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SUSTAINABLE FINANCING FRAMEWORK

July 2024

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1. INTRODUCTION

1.1 NEXITY AND SECTOR OVERVIEW

1.1.1 NEXITY IN BRIEF

With €4.3 billion in revenue in 2023, Nexity is France's leading comprehensive real estate operator, with a nationwide presence and business operations in all areas of real estate development and services. Our strategy as a comprehensive real estate operator is designed to serve all our clients: individuals, companies, institutional investors and local authorities. Our corporate purpose, "Life together", expresses our commitment to creating sustainable spaces, neighbourhoods and cities that let our clients connect and reconnect. Nexity has been ranked France's number-one low-carbon project owner by BBCA for the fifth year in a row, is a member of the Bloomberg Gender-Equality Index (GEI), was included in the Best Workplaces 2021 ranking and was awarded Great Place to Work® certification in September 2022. Nexity is listed on the SRD, Euronext's Compartment A and the SBF 120.

Nexity is France's leading real estate group, operating in services, planning and development for all customers, whether individuals, companies, institutions or local authorities and enjoying a strong presence across all industry cycles (short, medium and long term).

Since it was founded in 2000, Nexity has built an asset light business model that offers its various clients (individuals, companies and investors, and local authorities) a unique range of products, services and solutions, backed by market-leading expertise (such as purchases, rentals, property management, building operations, property or development sales, investments, etc).

The Group historical core business of residential properties development and, to a lesser extent, the development of commercial properties are at the heart of Nexity's strategy. It is through these activities that Nexity has built its client-centric expertise and developed associated Real Estate Services to leverage the synergies and innovation among its businesses.

To deal with the unprecedented real estate crisis starting from 2023, Nexity has made the strategic choice to refocus its activities in France and therefore sold its Polish and Portuguese subsidiaries, in July and September 2023 respectively (the remaining countries, Belgium, Italy and Germany, are currently being wound up).

Lastly, after announcing in July 2023 that the Group was seeking strategic and financial partners for its Services activities to individuals (purchases, rentals...), Nexity finalised on 2 April 2024 the sale of 100% of its Services to Individuals business to Bridgepoint, a major European player in alternative asset management. This transaction is accompanied by a strategic partnership for a period of six years, renewable for four years, aimed at perpetuating and amplifying existing synergies with Nexity's property development activities¹.

1.1.2 MAIN FOCUS OF NEXITY'S STRATEGY: BEING A SUSTAINABLE REAL ESTATE OPERATOR

Nexity's involvement with local communities has led to design products that anticipate potential changes in consumer behaviour and practices, as well as the changing expectations of city dwellers. Its client-oriented focus, long-term commitment to making real estate and city life sustainable, and its ambitious innovation policy are the cornerstones of its strategy.

Nexity's strategy fully takes into account sustainability issues and new economic models of the real estate sector and has been designed to respond to them. Convinced that it creates sustainable value for Nexity and for the society at large, the Group puts this commitment at the heart of its actions and has included sustainable real estate development in its wider Corporate Social Responsibility (CSR) strategy (see section 1.2) since 2017.

The Group aims to create social and environmental value both on its upstream and downstream activities, as an urban and regional planner, property developer or condominium manager.

1.1.3 REAL ESTATE & CLIMATE IMPACTS AND LEVERS

In Europe, buildings are the largest energy consuming sector, responsible for around 40% of energy consumption and 36% of carbon emissions². Three-quarters of the European building stock is considered inefficient. Annual rates of new construction resulting in buildings with higher performance levels differ across EU Member States but are generally estimated to be around

¹ 2023 Nexity Universal Registration Document: Chapter 5, Section 5.5.2 "Recent developments" ([link](#))

² <https://ec.europa.eu/energy/en/topics/energy-efficiency/energy-performance-of-buildings>

1-2%, clearly inadequate to set the whole sector on a net zero-emissions pathway³. The sector emissions are due to both the impact of the construction of new buildings and the use of existing buildings.

To be successful, there needs to be a focus on total building emissions, not only on those related to energy efficiency. It is estimated that only about 60% of the emissions reduction's potential can be achieved via energy efficiency and decarbonized energy. Another 40% can be achieved through changes in building materials.

On this basis, developers of new buildings clearly appear as key players to deliver this transition by designing and constructing buildings with a low GHG footprint in compliance with future climate needs.

Besides such opportunities, environmental challenges also lead to major risk factors for real estate operators:

- Regulatory risks: challenge to comply with existing and more importantly future regulations, such as the new French Energy Regulation RE 2020, which includes energy thresholds and limits on carbon emissions for new buildings;
- Physical and transition climate risks: anticipation of long-term climatic events (impact on the progress of building sites, availability of land or wood resources, etc.)
- Market risks: with the non-respect of clients and investors' expectations, as they are increasingly integrating climate change issues in their investment decisions; and
- Corporate reputation and litigation risks: due to more stringent environmental requirements expressed by all stakeholders.

Having integrated such risks and opportunities in its business model, Nexity has positioned itself as a pioneer in low-carbon building construction.

1.2 NEXITY CORPORATE SOCIAL RESPONSIBILITY (CSR) STRATEGY

Nexity intends to provide concrete responses to the following challenges: access to housing, adaptation to climate change, preservation of nature, new consumption patterns. Faced with these major social, societal and environmental challenges, Nexity's CSR strategy aims to provide innovative solutions, products and services with a common goal: living better together.

Nexity's CSR strategy is designed with the aim of meeting and exceeding the expectations of its stakeholders (employees, clients, shareholders, investors, analysts, local authorities, civil society, etc.) and focuses on providing concrete responses to major social and environmental issues.

In early 2021, Nexity adopted its corporate purpose "Life Together" and incorporated it into its Articles of Association at the May 2021 Shareholders' Meeting. This corporate purpose is at the heart of the Group's action and was published and distributed in a manifesto. Carried out by its employees and shared with its partners, it is reflected in five commitments:

- Create places that foster connection through services and innovation;
- Strive to really know our clients;
- Act in unison to tackle environmental challenges;
- Work with our partners to further social solidarity;
- Harness our common culture for everyone's benefit.

The CSR strategy feeds into the Group's value creation by promoting new solutions, innovative products or services, developed with a very active ecosystem of partners (incubators, start-ups, manufacturers, associations, etc.). In 2021, the main areas of the CSR strategy were restructured in line with the previous structure and incorporating a variation of the commitments in Nexity's corporate purpose. The CSR strategy is based on three areas supported by three cross-functional issues:

Meeting the environmental challenge

Making cities more inclusive

Developing human capital

In addition to these three areas, a set of three cross-cutting issues feeds into the Group's CSR strategy:

Promoting open and responsible governance

Improving client satisfaction and having a responsible supplier relationship

Anticipating changes in uses through innovations

The main objectives of the CSR strategy are summarized in the following table in which the Group also identifies the priority areas in terms of its contribution to the achievement of the UN Sustainable Development Goals (SDGs):

³ <https://ec.europa.eu/energy/en/eu-buildings-database>

CSR AREAS OF FOCUS	COMMITMENT	OBJECTIVE	2021	2022	2023	PROGRESS	
Developing our human capital    	Strengthen the attractiveness of the company	At least 80% of employees are permanent shareholders	80%	60%	63%		
		Hire work-linked training students for 5% of the workforce by 2024	6%	7%	5%		
	Promote inclusion and equal opportunities	Have at least 40% of women on the Executive Committee	54%	44%	35%		
		Have at least 40% women in the Club 1797	38%	39%	41%		
Develop the talents and commitment of employees	Increase the number of training hours per employee	 15.5 hours	13.9 hours	11 hours			
Cross-cutting issues    	Improving client satisfaction	Annual improvement in the average client satisfaction rate (CSAT) across the entire Residential Real Estate client experience	 +1.6 points	+9.1 points	+1 point		
		Responsible governance	Improve the level of training for employees exposed to risks of corruption and influence peddling by 2025	85% of company officers and top management and 69% of Group employees trained in the prevention of corruption and influence peddling	Overhaul of the training material planned for 2023	Training continued in 2024	
Meeting the environmental challenge     	Reducing our carbon footprint	Reducing by 47%, in terms of absolute value, emissions related to administrative sites and vehicles (Scopes 1 and 2) by 2030 compared to 2019 ⁽¹⁾	 +15%	+1%	+36%		
		Reducing by 42% CO ₂ emissions per square metre delivered (Scope 3 development) by 2030 compared to 2019	 -2%	-5%	-5%		
		Manage 3,500,000 sq.m. of low-carbon assets	2,687,000 sq.m	3,284,000 sq.m	3,348,000 sq.m		
		Raise awareness among 100% of employees about the Climate Fresk	6%	18%	45%		
	Promoting biodiversity and nature in the city	Have 100% of residential projects delivered with planted areas	92%	93%	98%		
		Have 100% of office projects delivered with planted areas	100%	100%	100%		
Making the city inclusive and supportive   	Promoting affordable housing	% of housing reservations intended for means-tested households	43%	50%	61%		
	Promoting solidarity actions with the Nextly Foundation	Committing to housing the most vulnerable with Nextly Non Profit	Provide shelter for more than 4,000 people by 2026 (cumulative)	1,310	1,645	1,921	
		Support equal opportunities projects (donations in euros)	€311,000	€385,530	€531,700		
		Support projects to combat poverty (donations in euros)	€370,000	€426,000	€148,000		
	Support projects for integration through sport (donations in euros)	N/A	€31,000	€227,000			

 Objective achieved
  Objective almost achieved
  Objective moderately achieved
  Objective partially achieved
  Objective not initiated

 Indicator verified by Mazars, an independent third party (ITP) with a moderate level of assurance.

(1) Scopes 1 and 2 represent 0.6% of the Group's total scope 1, 2 and 3 emissions in 2023.

1.2.1 NEXITY'S CSR COMMITMENTS

Considering its unique positioning across the entire real estate value chain, Nexity is willing to implement its CSR commitments in the upstream and downstream stages of its real estate services platform by:

- Creating social, environmental and economic value for each of its clients;
- Providing its clients with well-being, quality of life and social connections in cities; and
- Jointly creating sustainable and resilient cities in which the impacts of climate change are anticipated.

The Group's CSR policy includes quantitative targets⁴ which are monitored on a yearly basis, the main ones are listed as follows:

- **Meeting the environmental challenge⁵**

Objectives	Maturity	2021	2022	2023
Reduce CO ₂ emissions from administrative sites (Scopes 1 and 2) by 47% compared to 2019*	2030	+15%	+2%	+41% ⁽¹⁾
Reduce CO ₂ emissions per square metre delivered (Scope 3 development) by 42% compared to 2019*	2030	-2% ⁽²⁾	-5%	-5% ⁽³⁾
Have 100% of residential projects delivered with planted areas	2023	92%	93%	98%
Have 100% of office projects delivered with planted areas	2023	100%	100%	100%
Manage 3,500,000 sq.m. of low-carbon assets ⁽⁴⁾	2025	2,687,000	3,284,000	3,348,000

(1) Scopes 1 & 2 represent 0.4% of the Group's total scope 1, 2 and 3 emissions in 2023.

(2) Result recalculated in accordance with ER 2020 environmental regulation methodology.

(3) The consolidation between residential and commercial development is carried out using a weighting of 90% for residential development and 10% for commercial development.

(4) The areas under low-carbon management correspond to the following Property Management missions: support for the Tertiary Decree, support for the implementation of an SRI strategy, environmental certification, management of a guarantee of expenses, commissioning of new buildings, implementation of a renewable energy supply contract, environmental performance monitoring *via* green committees, deployment of a carbon performance contract.

* Indicator verified by Mazars (independent third party) with a moderate level of assurance.

- **Making cities more inclusive**

Objectives	Maturity	2021	2022	2023
Percentage of housing reservations for means-tested households ⁽¹⁾	-	43%	50%	61%
Provide shelter for more than 4,000 people (cumulative)	2026	1,310	1,645	1,921
Support equal opportunities projects (donations in €)	-	311,000	385,530	531,700
Support projects to combat poverty (donations in €)	-	370,000	426,000	148,000
Support projects for integration through sport (donations in €)	-	N/A	31,000	227,000

(1) Social housing, intermediate housing and home ownership with reduced VAT.

- **Developing human capital**

Objectives :

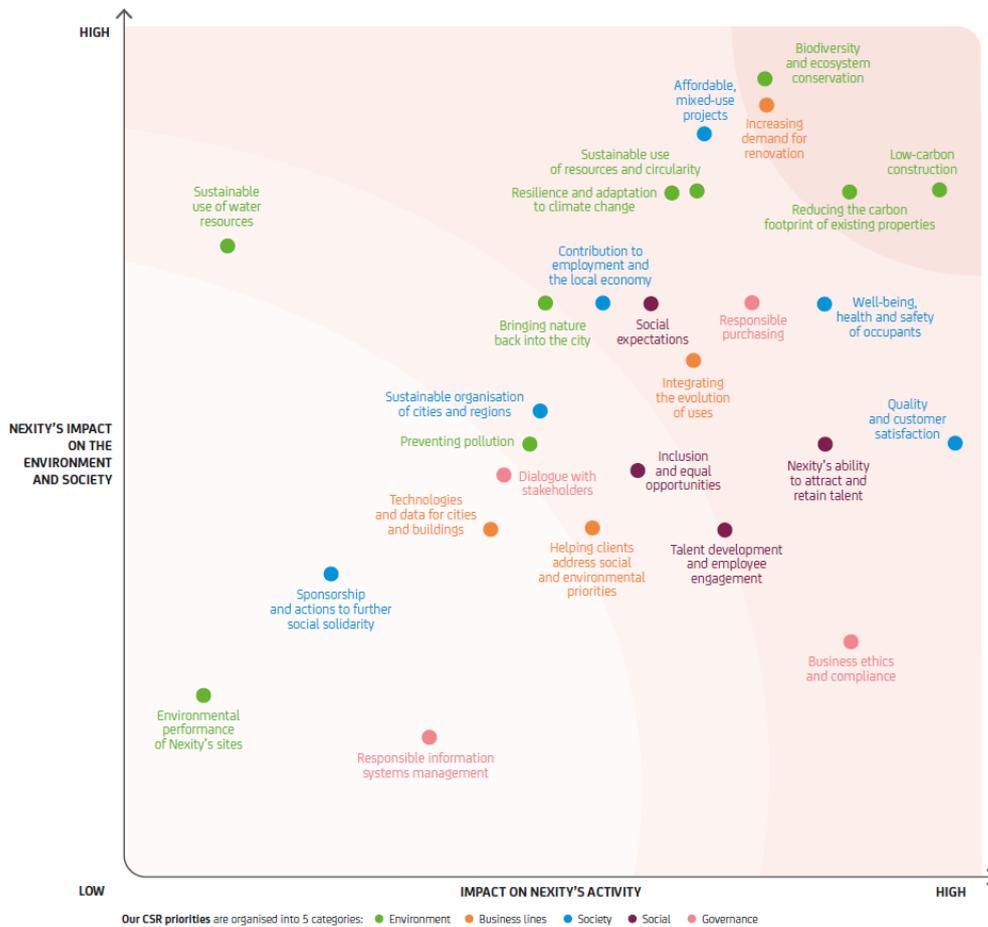
- Increase the employee shareholding structure, with at least 80% of employee shareholders (perpetual target)
- Have at least 40% of women on the Executive Committee (2023 target)
- Have at least 40% in the Club 1797 (2023 target)
- Hire work-linked training students for 5% of the workforce by 2024

1.2.2 MATERIALITY MATRIX

In 2015, Nexity carried out its first materiality matrix. This mapping of the CSR issues makes it possible to prioritise them by cross-referencing the stakeholders' expectations with the issues that have the most impact on the Group's activity. The mapping was subsequently updated in 2019. In 2022, a first double materiality assessment was conducted, by working with both the Stakeholders Committee and employees to identify their level of expectation for each issue, and also to the Executive Management to estimate the impact these issues have on Nexity's activities. Over 1,000 people responded to these consultations sent over to all Nexity's 8,000 employees and more than 3,000 customers.

⁴ Detailed quantitative targets disclosed in the [2023 Universal Registration Document](#)

⁵ 2021 and 2022 data relative to CO₂ emissions have been recalculated according to the new perimeter but have not been audited



In 2022, Nexity wanted to supplement its simple materiality analysis with a double materiality analysis. The principle of double materiality establishes a distinction between the Company's impacts on the environment and society, and the impacts of environmental and societal issues on the Company and its ability to create value. In accordance with the EFRAG recommendations, Nexity has classified its 27 CSR issues according to the two perspectives of double materiality:

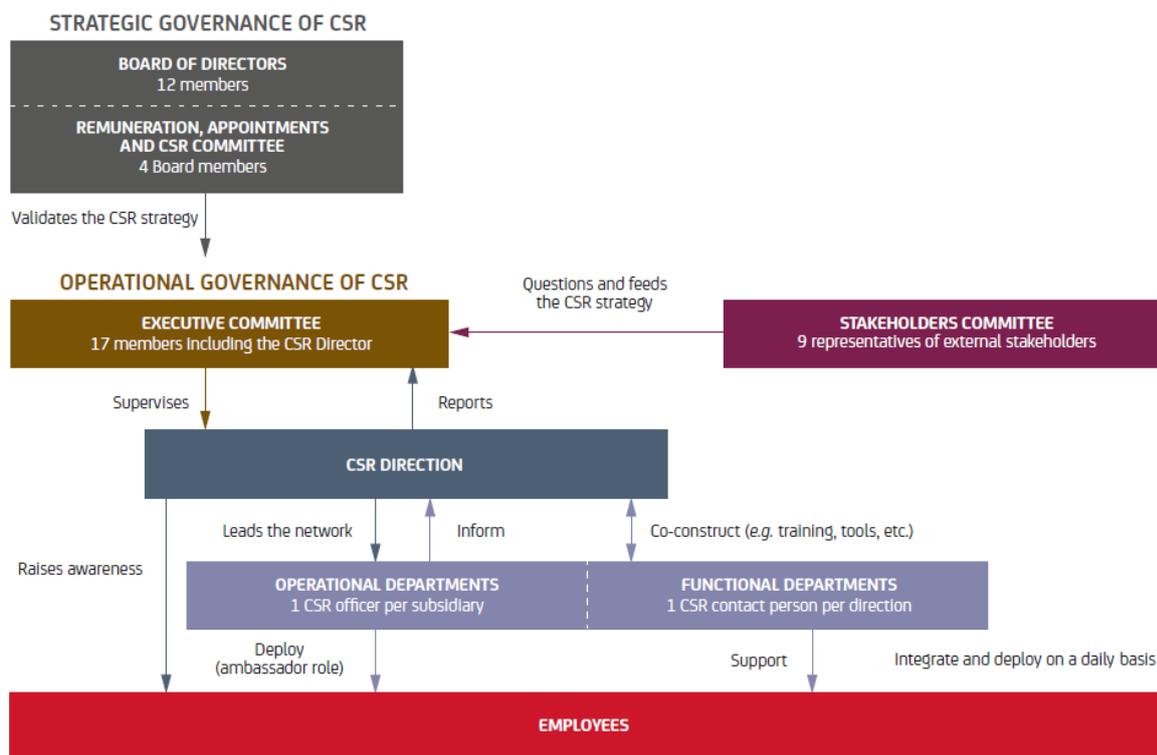
- **The impact perspective** reflects Nexity's impacts on people, society and the environment, both positive and negative, actual or potential, and related to its direct activities as well as its upstream and downstream value chain;
- **The financial perspective** reflects the risks and opportunities associated with these CSR issues that may have a positive or negative impact on Nexity's business model, development, performance and position in the short, medium or long term.

Nexity's double materiality presents results aligned with the simple materiality analysis, with 15 priority issues, including 4 of particularly high priority (biodiversity preservation, increased refurbishment, accessibility and diversity of projects and decarbonisation of construction). Several issues within this prism are of greater importance than those arising from the simple materiality analysis: adaptation to climate change, use of resources and circularity, biodiversity, accessibility and diversity of projects and responsible purchasing.

1.2.3 CSR GOVERNANCE AND DISCLOSURE

Nexity has put in place a responsible governance embedding sustainability issues at top management level. The dedicated CSR Department directly reports to the Group's Executive Committee and relies on a network of officers identified within the Group's main business lines. It has several main duties:

- Proposing and helping to implement and monitor the Group's CSR strategy
- Performance management and consolidation
- Coordination and support of subsidiaries in the operational integration of CSR in the business lines
- Dialogue with stakeholders
- Employee awareness-raising and training to make CSR a performance driver
- Monitoring



Figures at 31 December 2023

The Group's CSR strategy is reviewed at least once a year by the Remuneration, Appointments and CSR Committee⁶ and Nexity's Board of Directors. In April 2024, a Remuneration and Appointment Committee was created as well as a dedicated CSR Committee. The variable compensation paid to the Chief Executive Officer and the Strategic Committee members includes quantitative CSR targets. In addition, CSR targets are also a component of variable compensation of "Club 1797" members. Nexity regularly and publicly discloses its CSR commitments and results, and actively participates in several external ESG ratings⁷:

⁶ <https://nexity.group/en/about-us/our-governance>

⁷ 2023 Universal Registration Document: Section 3.1.1.6 Non-financial performance recognised by rating agencies

Real estate agencies	2021 rating	2022 rating	2023 rating	2022-2023 change	Comments
MSCI ⁽¹⁾	AA	AA	AA	=	Nexity is one of the top 13% of companies in its sector. (Rating ranging from CCC to AAA)
Gaïa Research ⁽²⁾	67/100	73/100	69/100	↓	In 2022, the agency conducted a historic overhaul of its ratings framework, which has led to a revision of the scores over the last three years. (Score ranging from 0 to 100)
Moody's ⁽³⁾	60/100	60/100	Awaiting publication of the 2023 assessment.		In 2022, Nexity maintained its "Advanced" level, ranking 10 th out of 97 European companies in the Financial Services - Real Estate sector. (Score ranging from 0 to 100)
ISS ESG ⁽⁴⁾	C	C-	C-	=	This rating places the Group in the top 20% of companies in its sector. (Rating from D- to A+)
Sustainalytics ⁽⁵⁾	16.8/100	16.5/100	Awaiting publication of the 2023 assessment.	↑	Exposure to ESG risks is considered low. (Score ranging from 0 to 100: reversed interpretation scale: 0 being a negligible level of risk and 100 a severe risk)
CDP ⁽⁶⁾	Climate change : B	Climate change : B	Climate change: A-	↑	In 2023, Nexity improved from a B rating to A- (ratings range from D- to A)
Humpact - Social ⁽⁷⁾	5/5	5/5	Awaiting publication of the 2023 assessment.		In 2022, Nexity maintained the maximum score of 5/5 as it did in 2021. (Scores range from 0 to 5)
Bloomberg Gender-Equality Index (GEI) ⁽⁸⁾	Present	Present	Awaiting publication of the 2023 assessment.		Nexity appears in the Bloomberg Gender-Equality Index for the 5 th consecutive year. In 2022, the Group was one of 484 global companies, of which 14 are French
Customer Relations Awards Les Echos - HCG ⁽⁹⁾	7 th	5 th	3 rd	↑	Nexity has climbed from 5 th to 3 rd place in the ranking (top 200)

1.3 2025 CLIMATE AND BIODIVERSITY STRATEGY

1.3.1 AN AMBITIOUS CLIMATE STRATEGY

In 2017, Nexity set its carbon trajectory for 2030 compared to 2015. It was revised in 2021 compared to 2019, and certified by the Science Based Target initiative (SBTi) as being aligned with the Paris agreements ("Well below 2°C"). This ambitious trajectory covers both the real estate development activity (Scope 3 development) but also the emissions related to the Group's administrative sites and vehicles (Scopes 1 and 2). In 2021, Nexity is therefore committed to the objective of contributing to global neutrality by 2050 and the Group has set itself the following objectives which were certified as "Well below 2°C" by the SBTi:

1. Reduce by 28% in absolute value the emissions related to administrative sites and vehicles (Scopes 1 and 2) by 2030 compared to the 2019 reference year; and
2. Reduce by 22% per square metre (expressed in floor area) emissions related to construction materials and the energy consumption of buildings delivered (Scope 3 development) by 2030 compared to 2019.

In 2023, the Group raised its goals and is now committed for a certified carbon trajectory by SBTi which is 1.5 °C-aligned:

1. Reducing by 47%, in terms of absolute value, emissions related to administrative sites and vehicles (Scopes 1 and 2) by 2030 compared to the 2019 baseline year; and

2. Reducing by 42% per square metre delivered (expressed in terms of floor area) emissions related to construction materials and the energy consumption of buildings delivered (Scope 3 development) by 2030 compared to 2019.

As a real estate leader in decarbonization, Nexity has structured its action for the climate around 4 commitments:

- leading by example in limiting emissions from vehicles and administrative sites;
- leading the field in decarbonising construction and renovation;
- being a key player in energy retrofitting for residential units⁸ and in developing low-carbon serviced property solutions for commercial properties; and
- facilitating dedicated climate governance and involving the Group stakeholders in our low-carbon strategy.

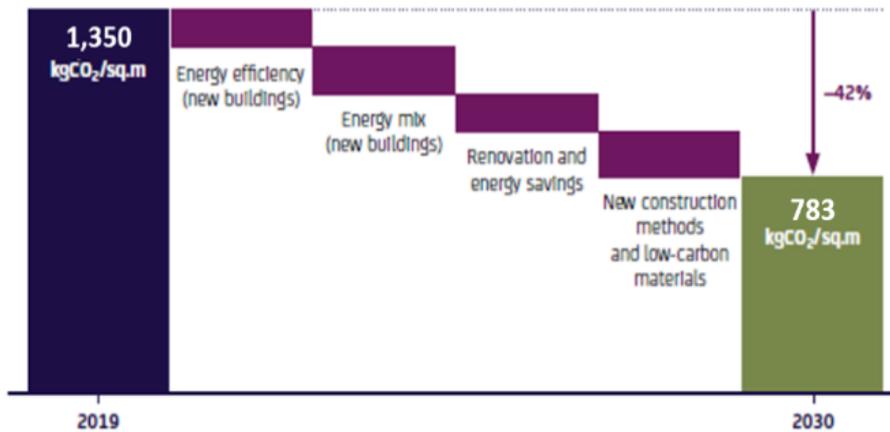
Regarding Group’s direct emissions related to vehicles and administrative sites (scopes 1 & 2), Nexity is taking actions that will gradually change internal practices:

- Reduce fuel consumption related to the fleet of service and company vehicles by optimising the fleet (number of vehicles), increasing the number of electric and hybrid vehicles, and providing eco-driving training for drivers
- Improve the management of the energy performance of administrative sites and group teams in high performance buildings

Reducing the carbon footprint of Nexity’s development operations requires profound changes. Indeed, to reduce by 42% per square metre delivered emissions in 2030 compared to 2019 for Scope 3 development, several decarbonisation levers will be activated to gradually alter Nexity business:

- developing buildings with high energy performance;
- implementing lower-carbon energy sources;
- ramping up the percentage of renovation in Group’s production, with the goal of increasing it to 20% by 2030, and adopting actions for saving and reusing resources;
- developing low-carbon products: new low-carbon construction methods and massively expanding the use of low-carbon materials;

IMPACT OF OUR MAIN DECARBONISATION LEVERS ON ACHIEVING OUR 2030 TARGET

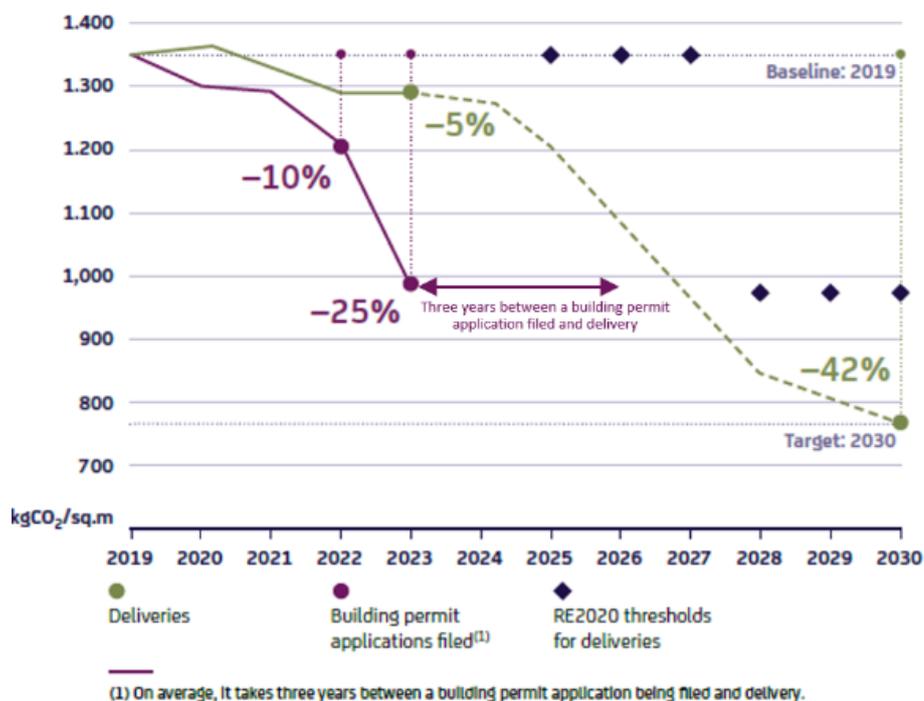


For their implementation, Nexity has established a governance structure dedicated to performance oversight, in particular with the establishment of a Group Construction Department and the appointment of a Head of Low-Carbon Strategy.

To reflect its 2030 carbon trajectory, Nexity is anticipating the most rigorous standard and setting annual internal targets relating to carbon performance for all development operations with effects from the building permit application stage. Using an internal carbon calculator, Nexity can carry out the carbon footprint analysis of an operation as early as the feasibility study in order to make decisions, from the earliest stages, on relevant construction and energy issues. In 2023, our operations at the building permit application stage outperformed the requirements laid down in France’s RE 2020 regulations by an average of 25%, two years ahead of schedule and which represents 300,000 metric tons of CO₂, confirming the efficiency of Nexity carbon strategy implementation.

⁸ Following the sale of our Services for Individuals to Bridgepoint, from 2024 the targets relating to these activities will no longer be included in our CSR strategy.

CARBON EMISSIONS REDUCTION TRAJECTORY FOR BUILDING PERMIT APPLICATIONS FILED AND DELIVERIES BY 2030



In anticipation of increased demand for products and services adapted to the effects of climate change, the Group is gradually integrating these challenges into operational changes to its business lines. Nexity is already equipped to take into account the physical risks of locations and to measure the resilience of its projects when addressing these risks.

Since 2022, Nexity selected a tool accessible to all real estate stakeholders and decided to support its expansion: Bat-ADAPT. This tool created using the work of the Observatoire de l'immobilier durable (OID), performs exposure analysis and vulnerability analysis on buildings located in France in order to establish a resilience diagnostic. Using this approach, we have been able to define a rollout strategy for all our operating entities.

The risks and challenges related to carbon emissions impact Nexity's business and therefore, Nexity wants to mobilise employees to take action and has set a target of raising awareness among all employees, through the Climate Fresk, by 2025. To achieve this target while working with its other stakeholders, the Group is undertaking actions that will change its risk management and relations with its internal and external stakeholders:

- Mobilise and raise employee awareness of climate change and low-carbon construction and train them in the specific challenges of the of the Group's business lines
- Support clients with the challenges of the low-carbon city
- Strengthen climate governance in line with the recommendations of the TCFD (Task Force on Climate Related Financial Disclosures)
- Anticipation of the European CSRD regulation (Corporate Sustainability Reporting Directive).

1.3.2 PRESERVING BIODIVERSITY AND PROMOTING NATURE IN THE CITY

Aware of the impacts of the real estate sector on biodiversity and the opportunities offered by nature and biodiversity in the city (expectations of residents, fight against the effects of climate change, etc.), the Group's ambition is to be among the companies most committed to making a positive impact in favour of biodiversity. But committing to promote urban biodiversity is not just a strategic opportunity: it's a way of continuing to work for the sustainable well-being of city-dwellers and for climate change adaptation by reducing heat islands.

Initially announced at the beginning of 2022, the Group's 2025 biodiversity strategy consists of 4 key priorities:

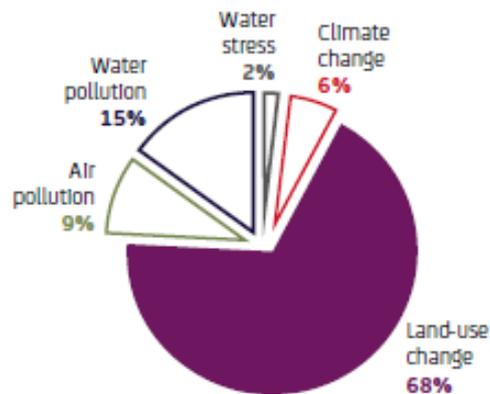
- **Priority n°1: Be at the forefront of biodiversity impact measurement**

Target: Measure our biodiversity footprint with the goal of reducing our impact on the living world

The biodiversity footprint measurement is recent and is still part on exploratory development phase, and so far there is no single indicator or shared methodology using a similar approach such as carbon footprint analysis.

In 2022, a measurement of the Group’s biodiversity footprint was carried out by a specialist consulting firm based on the methodology developed by the Corporate Biodiversity Footprint (CBF). It consisted of quantifying, for each of Nexity's business segments (design, development, services, administrative offices), the pressures exerted on biodiversity (change in land use, climate change, etc.) and the associated impacts.

**GROUP FOOTPRINT
– BY SOURCE OF PRESSURE**



Land-use change is the main source of pressure exerted by Nexity (68% of total impact) . This pressure is linked to the direct soil sealing of land for projects as well as land-use change for materials production.

- **Priority n°2: Give biodiversity pride of place in urban planning and development programmes**

Target: 100% of residential and commercial developments delivered by Nexity to include green spaces that meet specific criteria designed to promote biodiversity

In designing these spaces, Nexity has worked with employees and external experts on the Naturellement! (Naturally!) approach, launched in 2020, to welcome and promote biodiversity in both existing buildings and new developments by maintaining and diversifying plant strata and using native plant species. This approach, which applies to all new developments, also seeks to preserve soil and limit soil sealing and its effects. Lastly, based on this approach, Nexity installs dedicated on-site signage to educate occupants and users about the living world. These actions are carried out in close cooperation with local authorities and urban stakeholders. The Group is also considering incorporating input from an independent sustainability expert into all our developments.

- **Priority n°3: Limit soil sealing and land take**

Target: 100% of developments delivered in 2024 to be covered by a soil sealing diagnosis and, where possible, to include at least one solution to limit soil sealing

Land take is recognised as a major cause of biodiversity erosion. Among the main levers to reduce soil sealing and land take, Nexity supports several options:

- Preserving soil: increase the percentage of residential development reservations involving renovated properties to 20% by 2030 to limit our impact on soil, carry out soil sealing or de-sealing diagnoses on our developments, support local authorities by carrying out surveys of potential for de-sealing, repurposing and/or renaturing
- Bringing the living world back into every stage in the value chain: work on the upstream impact of materials on biodiversity by improving the traceability of timber used in our developments and drawing up new purchasing criteria
- Operate as an ecosystem (employees/clients): raise awareness among our clients and train our employees
- Measure and manage: share management responsibility among the Group’s governing bodies and play a proactive role in sector initiatives

In 2023, the Group renewed its commitment to biodiversity under the international Act4nature initiative for another three years.

- **Priority n°4: Rally employees and put in place a dedicated governance structure**

Target: 100% of staff to receive biodiversity training

The Group pays particular attention to improving the skills of its employees and incorporates a dedicated internal governance system to manage performance and continuous improvement in these areas. In 2023, two different training modules have been deployed: “Biodiversity”, open to all employees and “Naturally”, for employees in development programme and technical business line. The “Naturally” training programme helps participants understand all aspects of Nexity’s biodiversity specifications, applicable to all residential and commercial developments, and presents the tools available to staff.

1.3.3 PRESERVING RESOURCES AND PROMOTING THE CIRCULAR ECONOMY

In France, the building sector is the leading consumer of resources for the manufacture of materials (gypsum, limestone, sand, iron ore, wood, etc.), and one of the main consumers of energy for operations (electricity, heat, fossil fuels, etc.) and the leading producer of waste (70% of waste in France). The challenges of the circular economy are therefore major for this sector, as it is mainly based on a linear economy (extraction, construction / demolition, landfill) and non-renewable resources.

Nexity developed and rolled out a circular economy roadmap in 2022, both for development and services, to better pool, reuse or recycle resources. Following on from initial trials and partnerships with key players, this roadmap aims to structure the Group’s policy around a number of priorities, fully coordinated with the Group’s climate and biodiversity strategies: developing green building design and land recycling, scaling up reuse of materials and equipment, offering our clients circular solutions and developing circular approaches to managing commercial buildings.

- **The circular economy at all stages: from better management of construction site waste to the integration of reuse materials in pilot projects**

Nexity has adopted an environmentally responsible construction site charter common to all new housing construction projects so as to protect the environment (soil, waste, cleanliness), reduce pollution and control site costs and improve working conditions. It is being revised to draw on best internal and external practices and to incorporate environmental certification requirements. For projects involving prior demolition, Nexity systematically carries out a waste diagnostic before demolition to quantify the waste by category and encourage any form of recovery, by assessing the potential for reuse of materials on site, or failing that, by providing information on options for managing demolition waste.

The refurbishment of existing buildings is also part of circular urban planning, making it possible to extend the life of existing buildings, enhance heritage, intensify uses and to protect the soil. The Nexity Patrimoine et Valorisation subsidiary has made this its core business and area of expertise, available to all Group subsidiaries.

- **Commitments to the circular economy**

In the spirit of anticipation, experimentation and massification that guides Nexity in its contribution to the fight against climate change, the Group forges partnerships with key industrial players acting for the low-carbon transition of the construction sector. The solutions developed generally involve the greater integration of recycled raw materials or the decarbonisation of manufacturing processes, thus generating substantial savings in raw materials and fossil fuels.

Pursuing its commitment, Nexity joined the Reuse Booster at the end of 2021, a grouping of real estate players (project owners, prime contractors, general contractors) with the objective to enlarge the reuse market in the building sector, by structuring demand and facilitating the prescription of reuse materials. In line with its commitment to low-carbon buildings, Nexity is also a sponsor of the BBKA Exploitation label, a new standard for exemplary low-carbon operations.

In 2023, Nexity decided to be one of the first six partners in the “Consumption of material resources in the building and real estate sectors by 2040” approach of the Centre Scientifique et Technique du Bâtiment (CSTB). The objective of this approach is to carry out a prospective study on the evolution of resource consumption in the building and real estate sector by 2040.

- **Preservation of water resources**

For Nexity, this involves actions both in terms of development, construction methods and vegetation solutions.

- In the sketch phase, taking into account the elements present on the plot may result in the project being covered by the “French water law of 30 December 2006”. This work stream identifies the steps needed to ensure that planned construction activities do not significantly affect a site’s water resources or aquatic environments.
- In the design phase, water management is treated according to the control of drinking water consumption, in particular by the installation of hydro-efficient equipment via framework contracts of the Group for all property development ranges; the production of domestic hot water, and biodiversity and nature-based adaptation solutions (cooling).
- During the works phase, for new residential developments, Nexity conducts regular monitoring of water consumption at the building site by separating out the site accommodation where technically possible.

- The use of prefabricated wood for the tertiary and residential sectors also makes it possible to reduce water consumption during the construction phase compared to traditional concrete (around 25 litres of water per 100 kg of cement).

1.4 PROMOTING ACCESS TO HOUSING FOR ALL & PARTNERING WITH LOCAL AUTHORITIES, TO DESIGN TOGETHER SUSTAINABLY

For Nexity, “the fabric of the city” is a commitment to its inhabitants. Designing an inclusive city means making it accessible to all its users. The design of a home adapted to the diversity of needs and resources is one of the challenges. Nexity's contribution is to integrate the diversity of residents and their housing needs within the development of its offers. As a global real estate operator, the Group is committed to the regions by mobilising all of its solutions, to provide access to housing for all. As such, in 2023, 61% of Nexity's reservations⁹ were for subsidised housing intended for means-tested households.

Developing a social and thematic offer: for multiple responses to the needs of social housing operators and specific audiences

- Being the leading partner of social housing operators

The Group's objective is to match its expertise as closely as possible to the needs of each social housing operator, both in terms of geographical area and price, as well as in terms of use and environmental quality. Thus, Nexity wants to support social housing operators in their experimentation and innovation initiatives, using its expertise for demonstration projects. Nexity also supports intermediate housing players to meet the needs of the middle classes, who are above the ceilings for social housing, but do not always find the appropriate solutions in the private housing sector.

- Developing thematic housing

There are as many forms of housing as there are needs: inclusive housing (loss of autonomy due to age or disability), intergenerational, seniors, students, young professionals, etc. Nexity aims to provide access to housing for all by developing solutions adapted to each such as Multigenerational residences to meet the needs of seniors, going beyond intergenerational cohabitation or Inclusive Housing to offer people with a loss of autonomy - due to age or disability - an alternative to isolated housing or residential care; have adapted housing, but with a social and shared living aspect.

Supporting the home ownership of first-time buyers with limited resources

- Develop forms of home ownership: affordable home ownership, Real Solidarity Leases, reduced VAT

Alongside local authorities pursuing a proactive policy in favour of subsidised home ownership, Nexity is making its contribution by developing affordable housing projects. These homes, with prices capped below the local market prices, are dedicated to first-time buyers with limited resources. Nexity is also committed to developing more social home ownership projects under Real Solidarity Leases. In addition to these offerings, Nexity can provide innovative housing financing solutions such as social lease-ownership loans, social rental usufruct and intermediate rental usufruct.

- Being a major private player in urban renewal: with reduced VAT to benefit first-time buyers with capped resources

The Group's long-standing commitment to promote access to housing for all is notably shown in its support for local authorities in neighbourhoods targeted for urban regeneration by the French National Urban Regeneration Agency (Agence nationale de la Rénovation Urbaine – ANRU). Out of the Group's total reservations, nearly half of the first-time buyers buy in these neighbourhoods (ANRU and reduced VAT).

A long-term player, as a stakeholder in the regions

As a global real estate operator, Nexity supports its clients (local authorities, individuals, companies, institutions) throughout their real estate life through a wide range of real estate offers. Nexity develops a variety of real estate programmes (in terms of size, shape and destination), customised multi-use projects that are lively and adapted to the immediate and future challenges of the regions. The reversibility of buildings and neighbourhoods is considered from the design stage. The Group designs projects that adapt to changes in the uses and needs of each region. From the design phase and construction, to daily use and post-delivery, Nexity offers local authorities solutions to develop ambitious and virtuous projects that meet societal, social and environmental challenges: population growth and ageing, access to housing, energy transition, climate change, biodiversity, etc.

Strong local roots and a response tailored to each region

In terms of neighbourhoods, Nexity strives to ensure that projects are always designed with local authorities, taking into account their challenges and residents in their urban and programmatic dimensions, before entering the real estate and architectural

⁹ Social and intermediate housing and access to home ownership with reduced VAT

design phase. The Group therefore strives to approach each project with an urban vision, i.e. by considering the building as a component of a neighbourhood to which it brings an additional dynamic. This positioning necessarily translates into an intensification of uses, particularly at the level of active ground floors to enhance the experience of users of public spaces.

Nexity develops projects designed for and with residents and embedded in local ecosystems. In a fast-changing world, urban planning must be carried out together with citizens and not just for them. This proximity to the regions is one of the Group's strengths; it enables it to foster open dialogue with local players (political, economic or associative) at each stage of the project and to be part of a relationship of trust.

Expertise in refurbishment, reconditioning and renovation

With a long-term commitment to the regions, Nexity aims to provide citizens and their elected representatives with the solutions and skills to solve the complex problem of rebuilding the city on itself, using what already exists rather than extending it outwards to the detriment of natural spaces now materialised through the adoption by the legislator of the objective of zero net artificialization (ZAN), as part of the Climate and Resilience Act of 22 August 2021.

Among its solutions, the decontamination and conversion of former industrial sites is one of the Group's key areas of know-how. With a proven methodology for large-scale projects throughout France, the Group manages and secures all stages of this transformation, from the cessation of activity to the actual delivery of new buildings, in a virtuous, environmentally protective and profitable approach both for the site owner and the public institutions concerned.

2. RATIONALE FOR SUSTAINABLE FINANCING FRAMEWORK

The development and construction of efficient and low-carbon buildings aiming at contributing to support sustainable and responsible cities and create long-term value is at the heart of Nexity's strategy. This commitment is formalised via Nexity's CSR strategy and detailed in its annual integrated report. For this reason, Nexity is further developing its financing strategy to integrate Sustainable features in its Financing instruments as Nexity recognises the important role that sustainable finance plays in supporting the transition to a low-carbon and more resource-efficient economy. Nexity has notably already established itself as an active issuer with a Green bond in 2019¹⁰ and has structured its Revolving Credit Facility as a Sustainability-Linked Loan in 2023.

Nexity is convinced that Sustainable Financing instruments are effective tools to channel investments towards activities that have environmental benefits, to promote the transition to a climate resilient society and create value and to provide transparency to investors. The objective of Sustainable Financing instruments to be issued in accordance with this Sustainable Financing Framework (the Framework) is to link Nexity's financing strategy with its sustainability objectives, and notably support the strong commitment Nexity has towards significantly reducing its carbon footprint and promoting access to housing for all. This Framework has been created to facilitate transparency, disclosure and integrity of Nexity's Sustainable Financing instruments. It also aims to provide investment opportunities for investors who seek to contribute to the financing of green investments. Nexity has designed this document in accordance with best market practices.

Nexity's Framework aims at covering the issuance of Sustainable Financing instruments including Bonds, Loans, Convertible Bonds and Commercial Papers, in both private or public placement format and various currencies. Sustainable Financing instruments may consist of Sustainable Financing instruments as detailed under section 3 of the Framework, Sustainability-linked Financing instruments as detailed under section 4 of the Framework, or a combination of both.

¹⁰ It is specified that Nexity's Green Bonds issued in December 2019 will remain aligned with the commitments outlined in the Green Bond Framework applicable at the time of issuance (https://media.nexity.group/ngr_media/03/reporting-green-bond-fy2021-vf.pdf?_ga=2.200689966.1600077790.1665596070-180551044.1637077684&_gl=1*1ao7ups*_ga*MTgwNTUxMDQ0LjE2MzcwNzc2ODQ0*_ga_07MvVVK2EW*MTY2NTU5NjA3MC42LjE2MTY2NTU5NjE5Mi42MC4wLjA)

3. SUSTAINABLE FINANCING INSTRUMENTS

Nexity's Framework for Sustainable Financing instruments has been designed in accordance with the Green Bond Principles, as of 2021 with June 2022 Appendix I (GBP)¹¹, Social Bond Principles, as of 2021 with June 2022 Appendix I (SBP)¹² and Sustainability Bond Guidelines, 2021 version (SBG)¹³ as published by the International Capital Market Association (ICMA) as well as the Green Loan Principles, 2023 version (GLP)¹⁴ and Social Loan Principles, 2023 version (SLP)¹⁵ as published by the Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA), and Loan Syndications and Trading Association (LSTA), and together the Principles, which are voluntary process guidelines developed in multi-stakeholder processes involving issuers, investors, financial institutions, and NGOs, with a view to promoting the development of and integrity of sustainable financing instruments.

In accordance with the Principles, and for each Sustainable Financing instrument, Nexity asserts that it will follow the 4 key pillars outlined in this section of the Framework:

- Use of Proceeds
- Project Evaluation and Selection
- Management of Proceeds
- Reporting

The Framework also follows the key recommendations for heightened transparency of the Green Bond Principles regarding (i) Green Bond Frameworks and (ii) External Review as further outlined below.

Sustainable Financing instruments issued under this Framework will comply with the following definitions:

- **Green Financing instruments** are instruments where the proceeds will be exclusively used to refinance or finance Eligible Green Projects as defined in section 3.1.
- **Social Financing instruments** are instruments where the proceeds will be exclusively used to refinance or finance Eligible Social Projects as defined in section 3.1.
- **Sustainability Financing instruments** are instruments where the proceeds will be exclusively used to refinance or finance both Eligible Green Projects and Eligible Social Projects as defined in section 3.1.

The Framework and the four components outlined above will apply to any of the Sustainable Financing instruments issued by Nexity in accordance with the Framework until their redemption.

Subsequent changes to the Framework will not apply to outstanding Green Bonds (grandfathering). As such, Eligible Green and/or Social Projects must meet the Eligibility Criteria at the time they are flagged as Eligible Green and/or Social Projects, it being understood that if Nexity decides to enhance Eligibility Criteria, then these new criteria will not apply retroactively¹⁶ to the existing Eligible Green and/or Social Projects. For the avoidance of doubt, new Sustainable Financing instruments shall be aligned with the most recent version of the Framework.

Moreover, The Nexity group has defined assumptions and analysis methods regarding Regulation (EU) 2020/852 on the establishment of a framework to promote sustainable investments (the Taxonomy Regulation). The analysis carried out by the Group is based on Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing the Taxonomy Regulation. The assessment of Nexity's eligible activities is carried out on the basis of a detailed analysis of its various activities and with regard to the activities described in the taxonomy regulation as further described in its Universal Registration Document¹⁷. In the context of issuance of Green Financing instruments, Nexity will aim, on a best-effort basis, to apply the instruments proceeds to refinance or finance Eligible Green Projects aligned with the Taxonomy Regulation, notably Delegated Regulation (EU) 2021/239 specifying the technical criteria for substantial contribution and absence of harm relating to the two climate objectives (climate change mitigation and adaptation).

¹¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-GBP/>

¹² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

¹³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

¹⁴ <https://www.lsta.org/content/green-loan-principles/Feb-2023>

¹⁵ <https://www.lsta.org/content/social-loan-principles-slp/Feb-2023>

¹⁶ Existing Eligible Green Projects as defined in the Nexity Green Bond Framework 2019 do not lose their eligibility if they do not meet the new eligibility criteria stated in this Framework

¹⁷ <https://nexity.group/en/finance/publications>

The Framework also outlines the expected contribution to the Sustainable Development Goals (SDGs) published in 2015 by the United Nations (UN) as part of the 2030 Agenda for Sustainable Development in line with Nexity's ambition to further channel investments to projects that contribute to the achievement of the UN SDGs.

3.1 USE OF PROCEEDS

An amount equal to the net proceeds of any Sustainable Financing instrument under this Framework will be used to finance and/or refinance, in whole or in part, Eligible Green and/or Social Projects. The combination of all the Eligible Green and/or Social Projects earmarked by the Sustainable Financing instruments Committee will constitute the Eligible Project pool. Nexity commits on a best-effort basis to provide a description of the estimated proceeds allocation per green or social project category and to disclose the estimated share of financing versus re-financing. If unknown at time of the issuance, allocation of proceeds by category and by type of financing will be communicated as part of post-issuance annual reporting (see section 3.3. – Reporting). Eligible Green and/or Social Projects shall meet all the following criteria:

- Eligible Green and/or Social Projects refer to the development and construction or renovation of residential properties (Projects) located in Metropolitan France;
- Projects exclusively developed by Nexity, including serviced residences, excluding co-developed projects;
- Projects approved by Nexity's "Purchasing Committee" (as described below) during the previous and current years of issuance of the Sustainable Financing instruments (representing a maximum of 24 months);
- Projects should meet at least one of the Eligibility Criteria as described in Table 1 below;
- Projects qualify for refinancing as long as they follow all the criteria outlined above without any look-back period.

The Eligibility Criteria included in Table 1 have been determined based on the following sources of information:

- The definitions and technical screening criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities in the EU Taxonomy Delegated Acts on Climate Change Mitigation and Adaptation¹⁸ (EU Taxonomy) on a voluntary basis, notably focusing on the following economic activities:
 - 7.1 Construction of new buildings;
 - 7.2 Renovation of existing buildings.
- Eligible Green and Social Project Categories as set out in the Principles;
- Existing market practices based on similar Frameworks already published;
- Internal expertise of all the parties involved in the construction of the Framework.

In accordance with the "High-Level Mapping to the Sustainable Development Goals" published by the International Capital Market Association (ICMA) in June 2022¹⁹, Nexity also presents under Table 1 the expected positive contribution of Eligible Green and/or Social Projects to be included in Sustainable Financing instruments following this Framework to the targeted Sustainable Development Goals.

¹⁸ As an asset-light business model company, Nexity is not concerned by climate change adaptation objective.

¹⁹ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Mapping-SDGs-to-GSS-Bonds_June-2022-280622.pdf

Table 1 – Eligibility criteria

Eligible Project Category	Eligibility Criteria	Environmental or Social Objective(s) & EU Taxonomy economic activities N°	UN SDGs expected contribution
Eligible Green Projects			
Green Buildings	<p>Construction of new residential buildings, located in France, which meet at least one of the following eligibility criteria:</p> <ul style="list-style-type: none"> Buildings with Primary Energy Demand (PED)²⁰ at least 10% lower than the relevant national threshold set for Nearly Zero-Energy Building (NZEB)²¹ requirements²². Buildings that have achieved, or target to achieve environmental certification (New-Build) including NF Habitat HQE²³ certification under the NF 500-10 and NF 500-11 (applicable since January 2024). Buildings that have achieved, or target to achieve any level of the low-carbon label BBCA (“Bâtiment bas carbone”)²⁴. <p>Renovation of existing residential buildings, located in France, which meet at least one of the following eligibility criteria:</p> <ul style="list-style-type: none"> Building renovation compliant with the applicable requirements for major renovations of Energy Performance of Buildings Directive (EPBD)²⁵ or building renovation leading to a reduction of primary energy demand (PED) of at least 30%²⁶ Building renovation leading to obtention of environmental certification (Refurbishment or In-Use) including NF Habitat HQE certification under the NF 500-13 V4.2 referential (applicable since January 2024). Building renovation leading to obtention of any level of low-carbon label BBCA (“Bâtiment bas carbone”) Rénovation²⁷. 	<p>Substantial contribution to Climate Change Mitigation (Article 10)</p> <p>7.1 Construction of new buildings</p> <p>7.2 Renovation of existing buildings</p>	 <p>Target 7.3</p>  <p>Target 11.3:</p> 
Eligible Social Projects			
Affordable Housing	<p>Construction of new individual and/or collective housing located in areas with reduced VAT according to the national decree No. 2022-465 of 31 March 2022.</p> <p><u>Target population:</u> Intermediate-income population subject to resource ceilings defined according to the reference tax income of the household, based on national decree (Decree No. 2022-465 of 31 March 2022)²⁸.</p>	<p>Access to housing</p> <p>Fight against inadequate housing</p>	 <p>Target 1.4</p>

3.2 PROCESS FOR EVALUATION AND SELECTION OF PROJECTS

3.2.1 GREEN AND/OR SOCIAL PROJECT SELECTION PROCESS

²⁰ The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m² per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).

²¹ see Appendix for additional information on NZEB requirements in the context of France, including the interpretation of the *Ministère de la Transition Énergétique* (Ministry of Energy Transition) in the context of the *Règlementation Thermique 2012* and the *Règlementation Environnementale 2020*.

²² and for buildings larger than 5,000 m², the building(s) resulting from the construction undergo testing for airtightness and thermal integrity, and a life-cycle Global Warming pPotential (GWP) has been calculated.

²³ <https://www.nf-habitat.fr/certification/>

²⁴ <https://www.batimentbas carbone.org/referentiel-technique-bbca-neuf/>

²⁵ For building renovation compliant with the applicable requirements for major renovations of Energy performance of Buildings Directive (EPBD) or leading to a reduction of primary energy demand (PED) of at least 30% only the investments in retrofits will be considered as Eligible Green Assets.

²⁶ The 30% reduction in primary energy demand occurred in comparison to the baseline performance before the refurbishment and is achieved through a succession of measures within a maximum of 3 years.

²⁷ <https://www.batimentbas carbone.org/renovation-bas-carbone/>

²⁸ <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000045458093>

Nexity has put in place a dedicated Sustainable Financing Committee for the overall governance of its Sustainable Financing Framework and related issuances. The Sustainable Financing Committee includes, among others, representatives of the Finance Department, CSR Department and the Residential Real Estate operational teams.

The roles and responsibilities of the Sustainable Financing Committee, which meets at least once a year, include:

- Review of compliance of selected Green and/or Social Projects with the Eligibility Criteria (validation by the Purchasing Committee), financial validation in terms of financial needs and amounts to be funded and exclusion of controversial projects (if any);
- Validation of the Sustainable Financing instruments' proceeds allocation;
- Monitoring of the dynamic Eligible Projects pool;
- Validation of the annual reporting to investors;
- Monitoring of the External Reviews, notably auditors annual missions; and
- Review the Framework to reflect any change with regards to the Group's sustainability strategy and initiatives, and any change in market standards and regulatory environment.

The process for project evaluation and selection consists in the following steps:

- Every Nexity's Residential Real Estate program must be submitted to the Commitments Committee²⁹ first and secondly through the Purchasing Committee³⁰ (or equivalent committees);
- The CSR Department is responsible for a first identification of Eligible Green and Social Projects and constitution of the potential pool of projects;
- The Financial Department is responsible for compiling the information related to the amount of funding required (working capital requirement) for this potential pool of Eligible Green and Social Projects and identifies proceeds allocation accordingly; and
- The Sustainable Financing Committee selects and validates the final pool of Eligible Project Pool and the allocation of proceeds.

3.2.2 RESPONSIBLE MANAGEMENT OF PROJECTS

Eligible Projects are expected to comply with European regulations, including any applicable regulatory environmental and social requirements. In addition, Nexity's priority is to manage its Residential Real Estate projects in a socially and environmentally responsible manner throughout their journey under Nexity's scope of action, from design to construction.

The elements shared below specify the elements taken into consideration by Nexity to ensure the responsible management of its projects.

Design of the project

Nexity integrates the eco-design of the residential projects by considering the principles of sustainable development from the early stages of the design process of a building. The pursued objective is to limit the project's environmental impact by optimising energy efficiency, carbon footprint, waste management, water management, in addition to the preservation of biodiversity. The Group makes use of the full range of engineering techniques to maximize energy performance: optimising building orientation, improving insulation and limiting thermal bridging, efficient glazing and heating systems.

Beyond the advanced French environmental regulation related to construction sites which is systematically implemented, Nexity can engage the project in a global eco-construction certification process (such as NF Habitat, HQE™, Promotelec, Habitat Neuf).

Validation of the project

In order to be approved, every Nexity's Residential Real Estate program must be submitted to the internal committees (i.e. Commitments Committee and Purchasing Committee or equivalent committees). In these committees, the sustainable features of the projects are assessed by the operational teams and the CSR Department. For every residential project, the operational team must measure the carbon impact of the project thanks to an in-house tool "Carbon 20 tool" fully integrating the calculation methods, indicators and thresholds of the RE 2020. The team must also complete a CSR performance form that provides a summary of the project's ESG performance KPIs:

- Energy performance (label, construction materials, heating equipment, renewable energy);

²⁹ The Commitments Committee is composed of Residential Real Estate general management, as well as the Managing Director of the relevant subsidiary, and possibly others working on the project; approval for the biggest projects is given by the Group Commitments Committee, on which the Nexity general management has a mandatory seat. The Committee meets whenever necessary including any time the programme planned for a given site is changed in a significant way.

³⁰ During the Purchasing Committee, any proposed acquisition of land is examined based on a budget and the success of marketing operations.

- Carbon intensity;
- Additional environmental KPIs (such as indoor air quality, preservation of water resources, green spaces);
- Eco-responsibility of the construction site; and
- Social inclusion.

The CSR department controls the completion of the carbon impact and the CSR forms.

Construction of the project

During the construction phase, Nexity implements guidelines and recommendations for risk prevention and organises on-site visits and internal audits to verify their compliance with regulations and safety guidelines. For all new projects, the prime contractor is liable for maintaining an environmentally responsible construction site and providing monthly reports and check-lists through in-house tools.

Methodology for alignment with "Does No Significant Harm" (DNSH) criteria of the Climate Change Mitigation objective of Delegated Regulation (EU) 2021/239. For the avoidance of doubt, DNSH alignment will be targeted by Nexity on a best-effort basis only.³¹

Nexity's analysis of the DNSH criteria is carried out based on the public views of the CNCC (*Compagnie Nationale des Commissaires aux Comptes*) as well as on various sectoral market initiatives.

- Activity 7.1 - Construction of new buildings & Activity 7.2 - Renovation of existing buildings

Climate Adaptation

An analysis of the adaptation to climate change of the project in accordance with the taxonomy regulation is carried out over 30 years using the BatAdapt tool with the IPCC 8.5 scenario (Business as Usual). An inventory is made of the adaptation measures in place to reduce significant risks, and Nexity's analysis is focused on the following climate risks: droughts and shrinkage and swelling of clays, heat waves, flooding and submersion.

Other DNSH

The review of the other DNSH criteria was carried out taking into account French regulations as well as the existing policies within the Group. In the context of a transitional regime and based on market practices, the following elements were considered:

- Sustainable use and protection of hydrological and marine resources, as part of the "Sanitary Equipment for Buildings" DNSH, the referencing of water-saving equipment makes it possible to meet the thresholds defined by this criterion on projects that use this referencing.
- Transition to a circular economy, for the "Design promoting circularity and enabling reuse and recycling" DNSH, the consideration of the circular economy pillars during the design phase: saving of resources, adaptability, flexibility or dismantlability was deemed sufficient. In addition, the inclusion for each of the operations concerned of a target on-site waste recycling rate was considered as validation for the "material recovery" criterion.
- Pollution prevention and control, for the "Reduction of noise, dust and pollutant emissions" DNSH, the deployment of an eco-responsible construction site charter makes it possible to cover this criterion

Analysis of minimum guarantees

The Group is committed to preventing risks related to the potential impact of its activities on human rights, corruption, taxation, fair competition. In that way, beyond being compliant with the French social regulations aligned with the International Labour Organization's eight fundamental conventions that include child labour and illicit work, Nexity has set out several guidelines in respect of the Group's stakeholders.

Nexity has deployed internal procedures to comply with the Duty of Care to identify and prevent violations of employee freedoms and human rights. The Group operates mainly in France but does have a presence in some other countries. Nexity ensures that these countries have ratified the eight fundamental conventions of the International Labour Organization (ILO). These actions cover a wide scope of application, including whistleblowing procedures, training and the implementation of a Code of Conduct³² and a Supplier Ethics Charter last updated in 2022.

³¹ Methodology applicable to year 2023 and subject to future changes

³² Additional information available in [Nexity's Universal Registration Document](#) – section Business Ethics and regulatory compliance

In order to anticipate and reduce the risks of corruption and influence peddling, the Group implements measures in application of the Sapin II law and to prevent unfair competition. These are supported by the correct application of the Code of Conduct, awareness-raising campaigns and a training plan for employees. The procedures that the Group implements to comply with these commitments also include the mapping and publication of risk factors on tax policies³³, the implementation of an internal whistleblowing system to combat corruption³⁴ as well as regular monitoring of legal and arbitration proceedings³⁵.

3.3 MANAGEMENT OF PROCEEDS

The net proceeds of each Sustainable Financing instrument will be managed within Nexity's general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Project Pool as selected by the Sustainable Financing Committee. For the avoidance of doubt, all outstanding Sustainable Financing instruments issued under the same Sustainable Finance Framework shall be managed on an aggregated basis with a single Eligible Project Pool, however individual Green Bond reports will be disclosed at least annually for each outstanding bond.

Nexity will aim to fully allocate the proceeds of a given Sustainable Financing instrument within a one-year period from the issue date of each Sustainable Financing instrument issuance. In case of refinancing, the look-back period will be limited to 24 months.

Pending the full allocation of the proceeds, Nexity commits to hold the balance of net proceeds not already allocated invested in cash and cash equivalents, managed by Nexity's Treasury Department in accordance with its treasury policy.

Nexity has an internal information system that will enable the tracking of the Sustainable Financing instruments Proceeds until each project has been achieved. The Finance Department is responsible for monitoring the Eligible Project Pool. The Sustainable Financing Committee ensures that the total amount of proceeds raised via Sustainable Financing instruments remains lower than the combination of the existing and future Eligible Project Pool.

Once a project is achieved and sold or in case of divestment, postponement, cancellation, ineligibility or controversy, Nexity will re-allocate the proceeds to finance other Eligible Green or Social Projects, in compliance with the current Framework, within 12 months. Considering the usual 18 to 24 months asset rotation cycle for a developer such as Nexity, the Issuer expects natural turnover in the Eligible Project Pool.

3.4 REPORTING

Nexity will report annually on the allocation of the net proceeds of the Sustainable Financing instruments and, on a best effort basis, associated impact metrics, until the proceeds have been fully allocated, and as necessary in case of material change. This reporting will be disclosed on Nexity's website (www.nexity.fr). Based on internal project accounting monitoring and reporting tools, Nexity's Finance and CSR Departments will collect and consolidate these reporting data.

3.4.1 ALLOCATION REPORT

The allocation reporting will provide:

- The list of Eligible Green and Social Projects or categories of eligible projects financed through Nexity's Sustainable Financing instruments, including amounts allocated;
- Allocated amount vs. total amount;
- The share of financing vs. refinancing, and
- The remaining balance of proceeds pending allocation, invested in cash and/or cash equivalents.

3.4.2 IMPACT REPORT

Nexity intends, on a best effort basis, to report annually and until full allocation on the environmental impact of the Eligible Green Projects and on the social impact of the Eligible Social Projects. Nexity strives to align its reporting with the reporting templates suggested by the "Handbook – Harmonized framework for impact reporting" published by the International Capital Market Association (ICMA)³⁶.

³³ Additional information available in [Nexity's Universal Registration Document](#) – section Description of risk factors and risk control systems

³⁴ Additional information available in [Nexity's Universal Registration Document](#) – section Duty of care

³⁵ Additional information available in [Nexity's Universal Registration Document](#) – section Legal and arbitration proceedings

³⁶ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

Nexity will use the following metrics to report on the outputs and impacts of the Eligible Green and Social Projects, aggregated at pool level due to a large number of underlying projects:

Eligible Project Category	Indicative list of output and impact indicators
Green Buildings	<ul style="list-style-type: none"> • % of new buildings meeting the construction standards RE 2020 in France; • % of new buildings that surpass at least by 10% the construction standards RT 2012 in France • Estimated carbon Intensity (kgCO₂/sqm) of residential real estate production; • Environmental Certifications schemes and/or low-carbon labels achieved / targeted and levels • % of residential projects with planted areas
Affordable Housing	<ul style="list-style-type: none"> • % of residential projects in areas with reduced VAT³⁷

Nexity is committed to disclose the calculation methodologies and assumptions used for the impact indicators in its reporting, which will be aligned with methodologies used in its Universal Registration Document.

3.5 EXTERNAL REVIEW

3.5.1 SECOND PARTY OPINION

ISS-ESG has been selected to assess the sustainability, transparency and governance of Nexity's Sustainable Financing Framework, Sustainable Financing Instruments section, and its compliance with the Principles.

The results will be documented in the Second-Party Opinion, which will be available on Nexity's website. Any material change to this Framework will be submitted for review to the Second Party Opinion provider.

3.5.2 EXTERNAL VERIFICATION

Nexity's annual reporting will also be subject to external verification by an external auditor until full allocation and in case of any changes to the allocation. The auditor will verify:

- The compliance of projects financed by Sustainable Financing instruments issued under the Framework with Eligibility Criteria defined in the use of proceeds section;
- Allocated amount related to the Eligible Project Pool financed by the Sustainable Financing instruments proceeds; and
- The management of proceeds and unallocated proceeds amount.

The external auditor's assurance reports will be published on Nexity's website (www.nexity.fr).

³⁷ As per the Order No. 2014-159 of 20 February 2014 or any subsequent relevant regulation

4. SUSTAINABILITY-LINKED FINANCING INSTRUMENTS

Nexity's Framework for Sustainability-Linked Financing instruments has been designed in accordance with the Sustainability-Linked Bond Principles, 2024 version (SLBP)³⁸, as published by the International Capital Market Association (ICMA), and the Sustainability-Linked Loan Principles, 2023 version (SLLP)³⁹ as published by the Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA), and Loan Syndications and Trading Association (LSTA), which are voluntary process guidelines developed in multi-stakeholder processes involving issuers, investors, financial institutions, and NGOs, with a view to promoting the development of and integrity of sustainability-linked financing instruments.

In accordance with the SLBP and the SLLP and for each Sustainability-Linked Financing instruments, Nexity asserts that it will follow the 5 key pillars outlined in this section of the Framework:

- Selection of key performance indicators (« KPIs »)
- Calibration of sustainability performance targets (« SPTs »)
- Characteristics of Sustainability-Linked Financing Instruments
- Reporting
Verification

4.1 SELECTION OF KEY PERFORMANCE INDICATORS

Nexity has selected two sustainability KPIs which are core, relevant and material to its business and industry. The selected KPIs will be specified in the relevant instrument's specific documentation as applicable.

- KPI 1: Absolute GHG emissions (Scope 1 & 2)
- KPI 2: Greenhouse Gas (GHG) emissions per sqm delivered (Scope 3)

For the avoidance of doubt, as scope 3 GHG emissions from development activities represent the vast majority of total GHG emissions of Nexity, KPI 1 can only be applied to a given sustainability-linked financing instrument if KPI 2 is also applied. However, KPI 2 can be applied in a chosen sustainability-linked financing instrument on a stand-alone basis.

4.1.1 RATIONALE FOR KPI SELECTION

Climate change is one of the greatest contemporary challenges and has an enormous impact on people's lives and health. The rise in the earth's temperature can lead to extreme weather conditions, food shortages, difficulties in accessing drinking water and increased air pollution.

To limit the consequences of global warming, the United Nations presents carbon neutrality as the solution to counterbalance the build-up of GHG in the atmosphere. Formally adopted in 2016, the Paris Agreement sets out a global framework for the fight against climate change and is the expression of the binding ambition to keep the rise in temperatures below 2°C compared to the pre-industrial era.

According to the ADEME (Agence de l'Environnement et de la Maîtrise de l'Énergie), in France, the building sector is the second largest emitter of greenhouse gases after the transport sector, considering emissions related to energy consumption only (25% of total GHG emissions⁴⁰). If the emissions assessed on the life cycle of construction products and equipment used in new construction and renovation operations are added, the sector's emissions represent one third of national emissions. Faced with the risks of climate change, and environmental damage in general, real estate must provide solutions in terms of mitigating and adapting to climate change.

³⁸ SLBP 2024: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Sustainability-Linked-Bond-Principles-June-2024.pdf>

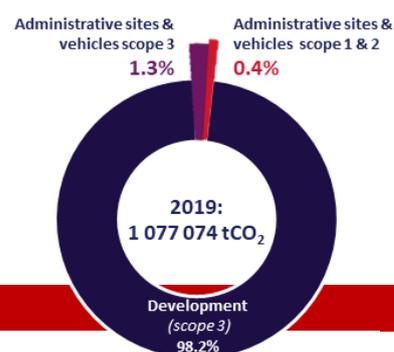
³⁹ SLLP 2023: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

⁴⁰ Greenhouse gas emissions in France: official 1990-2020 assessment; Citepa (Technical Reference Centre on Air Pollution and Climate Change); 30 June 2021.

Nexity, through its development activity, is a real estate player. While it is neither a materials manufacturer nor a construction company, it is responsible during construction, as a specifier. Nexity is fully committed to the implementation of the Paris Agreement and has set its carbon trajectory for 2030 compared to 2015. It was revised in 2021, and certified by the Science Based Target initiative (SBTi) as being aligned with the Paris agreements (well below 2°C). In 2022, the Group raised its goals for a certified carbon trajectory which is 1.5 °C aligned, Nexity is therefore committed to the objective of contributing to global neutrality by 2050 and specific work is being carried out within the context of the "Net Zero Initiative" (NZI)⁴¹ which proposes a common language for all players wishing to steer their climate action in a sincere, ambitious and transparent manner with a view to achieving global net zero emissions, and in line with existing instruments and methodologies.

Nexity's internal carbon emissions are linked to vehicles and administrative buildings (Scopes 1 and 2) and the carbon emissions of its sphere of influence are linked to buildings delivered as part of the development activity (Scope 3). Thus, acting for the climate is the priority of Nexity's environmental strategy. This requires major changes to its business. This involves changes in its activities: notably, a change in the materials used and the energy solutions chosen, a switch of its businesses towards more refurbishment and renovation, a reduction in the share of construction, or the development of new products and low-carbon services.

2019 Nexity's carbon footprint restated



2023 breakdown of Nexity's GHG emissions⁴²

2023 Carbon assessment

(in tCO ₂ e)	2019*	2021	2022	2023 (like-for-like basis) ⁽⁴⁾	2023 % (like-for-like basis) of total
Scope 1 (administrative sites and vehicles)**	4,209	4,857	4,183	6,094	0.5%
Scope 2 (administrative sites)**	342	382	459	301	0.02%
Total scopes 1 & 2	4,550	5,240	4,642	6,395 ⁽²⁾	0.5%
Scope 3: residential development**	917,842 ⁽¹⁾	957,523	1,089,167	1,156,197 ⁽³⁾	90.7%
o/w materials	N/D	589,724	693,335	724,868	-
o/w energy	N/D	367,799	395,832	431,329	-
Scope 3: commercial development**	140,198 ⁽¹⁾	84,668	33,260	103,756	8.1%
o/w materials	N/D	71,634	28,035	90,848	-
o/w energy	N/D	13,034	5,225	12,908	-
Scope 3: administrative sites and vehicles	14,494	10,895	11,091	8,181 ⁽²⁾	0.6%
Total scope 3	1,072,524	1,053,086	1,133,518	1,268,134	99.5%
TOTAL (scopes 1 & 2 & 3)	1,077,074	1,058,326	1,138,160	1,274,529	100%

* Reference year.

** Indicators verified by Mazars (independent third party) with a moderate level of assurance.

(1) Recalculation of data in accordance with ER 2020 environmental regulation methodology.

(2) The calculation of the Bilan Carbone[®] 2023 carbon assessment is based on 90% of emissions which come from actual data vs. 10% from extrapolated data.

(3) The calculation was based on 78% actual data and 22% extrapolated data.

(4) The like-for-like basis only concerns administrative sites and vehicles.

In this context, Nexity aims to become the real estate leader in decarbonisation. This goal takes the form of four commitments:

- Be a leader in the decarbonisation of the building/renovation industry
- Become a leading player in the energy renovation of housing and the low-carbon management of the commercial portfolio⁴³
- Being exemplary in terms of the carbon footprint of administrative sites and vehicles
- Facilitate dedicated climate governance and involve stakeholders in a carbon strategy

⁴¹ <https://www.net-zero-initiative.com/fr>

⁴² 2023 GHG emissions breakdown recalculated following the sale of the Services to Individuals business

⁴³ Following the sale of our Services for Individuals to Bridgepoint, from 2024 the targets relating to these activities will no longer be included in our CSR strategy.

To support these commitments Nexity has chosen to incorporate its global greenhouse gas emissions reduction ambitions into the Framework via two key performance indicators addressing its global GHG emissions reduction objective:

KPI 1: Absolute GHG emissions (Scope 1 & 2)

KPI 2: GHG emissions per sqm delivered (Scope 3 Development)

These two KPIs have been selected by Nexity with the objective of aligning with the high-level recommendations of the Sustainability-Linked Bond principles Illustrative KPIs Registry published in June 2022 by ICMA⁴⁴ as climate change (GHG emissions and energy) is identified as the most material sustainability theme according to the illustrative KPIs registry sector materiality matrix for the Real Estate sector and Scope 1, 2, 3 GHG emissions reduction has been identified as a core indicator for sustainability-linked bond issuances in the Real Estate sector.

These two KPIs are expected to contribute to Climate Change mitigation as part of the EU Environmental Objectives and are aligned with the following UN Sustainable Development Goal (“SDG”) and related sub-targets:



Target 9.1
Target 9.4



Target 11.3
Target 11.6



Target 12.2



4.1.2 KPI 1: ABSOLUTE GHG EMISSIONS (SCOPE 1 & 2), IN TCO2E

Definition, perimeter and methodology for calculation

Scopes 1 and 2 GHG emissions are calculated by Nexity based on a GHG inventory reporting procedure on the basis of the French Bilan Carbone® methodology in line with Greenhouse Gas Protocol (GHG Protocol), relevant industry guidelines and other key external inputs (e.g. emission factors) as follows:

- **Scope 1:** Direct GHG emissions arising from the combustion of direct energy sources used for company buildings. For Nexity, this corresponds to direct emissions from stationary or mobile installations located within the organisational scope (e.g. gas consumption), company and service car fuel consumption as well as direct fugitive emissions (air conditioning refrigerant leakage).
- **Scope 2:** Indirect emissions from purchased electricity, heating, and cooling, calculated on a location basis. For Nexity, it corresponds to the indirect emissions associated with the production of electricity, heat or steam imported for business activities.

The scope of activities considered is the same as the one used and disclosed in the Statement of non-financial performance chapter of Nexity’s annual Universal Registration Document and all emissions items of the carbon footprint were taken into account in the GHG emissions assessment.

The temporal scope corresponds to one calendar year, i.e. one year of activity, the organizational scope includes all sites operated by Nexity and its affiliates and the consolidation methodology is based on operational control (ie. emissions are accounted for all goods, services and services and facilities operated by Nexity at the corporate level). The greenhouse gas emissions of Nexity’s administrative sites are assessed by a specialised external consulting firm. This work is based on the Bilan Carbone® methodology and uses the Ademe’s emission factors. Carbon offsets are not included in the calculation.

For the avoidance of doubt, scopes 1 & 2 GHG emissions data have been restated according to the new Group’s perimeter, tacking into account the sale of its Services activities to individuals.

Both 2019 and 2023 scopes 1 & 2 GHG emission have been verified and validated by an external consultant, Mazars.

Historical Performance

⁴⁴ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

Scope 1&2 CO2 emissions (tCO2e)				
EMISSION SOURCES	2019	2021*	2022*	2023
Scope 1 – Direct CO2 emissions	4,209	4,857	4,183	6,094
Direct emissions from stationary combustion sources (Natural gas consumption for heating)	13	11	66	0
Company and service car fuel consumption	3,996	4,709	4,015	6,092
Direct fugitive emissions (air conditioning refrigerant leakage)	200	137	102	2
Scope 2 – Indirect CO2 emissions	342	382	459	301
Electricity Consumption	246	239	319	192
Steam consumption	95	144	141	109

*2021 and 2022 data have been recalculated according to the new perimeter but have not been audited

4.1.3 KPI 2: GHG EMISSIONS PER SQM DELIVERED (SCOPE 3), IN KGCO2E/M2

Definition, perimeter and methodology for calculation

Scope 3 Development GHG emissions are calculated by Nexity according to French “Règlementation Environnementale 2020” (RE2020) in line with the Greenhouse Gas Protocol (GHG Protocol), relevant industry guidelines and other key external inputs (e.g. emission factors) and include other emissions indirectly produced by the Nexity's activities which are not accounted for within Scope 2 (not linked to electricity, heat or steam), but which are linked to the complete value chain (e.g. emissions linked to real estate development programmes).

The scope of activities considered is the same as the one used and disclosed in the Statement of non-financial performance chapter of Nexity's annual Universal Registration Document and all emissions items of the carbon footprint were taken into account in the GHG emissions assessment. or the avoidance of doubt, this KPI includes the scope 3 GHG emissions (indirect emissions from Nexity's value chain) from real estate development (residential and commercial).

GHG emissions from real estate development include emissions from the extraction, production, and transportation (i.e. cradle-to-gate emissions) of goods and services acquired by a company in the reporting year, not otherwise included in another upstream category. For Nexity, it refers to the emissions related to construction and/or renovation of buildings. For real estate development activities, emissions related to buildings are calculated by taking into account construction materials and energy consumption over a 50-year operating period. The following are considered: the extraction of materials, the manufacture and transport of construction products, the construction phase of the building, energy consumption during the project, as well as the dismantlement of the works.

The greenhouse gas emissions of Nexity's real estate development programmes are assessed by the Residential Real Estate division and the CSR Department using a dedicated tool and with the assistance of specialized external consulting firms.

This work is based on the methodology of the French “Règlementation Environnementale 2020” (RE2020) which reduces the impact of new buildings on the climate by taking into account all of the building's emissions over its life cycle, from the construction phase to the end of its life (construction materials, equipment), including the operating phase (heating, domestic hot water, air conditioning, lighting, etc.), via a life cycle analysis. Carbon offsets are not included in the calculation.

In line with the SBTi methodology, Nexity has made a full carbon footprint analysis according to the GHG Protocol. The categories encompassed in the KPI represents ~98% of Nexity's total scope 3 GHG emissions. The remaining 2% are categories on which Nexity has less impact and control such as scope 3 GHG emissions from administrative sites and vehicles.

Historical Performance

CO2 emissions				
EMISSION SOURCES	2019	2021	2022	2023
Scope 3 – Indirect emissions per sqm (of Gross Floor Area) delivered** (kgCO2e/sqm)	1,350	1,324	1,285	1,284

*excluding scope 3 GHG emissions from administrative sites and vehicles

** The consolidation between residential and commercial development is carried out using a weighting of 90% for residential development and 10% for commercial development

4.2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPT)

The Sustainability Performance Targets (SPTs) are set in line with Nexity's Climate Strategy and CSR strategy. The number of SPTs will vary depending on the maturity of the contemplated Sustainability-Linked financing instrument issuance. For each Sustainability-Linked financing instrument issued under this Framework, the applicable SPTs and the dates at which compliance with the SPT will be assessed (the Target Observation Date(s)) will be detailed in the relevant instrument specific documentation.

For the avoidance of doubt, scopes 1 & 2 GHG emissions data have been restated according to the new Group's perimeter, tacking into account the sale of its Services activities to individuals.

Summary of available KPIs, SPTs and observation dates						
	2019	2021	2022	2023	2027	2030
KPI 1: Absolute Scope GHG emissions (Scope 1 & 2), in tCO2e	4,550	5,240	4,642	6,395	3,463	2,412
KPI 2: GHG emissions per sqm delivered (Scope 3), in kgCO2e/sqm	1,350	1,324	1,285	1,284	968	783

4.2.1 SPT 1 - REDUCTION OF ABSOLUTE GHG EMISSIONS (SCOPE 1 & 2) BY 47% BY 2030 (VS 2019)

Overall trajectory and ambition

Nexity is committed to achieving a reduction of 47% by 2030 from the 2019 base year of the direct GHG emissions related to its operations (scopes 1 and 2). This objective was published in April 2022 when Nexity increased its ambition from a previous 28% reduction of absolute scope 1 & 2 GHG emissions by 2030 target. This objective is a certified carbon trajectory which is 1.5 °C-aligned by the SBTi. This step represents a doubling of the objectives compared to the previous trajectory.

For the avoidance of doubt, scopes 1 & 2 GHG emissions data have been restated according to the new Group's perimeter, tacking into account the sale of its Services activities to individuals.

Final and intermediate targets

Metric	Unit	Baseline	Target	Target Observation Date
Absolute GHG emissions (Scope 1 & 2)	tCO2e	4,550 tCO2e in 2019	47% reduction (2,412 tCO2e*)	31 st December 2030
Absolute GHG emissions (Scope 1 & 2)	tCO2e	4,550 tCO2e in 2019	23,9% reduction (3,463 tCO2e*)	31 st December 2027

*Historical data, 2019 baseline and targeted absolute values are continuously recalculated to reflect any changes of perimeter, in accordance with Nexity's recalculation policy as detailed later in this Framework with respect to the defined SPTs.

Action plan and strategies to achieve the SPTs

In the context of Nexity's climate strategy to become the real estate leader in decarbonisation, one of the four commitments set is to be exemplary in limiting emissions from vehicles and administrative site. To achieve the exemplarity objective, the Group is taking actions that will gradually change its internal practices and support its objective of reduction of Scope 1 & 2 GHG emissions:

- Reduce fuel consumption related to the fleet of service and company vehicles by optimising the fleet (number of thermal engine vehicles), increasing the number of electric and hybrid vehicles, and providing eco-driving training for drivers;

Improve the management of the energy performance of administrative sites and group teams in high performance buildings (notably through partnerships with lessors to implement solutions to proactively optimise the management of energy consumption related to heating, ventilation and air conditioning) by relying on a « sobriety plan » and employees (implementation of internal measures to participate in the collective effort with an internal awareness-raising plan to engage employees).

Key risks that may impact the ability to meet the targets

- Introduction of new regulatory, outside the scope of Nexity's current expectations, inclusive of those implemented by the EU or national governments
- Events of force majeure
- Lack of engagement from lessors to implement energy management solutions and low-carbon energy sourcing (thermal, electricity)
- Material change in forecast grid emissions reductions

4.2.2 SPT 2 - REDUCTION OF GHG EMISSIONS PER SQM DELIVERED (SCOPE 3) BY 42% BY 2030 (VS 2019)

Overall trajectory and ambition

Nexity is committed to achieving a reduction of 42% by 2030 from the 2019 base year of the GHG emissions related to its real estate development programmes (scope 3). This objective was published in April 2022 when Nexity increased its ambition from a previous 22% reduction of scope 3 GHG emissions per sqm delivered by 2030 target. This objective is a certified carbon trajectory which is 1.5 °C-aligned by the SBTi. This step represents a doubling of the objectives compared to the previous trajectory and the new trajectory is 10% more ambitious than the one made mandatory by the French environmental regulation 2020 (RE2020), already very demanding in the European context.

Final and intermediate targets

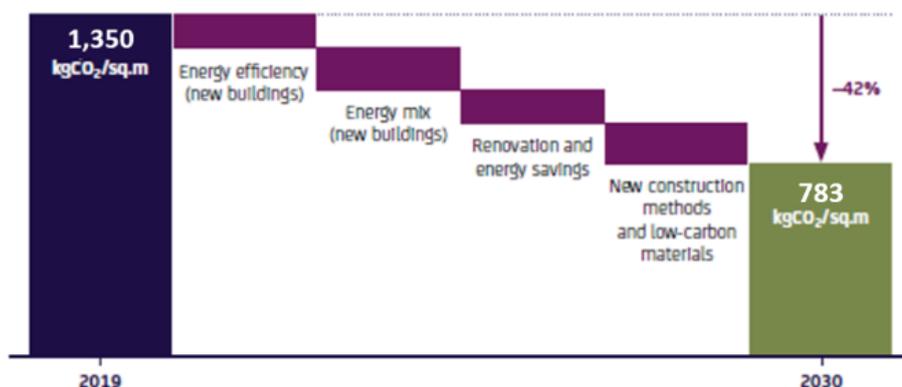
Metric	Unit	Baseline	Target	Target Observation Date
GHG emissions per sqm delivered (scope 3)	kgCO2e/sqm	1350 kgCO2e/sqm in 2019	42% reduction (783 kgCO2e/sqm *)	31 st December 2030
GHG emissions per sqm delivered (scope 3)	kgCO2e/sqm	1350 kgCO2e/sqm in 2019	28,3% reduction (968 kgCO2e/sqm *)	31 st December 2027

* Historical data, 2019 baseline and targeted absolute values are continuously recalculated to reflect any changes of perimeter, in accordance with Nexity's recalculation policy as detailed later in this Framework with respect to the defined SPTs.

Action plan and strategies to achieve the SPTs

In the context of Nexity's climate strategy to become the real estate leader in decarbonisation, one of the four commitments set is to be a leader in the decarbonisation of building/refurbishing. The carbon emissions related to its business as a developer are not emitted directly by Nexity, but by the players mobilised by the Group upstream of a project, and by the users of the buildings thereafter. These emissions therefore involve its entire value chain. To achieve its ambitious objective of reduction of GHG emissions per square meter delivered (scope 3) Nexity is undertaking actions that will gradually change its business.

IMPACT OF OUR MAIN DECARBONISATION LEVERS ON ACHIEVING OUR 2030 TARGET



Lever n°1: Developing buildings with high energy performance

- Operational implementation of the low-carbon strategy for the residential and tertiary development activity

As soon as the RE 2020 was implemented, the Group set annual carbon performance targets for all development projects from the building permit filing stage. This involves anticipating regulatory carbon requirements and their various thresholds, decreasing over time in three-year stages. In very concrete terms, in 2022, the Group had achieved its objective of outperforming the ER 2020 by approximately 10% and in 2023, the ER 2020 was outperformed by 25%. The Group once again achieved its objective, with each subsidiary producing a certain proportion of projects already compliant with the 2025 and 2028 thresholds of the regulation, both for materials and energy.

Evolution of the Group's outperformance compared to ER 2020

Year	2022	2023
Difference compared to ER 2020 in the average submission of building permits	10%	25%

- Environmental labels and certifications

As part of its tertiary activities, Nexity made a very early commitment to the energy and environmental performance of buildings by anticipating regulations and obtaining labels and certifications.

- Energy and carbon-efficient buildings

An internal carbon calculator, Carbone 20, incorporating the ER 2020 thresholds, makes it possible to carry out the carbon assessment of a project from the feasibility study phase in order to make construction and energy choices well upstream.

To design buildings with a low carbon footprint from design to end-of-life, Nexity works to combine multiple solutions: optimisation of the building's orientation, exposure and openings, improved insulation and limitation of thermal bridges, work on glazing, choice of heating method, etc. All the Group's new residential projects are therefore designed to consume only a small amount of energy for heating, cooling, hot water, ventilation and lighting.

Lever n°2: Implementing lower-carbon energy sources

As part of a sustainable design approach to residential buildings, Nexity always considers the use of renewable energies such as solar systems and connections to urban heat networks with a significant proportion of renewable energy (over 60%) to produce domestic hot water, electricity, etc.

Nexity launched the deployment of heat pumps and thermodynamic solutions for heating, cooling and domestic hot water production. By largely using renewable heat from the air or the ground, these solutions allow for significant energy savings and reduce the CO₂ emissions associated with the "operation" of a real estate project by around 80% compared to a gas installation. The Group therefore intends to use heat pumps in all its projects as soon as technical and economic conditions allow. To achieve this ambitious objective, Nexity has established industrial partnerships with three recognized suppliers of this type of equipment and is currently training all employees in their use.

Lever n°3: Ramping up the percentage of renovation in Group's production, with the goal of increasing it to 20% by 2030, and adopting actions for saving and reusing resources

Lever n°4: Developing low-carbon products: new low-carbon construction methods and massively expanding the use of low-carbon materials

- Low carbon construction

Wood-frame construction is important for Nexity, which has been one of the pioneers for over ten years, in both Residential and Commercial Real Estate. The Group has been recognised as the leader in low-carbon development as a result of a roadmap that began nearly 15 years ago. Since 2010, Nexity has believed in the choice of wood and has developed expertise in its use in the tertiary market. In 2021, this expertise was extended to the residential market.

Regarding residential real estate, Nexity delivered 450 mixed wood/concrete housing units in 2023. This product, Ywood, developed by Nexity, is based on an industrialised mixed wood/concrete construction system. It is 50% less emissive than a standard building and is characterised by various performances such as thermal insulation to exceed the standards of the ER 2020; energy efficient, low-carbon electrical systems and a shorter construction time (10 to 14 months of work for 30 housing units, including 6 weeks to be roofed and framed), with less waste generated and much lower levels of nuisance (noise, cleanliness, traffic, safety, etc.) the neighbourhood.

- Complete range of high environmental quality for the commercial real estate sector

Nexity Immobilier d'Entreprise has developed a range of products adapted to the needs of its clients, with a common foundation of extremely demanding low-carbon and environmental standards: bio-sourced materials for office buildings, refurbished office buildings, reversible office buildings and the frugal office building known as "Essentiel". The latter, thanks to a bioclimatic design working on the reinforced insulation of the building envelope and on its internal inertia, makes it possible to maintain a temperature of between 22°C and 26°C all year round, without heating or air conditioning.

In addition, Nexity is developing an affordable low-carbon tertiary building, Nex'step, using wood and hemp concrete over a surface area of 1,000 sq.m. This building will meet the 2028 threshold of the RE 2020. A prototype was launched in 2023 in the Lyon metropolitan area.

In addition to wood, the Group is developing the use of other bio-sourced materials; raw earth, stone, wood and hemp concrete. Lastly, Nexity is developing construction methods involving low-carbon concrete. **Key risks that may impact the ability to meet the targets**

- Introduction of new regulatory, outside the scope of Nexity's current expectations, inclusive of those implemented by the EU or national governments
- Events of force majeure
- Supplier engagement initiatives not delivering results as planned (e.g. suppliers not being able to execute low carbon transition, low engagement of critical suppliers, etc.)
- Lack of government policy, guidance and/or regulatory support

4.3 CHARACTERISTICS OF THE SUSTAINABILITY-LINKED FINANCING INSTRUMENTS

The proceeds of Nexity's Sustainability-Linked Financing instruments will be used for general corporate purposes, including for the potential refinancing of existing debts as may be specified in the terms and conditions of the particular instrument. The financial characteristics of the instruments (bond, loan and/or contingent facilities such as bonding lines, guarantees, letter of credit, FX instruments, etc.) will be impacted by a coupon step-up, or a premium payment, or a margin adjustment depending on the nature of the instrument according to the achievement or non-achievement of the selected KPIs and applicable SPTs at the Target Observation Dates, as specified in the relevant instrument specific documentation as applicable.

If, for any reason, the performance level against each SPT cannot be calculated or observed as prescribed, or not in a satisfactory manner (non-satisfactory manner to be understood as a verification assurance report provided by the independent auditor containing a reservation or the independent auditor not being in a position to provide such report), the step-up to the coupon or increased margin adjustment of the instrument will be applicable.

4.4 REPORTING

At least on an annual basis, Nexity will publish on its website the performance of the selected KPIs until the achievement of the selected SPT. This reporting will be disclosed on Nexity's website (www.nexity.fr). In either case within 180 calendar days of the end of each calendar year to enable investors to monitor Nexity's progress against the relevant KPIs and SPTs.

The disclosed information will include:

- Up-to-date information on the performance of each selected KPI, including the baseline where relevant;
- Calculation methodologies and underlying assumptions of the KPIs;

- Any additional relevant information enabling investors to monitor the progress of each selected KPI towards the SPT.

When relevant, information published on Nexity's website] may also include any recalculation, amendment or modification of the SPTs or the relevant baselines, as applicable, such as :

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

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

4.5 VERIFICATION

EXTERNAL VERIFICATION

Nexity's annual performance against the SPT for each of the KPIs selected on a particular Sustainability-Linked Financing instrument will be verified by an external auditor , as part of the Universal Registration Document audit process, the result of which will be included in a dedicated section of its Universal Registration Document or on its website as a separate report or document.

Moreover, a verification assurance report issued by an external verifier to verify the Group's performance against the relevant SPT in respect of the relevant KPI as at the relevant Target Observation Date in respect of a particular Sustainability-Linked Financing instrument by Nexity will be published in a dedicated section of Nexity's Universal Registration Document or on its website as a separate report or document, in either case within 180 days of the relevant Target Observation Date.

SECOND PARTY OPINION

Nexity's Sustainability-Linked Bond Framework has been reviewed by ISS-ESG who provided a second party opinion (SPO), confirming the alignment of the Framework with the Sustainability-Linked Bond Principles (SLBP) 2023 as administered by ICMA and the Sustainability-Linked Bond Loans (SLLP) 2023 as administered by LMA.

The Second Party Opinion is available on Nexity's website (www.nexity.fr).

4.6 RECALCULATION POLICY

The KPI(s), SPT(s) and baselines may be amended, adjusted or recalculated in good faith by Nexity in case of any significant change (such as force majeure events which may include for instance occurrence of any war, revolution, strike, industrial action or other social unrest, earthquake, pandemic, flood, or nuclear terrorist attack, cyber-attack or any other force majeure event in any relevant territory) or other potential significant changes including:

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

Such recalculation may be performed provided that an External Verifier has independently confirmed that the proposed revision is consistent with Nexity's sustainable strategy, and is in line with the initial level of ambition of the SPT(s). Any such change will be communicated and notified as soon as reasonably practicable by Nexity in accordance with the conditions detailed in the specific documentation of each Sustainability-Linked Financing instrument and must be published in Nexity's annual Universal Registration Document or on its website as a separate report or document.

5. AMENDMENTS TO THIS FRAMEWORK

Nexity will review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. Nexity will also review this Framework in case of material changes in the perimeter, methodology, and in particular the definition of KPIs and/or the calibration of SPTs or the applicable eligibility criteria for Use of proceeds.

Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of a qualified provider of Second Party Opinions. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Verifier.

6. APPENDIX

Application of Nearly Zero-Energy Buildings and NZEB-10% threshold in France

In the Delegated Act on climate change mitigation and adaptation⁴⁵ applicable since January 1, 2022, the technical screening criteria for the construction of new buildings (7.1.) is based on the concept of Primary Energy Demand (PED) (C_{ep} 'Consommation d'énergie primaire' in French). According to the official text, constructions of new buildings must reach a PED "at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures" in order to substantially contribute to climate change mitigation.

The methodology for defining a Nearly-Zero Energy Building is set out in the 2018 European Energy Performance of Buildings Directive (EPBD)⁴⁶, but does not provide specific numerical thresholds. Therefore, it allows Member States to define their NZEBs in a flexible way, considering country-specific climatic conditions, primary energy factors, ambition levels, calculation methods and building traditions.

Currently, in France, the construction of a new building is governed by the following two construction standards:

- The RE 2020 (*Règlementation Environnementale 2020*), which applies since 2022 to housing (building permits filed from January 1st), office and educational buildings (July 1st), and;
- The RT 2012 (*Règlementation Thermique 2012*), which remains in force for all other types of assets, mandatory for all new buildings since 2013 (and 2011 for some public buildings).

According to a note regarding "elements of interpretation of the delegated regulation (EU) 2021/2139 of June 4, 2021 relating to the building sector", published by the Department of Housing, Urban Planning and Landscapes (DHUP) as part of a ministerial communication on 17 October 2022, the French Ministry of Ecological Transition and Territorial Cohesion states that the energy performance level NZEB corresponds to the regulatory performance level defined by RT 2012 in France, as such all new buildings constructed under the RE 2020 or RT 2012-10% meet the NZEB-10% criterion⁴⁷.

The RT 2012 sets requirements regarding the type of buildings (residential, Offices, renovated buildings) and its content relies on three main performance elements: energy efficiency of the building (bioclimatic need), primary energy consumption and comfort in summer, among others. In contrast to the RT 2012, the RE 2020⁴⁸ aims to consider not only energy consumption, but also carbon emissions including those linked to the construction phase of the building, with the goal of improving the energy performance of new buildings, reducing their impact on the climate and adapting them to future climatic conditions. More ambitious than the RT 2012, this new regulation responds to the French Law on Energy Transition for Green Growth (LTECV 2015) and the French Law on Housing, Planning and Digital Development (ELAN 2018). Its evaluation method defines energy performance indicators ("Energy" indicators), environmental performance indicators ("Carbon" indicators) and a "summer comfort" indicator for a construction operation under the responsibility of a project owner, and how to calculate them.

Thus, to meet the NZEB -10% criterion, two scenarios are possible for the construction of new buildings:

- Have a building permit filed after January 1, 2022 and subject to the RE2020
- Have a building permit filed before January 1, 2022 and/or subject to RT2012, with a Primary Energy Demand (C_{ep} in French) 10% lower than the " $C_{ep_{max}}$ " value defined in the decree of October 26, 2010, which corresponds to the NZEB threshold.

⁴⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139&from=EN>

⁴⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0844&from=EN>

⁴⁷ [communication_taxonomie_batiments_vf-2.pdf \(developpement-durable.gouv.fr\)](https://www.developpement-durable.gouv.fr/communication-taxonomie-batiments-vf-2.pdf)

⁴⁸ http://www.rt-batiment.fr/IMG/pdf/guide_re2020_dhup-cerema.pdf

7. DISCLAIMER

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

Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Nexity to control or estimate precisely. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this Framework. Furthermore, it is possible that some of the risks described in Chapter 2 of the Universal Registration Document filed with the AMF under number D.22-0251 on 6 April 2023 could have an impact on the Group’s operations and the Company’s ability to achieve its targets. Accordingly, the Company cannot give any assurance as to whether it will achieve its stated targets, and makes no commitment or undertaking to update or otherwise revise this information;

Investors are cautioned not to place undue reliance on the forward-looking statements (as well as information and opinions) contained herein, which are made only as at the date of this Framework and are subject to change without notice. Nexity does not assume any responsibility or obligation to update or revise any such forward-looking statements and/or information, regardless of whether those statements are affected by the results of new information, future events or otherwise.

This Framework is not intended to be and should not be construed as providing legal or financial advice and does not constitute or form part of, and should not be construed as, an offer or invitation to sell securities of Nexity, or the solicitation of an offer to subscribe for or purchase securities of Nexity, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase any securities of Nexity should be made solely on the basis of the information to be contained in the prospectus or the legal documentation prepared in connection with the offering of such securities. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of Nexity and the nature of the securities before taking any investment decision with respect to securities of Nexity. If a prospectus is prepared, it will contain detailed information on the business, financial results and prospects of Nexity as well as on related risk factors; it may contain information different from, or updates to, the information contained herein.

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