



# CLIMATE REPORT

## March 2022

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# MESSAGES FROM FRÉDÉRIC THOMAS, OLIVIER WIGNIOLLE AND FLORE JACHIMOWICZ



**Frédéric Thomas**  
Chairman of the Board of Directors

**"By moving its three divisions towards a 1.5°C pathway and pursuing its strategy in favour of a net positive impact on biodiversity, Icade has positioned itself as a leader on these issues. These efforts will be the subject of a "Say on Climate and Biodiversity" resolution at the next General Meeting."**

"There is no doubt that climate change is one of the greatest challenges facing humanity. As a major player in the construction and management of buildings, it is our duty and responsibility to be deeply committed to reducing our greenhouse gas emissions.

Icade's commitment to the fight against climate change dates back to 2010 when we set our very first objectives to deal with this issue. By making reducing our carbon footprint central to our Purpose and the Company's Articles of Association in April 2020, we decided to set more ambitious goals and ramp up investments in decarbonising our buildings.

The collapse of ecosystems and biodiversity is linked to climate change and also lies at the heart of Icade's concerns. By reducing the expansion of the built environment, implementing nature-based solutions and restoring degraded areas, we fight against both climate change and biodiversity loss.

Icade has launched a new phase in its efforts to combat climate change and preserve biodiversity through its climate and biodiversity strategy. Defined by our Board of Directors, it will be the subject of a "Say on Climate & Biodiversity" resolution at the General Meeting to be held on April 22, 2022. Should shareholders express specific preferences in this regard at that time, the Board will adapt the strategy accordingly.

From now on at the General Meeting each year, the Board will submit a resolution on the results of our actions with respect to our Climate & Biodiversity strategy and strategic developments where appropriate."

**"We believe that the SBTi's Net-Zero Standard is a suitable, rigorous and science-based framework. This is the framework we have used to set our low-carbon objectives. We are implementing an ambitious action plan with our teams to achieve them."**

"The next decade is crucial: we must make strong commitments now to limit global warming to 1.5°C, in line with the Paris Agreement.

In order to make faster progress towards our goals and have all of Icade's divisions achieve net-zero carbon emissions by 2050, compatible with a 1.5°C pathway, the Net-Zero Standard developed by the Science Based Targets initiative (SBTi) appears to us to be the framework that is most relevant and appropriate for Icade.

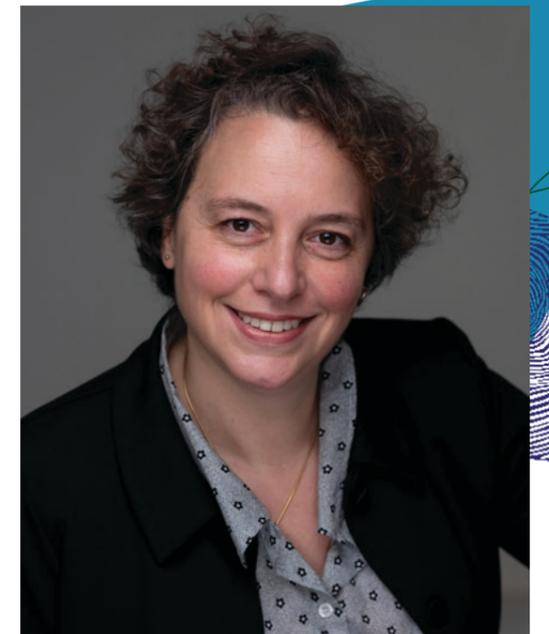
We aim to have our goals for reducing emissions validated against this rigorous, science-based framework to assure our stakeholders that our 1.5°C pathway has been mapped out based on the highest industry standards and approved by an independent external party.

Icade made its intentions official by signing the SBTi Commitment Letter. Our new objectives were reviewed in advance by the specialised Carbone 4 firm to ensure that they are consistent with the SBTi's requirements.

Our successful track record with respect to our climate commitments underscores our ability to meet the climate objectives we set for ourselves. We have now set higher goals and adopted an even more ambitious action plan by implementing significant investment plans, supporting our teams and customers, rolling out low-carbon innovations and, lastly, putting in place a responsible offset strategy."



**Olivier Wigniolle**  
CEO

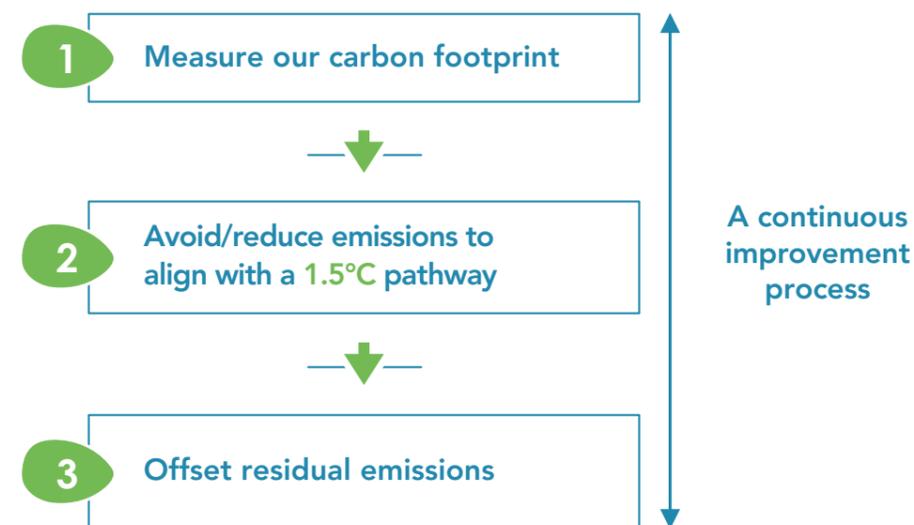


**Flore Jachimowicz**  
Executive Committee member  
in charge of CSR and Innovation



# SUMMARY OF THE CLIMATE STRATEGY

- Strengthened commitments to reduce the greenhouse gas (GHG) emissions of Icade's three divisions and Corporate, in line with a **1.5°C** pathway.
- Achieving **net-zero emissions** by 2050 means reducing GHG emissions by 90% in absolute terms between 2019 and 2050 and offsetting residual emissions.
- Objectives encompassing **scope 1, 2 and 3<sup>(1)</sup>** emissions.
- Setting quantified targets for reducing emissions by **2030** and **2050** for all the divisions and Corporate.
- An investment plan for 2022–2026 totalling **€150 million**.
- A commitment to the **SBTi** (Science Based Targets initiative) with the objective of having Icade's 1.5°C carbon reduction pathway validated against the **Net-Zero Standard**.
- A contribution to **carbon sinks** starting in 2019 for the Office Property Investment Division, gradually extended to all the divisions.



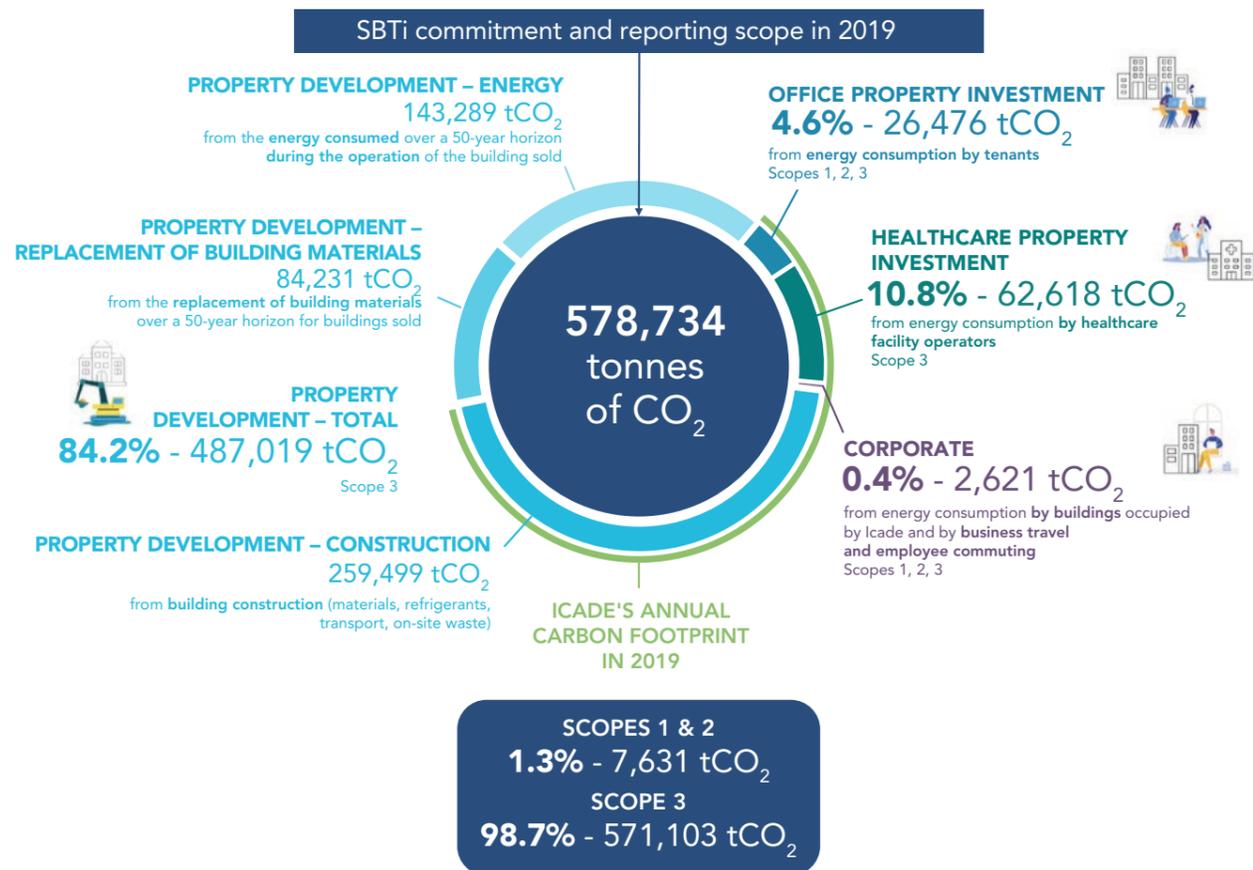
(1) Scope 1 accounts for GHG emissions directly associated with energy consumption (natural gas) and scope 2 accounts for GHG emissions indirectly associated with energy consumption (electricity and district heating and cooling) of controlled assets. Scope 3 accounts for other indirect GHG emissions (upstream emissions and transport & distribution losses, procurement of materials, energy consumption of sold and non-controlled buildings, transport).

# ICADE'S CARBON FOOTPRINT IN 2019, THE BASE YEAR FOR ITS NEW CARBON REDUCTION OBJECTIVES

The first step in mapping out Icade's carbon reduction pathway was to choose the base year against which it would define commitments to reduce its greenhouse gas (GHG) emissions.

**Icade has chosen 2019 as the base year for its carbon reduction pathway.** This is the most recent representative year, as 2020 and 2021 were marked by the health crisis. Icade's GHG emissions in those years do not fully reflect the reality of the Group's business activities.

As Icade has decided to comply with the SBTi's Net-Zero Standard starting in 2022, and in line with the associated methodology, it has integrated the notion of a "commitment scope" and modified the way it calculates its GHG emissions. Among the methodological changes, in addition to the current scope which includes GHG emissions produced over the year ("annual carbon footprint"), Icade now includes GHG emissions from energy consumption and the replacement of materials in buildings sold by the Property Development Division in use over a 50-year horizon<sup>(1)</sup>. This method for calculating emissions was applied retroactively from 2019. Icade will continue to report its annual emissions and will now also report its emissions on the SBTi commitment and reporting scope. Details about these changes are presented in the appendix.



<sup>(1)</sup> Carbon accounting for the Property Development is different from that for Property Investment. For Property Development, life-cycle assessments (LCAs) are used where the carbon footprint is calculated over the entire useful life of the buildings sold, i.e. 50 years of use.

2019  
Base year for  
Icade's carbon reduction pathway

# ICADE'S GOAL OF NET-ZERO CARBON EMISSIONS

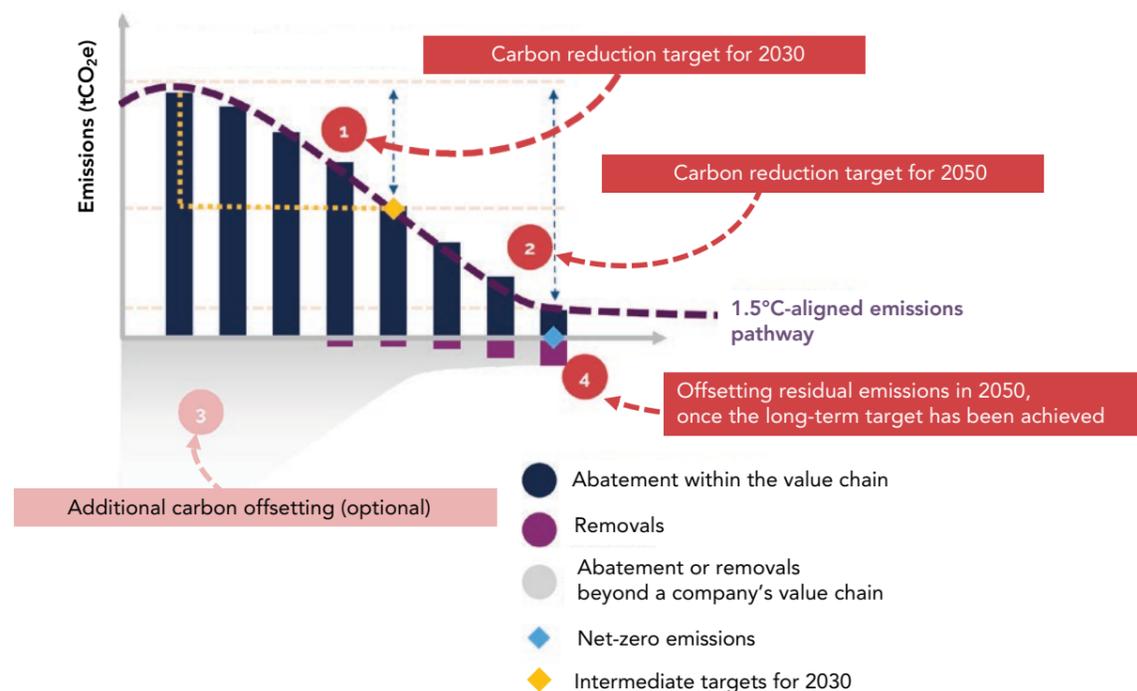
Icade aims to align its climate strategy with the Net-Zero Standard framework issued by the Science Based Targets initiative (SBTi) in November 2021. This framework provides the market with a scientific and rigorous definition of what it means for a company to achieve net-zero status.

By committing to net-zero carbon emissions by 2050, Icade has aligned its climate strategy with the French National Low-Carbon Strategy (SNBC) and is contributing to France achieving carbon neutrality by 2050.

Icade's decision to map out a net-zero pathway is reflected in the following commitments:

- ▣ substantial reduction in greenhouse gas emissions in its value chain covering scopes 1, 2 and 3;
- ▣ to ensure that no time is wasted in implementing significant decarbonisation efforts across its entire value chain, Icade has set a target for reducing the GHG emissions of all its divisions by 2030;
- ▣ a long-term goal to reduce emissions by 2050 has been set in order to achieve almost complete decarbonisation of its business activities by that time;
- ▣ its objectives for 2030 and 2050 are in line with a 1.5°C pathway;
- ▣ lastly, Icade has already voluntarily committed to carbon offsetting projects by financing carbon sinks in France. These projects have obtained the French Low-Carbon Label which has set out stringent requirements. Over the long term, it is committed to offsetting all of its residual emissions once its 2050 reduction targets have been met. Emissions that have been offset are never deducted from Icade's carbon footprint assessment.

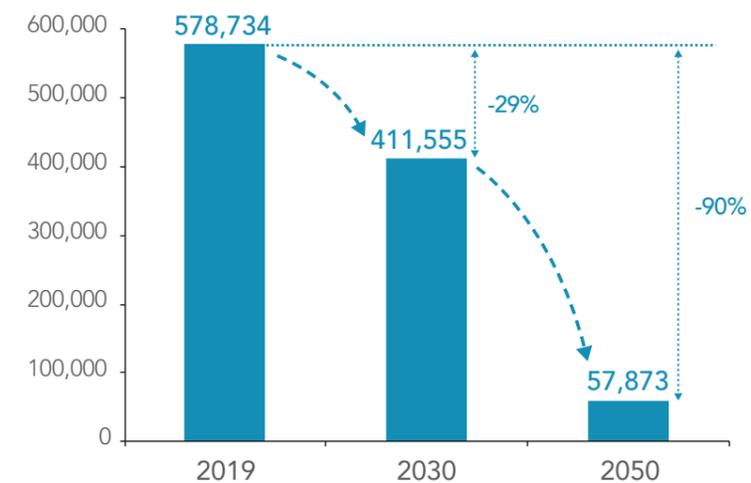
## Requirements set out in the SBTi's Net-Zero Standard



Icade has made commitments to be met by 2030 for carbon intensity and by 2030 and 2050 for its absolute carbon emissions:



## Icade's GHG emission reduction pathway (in tCO<sub>2</sub>e/year)



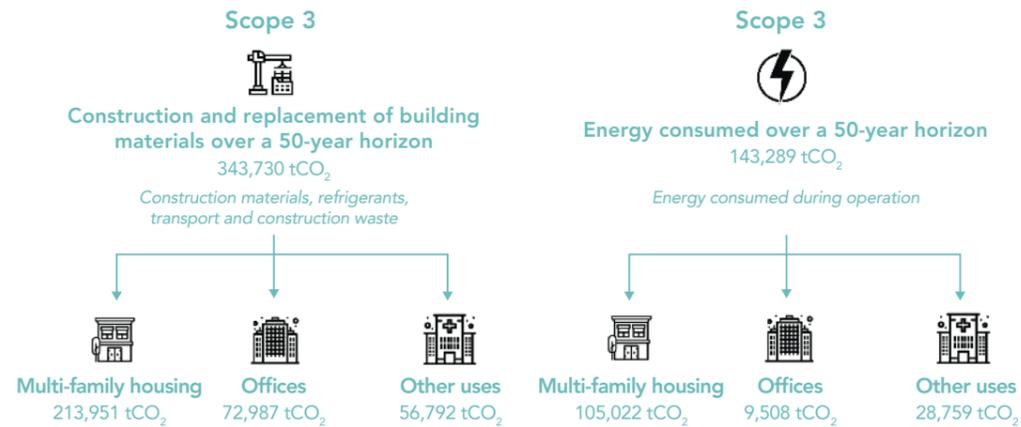
While these figures represent the best estimate to date, they are likely to change in the coming years for a number of reasons, i.e. new carbon accounting guidance, more accurate reported data, discussions with SBTi, etc.

Icade undertakes to track these changes and explain any variations in the data reported in its future annual Climate Reports.

Icade will also report annually on the progress made towards meeting its objectives.

# CARBON STRATEGY FOR THE PROPERTY DEVELOPMENT DIVISION

Icade Promotion accounted for **84%** of Icade's greenhouse gas emissions in 2019 and, as a result, is the main contributor to Icade's carbon footprint. Roughly two-thirds (**65%**) of these scope 3 emissions are due to housing construction. The scope of greenhouse gas emissions taken into account in Icade Promotion's carbon reduction pathway is detailed below:



In order to decarbonise construction, Icade Promotion had already started implementing impactful measures as part of its 2019–2022 strategy, aimed at:

- obtaining the E+C- label (positive energy and low-carbon buildings) with an E2C1 rating for all offices over 5,000 sq.m and 50% of homes by 2022;
- conducting life-cycle assessments on all its projects as well as using more low-carbon materials and renewable energy.

These measures have made it possible to reduce the CO<sub>2</sub> emissions from the Property Development Division's residential units by 17% between 2015 and 2021. For more details, see chapter 3 of the 2021 Universal Registration Document.

## WOOD'ART – LA CANOPÉE

The Wood'Art-La Canopée building complex, located in the heart of the La Cartoucherie ecodistrict in Toulouse (Haute-Garonne), has one key feature—76% of its structure is made from wood. The project aims for a very low energy and carbon footprint (E+C- label with E3C2 rating) and makes use of local know-how and biosourced materials, including wood from the Occitanie region. The 10-storey complex will eventually be home to a 100-room hotel, 2,750 sq.m of shops on the ground floor, a 137 housing units including a 42 unit social housing building, for a total floor area of more than 13,000 sq.m.



Wood'Art - La Canopée (Toulouse) ▼

**Property Development Division**  
**-41%**

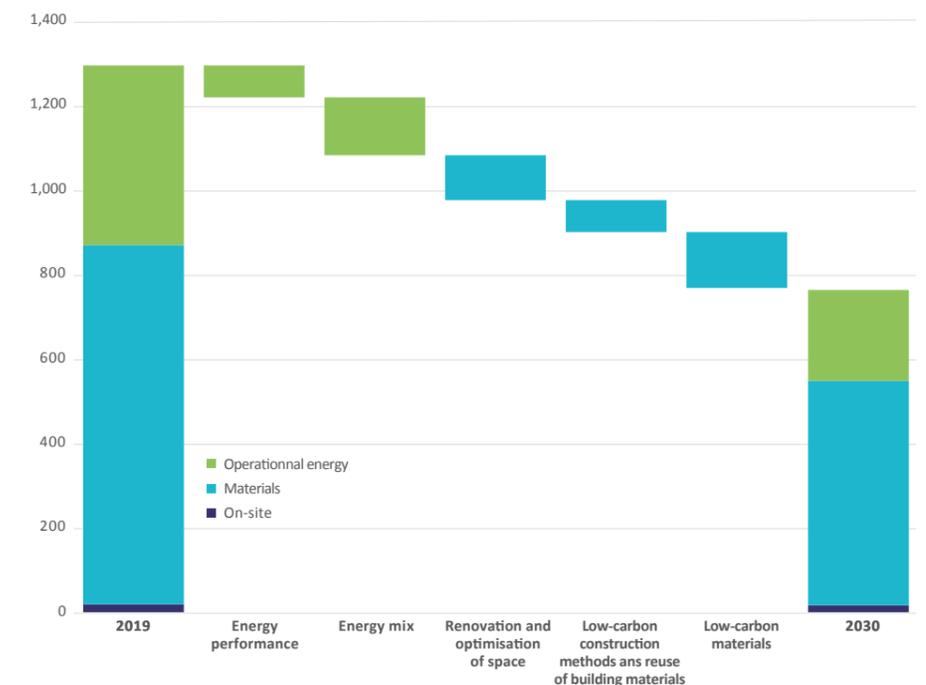
Target reduction in carbon intensity between 2019 and 2030 for buildings built, in kgCO<sub>2</sub>e/sq.m over a 50-year horizon.

Icade Promotion has set itself a new goal to reduce its GHG emissions, in line with a 1.5°C pathway. The Property Development Division's low-carbon action plan, overseen by the National Technical & CSR Director, is structured around the following key elements:

- setting up an internal monitoring unit combining an economic and carbon approach;
- factoring environmental, societal and building use issues into the residential design guide;
- structuring the supply chain by implementing a medium-term plan for the procurement of materials, including low-carbon requirements when purchasing materials and equipment (such as the systematic use of FSC® or PEFC-certified wood) and project to set up a traceability system for wood in France;
- ramping up the transition to low-carbon construction through the creation of Urbain des Bois, a subsidiary specialised in timber construction and the launch of AfterWork, a redevelopment solution for offices assets (for further details, see the dedicated paragraph below).

Icade Promotion is actively working to identify and secure measures that will enable it to meet its commitments by 2030:

### GHG emissions from homes built by Icade Promotion and potential measures to reduce them by 2030 (in kgCO<sub>2</sub>e/sq.m over a 50-year horizon)



## NEW SOLUTIONS IN TIMBER CONSTRUCTION AND OFFICE CONVERSIONS

To support its more ambitious carbon reduction pathway, the Property Development Division has introduced new solutions. In 2021, it announced:

- the creation of Urbain des Bois:** dedicated to timber construction, biosourced materials and home personalisation. This subsidiary has developed specific expertise in concurrent engineering design processes as well as low-carbon and participatory project development. It has also forged partnerships with players involved with innovative low-carbon materials. It favours cutting-edge prefabrication processes, short supply chains and biosourced materials and reduces raw material extraction and soil sealing. A low-carbon building (2025 carbon target of French environmental regulation RE2020) avoids about 30% more greenhouse gas emissions over its life cycle than projects in compliance with the current regulation RT 2012. The subsidiary already has several projects, such as one for 44 housing units in La Riche (Indre-et-Loire), a co-working and co-living complex in Saint-Étienne, as well as an 11-hectare eco-friendly district in Bordeaux featuring homes, student accommodations and educational facilities. Urbain des Bois aims to generate €100 million in revenue by 2026;
- the creation of AfterWork:** this redevelopment solution for offices assets, including the conversion of offices into housing, contributes to reducing the carbon footprint of cities and helps to restore the soil to its natural state. Refurbishing an existing asset can avoid 30% to 40% of greenhouse gas emissions compared to a new build project, by adding additional stories in timber and reusing the existing asset's materials.

## TOLBIAC – PARIS 13<sup>th</sup> DISTRICT

As part of the AfterWork solution, Icade Promotion has acquired a building of roughly 3,000 sq.m in the 13<sup>th</sup> district of Paris, with 4,500 sq.m to be developed to house a higher education programme for the start of the school year in 2025. Through a low-carbon and value creation approach, the project aims to completely overhaul the existing building as well as adding on an extension and additional storeys with a wood and metal structure. At this stage, the project is aiming for the following labels and certifications: HQE certification for sustainable buildings with a Very Efficient rating, the BBC Effinergie label for renovation, the WiredScore label with a Silver rating and the OsmoZ label (pilot phase).



Tolbiac (Paris 13<sup>e</sup>) ▼



**Emmanuel Desmaizières**  
Executive Committee member  
in charge of the Property  
Development Division

*"Icade Promotion has continued along its growth trajectory by strictly following a highly ambitious environmental roadmap. It aims to significantly reduce the carbon footprint of its projects to be in line with a 1.5°C pathway and make nature central to these projects through its At Home Naturally housing solution."*



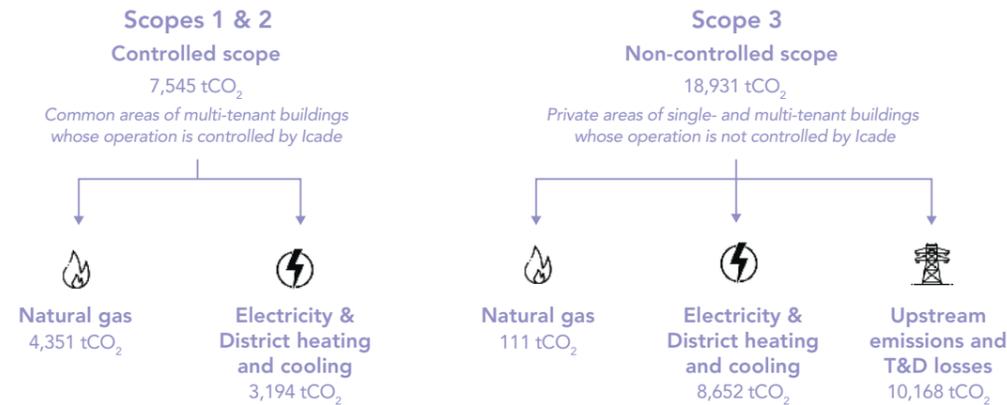
**David Bruchon**  
National Technical & CSR Director,  
Property Development Division

*"In order to meet its low-carbon commitments, Icade Promotion invests in the training of its employees, relies on their daily support thanks to their in-house expertise, uses BIM to optimise the design process and systematically implements best practices and innovation in its already eco-friendly projects."*



# CARBON STRATEGY FOR THE OFFICE PROPERTY INVESTMENT DIVISION

The Office Property Investment Division, with a property portfolio totalling over 1.8 million sq.m, accounted for nearly 5% of Icade's greenhouse gas emissions in 2019. The scope of greenhouse gas emissions taken into account in the Office Property Investment Division's carbon reduction pathway is detailed below:



The Office Property Investment Division had previously set a goal to reduce its carbon intensity by 45% between 2015 and 2025 and was, as a result, already in line with a 1.5°C pathway. In 2021, it was ahead of its goal with a 30% reduction in its carbon intensity compared to 2015. By setting a new objective for 2030, the Office Property Investment Division has once again set higher goals and is even going beyond the requirements set out in the SBTi's Net-Zero Standard framework.

## ORIGINE

Completed in Q1 2021, the Origine office building in Nanterre (Hauts-de-Seine), with nearly 80% of its 69,000 sq.m leased to the TechnipFMC group, is a showcase of low-carbon architecture. The certifications and labels (the largest office project with the E3C2 label in addition to BREEAM Outstanding, LEED Gold, HQE Excellent, BBCA Excellent, WELL, BiodiverCity, WiredScore Platinum, R2S 3\*) that it has obtained provide proof of the building's many advantages in terms of energy use (energy needs covered by a low-carbon mix, exterior and interior thermal envelope) and well-being (acoustic comfort, lighting, interior air quality).



Origine (Nanterre) ▼

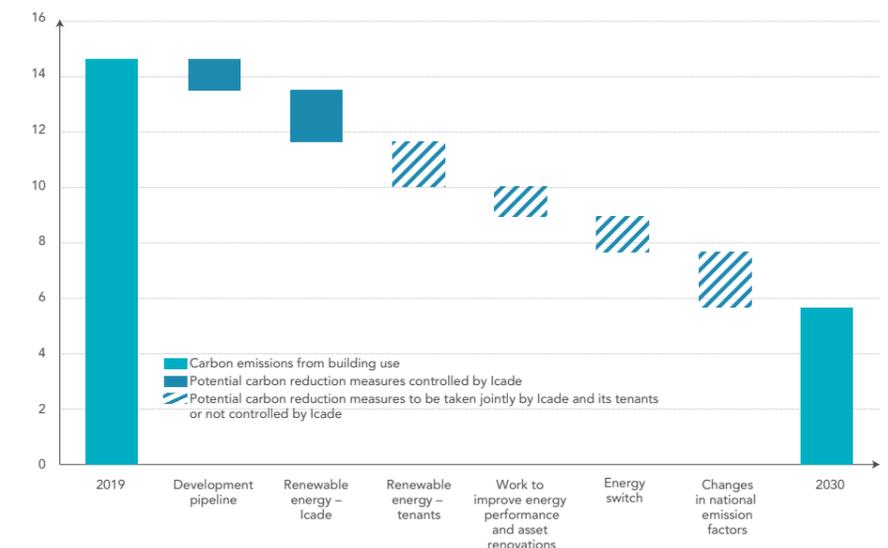
To pick up the pace of its decarbonisation progress and as part of France's energy efficiency initiative for service sector properties "Éco Énergie Tertiaire<sup>(1)</sup>", the Office Property Investment Division will step up its efforts over the coming years in conjunction with its tenants through an enhanced 2022–2026 action plan totalling over €100 million based on:

**Office Property Investment Division**  
**-60%**

Target reduction in operational carbon intensity between 2019 and 2030, in kgCO<sub>2</sub>e/sq.m/year.

- an automated reporting tool for energy data and an energy management system;
- the use of low-carbon energy sources: energy switches aim to replace gas-fired boilers with electric heat pumps or urban heating and increase the share of renewable energy in the energy mix;
- improving the energy efficiency of equipment and renovating assets: major renovations; replacing heating, cooling and air handling systems with more energy-efficient ones; systematic use of LED lighting;
- asset disposals and acquisitions: in connection with its acquisition and investment decisions, Icade has included an assessment of the energy and carbon performance of the assets and a renovation plan to reduce their carbon intensity if necessary;
- development pipeline: new property developments will contribute to reducing the Office Property Investment Division's carbon footprint, with them being able to achieve a carbon intensity up to 80% less than the average for Icade's existing properties.

## GHG emissions from the Office Property Investment portfolio and potential measures to reduce them by 2030 (in kgCO<sub>2</sub>e/sq.m/year)



(1) A regulatory requirement, applicable to existing service sector buildings over 1,000sq.m, under which landlords and tenants must mutually commit to improved energy and carbon efficiency aligned with France's National Low-Carbon Strategy, with the objective of reducing final energy consumption by 40% by 2030, 50% by 2040 and 60% by 2050 compared to 2010. The first data collection deadline is September 30, 2022.

Source: <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000038812251>.



In addition to these investments, innovative services have been developed to help tenants optimise their environmental performance:

- ❑ **green lease committees:** accompanied by action plans and targets, these committees involve tenants in improving the environmental performance of buildings by optimising their consumption and use. These committees have made it possible to carry out over a 1,000 concerted actions over the past 10 years (on energy, soft mobility, etc.) and are assisted by thematic clubs to share best practices;
- ❑ **leases with climate criteria:** in order to coordinate its efforts in the fight against climate change with those of its tenants, Icade offers them a lease that includes climate objectives in line with the Paris Agreement. This type of lease is based on the monitoring of performance indicators and detailed action plans and will include an additional contribution to fund carbon sinks;
- ❑ **collective energy purchasing and supply options for responsible renewable energy:** to enable its tenants to reduce their costs and carbon footprint, Icade has made collective energy purchasing available. Icade also assists them in selecting responsible, local and traceable renewable energy solutions.



**Emmanuelle Baboulin**  
Executive Committee member  
in charge of the Office  
Property Investment Division

*“The Office Property Investment Division has set out a clear and ambitious climate roadmap. For its implementation, which will draw on the wide range of expertise of our teams, we have put in place a substantial medium-term investment plan totalling €100 million in order to fund climate action, promote a net positive impact on biodiversity and preserve natural resources.”*

## ATHLETES VILLAGE – LOT D3

Icade, Caisse des Dépôts and CDC Habitat were awarded one of the contracts to build the Athletes Village project in Saint-Ouen-sur-Seine, with a capacity to house 3,000 athletes from all over the world.

Wood is an integral part of the project: all the buildings have timber-framed façades and wooden joinery. A significant proportion of the buildings also have timber framing and flooring. After 2024, this village—featuring a bioclimatic building design, a 3,000-sq.m urban forest and rooftop gardens—will become a genuine, vibrant neighbourhood with homes, student accommodations, offices, business premises, etc.



Village des Athlètes (Saint-Ouen-sur-Seine) ▼



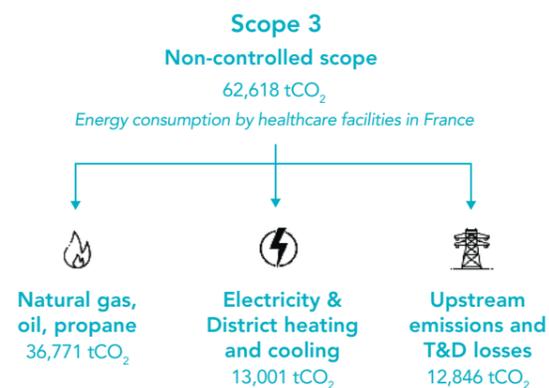
**Benjamin Ficquet**  
Head of Property  
Management & Responsible  
Operations, Office Property  
Investment Division

*“We have used our expertise and low-carbon goals to better serve our customers and enhance cooperation with our users. This critical alignment between our business and climate strategy will enable us to sustain and even step up our efforts.”*



# CARBON STRATEGY FOR THE HEALTHCARE PROPERTY INVESTMENT DIVISION

The Healthcare Property Investment Division, with a property portfolio in France totalling over 1.7 million sq.m, accounted for **11%** of Icade's greenhouse gas emissions in 2019. The scope of greenhouse gas emissions taken into account in the Healthcare Property Investment Division's carbon reduction pathway covers the operating energy consumed by its nursing homes and other healthcare facilities in France.



In 2021, Icade Santé defined its pathway to reduce the carbon intensity of its assets in France, with a target reduction of 37% between 2019 and 2030, in line with a 1.5°C pathway. The Healthcare Property Investment Division will set specific low-carbon targets for its assets located outside France (around 373,000 sq.m as of December 31, 2021, i.e. 17% of the Division's total floor area) by the end of 2022.

To ramp up its decarbonisation strategy, Icade Santé has planned to retrofit building envelopes of its properties and defined a proactive action plan with an estimated budget of €40 to €50 million for the 2022–2026 period.

## BELLERIVE-SUR-ALLIER

The nursing home in Bellerive-sur-Allier embodies the Healthcare Property Investment Division's goal of reducing the energy consumption of its assets while optimising the construction process. The project is aiming to obtain the E+C- label and HQE certification with an Excellent rating. This facility will provide specialised care for dependent elderly people through its Alzheimer's Care Unit (ACU) and balneotherapy.



This budget will fund energy audits and energy performance improvements to building envelopes, including insulation of roofs and external walls and replacement of joinery.

Based on the leases signed by Icade Santé, responsibility for reducing the carbon footprint of buildings is also shared with operators which have a major role to play in meeting the targets set by French regulations, particularly through the installation of energy-efficient equipment and the use of low-carbon energy sources.

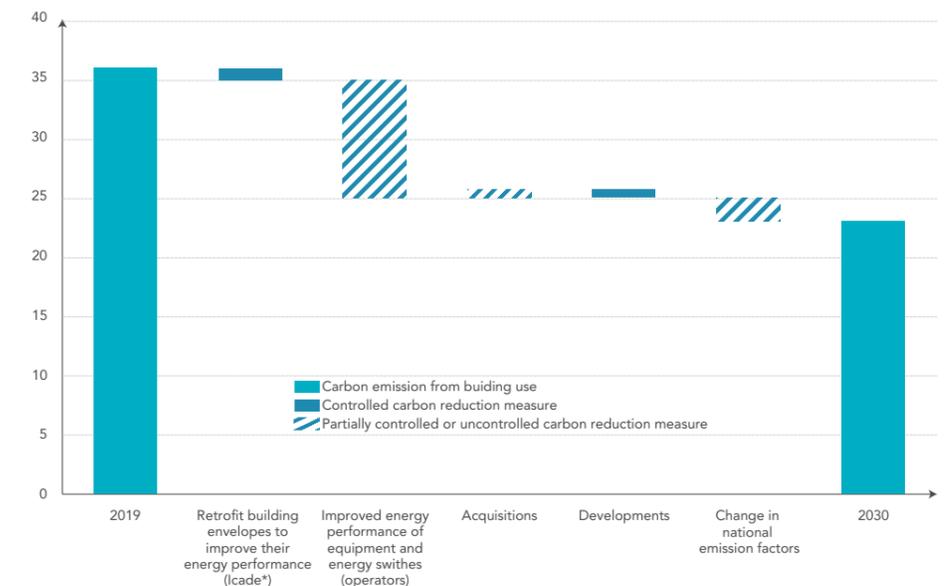
Icade Santé supports its tenants by providing data on the energy and carbon performance of the facilities they operate, by organising CSR committees to jointly develop action plans and by making available Icade Santé's expertise in carbon performance and regulatory monitoring, especially as regards Éco Énergie Tertiaire, France's energy efficiency regulatory requirements for service sector properties. It will also make leases with climate criteria available to its tenant operators, with shared climate objectives in line with the Paris Agreement.

The momentum generated by the work on building envelopes and the support provided to operators by Icade Santé to improve the energy performance of its assets will make it possible to coordinate the efforts of Icade Santé and the operators to promote the energy renovation of the assets in the coming years.

Lastly, Icade Santé is also committed to systematically obtaining environmental certification with a minimum rating (HQE Very Good, BREEAM Very Good, LEED Silver, DGNB Silver) for all new build projects over 4,000 sq.m as well as the E+C- label for pilot projects.

**Healthcare Property Investment Division**  
**-37%**  
Target reduction in operational carbon intensity between 2019 and 2030 in France, in kgCO<sub>2</sub>e/sq.m/year.

## GHG emissions from the Healthcare Property Investment portfolio in France and potential measures to reduce them by 2030 (in kgCO<sub>2</sub>e/sq.m/year)



\* According to leases.

## JEAN VILLAR POLYCLINIC

Retrofitting work was done on this facility in Bruges in 2019 and 2020 to improve its energy performance. As such, over €1.4 million has been invested to replace the joinery elements and insulate and waterproof the roofs.

Jean Villar Polyclinic (Bruges) ▼



**Xavier Cheval**  
Executive Committee member in charge of the Healthcare Property Investment Division

*"The fight against climate change is central to Icade Santé's expansion strategy. Low-carbon solutions have now been included in our projects to make our assets more energy efficient and resilient. Our commitment to low carbon allows us to meet the emerging needs of our customers."*



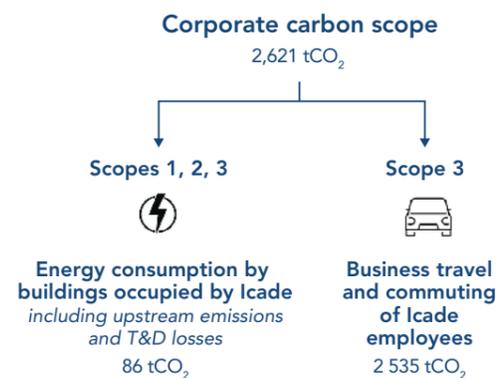
**Elsa Couteaud**  
Development & CSR Manager, Healthcare Property Investment Division

*"We develop buildings that meet the highest performance standards and retrofit our assets to improve their energy efficiency. Icade Santé's low-carbon strategy also contributes to greater comfort and well-being for patients, residents and staff."*

# CARBON STRATEGY FOR THE CORPORATE SCOPE

The Corporate scope accounted for 0.4% of Icade's greenhouse gas emissions in 2019 and, as a result, is a minor contributor to the Group's carbon footprint. However, Icade considers that setting ambitious goals for this scope is essential in order to set a good example and involve all employees in the overall effort to reduce greenhouse gas emissions.

To reinforce employee awareness, Icade has integrated CSR and innovation objectives into individual road maps: this was the case for 55% of employees and 82% of managers in 2021. In addition, 10% of the variable remuneration of Executive Committee members is contingent upon meeting Icade's CSR commitments and implementing its Purpose. Lastly, in 2021, Icade signed a new performance incentive agreement with two CSR criteria, including a criterion relating to the strategy to fight climate change. Employees regularly receive low-carbon training, in line with their job-specific needs (life-cycle analysis, energy performance improvement, materials reuse, French environmental regulation RE2020, etc.).



With respect to the operating energy consumed by buildings occupied by its employees, Icade aims to reduce GHG emissions by 50% between 2019 and 2030, in absolute terms. To this end, Icade has put in place a number of measures at its sites:

- ▣ **green electricity contracts:** 100% of the consumption is covered by renewable energy contracts for sites in the Paris region and in the process of being rolled out in the regional offices outside the Paris region;
- ▣ **environmental certifications:** Icade's headquarters has obtained HQE certification with a Very Efficient rating and BREEAM In-Use with an Excellent rating, several regional offices are HQE-certified;
- ▣ **energy performance contracts:** ensuring the headquarters an optimal level of energy performance. Examples of the measures implemented: LED lighting, ventilation with occupancy sensors, reduced use of lighting, pipe thermal insulation, etc.;
- ▣ **energy performance measures implemented in regional offices:** optimised lighting, air cooling instead of air conditioning, restrictions on heating degree days, etc.;
- ▣ **green IT:** reuse of hardware, consideration of CSR criteria in hardware purchases, eco-design of digital services, etc.

With regard to mobility, Icade is committed to reducing the emissions associated with its employees' transport (commuting and business travel) by targeting the following areas for improvement:

▣ **opting for cleaner transport:**

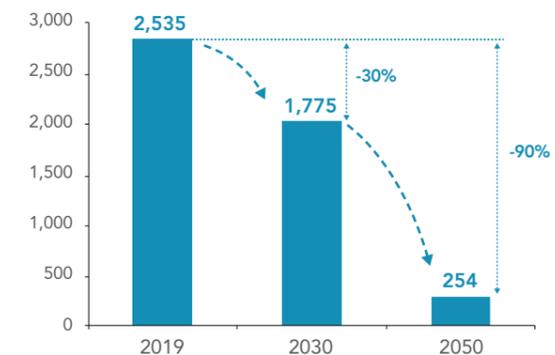
- reducing the impact of the fleet of company cars, especially by moving towards greater electrification and removing the most polluting vehicles (SUVs and vehicles emitting over 130g of CO<sub>2</sub>/km),
- ongoing study on providing an option to receive a cash allowance in lieu of a company car,
- encouraging employees to travel by train rather than by air;

▣ **promoting soft mobility:**

- subsidy for the purchase of a bicycle or a scooter,
- organising awareness-raising workshops: repair workshops, training, safety.

**Corporate -30%**  
Target reduction in carbon emissions between 2019 and 2030, in tCO<sub>2</sub>e/year.

**Pathway to reduce Corporate GHG emissions from employees transport (in tCO<sub>2</sub>e/year)**



**Daphné Millet**  
CSR Director

*"The Company must set an example on climate action and the involvement of our employees is key. In coordination with the HR team, we are putting in place concrete training and operational tools to support them while adapting our transport and digital policies."*



# INNOVATION AS A KEY DRIVER FOR SUCCESS

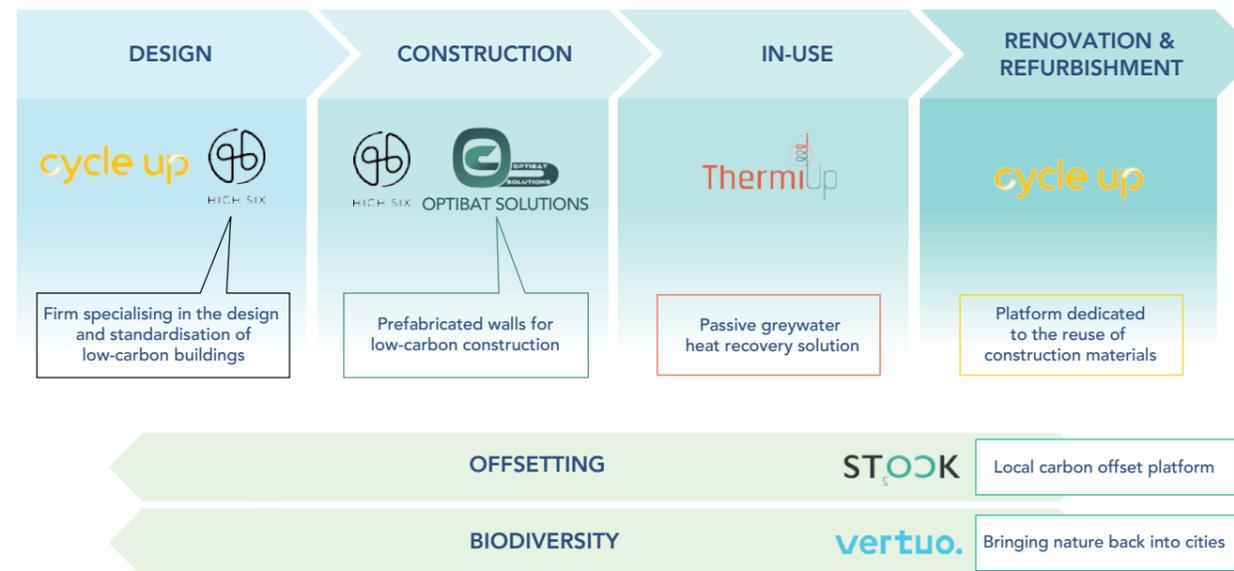
As 99% of Icade's emissions are dependent on its suppliers or customers (scope 3), achieving rapid decarbonisation of its business model means working more closely with stakeholders throughout its value chain. The emergence of disruptive innovations is thus seen as a priority issue for Icade.

It was against this backdrop that the Innovation Department was created in 2015 and began reporting to the Head of CSR and Innovation, a member of Icade's Executive Committee, in 2020. This Department is responsible for structuring Icade's innovation process. It has created a dedicated innovation fund with an annual budget of €1.7 million. In synergy with the Group's CSR policy, the innovation process targets three priority issues, namely low carbon, biodiversity and new lifestyles and habits.

Through its Urban Odyssey start-up studio, Icade incubates selected projects to create an ecosystem of solutions enabling it to reduce CO<sub>2</sub> emissions over the building life cycle.

Several projects are already up and running with concrete carbon reduction results. Cycle Up, a joint venture created in 2018 with Egis, is a specialised player in the circular economy that has created a digital marketplace dedicated to materials reuse to assist project owners with these issues. As another example, High Six provides expertise in engineering solutions for the design and standardisation of low-carbon real estate projects, to enable developers to make the transition to low-carbon construction.

## Ecosystem of solutions provided by start-ups supported by Urban Odyssey



Urban Odyssey also supports other projects, further upstream, which contribute to the emergence of low carbon solutions such as OptiBat Solutions (timber-concrete prefabricated walls) and ThermiUp (passive greywater heat recovery).

## INITIAL PRADO

This 10,307-sq.m urban regeneration project, featuring 950 sq.m of offices and 9,357 sq.m of homes, is a showcase in terms of the circular economy.

The project involves the conversion of offices into 113 residential units, with the creation of additional storeys supported by a timber and steel frame. It was designed by architecture firm Atelier du Prado with special emphasis on reuse thanks to materials donated to local organisations via the Cycle Up platform (created by Icade and Egis) and the R-Aedificare association.



▲ Initial Prado (Marseille)

# OFFSETTING BY SUPPORTING THE DEVELOPMENT OF LOCAL CARBON SINKS

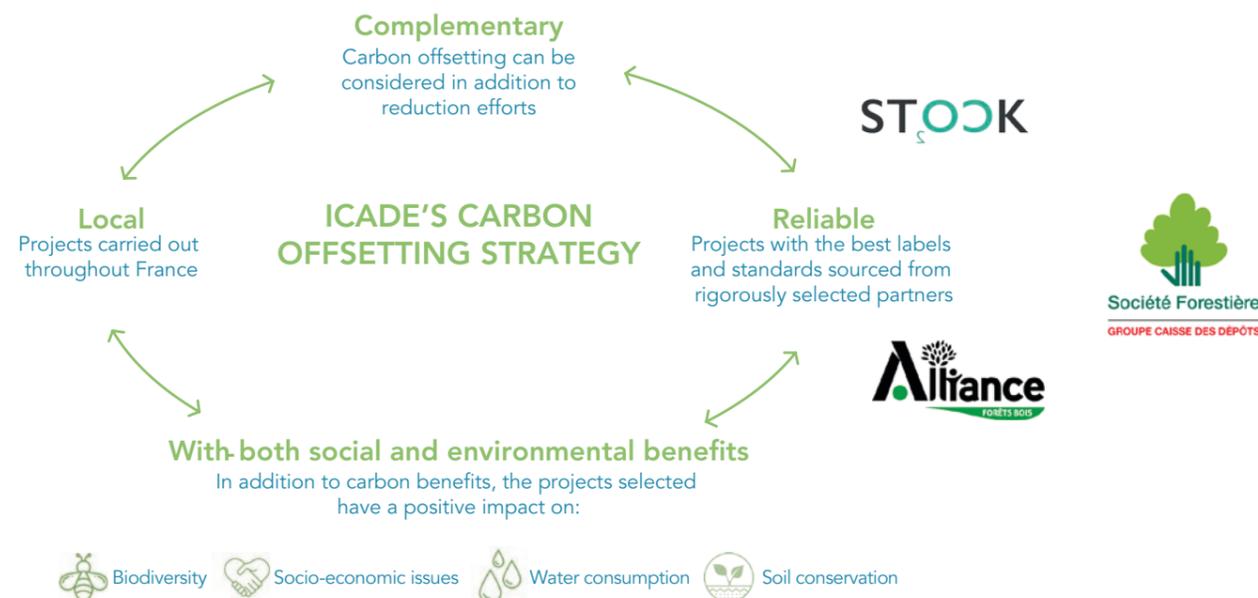
Icade has embarked on a net-zero pathway and considers that offsetting should be used as a last resort after efforts have been made to reduce the greenhouse gas emissions of its operations. **To achieve this ambitious goal, it has put in place a mechanism that contributes to France's carbon neutrality that covers emissions from its Office Property Investment Division, starting in 2019.** As such, Icade is committed to making a voluntary additional contribution before 2050, with the aim of developing carbon sinks in the areas where it operates and promoting the biosourced material sector. Expanding this initiative to include the Property Development and Healthcare Property Investment Divisions will also be examined.

The offset projects selected by Icade bear the French Low-Carbon Label and are sourced from carefully screened partners. These local projects also have additional social and environmental benefits.

**92,000 tCO<sub>2</sub>e**  
already funded for  
the 2019–2025 period

Aware of how long a carbon offset project takes from start to finish, Icade got a head start in 2019 by offsetting the residual emissions from its Office Property Investment business calculated up to 2025 for, i.e. 92,000 tonnes of CO<sub>2</sub>. Following a competitive selection process, Icade chose forestry and agricultural projects that comply with the methods permitted under the French Low-Carbon Label, carried out by the following three partners of choice: STOCK, emanating from Icade's start-up studio Urban Odyssey; La Société Forestière, a subsidiary of Caisse des dépôts; and Alliance Forêts Bois, France's first cooperative specialising in forest management. In total, more than 500,000 trees will be planted by Icade in French forests over the next five years, exclusively for projects bearing the Low-Carbon Label. Emissions that have been offset are never deducted from Icade's carbon footprint assessment.

Icade is also involved in developing new techniques and, more specifically, the "Renovation Method" (renovation, materials reuse) approved by the French Ministry for Ecological Transition in September 2021.



## EXAMPLES OF FUNDED PROJECTS BEARING THE FRENCH LOW-CARBON LABEL



**Société Forestière**  
GROUPE CAISSE DES DÉPÔTS

Reforestation and forest restoration project in the Aube department through the planting of approximately 106,000 trees (sessile and red oaks, hybrid larches and a mix of deciduous and coniferous trees). The project will sequester roughly 11,000 tonnes of CO<sub>2</sub>e and have significant co-benefits in terms of biodiversity, soil conservation and socio-economic impact.

## STOCK

STOCK offers a variety of certified carbon offsetting projects under the French government's Low-Carbon Label. It is managing a project for Icade which entails working with 20 farms in the Pays de la Loire region of France to reduce the carbon footprint of their livestock. This method is based on optimising nitrogen use, planting intermediate crops and extending temporary grasslands, for a total carbon contribution of approximately 4,800 tonnes of CO<sub>2</sub>e.



Forestry projects throughout western France covering around ten forest properties belonging to the cooperative. These projects will involve afforestation and the restoration of damaged forests through the planting of a variety of tree species. They will sequester roughly 12,000 tonnes of CO<sub>2</sub>e and provide multiple co-benefits, with some of them supporting the timber construction sector.

# COMMITMENT TO SUSTAINABLE FINANCE

## Sustainable finance instruments adhering to the highest standards to fund green investments

Icade is committed to supporting the growth of the green finance market which it considers essential to directing investments towards projects that contribute to achieving the goals of the Paris Agreement on climate change and the UN's Sustainable Development Goals.

For a number of years, Icade has followed a rigorous and innovative sustainable finance policy that meets the industry's highest standards.

In 2017, Icade issued its first Green Bond for €600 million to finance the low-carbon strategy of its Office Property Investment business. In 2020, Icade Santé issued its first Social Bond for €600 million to finance access to healthcare for all through the development of healthcare real estate infrastructure. In addition, in 2020 Icade secured two sustainable RCFs (solidarity-based and green).

In 2021, Icade further strengthened its ambitions and commitment with regard to sustainability:

- in November 2021, Icade updated its Green Financing Framework published in 2017 to keep it in line with the industry's highest and most up-to-date standards;
- in December 2021, Icade reclassified the €600 million bond issued in January 2021 as a green bond, after consulting with the bondholders, who unanimously approved the reclassification.

In its new Green Financing Framework, Icade set more ambitious eligibility criteria for assets and projects financed by green debt instruments, enhancing them with the criteria included in the EU Taxonomy as known to date.

The proceeds from green bonds issued by Icade are used to finance or refinance green assets and projects for the Office Property Investment Division selected based on stringent criteria over a building's entire life cycle:

- eligible assets must have at least HQE Excellent and/or BREEAM Excellent and/or LEED Platinum certification, and/or an energy consumption at least 10% below regulatory thresholds (NZEB regulation<sup>(1)</sup>), and/or a 30% reduction in their carbon footprint after renovation;
- eligible projects should aim at improving energy efficiency, increasing renewable energy capacity or developing sustainable mobility.

This framework has been reviewed by ESG rating agency Sustainalytics which confirmed its compliance with Green Bond Principles (published by the International Capital Market Association) and Green Loan Principles (published by the Loan Market Association). The allocation of the proceeds from green debt instruments will be reported in accordance with best practices starting in 2022. The annual reports on monitoring the allocation of proceeds and compliance with the eligibility criteria are reviewed by an independent third party, PricewaterhouseCoopers.

All documentation relating to Icade's sustainable financing is available on its website<sup>(2)</sup>.

As of December 31, 2021, 30% of the Group's financing was sustainable.

## Greater alignment between financial and non-financial reporting: publication of the first Taxonomy Report

Icade published its first Taxonomy Report as part of its 2021 Universal Registration Document. As of December 31, 2021, 98.9% of its revenue was considered eligible under the EU Taxonomy for the climate change mitigation and climate change adaptation objectives.

(1) Nearly zero Energy Building.

(2) <https://www.icable.fr/en/finance/financing/sustainable-financing>.

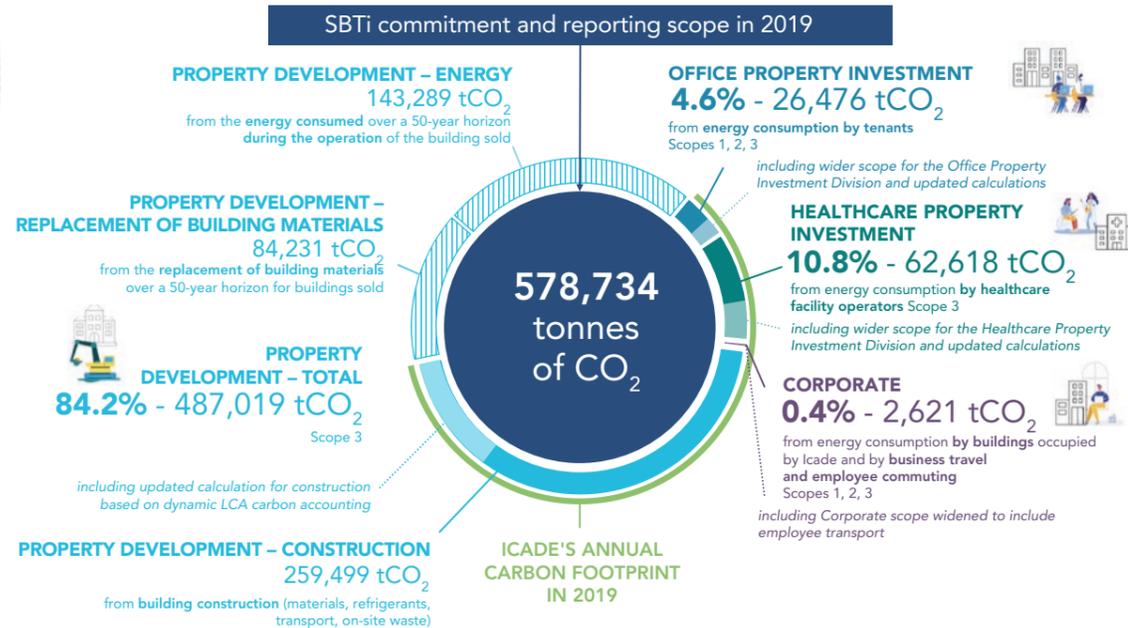


**Victoire Aubry**  
Chief Financial Officer  
and Executive  
Committee member

*"Under our updated Green Financing Framework which includes more stringent requirements, nearly €2.5 billion in assets have been identified as eligible. This paves the way for the issuance of new green bonds in the future: as a result, Icade is able to finance its investments in a way that aims to drastically reduce greenhouse gas emissions and significantly increase the energy efficiency of its properties."*

# APPENDIX – CHANGES IN CARBON ACCOUNTING

## Changes in carbon accounting between Icade's 2019 annual carbon footprint published in its 2019 URD and its new 2019 commitment scope.



As Icade has decided to comply with the SBTi's Net-Zero Standard starting in 2022, and in line with the associated methodology, it has integrated the notion of a "commitment scope" and modified its method for calculating GHG emissions. Among the methodological changes, in addition to the current scope which includes GHG emissions produced over the year ("annual carbon footprint"), Icade now includes GHG emissions from energy consumption and the replacement of materials in buildings sold by the Property Development Division in use over a 50-year horizon. Icade has also made other methodological changes to improve the accuracy and completeness of its calculations. Detailed information about these changes can be found on the right. Icade's carbon accounting methodology is in line with the best practices set out in the GHG Protocol, EPRA Sustainability Guidelines and carbon footprint assessment. From 2022 onwards, Icade will transparently report its annual emissions on both the annual carbon footprint and the SBTi commitment and reporting scope.

## PROPERTY DEVELOPMENT

- Including operating energy and the replacement of materials in buildings sold over a 50 year horizon, in addition to CO<sub>2</sub> emissions resulting from building materials and construction produced during the reporting year. Emissions from building use over a 50-year horizon are excluded from the annual reporting ("annual carbon footprint") of absolute tonnes of CO<sub>2</sub> as they reflect emissions generated after the reporting year. However, they are now included in Icade Promotion's SBTi commitment and reporting scope under scope 3 that covers emissions generated by its customers. They have also been provided in the reporting of the carbon intensity per sq.m of the projects since 2019.
- Dynamic life-cycle carbon accounting approach based on the requirements of the upcoming French environmental regulation RE2020 as known to date.

The impact on CO<sub>2</sub> emissions in absolute terms on the construction part (annual carbon footprint) is an increase from 200,921 tonnes of CO<sub>2</sub> to 259,499 tonnes of CO<sub>2</sub>, due to the switch to dynamic LCA carbon accounting. The SBTi commitment and reporting scope of Icade Promotion, including emissions from the construction part and emissions from building use over a 50-year horizon is 487,019 tonnes of CO<sub>2</sub>.

## OFFICE PROPERTY INVESTMENT

- Widening the scope from offices (73% of the portfolio) to all asset classes including warehouses/retail, processing, hospitality, seasonal activities (100% of the portfolio).
- Shift from location-based carbon accounting (based on the national energy mix) to market-based accounting (based on the energy mix of energy suppliers). This change is intended to bring the Office Property Investment Division in line with market practices in order to improve comparability with its peers.

The impact on carbon intensity reported in 2019 is -5%: from 15.4 kg of CO<sub>2</sub>e/sq.m/year reported in the 2019 URD to 14.6 kg of CO<sub>2</sub>e/sq.m/year and the impact on CO<sub>2</sub> emissions in absolute terms is an increase from 15,861 tonnes of CO<sub>2</sub> to 26,476 tonnes of CO<sub>2</sub>.

## HEALTHCARE PROPERTY INVESTMENT

- Widening the mapped scope from 76% of the CSR scope in France in 2019 to 100% of the CSR scope in France in 2021, mainly consisting of nursing homes.
- Including facilities acquired and completed in 2019 and 2020 in the recalculation of 2019 emissions.
- Estimating energy consumption data for assets for which data was not available.

The impact on the carbon intensity reported in France in 2019 is -3%: from 36.8 kg of CO<sub>2</sub>e/sq.m/year (data published in the 2019 Universal Registration Document) to 35.8 kg of CO<sub>2</sub>e/sq.m/year. The impact on CO<sub>2</sub> emissions in absolute terms is an increase from 42,495 tonnes of CO<sub>2</sub> to 62,618 tonnes of CO<sub>2</sub>.

## CORPORATE

- Taking into account commuting and business travel of Icade employees.
  - Widening the scope of mapped buildings from sites in the Paris region to locations outside Paris.
- The impact on CO<sub>2</sub> emissions in absolute terms is an increase from 101 tonnes of CO<sub>2</sub> to 2,621 tonnes of CO<sub>2</sub>.

Page 1: La Place boisée (Versailles) – Credit: Architecte coordonnateur: Lambert Lénack (75). • Page 4: Latécoère (Toulouse) – Credit: Sergio Grazia – Architectes Brenac & Gonzalez. • Page 7: Les Jardins de Gally (Versailles) – Credit: Architecte coordonnateur: Lambert Lénack (75). • Page 9: Perspectives de Fresk (Paris 15<sup>e</sup>/Issy-les-Moulineaux) – Credit: Agence SCAU Architectes. • Page 10: M Factory (Marseille) – Credit: Tangram Architectes \ Wood'Art – La Canopée (Toulouse) – Credit: Dietrich Untertrifaller - Maître Cube - Seuil Architecture. • Page 12: Tolbiac (Paris 13<sup>e</sup>) – Credit: Architecte: ORY Architectes. • Page 13: Les Jardins de Gally (Versailles) – Credit: Architecte coordonnateur: Lambert Lénack (75). • Page 14: Origine (Nanterre) – Credit: Maud Caubet Architectes - Quadri Fiore Architecture. • Page 16: Village des Athlètes (Saint-Ouen-sur-Seine) – Credit: Ailleurs Studio / UAPS (architecte coordonnateur), ECDM, Brenac & Gonzalez & Associés, Atelier Pascal Gontier, NP2F, Fagart & Fontana, TN+ (paysagiste). • Page 17: Fresk (Paris 15<sup>e</sup>/Issy-les-Moulineaux) – Credit: Agence SCAU Architectes. • Page 18: Santé Atlantique (Saint-Herblain) – Credit: Rudy Burbant. \ Bellerive-sur-Allier – Credit: Agence d'Architecture Alvergnat. • Page 21: Reims-Bezannes Polyclinic (Bezannes) – Credit: Svend Endersen. • Page 22: Open (Issy-les-Moulineaux) – Credit: Svend Andersen. • Page 24: Latécoère (Toulouse) – Credit: Sergio Grazia – Architectes Brenac & Gonzalez. • Page 25: Initial Prado (Marseille) – Credit: Brenac & Gonzalez & Associés. • Page 27: Village des Athlètes (Saint-Ouen-sur-Seine) – Credit: Ailleurs Studio / UAPS (architecte coordonnateur), ECDM, Brenac & Gonzalez & Associés, Atelier Pascal Gontier, NP2F, Fagart & Fontana, TN+ (paysagiste). • Page 28: Le Domaine de la Ferme (Boussy-Saint-Antoine) – Credit: Laure Doniol Directrice des agences Architecte D.P.L.G. & Architecte du Patrimoine & Cite Architecture. • Page 30: Urban (Ivry-sur-Seine) – Credit: Architecte Archikubik.