

COVIVIO

United Nations Global Compact 2019 Communication on Progress

GC ADVANCED level



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Editorial by the CEO



Renewal of our commitment

Covivio, our new European identity, symbolises our ambition to set real estate in motion to harness the ever-increasing aspirations of our users. The transformation of Covivio into an integrated European Group accelerated this year with the merger through absorption of our Italian subsidiary, Beni Stabili, effective at the end of 2018.

Covivio is now focused on three activities in which we hold leadership positions: Offices (in France and Italy), Residential (in Germany) and Hotels (in Europe). By placing people and the service dimension at the centre of our projects, we support all transitions (energy, climate, environmental, digital...) as we implement them. Our CSR policy obviously takes into account the regulations, cultures and markets of each country and each market, but it remains global, like the major challenges we face.

Faced with these challenges, which come from both the climate and humans, certifications and labels such as HQE, BREEAM, Well and OsmoZ are markers of CSR performance. By the end of 2019, the $\frac{3}{4}$ of our core¹ portfolios will be certified. To fit into the 2°C and even 1.5°C trajectory of the 2015 Paris Climate Agreement, we calculated, with the CSTB, Covivio's 2030 carbon trajectory. Integrating the three business lines at the European level, it was approved by the SBT (Science Based Targets) initiative in the summer of 2018. In 2019/2020, we will work on drafting a carbon action plan using multiple levers: biodiversity, BIM model, circular economy...

Finally, the CSR risks mapping study that we conducted in 2018 structures our 2018 Non-Financial Statement (NFS). This 2018 NFS uses the framework of the United Nations 17 Sustainable Development Goals (SDGs) to be achieved by 2030. As a member of the Global Compact since 2011, Covivio has been integrating the dynamics of the 17 SDGs since the 2016 COP.

It is therefore within the framework of a structured and coherent action, with both conviction and pride, that I renew Covivio's commitment to respect the ten Principles of the Global Compact and to increase its influence in its sphere of influence.

Paris, September 12th, 2019

Christophe Kullmann
CEO

A handwritten signature in black ink on a white background, enclosed in a thin black border.

¹ Core asset: slated to remain permanently in the portfolio

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17 Sustainable Development Goals to change the world



At the sustainable development summit held in New York in September 2015, the 193 UN State Members officially ratified a new sustainable development program called "Transforming the world: the sustainable development program to be achieved by 2030".

Launched in January 2016, this program contains 17 objectives broken down into 169 targets which aim to tackle extreme poverty, inequality, social exclusion and climate change and biodiversity erosion.

These new sustainability standards² apply to states as well organisations located in these states, as they carry most of the responsibility associated with these challenges.

Private sector companies have an important role to play in incorporating these objectives in their strategies. According to the study by KPMG "How to Report on SDGs" published in February 2018, only 4 out of 10 organisations worldwide include SDGs in their reporting. This figure goes up to 6 out of 10 in France, a third of which belong to the SBF 120 index³.

However, SDGs represent real job opportunities (\$12,000 billion per year by 2030 according to Better Business, Better World⁴ and a \$5,000 to \$7,000 billion increase in investments according to UNEP-FI⁵). Indeed, investors will be more likely to invest their capital in companies with the most sustainable business models.

Today, more than ever, companies have a great deal of responsibility. In a recent survey, 88% of French respondents said that businesses have the most important role to play in achieving the SDGs, ahead of governments and civil society⁶.

France has just published its roadmap on the Sustainable Development Goals (SDGs), and announced, on September 20, the creation of a dedicated fund. Three actions were given priority: assistance for the homeless, inclusion through employment (through childcare, mobility aid in particular) and the circular economy (combating waste, reducing waste and re-employment).

A shared 2030 agenda

Covivio has been a Global Compact signatory since 2011. Therefore, as early as 2016, its CSR reporting started referring to the 17 UN SDGs in a clear manner via its action plan, COPs, reference documents, sustainable development reports and its website.

Covivio's multi-year CSR objectives described in the reference document and in Covivio's sustainable development report are consistent with the UN 2030 objectives, various regulations Covivio has to comply with as part of other objectives it has set itself and the Paris December 2015 two degrees agreement objectives.

² <https://www.novethic.fr/actualite/entreprise-responsable/isr-rse/aucun-pays-n-est-sur-la-bonne-voie-pour-atteindre-les-odd-d-ici-2030-146078.html>

³ <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2018/02/how-to-report-on-sdgs.pdf>

⁴ <http://www.globalcompact-france.org/actualites/objectifs-de-developpement-durable-comment-aller-plus-loin-dans-leur-integration-par-les-entreprises-103>

⁵ https://paris-europlace.com/sites/default/files/public/rapport_parisgreensustainablefi_2016_2.pdf

⁶ Baromètre "Les Français et les ODD", 4D - WECF France - IFOP, 2019

All the actions carried out by the Group and described in this COP have been assessed using both the SDGs and the 10 principles of the Global Compact.

The illustration below, available on the French Global Compact website shows the link between the 10 principles of the UN Global Compact and the 17 SDGs.

THE TEN PRINCIPLES of the United Nations Global Compact



8 key SDGs for Covivio

The internal analysis carried out in 2018 throughout the Group and its activities helped identify the 8 most important SDGs for Covivio. This study relied on the materiality analysis mentioned above (and detailed on page 14 of the 2018 sustainable development report) by matching it with the UN SDGs. 8 major SDGs for Covivio were identified (those on which the industry has the most impacts, or vice versa):



Beyond those 8 SDGs, the actions carried out by Covivio have contributed positively to most of the other SDGs in different ways as shown in the GRI/ SDG Concordance table (pages 161 to 166 in the 2018 sustainable development report).

APPROPRIATION OF THE 8 MAJOR SDGS BY COVIVIO

3 - GOOD HEALTH AND 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 talents 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. 65)

7 - AFFORDABLE AND CLEAN ENERGY:

pursue an ambitious policy to reduce energy consumption (through 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. 50-53)

8 - DECENT WORK AND ECONOMIC GROWTH:

participate in the dynamism 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, decent work and equal pay for work of equal value. (p. 103)

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 a 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. 38)

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 particular attention to air quality and municipal waste management. (p. 48)

12 - RESPONSIBLE CONSUMPTION AND PRODUCTION:

undertake, through development and asset management activities and through the supply chain, to produce and consume responsibly.

Target example:

12.6 – Encourage companies, especially large and transnational corporations, to adopt sustainable practices and include sustainability information in reports. (p. 86)

13 - CLIMATE ACTION:

adopt a global vision to reduce the carbon and building footprints at each stage of their life cycle.

Target example:

13.2 – Incorporate climate change measures into national policies, strategies and planning. (p. 64)

15 - LIFE ON LAND:

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. 82)

Further information: p14-15 of the 2018 SD Report

1. Covivio as a model player in sustainable real estate

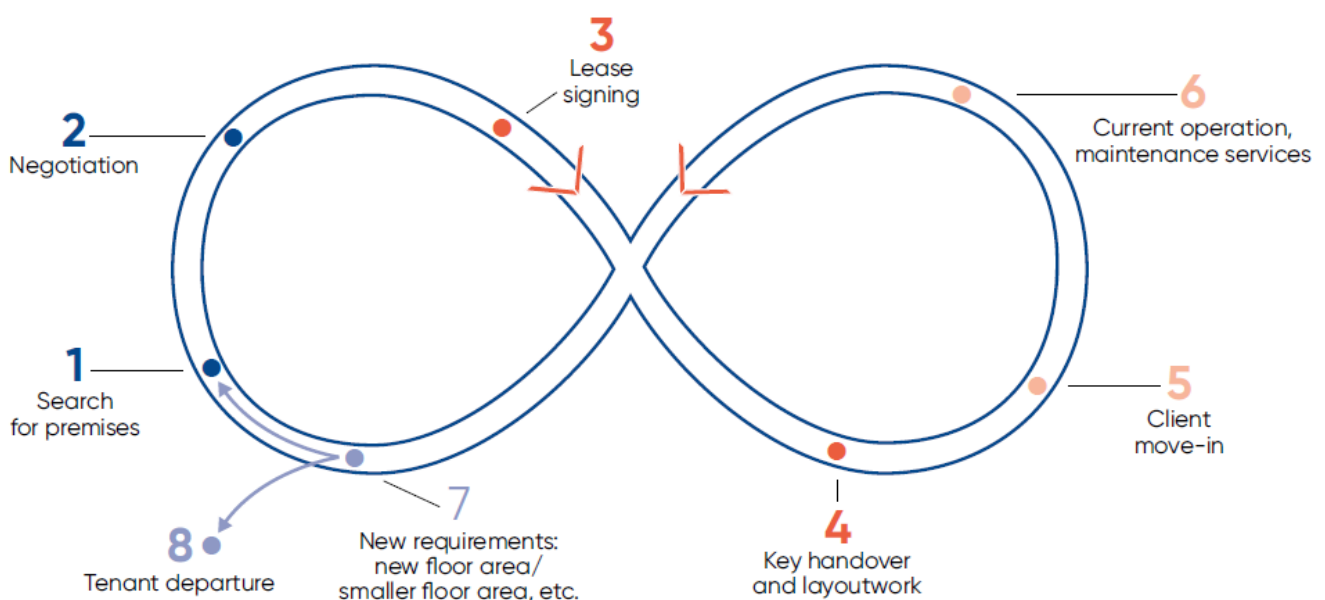
1.A. A European strategy

With €23 Billion worth of assets in Europe and a €6 Billion development pipeline, Covivio is the fourth largest asset manager in Europe. As a major player in the French and Italian office markets, the German residential market and the hotel market in Europe, Covivio helps organisations, hotel brands and local public bodies to achieve their objectives in terms of responsible attractiveness, transformation and performance.

Covivio's approach to adaptable and "living" buildings is based on 3 principles:

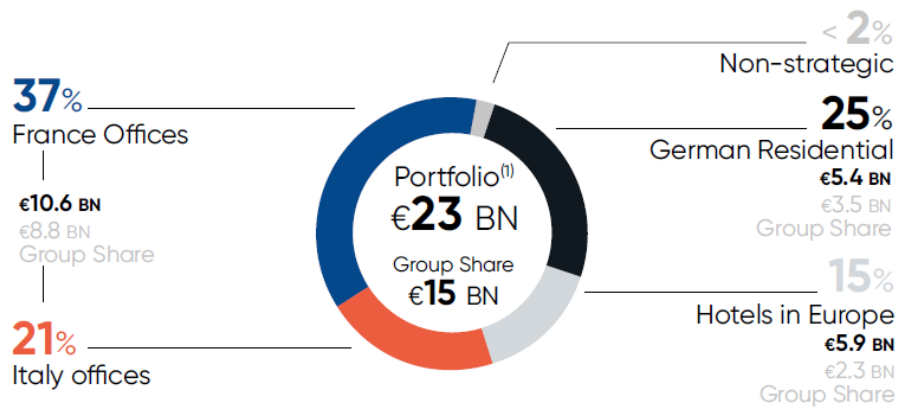
- Harmonize work-travel-living uses in a world where they increasingly overlap
- Be involved at every single stage of the building chain from new building development to designing innovative services, such as co-working developed by Wellio or co-living initiated in Germany
- Always promote a customer-orientated culture which is inherent to Covivio's DNA.

The customer experience



Since its creation twenty years ago, Covivio has always had a customer orientated culture, putting real estate excellence and long-term commitment at the heart of its strategy. Historically focussed on French markets, Covivio is now present in big cities in Europe, knows local people's working, commuting and living habits and intervenes as a global operator at all stages of the real estate chain. To adapt to the changes in usage occurring in and challenging the real estate industry, Covivio has gradually widened its skillset while strengthening its client relationships, with decision makers and end users alike.

Breakdown of Covivio's European portfolio by type of asset

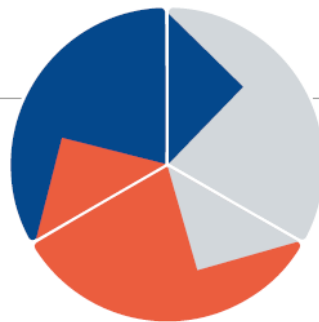


(1) Breakdown in Group Share, proforma of the disposal of the French Residential portfolio signed early 2019

The three R&D areas at Covivio

VALUE CREATION

- New services
- Green value/intangible value
- Regional economic and social impact
- Responsible procurements
- Circular economy



THE BUILDING

- Greening of the portfolio
- Data monitoring & measurement (including BIM)
- Life cycle analysis: ACV, C2C, etc.
 - Climate change adaptation
- Accessibility for disabled people
 - Air quality
- Flexibility of premises/new uses

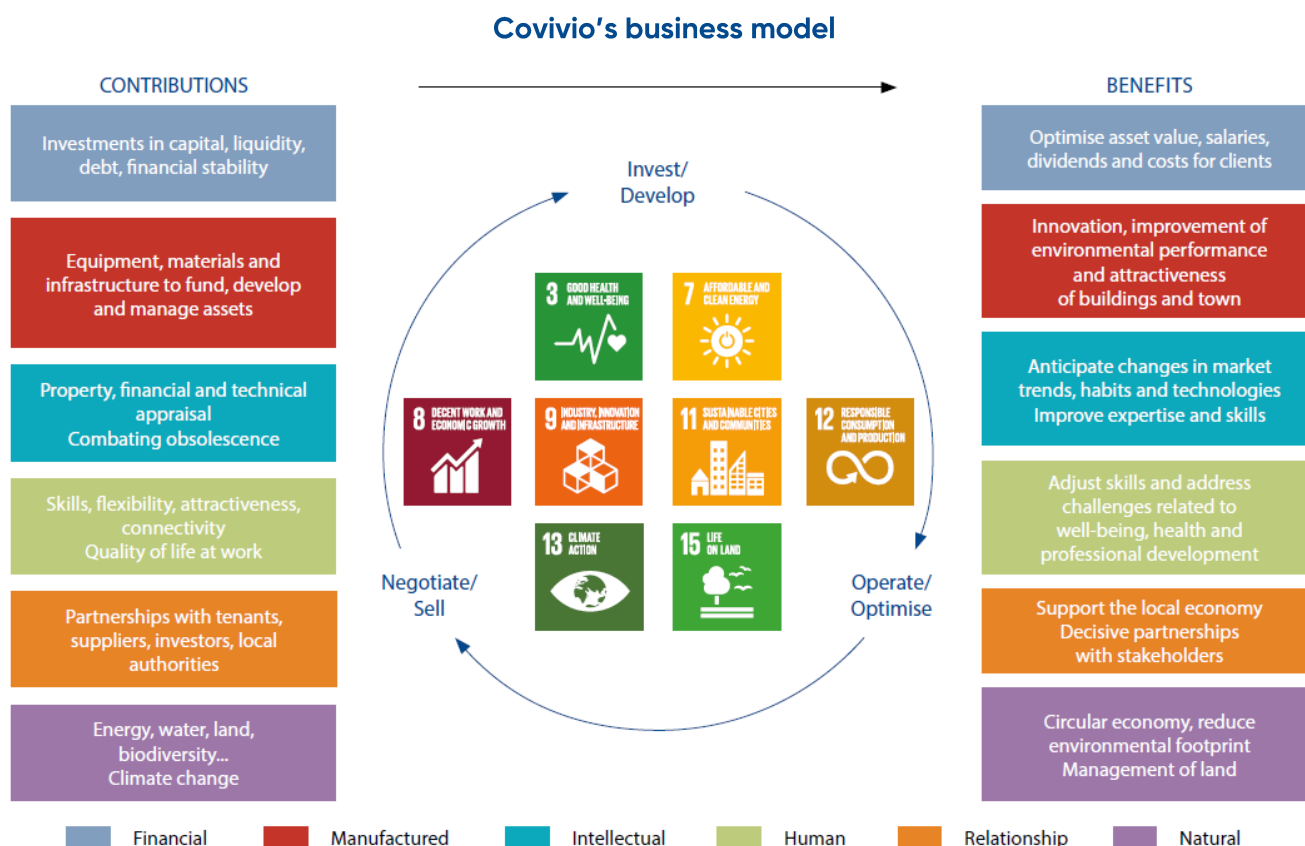
THE BUILDING'S ENVIRONMENT

- Sustainable and inclusive city
- Biodiversity
- Energy networks/flexibility
- Transport/accessibility
- Building impacts on air and water

Further information: p12-16 of the 2018 SD Report

1.B. A business model which creates long term value

Covivio’s business model creates value throughout the whole real estate cycle. This value creation process is responsible, long-term and is beneficial to all parties involved.



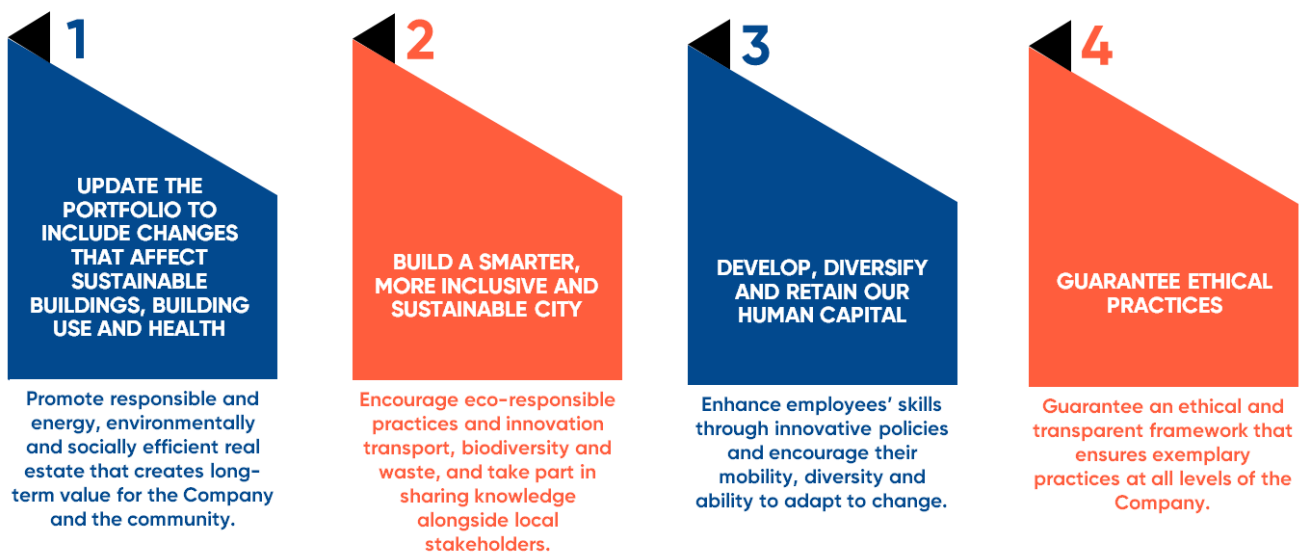
Recognising the importance of the social and environmental issues that are transforming city life, Covivio has included Sustainable Development and innovation at the heart of its corporate and portfolio strategy for several years.

Covivio’s sustainable development strategy is shared by all of its activities in Europe, at all levels of the company. Developed by drawing lessons from the analysis of its material challenges, this strategy is broken down into action plans which are expanded and adapted in response to regular analysis of the risks and opportunities that the environment presents in its field of activity. Covivio is changing its action plan to adapt it to each product and each country, with a high level of ambition in each case.

The CSR issues identified by external stakeholders (employees, tenants, suppliers etc.) were ranked and cross-referenced with those of Covivio at Group level.

Further information: p17-18 of the 2018 SD Report

The four pillars of this CSR strategy are common to each of its activities:



Further information: p24 of the 2018 SD Report



1.C. Understand risk for better risk 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 concerning CSR risks was conducted internally at Covivio in 2018. The CSR risks identified ranged from asset obsolescence to business interruption in exceptional circumstances (cybersecurity, fire, pandemic, etc.). The corresponding action plans are periodically followed up on by General Management and the Audit Committee.

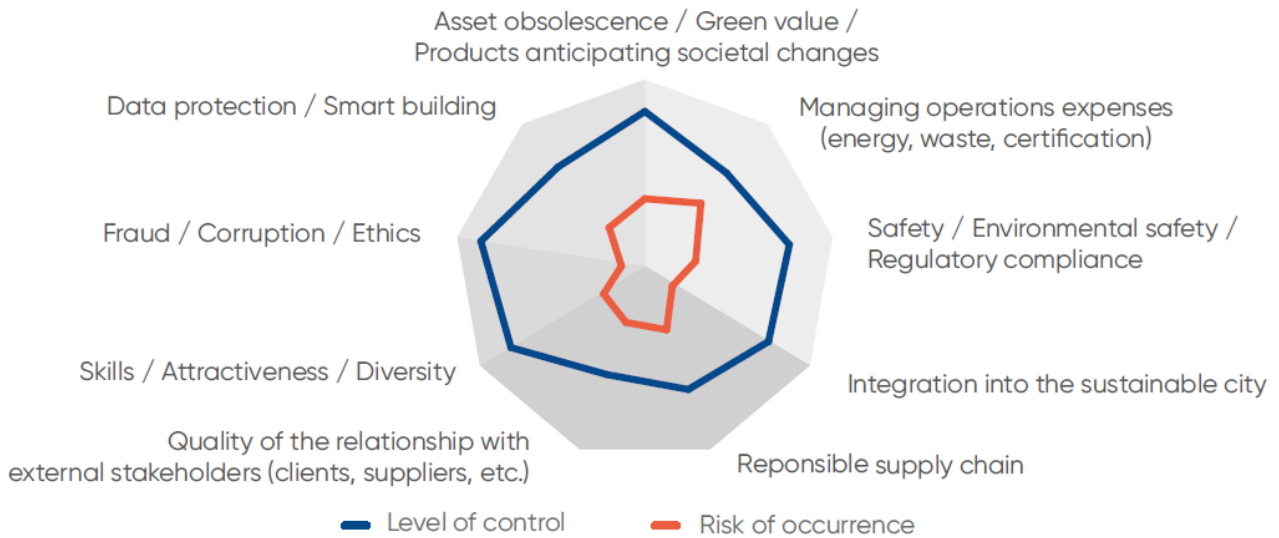
Risk monitoring procedure



The CSR mapping thus produced 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.

Summary of Covivio CSR risks



Further information: p23-24 of the 2018 SD Report

1.D. A governance structure based on the global compact's principles and integrating sustainable development goals across all Group activities



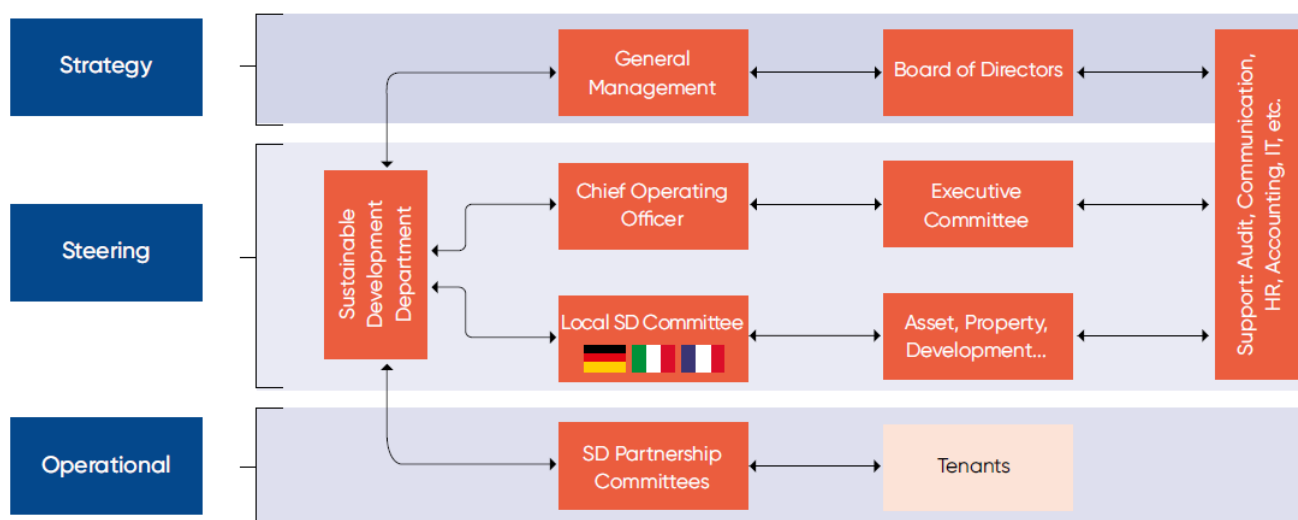
The Sustainable Development Department proposes and coordinates initiatives across the Group's various business activities, with the support of General Management. It is closely monitored by the Board of Directors. This dedicated, interdisciplinary team engages with all of the Group's business lines, providing technical expertise to their various departments, and playing an instrumental role in terms of innovation, raising awareness and reporting.

The CSR policy is applied in several ways: The Sustainable Development Steering Committee meets monthly and includes the CEO, the Chief Corporate Officer, who share CSR matters with the Management Committee, as well as the Sustainable Development Director.

The board of Directors monitors organisational performance in terms of environmental, social and corporate responsibility and progress towards set objectives. It decides on the areas where CSR performance needs improvement and compares the Group's achievements against peer organisations in Europe.

Sustainable development results are now systematically integrated in the set of criteria used to determine the Committee members' bonuses.

Sustainable development steering at Covivio



Further information: p25 and 112-116 of the 2018 SD Report



Patricia Savin - Legal Partner: co-heads the environment and sustainable development department at DS Lawyers, sits on Covivio's board as an independent administrator and is the president of Orée.

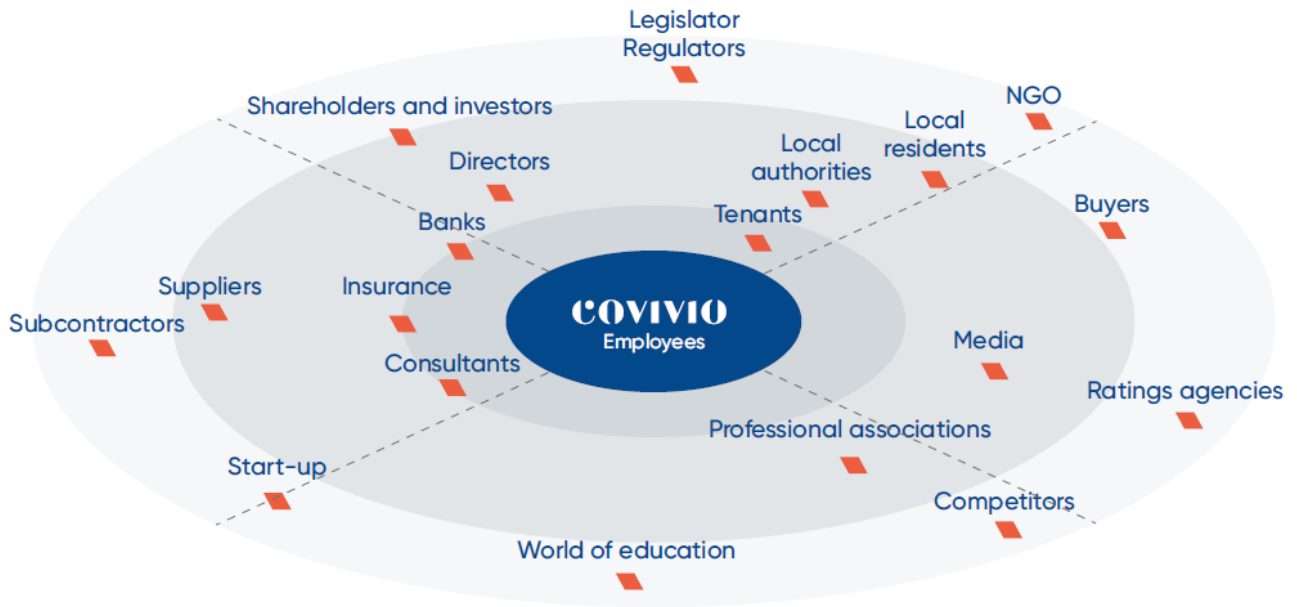


«Personally involved in implementing coherent and structuring approaches to CSR challenges, I am pleased to note that the issues related to sustainable development are, every year, perceived with increasing interest and motivation by Covivio as a real source of value creation. The Group is thus leader in these matters. The Board of Directors is following all these issues with increasing interest. »

1.E. Long-term commitment from stakeholders

Considering the expectations of the Group’s stakeholders has been formalised by mapping them, and the realisation of a materiality matrix as early as 2010.

Mapping of Covivio’s stakeholders



Tailored communication methods

Main stakeholders	Expectations of stakeholders	Communication method
Tenants	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
Shareholders	Visibility and longevity of the business model and profitability	Letter to shareholders, press releases, financial press releases, road shows, investor days, website.
Ratings agencies	Transparency of financial and non-financial communications	Reference Document and Sustainable Development Report
Employees	Follow-up support for professional development, training	Intranet site, internal communications tools
Local authorities and non-profit organisations	Awareness of their socio-economic challenges	Sustainable Development Report Involvement in various collaborative projects, conferences.
Suppliers	Fair business practices	White Paper on supplier relations + Responsible Procurement Charter

As a real estate player working for the city, Covivio has incorporated the challenges of the city of the future into its buildings to make sure they blend in the urban landscape (in terms of accessibility, mobility and biodiversity).

With its suppliers, Covivio has adopted a dedicated policy that covers the entire supply chain life cycle of its office activities in France. This responsible purchasing policy gradually extends to German and Italian activities.

Since 2008, Covivio has developed a partnership and collaboration policy with the education sector via skills patronage with the Palladio foundation, the Passerelle Programme and Article 1.

Staff considerations are central to Covivio's strategy: an ambitious HR policy based on skill development and well-being secures staff loyalty and enhances their performance.

Further information: p20-21 of the 2018 SD Report

1.F. A recognised CSR policy

The company has been rated by the following indices: Euronext-Vigeo Eiris France 20, Europe 120, Eurozone 120 and World 120, DJSI Europe and World indices, FTSE4Good, Stoxx® Global ESG Leaders, Gaïa (Ethifinance), Ethibel, Sustainalytics and Oekom's Prime Universe. Covivio joined the climate A-list of the CDP in 2018. It also received a Green Star in the GRESB assessment (80/100) for the first answer as a European Group and an EPRA Gold Award for their CSR reporting and another one for their financial reporting. Covivio also obtained the A1+ rating at the Vigeo-Eiris Corporate Rating in 2019, which makes it the leader of its sector and places it in 7th position in the world. Covivio also obtained 81/100 (Gold level) in 2019 at the Ecovadis rating. The Group now belongs to the small proportion of companies (5%) with the best grades and has reached the "Exceptional" status.

CSR data published by Covivio in its various reports (annual, CSR, COP etc.) are verified by an independent third party every year. A copy of the verification letter is available on pages 170-171 in the 2018 Annual Report on Sustainable Performance.

Further information: p26-27 of the 2018 SD Report

2. Covivio's Global Compact Progress report




2.A. Human Rights

Covivio carries out its activities in Europe, mainly in France, Germany and Italy; in principle, these countries present little risk regarding the violation of human rights. Nevertheless, Covivio remains vigilant and committed, ensuring that human rights are respected at all stages of its business activities.


Human Rights

Signatory companies are requested to:



1

Principle No.1: support and respect the protection of internationally proclaimed human rights within their circle of influence and...



2

Principle No.2: ensure that their own businesses are not complicit in human rights abuses.

SDGs covered in this section:



 **Principle No.1: Support and respect the protection of internationally proclaimed human rights within their circle of influence.**

Respect fundamental human rights

Covivio is committed to applying the laws, agreements and regulations in force in the countries where it operates and respecting the principles of international reference texts, in particular:

- the Universal Declaration of Human Rights (UDHR) and its additional protocols
- the conventions of the International Labour Organization (ILO)
- the ten Principles of the Global Compact
- the Diversity Charter.

Internal rules and 100% of all human resources policies in each Covivio entity comply with the international conventions on human rights.

Every year since 2010, Covivio's sustainable development report has been verified by an independent third party, which vouches for its commitments and declarations. Six audits have already been conducted with no reservations expressed. Compliance with the GRI (G3.1, G4 then

GRI Standards since the 2017 report) and its Construction & Real Estate Sector Supplement is also audited by EY, along with adherence to EPRA's Best Practice Recommendations.

Further information: p 170–171 of the 2018 SD Report

Respect major principles through the signing of Charters

Covivio's commitment to the protection and respect of human rights is demonstrated through its Code of Ethics and several internal procedures. Ethics and transparency are promoted and supervised by the CEO and the Chief Operating Officer, who are also members of Covivio's Management and Compliance Committee. Initiatives in this field are coordinated by the Audit and Internal Control Department which is responsible for the 2018 update of the Code of Ethics; new regulations and good real estate sector practices have been added since the update and employees can now be disciplined for failing to comply.

This department is also responsible for staff charter training and training regarding procedures linked to sensitive issues such as corruption. These meetings, known as "Process Mornings" have made it possible to train new and existing staff and make them aware of the procedures in place and the Group's Code of Ethics.

Covivio's Code of Ethics is available on:

<https://www.covivio.eu/app/uploads/2018/12/Ethics-Charter-Covivio.pdf>

Further information: see "Fighting corruption"

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 generating 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 scholars, selected through an interview process, with accommodation in university residences.

Several Covivio employees are mentors and provide support for students on under- or post-graduate courses for two or three years, before helping them to launch their careers.

Another skills-based sponsorship is the Passerelle ("gateway") programme that Covivio has run since 2008 in partnership with 2 high school located in priority education zones (zones d'éducation prioritaire or ZEPs) in Bobigny (Department 93) and Forbach (Department 57). It provides opportunities for the high school pupils and technical (BTS) or preparatory class students in the two establishments to meet professionals working in various functions at Covivio (IT, accounts, human resources, general management, real estate, etc.). In a period of their lives when they need to make long-term choices, more than 2,500 pupils and students from the two establishments have benefited from various activities: including job interviews, CV workshops, internships, round table business discussions, and visits to buildings, etc. thanks to more than fifty volunteers from the Group.

Since 2008, Covivio employees have been invited to participate in the “Foulées de l’Immobilier” race, of which the kilometres are converted into donation to the Perce-Neige association.

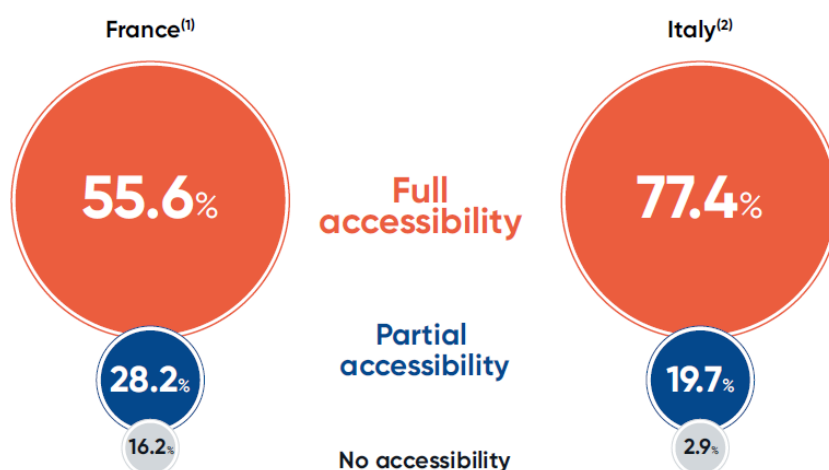
Covivio collected toys and clothes from its employees for the benefit of the Rejoué Association and Secours Populaire.

Further information: p 80-82 of the 2018 SD Report

Acting for the accessibility of buildings for people with reduced mobility

Beyond the accessibility of its assets to public transportation (99.6% of the French offices assets are located at less than 10 minutes by foot), Covivio pays attention to the accessibility of its buildings and removing architectural barriers in public spaces. The legal framework in the countries in which Covivio operates sets out technical parameters to ensure that several items are respected: including minimum width of doors, the design of stairs, slope of access ramps, the sizing of lifts and the design of toilets, etc. Covivio’s developments and renovations comply with the strictest accessibility standards. Different solutions have been deployed to improve the quality of life for people suffering from a visual disability or impaired hearing, including the installation of audible signals and luminous markings.

Office accessibility for people with reduced mobility as at 31/12/2018 (by value, Group Share)



(1): Excluding TC Orange (<20 employees), logistics, not built land.

(2): Excluding TI.

In Germany, The Probewohnen project, launched in 2015, aims to offer people with mental disabilities the opportunity to test their autonomy in adapted housing. Another project called The Wohnen im Pott 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.

Further information: p81 & 85 of the 2018 SD Report



Principle No.2: Make sure that their own businesses are not complicit in human rights abuses.



Challenging and supporting suppliers

Covivio was one of the first European real estate companies to adopt a Responsible Procurement Policy. A Responsible Purchasing Policy was designed back in 2010. The tools were finalised in 2011 and the measures were first deployed in 2011/2012.

Responsible purchasing policy is deployed using 3 tools:

- the Responsible Procurement Charter drawn up by Covivio promotes the principles of the UN Global Compact, the Diversity Charter, the ILO and those of its own Code of Ethics. This 2018 update was undertaken in order to revise certain provisions to include new regulations, in particular the GDPR. This Charter is integrated in tenders' documentation.
- the inclusion of CSR commitments in any new contracts agreed with suppliers.
- a survey questionnaire, updated in 2018 and issued to all French suppliers receiving orders of more than €200,000

At the beginning of 2018, 371 out of 512 suppliers (construction companies, self-employed workers, consultants, etc) had filled out the questionnaire and signed Covivio's Responsible Purchasing Charter.

By signing the Responsible Purchasing Charter, the supplier undertakes to respect the principles of the ILO, the Global Compact and the Diversity Charter.

In particular, it undertakes to:

- Respect the safety and hygiene rules for its employees, subcontractors and suppliers.
- To promote diversity by condemning all forms of discrimination
- To respect the eight fundamental ILO conventions
- To respect the Principles of the Universal Declaration of Human Rights

An annual audit of the responses to the questionnaire is conducted by an independent and specialised third party on a random panel of suppliers. Covivio does not intend to conduct or initiate on-site audits. In France, on-site inspections are performed by the Health and Safety Coordinator (Coordonnateur SPS) on works sites.

This procedure provides Covivio with a true picture of its suppliers' CSR commitment level and positioning against the Group's core values. Each supplier is rated based on their survey responses; the computer program designed to provide the rating adjusts it according to the size of the supplier. Two criteria are used to determine the size: annual revenue and staff numbers. The average rating of the suppliers who responded was 10.6/20.

Both the Charter and the survey questionnaires consider the various CSR aspects (environmental, social, community and governance aspects). The Charter, currently under review, is available on Covivio Website: <https://www.covivio.eu/app/uploads/2019/04/Responsible-Purchasing-Charter.pdf>

As a result of this mature policy, the Responsible Supplier Relations Charter (a government supported initiative) was signed in 2015. This reflects a general aspiration to improve client and

supplier relationships and helps promote fair and responsible purchasing practices. An internal mediator has been appointed at Group level to help manage potential conflicts. Additionally, Covivio published the white paper on supplier relations – also currently being reviewed – to explain the changes in the Responsible Purchasing Policy, the initiatives carried out as part of its enforcement and the benefits to the organisation. It also provides an overview of the results and future perspectives.

Further information: p86–88 of the 2018 SD Report



Fanny Bénard – Partner
Responsible purchasing consultant at BuyYourWay



«The interviews conducted in 2018 highlighted their interest in health and safety, which are among the CSR topics best covered by the suppliers interviewed. The approach is often formalised using a management system. It ensures the protection of employees, and in some cases their subcontractors.

In addition to training and wearing personal protective equipment, risk reporting and accident management systems are deployed by those who are the most involved.

Stress management approaches are structured in some companies, with investigations to detect stress risks and original actions (sophrology, pilate, workload adaptation...). »

Human Rights: summary of 2018 results

Progress against principles Nos. 1 and 2:

- ✓ 100% of Covivio’s activities comply with human rights;
- ✓ European operations are not considered as at-risk areas regarding forced or child labour;
- ✓ 100% of staff members attended Code of Ethics training;
- ✓ 371 suppliers answered the CSR survey and signed Covivio’s Responsible Purchasing Policy;
- ✓ The White Paper on Supplier Relations was updated in 2018 / 2019;
- ✓ According to the 2019 social barometer, 88% of employees are satisfied with their job at Covivio (France);
- ✓ Happy Trainees Certification (France) obtained in 2019;
- ✓ Process Mornings: 100% of employees trained;
- ✓ Article 1: 5 employees are mentors and 200 young people supported through the MAISON programme;
- ✓ Passerelle: more than 55 employees committed since the start of the programme;
- ✓ Accessibility to people with reduced mobility: 55.6% of the offices are fully accessible, 28.2% partially in France (77.4% and 19.7% in Italy);
- ✓ Ecovadis: Covivio obtained a 81/100 grade in 2019 (78/100 in 2018).

2.B. International Labour Standards

Covivio is attentive to working conditions and, since its creation, has always made every effort to maintain good labour relations within the company.

Human resources management within Covivio and its subsidiaries comply with the fundamental ILO conventions on freedom of association, the right to organise and bargain collectively, equal pay, abolition of forced and child labour, discrimination and the minimum age for employment.

These fundamental principles are incorporated into French, Italian and German law. Human resources management and labour relations therefore comply with them.

Covivio operates in France, Germany and Italy. Labour legislation in these countries protects workers. Moreover, these countries have ratified the International Conventions including No. 87 regarding freedom of association and protection of the right to organise and No. 98 on the right to organise and collective bargaining.

International Labour Standards

Organisations are expected to:

	<p>Principle No.3: respect freedom of association and the right to collective bargaining</p>
	<p>Principle No.4: eliminate all forms of forced or compulsory labour</p>
	<p>Principle No.5: support effective abolition of child labour</p>
	<p>Principle No.6: eliminate discrimination in respect of employment and occupation</p>

SDGs covered in this section:





Principle No. 3: Respect freedom of association and the right to collective bargaining.

Ensuring transparent social dialogue

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

In France, the central employee representative bodies are the Works Council (WC) and the Health and Safety Committees (CHSCT in France) – which will become the Social and Economic Council (CSE) in 2020. The WC, elected for 4 years, is consulted or informed of all topics impacting the smooth running of the company (acquisitions or major real estate disposals for example). The CHSCT follows working conditions, Quality of Life in the workplace and health / safety issues in general.

In addition, for several years now, Covivio has reached salary agreement with union representatives under the mandatory annual negotiations. The negotiations must cover the fields defined by law: mainly the remuneration and the sharing of added value, but also working time, professional equality of women and men, and quality of life at work.



Caroline Torner
Head of Social Law and Remuneration - Covivio



«During three Works Council meetings held in 2018, the employee representatives were informed and consulted about the Group's social policy, its economic and financial position, as well as its strategic priorities and their social impact (particularly with respect to changes in jobs and skills). The social dialogue was also facilitated by two extraordinary meetings of the Works Council linked to changes in the Group, one dedicated to changes in the organisation of the real estate functions, the other to the merger of the company Beni Stabili with Covivio. »

The work council was also involved and consulted on the deployment of a home working experimentation charter which resulted in the signing of a collective agreement.

Six items of collective agreement were signed in line with previous years' collective agreements: profit sharing, revenue sharing, employee savings, the use of the electronic voting system for professional elections and the "contrat de génération"⁷ agreement.

Since an agreement reached on January 1st, 2018, Covivio has contributed 75% of private health care costs for all staff in non-managerial positions and 65% for staff in managerial positions (vs. respectively 70% and 60% in the past).

Since January 1st, 2017 and as part of a more comprehensive sustainable development policy, all employees in the Group can now get an 80% refund on their public transport commuting costs (instead of 50% required by law). An agreement was also signed to financially compensate staff who cycle to work.

Further information : p104 2018 SD Report "Ensuring dialogue social dialogue"

⁷ The "Contrat de génération" is designed to help young people access employment and maintain senior people in employment.



Principles Nos.4 and 5: Elimination of all forms of forced or compulsory labour; effective abolition of child labour.

The set of ethical principles advocated by Covivio are reflected in its Code of Ethics, and in particular in terms of respect for the individual and the environment. Covivio attaches the utmost importance to the rights of individuals, their dignity in all circumstances and their singularities. Respect for privacy and diversity, the promotion of gender equality and the fight against discrimination or the prevention and punishment of all forms of harassment are an integral part of its DNA.

Child Labour

With regard to the abolition of child labour, Covivio and its subsidiaries undertake to comply with the provisions of Article 32 of the Charter of Fundamental Rights of the European Union, prohibiting child labour and protecting young people at work. This article stipulates that young people admitted to work must enjoy working conditions appropriate to their age and be protected against economic exploitation or against any work likely to harm their safety, their health, physical, mental, moral or social development or to compromise their education.

Aware that its responsibility also extends to its suppliers' practices, as part of its responsible purchasing policy (see "challenging and supporting suppliers" page 17), Covivio has been collecting information on its suppliers' practices to avoid dealing with businesses that do not respect the ILO conventions. By signing the Responsible Purchasing Charter, suppliers also undertake to respect the principles of labour rights.

Health, safety and well-being of the employees

Health and safety are at the heart of Covivio's social policy, and many actions are carried out in favour of the health of employees, such as vaccination against influenza, specific office layout (installation of offices with variable height, adjustable feet for additional screens, etc.) for employees with musculoskeletal disorders, organisation of awareness sessions concerning VDU work, etc.

In 2018, Covivio conducted a study on the risks associated with possible loss of skills and know-how to do in cases of high turnover or low ability to attract talent which would be due to a lack of investment in terms of training/skills follow-up, unforeseen and/or untreated psychosocial disorders, or discriminatory practices.

In terms of safety, Covivio goes beyond the requirements of the French legislator with a total of 10% of employees holding a Rescuer First Aid Worker certificate. More generally, the CHSCT in France verifies the conformity and comfort of the facilities made available to employees.

In terms of workplace well-being, Covivio signed a Quality of Work Life Agreement in 2014 and renewed in 2018. This commitment includes a 24/7 and 7/7 hotline staffed by psychologists, as well as workload follow-up interviews every six months. All newcomers are aware of these tools, workplace well-being and psychosocial risks. Remote work was also perpetuated in 2018. New services ranging from dry cleaning to yoga sessions are offered to employees through the intervention of Welcome Managers.

Covivio is also committed to limiting noise exposure and preserving indoor air quality of the buildings that its employees and tenants occupy.

Finally, Covivio favours a policy of allocating variable shares incorporating the notion of individual performance, based on the level of achievement of the business objectives determined during the annual interview. Profit-sharing, participation and employee savings schemes have been implemented in France.

With regard to its supply chain, Covivio has put in place a follow-up on the accident in all its operations under development and restructuring.

Covivio has measured the level of involvement and commitment of its French employees through a social barometer: the 2019 results reveal an overall level of commitment of the teams above the average of French companies, in particular on the themes of commitment and pride in belonging, trust in management at all levels, and effectiveness in managing change.

Further information: p102-104 of the 2018 SD Report "Commitment to the well-being of the employees"



Principle No.6: Elimination of discrimination in respect of employment and occupation.

Promoting Diversity and Equality

As a signatory to the Diversity Charter in 2010 and the Global Compact in 2011, Covivio includes its HR policy in the objectives of these agreements, in particular in the systematic analysis of pay gaps within the same occupational population.

Gender distribution among staff in the Group is currently 50% women and 50% men (permanent employees) and remains stable compared with 2017 (respectively 50.7% and 49.3%). The proportion of female managers has increased by 4 points since 2017 (from 38% in 2017 to 40.6% in 2018). The proportion of female managers reached 58.5% in 2018 for the French entity. Following the merger of the Executive Committee and the Management Committee in 2017, the proportion of women in this new body is 36%. The French Executive Committee also has 50% of women since 2018. Finally, 40% of the Board of Directors are women.

The ex-aequo programme, set up in 2017, aims to promote equality between men and women at European level, through awareness-raising actions and a mentoring programme for women wishing to see their professional career develop by benefiting from the support of a mentor who is a member of the European Management team. Today, 22 French, Italian and German women benefit from this programme, with the launch of the second edition of this one.

In France and Italy, ad hoc measures are introduced to promote the balance of time between men and women, such as the Flexicrèche system, emergency reception in case of childcare problems.

Since 2013, applications and interview practices have been reviewed to ensure diversity in the range of candidate profiles considered for each position. Throughout the Group, each recruitment process must submit at least one female application. Every year, the human resources department provides the members of the Equality and Diversity Commission with a report that shows the number of applications reviewed at each stage of the recruitment process (CV

selection, feedback following interviews and final hiring decision) split by gender, age and disability. The implementation of these procedures has been extended to all Covivio's activities in Europe as part of the "ex-aequo" program to support gender equality. A recruiter's guide is also distributed to HR recruiters and managers; it reminds them of the principles of non-discrimination in hiring and the relevant regulations. In 2018, 100% of HR France recruiters received training to combat discrimination in hiring.

Moreover, with equal competence, Covivio favours candidates with disabilities.

Covivio also promotes the support of young people in employment, by promoting internships and alternances, as well as by working in partnership with high schools as part of the Passerelle programme.

Covivio also promotes the development of young talent through its Leadership Programme, which enables 17 employees from the three countries to work together on their development as team managers or cross-functional managers.

To support older staff, Covivio organises systematic interviews with the human resources department for each staff member when they turn 55; this interview can take place every year at the employee's request and is used to review different aspects of their role, discuss potential changes and plans of action (such as office ergonomics). In 2018, 100% of senior staff members were invited to these meetings and 45% attended. Additionally, the Group offers the possibility for all staff aged 55 or more to work part time with pension contributions equivalent to full time. So far, four staff members have gone part time and benefited from this scheme, which represents 15% of all senior staff in 2018.

Covivio also increasingly takes the accessibility criterion into account in the choice of location of its buildings, which thus contribute to the well-being of the end user and connects its heritage to public transport as much as possible.

Further information: p103 of the 2018 SD Report

Promoting fair and ethical practices

A whistleblowing system was implemented internally in 2015. This system allows any employee to denounce breaches of the principles laid down in the Ethical Charter, and in particular as regards discrimination and harassment in the workplace, and thus prevent any problems related to these issues. These alerts are then processed by one of the Group's three ethics officers.

Awareness-raising courses called "Process Morning" and focusing particularly on ethical practices at work, are carried out with each new employee.

The European HR Committees held once a month allow the dissemination of good practices in all the entities that make up Covivio. These principles are set out in the Group Ethical Charter, distributed to all employees as soon as they enter the Group.

Further information: p120-122 of the 2018 SD Report

Sharing and disseminating knowledge, and enhancing employability of all

Since 2008, Covivio has developed a partnership and collaborative policy with the world of education around applied research and focused on equal opportunities.

Thus, every year, Covivio participates in the "Forum des Métiers de l'Industrie Immobilière" (Real Estate Forum) in Paris, in order to make its business lines and expertise better known, share its values and identify potential new employees.

In Italy, Covivio has developed strong ties with Politecnico di Milano for several years.

Covivio also engages in the patronage of skills, to allow the greatest number to enter the labour market, and society in general.

For more details, see the human rights section.

Covivio pays particular attention to skills development. The training plan of Covivio pursues the objective of supporting the development of individuals through various trainings. Each employee is also assessed annually on his performance, and internal mobility and recruitment are preferred.

Further information p99-100 of the 2018 SD Report

International Labour Standards: summary of 2018 results

Progress against principles Nos 3, 4, 5 and 6:

- ✓ 100% of Covivio's staff is protected by a collective agreement in France, Germany and Italy;
- ✓ 40% of board members are women;
- ✓ The male/female ratio among permanent staff is 50/50%;
- ✓ 64.2% of our staff voted during the employee representative elections back in September 2019 (these elections are run every four years);
- ✓ 36% of women in the Executive Committee;
- ✓ 85% of Covivio's employees are proud to work in the company (France);
- ✓ 100% of the total workforce represented in joint Management-Employees occupational health and safety committees;
- ✓ 2% of the payroll allocated to the Works Council in France;
- ✓ 3.71% of the payroll devoted to training in France;
- ✓ Ratio of basic salary for men/women in management: 0.88 (vs. 0.84 in 2017) - France;
- ✓ 100% of employees (French perimeter) benefit from performance and career development interviews.

2.C. Environment

Conscious of its impact on the environment, Covivio has adopted a comprehensive and formalised environmental policy. The company strives to reduce the carbon footprint of its assets during development, renovation and operation (in terms of energy consumption and greenhouse gases, waste management, etc.), as well as for its own offices.

In a context of risk of obsolescence of buildings (ecological, digital, societal, etc.), having an impact on their attractiveness and liquidity, good control of operating expenses (energy, waste, certifications) and reducing the environmental footprint of assets is essential.

The Sustainable Development Policy of Covivio benefits from recognition by non-financial rating agencies (see p27 SD Report 2018).

Respect for the environment

7


Principle No.7: Organisations are expected to use caution when dealing with environmental issues.

8


Principle No.8: Organisations are expected to undertake initiatives to promote even more responsible environmental practices

9


Principle No.9: Organisations are expected to design and promote environmentally friendly technologies

SDGs covered in this section:



Principle No.7: Anticipate health and climate risks.

Covivio’s health and environmental risks are monitored and managed on a daily basis using efficient tools and dedicated teams, going beyond regulatory requirements.

Managing health and environmental risks

In 2018, Covivio was not subject to any orders to decontaminate or clean up land to enable it to be legally exploited, or to any legal ruling of 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.

Property acquisition and management requires that a number of assessments be carried out which may be mandatory depending on the building's date of construction. These assessments cover asbestos, pest status depending on the municipality (termites), mining and technological risks status (flood risks, mudslides, coastal submersion, Seveso risks), human health risks (indoor air quality, asbestos, Legionnaire's disease, lead, etc.), the environment (energy, greenhouse gas emissions, water, waste, etc.), or systems compliance (electricity and gas for residential units, etc.). All the necessary diagnostic tests have been carried out across the entire portfolio in accordance with existing regulations (European Directive of December 16th, 2002 on the energy performance of the buildings).

In France, Covivio's Environment Department adheres to the regulatory requirements set out in ICPEs (structures classified for environmental protection) which has introduced a clear framework. 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.

Beyond these regulatory compliance challenges, the Building Scientific and Technical Centre (CSTB) has developed a tool for Covivio to rate its assets. Designed as a decision-making aid for its arbitration and works policies, or during the acquisition of new properties, it is based on 20 to 24 indicators depending on the type of property. These indicators are used to evaluate an asset's overall environmental performance in relation to the risks mentioned above. All office buildings over €10 million are rated accordingly.

Area	Diagnostic procedures in place				2018	
	2016		2017			
Inventory of risks and pollution – number of cases examined ⁽¹⁾	348	100%	284	100%	226	100%
Cooling towers – number of sites involved ⁽²⁾	1	100%	1	100%	0	-

(1) Inventory of established risks.

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

As at 31 December 2018, the main risks for Covivio's office portfolio related to 226 sites (vs. 284 at 31 December 2017 – the difference is due to disposals), were as follows:

The table below outlines the risks considered as relevant to Covivio's Offices segment in France and Italy.

Number of sites concerned Risks	2016	2017	France	Italy
			2018	2018
Subsidence	46	38	36	0
Earthquake	1	3	4	236
Flood	81	62	53	2
Thermal effect	3	1	1	0
"Storm surge"	3	2	1	0
Toxic effect	2	2	1	0
Drought	8	4	5	0
Avalanche	0	0	0	0
Forest fires	10	5	0	0
Torrential rain	0	0	0	0
Cyclone	0	0	0	0
Rise in groundwater level	1	1	1	3
Volcano	0	0	0	1
Mining	0	0	0	0
Other mining risks	2	2	0	0
Other natural risks	29	24	21	0

Limiting noise pollution

Placing the comfort and well-being of the user at the heart of its projects, Covivio is committed to building assets that optimize the acoustic conditions for occupants (choice of materials, embellishments, organization of spaces, etc.) in a context of growing demand for flexible premises. As part of its development and renovations, Covivio is also working to reduce the exposure of tenants and residents to noise pollution from construction sites.

Indoor air quality, a health issue

In its developments and renovations, Covivio is attentive to each of the levers for improving air quality by using low-emissive materials and products and volatile organic compounds to preserve the comfort and health of its occupants. The specifications of Covivio's various activities incorporate these issues.

Covivio's teams in Italy have introduced a tool to monitor and manage risk across all buildings. This software contains a section for environmental risks. In Germany, these risks are diagnosed before each acquisition, and a number of audits are carried out. The same goes for hotels owned by Covivio.

Resilient assets

The issue of 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.

For the eco-design of its buildings in Europe, Covivio makes every effort to opt for low-carbon building solutions (materials, systems), insulate its buildings and protect them with

awnings/blinds/glazing/green roofs and facades to enhance the nighttime cooling effect. 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 identified the main hazards that may have an impact on its activities and introduced prevention and adjustment measures to:

- ensure the comfort of occupants during periods of hot weather, by considering this issue from the design phase and by means of innovative cooling solutions
- strengthen summer comfort requirements in buildings
- analyse the risk (ongoing or temporary) of flooding by river or sea water study land quality and its vulnerability to flooding prior
- to any acquisition, and adapting building foundations to ground instability (shrinking and swelling of clay-based soils)
- carry out detailed reporting on the various risks considered as relevant to its business activities.

Further information p63-66 of the 2018 SD Report



Célia Blauel
Deputy Mayor of Paris in charge of ecological transition,
climate, environment, water and sanitation – City Hall of Paris



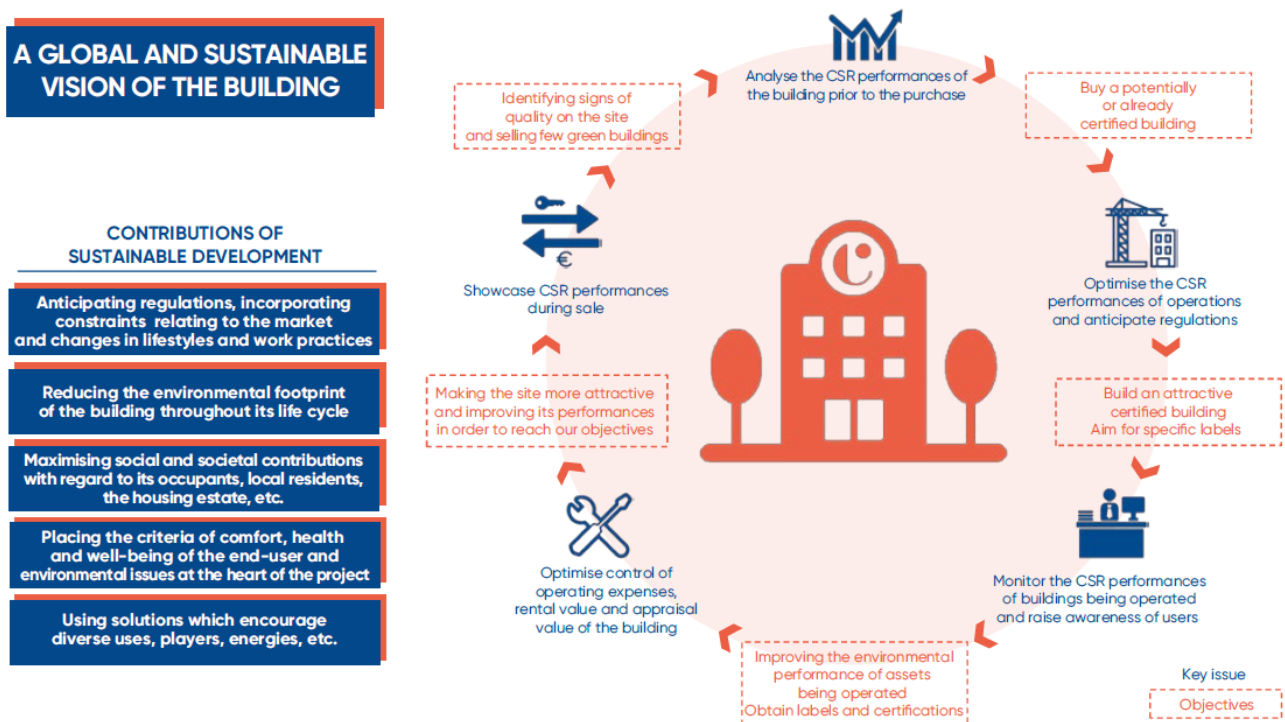
«Urban resilience is the ability of a territory to anticipate, survive and develop regardless of the chronic shocks and stresses it faces and will face in the coming decades. A resilient system must have a holistic approach to issues, but also be more adaptable and flexible than a traditional risk management system. At a time when water and energy sobriety will be unavoidable, this leads us to rethink our operating, supply and decision-making models. Companies have a crucial role to play in implementing a more resilient city, reinventing together our patterns and preparing for the future, especially the actors involved in building the city of tomorrow like Covivio. »



Principle No.8: Businesses should undertake initiatives to promote greater environmental responsibility.

Towards 100% certified buildings

Since 2008, Covivio has chosen to measure the performance of its new buildings through broad-based, internationally recognised certifications, such as HQE, BREEAM or LEED in Italy. Similarly, in portfolios of assets that are already in operation, Covivio mainly relies on NF HQETM Commercial Buildings In-Use and BREEAM In-Use certifications and ISO 50001 to assess the quality of its energy management.

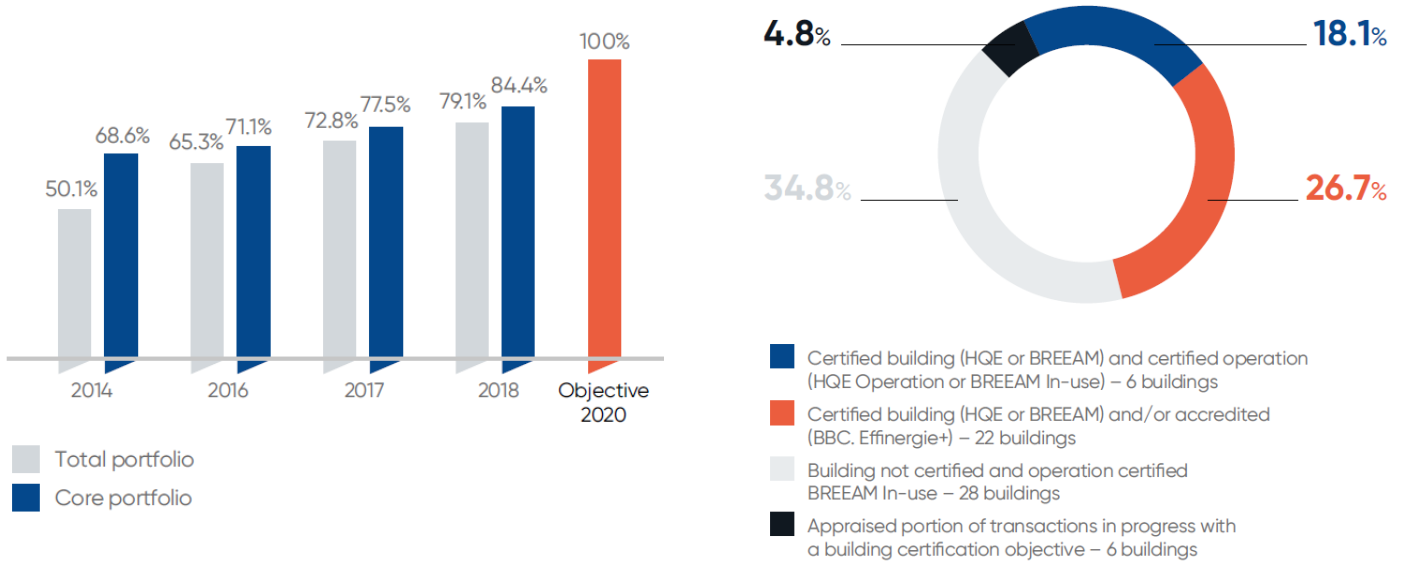


For Covivio, the reliance on certifications and labels meets a dual requirement of transparency and accountability. The greening indicator is monitored as part of a monthly internal CSR report and plays a decisive role in development, upgrade and asset replacement policies.

Greening rates at 30/09/2019 for each activity:

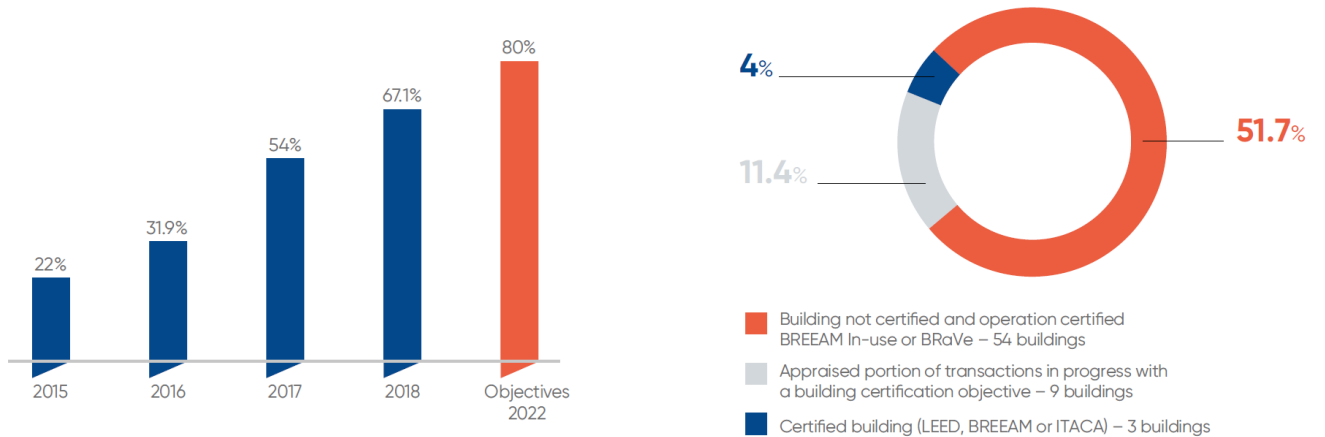
- 84.4% (Group Share) of the assets are HQE- and/or BREEAM-certified. In addition to these broad-based certifications, new labels have been created that focus on a building's performance in terms of specific issues, namely energy with BBC renovation, Effinergie+, E+C-; carbon footprint with BBCA; biodiversity with BiodiverCity; etc. Covivio has set itself the objective that 100% of the core Offices it owns will be green by the end of 2020.

Percentage of green buildings in the France Offices portfolio and breakdown by type of certification (Group Share)



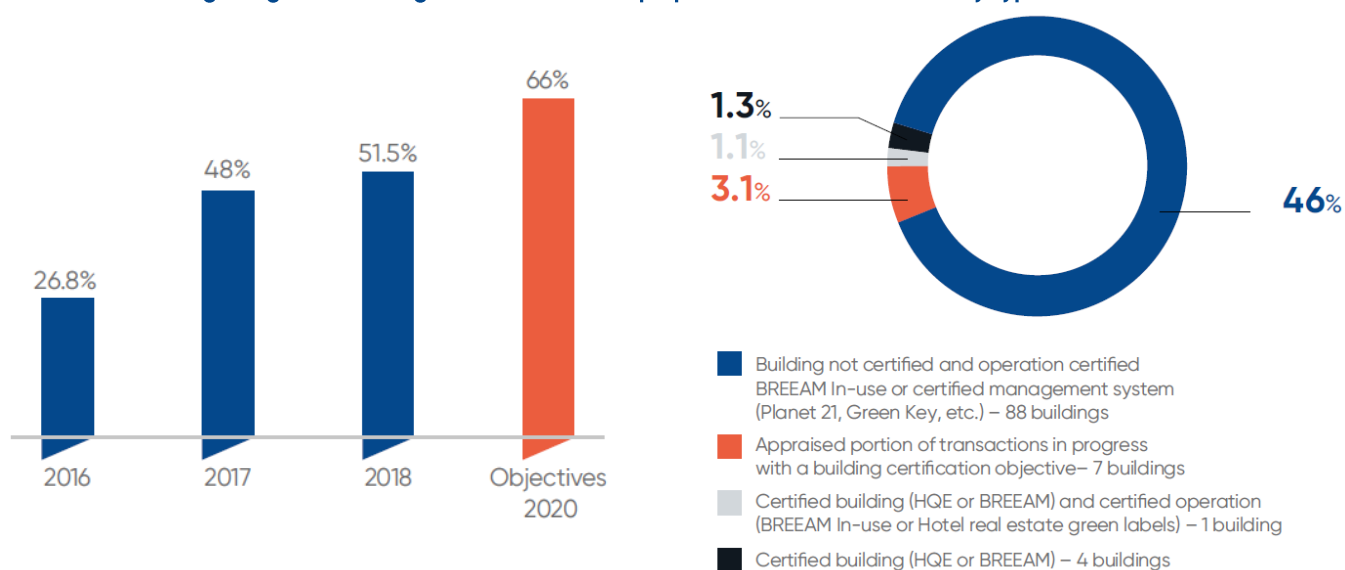
- In Italy, Covivio is aiming for 80% of the offices it owns to be green by the end of 2022. The proportion of green offices reached 67.1% as at 31 December 2018, compared with 54% in 2017.

Percentage of green buildings in the Italy Offices portfolio and breakdown by type of certification (Group Share)



- For the Hotels Europe Portfolio, Covivio’s objective is that 66% of its hotels (Group Share) will be green by 2020. The proportion of green hotels reached 51.5% as at 31 December 2018, compared with 48% in 2017.

Percentage of green buildings in the Hotels Europe portfolio and breakdown by type of certification



- In 2018, an HQE In-Use test was conducted on a representative sample of buildings in the portfolio owned by Covivio Immobilien.

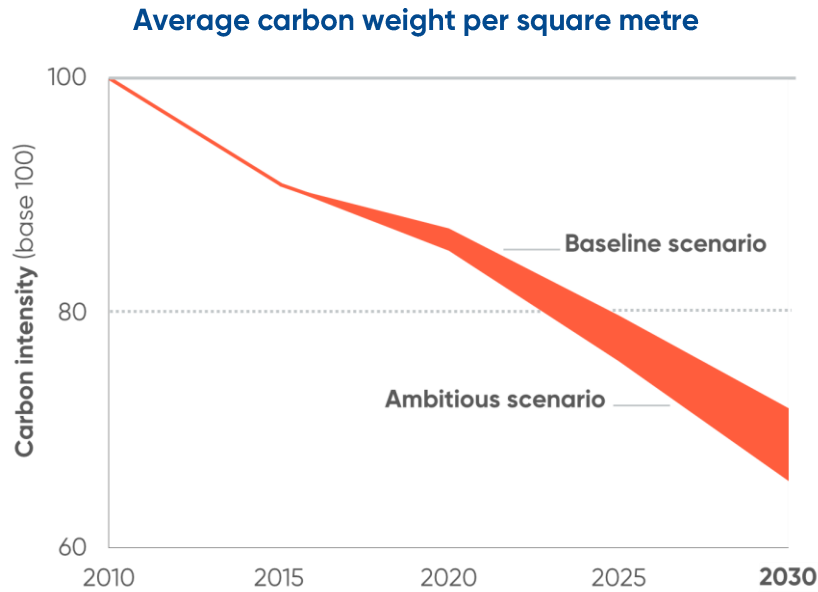
Further information: See pages 43-47 of the 2018 SD Report

An ambitious SBT approved 2030 Carbon trajectory

In terms of its environmental footprint, Covivio develops its assets in compliance with the 2015 Paris two degrees international agreement. Covivio started modelling work across its European assets with the Building Scientific and Technical Centre (CSTB) in 2017 to identify its 2030 carbon projection. Verified by EY, it has made it possible to ensure that Covivio's carbon policy is "2°C compatible" and to calculate realistic and ambitious targets for reducing greenhouse gas emissions by 2030. It is based on all strategic activities in the different countries where the Group operates.

Covivio is also involved with the City of Paris, especially by committing to the Paris Climate Action network which launched the Paris Climate Action Charter. The latter invites companies to commit themselves to the fight against climate change and the Climate Plan, and signed again by Covivio at the Gold Level. Covivio thus commits itself to contribute to the carbon neutrality of Paris and to the 1.5°C strategy of 2030.

Further information on pages 36-37 of the 2018 SD Report.



This projection was approved in 2018 by the SBT initiative’s technical commission. As of 31 July 2018, only 7 real estate organisations have secured this approval worldwide.

Optimize energy performance, reduce CO2 emissions and lead the ecological transition

Improving the portfolio’s environmental performance aims to reduce its footprint in terms of energy carbon, water, and waste, as well as to increase its occupants’ comfort and wellbeing, 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, services, etc.

Environmental reporting on all the Group’s activities is carried out each year. The data are then processed by the the Building Scientific and Technical Centre and lead to progress in the analysis and understanding of the best levers for improving the environmental performance of buildings.

- Energy Trajectory

In terms of energy, Covivio aims to reduce average primary energy consumption by 40% per m2 for its France Offices portfolio between 2008 and the end of 2020. At the end of 2018, 91% of the buildings in the France Offices portfolio had been subject to an Energy Performance Assessment. As a signatory of the “Charter for energy efficiency in public and private commercial buildings” , Covivio shares its energy consumption with the Sustainable Building Plan as part of this Charter’s annual oversight and is a member of its Steering Committee.

On the Italy Offices perimeter, Covivio aims to reduce its portfolio’s energy consumption by 15% between 2015 and 2020. On the Germany Residential perimeter, the target is -15% between 2017 and 2025, and on the Hotels Europe perimeter, the target is -40% between 2008 and 2020.

Further information on pages 50–53 of the 2018 SD Report.

- Carbon Transition

The study conducted with the CSTB in 2017/2018 and described in the introduction to this chapter analyses

Covivio's carbon trajectory up to 2030. Verified by EY, the study ensured that Covivio's carbon policy is "2°C-compatible" and set out clear and ambitious objectives to reduce greenhouse gas emissions by 2030:

- reducing greenhouse gas emissions by 35% per square metre directly managed by Covivio (scopes 1 and 2) by 2030 compared with 2017
- reducing greenhouse gas emissions by 34% covering a wider scope that includes the construction and operation of the entire European portfolio (scopes 1,2 and 3) by 2030 compared with 2010.

Further information on pages 54-58 of the 2018 SD Report.

- Water transition

In terms of water consumption, the water footprint is reduced through the systematic use of water-saving systems and by closely monitoring consumption.

Further information on pages 58-59 of the 2018 SD Report.

- Digital transition

Covivio has introduced new building management tools: installation of BMS on new buildings and renovations to manage systems (heating and cooling, etc.); drafting of specifications for the BMS systems installed in its new developments, in order to ensure that they are "open" and interoperable; creation of a platform to collect and analyse energy, water, gas and cold/warmth consumption. In 2018, Covivio thus decided to set up a monitoring platform to record the energy and water consumption in real time of Office buildings in both France and Italy. In 2019, the solution adopted will be implemented on some French sites (22) and tested on Symbiosis, a building in Milan as well as on a German building.

Further information on page 62 of the 2018 SD Report.

- Waste transition

Covivio has implemented innovative processes to reduce, reuse and recycle its waste, both in its own buildings and in tenants' ones. Initiatives in terms of circular economy were launched by the Group. 100% of the sites have a selective sorting system, and certain development and renovation operations are subject to rigorous controls on the use of quality materials to extend their lifespan. Covivio has also conducted Life Cycle Analyses on certain operations.

Further information on pages 40-41 and 61 of the 2018 SD Report.

Exemplary premises and committed employees

In France, a greenhouse was built in the courtyard of the Paris headquarters building. Beyond being a place of conviviality, this greenhouse is a great tool for raising awareness about the issues affecting the presence of nature in the city. Meetings were organized with Topager (a specialised company) to present the plantations to employees and explain the importance of biodiversity in the city.

In addition, employees are increasingly demanding concrete actions from the company in favour of the environment and the inclusion in the city. A set of actions with regard to these aspects was set up: sensitization briefs, internal conferences on various subjects related to the core business, visit of remarkable buildings in terms of environmental performance.

In concrete terms, mention may be made of the implementation of a waste policy more and more advanced: water fountains, paper policy, removal of water bottles, renewal of the printer fleet, etc.

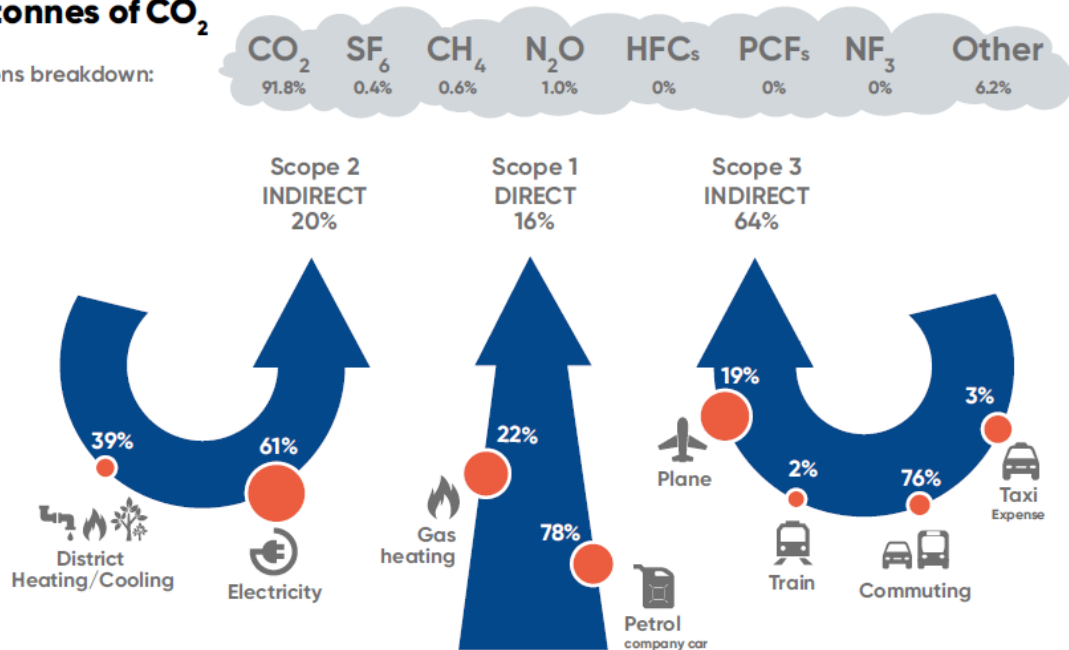
Covivio wants to be exemplary in its day-to-day operation, applying the best practices to reduce the environmental footprint in all its locations. The annual carbon footprint is a good basis for reducing CO₂ emissions from both transport and business travel.

Every year, Covivio calculates the carbon footprint of its employees and headquarters in Europe. The greenhouse gas footprint is calculated based on the ADEME V7 carbon footprint table. The results are presented according to the three emission scopes defined by the GHG Protocol, a recognised international standard. The following scheme presents the breakdown of Covivio's GHG emissions in 2018.

Covivio's European carbon footprint

Total : 2,655 tonnes of CO₂

Covivio emissions breakdown:



Further information on page 106 of the 2018 SD Report.

Promoting biodiversity

Covivio is aware its activities have direct and indirect impacts on biodiversity, making it a major consideration, although most of its assets are in urban areas.

Biodiversity erosion is a major concern in the real estate sector; the 5 main causes are: overexploitation of natural resources, destruction and disruption of species' natural habitats, pollution, introduction and proliferation of invasive non-native species and climate change.

Covivio aims to manage its sites in such a manner as to make them true drivers of biodiversity. To this end, its biodiversity policy is in keeping with the guidelines of the 2011-2020 National

Biodiversity Strategy and the August 2016 Biodiversity law. Its biodiversity policy was initiated in 2010 and structured around:

- Eco-development and sustainable renovation practices that consider, very early on, biodiversity and interactions with the urban setting, stakeholders and green corridors, planting native species and preserving birds and butterflies,
- creation of green terraces in urban environments that contribute to mitigating the urban heat island effect
- environmentally-responsible management of green spaces
- planting of native plant species to limit the need for watering and preserve local species
- Promoting circular economy (raw material selection, end of life re-use and recycling, good raw material extraction and production practices ...)
- promoting the benefits of green spaces for users;
- adapting green space maintenance to meet eco-responsible criteria (adjust lawn mowing frequency, reduce use of chemical products ...)

In 2017 a biodiversity mapping exercise was carried out by Gondwana consultancy. This study was conducted on 157 sites in Europe, using 4 biodiversity indicators from the GRI Standards. 4 biodiversity performance indicators were analysed concerning the location of buildings in/or adjacent to protected areas, the impacts of activities on biodiversity, habitat protection or restoration and impacts on endangered species. On these 4 criteria, Covivio's activity is considered to be performing or very effective.

In France, Covivio contributes, alongside the "Le Pic Vert" association to 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), the construction of a nesting facility for sand martins (the first of its kind in France), and the environmental restoration of an old quarry in the Plaine de Bièvre nature reserve (Department 38) with a surface area of 117 ha.

To ensure that biodiversity aspects are considered, two internal charters were designed in 2014:

- The first charter deals with green space conception and is used to provide guidelines during green space development or renovation projects.
- The second charter deals with green space management and has been designed for sites in operation; these guidelines are designed to secure the Eve or EcoJardins labels.

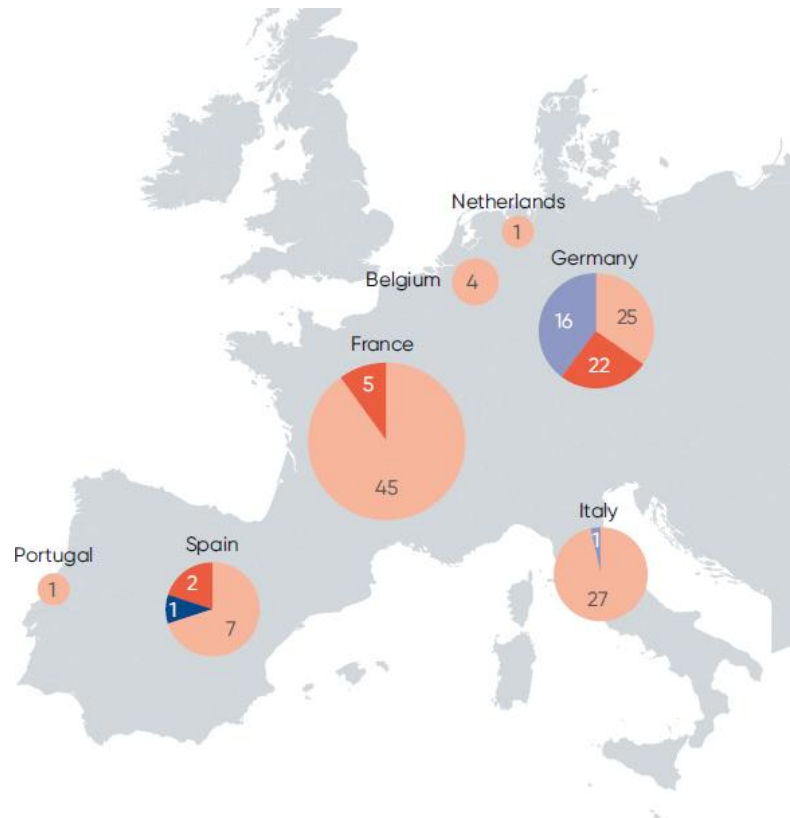
Both charters provide details on how Covivio intends to manage biodiversity and landscape matters during both creation and management phases.

These charters were updated in 2019 to include more criteria for obtaining the BiodiverCity label: ecological corridors, stakeholder awareness of nature, partnership with local stakeholders, urban agriculture etc.

2 buildings are labelled BiodiverCity in the heritage of Covivio, including The Sign, first labelled site in Italy.

Biodiversity mapping of Covivio's portfolio

Ecological quality	Rating
In a protected area (PA)	A
<500m of a PA	B
500m - 1km of a PA	C
>1km of a PA	D



Further information on pages 82-84 of the 2018 SD Report.

Making a success together of the environmental transition

Covivio is fully aware of the importance of involving its partners (customers, suppliers, etc.) in order to succeed with its actions in terms of environmental transition. By putting in place different actions, such as green 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 the buildings that its tenants occupy. As part of its special relationship it has 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 2,000 m² of offices 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: 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. In 2018, the Sustainable Development Committees covered 251 hotels and more than 120 buildings in the France Offices portfolio, including 20 multi-let buildings, four single-let buildings

In 2017, in Italy, Covivio drew up a memorandum of understanding 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 performance of the building's energy efficiency throughout the term of the lease.

Further information on pages 91 of the 2018 SD Report.

Green sources of funding

In 2016, Covivio successfully launched its inaugural Green Bond issue for €500 million. The buildings selected for the Green Bond portfolio have been chosen based on criteria related to the certifications obtained, their performance (including on energy, carbon, waste), sharing best practices with tenants under environmental annexes, etc. A second Green Bond was issued in 2019.

Further information on pages 67-70 of the 2018 SD Report.



Principle No.9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Innovation, a know-how driver

Innovation has always been instrumental to Covivio's success, whether it involves co-developing real estate solutions with its tenants or using new technologies and tools (such as BIM, ACV, C2C, environmental annexes, etc....)

To be in tune with new trends that support its markets (digital revolution, urbanisation, resource restraints, new ways of thinking about real estate, working, travelling and living) Covivio intends to develop a new and flexible real estate offer relying on innovation to increase its operational performance. This requires Covivio to strengthen its position in the innovation ecosystems and more particularly in the emerging Proptech sector as well as promoting an innovation culture among staff.

Covivio's approach to research and development is structured around 3 principles:

- **The real estate sector is impacted by different kinds of long-term transformation**

To provide relevant support to its customers, Covivio anticipates changes in its markets: digital, ecological, carbon, energy. Beyond ambitious certification objectives (HQE and/or BREEAM) for new developments and operating sites, Covivio is experimenting with new techniques and skills: BIM, ACV, C2C, digital technology, in-door air quality, new services available inside buildings, environmental annexes, etc....

- **Designing a sustainable, inclusive and digital city**

Covivio designs and manages buildings like true social inclusion drivers and considers all aspects of urban ecosystems (social and cultural but also in terms of climate, connectivity, mobility, and biodiversity). Covivio is involved in many projects relying on different kinds of partnership (with associations, peers, independent consultants, suppliers, local authorities....)

- **Re-thinking value-creation**

All types of performance (energy, environmental, social, well-being, services, culture, accessibility...) create added value for a building: it is called "green" value. It is not yet assessed by experts, but it is implicitly accounted for during the valuation process:

- Real time cash-flow assessment method: the rent amount, the reduction of the length of the tenancy, rent-free periods, the cost of improvement work for compliance purposes can all generate "green value" and have a positive impact on cash-flow;

- Income capitalization method: the green building's risk premium is reduced to account for increased cash-flow and functional obsolescence reduction, tenant's departure....

In situations where the lessee is an organisation, the benefits will be the improved comfort, well-being (thanks to good material and indoor air quality) and health among staff and will show in a reduction of sickness absence. Concentration and creativity levels will also increase which will result in higher productivity. This is called usage or non-material value.

In 2017, the workgroup took on another mission: to carry out an analysis of the link between productivity and new themes such as biophilia, new space arrangements, arts & architecture....

Covivio, an LCA pioneer

Covivio started carrying out LCAs (Life Cycle Analysis) as early as 2010 and worked alongside CSTB teams to perfect ELODIE, the software enabling such analysis. As a signatory of the HQE Performance Charter, Covivio makes its own studies available to be used in the software.

LCAs involve the analysis of six modules (materials, energy, water, travel, work site and waste) based on nine environmental indicators: total consumption of primary energy, climate change, water consumption, waste, etc.

In addition to the beneficial effects of thermal building regulations, this innovative approach allows Covivio to identify drivers on which it is presently advisable to concentrate efforts: energy and water consumption in the work site stage, CO2 emissions and transport.

Promote a more circular economy

In 2016, Covivio carried out research on the impact of circular economy on jobs in its field. Several significant studies have been launched to determine the importance of the building material chosen, how it reduces the impact on the environment and most importantly on biodiversity (in terms of raw material extraction and material production) and greenhouse gas emissions at all stages of the building life cycle.

To preserve natural resources, one should think about re-using materials and how buildings will, soon, be part of a recycling process like cars (for example). Covivio is using this approach, called "Cradle to Cradle" (C2C) in research carried out as part of the construction of the Motel One Porte Dorée Hotel during which a material specifications document was written.

Covivio leads the way with BIM

BIM (Building Information Modelling) enables project players to construct and go live with a complete and coherent 3D building database throughout the project lifecycle, from design through to operation. This database allows all project players to collaborate on the same basis, at each stage of the project. Thanks to 3D tools, precise plans and metrics can be prepared. The database is used during all phases of a project, from design to construction, through to operation and even deconstruction.

Both the Eiffage Campus and Thales' Head office in Vélizy-Villacoublay belong to Covivio and have received a Gold BIM prize in 2014 and 2016 respectively. At the end of 2017, Covivio launched six development operations in which BIM will be used at all stages.

New labels have appeared to characterize the connectivity of the buildings as Wirescore and R2S (Ready to Service). The Toulouse building of Covivio has been labelled R2S in 2019.

New management and steering tools

Covivio has set up new building management and steering tools: GTB (Building Technical Management) is being used in all new construction and renovation operations to manage equipment (e.g. temperature...); GTB specifications are written and used in new operations to assess how "open" they are and if they are "adaptable" enough to operate with other independent systems; a platform has been created to collect and analyse energy and water consumption....

Covivio signed the "connected buildings, human and inclusive buildings" charter initiated by the ministry for Cohesion and Local Territories on December 7th, 2017. The charter was supported by the HQE-GBC Alliance and the SBA (Smart Building Alliance) where Covivio sits as an active member. This Charter defines digital building. It promotes proactive deployment of connected and "communicating" buildings in France. Environmental reporting carried out every year makes it possible to monitor energy and water consumption as well as waste production in accordance with EPRA recommendations.

Exemplary IT solutions

As part of the Company's digital transformation, Covivio adopts innovative IT solutions, to improve the smoothness and reliability of Europe-wide information. In France, multifunction printers were replaced in 2018 by more modern and more environmentally friendly equipment.

Further information on pages 40-42 of the 2018 SD Report.



Didier Guion
Directeur technique – Covivio



« By moving from analogue to digital, buildings are evolving to become Building as-a-Service Platforms covering six areas: maintenance/operation, building services; energy services; health/comfort; interior spaces; and occupant services. Buildings will need to address the issues of pooling and sharing specific services and equipment, the use of Internet Protocol (IP), while being designed, both in terms of bricks and mortar and from a digital perspective, to provide a good level of flexibility, modularity and security, in particular to reduce the risk of a cyberattack.»

Respect for the environment: summary of 2018 results

Principle No.7

- ✓ Broadening of land and buildings pre-acquisition and management diagnoses (diagnoses covering asbestos, pests, mining and technological risks, energy performance, etc.);
- ✓ 100% of sites in Europe are monitored and audited;

Principle No.8

- ✓ Increased "greening": 84.4% of offices in France now "green", 67.1% in Italy and 51.5% of hotels as at end- 2018 (increasing on the 3 activities);
- ✓ Implementation of the NF HQE Exploitation certification for the whole German residential portfolio;
- ✓ 100% of tertiary development and renovation operations are green;
- ✓ 100% of environmental annexes in France are signed;
- ✓ Work with Orée Association and HQE to create biodiversity indicators;
- ✓ Realization of a European biodiversity mapping;
- ✓ Biodiversity label obtained on different buildings;
- ✓ 32% reduction of the energy consumption for the French office perimeter compared with 2008;
- ✓ 34% GHG reduction target (scopes 1, 2, 3) between 2010 and 2030, approved by the initiative SBT;
- ✓ 12% reduction of the water consumption on the French office perimeter compared with 2008;
- ✓ 100% of the assets equipped with waste selective collection facilities;

Principle No.9

- ✓ Use of BIM on many buildings;
- ✓ C2C study carried out as part of the Motel One - Porte Dorée operation;
- ✓ Energy supervision device implemented on 23 pilot buildings in Europe.


Further information on the 2020 action plan in p28-33 of the 2018 SD Report

2.D. Fighting corruption

One of the four action lines of Covivio’s sustainable development policy is governance. Like the other three, it involves various action plans which are reviewed each year. Fighting the risks of fraud and corruption remains a priority even though no wrongdoing has been recorded at Covivio since its creation.

Integrity, loyalty and respect for others and compliance with regulations are the behaviours Covivio promotes and expects among all staff, but also from stakeholders and more specifically from its suppliers through the Responsible Purchasing Charter.

Fighting corruption



Principle No.10: Businesses are expected to fight all forms of corruption including extortion and bribery.

SDGs covered in this section:



Promoting fair and ethical practices

Group initiatives in this field are embodied by the Code of Ethics, shared among all employees through regular training sessions and awareness campaigns.

In compliance with Global Compact’s 10th Principle, which urges companies to act against corruption in all its forms, including extortion of funds and bribes, Covivio has increased its vigilance.

According to the 2018 *Global Transparency Index*, France is among the top 10 countries in the world for the transparency of its practices – now ranked 5th from 4th in 2016⁸.

Promoting fair and ethical practices with all of the Group’s stakeholders is a major challenge for Covivio in 2018 and represents a response to the “fraud/corruption/ethics” risk identified in the CSR risk mapping. Failure to comply with the Group’s professional ethical rules of compliance and its internal procedures failing to manage commercial (negotiations, entering into contracts, invoicing, etc.) and financial processes could result in significant risks: a negative impact on the Group’s reputation, a loss of confidence on the part of stakeholders, financial losses, the impeding of business development. With a view to remedying this, Covivio has put in place a wide range of risk management measures that comply with the regulations of the different countries in which it operates and with the most widely recognised international standards in the sector.

⁸ <http://www.jll.com/greti/rankings>

Regular and mandatory training sessions called "Process Mornings" have been organised for all staff since 2011; topics such as the RGPD (set of rules and regulations around the protection of personal data), gifts, fair competition, online fraud and money laundering are covered in detail during these events. This practice has been extended to all Group employees in Germany and Italy.

Preventing the risk of fraud and corruption

Covivio has consequently added to its risk management approach by undertaking a mapping dedicated to the specific risks of corruption at a European level, guided by a specialist advisor, in order to ensure the greatest possible transparency and awareness of the best practices in the sector. Covivio pays very careful attention to the integrity of its customers and suppliers by conducting integrity inquiries.

Transactions deemed sensitive, such as sales of buildings or companies, major construction or renovation work, or tenders, are governed by appropriate procedures, particularly with regard to the knowledge of intermediaries, object regular monitoring. Moreover, the separation between scheduling (order) and launch (settlement) operations reduces the risk of fraud.

Tax Departments, working together closely, particularly within the framework of complex "multi-country and multi-product" operations. Furthermore, Covivio is advised by leading European tax consultants in order to ensure its operations comply with regulations.

"Anti-fraud" audits are carried out regularly within the Group and have revealed no significant dysfunction.

In 2018, Covivio had no direct economic or financial interests in the countries included in the European Union "tax haven" blacklist.

Covivio's suppliers also commit themselves, through the Responsible Purchasing Charter, to respect the principles of governance and ethics, both with regard to their own suppliers or subcontractors and towards its clients. The supplier must respect the principles of the Covivio Code of Ethics.

To bolster its risk prevention toolset, Covivio set up a whistleblowing system at the end of 2014. It is used for specific cases where serious and intentional acts that can have a negative impact on the company have been identified. The facts likely to be covered by the alert are multiple: crime or offense, serious and manifest violation of a national or international regulation, serious threat or prejudice for the general interest.

This device allows any employee to denounce breaches of the principles set out in the Code of Ethics, and in particular in the following areas:

- accounting
- banking
- finance
- anti-corruption
- breach of competition law
- discrimination and harassment in the workplace
- environmental protection

The alert system is made available to employees but also to other stakeholders, including suppliers. A specific email address has been created in each country.

2 figures frame ethical governance:

- The ethics officer (one per country), who advises employees on conflicts of interest, compliance with market regulations, gifts and other benefits in kind received or offered, supervises the application of ethical rules, and enforces regulatory oversight of ethics.
- The compliance officer, a position created in 2018, which coordinates compliance activities at European level and is in charge of updating and applying the Ethical Charter and its principles.

An Ethics Charter for greater responsibility

Covivio's Code of Ethics was introduced in 2011: it provides solid foundations that reflects the legal and regulatory specificities of each country and covers all French, German and Italian staff.

The Code describes the ethical principles any Covivio employee must observe while carrying out their job and when interacting with internal or external contacts. The ethical charter describes ethical governance, as implemented in the company's various business lines. The fundamental principles detailed in the charter are as follows:

- compliance with laws and regulations
- respect for individuals (health and safety at work, prevention of discrimination, respect for third parties)
- respect for the environment
- compliance with insider trading rules
- prevention of conflicts of interest (relations with competitors, customers or suppliers, compliance with anti-corruption rules)
- protection of Covivio's activities (protection of information, assets and resources)
- transparency and integrity of information.



Marjolaine Alquier
Audit and Internal Control Director - Covivio



«Within the framework of its fight against money laundering – including tax fraud – Covivio has put in place strict procedures designed to reinforce the “Know Your Customer” process. Analysing information gathered from this process may, in the event of suspicion, give rise to a Declaration made to TRAFICIN, the French Ministry of Finance’s anti-money laundering agency. The whistleblowing system put in place at Covivio also makes it possible to facilitate any feedback of information concerning any practice that may be contrary to the regulations or ethical principles in force within the company. »

The Code of Ethics was reviewed in 2015. The latest recommendations and adaptations (such as the whistle blowing system) were added to reinforce expectations in terms of appropriate behaviours with regards to potential conflict of interest situations. Further review has been carried out since the end of 2017 following Sapin II.

Legally binding on the Group's employees, the Ethical Charter, appended to the Internal Regulations of the Board of Directors, henceforth serves as the Code of Conduct within the meaning of Sapin II; consequently, non-compliance with its rules and, in particular, all proven acts of corruption, may, in addition to the legal sanctions, give rise to strict sanctions which may lead

to the termination of the contract of employment or the office of any person concerned. In particular, the Charter underlines Covivio's zero tolerance policy on corruption

Ensure fair competition and fight money laundering

Covivio, as a real estate operator, is bound by the regulations on combating money-laundering in its real estate leasing activity, registered office service, purchase and sale of buildings, transactions regarding business assets, shares or holdings in real estate companies which might conceal one or more money-laundering activities subject to criminal sanctions.

Covivio and its French subsidiaries put in place a system to fight money laundering and terrorism financing (LAB/LFT). This procedure describes all the actions that should be carried out by the staff members involved.

The Group Compliance Officer and the Audit and Internal Control Officer LAB/LFT Managers as well as TRACFIN (French Ministry of Finance's anti-money laundering agency) Contacts and Registrants.

The implementation of the LAB system has been supported by regular training courses (in 2010, 2012, 2014 and 2015). In 2018, the prevention of the money-laundering risks and a reminder of the Know Your Customer procedure were developed during the "Process Mornings".

In 2019, operations in Italy were covered by a similar system. The regulations in Germany require of these measures to be implemented solely for brokerage activities in relation to asset sales.

Fighting corruption: summary of 2018 results

Principle No.10

- ✓ Review of the European Code of Ethics to reflect Sapin II Law and GDPR regulations;
- ✓ Appointment of an internal Compliance Officer;
- ✓ Update and communication of the Code of Ethics to all Group employees;
- ✓ 100% of the employees trained to the risk "fraud, ethics, corruption";
- ✓ 0 conviction for unethical behaviour or act of corruption;
- ✓ No alert expressed in 2018 to the dedicated whistleblowing system;
- ✓ 1 European Code of Ethics;
- ✓ 4 EPRA Gold Awards in 2018;
- ✓ Prize AGEFI 2018 – Corporate Governance Grand Prix.

3. Sustainable development initiatives



Covivio is carrying out a number of initiatives promoting sustainable development. They are based around Covivio's CSR strategy and often involve external parties (associations, tenants, research organisations such as CSTB, IFPEB, Palladio, suppliers, etc); the main ones are:

ADI: The Association of Real Estate Directors organises events, activities and discussion forums for the real estate professionals in collaboration with its partners, including Covivio.

Alliance HQE-GBC France develops and promotes the HQE (Haute Qualité Environnementale) Certification as well as good CSR practices in cooperation with industry players. As a member of the World Green Building Council, its mission is to promote French Green Building by bringing together its players. Covivio's Head of Sustainable Development, Jean-Eric Fournier, is Alliance HQE-GBC France's Vice president.

Apogée Association: Apogée brings together real estate development, ownership and management organisations wishing to improve their real estate management skills through the creation of specific tools (job descriptions, statistics on operating expenses, and committee work).

Article 1 (created following a merger between Frateli and Passeport Avenir associations): Covivio has been involved since 2015 in a financial and skill patronage initiative based on solidarity and equal opportunities.

The Diversity Charter (signed by Covivio in 2010): encourages organisations to promote and respect diversity among their staff. By signing the charter, organisations commit to fight all forms of discrimination and to promote diversity through various initiatives.

Paris Climate Action Charter: Covivio signed the Paris Climate Action Charter in 2016. Improving building design is key as it can help manage and reduce climate change but also prepare for more frequent extreme climate events such as heat waves, storms, torrential rain, water levels rising, etc...

"Connected building, inclusive and human building" Charter: This charter was launched and signed by Covivio on December 7th, 2018 during the SIMI initiated by SBA, Alliance HQE-GBC, Certivéa and with Julien Denormandie's help (the State secretary in the Ministry for Cohesion and Local Territories).

Charte Relations Fournisseurs Responsables (Responsible Supplier Relations Charter): designed in 2010 by the Corporate Mediation and the National Purchasing Council, the Responsible Supplier Relations Charter aims to encourage public companies and organisations to adopt responsible purchasing practices towards their suppliers.

CSTB: The mission of the technical and scientific building centre (Le Centre Scientifique et Technique du Bâtiment) is to vouch for quality and security in buildings. It harnesses a wide range of skills to provide players with support during the innovation cycle (from the original

idea to getting it on the market) and with the changes – digital, energy, environmental – occurring in the building world.

EPRA: The role of the European Public Real Estate Association is to promote, develop and represent listed real estate organisations.

FSIF: The main mission of the “Fédération des Sociétés Immobilières et Foncières” is to examine, promote and represent the collective and professional interests of REITs. Christophe Kullmann, Covivio’s CEO, has been the Chairman of the FSIF since 2011.

GRI (Global Reporting Initiative): international initiative involving companies, NGOs, firms, universities to develop and disseminate guidelines to help companies report on the economic dimensions, social and environmental aspects of their activities, products and services.

IFPEB: The French Institute for Building Performance (l’Institut Français pour la performance du bâtiment) is an alliance between economic players with operational knowledge who want to promote and drive an ambitious and efficient energy and environmental transformation for the real estate and construction industries in line with market demands. Their activities are organised around four themes: energy, circular economy, portfolio renovation and ISR (Responsible Social Investment) real estate.

Immowell Lab (start-up incubator): It is an ambition of the Group to support innovative start-ups who specialise in quality of life and well-being at work; this helps Covivio to stay ahead of new ideas and techniques which allow the organisation to be better prepared for the future of real estate.

SBA (Smart Building Alliance for Smart Cities): brings together the building world and industrial players, service providers, structural design offices, innovative start-ups, architecture offices, builders, developers, etc...The R2S Label (ready to service) is being trialled on one of Covivio’s projects and has been created by SBA in cooperation with Alliance HQE-GBC and Certivéa.

Orée: Orée brings together businesses, regional authorities, professional and environmental associations, academic bodies and institutions for a joint reflection on the best environmental practices and to design practical tools for integrated management of the environment.

Global Compact: embodies the commitment to the 10 universally accepted principles pertaining to human rights, the environment, labour legislation and the fight against corruption. Every year Covivio publishes a COP report (Communication on Progress) on the UN Global Compact website describing our initiatives and results in these areas.

Palladio Institute: created in 2008 with 5 patrons from the real estate world, including Covivio. It aims to bring together real estate players to raise the industry’s profile through the development of training, research and dialogue.

Plan Bâtiment Durable: Launched in January 2009, the Sustainable Building Plan brings together a large number of building and real estate stakeholders to achieve the sector’s energy and environmental efficiency objectives.

RICS France’s Sustainable Development professional group: Jean-Eric Fournier chairs this workgroup which is part of RICS France. Works and publications by this institution (such

as the Real Estate Assessment Valuation Charter and the *Red Book*) play a major role in the building and real estate sector in France and worldwide.

CSR initiative: 90 staff members spent a day with *Les Grands Voisins* to offer concrete help to four associations and discover alternative and inspiring ways to demonstrate and share commitment.

Collecting occupational clothing with *La cravate solidaire*: nearly 47 kilos of second-hand occupational clothes were collected to help vulnerable people get back into work.

Covivio and its subsidiaries contribute no funds and provide no services to any political party whatsoever, nor to any government incumbent or candidate for any public position.

4. "GC" Advanced concordance table

Themes and criteria	Chapters
Implement the 10 Principles into corporate functions and business units	
C1 – The COP describes how principles are integrated into corporate functions and business units	1.B. A business model which creates long term value
C2 – The COP describes value chain implementation	1.C. Understand risk for better risk management
Reliable policies and procedures regarding Human rights	
C3 – The COP describes robust commitments, strategies or policies in the area of human rights	2.A. Human Rights
C4 – The COP describes effective management systems to integrate the human rights principles	2.A. Human Rights
C5 – The COP describes effective monitoring and evaluation mechanisms of human rights integration	2.A. Human Rights
Reliable policies and procedures regarding ILO	
C6 – The COP describes robust commitments, strategies or policies in the area of labour	2.B. International Labour Standards
C7 – The COP describes effective management systems to integrate the labour principles	2.B. International Labour Standards
C8 – The COP describes effective monitoring and evaluation mechanisms of labour principles integration	2.B. International Labour Standards
Reliable policies and procedures regarding environment protection	
C9 – The COP describes robust commitments, strategies or policies in the area of environmental stewardship	2.C. Environment
C10 – The COP describes effective management systems to integrate the environmental principles	2.C. Environment
C11 – The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	2.C. Environment
Reliable policies and procedures regarding anti-corruption	
C12 – The COP describes robust commitments, strategies or policies in the area of anti-corruption	2.D. Fighting corruption
C13 – The COP describes effective management systems to integrate the anti-corruption principle	2.D. Fighting corruption
C14 – The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	2.D. Fighting corruption
Support broader UN objectives	
C15 – The COP describes core business contributions to UN goals and issues	17 Sustainable Development Goals to change the world
C16 – The COP describes strategic social investments and philanthropy	3. Sustainable Development initiatives
C17 – The COP describes advocacy and public policy engagement	3. Sustainable Development initiatives
C18 – The COP describes partnerships and collective action	3. Sustainable Development initiatives
Governance and CSR leadership	
C19 – The COP describes CEO commitment and leadership	Editorial of the CEO
C20 – The COP describes Board adoption and oversight	1.D. A governance structure based on the global compact's principles
C21 – The COP describes stakeholder engagement	1.E. Long-term commitment from stakeholders

5. Useful links

Covivio's CSR reporting is published every year in the reference document (see chapter 2), the sustainable development report, the financial report and Covivio's website. The audits carried out by an independent consultancy (EY) are published in the reference document, the sustainable development report and Covivio's website (CSR reporting as well as Green Bond).

These documents are available on:

<https://www.covivio.eu/fr/profil/strategie/publications/> (under "CSR Publications").

2018 Annual Report on Sustainable Performance

<https://www.covivio.eu/app/uploads/2019/05/2018-Annual-Report-on-Sustainable-Performance.pdf>

2018 Reference Document

<https://www.covivio.eu/app/uploads/2019/04/2018-Reference-Document.pdf>



Covivio's COPs are available on the Global Compact website

<https://www.unglobalcompact.org/what-is-gc/participants/15495#cop>

and Covivio's website:

<https://www.covivio.eu/en/profil/strategy/publication/>

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