

## ARGAN published its new ESG strategy and has set ambitious targets for 2025 and 2030

ARGAN, the only listed French real estate company specializing in the DEVELOPMENT and RENTAL of PREMIUM WAREHOUSES, published its 2023 ESG report, detailing its strategy for the 2023-2030 period, including a review of actions taken in 2022. This new step strengthens our real estate's company commitment towards a responsible development that benefits all stakeholders (clients, shareholders, employees, territories where we operate...). Our ambition: to be a benchmark in terms of efficient, sustainable and PREMIUM logistics real estate.

ARGAN's ESG approach was initiated nearly 10 years ago and led to many actions, which were summarized in a first report published in 2022.

Among ARGAN's achievements in the last few years:

- **We strongly reduced our business environmental footprint:** this was a result of the deployment of a Climate Plan, first initiated in 2018, which included the roll-out of photovoltaic power stations, the installation of LED lighting systems, and the launch in 2021 of the AUTONOM<sup>®</sup> concept; i.e., the warehouse that generates and uses its own green energy. Renewable energy production thus represented 15,000 MWh in 2022, and half of our buildings have an environmental certification;
- **We maintained practices that stand out in terms of governance:** this includes clear differentiation between the roles of the Supervisory Board and the Executive Board, independent chairmanship of the Audit Committee and the Appointments & Remuneration Committee, and very high attendance rates for the meetings of the Supervisory Board (more than 90%);
- **We paid strong attention to social and societal stakes:** this was achieved by making our people a part of the overall success by sharing the generated value (attractive salary policy, profit sharing, commercial bonuses, and a free share plan for all), while maintaining a very narrow equity ratio (1.9), at a benchmark level amongst French listed companies.

Today, we are writing a new chapter. This testifies to management's and all employees' strong intention to reaffirm even more clearly and firmly our commitments for tomorrow on the three ESG components and to align our approach with international standards, for example the SBTi when it comes to our low-carbon trajectory.

This updated strategy is set for the long run (2030), with regular milestones and, if necessary, adjustments and shifts.

Built around some forty indicators, our strategy includes actions:

- **For the Environment, by:**
  - Rolling out a **defined roadmap to reduce carbon emissions in line with a 1.5°C SBTi trajectory. By 2030**, and compared with our 2022 carbon footprint, we are thus targeting a **-70% decrease in Scope 1 emissions**, a **Net Zero level in our Scope 2** and **-50% less emissions linked to the processes of our warehouses on our Scope 3**;
  - **Deploying consistently our AUTONOM®-labelled warehouses** for all new developments and by considerably improving **the existing portfolio** as we target, for 2030, **65% of ARGAN's warehouse surfaces without gas**, with an **ambitious project to replace highly CO<sub>2</sub>-emitting gas boilers with air / water heat pumps**, and **100% of our sites equipped with Centralized Technical Management Systems**, which monitor and manage energy in buildings;
  - **Accelerating the decrease of our business impacts on natural resources**, by meeting a **20% ratio of new developments** through the **turnaround of former industrial brownfields** and **100% of our new warehouses with strengthened management of water use**.
  
- **For Governance, by:**
  - **Strengthening ESG criteria in terms of Group business ethics**, as we aim for **100% of suppliers endorsing our ESG charter by 2030**, and such criteria being included in all **legal documentation biding ARGAN to its stakeholders**;
  - **Increasing the number of frameworks and benchmarks part of ARGAN's standards**: already in 2023, ARGAN has committed to the **United Nations Global Compact**, as well as to the French state's "**Companies Committed to nature**" (*Entreprises Engagées pour la Nature*), **our Group plans a sustained dialog with ESG rating agencies** (Sustainalytics, GRESB...). Longer term, we target **certifications by renowned and independent bodies regarding our low-carbon climate ambitions**;
  - **Expanding our involvement in a business development that meets as much as possible local needs**, through **co-construction processes with the territories where we start operating for 100% of our development projects**.
  
- **For Societal topics, by:**
  - **Maintaining an attractive policy for employees**, by favouring **loyalty and skills development**, by **keeping a 100% ratio of Group employees part of additional pay measures** (free share plan, profit sharing and commercial bonuses for all) with a **benchmark equity ratio**. And by **consistently training all staff** as well as implementing **individual coaching program for executives who demonstrate potential**;
  - **Raising awareness on topics related to health & safety at work**, as part of a **dedicated program that will be rolled out for all on-site employees**;
  - **Strengthening co-benefits for the territories where we operate**, by **targeting 25% of construction, maintenance and upkeep contracts that would include an integration clause by 2030**.

These targets, selected among the 35 **commitments taken for 2025 and 2030**, are part of ARGAN's **2023-2030 ESG roadmap** and testify to **the shared commitment of Group management and all staff members to amplify actions around the three sustainable priorities: the Environment, Social & Societal topics and Governance.**

This ESG strategy is a reflection of who we are: ambitious and pragmatic as well as driven towards concrete actions to limit our impacts and help our customers meet their own goals. In sum: ESG for Efficiency, Strongly frugal energy choices, Gains that are win / win!

**The 2023 ESG report published today is available on our argan.fr website under "ESG commitments" (in English and French).**

### **Financial calendar 2024** (*Publication of the press release after closing of the stock exchange*)

- January 3: 2023 Annual Sales
- January 18: 2023 Annual Results and 2024 targets
- March 21: Annual General Meeting

### **About ARGAN**

ARGAN is the only French real estate company specializing in the DEVELOPMENT & RENTAL OF PREMIUM WAREHOUSES listed on Euronext and is the leading player of its market in France. Building on a unique customer-centric approach – which consists in tailor-made and innovative support throughout all project phases from the development milestones to the rental management – ARGAN has grown strongly since it first started in 2000. The company is thus now generating more than 180 million Euros in yearly rental income in 2023. Moreover, as of now, our portfolio consists in spaces of 3.5 million sq.m, across about a hundred warehouses all located in France, which are worth 3.6 billion Euros.

ARGAN's development model takes into account all its stakeholders and aims at pursuing a growth path that is profitable, with a debt kept under control, while ensuring to fully minimise its environmental and societal impact.

ARGAN is a listed real estate investment company (French SIIC), on Compartment A of Euronext Paris (ISIN FR0010481960 - ARG) and is included in the Euronext SBF 120, CAC All-Share, EPRA Europe and IEIF SIIC France indices.

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