



Biodiversity strategy

Year 2024

Finalized on 11/19/2024

Context

Argan is aware that the rapid erosion of biodiversity poses a major threat to ecosystems, affecting natural resources and environmental benefits (such as climate regulation and air quality), directly impacting the conditions of human life.

As a leading player in logistics real estate in France, Argan, through its land holdings and the construction or renovation projects it undertakes, has an essential role to play in the protection and restoration of biodiversity across the country.

Without careful planning, the design and operation of land-based sites can have adverse impacts on local ecosystems. Therefore, we are committed to minimizing the effects of our activities and, whenever possible, implementing actions that contribute positively to biodiversity.

Our vision regarding biodiversity

Our strategy aims not only to minimize the negative impacts of our activities but also to generate tangible benefits for biodiversity whenever possible. This means protecting natural habitats, restoring degraded areas, and integrating sustainable practices throughout our value chain.

Key targets

1. **Reduce the ecological footprint** of our logistics sites, **particularly their impacts** on biodiversity, during the development and operational phases;
2. **Restore local ecosystems** and create spaces that support biodiversity;
3. **Raise awareness and engage our stakeholders** through concrete actions;
4. **Align with national and international commitments** on biodiversity, particularly the objectives set by the French government and the European Union, regarding the five major pressures on biodiversity (land artificialization, overexploitation of resources, climate change, pollution, and invasive alien species).

Main Commitments and Work Areas

ARGAN's biodiversity strategy is part of a broader commitment to minimizing negative externalities on our environment. In response to the pressures of climate change, ARGAN has developed a climate strategy aligned with the goal of limiting global warming to 1.5°C (this strategy is detailed on argan.fr, particularly in the context of the annual public ESG reports).

1. Preserving natural habitats

- ✓ **Assessment of impacts:** Each new project undergoes an in-depth study on potential impacts on biodiversity, with the support of an ecologist;
- ✓ **Ecological site management:** Argan pays close attention to limiting land artificialization for each of its projects, particularly by converting industrial brownfields, creating ecological corridors, and preserving or creating natural habitats (reforestation, insect hotels, nesting boxes, and shelters) for the animals and insects present on the sites;
- ✓ **Greening and landscape integration:** We strive to maximize green and tree-covered spaces and, whenever possible, ensure the planting of meadows that support insect development;
- ✓ **Preserving local species:** We choose local plant species that are resilient to anticipated climate changes (requiring little to no watering) and work to control invasive and/or exotic species.

2. Ecological management of existing spaces

- ✓ **Differentiated management of green spaces:** We ask our client-tenants to implement adapted maintenance practices (such as reduced mowing, preservation of fallow areas, eco-grazing, and adjustments to local species' breeding schedules);
- ✓ **Ban on pesticides:** We raise awareness among our tenant-clients to eliminate the use of chemical products, encouraging them to use natural methods for managing pests and invasive plants;

- ✓ **Preserving and strengthening biodiversity:** On our development sites, we implement actions for soil regeneration or preservation, plant native species, and restore natural habitats, particularly during the conversion of industrial brownfields;
- ✓ **Sustainable water management:** We incorporate enhanced water management in our new developments (infiltration, parcel-based management, water consumption reduction, rainwater harvesting, etc.), with targets set within the framework of our ESG roadmap for 2030.

3. Engaging stakeholders

- ✓ **Raising client-tenants' awareness:** We have established dedicated communication for our client-tenants, particularly through a sustainable maintenance guide that raises awareness about biodiversity protection on our sites and promotes the most sustainable approach to waste management (sorting, recycling, and reuse);
- ✓ **Raising our value chain's awareness:** We are committed to a responsible purchasing approach (with a dedicated charter) and, as such, prioritize ethical builders and suppliers. We are also undertaking efforts to enhance the sustainable management of waste related to our developments;
- ✓ **Employees engagement:** We carry out targeted and regular awareness-raising actions, with the involvement of Property and Asset managers responsible for engaging in dialogue with client-tenants;
- ✓ **Co-construction of all our developments:** We are committed to a co-construction approach for all new development projects, specifically to take into account the needs and suggestions of local stakeholders (local authorities, neighbourhood associations, etc.) on issues related to biodiversity preservation;
- ✓ **Innovation and sustainable commitment:** We regularly share best practices with our partners, including builders, and encourage innovative solutions to preserve biodiversity.

Measuring and Monitoring with Indicators

1. Monitoring biodiversity performance

- ✓ **Implementation of key indicators** to measure our biodiversity progress on each site (number of plant species, inventory of species of interest and protected animals, soil quality, vegetation cover, etc.), defined in line with objectives for 2030;
- ✓ **Biodiversity performance monitoring:** Regular tracking of achievements and progress against the key indicators defined in relation to the set objectives, particularly by Argan's governance bodies;
- ✓ **Mapping of high-priority areas:** Identification of ecologically sensitive areas to ensure rigorous monitoring and targeted interventions.

2. Labels and Certifications

- ✓ **Environmental certifications:** Commitment to obtaining recognized certifications, including **BREEAM at an "Excellent" level for all our developments from 2025**, as well as the "Biodiversity" label for certain particularly exemplary projects, demonstrating our **eco-responsible approach on our sites**;
- ✓ **Take part to benchmark initiatives in favour of biodiversity:** In this context, Argan is already a signatory of the **initiative** launched by the **French government**, "Companies Committed to Nature" (*Entreprises engagées pour la Nature*), and plans to submit its associated action plan in 2025;
- ✓ **Argan is committed to a voluntary compensation project in the municipality of Cestas (33), which holds the Low Carbon Label granted by the French State**, and is expected to capture nearly 8,000 tons of CO₂ through a reforestation initiative.

3. Reporting and transparency

- ✓ **Internal ecological dashboards:** Implementation of internal dashboards for each site based on the set objectives, allowing the visualization of biodiversity status and progress made in relation to the established goals;
- ✓ **Public reporting:** Regular communication, at least once a year, of our results, notably through the ESG Report made available to the public in both French and English versions.

Action plan and targets set for 2030

As part of its biodiversity strategy – which is more broadly a segment of an ESG roadmap setting ambitions for 2030 – Argan has 8 targets for the same time horizon, listed below, to which our Group will systematically refer when presenting its yearly achievements from now on:

Principle	Indicator	Actuals 2024	Milestone 2026	Milestone 2028	Target 2030
Fighting soil artificialisation	% of projects carried out on former brownfields (3-year average)	18%	18%	19%	20%
Reforestation	Number of planted trees and shrubs, for new delivered projects, per 1,000 sq.m of non-waterproof field (construction and roads) *	40	45	50	60
Creation of wetland areas	% of new developments integrating water infiltration basins that can welcome local fauna (provided that soil characteristics allow it and pending on legal constraints)	74%	80%	90%	100%
“biodiversity” label	% of new projects with a “Biodiversity” label (3-year average)	19%	30%	50%	75%
Fauna preservation	% of new projects delivered that integrate shelters for insects and animals (nesting boxes, insect hotels, etc.)	80%	85%	90%	100%
Circular economy	% of turned-around waste from construction sites of the year (sites delivered or ongoing construction works)	75%	80%	85%	90 %
Sustainable site management	% of clients with a visit dedicated to sustainable management	0%	75%	90%	100%
Reasonable use of water	% of new developments integrating a system to recollect or reuse rainwater for other purposes	50%	70%	90%	100%

* 2024 achievement for this indicator is excluding the project led in Mondeville for Carrefour, which is an already exemplary one in terms of biodiversity protection and reforestation with 11,000 trees planted according to the principle of the “Miyawaki” forest.