



ESG REPORT

2024

ESG strategy 2023 - 2030
& assessment of 2023 actions



Table of Contents

Editorial	3	ARGAN in action	44
		<i>Climate plan 1.0</i>	44
Essential ESG	5	<i>Deployment of AUTONOM® and photovoltaic production</i>	44
Who are we ?	6	<i>Construction and Sustainable Site Management</i>	44
ARGAN's ESG strategy	7	<i>Water management</i>	45
Reminder of our commitments and objectives	8	<i>Example of the Montbartier site</i>	46
ESG at ARGAN	11	<i>Low-carbon policy</i>	47
The main steps forward conducted in 2023	11	<i>AUTONOM® and the ARGAN energy policy</i>	49
Priorities for 2024	13		
ARGAN in action	14	Social and Societal Policy	52
2023 key non-financial indicators	15	Clear commitments, clear objectives, concrete actions	53
		ARGAN in action	56
Detailed ESG report	17	<i>Human Resources</i>	56
Foreword	18	<i>Compensation</i>	56
General information	19	<i>Diversity and the fight against discrimination</i>	57
Challenges and context	19	<i>Quality of life at work</i>	57
Our business model	20	<i>Training and coaching</i>	58
Our key figures as at 31 December 2023	24	<i>Prevention, health and safety</i>	59
		<i>Civic actions</i>	59
2023 – 2030 ESG strategy	25	Governance Policy	60
Methodology	25	Clear commitments, clear objectives, concrete actions	60
Priority areas of work 2023 – 2030	26	ARGAN in action	63
Risk analysis and mitigation	27	<i>The best of logistics innovation on an industrial brownfield: CARREFOUR Mondeville</i>	63
Dual materiality matrix	31	<i>Our governance structure</i>	64
Details of the various issues	33		
Preparation for CSRD compliance	35	Glossary	66
ESG governance	36		
The ambition of ARGAN 2023 – 2030	38		
The pillars of our ambition	38		
Our contribution to the Sustainable Development Goals	39		
Environmental Policy	40		
Clear commitments, clear objectives, concrete actions	41		

Editorial



JEAN-CLAUDE LE LAN

FOUNDER &
CHAIRMAN OF THE SUPERVISORY BOARD

« In 2023, ARGAN accelerated its commitment towards the three components of its ESG strategy with already significant results. These achievements place our Real Estate Company among the exemplary companies that stand out in our sector. »

Last October, you presented ARGAN's new ESG strategy. Why has it been updated ?

Beyond the many actions undertaken over the last 10 years, it was time for us to take a new course. Moreover, to move faster on certain points in order to respond to the multiple challenges we face while looking towards 2030. It is in the DNA of **ARGAN** to be a driving force in building efficient, sustainable and PREMIUM logistics real estate.

The world is changing rapidly and everyone can now measure both the consequences of climate change and social and societal changes. The expectations of all our stakeholders are legitimately more pressing on ESG issues and we must communicate accurate and transparent information on what we do on a daily basis and on our future directions.

This is essential for a French family property company such as **ARGAN**, a leader in its market and listed on the SBF 120. Our objective is clear: to strengthen the PRIME nature of our logistics asset portfolio to meet the energy, climate and resilience challenges of today and tomorrow.

More than ever, management and all employees have the strong commitment to affirm even more clearly and firmly our commitments for the future in the 3 ESG components and to align our approach with international standards, such as the Science Based Target initiative (SBTi) for our low-carbon trajectory.

This updated strategy is designed for the long term (2030), with regular milestones and, if necessary, adjustments and changes in direction.

Is the Environment one of your main priorities ?

This is, of course, a priority that we break down into three Es: Emissions, Energy and Environment.

Based on the 2022 carbon review, we have defined an ambitious climate strategy with clear commitments to decarbonise our sector: 70% reduction in our Scope 1, a Net Zero target for our Scope 2 and - regarding our Scope 3 (99% of our overall emissions) - the halving of the part linked to energy consumption in our warehouses by 2030, excluding carbon capture and offsetting. This strategy is aligned with the SBTi and is thus in line with the objectives set in the Paris Agreement.

And the very first results are encouraging, particularly in involving our customers in addressing energy-related emissions. From this point of view, we have a community of interests because our 'carbon destinies' are linked. We are further accelerating the deployment of the various improvement plans for our portfolio (LED, PAC Plan, GTC Plan, photovoltaic, etc.) and generalising **AUTONOM** for our current and future developments. New warehouses meeting this standard were delivered in 2023.

Furthermore, we are continuously enhancing and reinforcing practical measures to support the environment and biodiversity (maximising the preservation of existing habitats, planting, water management, and focusing on brownfield redevelopment and rehabilitation instead of soil sealing, etc.) This is the meaning of our adherence to the 10 principles of Entreprises Engagées pour la Nature, supported by the French Office for Biodiversity.

What about Governance ?

As a small player in terms of the number of employees (around thirty), we had already made sure to implement best practices. We took advantage of 2023 to prepare and distribute a certain number of internal documents (ethics charter, anti-corruption, etc.) and strengthened the role of the Supervisory Board on ESG issues, particularly with the involvement of the Audit, Risk and Sustainability Committee.

In 2024, we will continue by integrating ESG even more at the heart of the Executive Board's operations with the appointment of our General Secretary to this body and by formalising our responsible procurement approach in the near future to better involve all our partners with us.

Lastly, we are continuing to strengthen our partnership with local authorities to optimise co-benefits when setting up an **ARGAN** site.

Lastly, regarding the Social aspect ?

I am particularly proud of the work done by everyone, with a deep capacity for commitment, reliability and innovation that I believe our customers recognise.

The challenge for **ARGAN** is to continue to involve all employees in our collective success by sharing the wealth created: attractive salaries, profit-sharing, commercial

bonuses and ambitious employee free share plan for the benefit of all employees, regardless of their function and hierarchical level. Since the beginning of 2024, all employees are now **ARGAN** shareholders.

We are also integrating new areas of expertise with energy management, carbon management, etc. These are all areas in which we want to grow our employees while recruiting, when necessary, the most advanced expertise needed to guarantee our level of excellence.

With proven financial discipline, a solid understanding of risks and an ambitious ESG policy, ARGAN has all the strengths to pursue sustained and controlled development.

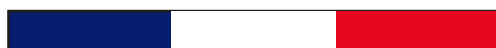




ESSENTIAL ESG

2024

ESG strategy 2023 - 2030
& assessment of 2023 actions



Who are we ?

Family-owned ARGAN is the only listed French real estate company specialising in the development and rental of PREMIUM warehouses for blue-chip major groups and SMEs throughout France, with a leading position in its sector.

The solidity and stability of a French family-owned real estate company listed on the stock exchange...

Listed since 2007, **ARGAN** has continued to grow. The share price increased by 112% between 1 January 2018 and 31 December 2023, while at the same time the increase in the CAC 40 was 42%. Included in compartment A of Euronext, the **ARGAN** share is part of the Euronext SBF 120 (since September 2023), CAC All-Share, EPRA Europe (since March 2023) and IEIF SIIC France indices. At the same time, for more than 20 years, **ARGAN** has posted continuous and controlled growth in its rental income and recurring net income.

...Serving our loyal and leading tenant customers

We have in-house expert human resources that master the entire value creation chain. From identifying suitable and well-placed land to identifying the needs of future customers, including development/financing, as well as rental and asset management of our buildings. Our customers therefore benefit from the guarantee of having a single contact person to design, build and monitor their warehouses closely throughout the lease term.

The vast majority of our tenant customers are leading companies:

- Manufacturers or distributors (79% of the portfolio) such as Carrefour, Decathlon, Amazon, L'Oréal, Renault, BUT, etc.

- Logisticians operating on behalf of large companies (21% of the portfolio), such as FM Logistic, Geodis, DHL, Colis Privé, GXO, etc.
- Our top twelve tenants account for 71% of rents, spread across 56 sites.

An ambitious energy and low-carbon strategy

Our team is also fully committed to one certainty: the need to build a more virtuous and decarbonised future. This is why we have made a commitment to halve the energy consumption emissions of our assets by 2030. To this end, we are implementing **AUTONOM**[®], for our current and future developments, and are deploying an ambitious plan to replace gas boilers with electric heat pumps for our existing portfolio and thus gradually reduce our carbon footprint, in particular by banning gas heating.

Creating value for the regions where we operate

Given our history and DNA, we have established a long-lasting and sustainable presence in the regions where we operate. Our long-term heritage vision and the premium nature of our logistics warehouses enable us to meet the expectations of local elected officials by creating value for the regions (employment, architectural quality, optimised energy management, carbon-neutral assessment of our developments, etc.).



ARGAN's ESG strategy

Family-owned **ARGAN** is the only listed French real estate company specialising in the development and leasing of PREMIUM logistics warehouses for major groups and leading SMEs throughout France. Driven by a long-term vision, **ARGAN** decided to update its environmental, social and governance commitments in 2023 by giving a new impetus to its ESG strategy with the following priorities:

- The implementation of proactive action plans to promote decarbonisation and the production of renewable energies;
- Support for the territories that host our warehouses;
- The satisfaction of our customers and their support in the face of new challenges.

For the coming years, **ARGAN** has decided to focus its efforts in three specific areas

- **Initiate and deploy an ambitious environmental strategy, around a low-carbon trajectory aligned with the SBTi.**

To this end, **ARGAN** is speeding up the deployment of the plans already launched (LED plan, “Heat Pump” plan replacing gas heating, CTM plan), starting the construction of its **AUTONOM**® warehouses and announcing the launch of a new stage of the deployment of photovoltaic capacities dedicated to self-consumption. Lastly, the Company will increase its attention to water management and biodiversity conservation issues.

- **Bring ESG oversight to the best international standards.**

To this end, **ARGAN** has worked to properly structure and formalise its management tools to best integrate all ESG expectations for a leading player.

- **Continue to share financial and extra-financial value creation.**

Through the family-oriented nature of its ownership, **ARGAN** and its Chairman-Founder Jean-Claude Le Lan are committed to a fair distribution of value: for its shareholders, with a long-term strategy focused on premium assets and a regular increase in dividends, accompanied by an option for dividend payment in shares; **for its employees, with a unique salary structure and a stock option plan open to all**; and for its stakeholders, customers, and communities, with a greater emphasis on the current and future social and environmental performance of its warehouses, and a reinforced focus on the co-benefits of each new development.

ARGAN thus wishes to quickly bring the company's overall performance up to the highest environmental and societal standards, by taking its full part in the decarbonisation of the supply chain and the fight against climate change.



Reminder of our commitments and objectives

Environmental objectives and commitments

Category	Commitments	Indicators	2023 progress report	2025 Target	2030 Target
Low-carbon strategy	Implement an ambitious decarbonisation strategy, aligned with the SBTi, at the ARGAN level and by raising our clients' awareness with respect to the purchase of certified green energy.	Percentage of decrease in Scope 1 GHG emissions.	+42% Scope: Warehouses without sub-meters	-	-70%
		Percentage of decrease in Scope 2 GHG emissions.	+34% Scope: Corporate emissions (service vehicles)	-	Net Zero
		Percentage of decrease in Scope 3 GHG emissions. Operational emissions of the building.	-10%	-	-50%
		Percentage of decrease in Scope 3 GHG emissions. Construction of new buildings.	-14,5%	-	Announced by the end of 2024
AUTONOM [®] and energy management	Accelerate and strengthen ARGAN's energy policy.	Percentage of new developments with the AUTONOM [®] standard.	100% (excluding acquisitions)	100%	100%
		Share of locally produced and self-consumed energy.	23,6% on average on equipped sites	-	100% equivalent heating and light 35% total consumption
		Share of ARGAN warehouses without gas, in sq.m developed.	32%	45%	65%
		Share of ARGAN warehouses equipped with BMS/BAS.	40%	75%	100%
		Share of ARGAN warehouses with LED lighting.	97%	98%	100%
		Number of MWh of renewable energy produced.	25,182	35,000	200,000
Sustainable management of sites	Improve the environmental performance of all our new developments.	Percentage of new developments certified at or above BREEAM Excellent level, in number of sites.	16%	75%	100%
	Land sobriety and the fight against artificialisation.	Percentage of new developments carried out on brownfield sites, in sq.m developed smoothed over 3 years.	NA	10%	20%
	Preservation of biodiversity.	Percentage of new developments incorporating actions to preserve and strengthen biodiversity.	100%	100%	100%
		Proportion of clients made aware of the sustainable management of sites (sustainable management of green spaces, better waste management schemes, etc.).	2%	50%	100%
	Water management.	Share of new developments incorporating improved water management (infiltration, land management, limiting water consumption, rainwater collection, etc.).	100 % of developments carried out by ARGAN	50%	100%

Social and Societal objectives and commitments

Category	Commitments	Indicators	2023 progress report	2025 Target	2030 Target
Attractiveness, loyalty and upskilling	Deliver on our current commitments to share value through free share plans for all and maintaining the equity ratio at the current level (executive pay vs median pay).	Percentage of employee shareholders of the company.	100%	100%	100%
		Equity ratio.	2.4	Minimal ratio held and well below 10	Minimal ratio held and well below 10
		Percentage of employees concerned by the collective sales bonus and profit-sharing (conditional on the achievement of objectives).	100%	100%	100%
	Strengthen our actions to combat all forms of discrimination, for us and our value chain.	Gender pay gap for an equivalent position.	0%	0%	0%
		Number of cases of harassment or discrimination.	0	0	0
	Set up the "ARGAN Academy" training programme to further strengthen the skills of our employees and raise their awareness of ESG issues.	Percentage of managers with potential for whom a personalised training and coaching programme has been set up.	17%	50%	100%
Quality of work life	Work with our stakeholders to further improve the performance of our warehouses and ensure this performance over time, including to tackle climate change.	Percentage of new projects incorporating a co-construction process dedicated to quality of work life.	100%	100%	100%
	Ensure the inclusiveness of the company with respect to disabilities, including for our visitors.	Share of business premises accessible to people with disabilities (head office).	100%	100%	100%
Prevention, health and safety	Guarantee the safety of our employees by further strengthening prevention.	Percentage of employees working in the field who have completed a safety awareness and training course (electrical accreditation, road safety, etc.).	Action launched in 2024	75%	100%
	Work with our stakeholders to improve safety during the construction and operation phases of our warehouses.	Percentage of builders having signed the ARGAN ESG charter, including a security component.	Action launched in 2024	100% (construction target)	100% (construction and maintenance target)
Civic actions	Promote employment integration during the construction phases, for the maintenance and upkeep of our warehouses, in coordination with our partners and clients.	Share of construction, maintenance and upkeep contracts with inclusion clause.	Action launched in 2025	10%	25%

Governance objectives and commitments

Category	Commitments	Indicators	2023 progress report	2025 Target	2030 Target
ESG governance	Achieve the best standards for steering our ESG policy, ensuring respect for human rights throughout its value chain.	Percentage of suppliers having signed the ARGAN ESG charter, including a human rights components.	Action launched in 2024	100%	100%
	Promote these fundamental principles to all our stakeholders, in particular by developing our main contractual documents (property development agreements « CPI », off-plan leases « BEFA », tenders, etc.).	Percentage of new contractual documents incorporating ESG criteria and validated by our stakeholders.	Action launched in 2024	100%	100%
	Raising employee awareness on climate change.	Proportion of employees trained and/or made aware of climate change.	100%	100%	100%
	Further strengthen our ethical approach and the fight against all forms of corruption.	Percentage of decision-making employees trained in the fight against corruption with signature of our ethics charter.	Charter published in 2023, commented on and distributed to all employees	100%	100%
	Integrate ESG performance into the company's remuneration policy, particularly for the Executive Board.	Percentage of employees with remuneration linked to ESG criteria.	New incentive scheme incorporating an Energy/ESG criterion in early 2025	100% of Employees	100% of Employees
Reporting and transparency	Prepare for future regulatory deadlines (CSRD, Taxonomy, etc.) by addressing underlying issues (Fit for 55, etc.).	No linked indicator.			
	Define and integrate key frameworks and benchmarks to enable transparency and comparison of our ESG performance.	Number of frameworks and benchmarks integrated by ARGAN .	Global Compact Entreprises Engagées pour la Nature (Companies Committed to Nature) (signatory) Sustainalytics Ethifinance	Global Compact Entreprises Engagées pour la Nature (action plan submitted) Sustainalytics + GRESB Ethifinance	CDP SBTi (validation)
Responsible procurement	Develop our responsible procurement policy, integrate our suppliers into the approach and train the employees concerned.	Percentage of procurement employees trained in responsible procurement.	100%	100%	100%
	More specifically, define a new sustainable, resilient and low-carbon warehouse format with our partner-builders.	See carbon intensity environmental indicator.		NA	NA
Regional development and new logistics formats	Define and implement a plan for optimising co-benefits when designing new projects, in consultation with the territories where we operate.	Percentage of new projects integrating a co-construction process with the territories where we operate.	75%	100%	100%
	Study new virtuous schemes based, in particular, on brownfield rehabilitation.	No linked indicator.			

ESG at ARGAN

The main steps forward conducted in 2023

■ ARGAN, a leading player in ESG management

ARGAN questioned its stakeholders and defined an impact ESG strategy in 2023, supplemented by a decarbonisation trajectory aligned with the Paris Agreements and the SBTi framework.

ARGAN strengthened its body of documents in terms of Governance by drafting and distributing internally and externally (French and English versions) a set of Charters:

- Ethics Charter;
- Anti-Corruption Charter;
- IT and personal data charter.

Our Group has also further strengthened the role of ESG within its governance bodies by renaming the Audit Committee to the Audit, Risk and Sustainability Committee.

Finally, ARGAN is now a signatory to the UN Global Compact and the 10 principles of Entreprises Engagées pour la Nature (Companies Committed to Nature).

ARGAN's ESG strategy has been hailed by institutional players and has led to its Sustainalytics rating moving from a 'moderate' to 'low' ESG risk level.

WE SUPPORT



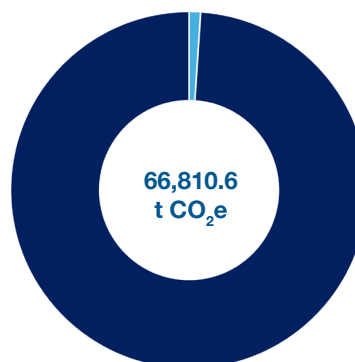
■ ARGAN, a leading player in energy and ecological transitions

• At its customers' side

ARGAN has launched a wide-ranging campaign to raise its customers' awareness of more virtuous energy resources (green electricity with certified guarantee of origin, biomethane, etc.) in order to help them limit the carbon impact of their business. This work will continue in 2024 and 2025 and will be extended to the theme of sustainable space management. At the same time, ARGAN works with its customers to improve the process, the depth of analysis and the quality of the environmental data collected on the warehouse fleet.

The energy intensity per sq.m of the portfolio thus fell by 7% in 2023 vs. 2022 !

At the service of decarbonisation



Scope 1:	690.0 (1%)
Scope 2:	3.6 (<0,1%)
Scope 3:	66,117.0 (99%)

Our emissions by scope according to the GHG protocol methodology (t CO₂e)

Net Zero in-use warehouses

Additionally, ARGAN has strengthened its standard AUTONOM[®] by implementing a comprehensive carbon capture program thanks to reforestation. This program meets the "Label Bas Carbone" (low carbon label) criteria delivered by the French state, through a land footprint of at least 100 hectares. This land will be a way to lead forestation actions and compensate residual emissions related to our developments for a decade.

Actions to decarbonize the existing portfolio

ARGAN is also pursuing its actions aimed at reducing the carbon intensity of its existing portfolio. Our Group has thus continued to deploy its Building Management Systems on top of switching its conventional lighting systems in its warehouses to the LED technology. ARGAN also initiated its plan that consists in replacing its gas boilers with electric heat pumps, with a marked acceleration in 2024 (see page 13 for more information).

• Promoting biodiversity

ARGAN has integrated measures to preserve biodiversity and limit water consumption for its warehouses.

■ ARGAN, Working closely with employees

ARGAN continued its value-sharing policy, with 100% of the company's employee shareholders (implemented in January 2024).

2022-2023 compared carbon footprint

Scope	2022 Assessment (tCO ₂ e)	2023 Assessment (tCO ₂ e)	%	Change 2023 vs 2022	Clarifications
Scope 1	489	690	1%	+41.1%	Two warehouses saw their gas consumption increase in 2023. These emissions are expected to switch to Scope 3 from 2024 after the installation of sub-meters carried out at the end of 2023. Increase in the number of kilometres travelled with company service vehicles. Awareness-raising actions and a gradual shift of the portfolio towards low-carbon transport will enable ARGAN to meet its commitments.
Scope 2	4	3.6	< 0.1%	-10%	Increased awareness among head office employees of climate change and the importance of reducing energy consumption.
Scope 3 <i>(see details below)</i>	100,042	66,117	99%	-33.9%	Standardised approach to emissions related to the construction of new warehouses; Reduction of more than 35% in our tenants' gas consumption.
Construction	67,396	38,661	57.9%	-42.6%	ARGAN has unified its assessment methodology regarding construction GHG emissions for its new warehouses. Parallely, we work on a new assessment methodology and a specific decarbonization trajectory with our builder-partners.
Energy consumption of our warehouses (In-Use)	25,101	21,450	32.1%	-14.5%	Gas consumption of our tenants decreased by 26.5% in 2023.
Purchase of services and maintenance	6,351	5,861	8.8%	-7.7%	Purchasing volumes slightly decreased in 2023.
Other	1,194	145	0.2%	-87.9%	Accuracy was improved for the 2023 carbon footprint assessment leading to better allocation of emissions.
TOTAL	100,535	66,811	100%	-33.5%	

The primary focus of **ARGAN** in terms of CO₂ emissions reduction is its Scope 3. This is why an initial reduction target focuses on emissions coming from energy consumption of our warehouses (-50% targeted between 2022 and 2030) with significant progress made as early as 2023 (-14.5%) thanks to the deployment of **AUTONOM**® for all our recent developments and the replacement of gas boilers with electric heat pumps for our existing facilities (PAC plan). **ARGAN** now intends to accelerate the reduction of its CO₂ emissions by announcing a specific target for the construction phase by the end of 2024.

ESG at ARGAN

Priorities for 2024

■ ARGAN, a leading player in ESG management

ARGAN is preparing to apply the Corporate Sustainability Reporting Directive (CSRD) in 2026 through its future sustainability report. To do this, the company updates:

- Its risk analysis based on the recommendations of the CSRD (Impacts-Risks-Opportunities model) and the interpretations of the EFRAG, the AMF and the French Accounting Standards Authority (ANC),
- **ARGAN's** materiality assessment in accordance with the recommendations of the CSRD.



ARGAN has identified the future indicators to be collected and is preparing its collection process.

In addition, **ARGAN** continues to formalise its Governance documents with the publication of a Stock Market Ethics Charter (put online in June 2024).

ARGAN intends to prepare in 2024 the definition and deployment of a supplier ESG charter and a responsible procurement policy, supplemented by the training of its internal teams.

■ ARGAN, a leading player in energy and ecological transitions

In 2024, **ARGAN** is accelerating the deployment of its Heat Pump plan. To achieve this, fruitful discussions with tenant-customers took place at the end of 2023 and the beginning of 2024 to study the implementation details, resulting in the signing of several amendments that will allow work to commence as early as 2024.

The decarbonisation of activities will continue with ongoing discussions with partner-builders to determine a credible and ambitious decarbonisation trajectory for the construction and rehabilitation of warehouses (target announced at the end of 2024).

ARGAN also intends to define a new 'biodiversity' action plan, filed by the end of 2024 with the French Office for Biodiversity as part of the 'Entreprise Engagée pour la Nature' initiative.

All these environmental advances will materialise through changes in specifications to limit the environmental impact of our future projects and, during use, raising our customers' awareness of the sustainable management of green spaces and sites.

■ ARGAN, working closely with employees

ARGAN intends to continue raising its employees' awareness of the environment and climate change, in line with the development of its businesses.

Our Group has also launched a comprehensive training and coaching plan for high-potential managers.



ARGAN in action

■ Montbartier, an exemplary site for ARGAN

The Montbartier site, delivered in 2023, is a good example of the attention paid by **ARGAN** to biodiversity, construction and sustainable management of its sites:

■ Design

- Climate change adaptation study;
- Consideration of the ecologist's report, in particular to protect major biodiversity elements;
- An **AUTONOM**® standard warehouse, incorporating solar panels on the roof and shade canopies, 100% dedicated to self-consumption with a target of covering 100% of consumption related to heating / cooling / lighting and 43% of the site's overall needs (including process);
- 8 parking spaces equipped with charging stations for electric vehicles;
- 1 shelter suitable for 16 bicycles plus showers and changing rooms for cyclists;
- Water-efficient washbasins and showers (6L/min for showers), automatic leak detectors and a water recycling system for the sprinkler cooling circuit;
- A concrete-wood framework, with PEFC or FSC certified wood;
- 100% LED lighting with presence and brightness detectors;
- Clear roofs to reflect as much light as possible and limit indoor temperature;
- No need for watering of green spaces (excluding the first year of growth) and species chosen for their adaptation to the local climate.

■ Buildings

- A biodiversity expert appointed on the site;
- Signature of the Green Worksite Charter by all stakeholders;
- Monitoring of site waste with Waste Marketplace and recovery above 95%;
- Planning of work with a low biodiversity impact (compliance with an annual schedule to minimise impacts);

■ Focus on biodiversity

- Site access made easier for wildlife passage;
- Maintaining the black corridor (ecological corridor borrowed by nocturnal species, characterised by a certain level of darkness) in the heart of green spaces;
- Analysis of green and blue corridors (terrestrial and aquatic ecological continuities for local wildlife);
- Installation of 4 birdhouses, 3 wild bee towers, 2 rock piles, 1 bat roost, etc.
- Planting of 90 trees.

■ Sustainable management

- Assessment planned after one year on the achievement of the expected levels of environmental performance;
- Ecological management plan for the site, including a commitment to:
 - Eliminate the use of phytosanitary products;
 - Systematically cover bare floors;
 - Combat invasive alien species.



2023 key non-financial indicators

Environment	2023	2022	Unit	Change 2023 vs 2022	Scope	GRI equivalent
Total power consumption	212,816.112	207,990.515	MWh	+2.3%	100 % ARGAN + Tenant consumption	302-1
Renewable energy produced on site	25,182.027	15,123.202	MWh	+66.6%	100% ARGAN	302-1
Total gas consumption	50,625.999	68,871.579	MWh	-26.5%	100 % ARGAN + Tenant consumption	302-1
Total fuel consumption	77,160	6,490	Litres	Not applicable. Change of scope	100 % ARGAN + 71% tenant sites	302-1
Average energy intensity	73.84	79,29	KWh/sq. meter	-6.9%	100 % ARGAN + Tenant consumption	302-3
Scope 1 GHG emissions	690	489	tCO ₂ e	+41.1%	100% ARGAN	305-1
Scope 2 GHG emissions	3.6	4	tCO ₂ e	-10%	100% ARGAN	305-2
Scope 3 GHG emissions	66,117	100,042	tCO ₂ e	-33.9%	100% ARGAN	305-3
Total GHG emissions	66,811	100,536	tCO ₂ e	-33.5%	100% ARGAN	-
Total water consumption	183,182	NA	m ³	New indicator monitored	100% ARGAN + 75% tenant sites	303-3
Water intensity of buildings	Approx. 11m ³ / FTE ¹	NA	m ³ /FTE ¹	New indicator monitored	100% ARGAN + 75% tenant sites	-
Number of BREEAM-certified buildings	50	50	%	-	100% ARGAN	-
Total weight of hazardous waste generated	351 of which 0 for ARGAN	NA	Tonnes	Not applicable 2022 data not available	100% ARGAN + 44% of tenant sites	306-3
Total weight of non-hazardous waste generated	28,416 of which < 1t for ARGAN	NA	Tonnes	Not applicable 2022 data not available	100% ARGAN + 44% of tenant sites	306-3
Average rate of waste recycling	72	NA	%	Not applicable 2022 data not available	100% ARGAN + 44% of tenant sites	306-4
Number of trees planted	363	NA	#	New indicator monitored	100% ARGAN	-
Shrubs planted	2,560	NA	#	New indicator monitored	100% ARGAN	-

1 FTE: Full Time Employee

Our 2023-2030 ESG ambition

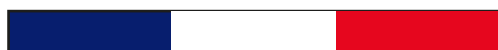
Social	2023	2022	Unit	Change 2023 vs 2022	Scope	GRI equivalent
Total number of employees	30	29	#	+3%	100% ARGAN	2-7 and 401-1
Permanent contract rate	100	100	%	-	100% ARGAN	2-7
Ratio of female/male managers	19	18	%	+ 1 % point	100% ARGAN	405-1
Total number of incidents of discrimination or harassment reported	0	0	#	-	100% ARGAN	406-1
Equal pay ratio	100	100	%	-	100% ARGAN	405-2
Percentage of employees who received an annual assessment	100	100	%	-	100% ARGAN	404-3
Share of employee shareholders	100	NA	%	New indicator monitored	100% ARGAN	-
Turnover	13	7	%	+ 6 % point	100% ARGAN	401-1
Frequency rate of workplace accidents	0	0	%	-	100% ARGAN	403-9
Number of workplace accidents	0	0	#	-	100% ARGAN	403-9

Governance	2023	2022	Unit	Change 2023 vs 2022	Scope	GRI equivalent
% of women on the Supervisory Board	38	38	%	-	100% ARGAN	405-1
% of independent members on the Supervisory Board	38	38	%	-	100% ARGAN	-
Equity ratio	2.4	2.2	#	+0.2	100% ARGAN	
Total number of incidents concerning fraud, corruption and conflicts of interest reported	0	0	%	-	100% ARGAN	205-3
Total number of incidents endangering information security	0	0	%	-	100% ARGAN	-



DETAILED ESG
REPORT
2024

ESG strategy 2023 - 2030
& assessment of 2023 actions



Foreword

The detailed version of the ESG report is drafted in reference to the standards of the Global Reporting Initiative (GRI) and is analysed as an inseparable supplement to the summary. The GRI is an independent international organisation that helps companies structure and communicate their sustainable development impacts in a transparent and relevant manner.

This ESG report also voluntarily incorporates initial references and data points aligned with the European Sustainable Development Reporting Standards (ESRS).

By referring to these different standards, **ARGAN** ensures that its ESG report is complete, credible and compliant with best practices in the sector.

This document includes a GRI indexing table (see page 15) which lists the GRI standards and the information published in the report, and serves as a tool for stakeholders to navigate, understand and assess **ARGAN**'s non-financial performance.

ARGAN will continue to improve its ESG reports in the coming years and is now preparing for full compliance with the ESRS Standards to produce its first Sustainability Report in 2026.

Reporting scope

This ESG report consolidates the full **ARGAN** Group, according to the same scope as the financial reporting presented in the 2023 Universal Registration Document, available on the website www.argan.fr, investor area. In addition to **ARGAN** SA, it thus includes the activities covered by SCI Avilog (100%-owned), SCI CARGAN-LOG

(60%-owned) and SCI NEPTUNE (99.90%-owned). The Group's stake in SCCV NANTOUR (49.90%-owned) is not included in the scope of this report.

This ESG report was produced in conjunction with **ARGAN**'s stakeholders and takes into account its value chain:

- Upstream, around its main suppliers and in particular the companies mandated to build **ARGAN**'s warehouses according to different contractual and direct responsibility models;
- Downstream, by integrating the impacts and returns as well as, more specifically, the figures for energy consumption, water consumption and the volume of waste production of **ARGAN** customers.

The data presented were qualified and verified. The elements of uncertainty, particularly in relation to the greenhouse gas emissions balance (mainly emissions factors, etc.), are deemed limited and reasonable in relation to best practices.

The significant differences in operational scope compared to 2022 are due to **ARGAN**'s organic growth factors (3 new logistics platforms developed including an extension) and the acquisitions made (2 new warehouses), totalling an additional 100,000 sq.m. At the same time, **ARGAN** sold a logistics platform of 20,000 sq.m, for a net gain of 80,000 sq.m, representing approximately 2% of the real estate surface area of the property company.



General information

Challenges and context

■ Environmental issues

The construction sector, residential and tertiary, accounts for 43% of energy consumption and around 23% of greenhouse gas emissions in France (source: Ministry of Ecological Transition and Territorial Cohesion, October 2022). Reducing the environmental impact of this sector is therefore a key challenge to achieve carbon Net Zero targets by 2050 and try to limit the increase in average global temperature to 1.5°C in accordance with the Paris Agreements. With more than 90 million sq.m of warehouses of more than 5,000 sq.m in France (2021 data), the logistics and transport sector has a major role to play in this process of transition to a carbon-free economy. To protect ecosystems from the consequences of the climate emergency, the regulations imposed on us are being accelerated, through the French Tertiary Decree, the Net Zero Artificialisation target, the Climate and Resilience Law, and the Environmental Regulation « RE2020 » for the most recent.

How can we build by limiting artificialisation? How can we switch to a more responsible circular economy, develop biodiversity-friendly projects, prioritise renewable energy in the energy mix, as well as improve energy efficiency to reduce total energy consumption? How can we prepare future constructions, as well as the existing buildings, for the impacts of climate change? These are some of the many questions and issues that need to be addressed.

There are multiple complex factors to be considered, which require high-performance and innovative solutions to enable a gradual and consistent transition to resilient warehouses.

■ Social and societal issues

How can we design warehouses that meet the social challenges of client-tenants, particularly in terms of attracting and retaining employees, by creating harmonious workspaces, combining ergonomics, acoustic, thermal and visual comfort, that strengthen a “working well together” objective? How can we promote local direct and indirect jobs in each project, improve cohesion within the territories through harmonious economic development? How can we provide logistics platforms with new functionalities to better integrate automation and facilitate the work of employees?

Our clients expect proximity, advice, reactivity and, of course, innovative and personalised co-constructed solutions. This is **ARGAN**'s DNA!

All these challenges must be thought out upstream to offer flexible, efficient workspaces and sources of social cohesion.



© Mestres

■ 2023/2024 context: a change in the cycle

The rapid rise in interest rates in France and Europe had a significant impact on the real estate market in 2023, particularly in the tertiary sector. However, PREMIUM logistics real estate is better protected. While 2023 has shown a decrease in take-up, it should only be temporary, as there are still many needs, both in traditional sectors (retail, messaging, etc.) and at the level of industrial players (SMEs/mid-caps or large groups that are reinstalling certain processes in France). The development of this market is being driven by the increasing importance of logistics in a connected economy, new patterns of consumption, especially via e-commerce, and demand for shorter delivery times.

The decline in land availability, or even the absence of land in certain territories, reinforced by the beginnings of the “Net Zero Artificialisation” trajectory, is pushing us to expand development scopes and consider new models (multi-storey warehouses, brownfield rehabilitation, etc.) that have yet to demonstrate their economic potential.

In addition, the environmental objectives of the major players should lead to portfolio reviews to arbitrate in favour of assets with the best environmental performances. A premium in terms of both rents and asset valuation is expected to increase in the coming years for PREMIUM assets, which are at the heart of **ARGAN**'s business, as can already be seen throughout Western and Northern Europe.

Take-up of warehouses with an area of more than 5,000 sq. meters stood at 3.65 million sq. meters in 2023. Demand is therefore high, although down 24% (CBRE data). Remaining at a low level, the vacancy rate was 4.7% in France at the end of December 2023. Investment in logistics real estate is around €3 billion in 2023, representing 22% of the total amount invested in the French commercial real estate market, i.e. a share higher than the pre-COVID average.

As part of our deleveraging strategy, our pace of growth will nevertheless remain strong for the following years and will make it possible both to meet the needs of the market and to implement a proactive policy of strengthening our ESG performance by implementing new generations of PREMIUM warehouses and selling certain assets on a case-by-case basis.

Our business model

ARGAN has developed wide-ranging expertise in the development and rental of PREMIUM warehouses. This expertise can be seen at every stage of the warehouse development and rental management process and the Company's positioning as a Pure Player ensures it is constantly being enhanced.

■ A complete expertise

- Understand and analyse clients' storage and distribution needs in depth, working with them to design their future warehouse and supporting them with active asset management.
- Identify suitable land and negotiate with communities and private owners to build up a high-quality land reserve in PRIME locations.
- Optimise the overall design of a logistics project thanks to refined knowledge of how a warehouse operates and of its flows of goods and vehicles.
- Maintain a high level of expertise in urban planning, environmental and French ICPE (Installations Classées pour la Protection de l'Environnement) regulations to guarantee feasibility and control project deadlines.
- Master the technical studies of all construction components and guarantee its quality through close monitoring of the construction phase and the stages of the acceptance of the works.
- Effectively carry out rental and property management assignments to maintain the quality of the sites over time, meet the expectations of client-tenants (improvements, extensions, etc.) and, in general, manage the real estate company's assets by making relevant acquisitions or sales.
- Assisting our customers to help them reduce their energy consumption and their GHG emissions, to better control the impact of their activities on biodiversity and the aquatic environment and to improve the quality of life at work for their employees in a context of intense competition between companies to attract the best talent.



■ Our resources (data as at 31 December 2023)

Human Capital

- A tight and committed team of 30 employees;
- Multi-disciplinary internal expertise;
- 19% female managers;
- Average age of 44 years;
- Continuous listening and innovation.

Real Estate Capital

- 100 logistics platforms meeting the highest standards in Prime locations
- A property portfolio of 3.6 million sq.m and a land reserve allowing 500,000 additional sq.m to be built.

Our tenant customer base

- Loyal, creditworthy, blue-chip customers in their respective sectors;
- A diversified base of shippers (79%), multi-customer logistics specialists (17%) and single-client logistics specialists (4%), present in all business sectors.

Financial capital

- Family structure, long-term real-estate management vision
- A solid financial structure;
- Consolidated shareholders' equity of €1.9 billion;
- Controlled LTV excluding duties ratio of 49.7%;
- Total cost of debt of 2.3%;
- 5.8-year debt maturity.
- A 'BBB-' S&P rating with a negative outlook, upgraded to stable outlook in May 2024.

Environmental capital

- 50% of the portfolio certified BREEAM or HQE;
- 100% of new developments certified BREEAM at least VERY GOOD level.

Societal capital

- Located in more than 80 municipalities;
- A long-standing, high-quality dialogue with local authorities of all sizes;
- Around fifteen partner banking groups.

■ How we operate

Overall performance reconciling the company's short, medium and long-term sustainability and meeting the expectations of our stakeholders.

- An integrated approach: end-to-end control of the entire value chain;
- Optimal positioning as a developer-investor allowing builder cost prices;
- An approach focused on our customers, listening to their specific needs;
- A long-term real-estate management vision that ensures alignment of interests with our clients;
- An ongoing innovation to design more energy-efficient and self-contained warehouses.



■ Value created (data as at 31 December 2023)

For our employees

- 100% permanent contracts;
- Professional mobility between the various departments;
- Incentive agreement for all employees;
- Free shares plan for all employees;
- Strictly equal collective bonus for new leases.

For our tenant customers

- Custom warehouses meeting the highest standards;
- Innovative low-carbon warehouses (100% new developments with AUT:NOM®, the “in-use” net zero warehouse);
- 100% occupancy;
- An average of 95% of leases renewed with our customers over the last 5 years.

For our shareholders

- 2023 recurring net income Group share of €126 million, +5% year-on-year, representing 68% of rental income;
- An asset valuation of €3.7 billion at, with a capitalisation rate of 5.10% (excluding duties).
- A constantly increasing dividend of €3.15 for 2023, representing an increase of +5% compared with 2022;
- Visibility linked to a solid financial structure to support new developments.

For the planet

- Contributing to the energy efficiency of our customers through innovative solutions;
- New platforms that produce and store their own green energy;
- 58,000 sq.m of photovoltaic panels installed on the roofs of our warehouses = ~ 10.7 MWp;
- A systematic plan to protect or restore biodiversity.

For our partners, suppliers and territories

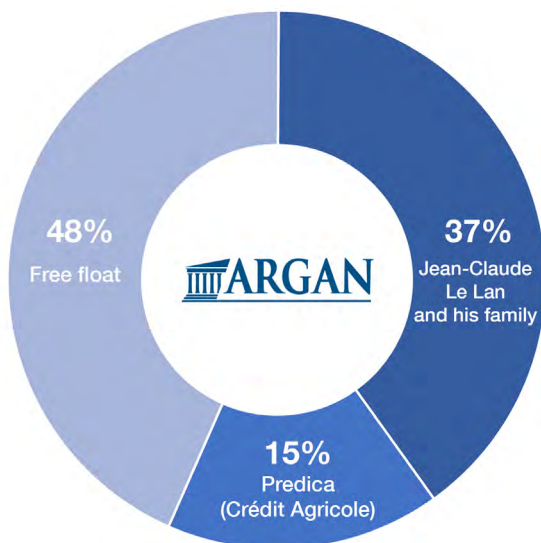
- Regional economic development and vitality of logistics business areas;
- 22,000 employees work for the companies that rent our platforms;
- €132m in investments in logistics platforms delivered in 2023.





■ A unique positioning

Created by Jean-Claude Le Lan in 2000, ARGAN has remained an independent French family group.



Shareholding structure (as at 30 June 2024)

ARGAN combines:

- Great agility, enabling it to make decisions quickly and act as a true partner, listening to its customers and their specific needs, to constantly innovate and build sustainable buildings;
- An integrated approach, acting as a developer-investor with control of the entire value chain, including property management;
- And a long-term wealth management vision, which aligns the interests of shareholders, the company and customers around quality assets and offers a framework that stands out from its competitors, investment funds and promoters with shorter-term visions.

PREMIUM positioning, guaranteeing long-term value creation

This PREMIUM approach is embodied at all levels:

- In the financial strength and creditworthiness of our client-tenants;
- In the location of our warehouses in PRIME locations;
- In the design and construction quality of our warehouses;
- In the ergonomic, technical, energy and environmental characteristics of our warehouses;
- In the dynamic management of our assets and their maintenance to the highest standards;
- In continuous innovation to design more frugal and energy-efficient warehouses;
- In close relationship with our clients to offer them flexible solutions and contribute to their own environmental challenges and obligations.

Our key figures as at 31 December 2023

VALUATION

3.7

BILLION EUROS
(excluding duties) at 31 December 2023

RENTAL INCOME

184

MILLION EUROS
in 2023

197 MILLION EUROS
targeted in 2024

RECURRING NET INCOME

126

MILLION EUROS
en 2023

135 MILLION EUROS
targeted in 2024

AVERAGE MARGIN OF RECURRING NET INCOME ON RENTAL INCOME (2017-2023)

69%

ASSETS

100

warehouses representing more than 3.6 million square metres and a land reserve allowing 500,000 square metres of additional built area.

AVERAGE BUILDING AGE

11.1 years

TENANT CUSTOMERS

65

RESIDUAL FIXED TERM OF LEASES

5.7 years

OCCUPANCY RATE

100%

2023 – 2030 ESG strategy

As a family-owned French player driven by a long-term vision, ARGAN has decided to update its environmental, social and governance-related commitments by giving a new impetus to its ESG strategy with the following priorities:

- The implementation of proactive action plans in favour of decarbonisation and the production of renewable energy;
- Support for the territories that host our warehouses;
- The satisfaction of our clients and supporting them to tackle new challenges.

Methodology

For this update, ARGAN asked its main stakeholders to answer questions. This inclusive approach was carried out by an independent external service provider to guarantee the quality of the content and the proper reproduction of the different feedbacks. It involved:

- Precise mapping of relevant stakeholders;
- Personalised questionnaires relating to the actions, challenges, expectations and ambition of each stakeholder on the three ESG components;
- A vast consultation with 21 external stakeholders (clients, suppliers, local authorities, financial partners, professional organisations) and the extended ARGAN management team. 25 interviews were thus conducted with representatives of the target organisations and ARGAN employees, including top executives, operational managers and ESG managers, for at least one hour;

- An additional documentary analysis of the policies and commitments of these stakeholders, on key themes, in particular their carbon strategy, and an analysis of the sector best practices.

This work made it possible to formalise the expectations of stakeholders for environmental, social and societal issues. Their contributions led to several reports to ARGAN's Executive team and were directly integrated into the formalisation of the main work areas and the company's ESG strategy.



Priority areas of work 2023 – 2030

1. ARGAN, A leading player in ESG

ARGAN intends to integrate the best standards for steering its ESG policies by guaranteeing high transparency and obtaining the recognition of the major French, European and international standards.

2. ARGAN, A leader in the energy and ecological transitions

ARGAN wishes to build on its initial achievements (AUTONOM[®] in particular) to become one of the leaders in the decarbonisation of its business sector. In this context, the company intends to accelerate the deployment of an ambitious energy policy focused on self-consumption, to serve its clients.

3. ARGAN, As close as possible to its employees

ARGAN values collective success by directly involving its employees in creating value through a policy of sharing value that is unique in its sector. In addition, the company focuses on the health and safety of the employees of the building industry partners and its clients in its warehouses. They must be safe and pleasant places to work.

4. ARGAN, Partner of the territories it operates in

ARGAN is aware of its role as a player in regional economic development. The company wishes to continue to optimise the co-benefits of its sites while preparing the major challenges of mixed-use and reducing the artificialisation of soils.

5. ARGAN, Looking to the future

ARGAN places innovation and customer satisfaction at the heart of its corporate purpose. The company will strengthen its support to better integrate environmental and societal issues into the development of logistics activities.



These priorities are reflected in the Environmental, Social, Societal and Governance policies presented hereinafter.

Risk analysis and mitigation

ARGAN updated the mapping of its ESG risks in order to bring it into line with the standards expected for the CSRD. This work made it possible to define the most significant potential impacts of ARGAN and the associated risks, taking into account the probability of their occurrence, their scope, their scale and their irremediable nature.

ARGAN has thus identified the main risks that could have a negative impact on its business, reputation, financial position, results, future valuation or development prospects.

In addition, ARGAN carried out an initial precise analysis of the opportunities linked to these impacts, in particular regarding its premium positioning when it comes to changes in energy costs and climate change.

These elements have been incorporated into the work to update ARGAN’s materiality. It has also extended its impact analysis to its entire value chain, both upstream and downstream.

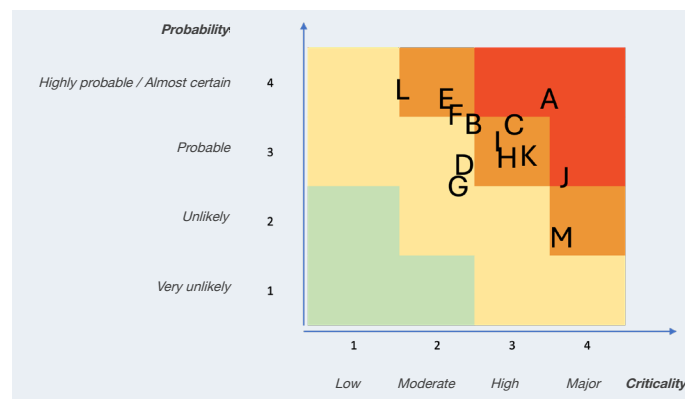
ARGAN’s upstream value chain includes its partners in the building industry and their employees.

ARGAN’s downstream value chain mainly includes its tenant customers.

More specifically, climate change risks can be broken down into:

- **Physical risks** resulting from damage caused directly by weather and climate events resulting from climate system changes.
 - These risks are controlled by applying current standards at construction stage and adjusting the property portfolio in response to climate change. For example, each warehouse is equipped with a lightning protection system. Its role is to prevent the destructive effects of lightning striking the building. Lightning rods placed on the roof of the warehouse are connected to a grounding loop (a buried bare copper cable that surrounds the building). In the event of a thunderstorm, static electricity present in the ambient air is preferably discharged through the circuit running from the lightning rods to the earth, rather than by following a random path and potentially causing material damage or even harm humans.
 - It should also be noted that all the Company’s properties are located in France, a part of the world subject to climate change, but in a more manageable context than other regions of the world and 31% of properties are in the Paris region. No assets are located on the coast or in mountainous areas.
- **Transition risks** resulting from modifications made in view of a transition to a low-carbon economy. Risk control is based on the sustainable development policy adopted by the Company. As at 31 December 2023, the Company has not recognised any provision or guarantee for environmental risks.

The table below lists net risks (i.e. after taking into account risk mitigation and prevention measures) by category and their level of priority according to their potential impact and their likelihood of occurrence:



- A. Climate
- B. Soil artificialisation
- C. Adaptation to climate change
- D. Biodiversity
- E. The circular economy
- F. Human capital
- G. New business lines / diversity of uses
- H. Health and safety of the value chain
- I. Financing / debt / stock market listing
- J. Market cycles and diversification
- K. Project development
- L. Formation and renewal of governance bodies
- M. Business ethics

Each risk analysis theme is the subject of a presentation of the context, challenges, impacts and highlights for each annual period. The following elements were thus taken into account:

- Actual or potential impact;
- Risk Scale and Scope;
- Probability;
- Irremediable nature;
- Potential associated opportunities;
- The scope concerned (own operations, the upstream or downstream value chain);
- The time horizon.

The risk matrix is determined according to criticality and frequency:

- Criticality (Scale*Scope): Minor / Moderate / Strong / Major (rated from 1 to 4);
- Frequency: Very unlikely / Somewhat unlikely / Probable / Very likely (rated from 1 to 4).

Lastly, each risk is associated with one or more types of impact:

- Financial;
- Customer Service;
- Security;
- Environment / Biodiversity;
- Social;
- Governance;
- Legal;
- Organisational;
- Reputation.

Control actions are also associated with each risk and reviewed during the annual update.

It should be noted that an analysis of resilience risks of our real-estate portfolio is planned by the end of 2025.

*NB: Other risks that are not identified, not materialised or currently considered immaterial or emerging could exist and have a negative impact on **ARGAN**, its activities, its reputation or its future medium- and long-term financial results. This risk analysis is valid at the publication date and is based on available financial, environmental, geopolitical and macroeconomic information. A regular review of these risks and the appropriateness of the control actions is carried out each year by the Audit, Risks and Sustainability Committee to validate their relevance over time.*



Ranking and summary of material net ESG risks specific to ARGAN and/or its business sector

Category	Risks		Means of control
Environment	A. Climate	<ul style="list-style-type: none"> Tighter expectations and regulation towards a low-carbon economy. 	<ul style="list-style-type: none"> Significant reduction in the carbon impact of construction and operation; Decarbonisation of the entire logistics chain; Renewable and local energy production; Watch.
	B. Soil artificialisation	<ul style="list-style-type: none"> Tighter expectations and regulation towards 'net zero soil sealing'. 	<ul style="list-style-type: none"> Anticipation; Stock of available land; Diversity of uses for new projects; Clearance; Brownfield conversion.
	C. Adaptation to climate change	<ul style="list-style-type: none"> Resilience risks; Increase in average temperatures; Extreme weather events. 	<ul style="list-style-type: none"> Precise analysis of potential impacts by asset; Reversible Heat Pump systems; Adaptation measures; Resilience assessment planned in 2025.
	D. Biodiversity	<ul style="list-style-type: none"> Strengthening biodiversity-related regulations. 	<ul style="list-style-type: none"> Dedicated biodiversity strategy (planned for 2024/2025).
	E. The circular economy	<ul style="list-style-type: none"> Strengthening of regulations related to the use of resources, particularly imported ones. 	<ul style="list-style-type: none"> New environmental construction standard; Use of LCAs; Integration of recycled materials; Dialogue initiated in 2024 with partners in the building industry.
Social	F. Human capital	<ul style="list-style-type: none"> Maintaining ARGAN's attractiveness despite fluctuations in workload; Continuity of the local relationship despite development; Maintenance and internal development of the property management activity; Securing the future. 	<ul style="list-style-type: none"> Salary and profit sharing policy; Improved quality of life at work; Sound and planned management of jobs and careers; Training and coaching.
	G. New business lines/diversity of uses	<ul style="list-style-type: none"> Anticipation of the integration of new business lines (project management, energy management) and new forms of logistics buildings (building on floors, diversity of uses, etc.). 	<ul style="list-style-type: none"> Anticipation; Continuing education; Early integration of new skills.
	H. Health and safety of the value chain	<ul style="list-style-type: none"> Non-compliance with regulations by a subcontractor and accident on an area of ongoing works or on a site. 	<ul style="list-style-type: none"> Responsible procurement; Raising awareness of the value chain; More binding contractual clauses; Strengthening of controls.

Ranking and summary of material net ESG risks specific to ARGAN and/or its business sector

Category	Risks		Means of control
Societal and market	I. Financing / debt / stock market listing	<ul style="list-style-type: none"> ▪ Higher and tighter financing and refinancing conditions; ▪ Decline in the attractiveness of the stock market value. 	<ul style="list-style-type: none"> • Green bonds; • Indexation of rents; • Voluntary ESG approach; • Diversification of funding sources; • Setting a cap on variable-rate loans; • Strengthening investor relations; • Monitoring of the financial rating (S&P).
	J. Market cycles and diversification	<ul style="list-style-type: none"> ▪ End of deployment of large and medium-sized warehouses; ▪ Uncertainty on consumer goods and e-commerce. 	<ul style="list-style-type: none"> • Diversification of the portfolio with a decrease in the share of XXL warehouses; • Long-term commitments/leases; • Diversification of commercial targets with strengthening of mid-caps and new industrial sectors (healthcare, etc.).
	K. Project development	<ul style="list-style-type: none"> ▪ Difficulties in accessing land; ▪ Rising raw materials and construction costs. 	<ul style="list-style-type: none"> • Strong link with local authorities; • Co-construction with architects, project managers and builders to control additional costs.
Governance	L. Formation and renewal of governance bodies	<ul style="list-style-type: none"> ▪ Risks associated with the departure of a key person, in particular a member of the Le Lan family. 	<ul style="list-style-type: none"> • Anticipation; • Transition before departures; • Reasserted family control (family agreement reported to the AMF).
	M. Business ethics	<ul style="list-style-type: none"> ▪ Poorly controlled purchasing management; ▪ Corruption. 	<ul style="list-style-type: none"> • Charters; • Internal control; • Training, awareness-raising.

Dual materiality matrix

The materiality matrix presented below has been produced and prioritised by integrating stakeholders' expectations, ARGAN's overall performance challenges for the future, the company's impacts on its environment and the potential financial impacts resulting from the ESG risk analysis, thus meeting the principle of dual materiality.

■ Interests and views of interested parties

The various stakeholders of **ARGAN** can be classified according to the following groups:

- Clients;
- Local players, particularly local authorities;
- Suppliers and builders in particular;
- Shareholders, lenders and analysts.

These different groups were surveyed in order to build the **ARGAN** materiality matrix.

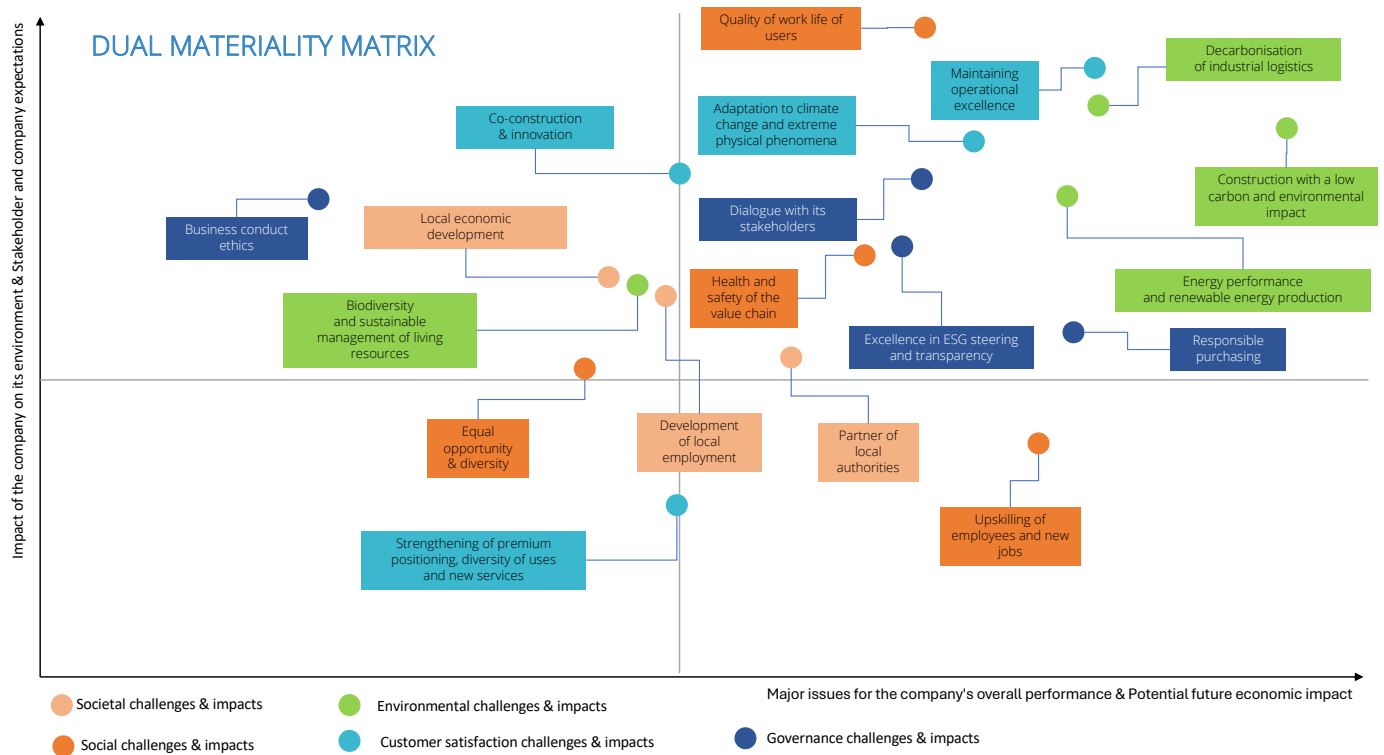
From these interviews, the following main points emerge, reflecting the interests and views of the main stakeholders:

Stakeholders	Key ESG expectations and perceptions
Customers	<ul style="list-style-type: none"> • A long-term relationship of very high quality thanks to agility and responsiveness, whether in the event of a problem or upstream during decision-making; • Actual ESG performance of warehouses is sought, particularly in relation to energy and GHG emissions; • Integrated asset management and property management teams.
Local players, particularly local authorities	<ul style="list-style-type: none"> • Preparing for Zero Net Soil Artificialisation with Footprint Reduction; • The challenges: carbon neutrality + renovation & rehabilitation; • Being attentive to boosting the local economic fabric and supporting densification and increased mixed-use; • A praised long-term relationship with a stable French player with a long-term real-estate and territorial vision.
Suppliers and builders in particular	<ul style="list-style-type: none"> • ARGAN's desire for dialogue and co-construction to implement decarbonisation and energy efficiency solutions for new projects is welcome. A lively dialogue is underway for 2024.
Shareholders, Lenders, Analysts	<ul style="list-style-type: none"> • In 2023, formalisation of ESG strategies, particularly low-carbon strategies; • Commitments with specific indicators, particularly environmental indicators; • The search for international labels, benchmarks and international renowned agencies; • Perception <ul style="list-style-type: none"> - The AUTO: NOM® innovation was welcomed as well as the plan to renovate the existing portfolio by installing heat pumps to replace gas boilers; - The presentation of ARGAN's ESG strategy in October 2023 was very well received, with Sustainability taking into account very quickly (transition from medium risk to low risk).

Our 2023-2030 ESG ambition

This is a one-off change in the matrix carried out last year, in accordance with the principles of the Corporate Sustainability Reporting Directive, as the scope of **ARGAN** has not been fundamentally modified since the previous financial year. Some materiality issues were slightly reprioritised to refine their impact levels and clarified to better describe all the elements integrated into each.

This dual materiality matrix was validated by the **ARGAN** Executive Board and will be reviewed in mid-2025 to incorporate the results of the full resilience study planned for early 2025.



■ Environmental challenges & impacts

- Decarbonisation of industrial logistics
- Construction with a low carbon and environmental impact
- Energy performance and renewable energy production
- Biodiversity and sustainable management of living resources

■ Societal challenges & impacts

- Partner of local authorities
- Development of local employment
- Local economic development

■ Social challenges & impacts

- Upskilling of employees and new jobs
- Quality of work life of users
- Health and safety of the value chain
- Equal opportunity & diversity

■ Governance challenges & impacts

- Dialogue with its stakeholders
- Responsible procurement
- Excellence in ESG steering and transparency
- Business conduct ethics

■ Customer satisfaction challenges & impacts

- Maintaining operational excellence
- Adaptation to climate change and extreme physical phenomena
- Co-construction & innovation
- Strengthening of PREMIUM positioning, diversity of uses and new services

Details of the various issues

■ Environmental challenges & impacts

Biodiversity and sustainable management of living resources

ARGAN's activity entails soil artificialisation (excluding construction on brownfield sites), the installation of fences, external lighting sources, as well as noise pollution that can cause discontinuities in the black, green and blue corridors. The sustainable management of the green spaces of the sites and the regeneration of life on the sites operated and/or on nearby sites is an important challenge to limit the impact of **ARGAN**.

Decarbonisation of industrial logistics

While **ARGAN**'s direct emissions are extremely limited, **ARGAN**'s activity generates a significant volume of indirect GHG emissions, due to the extraction of raw materials, the transport of materials and the warehouse construction process, as well as the operation of the latter by its customers. Improving energy efficiency, energy performance and the integration of low-carbon construction technologies and methods are important challenges in limiting the impact of **ARGAN** and its value chain.

Low-carbon and low-environmental-impact construction

In addition to GHG emissions, the construction and operation of warehouses may have other environmental impacts (soil quality, water consumption, etc.) that must be measured and limited. The continuous improvement of the design of warehouses, as well as the gradual integration of a circular economy logic into the construction and future end of life of buildings, should make it possible to limit the impact of **ARGAN** and its value chain.

Energy performance and renewable energy production

Warehouse operating costs, as well as their energy-related impacts, are an important topic for **ARGAN** and its customers. The production of photovoltaic energy on the roof via the **AUTONOM**® standard, and tomorrow in shade canopies, as well as LED plans for lighting, heat pumps for heating and energy consumption analysis are all levers for adaptation aimed at reducing the impact of **ARGAN** and its value chain.

■ Social challenges & impacts

Quality of life at work for users

ARGAN is constantly working to improve not only the quality of life at work of its own employees (in particular through pleasant, accessible premises, etc.) but also the quality of life of future users of its warehouses; an important criterion for helping its customers gain the loyalty of their employees.

Health and safety of the value chain

ARGAN supports its employees in their tasks, provides appropriate tools and equipment and offers training to limit damage to their physical integrity and health. The company carries out equivalent work with regard to the design of its warehouses to deliver safe workplaces, while ensuring that its partners in the building industry strictly comply with safety standards on construction sites.

Upskilling of employees and new jobs

ARGAN can rely on a team of a limited number of people, but highly expert and sustainably committed. To maintain this expertise, **ARGAN** implements a personalised training and coaching plan. In addition, **ARGAN** remains attentive to changes in its market and its activity and ensures that it integrates the most relevant new business lines to maintain the excellence of its customer service (decarbonisation, energy, etc.) and limit its impacts on its environment.

Equal opportunities & diversity

ARGAN is aware of the importance of maintaining a virtuous and inclusive working environment, which leaves room for everyone. The company strives to integrate diversity as much as possible into its recruitment and internal promotions. Through its small team, **ARGAN** must prioritise competence and commitment, wherever they come from, by sharing with everyone, equally, the collective value created.



■ Governance challenges & impacts

Ethical business conduct

ARGAN and its managers pay close attention to the conduct of business. The company strives to comply with best practices and to do so relies on the values and ethics fostered by its founder. It monitors compliance with these principles with the same rigour at its partners and suppliers. The basic principles and practical arrangements in this area are detailed in Charters.

Dialogue with stakeholders

ARGAN maintains a strong and active dialogue with its main stakeholders. By listening to the needs of its customers, the expectations of its partner communities, the aspirations of its employees, the feedback from its value chain and its suppliers, the company strives to limit its impacts by allowing everyone to express their point of view to enable collective alignment.

Excellence in ESG management and transparency of information

ARGAN and its managers are convinced of the strategic importance of the subjects covered by ESG and ensure that best practices are implemented in terms of management and transparency in the information provided and the commitments made.

Responsible procurement

ARGAN invests between €100 million and €150 million each year as part of its development. This ambition of the company generates a strong responsibility towards its value chain, in order to build stable, ethical and responsible relationships, but also demanding, in order to collectively limit the potentially negative impacts of the company's activity.



■ Customer satisfaction challenges & impacts

Maintaining operational excellence

ARGAN has chosen to position itself in a premium segment, offering quality assets, integrating the latest technologies and significant energy and environmental innovations. In addition, it provides a personalised service to its customers to guarantee their satisfaction and provide first-rate performance, including non-financial performance.

Adaptation to climate change and extreme weather phenomena

In addition to its own emissions and environmental impacts, **ARGAN** is aware of the potential impact of climate change on its environment and its business. The company incorporates the concept of resilience into the construction and life of its assets as well as its business model.

Co-construction & innovation

ARGAN ensures that the best industrialised and secure technologies are integrated into its new developments. The company co-constructs its approach with its partners, customers and the territories in which it establishes or develops its activity.

Strengthening of the PREMIUM positioning, mix of uses and new services

ARGAN is working tirelessly to strengthen its premium positioning, a better guarantee of the resilience of its business model and its future revenues. Attentive to its stakeholders, the company monitors expected changes in its business model, the integration of new value-added services and the needs of sites that integrate different types of use, without deviating from its fundamentals.

■ Societal challenges & impacts

Local economic development

ARGAN est consciente du rôle économique local de ses implantations et travaille avec les territoires et ses clients pour maximiser les co-bénéfices potentiels, dans la durée.

Development of local employment

Through its sites, **ARGAN** enables its customers to position more than 22,000 jobs as close as possible to the regions. By working on the diversity of uses, the company strives to optimise this potential for local jobs.

Partner of local authorities

An **ARGAN** site is not just a warehouse, it is part of its territory. **ARGAN** works with local authorities to limit impacts, optimise co-benefits, validate the acceptability of new sites and develop real win-win partnerships, an essential element for the future development of the company.

Preparation for CSRD compliance

With a view to preparing its future sustainability report, **ARGAN** notably reviewed its exposure to ESRS (European Sustainability Reporting Standards) themes. The company therefore considers the following levels of materiality:

ESRS	Material for ARGAN	Integrated into ARGAN issues
Climate change	Yes	<ul style="list-style-type: none"> Decarbonisation of industrial logistics; Low-carbon and low-environmental-impact construction; Adaptation to climate change and extreme weather phenomena; Energy performance and renewable energy production.
Pollution	No	
Water and marine resources	No	
	<p>While the total volume of water consumed is greater than 183,000 m³, it remains limited relative to the number of sites. Attention is paid to design to optimize plant and tree varieties to limit water consumption. Lawns are not systematically watered. Rainwater recovery systems are installed at some sites. Water consumption is limited to sanitary facilities and fire systems. No ARGAN site includes processes with high water consumption. Similarly, the risks of resource pollution due to site activities are limited and tightly controlled. ARGAN sites are not located in protected areas and are only marginally affected by water restriction measures. Periods of drought would have only a very limited impact on the activity of its sites.</p> <p>The associated risks will be reviewed regularly by the member of the Management Board in charge of ESG and by the Audit Committee of the Supervisory Board.</p>	
Biodiversity and ecosystems	Yes	<ul style="list-style-type: none"> Biodiversity and sustainable management of living resources.
Resources and the circular economy	Yes	<ul style="list-style-type: none"> Low-carbon and low-environmental-impact construction.
Company-specific workforce	Yes	<ul style="list-style-type: none"> Health and safety of the value chain; Upskilling of employees and new jobs; Equal opportunities & diversity.
Workers in the value chain	Yes	<ul style="list-style-type: none"> Health and safety of the value chain; Equal opportunities & diversity; Dialogue with our stakeholders; Responsible procurement.
Affected communities	No	
Consumers and end users	No	
Conduct of business	Yes	<ul style="list-style-type: none"> Ethical business conduct; Dialogue with our stakeholders; Excellence in ESG management and transparency of information; Responsible procurement.

ARGAN is therefore preparing to integrate the reports on the various material ESRS and the associated data points. As the number of **ARGAN** employees is below the threshold of 750 employees mentioned in ESRS 1, Appendix C: List of publication requirements introduced in stages, **ARGAN** will meet its regulatory requirements according to the specific planned timetable.

ESG governance

■ Our governance structures

■ The Executive Board

Composed of a small team of 3 members offering reactivity and efficiency, the Executive Board brings together leading managerial, financial, ESG and real estate skills.

It is tasked with developing and implementing **ARGAN**'s strategy, validating its consistency with the model and financial objectives, and deploying the ESG roadmap component. The General Secretary of **ARGAN** is in charge of defining, deploying, steering and monitoring the strategy validated by the Executive Board and reviewing the associated action plan. He has been a member of the Management Board since April 2024. For this engagement, he relies on a team partly dedicated to this engagement and on resources shared within the other **ARGAN** departments (energy expert, etc.). He also is responsible for deployment at all levels and awareness-raising among all employees. Lastly, he reviews the environmental, social and societal risks resulting from the analysis of the company's risks as well as a review of climate risks.

The role of the Executive Board is to ensure the development of the company and to guarantee the management of the operational activity.

It is also responsible for the application of and compliance with the governance criteria detailed in the following documents:

- Ethics Charter (including the protection of whistleblowers);
- Anti-corruption Charter (including conflict of interests prevention);
- ESG Charter for Suppliers, Service Providers and Subcontractors;
- IT Charter (including personal data protection and cybersecurity);
- Stock market code of conduct.

■ The Supervisory Board

The Supervisory Board is a collegial body composed of 8 members, including 3 independent members, who collectively represent all shareholders. Its primary objective is to ensure the long-term success of the company while respecting the interests of all third parties essential to achieving this objective, namely shareholders, staff, customers, suppliers and other creditors. To this end, it examines and sets the company's strategic guidelines and exercises permanent control over the management implemented by the Executive Board.

- 38% of women on the Supervisory Board;
- 38% of independent members on the Supervisory Board¹.

Made up of men and women with extensive experience, its diversity guarantees its quality of judgement, its ability to anticipate and its integrity in the performance of its supervisory and control functions.

¹ Independence defined within the meaning of the Middle Next Code.

Since 2023, ESG issues have been specifically addressed by the Supervisory Board as part of the Audit, risks and sustainability Committee's activity report, at least once per year.

In addition, as part of the relationship between the Executive Board and the Supervisory Board, the Executive Board presents an activity report at each meeting of the Supervisory Board. In particular, this report presents progress on ESG themes.

In line with our ESG policy, the Supervisory Board and the Management Board carry out the duties assigned by law and act by considering the social and environmental issues of **ARGAN**'s activities.

• Risks and opportunities

They regularly review opportunities and risks such as financial, legal, operational, social and environmental risks and the measures taken as a result. This is the role of the Audit, Risk and Sustainability Committee, which meets at least twice a year.

• Anti-corruption measures

Where applicable, they ensure that a system is in place to prevent and detect corruption and influence peddling.

• Diversity, Equity, Inclusion

They ensure the proper implementation of a non-discrimination and diversity policy.

• Strategic information

They ensure that shareholders and investors receive relevant, balanced and educational information on the strategy, the development model, the consideration of significant non-financial issues for the Group and its long-term prospects.

• Shareholders' rights

In their governance, they must pay particular attention to a fair link between:

- The entrepreneurial freedom of senior managers;
- The protection of minority shareholders;
- The sustainability of the company;
- Accountability to the entire ecosystem, first and foremost its employees but also to all other stakeholders.

During its meetings, the main topics addressed by the Supervisory Board are:

- The commercial policy;
- The development strategy;
- The social component (Human Resources);
- ESG actions.

The Supervisory Board is assisted by two committees: the Audit, Risk and Sustainability Committee and the Appointments and Compensation Committee, each composed of three members appointed by the Supervisory Board, and chaired by an independent member.

▪ The Audit, Risk and Sustainability Committee

The Audit, Risk and Sustainability Committee's duties include:

- Following the process for preparing financial information and, where appropriate, making recommendations to ensure its integrity;
- Monitoring the effectiveness of the internal control and risk management systems, as well as internal auditing, where appropriate, with regard to the procedures for preparing and processing accounting and financial information, without infringing on its independence;
- Issuing a recommendation on the statutory auditors proposed for appointment by the General Meeting or who are being considered for reappointment;
- Monitoring completion by the statutory auditors of their assignment and taking into account the findings and conclusions of the Haut conseil du commissariat aux comptes, France's supervisory body for auditors, following the audits carried out by the said body;
- Ensuring that the statutory auditors are independent, in accordance with applicable legal and regulatory provisions;
- Approving the provision of services that are not included in the statutory audit engagements;
- Reporting regularly to the Supervisory Board on the performance of its tasks and the results of the account certification assignment, how this assignment has contributed to the integrity of the financial information and the role that it played in this process, and informing the Board of any issues encountered;
- Reviewing the tools and resources implemented with respect to the Company's main risks and reporting to the Board once a year;
- Monitoring the implementation of the ESG strategy.

The full list of its prerogatives and duties is included in the **ARGAN** Universal Registration Document, the latest version of which is available in the regulated information section of the argan.fr website.

▪ The Appointments and Compensation Committee

The role of the Appointments and Compensation Committee is to:

- make all useful observations to the Supervisory Board on the composition of the Supervisory Board and the Management Board and issue an opinion on applications for the positions of members of the Supervisory Board or the Management Board with regard to their experience in business, their competence and their economic, social and cultural representativeness;
- It being specified that with regard to the members of the Executive Board, a selection process is organised that guarantees the presence of at least one person of each gender among the candidates until its completion (Articles L.225-58 and L.22-10-18 of the French Commercial Code);
- study and propose to the Supervisory Board all components of the total compensation of the

Company's corporate officers and proposing, where applicable, qualitative and quantitative criteria for determining the variable portion of this compensation;

- Review the plans for free allocation of shares, allocation of options for subscription or purchase of shares or any similar instrument for the benefit of employees and senior managers, as well as the terms and conditions for allocation.

The full list of its prerogatives and duties is included in the **ARGAN** Universal Registration Document, the latest version of which is available in the regulated information section of the argan.fr website.

▪ The Energy/Environment monitoring committee

An internal company committee dedicated to monitoring energy investment actions and plans meets once a month, bringing together the company's main managers and the staff directly concerned. Since January 2024, this committee has been extended to monitoring all **ARGAN**'s environmental actions.

▪ Expertise in sustainability of management bodies

The sustainability expertise of the management bodies as a whole comes from training provided on the principles and fundamentals of CSR, the CSRD regulation and specific topics (environmental, social and governance) as well as through external experts.

ARGAN has a Supervisory Board, a Management Board and a member of the Management Board in charge of ESG who possess the fundamental expertise necessary to manage ESG impacts, risks and opportunities and whose duties are detailed above.

ARGAN also regularly calls on external experts for specific ESG themes.

▪ Training of Board members

All members of the Supervisory Board have the skills required to fully understand the specificities of the Company and its activity. As a result, the Supervisory Board felt that it was not necessary to implement a three-year training plan.

▪ Integration of sustainability outcomes into incentive systems

ARGAN intends to implement a general incentive system incorporating its sustainability results via the next profit-sharing agreement, the beneficiaries of which are all **ARGAN** employees. This will include an ESG/Energy component.

The ambition of ARGAN 2023 – 2030

The pillars of our ambition

For the coming years, ARGAN has decided to focus its efforts in three specific areas:

- **Initiate and deploy an ambitious environmental strategy, around a low-carbon trajectory aligned with the SBTi.**

To this end, ARGAN is speeding up the deployment of the plans already launched (LED plan, “Heat Pump” plan replacing gas heating, CTM plan), starting the construction of its AUTONOM® warehouses and announcing the launch of a new stage of the deployment of photovoltaic capacities dedicated to self-consumption in roofs or shade canopies. ARGAN is also working with its partners in the building industry on specific proactive low-carbon construction targets that will be announced at the end of 2024. Lastly, the Company will increase its attention to water management and biodiversity conservation issues.

- **Bring ESG oversight to the best international standards.**

ARGAN has worked to properly structure and formalise its management tools to best integrate all ESG expectations for a leading player. Aware of its role as a major contractor, ARGAN will engage from 2024 all players in its value chain in a responsible procurement and vigilance approach, focusing both on material sourcing issues and on enhancing the health and safety of everyone working on its sites.

- **Continue to share financial and extra-financial value creation.**

Through the family-oriented nature of its ownership, ARGAN and its Chairman-Founder are committed to

a fair distribution of value: for its shareholders, with a long-term strategy focused on premium assets and a regular increase in dividends, accompanied by an option for dividend payment in shares; for its employees, with a unique salary structure and a free shares plan open to all; and for its stakeholders, customers, and communities, with a greater emphasis on the current and future social and environmental performance of its warehouses, and a reinforced focus on the co-benefits of each new development.

36% of ARGAN shareholders choose to pay the dividend in shares on average over the last 6 years (2018-2023)

ARGAN thus wishes to quickly bring the company’s overall performance up to the highest environmental and societal standards, by taking its full part in the decarbonisation of the supply chain and the fight against climate change.



Our contribution to the Sustainable Development Goals

In 2023, ARGAN committed to the United Nations Global Compact and its ten principles surrounding human rights, labour standards, the environment and the fight against corruption. ARGAN will publish its first Communication on Progress (COP) in 2024.

In addition, ARGAN wanted its ESG strategy to integrate the 17 Sustainable Development Goals of the United Nations. Given its activity, its size and the relatively small number of its employees (around thirty), ARGAN has decided to focus its actions more specifically on the following five Sustainable Development Goals:



ARGAN will contribute to the French renewable energy targets by installing significant photovoltaic capacities on the roofs of its warehouses and its car parks, in particular for self-consumption purposes. At the same time, the company will reduce the end energy consumption of its sites, in conjunction with its client-tenants.



ARGAN will contribute to the overall resilience of logistics chain infrastructures as well as to the reindustrialisation of the French territory, in close alignment with users and end clients. The company will continue to drive innovation in the development of its projects and in the services provided to users of its warehouses.



ARGAN will ensure compliance with environmental regulations within its scope of activity, in conjunction with all its stakeholders. The company will develop new concepts limiting the artificialisation of soils. It will also pay particular attention to optimising the co-benefits of its activities for the territories that host them.



ARGAN is firmly committed to limiting its greenhouse gas emissions by aligning its low-carbon strategy with the SBTi. At the same time, the company will work on adapting its warehouses to the consequences of climate change, both in their resilience and for their users.



ARGAN will increase its focus on protecting biodiversity and work to restore it where possible. The company will work on a plan to limit the artificialisation of soils and reduce impacts during the construction/renovation of its warehouses.

In addition to these five SDGs, ARGAN will remain particularly attentive to goal 5 (Gender equality), 6 (Clean water and sanitation), 8 (Decent work and economic growth) and 12 (Responsible consumption and production), both in its own activity and in its value chain.

Environmental Policy

ARGAN has been committed for several years to reducing its energy consumption (particularly gas) and implementing various thematic plans to improve its environmental performance: LEDs plan, heat pump plan, CTM/BMS plan, etc. Beyond that, **ARGAN** successfully launched its **AUTONOM**® warehouse concept, based on the self-consumption of locally produced photovoltaic energy associated with storage batteries. All new developments of **ARGAN** are intended to be labelled **AUTONOM**® as soon as they are delivered.

In 2023, **ARGAN** has wanted to strengthen its environmental commitments and implement a set of structured short- and medium-term actions.

To this end, **ARGAN** has updated and developed a comprehensive environmental risk analysis incorporating:

- Interviews and workshops conducted with employees concerned by the topic;
- Exchanges with its main stakeholders (customers, partner-builders, etc.) to integrate their expectations and technological developments in the construction sector;
- A review of a set of sectoral studies on risks specific to warehouses in France.

ARGAN undertakes to maintain regular discussions with all its stakeholders on these environmental themes. They are a mandatory part of all our contract reviews.

These elements made it possible to develop this **ARGAN** Environmental Policy, validated by the Executive Board. It was then supplemented and enhanced by a climate strategy aligned with the Paris Agreement (1.5°C scenario) and the international SBTi benchmark. Actions in favour of biodiversity or water management complete the system designed to reduce the impacts of our business and that of our customers.

ARGAN therefore undertakes to protect the environment and to offset its impacts on the environment as much as possible. **ARGAN** implements pragmatic solutions to reduce its GHG emissions, waste, energy consumption or the use of raw materials. Specific action plans are in place or being defined to meet this commitment.

ARGAN's environmental policy will be further enhanced:

- In 2024, by formalising an initial biodiversity policy, in line with its status as a Committed Company for Nature (certification by the French Office for Biodiversity under the authority of the French State);
- In 2025, by carrying out a physical resilience study of the real estate portfolio and a deepening of the transition scenarios.

■ Environmental Management System

A regulatory watch carried out by an external firm allows **ARGAN** to integrate all of its obligations. The identified topics are then assigned to the relevant internal departments. Lastly, regular follow-up meetings are organised to validate **ARGAN**'s compliance with its regulatory environment.

To meet this challenge, the monthly Energy monitoring committee became an Energy/Environment monitoring committee in 2024, bringing together, under the guidance of the Chairman of the Executive Board, in the presence of the Secretary General, in charge of ESG, all the departments and experts concerned by the various environmental issues.

These monitoring committees make it possible to review the indicators related to **ARGAN**'s environmental performance, discuss preventive and corrective actions undertaken or to be undertaken, and share best internal and external practices to advance the collective on the environmental theme.

The minutes of these committees and the corresponding dashboards are shared with all members of the Executive Board.



Clear commitments, clear objectives, concrete actions

The **ARGAN** Executive Board has committed to 3 major areas, accompanied by precise objectives and concrete action plans. **ARGAN** will monitor each year and report on its environmental progress.

Priority 1: Low-carbon strategy

Our commitments to 2030

- Implement an ambitious decarbonisation strategy, aligned with the SBTi at **ARGAN** level for our scopes 1, 2 and 3 (for the energy part) and thus reduce our emissions;
- Study and produce a specific decarbonisation plan for the construction/renovation part, in conjunction with our partners in the building industry (in 2024);
- Raise the awareness of our clients in terms of certified green energy purchasing and frugal energy choices.

Our actions for 2025 and 2030

- Deploy an ambitious low-carbon strategy, aligned with the Paris Agreement and the SBTi with:
 - A 70% reduction in our emissions by 2030 on our Scope 1 (change in the vehicle fleet in particular);
 - A Net Zero level by 2030 in our Scope 2 (energy efficiency and certified green electricity purchase);
 - A 50% reduction in in-use emissions from our warehouses (only energy) by 2030 (energy efficiency actions and **AUTONOM**® standard (see Priority 2)).
- Study a credible and relevant scenario for reducing our emissions during the construction phases (presentation at the end of 2024).

Our objectives	2023 progress report	2025 Objective	2030 Objective (Absolute Contraction Approach)
Percentage decrease in Scope 1 greenhouse gas (GHG) emissions vs. 2022 (reference year) Scope: Warehouses without sub-meters.	+42%	To be included to our Scope 3 in 2024	NA
Percentage decrease in Scope 1 greenhouse gas (GHG) emissions vs. 2022 (reference year) Scope: Corporate emissions (service vehicles).	+34%	-	-70% (Absolute Contraction Approach)
Percentage decrease in Scope 2 GHG emissions vs. 2022 (reference year).	-10%	-	Net Zero
Percentage decrease in Scope 3 GHG emissions vs. 2022 (reference year) Emissions from the building in operation linked to energy consumption.	-14.5%	-	-50%
Percentage decrease in Scope 3 GHG emissions vs. 2022 (reference year) Construction of new buildings.	NA	-	Announced by the end of 2024

Priority 2: AUTONOM® and energy management

Our commitments to 2030

- Apply the standard AUTONOM® to all new development projects;
- Deploy the heat pump, CTM/BMS and LED plans on the existing assets;
- Produce 200,000 MWh of renewable energy within the scope of ARGAN, used primarily for self-consumption to reduce our clients' emissions.

Our actions for 2025 and 2030

- 100% of new developments with AUTONOM®, the warehouse that produces its own green energy;
- To reach 45% of gas-free warehouses by 2025, in sq.m developed (65% by 2030);
- Deploy CTM/BMS in 75% of our warehouses (100% by 2030);
- Reach 98% of our warehouses equipped with LEDs (100% by 2030).

Our objectives	2023 progress report	2025 Objective	2030 Objective
Percentage of new developments to the AUTONOM® standard.	100% (excluding acquisitions)	100%	100%
Share of locally produced and self-consumed energy.	23.6% on average on equipped sites		100% equivalent heating, cooling and lighting 35% total consumption
Share of ARGAN gas-free warehouses, in sq.m developed.	32%	45%	65%
Share of ARGAN warehouses equipped with CTM/BMS.	40%	75%	100%
Share of ARGAN warehouses with LED lighting.	97%	98%	100%
Number of MWh of renewable energy produced.	25,182	35,000	200,000

Priority 3: Sustainable management of our sites

Our commitments to 2030

- Make the BREEAM Excellent level the new construction standard for **ARGAN**;
- Strengthen our actions to preserve and restore biodiversity, in particular by helping to raise awareness of this theme among our clients and partners;
- Where possible, give priority to carrying out our new developments on brownfields;
- Incorporate, as far as possible, enhanced management of water resources.

Our actions for 2025 and 2030

- Have 75% of our new developments that start from 2025 certified at least at the BREEAM Excellent level (100% by 2030);
- Integrate actions to preserve and restore biodiversity in 100% of our new projects;
- Make 50% of our customers aware of the sustainable management of sites (100% by 2030);
- Integrate enhanced water management tools for 50% of our new developments (100% by 2030).

Our objectives	2023 progress report	2025 Objective	2030 Objective
Percentage of new developments certified at or above BREEAM 'Excellent', by number of sites.	16%	75%	100%
Percentage of new developments carried out on brownfield sites, in sq.m developed smoothed over 3 years.	NA	10%	20%
Percentage of new developments incorporating actions to preserve and strengthen biodiversity.	100%	100%	100%
Proportion of customers made aware of sustainable site management (sustainable management of green spaces, best waste management practices, etc.).	2%	50%	100%
Share of new developments incorporating enhanced water management (infiltration, land management, limiting water consumption, rainwater collection, etc.).	100 % of developments carried out by ARGAN	50%	100%

■ Non-material environmental issues for ARGAN

The volumes of waste produced by **ARGAN** and the water consumption of the head office are negligible due to the small number of our employees. Specific actions have nevertheless been put in place to minimise our impact (selective sorting at the head office, etc.).

In addition, an assessment of our customers' water consumption at our sites and the volumes of waste produced led to these two subjects being considered as non-material for **ARGAN**. Performance improvement actions are nevertheless integrated in these 2 areas (implementation of water-saving taps, recycling of sprinkler water, etc.)

ARGAN in action

■ Climate plan 1.0

ARGAN continued to roll out its previous climate plan:

- For the past 5 years, **ARGAN** has carried out an extensive relamping campaign, replacing old and energy-intensive lights with the latest generation of intelligent LED systems, controlled by natural light and human movement. More than 97% of this plan is now deployed.
- **ARGAN**, in consultation with its customers, has launched an ambitious plan to replace gas heating systems with the latest generation of air/water heat pumps across its entire portfolio within 10 years (€50 million investment).
- In 2023, **ARGAN** decided to focus first on the sites with the highest emissions. Fruitful discussions with our customers took place at the end of 2023 and early 2024 to examine the terms and conditions, with the result being the signing of several amendments enabling work to begin in 2024.
- As part of the tertiary decree, the Group has set up a vast programme for monitoring and managing consumption, making it possible to collect consumption data. However, **ARGAN** intends to go further by installing its own CTM/BMS systems that offer a fine degree of analysis, by cell or by type of equipment (air conditioning, for example). The Group now dedicates a position specifically to the issue of energy monitoring.

Thanks to the work carried out alongside its customers, the energy intensity per sq.m of the portfolio fell by 7% in 2023 compared with 2022!

Since 2022, **ARGAN** has carried out an exhaustive 'carbon assessment' on the 3 scopes. For details of 2023 greenhouse gas emissions, readers are invited to refer to page 47 of this report.

■ Deployment of AUTONOM® and photovoltaic production

In early 2022, **ARGAN** commissioned its first AUTONOM® warehouse. Since then, the company has started or studied more than ten projects based on this new label.

Beyond that, at the end of 2023, **ARGAN** had nearly 58,000 sq.m of photovoltaic panels installed, representing more than 10.7 MWp installed. **ARGAN** produced more than 25,000 MWh in 2023.

In 2023, **ARGAN** decided to strengthen the AUTONOM® standard to reach a Net Zero level in use, by setting up a natural capture project through the afforestation of a land area of at least 100 hectares in France and meeting the French government's Low Carbon Label. Since the beginning of 2024, **ARGAN** has been actively looking for suitable land to quickly deploy this programme.

■ Construction and Sustainable Site Management

All projects under development at **ARGAN** give rise to Life Cycle Analyses (LCAs) upstream of construction, incorporating recommendations to reduce the impact of construction.

ARGAN also called on ecologists to carry out ecological diagnostics on each of the projects launched in development in 2023. The purpose of this work is to:

- Identify habitat types, as well as the flora present on the sites (including invasive species and protected and/or threatened species);
- Identify protected and/or threatened wildlife species present or potentially present (assessment of wildlife habitat potential);
- Identify the remarkable elements to be conserved and recovered (tree serving as a nesting medium, set of nectariferous plants of interest to pollinating insects, etc.);
- Issue instructions to preserve the most interesting elements for biodiversity and incorporate additional actions for possible restoration and/or offsetting.

In addition, special measures may be taken at construction sites to limit their impact (working hours, start period, non-lighting at night, etc.).



ARGAN strengthens the biodiversity potential of some of its warehouses through concrete targeted actions:

- Planting of diverse local plant species;
- Creation of hay/flower meadows;
- Development of basins so that they are favourable to biodiversity;
- Installation of crossings for small wildlife;
- Raising awareness among its customers for sustainable management with limitation of the use of phytosanitary products and the implementation of eco-pastures;
- Installation of insect hotels, birdhouses and bird feeders;
- Installation of rainwater recovery systems;
- Planting more than 12,000 trees.

For the 5 sites delivered in 2023, this work on biodiversity enabled:

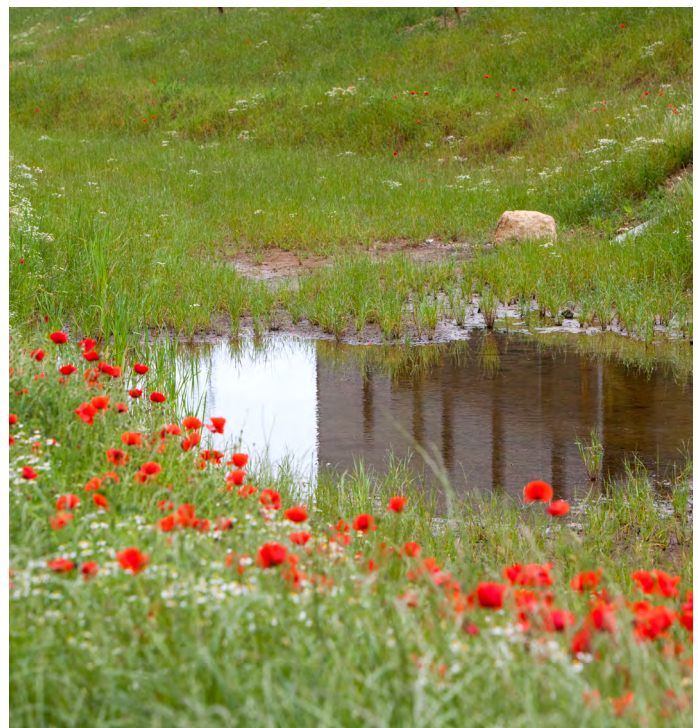
- Planting more than 360 trees and more than 2,560 shrubs;
- Installation of:
 - 6 bee cottages;
 - 25 nesting boxes (including 2 for robins, 2 for tits, 1 for a falcon, and 4 for bats);
 - 6 rock piles or equivalent;
 - 1 hibernaculum;
 - 2 insect hotels;
 - 1 bat roost;
 - Hedgehog passages;
 - Etc.



■ Water management

In 2023, **ARGAN** was able to retrieve its customers' water consumption data for around 75% of its sites. This results in total water consumption of 183,182 m³, i.e. approximately 11 m³ per FTE per year. The total volume of water consumed thus remains limited, once divided by the number of sites. Water consumption is limited to sanitary facilities and fire systems. No **ARGAN** site includes processes with high water consumption. Similarly, the risks of resource pollution due to site activities are limited and tightly controlled. **ARGAN** sites are not located in protected areas and are only marginally affected by water restriction measures.

However, special attention is paid to the design to optimise plant and tree varieties in order to limit water consumption. Plants are chosen for local climate and initial watering in the first year only. They then only need water naturally from rainfall. Lawns are not systematically watered. Rainwater recovery systems are installed at some sites. Recycling systems for part of the sprinkler water are also installed at the new sites. All or part of these various water consumption reduction measures are integrated at more than 50% of the **ARGAN** sites.



■ Example of the Montbartier site

The Montbartier site, delivered in 2023, is a good example of the attention paid by ARGAN to biodiversity, construction and sustainable management of its sites:

Design

- Climate change adaptation study;
- Consideration of the ecologist's report, in particular to protect major biodiversity elements;
- An AUTONOM® standard warehouse, incorporating solar panels on the roof and shade canopies, 100% dedicated to self-consumption with a target of covering 100% of consumption related to heating/cooling/lighting and 43% of the site's overall needs (including process);
- 8 parking spaces equipped with charging stations for electric vehicles;
- 1 shelter suitable for 16 bicycles plus showers and changing rooms for cyclists;
- Water-efficient washbasins and showers (6L/min for showers vs 15L/min on average), automatic leak detectors and a water recycling system for the sprinkler cooling circuit;
- A concrete-wood framework, with PEFC or FSC certified wood;
- 100% LED lighting with presence and brightness detectors;
- Clear roofs to reflect as much light as possible and limit indoor temperature;
- No need for watering of green spaces (excluding the first year of growth) and species chosen for their adaptation to the local climate.

Buildings

- A biodiversity expert appointed on the site;
- Signature of the Green Worksite Charter by all stakeholders;
- Monitoring of site waste with Waste Marketplace and recovery above 95%;
- Planning of work with a low biodiversity impact (compliance with an annual schedule to minimise impacts).

Focus on biodiversity

- Site permeability maintained for wildlife passage;
- Maintaining the black corridor (ecological corridor borrowed by nocturnal species, characterised by a certain level of darkness) in the heart of green spaces;
- Analysis of green and blue corridors (terrestrial and aquatic ecological continuities for local wildlife);
- Installation of 4 birdhouses, 3 wild bee towers, 2 rock piles, 1 bat roost, etc.
- Planting of 90 trees.

Sustainable management

- Assessment planned after one year on the achievement of the expected levels of environmental performance
- Ecological management plan for the site, including a commitment to:
 - Eliminate the use of phytosanitary products;
 - Systematically cover bare floors;
 - Combat invasive alien species.



■ Low-carbon policy

Mindful of the imperative to minimize the footprint of all our activities as well as that of our warehouse portfolio, we take an approach of measuring our impact and systematically reducing emissions on the items where this is possible.

This resulted in the completion in 2022 of **ARGAN's** first carbon assessment, carried out on the 3 scopes; exercise renewed in 2023.

ARGAN's GHG emissions figures are verified by an independent firm, a member of the Open Carbon Practice and proficient in the GHG Protocol and Carbon Review methodologies.

Our emissions by scope according to the GHG protocol methodology

Scope	2022 assessment (tonnes of CO ₂ e)	2023 assessment (tonnes of CO ₂ e)	in %	Change 2023 vs 2022
Scope 1	489	690	1%	+41.1%
Scope 2	4	3.6	< 0.1%	-10%
Scope 3	100,042	66,117	99%	-33.9%
TOTAL	100,535	66,811	100%	-33,5%

- The increase in scope 1 was mainly cyclical. It concerns:
 - Two warehouses that saw their gas consumption increase in 2023. These emissions are expected to switch to Scope 3 from 2024 after the installation of sub-meters carried out at the end of 2023;
 - An increase in the number of kilometres travelled with company service vehicles. Awareness-raising actions and a gradual shift of the fleet towards low-carbon transport will enable **ARGAN** to meet its commitments.
- The decrease in scope 2 was made possible in particular by the increased awareness among head office employees of climate change and the importance of reducing energy consumption. By the end of 2024, it is planned to switch the headquarters' electricity supply contract to certified green electricity.
- The decrease in scope 3 is linked to two factors:
 - A standardised approach to emissions related to the construction of new warehouses;
 - A drop of 26.5% in our tenants' gas consumption. Total energy-related 'In Use' fell by 14.5% vs. 2022.

The total of our scopes 1 & 2 represents around 1% of our total emissions.

Most of our emissions are based on the construction of our new warehouses/renovations/works/end of life and on the use of energy (scope 3).

Our emissions by item according to the GHG Protocol methodology:

Item	2023 assessment (tonnes CO ₂ e)	in %		Reminder 2022 (tonnes CO ₂ e)	Trend 2023 / 2022
Warehouses / Construction, refurbishment, works and end of life	38,661	57.9%		67,396	-42.6 %
Maintenance and upkeep	4,374	6.5%		2,881	+51.8%
Operating: Gas	10,854	16.2%	32.1%	14,713	-26.2%
Operating: Electricity	10,011	15.0%		10,178	-1.6%
Operating: Other energies	585	0.9%		210	+178.6%
Purchase of services	1,487	2.2%		4,152	-64.2%
Miscellaneous and travel	839	1.3%		1,005	-16.5%
TOTAL	66,811			100,535	-33.5%

In 2023, **ARGAN** developed a low-carbon strategy aimed at supplementing and enriching its first climate plan. Based on 2022 greenhouse gas emissions figures, **ARGAN** carried out a comprehensive review of the sources of emissions, scope by scope and category by category.

The company then carried out a projection, drawing on science (via the SBTi repositories and tools), to project its emissions by 2030 and work towards a trajectory aligned with the Paris Agreement (1.5°C scenario).

2022 was chosen as the reference year. The reduction targets chosen are based on an "Absolute Contraction Approach" scenario.

The company has chosen to define ambitious objectives, going beyond the scenario studied, expressed as follows:

- 70% reduction in GHG emissions for its Scope 1 by 2030;
- Net Zero target for its Scope 2 by 2030;
- 50% reduction in Scope 3 GHG emissions for the Energy scope by 2030.

Based on the work carried out, **ARGAN** identified 4 priority work areas for reducing its emissions:

- Scope 1 (- 70 %)
 - Gradual transition of the fleet to electric vehicles and/or vehicles fuelled with E85 bioethanol;
 - Study of the future evolution of the heating/cooling system of the head office;
 - Finalisation of the instrumentation through sub-meters of the **ARGAN** sites (2 warehouses concerned).
- Scope 2 (net Zero)
 - Implementation of a certified green electricity

purchase contract meeting quality standards in terms of origin and decarbonisation;

- Plan for reducing resource usage at the headquarters.
- Scope 3 – Energy (- 50 %)
 - Acceleration of the climate plan (LED, BMS and Heat Pumps plans);
 - Confirmation of our **AUTONOM**® label for new developments;
 - Additional deployment of photovoltaic capacities in roofs and shade canopies at existing sites dedicated to self-consumption.
- Scope 3 – Other purchases
 - Implementation in 2024 of an ESG supplier charter with increased awareness of climate change and decarbonisation objectives;
 - Consideration, in the future, of GHG performance in the choice of suppliers.

These objectives will be supplemented by 2025 with precise ambitions to decarbonise the construction, rehabilitation and maintenance phases of the **ARGAN** warehouse portfolio, a dialogue step with the building phase & maintenance phase partners being still underway at the time of publication of this document. Our goal is to be able to propose a credible, ambitious and economically relevant trajectory for ourselves, our partners and our customers.

1 Approche par une baisse en valeur absolue

■ AUTONOM® and the ARGAN energy policy

Main objective of the AUTONOM® concept: Maximise the energy independence of the building thanks to local, self-produced and decarbonised electricity.

Moving away from fossil fuels is now achievable thanks to technological progress and the significant reduction in costs. Constantly seeking innovative solutions shared with its tenant customers, **ARGAN** began a pioneering approach in 2018, by equipping its new warehouses with rooftop photovoltaic power plants intended for self-consumption by its tenant customers.

■ AUTONOM® : The Premium, “in-use” Net Zero warehouse by producing and storing its own green energy

Since the launch of its Climate Plan in 2018, **ARGAN** chose to dedicate the renewable energy produced on the roofs of its new warehouses to self-consumption instead of selling it to the grid. This deliberate and original choice for a real estate company is a winning one from an economic, ecological and carbon standpoint. Producing electricity at places of consumption is, in fact, the most virtuous scheme:

- With on-site production, electricity losses are limited and public distribution networks are less stressed, which prevents local authorities from having to spend heavily on strengthening networks.
- Approximately 40% of the warehouse's overall needs (and 100% for heating, cooling and lighting) are covered with green energy by the photovoltaic power plant installed on the roof, either for immediate self-consumption or for deferred self-consumption (thanks to storage batteries). The rest is provided by the network.
- For the customer-tenant, these savings are key. The invoice paid to its supplier takes into account a reduced volume thanks to self-consumption. The energy produced on site is invoiced by Argan to the customer in the form of an additional rent. Thanks to AUTONOM®, the customer-tenant reduces its exposure to increases in the cost of grid electricity by the same amount.
- Thus, CO₂ emissions are divided by ten compared to

a traditional warehouse thanks to the combined effect of banning gas heating and the self-consumption of low-carbon energy, which limits the purchase of electricity from the grid.

- This drastic reduction in emissions, supplemented by an approach to offsetting the residual through reforestation, makes AUTONOM®, the “in-use” Net Zero warehouse.

■ AUTONOM®, low-consumption sites under control

In addition to the production and storage of energy generated on-site:

- The AUTONOM® warehouses are equipped with electric heat pumps that heat and cool the warehouse;
- The traditional gas heating system, a major CO₂ emitter and more expensive, is now banned;
- Smart LEDs combined with light and presence detectors provide lighting;
- A BMS (Building Management System) is used to control, measure and display in real time the building's total electricity consumption, its production of self-consumed green electricity, and the percentage of electric autonomy;
- In addition, **ARGAN** is setting up a vast carbon capture programme, meeting the criteria of the Low Carbon Label issued by the French government through the acquisition of a land area of at least 100 hectares. This land will make it possible to carry out afforestation operations and offset the residual emissions of our developments for a decade.

■ Regulatory elements related to the Environment

The Group ensures compliance with all these regulatory provisions.



▪ ICPE regulations

The ministerial order of 11 April 2017 on the prevention of claims in covered warehouses subject to authorisation, registration and declaration under section 1510 replaces the order of 5 August 2002. It applies to covered storage spaces (storing more than 500 tonnes of combustible materials, products or substances) with the exception of facilities used to store categories of materials, products or substances covered by the French Council of State classification, buildings intended exclusively for storing motor vehicles and trailers and establishments open to the public.

The authorisation is granted by the Prefect and examined by staff at the DREAL (Direction Régionale de l'Environnement, de l'Aménagement et du Logement - regional environment, planning and housing agency) and is intended to protect the environment, people and property. A public survey of neighbouring and local communities is conducted in this regard by an investigating commissioner, who submits a report setting out his or her opinion on the proposed development.

Our Group uses specialised companies to build its hubs. In particular, it selects high-quality companies with the skills and experience necessary to guarantee the environmental quality of its projects.

ARGAN's warehouses are all authorised depending on the size of the facility and the nature of the materials being stored. Should the nature and quantity of the products stored change significantly, the DREALs could challenge prefectural authorisations issued prior to the decree of 11 April 2017; in this case, the said decree would then be applied.

ARGAN owns buildings covered by authorisations that date from prior to the decree of 11 April 2017. If necessary, however, they would fulfil the criteria of the said decree, subject to some possible adaptations in due course.

There are currently 3 different ICPE schemes, namely:

- A declaration regime for the storage of combustible products over 500 tonnes and a warehouse volume of less than 50,000 m³;
- A registration regime for the storage of combustible products over 500 tonnes and a warehouse capacity of between 50,000 cubic meters and 900,000 m³;
- An authorisation regime for the storage of combustible products over 500 tonnes and a warehouse capacity of more than 900,000 m³.

ARGAN takes great care to comply with this regulation, which is essential in its sector of activity. The Company works with a specialised firm of engineering consultants to compile the application in conjunction with and on behalf of the tenant, and attends preparatory meetings until the prefectural order is handed down in the tenant's name.

At 31 December 2023, the Group owned buildings containing classified facilities listed in the table showing the locations, ownership methods and surface areas of

the assets, in chronological order, included in the 2023 Universal Registration Document, under the regulated information section of the argan.fr website.

▪ Climate and Resilience Law

Adopted on 24 August 2021, the Climate and Resilience Law follows on from the 2018 Biodiversity Law and the 2019 Energy and Climate Law, and aims to combat climate change and strengthen resilience to its effects. It took effect on 1 January 2023.

This law concerns commercial and tertiary buildings, and in particular warehouses, with the aim of developing solar energy production through the land use of these buildings. In this respect, newly built warehouses joining **ARGAN's** portfolio are concerned since it defines the solarisation of new buildings. It requires that building permits for new buildings or expansion projects include a renewable energy production process or a vegetation system.

Three major steps are defined:

- From 1 January 2023: New industrial, commercial and craft buildings or warehouses and hangars of more than 500 sq.m and office buildings of more than 1,000 sq.m must green or solarize 30% of their surface area;
- From 1 July 2023: existing car parks of more than 1,500 sq. meters must be equipped with solar canopies over at least half of their surface area (with a maximum implementation period between 2026 and 2028);
- From 1 January 2024: New car parks of more than 500 sq. meters must green or solarise 50% of their surface area, and 100% of shade canopies, where they exist.

The Climate and Resilience Act also introduced the obligation, as of 1 July 2023, to integrate systems to manage runoff water in the car parks associated with the new buildings (permeable coatings, seepage nodes, etc.). This law was supplemented by the law of 10 March 2023 on the acceleration of the production of renewable energies.

ARGAN incorporates these obligations into all its developments and has accelerated its strategy of producing green energy at its sites in recent years by systematising the delivery of **AUTONOM®** warehouses for all new projects. These warehouses, the idea of which is to produce green energy locally through photovoltaic panels on the roof and to store energy using batteries, take care of self-consumption for heating, cooling and lighting needs. At the end of 2023, around ten **AUTONOM®**-certified sites were delivered or under development. We have also begun the deployment of photovoltaic shade canopies on certain projects, such as the site delivered in 2023 to Decathlon in the municipality of Montbartier.

■ Statement of Risks and Pollution (ERP)

If a property asset (residential or other) is located in an area covered by a natural, mining and technological risk prevention plan, or an area of seismic activity defined by decree, or a regulatory area of high radon potential, or on lands located in a soil information sector (SIS), the vendor or lessor must inform purchasers or tenants of the existence of the risks covered by that plan or decree. The details are provided in an ERP (Etat des Risques et Pollutions - statement of risks and pollution) based on the information supplied by the prefect. The statement is attached to the lease agreement or any unilateral agreement to sell or purchase, and any contract effecting or recording the sale. Decree N° 2018-434 of 4 June 2018 specifies the arrangements for making this disclosure and the content of such statement of risks and pollution.

This disclosure relates to properties located in:

- The risk exposure zone demarcated by an approved technological risk prevention plan;
- An area exposed to risk circumscribed by a foreseeable natural risk prevention plan that has been approved or where certain provisions have been made immediately enforceable pursuant to Article L.562-2 of the French Environmental Code;
- Zones being assessed with a view to developing a prescribed technological risk prevention plan or natural risk prevention plan;
- Any of the areas of seismic activity 2, 3, 4 or 5 listed in Article R.563-4 of the French Environmental Code;
- An area exposed to risk circumscribed by a foreseeable mining risk prevention plan that has been approved or where certain provisions have been made immediately enforceable pursuant to Article L.562 of the French Environmental Code;
- An area of level 3 radon potential as defined in Article R.1333-29 of the French Public Health Code;
- A district included in the list of lands classified as Soil Information Areas (SIS) provided for in Article L.125-6.

The statement of risks and pollution attached to the lease agreement or any unilateral agreement to sell or purchase, and any contract effecting or recording the sale must mention the risks referred to in the documents described and the evidence attached to the prefectural order and to which the building being sold or leased is exposed. The statement is supplied together with extracts from the documents and evidence used to pinpoint the building in relation to the risks incurred. The seller or lessor prepares the statement of risks and pollution using a template adopted by ministerial decree. The statement must be drawn up less than six months prior to the date of signature of the written lease agreement, the agreement to sell or the document effecting or recording the sale of the property asset.

The obligation for vendors and lessors to provide information on risks and pollution is applicable (in

different forms) since 1 June 2006. For tenants, the obligation to attach the statement of risks relates to written lease agreements 'noting the new tenant's entry into the premises'.

■ Environmental Appendix

Law no. 2010-788 of 12 July 2010 establishing a national commitment for the environment and its implementing decree of 30 December 2011 (the "Grenelle 2 Act") introduced the requirement, from 1 January 2012, for lease agreements (in particular commercial) on office premises or shops of more than 2,000 sq. m to include an environmental appendix; this provision has applied to all current leases since 14 July 2013 (Article L.125-9 of the French Environmental Code).

This environmental appendix incorporates the information that the Lessor and the Lessee must provide on the characteristics of the building and the leased premises. They can then adopt a joint policy to limit energy and water consumption and CO₂ emissions, improve waste recovery, encourage collective or 'soft' modes of transport and use more environmentally friendly construction materials.

■ Energy performance

Articles L.134-1 et seq. of the French Construction and Housing Code require an energy performance assessment certificate to be drawn up. In the case of a proposed building, the project owner prepares the certificate for handover to the building's owner, while for an existing building, it is the owner who prepares the certificate for handover at the time of sale or, if the building is for residential use, at the time of rental.

Pursuant to the Grenelle 2 Act, this assessment is mandatory when entering into a commercial lease on all or part of a building, and the certificate must be attached to the lease agreement for information purposes. When the commercial lease pertains to a proposed building, the tenant must be supplied with the assessment certificate no later than the time of receipt of the asset.

The assessment includes the amount of energy consumed or estimated and a reference scale-based classification for evaluating the building's energy performance. It also includes recommendations for improving this performance.

Social and Societal Policy

ARGAN intends to strengthen its status as a responsible employer, promoting a motivating and fulfilling working environment. Its Social and Societal policy also aims to involve its employees in the company's success.

Proud of its unique model and able to count on committed employees, **ARGAN** has been developing for many years an ambitious social policy allowing the value created to be shared.

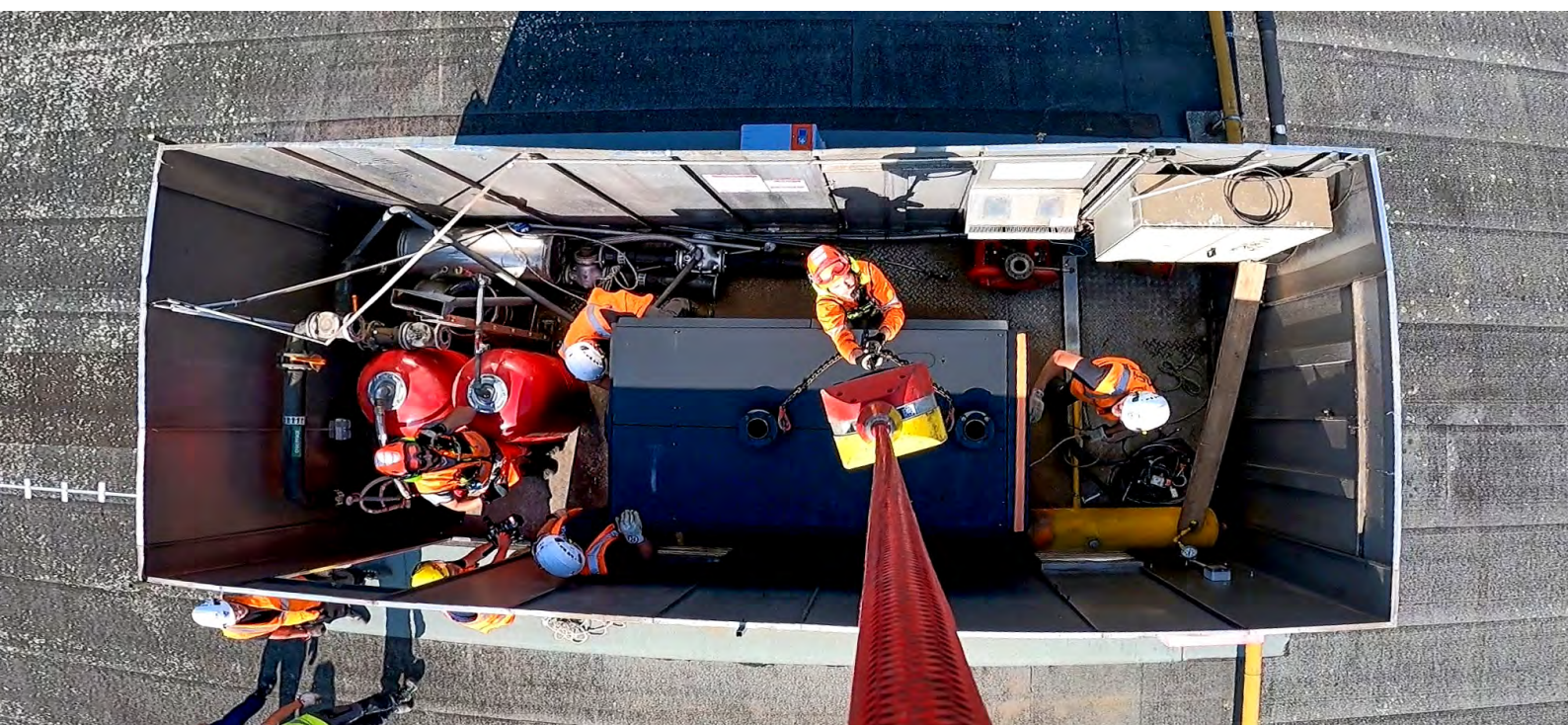
ARGAN is thus committed to a positive and inclusive workplace, a strict wage equality between women and men who work for the company (with equal functions).

Since 2022, **ARGAN** has taken a new step by implementing a three-year free share allocation plan for all its employees, regardless of their function and hierarchical level.

Beyond that, **ARGAN** wishes to promote a safe and pleasant working environment for its entire value chain by working with its partner-builders and its clients in order to preserve the health and safety of workers both during the construction and operation phases of buildings and by offering high-quality workplaces that enhance the attractiveness of logistics businesses.

ARGAN complies with French law and all the fundamental conventions of the International Labour Organisation (ILO) applicable to it. In addition, **ARGAN** is resolutely committed, in particular through its contractual documents, to universal human rights:

- Combating child labour;
- Combating forced or illegal labour;
- Dignified working conditions, fair compensation and value sharing;
- Health, safety and well-being at work of its employees, subcontractors, tenants;
- Health and safety of local communities where its warehouses are located;
- Freedom of association;
- Diversity, gender equality and inclusion (partnerships with integration companies, for example).



Clear commitments, clear objectives, concrete actions

The **ARGAN** Executive Board has committed to 4 major areas, accompanied by precise objectives and concrete action plans. **ARGAN** will monitor each year and report on its social and societal progress.

Priority 1: Attractiveness, loyalty and upskilling

Our commitments to 2030

- Deliver on our current commitments to share value through the free distribution of shares to all;
- Strengthen our actions to combat all forms of discrimination, for us and our value chain;
- Set up the **ARGAN** Academy to further strengthen the skills of our employees and raise their awareness of ESG issues.

Our actions for 2025 and 2030

- Have 100% of employees be shareholders of the company;
- Keep our equity ratio below 10;
- Involve 100% of our employees in commercial success via a collective sales bonus, in addition to profit-sharing;
- Maintain the gender pay gap at 0% for an equivalent position and continue to prevent any form of harassment and/or discrimination;
- Implement a personalised training and coaching programme for 50% of our high-potential executives (100% by 2030);

Our objectives	2023 progress report	2025 Objective	2030 Objective
Percentage of employee shareholders of the company	100%	100%	100%
Equity ratio	2.4	Minimal ratio held and well below 10	Minimal ratio held and well below 10
Percentage of employees eligible for the collective sales bonus and profit-sharing (contingent on the achieving targets)	100%	100%	100%
Gender pay gap for an equivalent position	0%	0%	0%
Number of cases of harassment or discrimination	0	0	0
Percentage of managers with potential for whom a personalised training and coaching programme has been set up	17%	50%	100%

Priority 2: Quality of life at work

Our commitments to 2030

- Work with our stakeholders to further improve the performance of our warehouses and guarantee it over time, including the fight against climate change;
- Ensure the company's inclusiveness for people with disabilities, including our visitors.

Our actions for 2025 and 2030

- Integrate a systematic co-construction process with our clients, aimed at improving the quality of life at work, for all new projects.

Our objectives	2023 progress report	2025 Objective	2030 Objective
Percentage of new projects incorporating a co-construction process dedicated to quality of life at work	100%	100%	100%
Share of business premises accessible to people with disabilities (head office)	100%	100%	100%

Priority 3: - Prevention, health and safety

Our commitments to 2030

- Guarantee the safety of our employees by further strengthening prevention;
- Work with our stakeholders to improve safety during the construction and operation phases of our warehouses.

Our actions for 2025 and 2030

- Strengthen the safety commitments of construction, maintenance and upkeep companies sponsored by **ARGAN**, through the mandatory signing of a strengthened ESG charter;
- Set up a training plan dedicated to safety.

Our objectives	2023 progress report	2025 Objective	2030 Objective
Percentage of employees working in the field who have completed a safety awareness and training course (electrical accreditation, road safety, etc.)	Action launched in 2024	75%	100%
Percentage of builders having signed the ARGAN ESG charter, including a security component	Action launched in 2024	100% (construction target)	100% (construction and maintenance target)

Priority 4: Civic actions

Our commitments to 2030

- Promote employment integration during the construction phases, for the maintenance and upkeep of our warehouses, in coordination with our partners and customers.

Our actions for 2025 and 2030

- Include an inclusion clause in 10% of our construction, maintenance and upkeep contracts (25% by 2030).

Our objectives	2023 progress report	2025 Objective	2030 Objective
Share of construction, maintenance and upkeep contracts with inclusion clause.	Action launched in 2025	10%	25%



Jean Francois Mestre

ARGAN in action

■ Human Resources

As at 31 December 2023, the workforce was a total of 30 employees (30 permanent contracts), including 27 executives (5 women and 22 men) and 3 non-executives (1 woman and 2 men), all based at the head office in Neuilly-sur-Seine (92). The employees' average age is 44.

In 2023, the Company hired 5 people on permanent contracts and recorded 4 departures. The Company had no issues of staff absenteeism and there were no workplace accidents.

ARGAN is governed by French law and operates exclusively in France and in fact complies with all the fundamental conventions of the International Labour Organisation (ILO) applicable to it (French law being more stringent than the ILO in terms of labour regulations).

■ Compensation

The company has put in place an attractive compensation system aimed at motivating its employees and based on the performance achieved on an individual and collective level:

- A fixed salary paid over 13 months;
- A collective sales bonus distributed in a strictly equal manner to all employees. Its amount depends on the rents generated by the new leases of the developments signed during the financial year, as well as their rental profitability and their fixed term;
- A classic collective profit-sharing agreement based on the company's performance (according to the property developer margin and occupancy rate criteria). It is capped at two months' salary per employee. Those who wish to do so can set aside the profit-sharing in an inter-company savings plan (PEIE) or a PERCOI (A retirement savings plan).
- A free share allocation scheme. Previously reserved for members of the Executive Board and the Executive Committee, it was decided in 2022 to extend it to all staff. All employees thus benefit from free distribution of shares, the quantities of which will depend on the company's performance over the three financial years 2022, 2023 and 2024. This expanded free share allocation scheme reflects everyone's recognition of the Group's overall performance and the desire to share results more fairly. It represents a potential budget of 55,000 shares, i.e. approximately 0.22% of the company's total shares as at 30 June 2024. A first series of newly-created shares was attributed in January 2024 for the benefit of all employees.



Two meetings are organised each year with all employees to share information about the company, its financial and non-financial performance and the resulting compensation mechanisms, in complete transparency.

Beyond these principles, which apply to all, executive compensation remains deliberately contained at levels that are significantly lower than the main listed groups and our peers.

The equity ratio, which measures the ratio between executive pay and average employee pay, stands at 2.4 for members of the Executive Board (compared with around 50 for SBF 120 companies and even around 100 for the 100 largest French companies).

100% of ARGAN employees are shareholders of the company

■ Diversity and the fight against discrimination

No pay gap was observed between women and men in the organisation, in equivalent positions.

In addition, **ARGAN** ensures respect for diversity, strict gender equality and the fight against all forms of discrimination on a daily basis and in its recruitment processes. **ARGAN** wants to increase the proportion of women in the company for the future; however, this objective is difficult to implement given the small size of the company, low turnover and a sector of activity with fewer women.

Lastly, a whistleblowing procedure was put in place at the end of 2023 to send any reports, comments or questions on these issues of equality, discrimination and inclusion. The reporting system is incorporated into the **ARGAN** ethics charter available at argan.fr.

■ Quality of life at work

Everything has been adapted to ensure the comfort and quality of our employees' working environment. At the head office in Neuilly-sur-Seine, spacious offices have recently been refurbished, with LED lighting, bright and open meeting rooms, changing rooms with showers, kitchen, provision of coffee, fruit and pastries, etc. Particular attention has been paid to the building's total accessibility for people with disabilities, but also for people with visual and hearing impairments. Finally, the **ARGAN** head office allows us to test new approaches and new services that could, in the future, be integrated into the offices of our warehouses.

Every week, a suitable place is rented by the company close to the head office to allow volunteers to practice a sporting activity together.



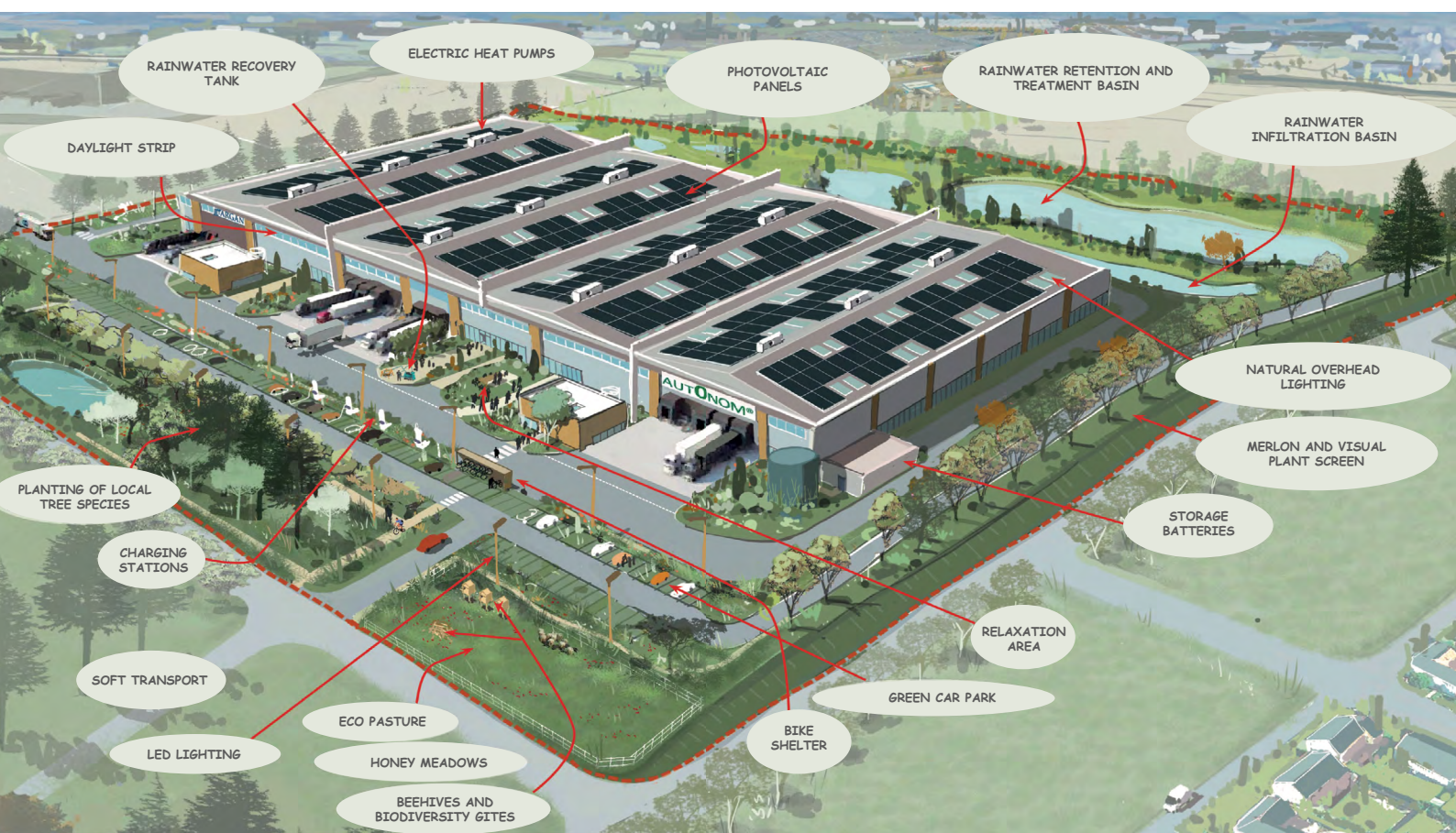
Our 2023-2030 ESG ambition

The working environment offered in our warehouses is, of course, an area of constant improvement, in close contact with our customer.

The light colour of the walls and the ceiling, the white paint applied to certain partition walls, a specific effort regarding the diffusion of natural light with the integration of very large openings (bay windows, transom windows, etc.) including in the warehouses, the quality and intensity of artificial light, the ergonomics of the spaces, acoustic comfort, the presence of resting places, the emphasis on the quality and quantity of green spaces, etc. We lean

on all possible levers under our control to help create an environment that is favourable to the quality of work and to well-being at work.

These factors are becoming increasingly important for us and our customers, faced with less attractive logistics businesses and competition to attract the best talent. Beyond that, the comfort of the facilities and their adaptability will be even more central to continuing to offer quality workspaces that take into account the future impacts of climate change.



© OXXO Studio

■ Training and coaching

An annual training plan is in place to upgrade the knowledge and skills of **ARGAN** employees. The **ARGAN** Academy, an employee training and coaching programme, is in place for 2024.

This programme will include, in particular, training related to ESG themes, on the three pillars.



■ Prevention, health and safety

The health and safety of our employees is at the heart of our social policy. Awareness-raising initiatives are therefore carried out regularly, particularly for employees who have to visit our sites or who work directly in our warehouses. In 2023, no accidents or near misses were recorded for **ARGAN** personnel.

All employees working on sites have been trained in compliance with safety best practices. For example, they have received electrical certification. Additional training in safe driving and eco-driving is planned for the period 2023-2025.

As a contracting party for the construction sector, **ARGAN** wishes to promote and monitor with its partners the measures implemented to reduce the risk of accidents at construction sites as much as possible. A specific action plan will be implemented in this regard from 2024.

Zero accident objective for projects led by ARGAN

Lastly, enhancing the safety of our stakeholders also involves ongoing improvement of the design of our sites in order to limit risks during operation. As an owner-lessor, we must provide them with warehouses that fully comply with the regulations relating to the prevention of health and safety risks. But this is not enough and we go beyond strict compliance. Many measures have already been taken, going further than recommendations and regulations. This project will be continued and strengthened in the coming months.

ARGAN has put in place a whole set of elements in its warehouses aimed at strengthening the safety of our clients' employees: full-width glass panels, anti-crushing safe zones, systematic tests of the slab in terms of slippage and abrasiveness, separation of vehicle flows, speed bumps at pedestrian crossings, etc.

And during the construction phases, a safety coordinator is present on each site to promote good practices (wearing PPE, behaviour in high-risk situations, etc.).

■ Civic actions

ARGAN is continuing and strengthening its support for local actions to realise the co-benefits of setting up its warehouses in the territories where we operate.

In addition, **ARGAN** intends to mobilise its value chain to strengthen the integration of workers during the construction and maintenance phases of its warehouses in the future.



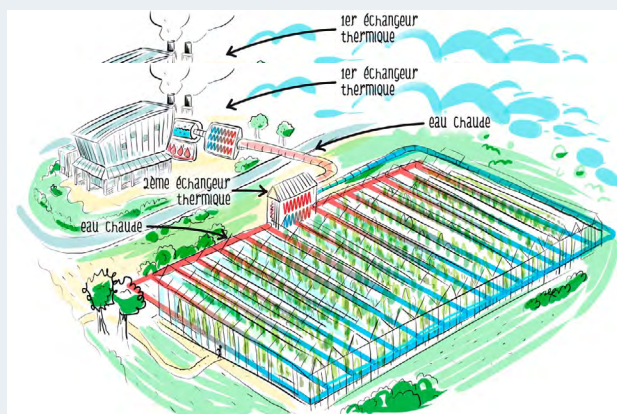
Alexandre Besnard is a former employee of **ARGAN**. The son and grandson of a farmer, after a few years he decided to change his life and join the family farm. With his brother, he is developing a project to produce high-quality cherry tomatoes, in a greenhouse but in a fully eco-responsible manner.

ARGAN supported his project, in particular in the design and financing of his eco-responsible greenhouse.

The results:

- 20 jobs created;
- A carbon footprint 60% below average;
- No use of pesticides;
- Greenhouse heating provided by reused energy (fatal heat from the household waste incineration plant);
- Rainwater recovery and recycling of irrigation water;
- Local marketing, only in the months of natural harvests.

The Besnard brothers' tomato was voted Responsible Company of the Year in Eure et Loire French department !



An extension to the production site is planned for 2024.

Governance Policy

Our Governance policy is based on principles of transparency, integrity and accountability.

ARGAN is organised in such a way as to create favourable conditions for its development in compliance with the rules of good governance. It refers to and applies the MIDDLENEXT Corporate Governance Code for listed companies and is also inspired by the principles of the AFEP-MEDEF Code, updated in December 2022.

The Group has chosen a dual governance structure based on an Executive Board and a Supervisory Board. This separation ensures a balance between management and

control powers to enable the company to set its objectives and the means to achieve them in light of its values and missions.

ARGAN has robust policies, charters and procedures in place to prevent corruption and conflicts of interest. It is resolutely committed, with zero tolerance for acts related to corruption.

The company has put in place the necessary internal control mechanisms to ensure the quality of financial information and minimise operational risks.

Clear commitments, clear objectives, concrete actions

The **ARGAN** Executive Board has committed to 4 major areas, accompanied by precise objectives and concrete action plans. **ARGAN** will monitor each year and report on its governance progress.

Priority 1: ESG governance

Our commitments to 2030

- Achieve the best steering standards for our ESG policy, ensuring respect for human rights throughout our value chain;
- Promote these fundamental principles to all our stakeholders, in particular by developing our main contractual documents (property development agreements « CPI », off-plan leases « BEFA », RFP, etc.);
- Raise employee awareness of climate change;
- Further strengthen our ethical approach and the fight against all forms of corruption;
- Integrate ESG performance into the company's compensation policy, particularly for the Management Board.

Our actions for 2025 and 2030

- Raise 100% of our employees' awareness of ESG and climate change;
- Incorporate ESG criteria into the compensation of 100% of our employees (incentive plan);
- Train 100% of decision-making employees in anti-corruption and responsible procurement.

Our 2023-2030 ESG ambition

Our objectives	2023 progress report	2025 Objective	2030 Objective
Percentage of suppliers that have signed the ARGAN ESG charter, including a human rights component.	Action launched in 2024	100%	100%
Percentage of new contractual documents incorporating ESG criteria and approved by our stakeholders.	Action launched in 2024	100%	100%
Share of employees trained and/or made aware of climate change.	100%	100%	100%
Percentage of decision-making employees trained in the fight against corruption with signature of our ethics charter.	Charter published in 2023, commented and distributed to all employees	100%	100%
Percentage of employees with compensation linked to ESG criteria.	New profit-sharing system including an energy / ESG criterion in early 2025	100% of Employees	100% of Employees

Priority 2: Reporting and transparency

Our commitments to 2030

- Prepare future regulatory deadlines (CSRD, Taxonomy, etc.) by addressing underlying issues (Fit for 55, etc.);
- Define and integrate key standards and benchmarks to enable transparency and comparison of our ESG performance.

Our actions for 2025 and 2030

- Integrate the GRESB benchmark;
- Become a Company committed to nature, with submission of a biodiversity action plan.

Our objectives	2023 progress report	2025 Objective	2030 Objective
Number of databases and benchmarks integrated by ARGAN	Global Compact Entreprises Engagées pour la Nature (Companies Committed to Nature) (signatory) Sustainalytics Ethifinance	Global Compact Entreprises Engagées pour la Nature (action plan submitted) Sustainalytics + GRESB + Ethifinance	CDP SBTi (approval)

Priority 3: Responsible procurement

Our commitments to 2030

- Develop our responsible procurement policy, integrate our suppliers into the approach and train the employees concerned
- Define and integrate key standards and benchmarks to enable transparency and comparison of our ESG performance.

Our actions for 2025 and 2030

- Develop our responsible procurement policy, train the employees concerned and integrate our suppliers into the approach by having them sign our future ESG charter, which includes a human rights component;
- Incorporate concrete ESG commitments (fight against illegal employment, respect for human rights, etc.) into 100% of our new contractual documents (CPI in particular);
- More specifically, define a new sustainable, resilient and low-carbon warehouse format with our partner in the building industry.

Our objectives	2023 progress report	2025 Objective	2030 Objective
Percentage of procurement employees trained in responsible procurement.	100%	100%	100%

Priority 4: Regional development and new logistics formats

Our commitments to 2030

- Define and implement a plan for optimising co-benefits when designing new projects, in consultation with the territories where we operate;
- Study new virtuous schemes around, in particular, brownfield rehabilitation.

Our actions for 2025 and 2030

- Integrate a systematic co-construction process with local authorities, aimed at optimising the co-benefits of our new projects.

Our objectives	2023 progress report	2025 Objective	2030 Objective
Percentage of new projects integrating a co-construction process with the regions.	75%	100%	100%

ARGAN in action

■ The best of logistics innovation on an industrial brownfield: CARREFOUR Mondeville

Thanks to CARREFOUR and **ARGAN**, the former PSA site in Mondeville, inaugurated in 1963, will take on new life. An 82,000 sq.m logistics hub, which will be leased to the distributor's supply chain division under a fixed 9-year lease, will be delivered early July 2024 near Caen. This project takes place on a former PSA industrial brownfield of 30 hectares that has been previously freed from pollution.

Photovoltaic panels on the roof, coupled with storage batteries, will cover all the site's needs in terms of lighting as well as heating and cooling thanks to air/water heat

pumps. Thanks to equipments of our **AUTONOM**® system, 33% of the site's energy needs are thus covered through self-consumption.

The site also includes a major reforestation and vegetation plan. The existing trees will be preserved and 11,000 new ones – from local species – will be planted according to the Miyawaki method adapted to local conditions.

In total, 41% of the land base will be dedicated to green spaces.



■ Our governance structure

For more information, see page 36.

■ Lobbying activities and political participation

ARGAN does not use external professionals to represent its interests. All actions in its area of activity are steered and financed by the FEI, the Federation of Real Estate Companies, which represents players in the sector, including **ARGAN**, with the public authorities. **ARGAN** is also a member of AFILOG, which plays a similar role in its scope of action.

ARGAN spent €60,512 in 2023 on its membership of these 2 structures.

ARGAN shall refrain from any political intervention, participation or lobbying. It prohibits any kind of political involvement on its behalf. The company specifies its limits in its ethics charter.

■ Ethics, Risk and Responsible Procurement

• Ethics Charter

ARGAN drew up and published a new Ethics Charter at the end of 2023. It highlights our respect for the law and people, as well as our responsibilities towards our customers and all **ARGAN** stakeholders. The Ethics Charter defines, explains and formalises the values, rules of conduct and behaviour, as well as the principles of action that we expect from ourselves and that our relations with **ARGAN** stakeholders require from us.

It specifies in particular:

- The whistleblowing system put in place, with the possibility of submitting an alert anonymously or confidentially;
- Measures to support and protect whistleblowers;
- The organisation of internal control;
- Measures to promote equality, diversity and inclusion;
- The anti-harassment policy;
- The company's participation in political activities;
- The principles of relations with our stakeholders.

The whistleblowing mechanism is also accessible to the company's other stakeholders, in particular its suppliers.

In 2023, **ARGAN** did not receive any alerts on breaches of ethics.

• Anti-Corruption Charter

At the end of 2023, **ARGAN** published and distributed to its employees an anti-corruption charter for strict compliance with rules of conduct to promote honest and exemplary professional behaviour. Our ambition is to achieve the highest standards in terms of sustainable development through impeccable professional ethics.

In particular, it addresses the following themes:

- Corruption;
- Influence peddling;
- Conflicts of interest;
- Gifts and invitations.

and provides for a set of sanctions in the event of an act contrary to the rules laid down.

The anti-corruption charter has been communicated to all **ARGAN** employees, who in turn undertake to comply with it. Each employee signs this Charter every year.

In the event of a dilemma regarding a potential attempt at corruption, each employee may request an opinion from the company's General Secretary, in charge of Ethics.

In 2023, no cases of corruption were reported or detected.



- **IT and personal data protection charter**

This Charter has two components:

- IT, the purpose of which is to specify and recall most of the principles relating to the practical procedures for accessing and using **ARGAN** resources, the conditions under which the use of these resources is authorised and, more specifically, the ethical, technical and legal security rules applicable to all users in compliance with the laws. This component thus makes it possible to strengthen the company's cybersecurity;
- Protection of employee privacy and data. The company ensures that it adopts and complies with a strict privacy policy that complies with the regulations in force, in particular the European General Data Protection Regulation no. 2016/679 of 27 April 2016 (known as the GDPR) as well as all the rules of national law adopted pursuant to it, in the alternative.

With regard to the protection of personal data, the published Charter describes in a clear, simple and complete manner the way in which **ARGAN**, in its capacity as data controller, collects and uses Personal Data and the means available to each employee to control this use and exercise the rights relating thereto.

ARGAN also put in place in 2024:

- A stock market code of conduct (June 2024);

- As well as a Supplier ESG Charter that it will ensure that all its suppliers and partners in the building industry comply with. In particular, it will include concrete measures to:

- Ensure the improvement of health and safety on the construction sites of the **ARGAN** warehouses;
- Guarantee the strictest respect for human rights (fight against illegal employment, etc.) and fundamental ethical principles;
- Prioritise ESG best practices and companies implementing them, at all levels, from materials sourcing to multi-technical building maintenance.

ARGAN finally wants to put in place a more exhaustive risk map, covering the entire field of resilience by the end of 2025.



Glossary

▪ AMF

The Autorité des Marchés Financiers regulates the French financial market, its players and the savings products marketed there. It also ensures that investors are properly informed. As part of the CSRD, the AMF proposes a set of application guides to frame the implementation of non-financial standards by French companies.

▪ ANC

The Autorité des Normes Comptables establishes, in particular, in the form of regulations, 'the general and sectoral accounting requirements that must be complied with by natural persons or legal entities subject to the legal obligation to draw up accounting documents that comply with private accounting standards'. It also contributes 'to the uniform application of standards and ensures the coordination and synthesis of theoretical and methodological work carried out in its areas of expertise, in particular in the form of studies and recommendations.' As part of the CSRD, the ANC has issued a set of reference documents to facilitate the implementation of non-financial standards by French companies.

▪ CSRD

Applicable since 1st January 2024, the European Corporate Sustainability Reporting Directive sets new standards and extra-financial reporting obligations. **ARGAN** meets 2 of the 3 application criteria (revenue and balance sheet total) for a first release in 2026 based on 2025 data.

▪ EFRAG

The European Financial Reporting Advisory Group (EFRAG) is an international non-profit association responsible for the development of European Sustainability Reporting Standards (ESRS).

▪ ESRS

European Sustainability Reporting Standards. ESRS norms aim at specifying information that a company has to publish regarding sustainability. There are 12 ESRS norms in total.

▪ GHG

Greenhouse Gas Emissions. Naturally occurring or anthropogenic (human-related) gases that absorb and re-emit some of the solar rays (infrared radiation), a phenomenon responsible for the greenhouse effect.

▪ IRO

The CSRD extends the concept of risk analysis to the management of the company's ESG Impacts, Risks and Opportunities. The company must therefore determine which IROs are 'material' for its future business.

▪ SBTi

The "Science-Based Targets", also known as the SBT initiative or SBTi is a partnership created in 2015, between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF). This organisation defines and promotes best practices in terms of reducing greenhouse gas emissions and net zero emissions targets, in line with climate science. It now offers the reference standard for decarbonisation trajectories.

Contact:

ARGAN - 21, rue Beffroy - 92200 Neuilly-sur-Seine - Tél.: 01 47 47 05 46 - www.argan.fr - contact@argan.fr
RCS Nanterre B 393 430 608