts. Transactions that are deemed sensitive – such as acquisitions, sales of assets or companies, construction and renovation work – are guided by appropriate procedures, especially regarding links with intermediaries..

- Code of Conduct and disciplinary regime

The Covivio Code of Ethics has been updated in accordance with the requirements of the Sapin 2 law to act as a Code of Conduct. In France, it is appended to the company's Internal Regulations; it has similar binding force in Germany and Italy. Failure to comply with the provisions contained therein, and more particularly any proven act of corruption or influence peddling, would give rise to strict penalties, which could go as far as the termination of the employment contract or of the mandate of the person implicated.

More information on page 131. of this Document

- Whistleblowing system

Covivio introduced a whistleblowing system in 2015. Its operation has been amended in order to take into account the provisions of the Sapin 2 law. The alert system can deal with several types of incident: crime or offence, serious and manifest violation of a

national or international regulation, serious threat or prejudicing the general interest, etc. It also enables all employees to notify failure to comply with the principles defined in the Code of Ethics and, more generally, in the following areas: finance, accounting, banking, fighting corruption, unfair competition, tackling discrimination and harassment in the workplace.

The whistleblowing system is made available to Group employees and all stakeholders. It is the subject of an internal procedure disseminated and explained at European level. Partners and suppliers are made aware of its existence through its publication on the Covivio website while it is also mentioned in the Responsible Procurement Charter (p. 96) rolled out in France. A specific email address has been created in each country (in France: [alerte@Covivio.fr](mailto:alerte@Covivio.fr)).

Covivio undertakes to protect the whistle-blower:

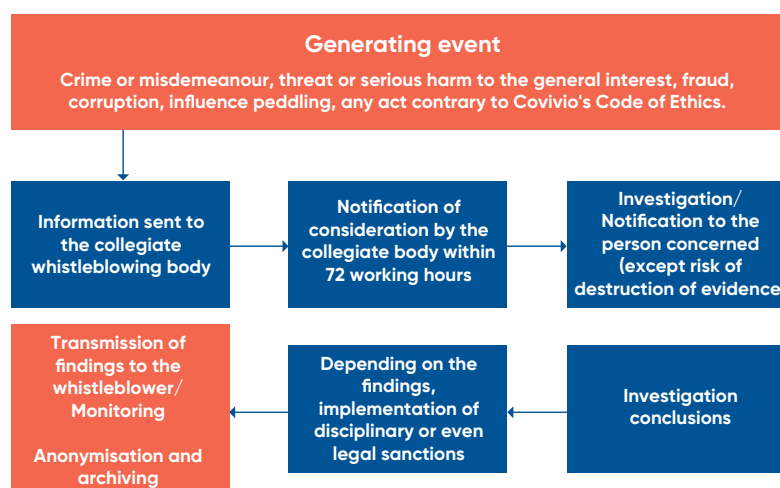
- by maintaining confidentiality about their identity (and the identity of the person who is the subject of the report) and the acts reported during the notification investigation phase
- against possible victimisation, disciplinary action or legal proceedings, provided that the system is not used in an abusive manner and that it is employed in good faith.

The changes made to the whistleblowing system in 2018 also provided the opportunity to open the system to anonymous reports. These are now processed where the severity of the facts is established and the factual evidence is sufficiently detailed.

After completing an internal inquiry into a notification that does not lead to any legal and/or disciplinary proceedings, Covivio anonymises all the data gathered after a period of two months.

In 2020, two alerts were recorded, one in France and one in Germany. None of them concerned acts of corruption or influence peddling

### SUMMARIZED PROCEDURE FOR MANAGING ALERTS



- Employee training

Covivio employees are regularly made aware of the risks of corruption as part of the morning sessions of the process (see paragraphs 1.11.6.2.1.4 of the URD). The most exposed employees receive more in-depth training on these risks.

- Monitoring and evaluation of the measures implemented

The Audit department carries out regular checks on the proper implementation of measures to prevent corruption risks (see paragraph 1.11.6.2.1.4 of the URD) as part of the annual audit plans approved by the Audit Committee.



## Governance based on ethics and transparency

Ethics and the fight against fraud and corruption, foundations of Covivio's governance

### Guaranteeing fair competition

Covivio, in its business activities and more specifically in its sales, acquisition and construction work, complies with competition provisions and regulations in force in each country. The company has therefore implemented specific procedures: a competitive bidding process is mandatory above a certain threshold and the bidding framework includes procedures that have been put in place and validated by General Management.

Depending on the amounts and types of transactions, several companies must be consulted. In the same manner, the company uses a procedure for opening bids involving a minimum of two employees and the drafting of the opening of bids minutes for some tender processes in order to ensure the widest degree of transparency and fairest competition possible. Audits are performed each year on certain development transactions in order to ensure proper compliance with the procedure. These audits revealed no significant issues.

The risk of anti-trust behaviour is limited within the framework of Group activities as there are many owners of real estate assets.

### Combating money laundering

Covivio, as a real estate operator, is bound by regulations on: combating money-laundering in its real estate leasing activity; registered office service; purchase and sale of buildings; transactions regarding business assets; and shares or holdings in real estate companies which might conceal one or more money-laundering activities subject to criminal sanctions. Undertaking capital transactions, it is also obliged to notify the French Public Prosecutor of any suspicious transactions of which it is aware.

Covivio and its subsidiaries have introduced a system for combating money laundering and the financing of terrorism (LAB/LFT) – in keeping with each country's legal and regulatory requirement – in the form of a procedure that lists and describes actions to be taken by the employees concerned. The Group Compliance Officer and the Risks, Compliance, Audit and Internal Control Officer are LAB/LFT (anti-money laundering and financing of terrorism) Managers as well as TRACFIN (French Ministry of Finance's anti-money laundering agency) Contacts and Registrants.

This system is based on vigilance when initiating business relationships and in relation to the third parties involved. The implementation of the LAB/FT system is supported by regular training campaigns during the "Process Mornings".

### Association with, or membership of, domestic or international organisations

Covivio actively contributes to the French government's building policy through its strong commitment within working groups and professional associations. Covivio is a member of the sustainable development commissions of EPRA and of the Fédération des Sociétés Immobilières et Foncières (FSIF), whose CSR commission is chaired by Covivio Sustainable Development Director Jean-Éric Fournier. He is also Vice-Chairman of the French HQE-GBC Alliance, a member of the Sustainable Building Plan Office and Coordinator of the RICS France Professional Sustainability Group. Covivio's contribution to the promotion of sustainable real estate is evidenced by its involvement in various working groups alongside associations (including Orée and SBA-Smart Building Alliance), in the Immowell Lab start-up incubator, with scientific bodies (Politecnico di Milano), as well as its participation in studies at a national level (Palladio and IFPEB, etc.) and Europe-wide level (EPRA, RICS, etc.), and its commitment to initiatives such as the Global Compact and the Paris Climate Action Charter.

### Supervision of donations, memberships, contributions and lobbying activities

Covivio benefits from a specific procedure covering the following activities:

- participation of companies in donations (including sponsorship, philanthropy), memberships of or contributions to professional or non-professional associations or foundations
- Lobbying/Public Relations operations carried out using specialised firms.

This procedure reiterates the principle that, while respecting the commitments of its employees who, as citizens, participate or wish to participate in public life in a private capacity, Covivio does not finance any public official, political party, public office holder or candidate for such office, nor any trade union or religious organisation that is not recognised as being of public interest.

Donations, philanthropy, sponsorship and similar operations related to the protection of the environment or equal opportunities are intended to be carried out via the Foundation created on the occasion of the publication of Covivio's Purpose. All other actions are centralised by the Communications department, which submits the request to the Compliance Officer in order to carry out due diligence prior to definitive approval of the project by General Management.





Membership of professional associations by Covivio employees (whose contribution is covered by the company) is also subject to internal validation processes. The Compliance Officer may be asked to carry out a prior probity investigation.

Concerning lobbying actions, Covivio does not directly exercise interest representation, within the meaning of the Sapin 2 law as amended by law no. 2018-727 of 10 August 2018 aimed at promoting trust in public administrations (ESSOC law).

Covivio may nonetheless join professional associations carrying out such activities or call on specialised firms which are subject to particular vigilance and whose use is strictly governed by Covivio's procedures.

Therefore, any request for recourse to such a firm is addressed to the Director of Institutional Relations, who, with the support of the Compliance Officer, performs the following procedures:

- he verifies the Firm's adherence to the rules and ethical principles laid down by law no. 2013-907 of 11 October 2013 on the transparency of public life
- he obtains, from the proposed Firm, any document certifying compliance with these rules, in particular by signing a Code of Ethics (e.g. Charter of the Association Française des Conseils en Lobbying et Affaires Publiques)

- he verifies the correct registration of the Firm in the Directory of Lobbyists provided to the French authority for transparency in public life
- as part of the contract, he formalises the Firm's missions and establishes a compensation structure based on an hourly rate: written activity reports and formal meeting reports
- he ensures that the contract includes the obligations stipulated by article 18-5 of the law no. 2013-907 of 11 October 2013 on the transparency of public life, and more particularly the prohibition of:
  - giving gifts, donations or benefits of significant value to a public official
  - paying a public official to take part in a conference
  - attempting to obtain information by fraudulent means
  - sell the information or documents it obtains from a public official.

If it deems it necessary, the Compliance Officer may initiate a probity survey of the envisaged Firm, the results of which will be submitted to the General Management, the only body authorised to sign this type of contract.

● KIMPTON FITZROY - London







## PROTECTION OF CORPORATE/SMART BUILDING DATA

When conducting its business Covivio creates and generates a large amount of data and is thus subject to the General Data Protection Regulation (GDPR). Furthermore, its properties use an ever increasing number of computerised facilities and services that are involved in the digital revolution. By becoming a "smart building", with ever closer links to the "smart city" via a two-way data exchange, the building, in a similar manner to Covivio's activities, is exposed to the risk of cyber-attacks, data losses, degradation and theft, etc. Aware of these risks, Covivio has started a number of initiatives intended to protect its activity and that of its stakeholders. Some of them are described below and presented in greater depth in Chapter 1 of this document..

### Covivio steps up its digital transformation

As a European real estate player, Covivio has undertaken a digital transformation, based on a collective reflection process. Led by the Chief Digital Officer (Laurie Goudallier) and the Director of Information Systems (Claude Sauvaigo), in collaboration with the members of the Transformation Committee, which they lead to represent the various branches of the company, this digital transformation is planned over three years and designed to serve customer satisfaction, portfolio performance and the operational efficiency of Covivio's teams in Europe. By adopting a digital roadmap, the Group's ambition is to lead a sustainable and thoughtful digital transformation, in the service of Covivio's strategy, by closely associating all stakeholders at the European level.

### Improving customer satisfaction by offering an innovative user experience

Among its digital transformation levers, Covivio places special emphasis on the services offered in its buildings. It is for this reason that Covivio has partnered with the start-up MonBuilding to develop a mobile application accessible to all occupants (p. 100) or with the start-up Facilioo to design the "Covivio @Home" application for its residential activity in Germany. This contact platform covers all issues related to communications, maintenance, and management operations for the housing units held by the Group. This application also allows the real-time traceability of exchanges, enabling Covivio to implement precise action plans suited to customer needs. The co-living activity is also widely relayed through the Covivio To share brand and web platform, to enable future customers to easily find Covivio's offers in Germany.

### Adapting buildings to new technological developments

By 2022, Covivio will deploy an IT architecture model that will centralise all of the data collected through new means (applications, software, sensors (IoT), customer surveys, etc.). In line with this objective and the Group's sustainable development strategy, Covivio has already begun to monitor around twenty of its buildings in order to measure energy consumption more precisely, via the creation of a portal that collects data in real time (p. 59).

### Building on synergies to strengthen the operational efficiency of teams

As a European real estate operator, Covivio is deploying an ambitious strategy to adopt the best practices of its market, particularly in terms of tools, in a process of European integration of its business lines, its organisation and its information system, and to maintain greater control of growth and IT costs.

These tools are intended, for example, to support the digitisation of customer relations and the development of the Group's activities in Europe, notably via the Salesforce solution, intended to equip Covivio with a CRM (Customer Relation Management) software package or the deployment of the SAP software for France and Italy in 2021 and then Germany in 2022. With a view to managing change, the implementation of these tools gives rise to workshops to reflect on processes and the harmonisation of working methods (10% of the total workforce mobilised for SAP).

At the same time, always with the aim of accelerating the cooperation and integration of the IT function, a project to move the Group's IT infrastructure systems to the cloud is in progress. In the long term, it will allow more flexibility in the management of business applications.

## Data protection: a key corporate issue

### Personal data protection

Within the framework of the European Regulations concerning "the protection of natural persons with regard to the processing of personal data and on the free movement of such data" known as the General Data Protection Regulation (GDPR), intended to reinforce existing national regulations, Covivio has rolled out a pan-European compliance system for Group companies.

#### This system involves in particular:

- the appointment of a Data Protection Officer (DPO) in France, Italy and Germany: the DPO France (who can be contacted by email: dpo@Covivio.fr) is also responsible for European coordination
- a network of "GDPR Correspondents": these operational points of contact for the DPOs are tasked with ensuring that processing carried out by their department is compliant and instilling a culture of personal data protection in the entity for which they are responsible
- putting in place a European GDPR Code describing the Group's personal data protection policy and the technical and organisational measures deployed for this purpose
- the drafting of internal procedures to ensure compliance with the system
- training on best practices in personal data protection, covering all Group employees
- creating a personal data processing register that is at the disposal of the Supervisory Authorities
- general work on data security (personal or not), via the appointment of an external Information Systems Security Officer, in charge of detecting any security breaches and implementing ad hoc remedial measures.

### Ensuring the security of all data processed by the Group

Beyond the protection of personal data, the subject of cybersecurity is also becoming a major operational issue. The number of cyber-attacks is increasing, with a raised risk of financial losses as a consequence. In 2020, Covivio raised the awareness of its employees with regard to fraud and cyber risks during its "Process Mornings" sessions and through emails sent to all Group employees.

In addition to creating the position of Information Systems Security Manager (ISSM) which is outsourced to a recognised firm, and an ISSP (Information Systems Security Policy), Covivio has developed a Business Recovery Plan (BRP) and regularly conducts intrusion tests on its Information System. This type of test aims to simulate hacking attempts in a realistic manner in order to verify, in practical terms, the Information System's level of resistance to these attacks, with a view to putting in place new and better adapted means of protection.

In this manner, Covivio is continuously improving the offensive security, defensive security and compliance features of its Information System. Furthermore, Covivio has also taken out specific fraud and cyber risk insurance policies.

The Group's employees are the subject of data access authorisations that are strictly framed and delimited according to their duties and are bound by confidentiality clauses, as are external service providers.

### ing practices within the Group

In line with the Group's transformation approach, Covivio continues to work towards bringing its three countries closer together in the area of IT systems. By pooling resources and aligning applicable processes, the Group's IT departments in France, Germany and Italy are being transformed into the Covivio ISD (Information Systems department).

The majority of digital topics are now addressed at the European level. In particular, the "Move to Cloud" project underway for the three countries will enable the implementation of the best tools for detecting and protecting against cyber risks.

## Data protection: a real estate issue

A growing number of cyber-attacks throughout the world target properties and their facilities (including BMS, cameras, access control and lighting).

In 2016, Covivio commissioned Arp-Astrance to conduct a study on the risks of cyber-attacks on its building portfolios. This enabled the company to characterise the solutions required in order to reduce the risk for building management networks and equipment. Their implementation is part of the process of testing the R2S (Ready to Service) labelling for certain projects.

Covivio signed the "Connected, solidarity-based and human-centric buildings" charter promoted by the French government, the HQE-GBC Alliance and the Smart Building Alliance (SBA). The work undertaken with these associations, of which the company is a member, has led to guidelines being defined for obtaining the R2S label. The first building awarded the R2S label is one of Covivio's properties in Toulouse, "21 Marquette". This label enables a building's performance to be measured in terms of connectivity and information security for the user. Several Covivio programmes will benefit from the R2S label or its American equivalent WiredScore, mainly based on connectivity criteria. Each of the spaces operated in France by Wellio bears one of these two labels. In the buildings which it leases out, Covivio strives to provide good conditions for accessing communication networks but does not handle the cabling in tenant areas. Tenants are responsible for having this cabling undertaken based on their requirements.





# CSR PERFORMANCE



6

In a spirit of transparency towards its stakeholders, Covivio presents its main environmental and social indicators each year. These are detailed and illustrated by examples in the various parts of this report.

The concordance tables presented in this section make it possible to find in the report the indicators of the most recognized international and sectoral benchmarks.

These indicators, as well as the entire Non-Financial Performance Statement of the Group, are subject to verification by an Independent Third-Party Organization, whose letters are reproduced at the end of this section.



## ENVIRONMENTAL INDICATORS

The scope of non-financial reporting is based on the scope of Covivio's consolidated financial reporting. The information provided below relates to the following strategic activities: France Offices, Italy Offices, German Residential, and Hotels Sector Europe. In order to maintain consistency with Covivio's financial approach, assets under construction or renovation are excluded from the reporting scope, as are assets acquired or sold during the year. This exclusion also applies to the corporate scope, i.e. the main office buildings housing Covivio's employees.

### Processing and analysis of consumption data

In accordance with Covivio's environmental reporting protocol (updated in 2020), consumption data is collected by the Group's Sustainable Development Department from Property Management departments and operators (invoices for common areas), tenants, and producers and distributors of energy and water. After consolidation, these data are restated to make climate adjustments (winter and summer) in order to make the results comparable from one year to the next. The data is analysed internally, leading to investigations with the parties concerned and then to verification by an independent third party (p. 156–160).

### Reporting tables and compliance with EPRA recommendations

As a member of the EPRA Sustainable Development Commission, Covivio helps promote good practices in environmental reporting in the European real estate sector. Covivio has incorporated EPRA recommendations in its internal and external reporting.

The table below presents an overview of the methodology and reporting process implemented by Covivio, in line with the EPRA's Best Practice Recommendations (BPR) and its general principles, in order to achieve the highest level of compliance.

● SAN FEDELE -  
Milan



■ Compliance with EPRA recommendations (2017 EPRA sBPRs)

● Compliance ● Partial compliance ● Non-compliant

EPRA Performance Indicators	Self-assessment compliance	Covivio's approach
<b>Environmental indicators (p. 144–147 for the different portfolios)</b>		
Total electricity consumption (in annual kWh)	●	<p>Elec-Abs – Covivio reports its electricity consumption, taking into account renewable energy production. The annual total energy consumption data is gathered based on invoices (meter readings) using the process described above.</p> <p>The consumption is presented in terms of final energy. The total is expressed as final energy as well as primary energy.</p>
Total district heating & cooling consumption (in annual kWh)	●	<p>DH&amp;C-Abs – Covivio reports its energy consumption from district heating and cooling, collected based on invoices (meter readings) using the process described above.</p> <p>The consumption is presented in terms of final energy. The total is expressed as final energy as well as primary energy.</p>
Total fuel consumption (in annual kWh)	●	<p>Fuel-Abs – Covivio reports its total energy consumption from fuels (natural gas, fuel oil and wood), based on invoices (meter readings) using the process described above.</p> <p>The consumption information and totals are expressed in terms of both final and primary energy.</p>
Energy intensity of buildings (in kWh/m <sup>2</sup> /year)	●	<p>Energy-Int – Covivio reports its energy intensity ratios calculated per m<sup>2</sup> on the basis of the invoiced amounts (meter readings): energy (in kWh), divided by the corresponding occupied surface area (in m<sup>2</sup>). The consumption ratios are presented in terms of final energy and primary energy. Consumption is reported “process included” with the exception of telephone equipment in Orange assets.</p>
Total direct GHG emissions (in annual tCO <sub>2</sub> e)	●	<p>GHG-Dir-Abs – Covivio reports on all of its carbon emissions in tonnes of CO<sub>2</sub> equivalent per year (in tCO<sub>2</sub>e/year) based on fuel energy bills (natural gas, fuel oil and wood). These are Scope 1 emissions as described in the GHG Protocol.</p>
Total indirect GHG emissions (in annual tCO <sub>2</sub> e)	●	<p>GHG-Indir-Abs – This data is reported in tonnes of CO<sub>2</sub> equivalent per year (in tCO<sub>2</sub>e/year) based on the energy invoices for electricity and district heating and cooling. These are Scope 2 emissions as described in the GHG Protocol.</p>
Carbon intensity of buildings (in kgCO <sub>2</sub> e/m <sup>2</sup> /year)	●	<p>GHG-Int – Covivio reports its carbon intensity ratios per m<sup>2</sup>, as calculated directly from the invoice (meter readings) divided by the corresponding occupied surface area (in m<sup>2</sup>).</p>
Total water consumption by source (in m <sup>3</sup> /year)	●	<p>Water-Abs – Covivio reports its total annual water consumption in m<sup>3</sup> for all of its portfolios in operation and the headquarters buildings occupied by its own employees. The total annual water consumption data is gathered on the basis of the invoiced amounts (meter readings) using the process described above.</p>
Water intensity of buildings (in litres/person/year or m <sup>3</sup> /m <sup>2</sup> /year)	●	<p>Water-Int – Data is reported in m<sup>3</sup>/m<sup>2</sup>GIA/year. The intensity ratios per m<sup>2</sup> are calculated by comparing the volumes collected to the corresponding occupied surface area (in m<sup>2</sup>).</p>
Total weight of waste by disposal route (in annual tonnes)	●	<p>Waste-Abs – Waste is collected by public organisations directly linked to the municipalities. Covivio pays for this service through local taxes. It is not possible to monitor the total waste mass, except for assets with private waste contractors (as specified in the comments accompanying the waste reporting tables).</p> <p>The proportion of waste by disposal method (in% of total waste) is indicated when it can be monitored by the service providers.</p>
Year-on-year like-for-like comparison	●	<p>Elec-LfL, DH&amp;C-LfL, Fuels-LfL, GHG-Dir-LfL, GHG-Indir-LfL, Water-LfL, Waste-LfL – The data is calculated on a like-for-like basis for energy, carbon, water and waste and is used to assess changes from one year to the next for assets owned over the last 24 months whose consumption is known for that period.</p> <p>Example</p> <ul style="list-style-type: none"> <li>• in year N-1, consumption data was collected on 70 assets, with a possible reporting scope of 90 assets</li> <li>• in year N, consumption data was collected on 95 assets, with a possible reporting scope of 100 assets</li> <li>• of these, data was collected on 65 assets present in both N-1 and N, while there were 93 assets held in both N-1 and N.</li> </ul> <p>→ The like-for-like basis therefore relates to 65 of 93 assets.</p>
Type and number of sustainably certified assets	●	<p>Cert-Tot – This indicator is expressed by dividing the value of the assets with certification at 31 December N by the value of the total portfolio held by a business on the same date (p. 48)</p>

EPRA Performance Indicators	Self-assessment compliance	Covivio's approach
<b>INDICATEURS SOCIAUX (p. 146-147 pour les trois entités)</b>		
Employee gender diversity	●	Diversity-Emp – The breakdown of workforce by gender is reported each year in the corporate reporting section of this document where Covivio provides data on each country, contract type and level of responsibility at 31/12/N.
Gender pay ratio	●	Diversity-Pay – The three social reporting entities (UES France, Italy and Germany) publish an annual salary gap ratio (average annual gross salaries), broken down by level of responsibility (manager/non-manager). Wage gaps are examined and various measures have been put in place to ensure gender equality within the Group, in particular within the framework of the ex-aequo programme.
Employee skills training and development	●	Emp-Training – This indicator is expressed in number of hours of training per employee trained during the year. In addition, the three social reporting entities (France, Italy and Germany) also published the workforce training rate (number of employees trained in relation to the total workforce at 31/12/N). The training indicators take into account all professional training carried out internally and externally.
Employee performance appraisals	●	Emp-Dev – The individual appraisal and skills development interview is a core element of the Group's Human Resources policy. It is the subject of a monitoring indicator (annual number of appraisal interviews/workforce) in all Group entities.
New hires and turnover	●	Emp-Turnover – Covivio publishes the total number of departures and recruitments that took place during the year. Each entity's Human Resources Department also publishes a departure turnover rate (for permanent employees) and a recruitment rate (for permanent employees).
Employee health and safety	●	H&S-Emp – On workplace accidents, the following indicators are published: accident rate, severity rate and frequency rate; absenteeism; number of deaths and occupational diseases.
Asset health and safety assessments	●	H&S-Asset – Each building managed by Covivio and its subsidiaries is monitored for environmental risks, taking into account local regulations. The monitoring and analysis are explained by business activity in this document. The risks for which the occupant is responsible are excluded from the scope of this indicator. (p. 67)
Asset health and safety compliance	●	H&S-Comp – Covivio publishes the number of convictions related to non-compliance with environmental or health regulations. The HR section of this document also includes any incidents related to these aspects occurring within the boundaries of its own premises. (p. 67).
Community engagement, impact assessment and development programmes	●	For several years, Comty-Eng-Covivio has been carrying out a socio-economic impact study of its offices, residential and hotel activities in Germany, France and Italy. A summary of this study is presented. In addition, many initiatives are implemented in the various regions where the company operates. These are discussed on pages 80-103.
<b>INDICATEURS SOCIÉTAUX</b>		
Composition of the highest governance body	●	Gov-Board – Covivio publishes all information related to governance. Information on the Board of Directors and its Committees are <ul style="list-style-type: none"> <li>summarised on pages 122-137 of this document and</li> <li>discussed in more detail in Chapter 5 of Covivio's Universal Registration Document (URD): number of executive members; number of independent Directors; attendance rate for each Director and for each Committee; list of Directors' mandates; number of members with expertise in environmental and social issues..</li> </ul>
Process for nominating and selecting the highest governance body	●	Gov-Select – The process for selecting and appointing Directors is explained, both for the Board of Directors and for its Committees, in the Governance section of this document. (Chapter 5 URD)
Process for managing conflicts of interest	●	Gov-Col – the various initiatives in place to prevent the risk of conflicts of interest for corporate officers (publication of the list of mandates and functions exercised, family ties, etc.) are described in Chapter 5 of Covivio's URD.

Recommendations and general principles issued by EPRA	Compliance self-assessment	EPRA's BPR guidelines and methodology
Organisational boundaries	●	<p>As in previous years, reporting is based on what is known as "Operational Control", which corresponds to the scope within which Covivio, its subsidiaries and investments directly manage energy, water and waste. The results for this scope are printed on a green background in the tables on pages 144–147.</p> <p>This environmental reporting scope is based on the consolidated financial scope for the sake of consistency with the other sections of the management report and with the provisions of Decree no. 2017–1265 of 9 August 2017 for the implementation of Order no. 2017–1180 of 19 July 2017 relating to the publication of non-financial information known as the "non-financial performance statement" (SNFP). The scope thus includes the different strategic activities: France Offices, Italy Offices, German Residential (Covivio Immobilien) as well as Hotels and Service Sector Europe (Covivio Hotels).</p> <p>The reporting scope for year N includes all assets owned at 31/12/N. Assets under construction, in redevelopment, vacant, or acquired or sold during the year are not included. If an asset is sold during the year, the tenant will not necessarily provide consumption data if there no longer exists any legal connection with the former owner of the asset.</p> <p>The environmental reporting period runs from 1 January to 31 December.</p>
Distribution of consumption owner - tenant	●	<p>Covivio's reporting is separated into three levels of data collection and analysis:</p> <ul style="list-style-type: none"> <li>● "corporate" scope: these are the head office buildings hosting Covivio teams</li> <li>● "Operational control" scope: this includes buildings under full management, for which Covivio controls the management of shared equipment (i.e. equipment located in common areas) and the consumption of water and energy (lighting, collective heating, etc.). These are Scope 1 and 2 emissions as described in the GHG Protocol. The reporting is based on invoices, with no estimates or resorting to submeters</li> <li>● "Tenant area" scope: this relates to the tenant areas of multi-let buildings (where Covivio has "operational control" over the building's common areas, while tenants are responsible for individual energy consumption and water use) and of single-let buildings, where users are wholly responsible for managing building facilities as well as the building's energy and water consumption</li> </ul> <p>Covivio does not rebill its tenants for energy, with the exception of energy used in the common areas of multi-let buildings, which is rebilled under operating expenses.</p> <p>Estimates are not made. However, data may be extrapolated based on the intensity ratios, thus permitting the assessment of the environmental footprint for the portfolio as a whole. Performance measurements involving extrapolated data are clearly indicated in the tables (white background, outside EPRA scope).</p>
Consumption reporting – headquarters buildings	●	Covivio reports the consumption for buildings occupied by its own employees. The results are presented on pages 144–147 under the Headquarters heading.
Intensity normalisation	●	<p>The Intensity ratios by m<sup>2</sup> are calculated by comparing the environmental data for a year N concerning energy, water and carbon with the corresponding occupied area, expressed in terms of m<sup>2</sup>.</p> <p>These calculations are used to measure efficiency for each indicator.</p> <p>In France, a distinction is drawn between final energy (fe), which is consumed and invoiced, and primary energy (pe), which is required to produce final energy.</p>
Segmental analysis	●	Covivio has structured its analysis by segment and business line: France Offices, Italy Offices, German Residential (Covivio Immobilien), and the Hotels & Service Sector Europe (Covivio Hotels).
Coverage ratio of data collection	●	The coverage ratio is indicated by segment and business line in each reporting table (energy, carbon, water and waste). For each indicator, this coverage ratio is calculated by surface area (in% of m <sup>2</sup> ) and by number of assets.
Narrative on performance	●	<p>Covivio provides comments and explanations on environmental performance trends and data:</p> <ul style="list-style-type: none"> <li>● on pages 40–79</li> <li>● on the section containing performance data for each business (see pages 140–147).</li> </ul>
Assurance – external verification by an independent third party	●	<p>Since the 2011 report, corporate, societal and environmental information have been verified by an independent third party. The EPRA indicators and compliance with its methodology are verified as part of the process, as is compliance with GRI Standards (2017 version), CRESO and the GHG emissions report.</p> <p>The assurance letter is published in Covivio's annual URD and in its Sustainable Development Report. These documents are available in both English and French on the Covivio website.</p>
Location of EPRA Sustainability Performance Measurements	●	The performance measurements and corresponding EPRA overarching recommendations are disclosed and reported in Covivio's annual URD and in its Sustainable Development Report. These documents are available in both English and French on the Covivio website.
Materiality	●	A materiality study was conducted at the Group level. Published each year in Covivio's URD and Sustainable Development Report. The most material issues are given special attention and closely monitored, in line with the CSR risk mapping conducted by the Group in 2018.



### Group environmental indicator

The table below contains the information from the environmental reporting published by activity in Covivio's DEU 2020 (section 2.71).

	GRI Standards	EPRA BPRs	France Offices - Operational Control		Italy Offices - Operational Control		Total Offices (Operational + non-operational control)	
			2019	2020	2019	2020	2019	2020
Reporting Energy/carbon scope coverage by surface area (m <sup>2</sup> )			219,867	218,516	172,202	87,178	794,311	850,207
Reporting scope coverage by surface area (%)			100%	100%	100%	81%	70%	88%
Number of applicable properties			15/15	15/15	17/17	10/11	79/125	90/96
Proportion of estimated data			0%	0%	0%	0%	0%	0%
<b>Intensity (kWhfe/m<sup>2</sup>/year)</b>	<b>CRE1</b>	<b>Energy-Int</b>	<b>142</b>	<b>125</b>	<b>150</b>	<b>131</b>	<b>312</b>	<b>268</b>
<b>Intensity (kWhpe/m<sup>2</sup>/year)</b>			<b>197</b>	<b>169</b>	<b>150</b>	<b>131</b>	<b>452</b>	<b>392</b>
<b>Total direct energy (kWhfe)</b>	<b>302-1</b>	<b>Fuels-Abs</b>	<b>6,812,507</b>	<b>5,971,905</b>	<b>10,016,743</b>	<b>3,664,885</b>	<b>30,532,067</b>	<b>23,701,053</b>
Natural gas (direct energy) – non-renewable source	302-1	Fuels-Abs	6,812,507	5,971,905	10,016,743	3,664,885	29936,411	23,321,093
Natural gas (direct energy) – renewable source	302-1		0	0	0	0	0	0
Fuel oil (direct energy)	302-1	Fuels-Abs	0	0	0	0	162,595	198,143
Wood (direct energy)	302-1	Fuels-Abs	0	0	0	0	433,061	181,817
<b>Total indirect energy (kWhfe)</b>	<b>302-1</b>	<b>Elec-Abs</b>	<b>24,328,900</b>	<b>21,427,688</b>	<b>15,732,137</b>	<b>7,744,957</b>	<b>96,464,996</b>	<b>92,649,768</b>
Electricity (indirect energy) – non-renewable source	302-1	Elec-Abs	7,654,678	6,084,898	0	0	55,189,987	59,719,535
Electricity (indirect energy) – renewable source	302-1		5,427,314	6,107,052	13,289,135	5,189,834	23,193,095	16,494,709
Renewable energy production of which solar	302-1	Elec-Abs	0	0	0	0	153,139	135,779
District heating and cooling (indirect energy)	302-1	DH&C-Abs	11,246,908	9,235,738	2,443,002	2,555,123	18,235,053	16,571,303
Total energy consumption (in kWhfe)			<b>31,141,407</b>	<b>27,399,593</b>	<b>25,748,880</b>	<b>11,409,842</b>	<b>126,997,063</b>	<b>116,350,821</b>
Total energy (in GJ)			112,109	98,639	92,696	41,075	457,189	418,863
<b>Total energy consumption (in kWhpe)</b>			<b>43,235,799</b>	<b>37,013,731</b>	<b>25,748,880</b>	<b>11,409,842</b>	<b>214,177,156</b>	<b>210,634,959</b>
<b>CARBON INTENSITY (IN KGCO<sub>2</sub>E/M<sup>2</sup>/YEAR)</b>	<b>305-4</b>	<b>GHG-INT</b>	<b>16.3</b>	<b>13.8</b>	<b>14.5</b>	<b>15.5</b>	<b>13.8</b>	<b>11.1</b>
GHG Protocol								
Scope 1 – Total direct emissions (in tCO <sub>2</sub> e)	305-1	GHG-Dir-Abs	1,151	1,009	1,853	678	3,416	3,378
Scope 2 – Total indirect emissions (in tCO <sub>2</sub> e)	305-2	GHG-Indir-Abs	2,439	2,002	645	675	5,180	5,094
Scope 3 – Other emissions (in tCO <sub>2</sub> e)		GHG-Indir-Abs	0	0	0	0	0	0
<b>Total emissions (in tCO<sub>2</sub>e/year)</b>			<b>3,591</b>	<b>3,012</b>	<b>2,499</b>	<b>1,353</b>	<b>8,597</b>	<b>8,472</b>
Reporting scope coverage by surface area (in m <sup>2</sup> )			210,108	218,516	151,865	75,712	630,894	702,845
Reporting scope coverage by surface area (in%)			96%	100%	90%	71%	65%	81%
Number of applicable properties			14/15	15/15	16/17	8/11	39/108	58/85
<b>WATER INTENSITY (IN M<sup>3</sup>/M<sup>2</sup>/YEAR)</b>	<b>CRE2</b>	<b>WATER-INT</b>	<b>0.46</b>	<b>0.27</b>	<b>0.82</b>	<b>0.68</b>	<b>0.40</b>	<b>0.27</b>
<b>Total water consumption (in m<sup>3</sup>)</b>	<b>303-1</b>	<b>Water-Abs</b>	<b>97,262</b>	<b>58,579</b>	<b>123,977</b>	<b>51,783</b>	<b>250,916</b>	<b>188,356</b>
Reporting scope coverage by surface area (in m <sup>2</sup> )			92,572	178,965	172,202	103,554	349,572	483,353
Reporting scope coverage by surface area (in%)			42%	82%	100%	97%	36%	56%
Number of applicable properties			7/15	10/15	17/17	10/11	19/108	23/85
Proportion of estimated data			0%	7%	0%	100%	0%	2%
<b>Total hazardous waste (in tonnes)</b>	<b>306-2</b>	<b>Waste-Abs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total waste (in tonnes)</b>	<b>306-2</b>		<b>435</b>	<b>536</b>	<b>3,817</b>	<b>1,451</b>	<b>1,605</b>	<b>1,464</b>
of which recycled, re-used or composted waste	306-2	Waste-Abs	76	285	1,848	562	766	771
i.e. (in%)			17%	53%	48%	39%	48%	53%
<b>RATE OF SELECTIVE COLLECTION</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
			France Offices		Italy Offices		Germany Offices	
Share of buildings with a green building certification on the built or use (in value)		Cert-Tot	90.4%	99.0%	72.5%	88.7%	NA	36.4%
Share of buildings with an energy performance certificate (in value)			93.5%	99.7%	91.3%	99.8%	NA	100.0%
Share of Offices accessible to people with reduced mobility (in value)			83.3%	83.5%	98.5%	99.9% (Direct management)	NA	NC
Share of buildings at less than 1km of public transportation services (in value)			100.0%	100.0%	98.3%	99.9%	NA	100.0%

German Residential		Hotels in Europe		Corporate scope - Operational control		Total Operational control		Total Group	
2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
112,087	111,264	1,277,104	1,511,694	25,060	27,708	417,129	333,402	2,208,562	2,500,873
86%	86%	76%	82%	99%	100%	100%	94%	74%	84%
170/201	170/198	262/349	267/315	6/7	8/8	38/39	33/34	517/682	535/617
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>208</b>	<b>192</b>	<b>209</b>	<b>130</b>	<b>162</b>	<b>120</b>	<b>146.1</b>	<b>126.4</b>	<b>190.6</b>	<b>135.0</b>
<b>225</b>	<b>204</b>	<b>369</b>	<b>229</b>	<b>263</b>	202	<b>181.2</b>	<b>162.0</b>	<b>324.5</b>	<b>233.9</b>
<b>9,305,156</b>	<b>9,045,767</b>	<b>85,717,300</b>	<b>48,052,052</b>	<b>570,588</b>	<b>427,629</b>	<b>17,399,838</b>	<b>10,064,419</b>	<b>126,125,111</b>	<b>81,226,501</b>
9,270,855	8,783,216	75,652,880	45,796,404	570,588	427,629	17,399,838	10,064,419	115,430,734	78,328,341
0	0	817,160	0	0	0	0	0	817,160	0
34,301	262,551	3,358,648	2,255,649	0	0	0	0	3,555,544	2,716,342
0	0	5,888,612	0	0	0	0	0	6,321,673	181,817
<b>14,027,441</b>	<b>12,303,145</b>	<b>180,766,899</b>	<b>148,429,742</b>	<b>3,483,518</b>	<b>2,890,333</b>	<b>43,544,555</b>	<b>32,062,978</b>	<b>294,742,854</b>	<b>256,272,988</b>
361,964	212,206	127,426,719	107,438,264	1,451,523	1,243,508	9,106,201	7,328,406	184,430,192	168,613,514
0	0	19,483,576	12,330,620	559,837	337,919	19,276,286	11,634,805	43,236,508	29,163,247
32,944	31,694	122,411	94,358	15,732	15,638	15,732	15,638	324,226	277,469
32,944	31,694	122,411	94,358	15,732	15,638	15,732	15,638	324,226	277,469
13,698,421	12,122,633	33,979,015	28,755,215	1,487,891	1,324,544	15,177,801	13,115,405	67,400,380	58,773,695
<b>23,332,597</b>	<b>21,348,912</b>	<b>266,484,199</b>	<b>196,481,794</b>	<b>4,054,105</b>	3,317,961	<b>60,944,392</b>	<b>42,127,397</b>	<b>420,867,964</b>	<b>337,499,489</b>
83,997	76,856	959,343	707,334	14,595	11,945	219,400	151,659	1,515,125	1,214,998
<b>25,170,864</b>	<b>22,734,647</b>	<b>470,828,355</b>	<b>345,890,986</b>	<b>6,580,265</b>	5,584,628	<b>75,564,944</b>	<b>54,008,201</b>	<b>716,756,640</b>	<b>584,845,220</b>
<b>31.4</b>	<b>29.1</b>	<b>34.5</b>	<b>17.8</b>	<b>33.4</b>	<b>19.5</b>	<b>16.6</b>	<b>14.7</b>	<b>26.9</b>	<b>16.2</b>
1,725	1,695	14,549	7,795	103	75	3,107	1,762	3,107	1,762
1,797	1,540	29,497	19,104	734	467	3,818	3,144	3,818	3,144
0	0	0	0					52,576	35,594
<b>3,522</b>	<b>3,235</b>	<b>44,047</b>	<b>26,899</b>	<b>837</b>	541	<b>6,927</b>	<b>4,906</b>	<b>59,502</b>	<b>40,500</b>
118,007	123,663	1,313,262	1,509,426	25,348	27,708	387,321	321,936	2,214,028	2,411,646
90%	95%	78%	82%	100%	100%	94%	91%	75%	82%
181/201	191/198	278/349	264/315	7/7	8/8	37/39	31/34	521/683	529/617
<b>1.87</b>	<b>1.24</b>	<b>1.50</b>	<b>0.95</b>	<b>0.25</b>	<b>0.24</b>	<b>0.59</b>	<b>0.36</b>	<b>1.16</b>	<b>0.76</b>
<b>220,085</b>	<b>153,208</b>	<b>1,972,111</b>	<b>1,438,268</b>	<b>6,400</b>	<b>6,638</b>	<b>227,639</b>	<b>117,000</b>	<b>2,567,089</b>	<b>1,831,615</b>
130,244	129,778	416,980	546,177	25,348	11,806	290,122	294,326	837,346	970,280
100%	100%	25%	30%	100%	43%	70%	83%	38%	42%
200/201	198/198	25/349	30/315	7/7	5/8	31/39	25/34	268/589	266/617
0%	100%	0%	41%	0%	65%	NC	74%	0%	70%
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7,818</b>	<b>2,202</b>	<b>1,840</b>	<b>2,453</b>	<b>461</b>	124	<b>4,713</b>	<b>2,111</b>	<b>14,371</b>	<b>6,766</b>
0	102	868	805	99	68	2,023	915	2,891	1,822
0%	5%	47%	33%	22%	55%	43%	43%	20%	27%
<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	100%	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
German Residential		Hotels in Europe						Total Group	
100.0%	100.0%	56.8%	72.5%					83.9%	88.1%
94.8%	94.8%	NC	75.4%					NC	93.8%
NA	NA	NA	NA					NA	NA
98.7%	98.7%	96.5%	96.7%					98.7%	99.1%

### Like-for-like environmental indicators

		France Offices - Operational Control		Italy Offices - Operational Control		Total Offices (Operational + non-operational control)		
		2019	2020	2019	2020	2019	2020	
<b>ENERGY/ CARBON</b>	Reporting Energy/carbon scope coverage by surface area (m <sup>2</sup> )	201,575		87,178		635,096		
	Reporting scope coverage by surface area (%)	EPRA BPRs 100%		81%		69%		
	Number of applicable properties	13/13		10/11		60/91		
	Proportion of estimated data	0%		0%		0%		
	Total Electricity (kWhfe)	Elec-Abs	11,765,999	10,018,718	5,351,599	5,189,834	50,831,974	46,986,154
	Total District heating and cooling (kWhfe)	DH&C -Abs	10,205,392	8,565,749	1,953,224	2,555,123	15,549,236	15,291,009
	Total Gas-Fuel oil-Wood (kWh)	Fuels-Abs	6,580,650	5,971,905	4,168,407	3,664,885	20,050,596	18,499,902
	<b>Intensity (kWhfe/m<sup>2</sup>/year)</b>		<b>141.6</b>	<b>121.8</b>	<b>131.6</b>	<b>130.9</b>	<b>136.1</b>	<b>127.2</b>
	<b>Change in energy consumption</b>		<b>-14.0%</b>		<b>-0.6%</b>		<b>-6.5%</b>	
	Scope 1 – Total direct emissions (in tCO <sub>2</sub> e)	GHG-Dir-Abs	1,112	1,009	771	678	3,430	3,163
	Scope 2 – Total indirect emissions (in tCO <sub>2</sub> e)	GHG-Indir-Abs	2,200	1,787	516	675	4,675	4,518
	Scope 3 – Other emissions (in tCO <sub>2</sub> e)	GHG-Indir-Abs	0	0	0	0	0	0
	<b>Emissions totales (teqCO<sub>2</sub>/an)</b>		<b>3,312</b>	<b>2,796</b>	<b>1,287</b>	<b>1,353</b>	<b>8,105</b>	<b>7,681</b>
<b>Change in carbon emissions</b>		<b>-15.6%</b>		<b>5.1%</b>		<b>-5.2%</b>		
<b>WATER</b>	Reporting scope coverage by surface area (in m <sup>2</sup> )	191,216		75,712		618,323		
	Reporting scope coverage by surface area (in%)	95%		71%		67%		
	Number of applicable properties	12/13		8/11		40/91		
	<b>WATER INTENSITY (in m<sup>3</sup>/m<sup>2</sup>/year)</b>	<b>Water-Int</b>	<b>0.46</b>	<b>0.27</b>	<b>0.69</b>	<b>0.68</b>	<b>0.44</b>	<b>0.31</b>
	Total water consumption (in m <sup>3</sup> )	Water-Abs	87,786	52,091	52,078	51,783	269,628	194,062
	<b>Change in water consumption</b>		<b>-40.7%</b>		<b>-0.6%</b>		<b>-28.0%</b>	
<b>WASTE</b>	Reporting scope coverage by surface area (in m <sup>2</sup> )	73,504		83,728		387,790		
	Reporting scope coverage by surface area (in%)	37%		78%		42%		
	Number of applicable properties	5/13		9/11		22/91		
	Proportion of estimated data	0%		100%		59%		
	<b>Total hazardous waste (in tonnes)</b>	<b>Waste-Abs</b>	<b>388</b>	<b>128</b>	<b>2,675</b>	<b>1,296</b>	<b>3,992</b>	<b>2,198</b>
	Total waste (in tonnes)		0	0	0	0	0	0
	of which recycled, re-used or composted waste	Waste-Abs	76	28	1,455	494	2,178	941
	i.e. (in%)		20%	22%	54%	38%	109%	88%
	<b>Rate of selective collection</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

German Residential		Hotels in Europe		Corporate scope - Operational control		Total Operational control		Total Group	
2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
107,226		1,133,423		24,459		290,772		1,900,204	
83%		73%		97%		87%		72%	
165/198		197/268		6/7		29/31		428/564	
0%		0%		0%		0%		0%	
181,619	208,613	133,330,398	91,234,483	1,662,270	1,519,256	18,779,868	16,727,809	191,357,860	139,948,507
12,308,200	11,962,738	29,083,809	19,660,156	1,387,685	1,043,405	13,546,301	12,164,277	60,282,154	47,957,308
8,602,616	8,327,285	61,820,325	37,386,142	531,797	427,629	11,280,855	10,064,419	95,173,741	64,640,957
<b>196.7</b>	<b>191.2</b>	<b>197.8</b>	<b>130.8</b>	<b>146.4</b>	<b>122.3</b>	<b>150.0</b>	<b>134.0</b>	<b>182.5</b>	<b>132.9</b>
-2.8%		-33.9%		-16.5%		-10.7%		-27.2%	
1,631	1,562	10,034	5,941	93	75	4,634	4,247	4,634	4,247
1,548	1,520	24,502	14,694	412	401	7,287	6,706	7,287	6,706
0	0	0	0	0	0	0	0	35,691	22,274
<b>3,180</b>	<b>3,082</b>	<b>34,536</b>	<b>20,635</b>	<b>505</b>	<b>476</b>	<b>11,922</b>	<b>10,952</b>	<b>47,613</b>	<b>33,227</b>
-3.1%		-40.2%		-5.8%		-8.1%		-30.2%	
114,709		1,075,079		25,177		292,104		1,833,287	
88%		69%		100%		88%		70%	
177/198		199/268		7/7		27/31		423/564	
<b>1.16</b>	<b>1.19</b>	<b>1.53</b>	<b>0.80</b>	<b>0.25</b>	<b>0.25</b>	<b>0.50</b>	<b>0.38</b>	<b>1.12</b>	<b>0.65</b>
133,283	136,390	1,647,939	856,153	6,400	6,231	146,265	110,105	2,057,250	1,192,835
2.3%		-48.0%		-2.7%		-24.7%		-42.0%	
129,211		343,528		11,806		169,038		872,336	
100%		22%		47%		51%		33%	
197/198		18/268		5/7		19/31		242/564	
100%		74%		65%		89%		78%	
<b>7,438</b>	<b>2,194</b>	<b>3,400</b>	<b>1,349</b>	<b>186</b>	<b>124</b>	<b>3,249</b>	<b>1,548</b>	<b>15,017</b>	<b>5,865</b>
0	0	0	0	0	0	0	0	0	0
NC	101	193	538	99	68	1,630	589	2,470	1,648
NC	5%	6%	40%	53%	55%	50%	0	16%	28%
<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* In accordance with the works carried out with the CSTB on Covivio's carbon trajectory, emissions from the Offices (non-operational), Hotels and Residential portfolios fall into scope 3 for the consolidation at Group level.



## SOCIAL INDICATORS

The table below contains the information from the social reporting published by entity in Covivio 2020 URD (section 2.7.2).

GRI Standards	2019					2020						
	France	Italy	Germany	Group	%	France	Italy	Germany	Group	%		
Total workforce broken down by gender	Number of employees	317	157	520	994		301	94	574	969		
	Men	132	83	270	485	48.8%	133	49	301	483	49.8%	
	Women	185	74	250	509	51.2%	168	45	273	486	50.2%	
	Open-ended	287	146	470	903	90.8%	283	93	519	895	92.4%	
	Men	123	81	249	453	50.2%	126	49	280	455	50.8%	
	Women	164	65	221	450	49.8%	157	44	239	440	49.2%	
	Fixed-term	4	10	37	51	5.1%	3	1	40	44	4.5%	
	Men	1	2	15	18	35.3%	1	0	13	14	31.8%	
	Women	3	8	22	33	64.7%	2	1	27	30	68.2%	
	CAP	26	1	13	40	4.0%	15	0	15	30	3.1%	
Total workforce by type of employment contract broken down by gender	Men	8	0	6	14	35.0%	6	0	8	14	46.7%	
	Women	18	1	7	26	65.0%	9	0	7	16	53.3%	
	Full Time	292	150	412	854	85.9%	280	89	451	820	84.6%	
	Men	129	83	249	461	54.0%	131	49	274	454	55.4%	
	Women	163	67	163	393	46.0%	149	40	177	366	44.6%	
	Part Time	25	7	108	140	14.1%	21	5	123	149	15.4%	
	Men	3	0	21	24	17.1%	2	0	27	29	19.5%	
	Women	22	7	87	116	82.9%	19	5	96	120	80.5%	
	Breakdown of managerial staff	Managers	62	14	58	134	13.5%	67	12	73	152	15.7%
		Men	31	8	39	78	58.2%	33	7	48	88	57.9%
Women		31	6	19	56	41.8%	34	5	25	64	42.1%	
Non managers		255	143	462	860	86.5%	234	82	501	817	84.3%	
Men		101	75	231	407	47.3%	100	42	253	395	48.3%	
Women		154	68	231	453	52.7%	134	40	248	422	51.7%	
Composition of governance bodies (Committee or Board in charge of strategic direction, control, management)	Men				8	72.7%				7	63.6%	
	Women				3	27.3%				4	36.4%	
Breakdown of workforce by age group	Age < 30	71	8	68	147	15%	61	4	87	152	16%	
	30-50 years old	170	124	267	561	56%	160	70	291	521	54%	
	Age > 50	76	25	185	286	29%	80	20	196	296	31%	
Turnover of M/F personnel	Total permanent contract departures	17	9	40	66	8.0%	20	6	54	80	8.9%	
	Total permanent departures Men	6	6	22	34	8.2%	6	4	32	42	9.3%	
	Total permanent departures Women	11	3	18	32	7.7%	14	2	22	38	8.4%	
Turnover by geographic area	Turnover rate of open-ended contract departures	6.2%	6.8%	9.6%			7.0%	4.1%	11.5%			
	Level of incoming staff by contract type											
Level of incoming staff by contract type	Total joiners (first contract to staff excluding replacement caretaker staff)	65	22	112	199	21.6%	31	2	119	152	15.3%	
	Total number of recruits on permanent contracts	28	13	67	108	13.1%	16	1	98	115	12.7%	
	Men	10	9	41	60	14.5%	10	0	66	76	16.8%	
	Women	18	4	26	48	11.6%	6	1	32	39	8.7%	

GRI Standards		2019					2020					
		France	Italy	Germany	Group	%	France	Italy	Germany	Group	%	
Percentage of employees receiving regular performance and career development reviews, by gender	404-3	Total	287	117	293	697	77.2%	283	80	344	696	77.8%
		Men	123	63	162	348	76.9%	126	47	189	363	79.8%
		Women	164	54	138	356	79.0%	157	33	144	334	75.9%
Absenteeism rate by gender		Total	2.5%	2.9%	3.76%	-	-	2.2%	2%	4.1%	-	-
Work accident rate by geographic area and by gender		Accident rate	0.98%	0.68%	1.70%	-	-	1.0%	1.1%	1.7%	-	-
		Frequency rate	6.1	3.96	7.84	-	-	5.95	5.29	7.63	-	-
		Severity rate	0.08	0.07	0.007	-	-	0.11	0.002	0.014	-	-
Occupational illness rate by geographic area and by gender		Total	0%	0%	0%	-	-	0.3%	0%	0%	-	-
Percentage of all employees covered by collective agreements	102-41	%	100%	100%	98.8%	-	-	100%	100%	92.5%	-	-
Ratio between the base salary and remuneration for women compared with the ratio for men, by professional category and by main operating sites	405-2	Base salary for women (average)	56 171 €	43 270 €	48 909 €	-	-	57 724 €	52 810 €	48 759 €	-	-
		Base salary for men (average)	67 706 €	54 175 €	57 976 €	-	-	70 199 €	64 822 €	57 780 €	-	-
		F/M ratio (excluding vocational training certificate contracts (CAPs) and suspension of contract)	0.83	0.80	0.84	-	-	0.82	0.81	0.85	-	-
Percentage of total workforce represented in mixed Management-Employee Health and Safety Committees, monitoring and submitting opinions on the health and safety programme	403-1		100%	100%	100%	-	100%	100%	100%	-	100%	
Percentage of employees having received training	Covivio Indicator		73%	69%	42%	-	56.2%	68%	59%	16.4%	-	37.1%
Internal mobility	Covivio Indicator		9	8	23	-	40	8	3	21	-	32

## CONCORDANCE TABLE – REGULATORY OBLIGATIONS

Covivio's SNFP meets the obligations of the Decree of 9 August 2017 to implement the Order of 19 July 2017 on the publication of non-financial information, as shown in the tables below.

<b>Topics from Article L. 225-102-1 resulting from Order no. 2017-1162 of 12 July 2017</b>	<b>Pages</b>
Respect for human rights	130
Fight against corruption	132
Impact of activities on climate change	68
Societal commitments to Sustainable Development	84
Circular economy	50
Combating food waste	66
Fight against discrimination and promotion of diversity	115
Collective agreements and working conditions	117

The provisions of the law of 23 October 2018 relating to the fight against tax evasion are taken into account in Covivio's risk review. Chapter 3.6.1.5. of the URD describes the policies and actions implemented to comply with the tax regulations of the countries in which Covivio operates. The list of consolidated companies is presented in Chapter 4.2.3.5. of this document.

Considering the nature of Covivio's business, details of which can be found in this document and more particularly in its business model (p. 30), it appears that the implications of the French Sustainable Food Act of 30 October 2018 (combating food insecurity, respect for animal welfare and responsible, fair and sustainable food) are limited for the company

<b>Topics and sub-topics arising from the decree of 9 August 2017</b>	<b>Compliance with decree</b>			
	<b>France Offices</b>	<b>Italy Offices</b>	<b>German Residential</b>	<b>Hotels in Europe</b>
<b>Emploi</b>				
Total workforce and breakdown of employees by gender, age and geographic area				
New hires and redundancies				Pages 146–147
Remuneration and changes in remuneration				
<b>Organisation of work</b>				
Organisation of working hours				Pages 146–147
Absenteeism				
Labour/management relations				Page 117
Organisation of staff communications, specifically employee information and consultation as well as negotiation procedures				Page 117
Analysis of collective labour agreements				
<b>Health and safety</b>				
Workplace health and safety conditions				
Analysis of workplace health and safety agreements signed with trade union organisations or employee representatives				Pages 108–109
Workplace accidents, particularly frequency and severity, and occupational illnesses				Pages 146–147
Training policies implemented, particularly related to environmental protection				Page 112
Total number of hours of training				Pages 146–147
<b>Diversity and equal opportunities/equal treatment</b>				
Policy established and steps taken to promote gender equality				
Policy established and steps taken to promote hiring and integration of people with disabilities				Page 116
Policy established and steps taken to combat discrimination				
<b>Promotion of and compliance with the provisions of the fundamental ILO conventions</b>				
Freedom of association and the right to collective bargaining				Page 149
The elimination of discrimination with respect of employment and occupation				Page 166
The elimination of forced or compulsory labour				
The effective abolition of child labour				Page 149
<b>General environmental policy</b>				

Topics and sub-topics arising from the decree of 9 August 2017	Compliance with decree			
	France Offices	Italy Offices	German Residential	Hotels in Europe
Company organisation to take environmental issues into account and processes in place for environmental evaluation and certification, where applicable		Page 30		
Employee environmental protection training and information		Page 121		
Resources allocated to preventing environmental and pollution risks		Page 67		
The amount of provisions and insurance for environmental risks, except if the nature of this information would cause serious harm to the company in connection with on-going litigation		Page 69		
<b>Pollution and waste management</b>				
Measures to prevent, reduce or remedy discharges into the water, air and soil that have serious environmental impacts		Pages 67–69		
Consideration of any form of pollution specific to a particular activity, especially noise and light pollution		Pages 67–69		
<b>Circular economy, waste prevention and management</b>				
Measures to prevent, recycle, reuse, and otherwise reclaim and eliminate waste		Page 66		
Measures implemented to combat food waste				
<b>Sustainable use of resources</b>				
Water consumption and supply based on local constraints		Page 64		
Consumption of raw materials and steps taken to improve efficiency of use		Page 50		
Energy consumption, steps taken to improve energy efficiency and the use of renewable energy		Page 58		
Land use		Page 69		
<b>Climate change</b>				
Facilities emitting significant amounts of greenhouse gases		Page 61		
Adaptation to climate change impacts		Page 68		
Voluntary medium- and long-term GHG reduction targets and methods implemented		Page 47		
<b>Protection of biodiversity</b>				
Steps taken to promote biodiversity		Page 91		
<b>Regional economic and social impact of the company's operations/Corporate commitments to Sustainable Development</b>				
Employment and regional/local development		Page 86		
Local and waterfront communities		Page 89		
Relations and quality of dialogue with these individuals or organisations/stakeholders		Page 84		
Partnership and sponsorship activities		Page 89		
Sub-contracting and suppliers				
Consideration of social and environmental issues in the company's purchasing policy				
Significance of sub-contracting and consideration, in relationships with sub-contractors and suppliers, of their social and environmental responsibility		Page 96		
Consideration, in relationships with sub-contractors and suppliers, of their social and corporate responsibility				
<b>Fair business practices</b>				
Actions taken to prevent corruption		Page 130		
Steps taken to ensure consumer health and safety		Page 67		
<b>Human Rights</b>				
Steps taken to support human rights		Page 27		

## Promotion of and compliance with the provisions of the fundamental ILO conventions

ILO's aim is for every person to have access to decent and productive work in conditions of freedom, equality, safety and dignity. Covivio and its subsidiaries apply all the ILO conventions (p. 130). In addition, the countries in which they operate their business have adopted legislation that is influenced and guided by the conventions adopted by the ILO.



## INDEX SASB – REAL ESTATE STANDARD

### Sustainability Disclosure Topics & Accounting metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Offices/ France	Offices/ Italy	Residential/ Germany	Hotels/ Europe	Group
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	Quantitative	% by floor area	IF-RE-130a.1	Detailed and consolidated data pages 58-59 / 144-145				
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Quantitative	kWh, %	IF-RE-130a.2	Detailed and consolidated data pages 58-59 / 144-145				
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Quantitative	%	IF-RE-130a.3	Detailed and consolidated data pages 58-59 / 146-147				
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to energy performance standards, by property subsector	Quantitative	% by floor area	IF-RE-130a.4	Detailed and consolidated data page 60 / 144-145				
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion and analysis	N/A	IF-RE-130a.5	Page 58				
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	% by floor area	IF-RE-140a.1	Consolidated data page 64 / Detailed in URD 2.71				
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water stress, by property subsector	Quantitative	m <sup>3</sup> , %	IF-RE-140a.2	Consolidated data page 64 / Detailed in URD 2.71				
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Quantitative	%	IF-RE-140a.3	Consolidated and detailed data pages 64 / 146-147				
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	N/A	IF-RE-140a.4	Page 64				
Management of tenant sustainability impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Quantitative	% by floor area, m <sup>2</sup>	IF-RE-410a.1	Depending on local regulation and on the types of leases				
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Quantitative	% by floor area	IF-RE-410a.2	100% electricity	100% electricity/ NC water	100% electricity/ NC water	N.A.	N.A.
	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and analysis	N/A	IF-RE-410a.3	Page 103				
Climate change adaptation	Area of properties located in 100-year flood zones, by property subsector	Quantitative	m <sup>2</sup>	IF-RE-450a.1	Page 68				
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and analysis	N/A	IF-RE-450a.2	Pages 44-45				

■ Activity Metrics

Activity Metric	Category	Unit of Measure	Code	France Offices	Italy Offices	Germany Residential	Hotels in Europe	Group
Number of assets, by property subsector	Quantitative	Number	IF-RE-000.A	164	172	40 288 units	342	678 & 40 288 residential units
Leasable floor area, by property subsector	Quantitative	m <sup>2</sup>	IF-RE-000.A	1 565 196	1 375 051	2 764 046	57 459 rooms	5 704 293 m <sup>2</sup> & 57 459 rooms
Percentage of indirectly managed assets, by property subsector	Quantitative	% by floor area	IF-RE-000.C	86,6%	87,3%	0%	100%	N/A
Average occupancy rate, by property subsector	Quantitative	%	IF-RE-000.C	93,1%	96,8%	98,7%	100%	94,7%

## CROSS-REFERENCE TABLE BETWEEN COVIVIO'S MATERIALITY MATRIX AND GRI STANDARDS

Covivio topic	GRI Standards topic	Scope (GRI 103-1)	Associated GRI Standards
Responsible procurement	Purchasing practices/ Environmental assessment/Human Rights/Suppliers' employment practices	France Offices, France Corporate (Int Imp + Ext Imp)(1)	GRI 308-1 – Percentage of new suppliers that were screened using environmental criteria – see pages 96–99
Biodiversity	Biodiversity	All portfolios (Int Imp + Ext Imp)	GRI 304-1 – Habitats protected or restored. GRI 304-2/GRI 304-3/GRI 304-4 – see Section pages 91–93
Climate change	Emissions	All portfolios (Int Imp + Ext Imp)	GRI 305-1 – Direct GHG emissions (Scope 1) GRI 305-2/GRI 305-5/GRI 305-7 – see GHG section for each business activity, pages 144–147
Skills/Talent	Employment Training/education	UES Covivio, Italy Offices, Covivio Immobilien (Int Imp)	GRI 404-1 – Average hours of training per year per employee by gender and by professional category GRI 404-2/GRI 404-3 – see pages 144–147
Waste	Effluents and waste	All portfolios (Int Imp + Ext Imp)	GRI 306-2 – Total mass of waste by type and disposal method – see Waste data for each business provided in pages 144–147
Local development	Indirect economic impact	France Offices (Ext Imp)	GRI 203-1 – Development and impact of investments in infrastructure and support for services – see pages 86–88
Digital/Numérique	Hors GRI Standards	Tous les portefeuilles	Pages 136–137
Diversity/Equality	Outside GRI Standards Diversity and equal opportunity Equal remuneration for men and women Labour/management relations	All portfolios UES Covivio, Italy Offices, Covivio Immobilien (Int Imp)	GRI 401-1 – Total number and percentage of new employee hires and employee turnover by age group, gender and geographic area. GRI 401-3/GRI 402-1/GRI 403-1/GRI 405-2 – see pages 146–147
Human Rights	Non-discrimination	UES Covivio, Italy Offices, Covivio Immobilien (Int Imp + Imp Ext)	GRI 406-1 – Total number of incidents of discrimination and corrective actions taken – see Page 115 GRI 412-1/GRI 409-1/GRI 414-1
Water	Water	All portfolios (Int Imp + Ext Imp)	GRI 303-1 – Total water withdrawal by source. CRE-2 – Water intensity of buildings in operation – see Water data for each business provided in pages 144–147
Energy	Energy	All portfolios (Int Imp + Ext Imp)	GRI 302-1 – Energy consumption within the organisation, CRE1 – see Energy data for each business provided in pages 144–147 of GRI 302-3
Risk management	Consumer health and safety	All portfolios (Int Imp + Ext Imp)	GRI 416-2-Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of result – CRE-5 – Field being or to be remediated to allow legal exploitation. – See pages 69–71

Thème Covivio	Thème GRI Standards	Périmètre (GRI 103-1)	Indicateurs GRI Standards liés
Governance/Ethics	General information Ethics and integrity/ Combatting corruption/ Compliance	Covivio (Int Imp)	GRI 102-18 – Governance structure of the organisation – see Page 126 GRI 205-2 – Communication and training on anti-corruption policies and procedures – see Page 131  GRI 102-16 – Organisation's values, principles, standards and norms of behaviour – see Page 132
Mobility	Outside GRI Standards	All portfolios	Page 94
New services	Outside GRI Standards	All portfolios	Page 49
Tenant partnership	Outside GRI Standards	All portfolios (Int Imp + Ext Imp)	Page 100
Philanthropy and sponsorship	Outside GRI Standards	All portfolios (Int Imp + Ext Imp)	Page 89
Health/Safety/Comfort	Consumer health and safety	All portfolios (Int Imp + Ext Imp)	GRI 416-2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during the life cycle, by type of outcome – see Page 69
Sustainable value	Outside GRI Standards	All portfolios (Int Imp + Ext Imp)	Page 22
Sustainable inclusive city	Indirect economic impact	All portfolios (Int Imp + Ext Imp)	GRI 203-1 – Development and impact of investments in infrastructure and support for services – see Page 86  CRE7 – Number of people voluntarily or involuntarily displaced and/or rehoused due to development, by project

(1) Imp Int = Internal Impact / Imp Ext = External impact.



## VERIFICATION OF CORPORATE, ENVIRONMENTAL AND SOCIETAL INFORMATION

**Financial year ended 31 December 2020<sup>(1)</sup>**

### **Independent third party's report on consolidated non-financial statement presented in the management report**

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under number 3-1681 (scope of accreditation available on [www.cofrac.fr](http://www.cofrac.fr)), and as a member of the network of one of the Statutory Auditors of your company (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended 31 December 2020 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

#### **The entity's responsibility**

The Board of Directors is responsible for preparing the Statement, 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.

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 and available on request from the entity's head office.

#### **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 guidance.

#### **Responsibility of the independent third party**

On the basis of 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<sup>o</sup> 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".

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

#### **Nature and scope of work**

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. French Commercial Code, the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements. and the international standard ISAE 3000<sup>(2)</sup> :

- we obtained an understanding of all the consolidated entities 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 of the French Commercial Code as well as the information set out in article L. 22-10-36, 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 all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

*(1) This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

*(2) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information*

- 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 presented in Appendix 1. Concerning certain risks integration within the sustainable city, responsible supply chain, our work was carried out on the consolidating entity; for the other risks, our work was carried out on the consolidating entity and on a selection of entities. Covivio Immobilien and France Offices
  - we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code
- 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 was carried out on a selection portfolios listed below and covers between 18% and 100% of the consolidated data selected for these tests (18% of water consumption, 36% of final energy consumption), 100% of energy performance diagnostics performed)
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## Means and resources

Our verification work mobilised the skills of five people and took place between September 2020 and March 2021, representing a total duration of intervention of about 11 weeks.

We conducted three interviews with the persons responsible for the preparation of the Statement representing in particular the sustainable development management, human resources and Environment Departments.

## Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated 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.

Paris-La Défense, 12 March 2021

Independent Third-Party

Jean-François Bélorgey  
Partner

EY & Associés

Éric Duvaud  
Partner, Sustainable Development

## ■ Appendix 1: The most important information

### Social Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Total workforce by type of employment contract	
Training rate	The results of recruitment policies in support of the Group's European strategy.
Average number of training hours per trained employee	Measures implemented to ensure the development of employees' skills.
Turnover	Measures implemented to attract and retain talent.
Share of employees on permanent contracts	Commitments to diversity and equal pay.
Number of internal mobilities	Measures taken for the health of employees as part of the management of the health crisis
Percentage of employees receiving an annual performance and development review	
Ratio of basic salary and remuneration of women to men	

### Environmental Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Greening rate of the portfolio (France Core Offices, Italy Offices, German Residential, Hotels Europe)	
Energy intensity (kWhfe/m <sup>2</sup> /year and kWhpe/m <sup>2</sup> /year) of the real estate portfolio	Health risk and regulatory compliance management
Carbon intensity (kgCO <sub>2</sub> /m <sup>2</sup> /year) of the real estate portfolio	Measures taken to exceed construction standards and combat asset obsolescence.
Water intensity (m <sup>3</sup> /m <sup>2</sup> /year) of the portfolio	Results of asset certification measures.Measures taken to improve the portfolio's environmental performance and reduce operating costs.
Percentage of sites benefiting from selective collection	
Total amount of waste	Low-carbon trajectory developed for the company's activities, in line with 2°C objectives and validated by the Science Based Targets initiative.
Percentage of tertiary assets benefiting from health and safety monitoring and inspections.	
Percentage of energy performance diagnostics carried out (France Core Offices, Italy Offices, German Residential, France Hotels)	Actions in favour of biodiversity.

### Societal Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Accessibility of public transport.	
Rate of accessibility of office buildings to people with reduced mobility (PRM).	Measures to guarantee the sustainability of the supply chain.
Number of suppliers who have signed the new version of the Responsible Purchasing Charter and responded to the CSR questionnaire.	Relationships and cooperation with stakeholders, in particular customers.
Rate of coverage of the Responsible Purchasing Charter (on strategic expenditure).	Measures taken to protect personal and real estate data.
The number of solicitations of ethics officers	Partnerships implemented to integrate Covivio into the sustainable city.
	Measures taken to promote the accessibility of buildings.

## VERIFICATION OF AN INDEPENDENT THIRD-PARTY – GREEN BOND

### Financial year ended 31 December 2020

Independent report of one of the Statutory Auditors on compliance with environmental and social criteria for selection and monitoring of assets eligible for Green Bonds and the allocation of funds raised under these obligations.

### To Mr. Christophe Kullmann, Chief Executive Officer,

In our capacity as Statutory Auditor of the company, we hereby present our report on environmental and social criteria for selection and monitoring processes, defined in the "Use of Proceeds"<sup>(1)</sup> requirements of Green Bonds "Selection and Monitoring Criteria" for the assets selected for Green Bonds in effect on 31 December 2020.

### Responsibility of the company

It is the responsibility of the company's Chairman to establish the Selection and Monitoring Criteria and ensure their implementation.

### Independence and quality control

Our independence is defined by regulatory requirements and the Code of Ethics of our profession and the conditions laid down by Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards and applicable laws and regulations.

### Responsibility of the Statutory Auditor

It is our role, based on our work to:

- express a reasonable assurance as to whether the assets selected for Green Bonds in effect on 31 December 2020 comply, in all material aspects, with the Selection and Monitoring Criteria (Reasonable assurance report);
- attest to the allocation of funds raised under Green Bonds to the selected assets and attest to the concordance of funds allocated to these assets with the amount in the accounts.

We conducted the work described below in accordance with the international standard ISAE 3000 (International Standard on Assurance Engagements) and the professional doctrine of the French Compagnie Nationale des Commissaires aux Comptes in relation to this intervention. We called, to assist us in performing our work, on our experts in sustainable development, under the responsibility of Mr. Eric Duvaud, Partner.

## 1. Reasonable assurance report on environmental and social criteria for selection and monitoring

### Nature and scope of work

In order to be able to express our conclusion, we undertook the following work, between October 2020 and March 2021:

- we undertook interviews at the main office of the company in order to understand selection and monitoring procedures and to verify the compliance with Selection and Monitoring Criteria, based on the documentary evidence available at the company main office relating to the assets monitored in the framework of bonds issued during the previous financial years (Fontenay le Floria, Metz Le Divo, Vélizy Hélios, Vélizy Europe, Paris Passy Steel, Issy-les-Moulineaux Edo, Levallois Thais, Toulouse Riverside, Bordeaux Quai 8.2 E, Montrouge Flow), Montpellier Orange, Saint-Ouen So Pop, Lyon Silex 2, Paris Jean Goujon, Châtillon IRO, Milan The Sign)
- we undertook interviews with the managers and tenants of three qualified assets (Toulouse Riverside, Paris Passy Steel, Vélizy Hélios)
- in order to verify the compliance with the Selection and Monitoring Criteria, in particular for the operational phase.

(1) May 2016 "Green Bond Roadshow" press release available in English on the "Selected criteria" and "Reporting" criteria for Green Bonds. <https://www.Covivio.eu/app/uploads/2019/01/6-Covivio-Green-Bond-mai-2016-Prospectus.pdf> Green Bond Framework press release of September 2019 on the qualification criteria (Eligible Green Projects) and monitoring (Reporting) for responsible bonds Green Bonds available at: <https://www.Covivio.eu/app/uploads/2019/04/Covivio-Green-Bond-Framework-2019.pdf>.

(2) Green Bonds Principles (updated version of June 2018) available on the ICMA (International Capital Market Association) website at the following address: <http://www.icmagroup.org>



## Information or explanations on the Selection and Monitoring Criteria

- The Selection and Monitoring Criteria only cover environmental and social aspects of eligible assets and exclude their economic aspects. These Criteria are the minimum requirements to be met by eligible assets in order to be considered as Green Bonds. They are related to construction and operating phases and the monitoring of assets. The company also publishes the justification or the confirmation of the compliance with each criterion for the selected assets in the Chapter 2.3 of Covivio's Universal Registration Document.
- For the operating phase, part of the criteria cannot be applied and verified before one or several years of operation. For assets still under construction or recently delivered (Montrouge Flow, Montpellier Orange, Saint-Ouen So Pop, Lyon Silex2, Paris Jean Goujon, Châtillon IRO, Milan the Sign), the expected dates of compliance with these criteria are specified in the detailed table by asset in the Chapter 2.3 of Covivio's Universal Registration Document.

## Conclusion

In our opinion, the assets selected for Green Bonds in effect on 31 December 2020 comply, in all material aspects, with the Selection and Monitoring Criteria.

## 2. Statement on the allocation of funds

It is also our responsibility to express our conclusion on the funds allocated to the assets that were selected and on the consistency between the amount of funds allocated to these assets within the framework of the Green Bonds issuance and the accounting records and their underlying data.

However, it is not our responsibility to express a conclusion on the use of the funds allocated to the eligible assets following their allocation.

In our capacity as Statutory Auditor of Covivio, we conducted jointly, with Mazars, the audit of the consolidated financial statements of the company for the year ended 31 December 2020. Our audit, conducted in accordance with the professional standards applicable in France, aimed at expressing an opinion on the consolidated financial statements considered globally and not on specific elements of these statements used to establish this information. Therefore, we did not perform any audit tests or sampling to this purpose and we do not express any opinion on these isolated elements.

Moreover, we did not perform any work to identify, if relevant, the events that took place after the issuance of our report on the company's consolidated accounts dated 1 March 2021. Our intervention, which is neither an audit nor a limited review, was performed in accordance with the professional doctrine of the French Compagnie Nationale des Commissaires aux Comptes in relation to this intervention. Our procedures also involved:

- understanding the procedures that the company put in place so as to determine the information provided in Chapter 2.3 of Covivio's Universal Registration Document
- verifying that the amounts allocated to the selected assets match the Green Bond Issuance of May 2016 of €500 million and the Green Bond Issuance of September 2019 of €500 million. The Nanterre Respiro and Nancy O'origin assets, selected since 2016 and 2017 respectively, as part of the "Green Bonds" process, were sold during the 2020 fiscal year. As a result, the funds initially allocated to these assets were reallocated to two new eligible assets, Montpellier Orange and Saint-Ouen So Pop.
- verifying the consistency between the information provided in the introduction of Chapter 2.3 of Covivio's Universal Registration Document for the year ended 31 December 2020 and the data from the consolidated financial statements of the company for the same year

Based on our work, in the context of the Green Bonds issuance, we have nothing to report with regard to the allocation of the funds to the assets selected or to the consistency of the amount of funds allocated during the year 2019 to these eligible assets with the accounting records and underlying data.

Paris-La Défense, 12 March 2021

One of the Statutory Auditors  
ERNST & YOUNG et Autres

Anne Herbein  
Partner

Éric Duvaud  
Sustainable Development Partner

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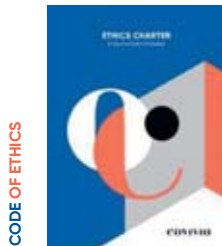
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