

COVIVIO

SUSTAINABLE BOND FRAMEWORK

May 2022



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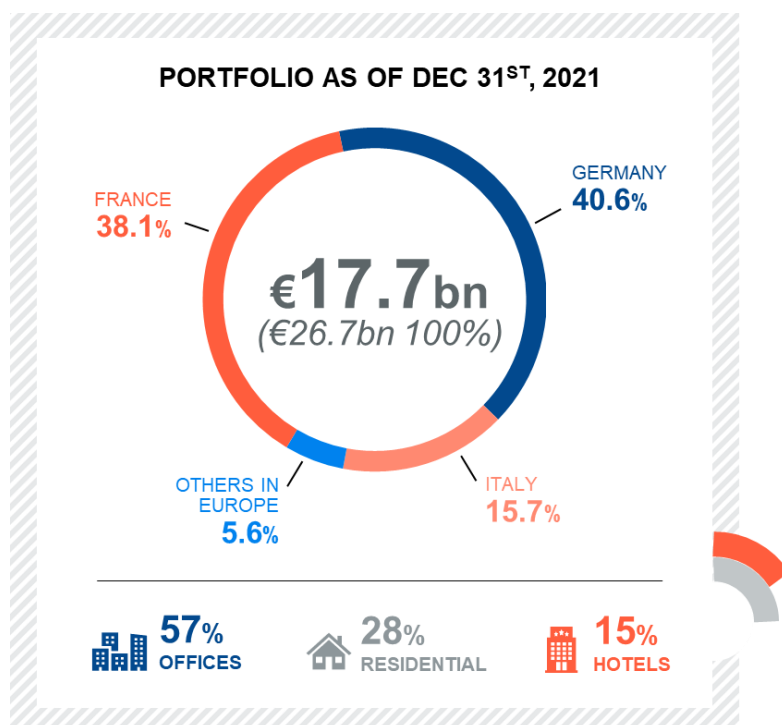
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1. Introduction

1.1 Covivio

Covivio SA (**'Covivio'**, **'the Group'**) is a leading European real estate investment company that focuses on developing and managing green buildings across Europe. As of 31 December 2021, Covivio holds EUR 26.7 billion (EUR 17.7 billion Group share) in assets located in major European cities, in particular around Paris, Berlin and Milan.

Covivio's portfolio is split into 3 main categories: offices (57%), residential buildings (28%) and hotels (15%).



Being one of the largest REITs in Europe, Covivio has taken the responsibility and commitment to provide environmental certifications for 100% of its buildings (both new and refurbished) by the end of 2025. Covivio reached 91% environmentally certified assets in 2021.

1.2 Covivio's 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 in. In 2019, the Board of Directors and the Covivio teams have decided to go further and express how Covivio intends to contribute, by involving all its stakeholders, to the main social, environmental and economic issues through the expression of its *Purpose*: Build sustainable relationships and well-being¹.

1.3 Covivio's Sustainable Strategy

The construction industry is undergoing multiple transitions: energy, carbon, environmental, digital, social, societal, and more. As a developer of responsible real estate and a more resilient and sustainable city, Covivio bases its success on a business model that combines high levels of ambition and achievement, both financially and non-financially. Its Corporate Social Responsibility ("**CSR**") strategy applies to its 3 divisions in the various countries where the Group operates.

¹ Covivio's *Purpose* can be found [here](#).

By communicating its *Purpose* at the end of 2019, Covivio confirmed the importance placed on social and environmental issues, and that innovation is at the heart 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.

Built on the experience from the analysis of material issues and CSR risks, Covivio's strategy sets out an action plan that echoes the various objectives conveyed by Covivio's mission statement. The four components of this CSR strategy are common to each of Covivio's activities: Sustainable buildings, Societal, Social and Governance.



Source: 2021 Universal Registration Document²

1.3.1 Sustainable buildings

More than ever, buildings may be confronted with the risk of obsolescence and 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 underscored the importance of properly managing operating expenses (energy, waste, certifications) both in terms of property operating costs (such as reducing the consumption of energy, water, etc.) 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, and others.

For many years, Covivio's asset management strategy has incorporated these three risks, so as to transform them into opportunities in the development, ownership and management of its buildings. Covivio is fuelling its growth through an active portfolio rotation policy, with investments of €825 million (€607 million Group share) and disposals of €1.3 billion in 2021 (€901 million Group share), as well as a pipeline of committed projects reaching €2.3 billion at the end of 2021 (€1.8 billion Group share). This pipeline is composed of major development operations, renovations and even roof-raising work, in relation to portfolios in operation and existing assets. This constant renewal of the property portfolio has enabled a shift towards low-carbon real estate, taking into account emerging issues, including digital technology, new energies, biodiversity, soft mobility, sustainable and resilient cities and the circular economy.

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

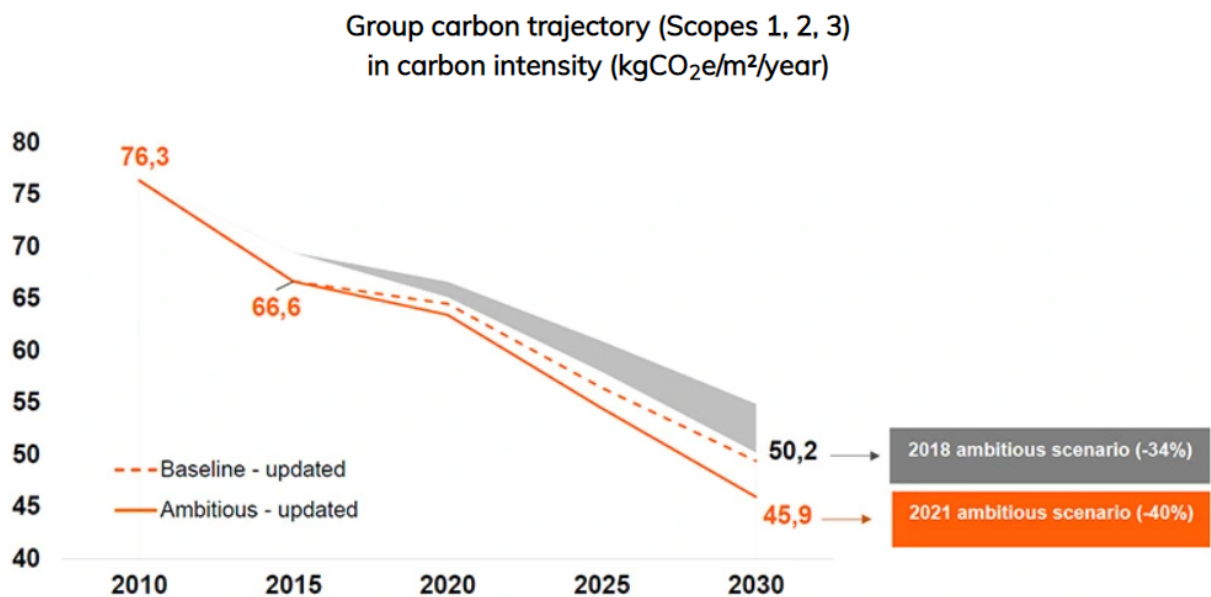
² Covivio's 2021 Universal Registration Document can be found [here](#).

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. Covivio aims at owning 100% of certified assets by 2025 (in-use and / or development or renovation certifications) and already develops 100% certified tertiary assets.

Covivio's carbon ambitions

As part of the implementation of its pipeline, Covivio is working to adapt its portfolio to a trajectory compatible with the 1.5°C scenario set forth in the Paris Agreement of 2015. 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, in line with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'). In 2020 and 2021, various studies completed this reflection, in particular to measure these impacts on the portfolio, in quantitative and financial terms, and to comply with the EU Taxonomy Regulation.

Covivio initiated a proactive approach towards reducing its carbon footprint. In 2021, an updated trajectory, compatible with the 1.5°C scenario of the Paris Agreement³ for scopes 1 and 2 greenhouse gas ('GHG') emissions and a Well-below 2°C scenario for scope 3 GHG emissions (including construction activity), was approved by the Science Based Targets initiative ('SBTi'). This follows Covivio's announcement to revise its targets, accelerating its transition. Covivio now aims at reducing its scopes 1 & 2 GHG emissions by 63% by 2030, and its scope 3 GHG emissions by 37.5% by 2030, against 2015 levels. These new targets mean a reduction of GHG emissions intensity per m² in Europe by 40% between 2010 and 2030 (compared with 34% previously). This encompasses scopes 1, 2 and 3, covers the full range of Covivio's European activities and spans the entire asset life cycle, from materials and construction to remodelling and operation⁴. Covivio is also targeting net zero carbon from 2030 for scopes 1 and 2.

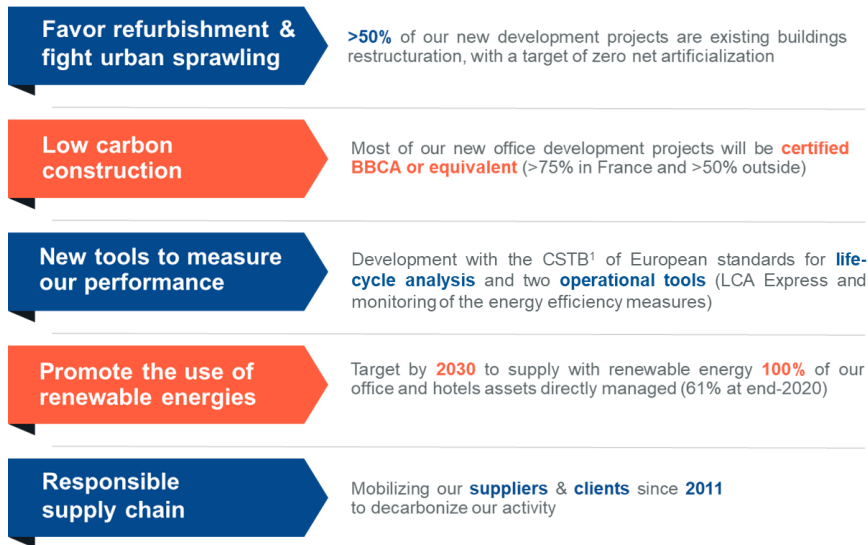


Source: 2021 Universal Registration Document

³ See [here](#)

⁴ For more information, see [here](#)

5 STRATEGIC PRIORITIES TO REACH OUR CARBON AMBITIONS



¹ Centre Scientifique et Technique du Bâtiment

At the building level, Covivio focuses on all aspects of the environmental performance of the buildings:

- Water: water footprint is reduced through systemic use of water-saving systems and by closely monitoring consumption. Covivio's target is to maintain average water consumption at under respectively 0.5 and 1 m³/m²/year for offices in France and Italy.
- Transport and accessibility: reducing the carbon footprint also involves choosing sites, which encourages the use of public and environmentally-friendly modes of transport. Covivio's target is that at least 97% of its office assets should be located within a 5-minute walk (500m) of public transport (99.9% as at 31 December 2021 for offices in Europe).
- Waste: 100% of office assets owned by Covivio as at 31 December 2021 benefit from selective collection.

Covivio also reinforced its commitment to turn each site into a biodiversity driver in 2021 by joining the ACT4Nature International initiative and committed to obtain a net gain in biodiversity for all its operations by 2025⁵. This new step then complete the biodiversity strategy of Covivio, built for more than ten years.

1.3.2 Societal

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 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 CSR risk mapping, namely "Responsible supply chain" and "Quality of relations with external stakeholders (including customers and suppliers)".

In 2022, Covivio is extending its responsible purchasing policy to all its activities in Europe with the support of EcoVadis.

⁵ Information on Covivio's individual commitments to ACT4Nature International can be found [here](#)

1.3.3 Social

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

The Human Resources ('HR') policy developed by Covivio revolves around four action areas that are essential to the momentum of the 2020-2025 objectives detailed in the Universal Registration Document, 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.

Covivio is also committed to combating all forms of discrimination and has implemented measures covering all of its activities in Europe. 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. Covivio received a score of 91/100 on the Gender Equality Index implemented in France in 2021.

1.3.4 Covivio's Governance

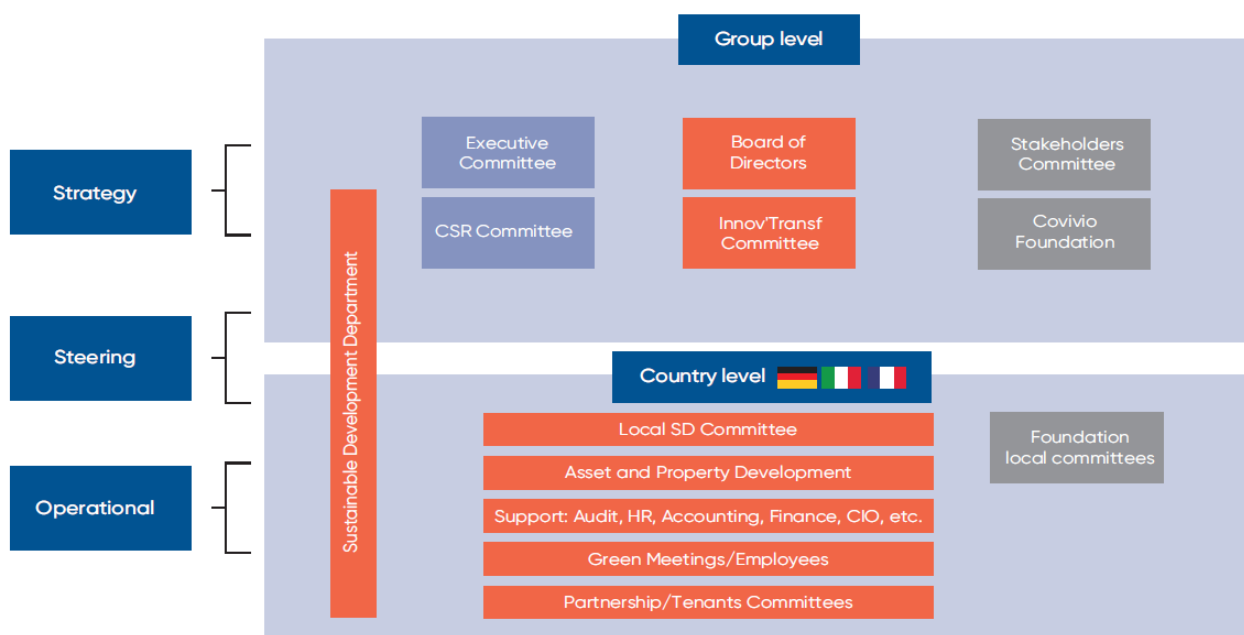
Covivio's governance has been adapted in order to be able to respond effectively to the challenges of its multi-product and multi-country business model. Its Board of Directors is made up of 15 Members, 60% of whom are independent. The Comex is made up of 11 members, in charge of steering the Group's strategy.

In order to implement the Sustainable Development strategy, various bodies have been created within the Group. The Sustainable Development Department drives and coordinates initiatives within the various layers of the Group's activities, with the support of General Management and the full attention of the Board of Directors. The operational deployment of the CSR policy is based in particular on the Sustainable Development Committee, bringing together the Chief Executive Officer, the General Secretary and the Chief Sustainability Officer, making it possible to carry out a progress report on the CSR action plan, to act on the measures to be taken to conduct the sustainable development strategy and to give these decisions the necessary echo with the Executive Committee and the Board of Directors. In addition, the purpose of the Innovation-Transformation Committee is to discuss innovation topics and validate certain choices and operational tools, relating in particular to sustainable development, digital technology and services.

In each country, "Green Committees" allow actions to be launched and achievements to be recorded, with the CEO and local managers, in coordination with the business lines and support functions, and with the support of awareness-raising actions (green meetings) and training (led by HR). In order to implement the CSR strategy at the operational level, the Chief Sustainability Officer leads a network of nearly thirty relay players within the Group.

Alongside this organization, a Stakeholders Committee was created in 2020, chaired by Bertrand de Feydeau, as well as the Covivio Corporate Foundation, whose Board of Directors is chaired by Jean Laurent.

In order to formalise the Board of Directors' commitment to the Group's sustainable development strategy, a CSR Committee was created in July 2021. The first meeting made it possible to define its main missions: validation of the CSR strategy and monitoring of its implementation, having a forward-looking role on major social and environmental trends, and providing expertise to the Board and the other Board Committees. To this end, the CSR Committee interacts with the Audit Committee to review ESG risks and with the Appointments and Remunerations Committee concerning CSR criteria in executive remuneration.



Source: 2021 Universal Registration Document

Ethical practices among the Group is ensured by several measures and procedures, starting with the Group's Ethics Charter⁶ which applies for all the activities and employees.

A recognised CSR strategy by the non-financial rating agencies

Covivio's European sustainable development strategy is also enjoying high ratings from non financial rating agencies and a strong recognition from investors. The Group has ratings from DJSI, Ecovadis, Gaïa Rating, GRESB, ISS ESG, Moody's ESG (formerly V.E), MSCI and Sustainalytics. For the latest ESG ratings please refer to Covivio's website⁷.

In addition, as a signatory to the United Nations Global Compact since 2011, and having reached the GC Advanced level in 2018, Covivio reaffirms its commitment to advance the UN SDGs, which have served as a blueprint in the establishment of Covivio's Sustainability Strategy. Covivio's multi-year CSR objectives are consistent with the 17 UN 2030 SDGs to which they contribute, the 10 principles of the Global Compact, and the 2°C or even 1,5°C trajectory objectives of the Paris Agreement.

Given its targets, Covivio contributes to nine SDGs in particular:

⁶ Covivio's ethics Charter can be found [here](#)

⁷ See [here](#)



Source: 2021 Extra-Financial Statement (URD)

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

2. Covivio's Sustainable Bond Framework

The real estate sector accounts for a large part of the total energy consumption and GHG emissions in Europe. Therefore, Covivio has a central role to play in the transition to a sustainable economy and the achievement of the objectives set out in the Paris Agreement.

Covivio's Sustainable Bond Framework (the '**Framework**') is a valuable tool for the integration and implementation of Covivio's sustainability strategy. The Framework has been developed to show how Covivio intends to foster change, supports its sustainability strategy, and provides a single methodology for the issuance of any **Sustainable Bonds**, which can be in the form of:

- **Green bonds** or
- **Sustainability-linked bonds**.

Green Bonds

The objective of the Green bonds issued under the Framework is to support Covivio's shift toward low-carbon real estate, compatible with the objective to limit global warming to 1.5°C above pre-industrial levels. In support of this objective, the Framework covers the issuance of future green bonds and the requalification of existing conventional bonds into green bonds. Existing green bonds issued under the first Framework will also be covered by this Framework.

Covivio commits to providing information with transparency, accuracy and integrity according to the four core components of the Green Bond Principles ('**GBP**')⁸ administered by the International Capital Markets Association ('**ICMA**')

- i. Use of Proceeds
- ii. Process for Project Evaluation and Selection
- iii. Management of Proceeds
- iv. Reporting

2.1 Use of Proceeds

2.1.1. Eligible Green Portfolio

An amount equal to the proceeds from the issuance of any Green bond issued under this Framework will be used to finance and/or refinance the Eligible Green Portfolio ('**Eligible Green Portfolio**') that comprises:

- eligible green assets, and/or
- capital expenditures, selected operational expenditures, and investments.

Eligible assets and expenditures of the Eligible Green Portfolio shall meet each of the following criteria:

1. Accessibility to public transportation: buildings should be located within 500 metres of public transportation networks;
2. Tenant relationships: tenants of buildings should have or plan to have signed green annexes for buildings in France, and green clauses for new leases for buildings in Italy;
3. Meet the eligibility criteria of a category defined in the table below.

2.1.2. Look-back

Eligible green assets qualify without any look-back period.


⁸ ICMA Green Bond Principles 2021 can be found [here](#)

Eligible capital expenditures, selected operational expenditures, and investments⁹ qualify with a 24-month look-back period prior to the date of issuance of a Green bond.

2.1.3. Alignment with external references

Conscious of the importance of a common definition of sustainable activities, the eligible categories have been aligned with the relevant UN Sustainable Development Goals ('**UN SDGs**') and EU environmental objectives. The Framework also takes into consideration, where relevant and possible, the EU Taxonomy Regulation¹⁰ and the EU Taxonomy Delegated Acts on Climate Change Mitigation and Adaptation¹¹ adopted in June 2021 (the '**EU Taxonomy**'), in order to align with best market standards.

2.1.4. Eligible categories and eligibility criteria



Eligible categories & UN SDGs	Eligibility criteria	Relevant EU Taxonomy Activities ¹² and EU Environmental Objectives
<p>Green Buildings</p> 	<p>New and existing buildings that comply with any of the following criteria:</p> <ol style="list-style-type: none"> Existing buildings that meet one of the following criteria: <ul style="list-style-type: none"> in-use certification: <ul style="list-style-type: none"> BREEAM "Very Good" or above; or HQE "Excellent" or above; or LEED "Gold" or above. Buildings built before 31 December 2020 either with an Energy Performance Certificate (EPC) level at least equal to "A" or belonging to the top 15% most energy-efficient buildings of the national building stock. Buildings built after 31 December 2020 with Primary Energy Demand (PED) at least lower of 10% than the relevant national threshold for nearly zero-energy building (NZEB) requirements. New buildings that meet one of the following criteria: <ul style="list-style-type: none"> new-build certification: <ul style="list-style-type: none"> BREEAM "Excellent" or above; or HQE "Excellent" or above; or LEED "Gold" or above; or DGNB "Gold" or above. 	<p>7.1 Construction of new buildings 7.7 Acquisition and ownership of buildings</p> <p>EU Environmental Objectives: Climate Change Mitigation</p>

⁹Acquisition of new buildings that meet the eligibility criteria defined in this Framework, or of companies defined as "pure players", i.e. at least 90% of their revenue is derived from activities falling within the eligible categories and aligned with the eligibility criteria defined in this Framework.

¹⁰ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088




¹¹ EU Taxonomy Delegated Act on Climate Change Mitigation and Adaptation published in April 2021 and adopted in June 2021 can be found [here](#)

¹² For reference

	<ul style="list-style-type: none"> Buildings built after 31 December 2020 with Primary Energy Demand (PED) at least lower of 10% than the relevant national threshold for nearly zero-energy building (NZEB) requirements. 	
<p>Energy efficiency</p> 	<p>Investment and/or expenditures to improve the energy efficiency of buildings that meet one of the following criteria:</p> <ol style="list-style-type: none"> Renovation and refurbishment of buildings leading to a Primary Energy Demand (PED) reduction of at least 30%¹³ Renovation and refurbishment of buildings leading to a refurbishment certification of at least one of the following levels: <ul style="list-style-type: none"> BREEAM “Excellent” or above; HQE “Excellent” or above; LEED “Gold”, or above; Or equivalent level in the context of potential future evolution(s) of HQE, BREEAM or LEED certification scheme(s). Acquisition, installation, maintenance or repair of on-site energy efficiency equipment¹⁴, which includes: <ul style="list-style-type: none"> insulation equipment energy efficient windows energy efficient doors energy efficient light sources HVAC and water heating systems Acquisition, installation, maintenance and repair of on-site instruments and devices for measuring, regulation and controlling energy performance of buildings: <ul style="list-style-type: none"> zoned/smart thermostats and sensing equipment building automation and control systems energy management systems smart meters for gas, heat, cool and electricity building energy management systems light control systems, façade or roofing elements such as solar shading or solar control functions 	<p>7.2 Renovation of existing buildings 7.3 Installation, maintenance and repair of energy efficiency equipment 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings</p> <p>EU Environmental Objectives: Climate Change Mitigation</p>
<p>Renewable energy</p> 	<p>Acquisition, installation, maintenance and repair of on-site renewable energy equipment:</p> <ul style="list-style-type: none"> Solar photovoltaic systems Solar hot water panels Heat pumps Any ancilliary technical equipment of the above 	<p>7.6 Installation, maintenance and repair of renewable energy technologies</p> <p>EU Environmental Objectives: Climate Change Mitigation</p>

¹³ The 30% reduction in primary energy demand occurred in comparison to the baseline performance before the refurbishment.

¹⁴ Such energy efficiency equipment comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369

<p>Clean transportation</p>  	<p>Acquisition, installation, maintenance and repair of on-site equipment and associated infrastructure to promote the use of low carbon transport:</p> <ul style="list-style-type: none"> ○ electric vehicle charging points ○ cycling facilities (cycle storage, changing facilities) 	<p>6.13 Infrastructure for personal mobility, cycle logistics</p> <p>7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)</p> <p>EU Environmental Objectives: Climate Change Mitigation</p>
<p>Sustainable Water</p> 	<p>Acquisition, installation, maintenance and repair of water efficiency equipment: water efficient sanitary equipment, sustainable urban drainage in new development, or development of rainwater harvesting. Such installations respect at least one of the following criteria:</p> <ul style="list-style-type: none"> • ECAU label A; • Water consumption under 0.5m³/m²/year in France, 1 m³/m² in Italy, 1,5m³/m² in Germany, 2m³/m² for hotels; • wash hand basin taps and kitchen taps with a maximum water flow of 6 litres/min; • showers with a maximum water flow of 8 litres/min; • WCs, including suites, bowls and flushing cisterns, with a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; • urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. 	<p>n.a.</p> <p>EU Environmental Objectives: Climate Change Mitigation</p>

2.2 Process for Project Evaluation and Selection

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

These objectives encompass strong environmental and social criteria, and embody Covivio's vision of the *Building of tomorrow*, which is based on five major pillars:

- Flexible: innovative construction choices fostering fluidity, mixed uses and flexible spaces
- Services: *à la carte* menu services based on the tenant's needs
- Open to the city: in terms of architecture as well as dialogue with local partners
- Connected: "ready for" real estate in terms of building management (BMS, BIM, energy supervision)
- Environmentally efficient: comprehensive eco-design approach, use of new materials, biophilia, and renewable energy, waste and water management, etc.

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

- Chief Sustainability Officer
- Chief Financial Officer
- CEO Italy
- CEO Germany
- Operations Director France

The GBC is responsible for:

1. Reviewing, selecting and validating the Eligible Green Portfolio based on the eligibility criteria. This includes reviewing the eligibility of projects and assets already part of the Eligible Green Portfolio, and deciding on the inclusion of new projects and assets;
2. Validating annual reporting for investors;
3. Monitoring the on-going evolution of the GBPs, particularly in relation to disclosure and reporting, to ensure Covivio is in-line with best market practices; and
4. Reviewing the framework to reflect any changes with regards to Covivio's sustainability strategies and initiatives, and any change in their third party validator of social and environmental criteria for eligible criteria

The GBC meets on an annual basis, or more frequently as required, to review proposed allocations and ensure that these are in alignment with the Framework.

Covivio systematically monitors key aspects of business risk. ESG risk assessment is built into building development and investment processes, ensuring that it identifies and adequately addresses material risks related to environmental management practices, working and safety conditions, anti-bribery and corruption practices, and compliance with relevant laws and regulations. Covivio implements a rigorous ESG screening system at each stage of the life cycle of the assets, incorporating biodiversity as well as broader environmental safety, and health considerations, namely limiting noise pollution, improving indoor air quality, avoiding urban sprawl, adapting to the consequences of climate change, and controlling health and climate risks, each defined by a comprehensive set of criteria. Those principles and procedures are reminded in the consolidated Extra-Financial Statement¹⁵ and also in Covivio's Code of Ethics. This document is key in Covivio's business and the way Covivio interacts with its stakeholders. To ensure that it is applied by all employees, awareness sessions are organized every year. It also recalls the whistleblowing procedure, which is open to all its stakeholders, anonymous and confidential.

Covivio's on-going commitment to sustainability and environmental best practices has been recognised by the French Ministry for Ecological and Solidarity Transition, which awarded the company for the best environmental non-financial declaration of performance in 2018. The European Public Real Estate Association (EPRA) also recognises the alignment of Covivio with its sustainability Best Practices Recommendations at the maximum level (Gold) since 2014.

2.3 Management of Proceeds

An amount equal to the proceeds from Covivio's Green bonds issued under this Framework will be earmarked for allocation to the Eligible Green Portfolio as validated by the GBC.

All relevant information regarding the issuance of Green bonds and the Eligible Green Portfolio is monitored and kept in Covivio's reporting systems. The balance of the tracked proceeds is periodically adjusted, in order to match allocations to the Eligible Green Portfolio. To this end, Covivio will use its best efforts to substitute any divested assets or assets that are no longer eligible, as soon as practical and within 24 months, on a best efforts basis.

Covivio commits on a best effort basis to reach full allocation within 24 months following each issuance.

¹⁵Covivio's 2021 Report on Sustainable Performance can be found [here](#)

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

The payment of principal and interest on any bond issued by Covivio under the Framework will be made from its general funds.

2.4. Reporting

Covivio is committed to being as transparent as possible and has published a Sustainable Development Report annually since 2011, which includes the company's Green Bond report (also included in Covivio's Universal Registration Document). Covivio will report on the allocation of proceeds and associated impact metrics on a portfolio, category-by-category basis, within one year from the issuance of the Green bond and annually thereafter, and as necessary in the event of material developments. The report is available on its website¹⁶.

Allocation Report

With the aim of providing disclosure on the allocation of proceeds, the Allocation Report will include:

- The size of the Eligible Green Portfolio;
- The total outstanding of Green bonds issued under the Framework;
- The allocation of the proceeds of issued Green bonds towards the Eligible Green Portfolio, including information on:
 - The list of eligible Green projects (re)financed per category;
 - A breakdown by geographical area (country level);
 - A breakdown of new financing vs. refinancing;
 - A breakdown of what is being financed (assets, capital expenditures, operational expenditures and investments);
 - Environmental Objectives supported by the Eligible Green Portfolio;
- The balance of unallocated proceeds

Impact Report

The Impact Report will provide information on the associated environmental impact metrics and outcomes of the Green bond, as well as the calculation methodologies and assumptions used for such indicators, subject to the availability of suitable information and data. Covivio intends to align its impact reporting with the Handbook for 'Harmonized Framework for Impact Reporting', June 2021 version¹⁷.

Examples of impact reporting metrics may include:

¹⁶ See [here](#)

¹⁷ Can be found [here](#)

PORTFOLIO REPORTING METRICS	
Eligible Project Category	Examples of impact reporting metrics
Green buildings	Coverage of reporting scope in m ² of Gross Internal Area (GIA) Coverage of reporting scope (number of properties) Total energy consumption (kWhfe ¹⁸) Energy intensity (kWhfe/m ² GIA/year) Total emissions (tCO ₂ e/year) Carbon intensity (kgCO ₂ e/m ² GIA/year) Total water consumption (m ³) Water intensity (m ³ /m ² GIA/year) Type of scheme, certification level and m ² of Gross Building Area (GBA) Annual GHG emissions reduced in tonnes of CO ₂ e
Renewable energy	Annual renewable energy generation in MWh Estimated annual CO ₂ emissions avoided (tCO ₂ e)
Energy efficiency	Annual energy savings (MWh) Estimated annual CO ₂ emissions reduced (tCO ₂ e)
Clean transportation	Distance to public transportation (share of properties located at less than 500 metres from public transport) Number of electric vehicle charging stations installed Annual GHG emissions reduced/avoided in tCO ₂ e p.a.
Sustainable Water and Wastewater Management	Annual absolute (gross) water use before and after the project in m ³ / reduction in water use in % Area covered by sustainable land and water resources management practices

Verification

Pre-issuance verification

A Second Party Opinion has been provided by Moody's ESG, formerly V.E., to ensure that this Framework follows all principles laid out in the Green Bond Principles 2021. It will be made publicly available on Covivio's website¹⁹.

Post-issuance verification

External verifiers appointed by Covivio will verify on an annual basis, the allocated proceeds to the Eligible Green Portfolio, the remaining balance of unallocated proceeds, and the impact report, as part of the annual report review. External verifiers will also verify the compliance of the allocated proceeds with the Eligible Project categories. The external verifiers' report will be made available on Covivio's website.

¹⁸ kWhfe: kilowatt heure énergie finale.

¹⁹ See [here](#)

Sustainability-linked Bonds

In respect of **Sustainability-linked bonds**, the Framework is aligned with the five following core components set out in the Sustainability-Linked Bond Principles ('**SLBP**')²⁰, administered by the ICMA:

1. Selection of Key Performance Indicators ('**KPIs**')
2. Calibration of Sustainability Performance Targets ('**SPTs**')
3. Bond characteristics
4. Reporting
5. External verification

3.1 Selection of Key Performance Indicators (KPIs)

Covivio relies on its carbon trajectory to define its main KPIs.

Covivio has selected 2 KPIs, which are core, relevant, and material to its business and industry.

KPI #1: Greenhouse gas emissions (Scopes 1 and 2)

KPI #2: Greenhouse gas emissions (Scope 3)

KPI #1 Greenhouse gas emissions (Scopes 1 and 2)

Definition and Scope:

Scopes 1 and 2 GHG emissions are defined according to the GHG protocol as follows:

- Scope 1 – direct GHG emissions arising from the combustion of direct energy sources used for company buildings. For Covivio, this corresponds to natural gas, wood and fuel consumption in its building which are directly operated (Headquarters and common parts of office multi-let assets).
- Scope 2 – indirect emissions from purchased electricity, heating, and cooling. For Covivio, this corresponds to the consumption of electricity and the heating and cooling networks in its directly managed buildings. Scope 2 GHG emissions are calculated on a market basis.

The KPI encompasses carbon-own operations and represents 99% of the Group's scopes 1 & 2 GHG emissions.

The scope of the KPI excludes refrigeration gas, accounting for approximately 1% of Covivio's scopes 1 & 2 GHG emissions.

²⁰ ICMA Sustainability Linked Bond Principles 2020: [SLBP 2020](#)

Rationale and Materiality:

Climate change is broadly recognised as the most pressing challenge of the past decades, with unlimited and irreversible impacts on the world. For years now, Covivio has proactively developed an approach towards reducing its carbon footprint.

Covivio has set a clearly defined carbon emission reduction trajectory aligned with science-based targets and the goals of the Paris Agreement.

Scopes 1 and 2 GHG emissions cover around 4% of Covivio's total GHG emissions.

2021 breakdown of the Group's GHG emissions*			
Scope 1	Scope 2	Scope 3	
5,790 tCO ₂ e	10,781 tCO ₂ e	171,745 tCO ₂ e	246,753 tCO ₂ e
Energy consumption of the "operational control" perimeter : Common parts of multilet assets and headquarters		Energy consumption of all the assets owned by Covivio in Europe (excl. "operational control" perimeter) and upstream emissions related to energy consumption	Emissions related to the construction and renovation of assets
3.8%		39.5%	56.7%

*Major emissions categories representing more than 85% of Covivio total emissions

Methodology:

Covivio's scopes 1 and 2 GHG emissions were determined using the ADEME's V7 carbon footprint balance sheet table, which is aligned with the GHG Protocol. The results are presented according to the three emission scopes distinguished by the GHG Protocol, an internationally recognized standard.

Baseline:

2015 is used as a base year. Scopes 1 and 2 GHG emissions amounted to 21,242 tCO₂e in 2015.

Note that the baseline was restated in 2021 to take into account the integration of the German office branch and the change to a market-based approach for scope 2 GHG emissions to align with market practices in the real estate sector.

Historical Performance²¹:

	2015	2020	2021	Variation 2015/2021
Scope 1 – Total direct emissions (tCO ₂ e)	6,290	3,905	5,790	-7,9%
Scope 2 – Total indirect emissions (tCO ₂ e)	14,952	9,930	10,781	-27,9%
Scopes 1 & 2	21,242	13,835	16,571	-22%
Data is verified by Covivio's auditors annually.				

²¹ Note that data may be different from the one included in past reports. The difference is related to the integration of the German offices portfolio acquired in 2020, which has also been verified by Covivio's auditors when the new carbon trajectory was submitted. This data has been provided to the SBTi, and validated by their services.

Contribution to EU Environmental Objective:

- Climate Change mitigation
- Pollution prevention and control

Contribution to UN SDGs :

- SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable
 - SDG 13 : Take urgent action to combat climate change and its impact
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KPI #2 Greenhouse gas emissions (Scope 3)

Definition and Scope:

Scope 3 GHG emissions are defined according to the GHG protocol as follows:

- Scope 3 – other indirect emissions from purchased goods and services and downstream leased assets.

Purchased goods and services include emissions from the extraction, production, and transportation (i.e. cradle-to-gate emissions) of goods and services acquired by a company in the reporting year, not otherwise included in another upstream category. For Covivio, it refers to the emissions related to construction/renovation of buildings (based on actual deliveries and the modeled data with Covivio's consultant CSTB, it includes the emissions of the building amortized in a 50 years period). It includes all posts related to the construction/renovation of buildings.

Downstream leased assets include operation of assets owned by the company (lessor) and leased to other entities in the reporting year, not included in scopes 1 and 2 – reported by lessor. For building owners (including operators and managers), the emissions from the assets leased to other organisations over the reporting year.

In line with the SBTi methodology, Covivio has made a full carbon footprint analysis according to the GHG Protocol. The categories encompassed in the KPI represents ~85% of Covivio's total scope 3 GHG emissions. The remaining 15% are categories on which Covivio has less impact and control such as regular maintenance of the building, furnitures, employee commuting, use of sold products. Covivio has decided to be fully transparent on its total scope 3 GHG emissions rather than focusing on the material ones, and thus go beyond the requirement from SBTi.

Rationale and Materiality:

With over 419 thousands tons of GHG emissions (in CO₂e), scope 3 GHG emissions represents 96% of Covivio's total GHG emission in 2021.

Covivio's scope 3 GHG emissions related to the energy consumption of the building not directly managed amounted to 172 thousand tonnes of GHG emissions, and those related to the construction and renovation of assets amounted to 247 thousand tonnes of GHG emissions (in CO₂e).

Methodology:

Covivio's scope 3 GHG emissions were determined using the ADEME's V7 carbon footprint balance sheet table and CSTB modelizations, which is aligned with the GHG Protocol. The results are presented according to the three emission scopes distinguished by the GHG Protocol, an internationally recognized standard.

Baseline:

Scope 3 GHG emissions from purchased goods and services and downstream leased assets totalled 433,298 tCO₂e in 2015.

Note that the baseline was restated in 2021 to take into account the integration of the German office branch.

Historical Performance²²:

	2015	2020	2021	Variation 2015/2021
Scope 3	433,298	422,606	418,498	-3,4%
Data is verified by Covivio's auditors.				

Contribution to EU Environmental Objective:

- Climate Change mitigation
 - Pollution prevention and control
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Contribution to UN SDGs :

- SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable
 - SDG 13 : Take urgent action to combat climate change and its impact
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3.2 Calibration of Sustainability Performance Target(s) (SPTs)

SPT #1: Reduction of absolute scope 1 and 2 GHG emissions by 63% by 2030 (vs 2015)

Metric	Unit	Baseline	Target	Target Observation Date
Scopes 1 and 2 GHG emissions	ktCO ₂ e	21.2 ktCO ₂ e in 2015	63% reduction (7.8 ktCO ₂ e)	31 st December 2030

Ambition of the target

In November 2021, Covivio decided to increase its ambition from a previous 34% GHG emission reduction to 40% between 2010 and 2030 in intensity for all scopes of emissions. This resulted in a -63% target for Scopes 1 & 2 between 2015 and 2030. This shows its determination and ambition to contribute to fight climate change and align with the objectives of the Paris Agreement.

This objective has been validated by the SBTi as aligned with a 1.5°C scenario.

Covivio is also targeting a net zero carbon contribution from 2030 for scopes 1 and 2.

Means for achieving the target

- Prioritise refurbishment and tackle urban sprawl: today, more than 50% of Covivio's new projects involve the refurbishment of existing buildings, with the aim of "net zero land take", or even reverse land take, to encourage biodiversity, sequester carbon and address the urban heat island effect (100% of new office development projects include green spaces). By combining the reuse of buildings with the circular economy, the use of sustainable materials and the installation of advanced systems for efficient building management, greenhouse gas emissions are reduced throughout the life cycle of the asset.
 - Encouraging the use of renewable energy: Covivio installs the appropriate systems for its development projects (solar power, geothermal energy, etc.). By 2030, it plans to supply 100% of its directly managed commercial properties with renewable electricity (compared with 61% at end-2020), while raising awareness about the issue among its tenants for tenant areas.
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²² Note that data may be different from the one included in past reports. The difference is related to the integration of the German offices portfolio acquired in 2020, which has also been verified by Covivio's auditors when the new carbon trajectory was submitted. This data has been provided to the SBTi, and validated by their services.

- Development of new tools: with the help of the CSTB, which also participated in the elaboration of Covivio's carbon trajectory, Covivio designed 2 operational tools. The first one is the LCA express and is dedicated to the development operation at the pre-design stage to identify the alignment of the future project with Covivio's requirements in terms of carbon. The second tool is a monitoring tool of the energy efficiency measures on the buildings that are in use to estimate the expected gains in terms of energy efficiency considering the CAPEX to invest.

Factors that may affect the achievement of the target

1. Macroeconomic risk driven by the transition to low carbon economy may include increased regulation and legislation, which may cause changes in market conditions.
2. Like many other production-based organizations, there may be lack of feasible technologies in the short- to mid- term for replacing fossil fuels.
3. Lack of government policy, guidance and/or regulatory support.
4. Introduction of new regulatory, outside the scope of Covivio's current expectations, inclusive of those implemented by the EU or national governments.

SPT #2: Reduction of absolute scope 3 GHG emissions from purchased goods and services and downstream leased assets by 37.5% by 2030 (vs 2015)

Metric	Unit	Baseline	Target	Target Observation Date
Scope 3 GHG emissions	ktCO ₂ e	433.3 ktCO ₂ e in 2015	37.5% reduction (270.6 ktCO ₂ e)	31 st December 2030

Ambition of the target

In November 2021, Covivio decided to increase its ambition from a previous 34% GHG emission reduction to 40% between 2010 and 2030 in intensity for all scopes of emissions. This resulted in a -37.5% target for scope 3 between 2015 and 2030. This shows Covivio's determination and ambition to contribute to fight climate change and align with the objectives of the Paris Agreement.

This objective has been validated by the SBTi as aligned with a Well-below 2°C scenario.

Means for achieving the target

- Committing in the low-carbon construction: Covivio sets a new objective with 75% of development projects aiming at the BBKA label (low carbon construction) in France and 50% in Germany and Italy. The target is lower for these countries since the label is not transcribed, however Covivio participates in the creation of a pan-european low-carbon label²³.
- Providing new tools: two tools developed in 2020 in association with the CSTB allow Covivio to monitor the actual performance of the portfolio relative to the Group carbon trajectory. The first tool relates to construction and refurbishment, in the form of an "Express LCA" which measures the impact of the chosen construction materials and techniques on the carbon footprint of a development during the project's upstream phase. The second tool covers the operational phase and calculates the financial and carbon impact of the energy efficiency improvements made to the portfolio.

²³ See press release [here](#)

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- With a responsible purchasing policy in place since 2011 for its suppliers and a strong partnership strategy with its tenants, Covivio is rallying all stakeholders to together make climate transition a success.
 - Engaging in associations and initiatives such as Alliance HQE-GBC, BBKA, SEKOYA and the Hub for low-carbon specifiers (Hub des prescripteurs bas carbone), Covivio is developing its expertise in low-carbon construction and management to support its 10-year vision.
 - Committing to low-carbon construction on a European scale: Covivio has commissioned the CSTB to produce LCA (Life Cycle Analysis) specifications. These will foster a low-carbon construction approach within the group, drawing on the French experience of BBKA-certified projects. The Thaïs building in Levallois-Perret was the first Covivio building to be BBKA certified back in 2017. Improving how Covivio measures the carbon footprint of its operations is key to achieving the ambitions Covivio set.
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Factors that may affect the achievement of the target

1. Macroeconomic risk driven by the transition to low carbon economy may include increased regulation and legislation, which may cause changes in market conditions.
 2. Like many other production-based organizations, there may be lack of feasible technologies in the short- to mid- term for replacing fossil fuels.
 3. Lack of government policy, guidance and/or regulatory support.
 4. Introduction of new regulatory, outside the scope of Covivio's current expectations, inclusive of those implemented by the EU or national governments.
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3.3 Financial Characteristics

Sustainability-linked bonds will incorporate the KPIs outlined in the "Selection of Key Performance Indicators" section.

All Sustainability-linked bonds issued under this Framework have a sustainability-linked feature that will result in a coupon or margin adjustment, or a premium payment, as the case may be, if a 'Trigger Event' occurs.

A Trigger Event occurs if:

- The KPIs have not achieved their SPT on the target observation date, *or*
- The verification of the SPTs has *not* been provided and made public as set out in the External Verification section of this Framework

The relevant KPIs, SPTs, step-up coupon or margin amount or premium payment amount, as applicable, will be specified in the relevant documentation of the specific transaction (e.g. Final Terms of the relevant Sustainability-linked bond).

For the avoidance of doubt, if the KPIs have achieved their SPT, and reporting and verification for the SPTs have been provided and made public in accordance with the reporting and verification sections of this Framework, the financial characteristics of any Sustainability-linked security issued by Covivio under this Framework shall remain unchanged.

3.4 Reporting

Covivio will publish and keep readily available and easily accessible on its website a Sustainability Linked Bond Progress Report, included in the Universal Registration Document that will include:

- Up-to-date information on the performance of each selected KPI, including the baseline where relevant;
- Calculation methodologies and underlying assumptions of the KPIs;
- Any additional relevant information enabling investors to monitor the progress of each selected KPI towards the SPT.

Reporting may also include, when possible and feasible:

- Qualitative or quantitative explanation of the contribution of the main factors, including M&A activity, behind the evolution of each selected KPI on an annual basis; and/or
- Illustration of the positive sustainability impact of the performance improvement; and/or
- Any re-assessments of KPIs due to any changes to the calculation methodology for a KPI or significant changes in data due to better data accessibility, if relevant; and/or
- Any adjustments of baselines or KPI scope, if relevant; and/or
- Updates on new or proposed regulations from regulatory bodies relevant to the KPIs and the SPTs.

When relevant, Covivio may also provide information on changes to its sustainability strategy or governance.

The Sustainability Linked Bond Progress Report shall be published annually (and at the latest by the end of the first half of the following year).

3.5 External Verification

Pre-issuance verification

A Second Party Opinion has been provided by Moody's ESG, formerly V.E., to ensure that this Framework follows all principles laid out in the Sustainability-Linked Bond Principles 2020. It will be made publicly available on Covivio's website²⁴.

Post-issuance verification

The annual performance of each KPI included in the Sustainability Linked Bond Progress Report will also be subject to external verification by an external verifier. Verification of KPI performance will be conducted on an annual basis on a "Limited Assurance" standard, and made publicly available in the Sustainability Linked Bond Progress Report.

Recalculation Policy

The KPI(s) and/or the SPT(s) may be recalculated in good faith by Covivio to reflect any material change:

- i. in the Group's perimeter (due to an acquisition, a merger or a demerger or other restructuring, an amalgamation, a consolidation or other form of reorganisation with similar effect, a spin-off, a disposal or a sale of assets)
- ii. in or any amendment to any applicable laws, regulations, rules, guidelines and policies relating to the business of the Group; or
- iii. to the methodology for calculation of any KPI to reflect changes in the market practice or the relevant market standards, or due to data error or better availability of information which, individually or in aggregate, has a significant impact on the level of any SPT or any KPI baseline.

Such recalculation may be performed provided that an External Verifier has independently confirmed that the proposed revision is consistent with Covivio's sustainable strategy, and is in line with the initial level of ambition of the SPT(s).

²⁴ See [here](#)

Any such change will be communicated and notified as soon as reasonably practicable by Covivio in accordance with the conditions detailed in the specific documentation of each Sustainability-Linked Bond.

Amendments to this Framework

Covivio will review this Framework from time to time, including its alignment to updated versions of the relevant Principles as and when available in the market. Any major update will be subject to the prior approval of Moody's ESG or any such other qualified provider of Second Party Opinion.

Disclaimer

This document (the "Framework") may contain information, opinions and certain forward-looking statements that reflect Covivio's management's current views with respect to future events and financial and operational performance of Covivio. These forward-looking statements are based on Covivio's current expectations and projections about future events.

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