

Paris, 21th June 2023

Covivio Hotels releases its Green Financing Framework and launches the requalification of its outstanding bonds into *Green Bonds*

Covivio Hotels, a subsidiary of Covivio, completes a key milestone in the alignment of its financing policy with its ESG ambitions by becoming the first European hotel property company to establish a Green Financing Framework. Within this context, Covivio Hotels will also give its bondholders the opportunity to requalify their existing bonds as Green Bonds.

Covivio Hotels publishes its Green Financing Framework

In order to align its financing policy with its ESG ambitions and to confirm its pioneering role in the hotel industry, Covivio Hotels will become the first hotel property company in Europe to have a Green Financing Framework in place and to commit that all its future bonds will be issued as Green Bonds.

Under this Green Financing Framework, whose full alignment with the *Green Bond Principles* and the *Green Loan Principles* has been confirmed by Moody's Investors Service ([link to the report](#)), the eligible assets will have to meet at least one of the following criteria:

- Be compatible with the carbon intensity thresholds required to be in line with the 1.5°C scenario set in the Paris Agreement of 2015 as defined by CRREM¹-SBTi pathway;
- Demonstrate full compliance² with the EU Taxonomy technical screening criteria for activity *Acquisition and Ownership of Buildings* ;
- Hold minimum HQE "Excellent", BREEAM "Excellent", LEED or DGNB "Gold" Certifications

In line with its historic commitments, the assets must also be located less than 500 meters from the public transport and the new leases will benefit from green clauses.

Furthermore, Covivio Hotels' Green Financing Framework also includes the possibility of financing new or under renovation hotel buildings as well as the capital expenditures related to the installation of renewable energy production and energy efficiency equipment. The

¹ Global Decarbonisation Pathways – CRREM (Carbon Risk Real Estate Monitor) Project

² Compliance with the Substantial Contribution, Do No Significant Harm and Minimum Social Safeguards Criteria

eligibility criteria for those activities set out in its Green Financing Framework are also aligned with the EU Taxonomy.

€3.8bn of hotel assets are already eligible under this Green Financing Framework³. Covivio Hotels plans to increase this share, in particular through the continuous improvement of the portfolio quality.

Moody's Investors Service recognized in its Second Party Opinion the quality of the Green Financing Framework by awarding it a SQS 2 "Very Good" rating, in line with the best scores among the real estate property companies in Europe. The overall contribution of the Green Financing Framework to sustainable development is qualified as "Significant" and its alignment with the *Green Loan/Bond Principles* as "Best Practices".

Environmental ambitions confirmed at the end of 2021

Covivio aims to reduce its greenhouse gas emissions by 40% between 2010 and 2030 (trajectory approved by the SBT initiative). This target, which relates to all scopes 1, 2 & 3, covers all activities in Europe (including hotels) and the entire life cycle of assets: construction, renovation, materials and operation. Moreover, Covivio also aims for net zero carbon contribution for scopes 1 and 2 by 2030.

For hotels, Covivio Hotels aims to reduce greenhouse gas emissions linked to the energy consumption of buildings by around 70% between 2010 and 2030 for its operating portfolio. At the end of 2022, Covivio Hotels was on track to meet this target, with a 49% reduction in emissions since 2010⁴.

Covivio Hotels also keeps the momentum in terms of asset certification: the share of assets benefiting from HQE, BREEAM, LEED or others, in operation and/or under construction, reached 87.5% at the end of 2022.

Consent solicitation to requalify their notes as Green Bonds

As part of the implementation of its Green Financing Framework, Covivio Hotels is seeking the approval of the noteholders of its bonds maturing in September 2025 and July 2029 (total outstanding amount of €949m) to requalify them as Green Bonds. This requalification exercise is consistent with the Group's strategy initiated in 2022 and the requalification of Covivio's bonds.

The First General Meeting of noteholders will be held on 7th July 2023.

The requalification of outstanding bonds as Green Bonds will have no impact on the other characteristics of the bonds (securities terms, interest rate, maturity).

If the vote is positive, **Covivio Hotels will thereby hold around €1bn of green debt.**

³ Operating assets as of end of December 2022. Net of dedicated financing, the portfolio value is €2.9bn.

⁴ More information in the section 3.3.2.3 of [2022 Annual report on sustainable performance](#)

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ABOUT COVIVIO HOTELS

Covivio Hotels is specialized in owning operating premises in the hotel sector. Covivio Hotels is a Listed Real Estate Investment Company (REIT) and a real estate partner of major players in the hotel industry with assets that worth €6.7 billion (at the end of 2022).

Covivio Hotels is rated BBB+ / stable outlook by Standard and Poor's.

ABOUT COVIVIO

Backed by its partnership history, its real estate expertise and its European culture, Covivio is inventing the user experience of today, and designing the city of tomorrow.

As a preferably real estate player on the European level, Covivio gets closer to end users, feels their aspirations, combines work, travel, living, and co-creates living spaces.

As a leading European operator with €26 billion in assets, Covivio supports companies, hotel brands and regions in their challenges of attractiveness, transformation and sustainable performance

Building well-being and lasting relationships is the Purpose of Covivio, which expresses its role as a responsible real estate operator with all of its stakeholders: customers, shareholders and financial partners, internal teams, communities, future generations. Furthermore, its vibrant approach to real estate opens up exciting project prospects and paths for its teams.