



Green Financing Framework

April 2026



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1. Introduction

Family-led, ARGAN¹ 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.

1.1. ARGAN's ESG Strategy

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 warehouses.
- The satisfaction of customers and their support in the face of new challenges.

This ambition was supplemented in 2024 by new specific commitments on biodiversity, inclusion, local employment and responsible purchasing. For the coming years, ARGAN has decided to focus its efforts on three specific areas:

- *Initiate and deploy an ambitious environmental strategy, defined in decarbonisation and biodiversity action plans.*

To this end, ARGAN is speeding up the deployment of the plans already launched (LED plan, 'Heat Pump' plan replacing gas heating, BMS² plan), starting the construction of its AutOnom³ 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 the creation of value, both financial and non-financial.*

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; for its employees, with a unique salary structure and a bonus share award 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 (local employment etc.).

¹ The term 'ARGAN' refers to the Company (defined and described in point 1 of the notes to the consolidated financial statements in the relevant [Universal Registration Document](#) [to be updated once 2025 URD is available]), its consolidated subsidiaries or any equity interests.

² BMS – Building Management Systems

³ The 'AutOnom' label is ARGAN's proprietary standard for new warehouses: buildings that produce and consume their own on-site generated energy, without gas-fired heating, and are equipped with battery electricity storage connected to PV electricity generation equipment.



ARGAN therefore 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 effort, and the fight against climate change.

ARGAN's commitment to sustainability has been recognized in 2025 with its successful first assessment by GRESB⁴, which awarded a strong score of 83/100.

ARGAN also holds an ESG Risk Rating from Sustainalytics⁵ of 16.1 (Low Risk, improving trend), a 'Silver' Sustainability Rating from Ecovadis⁶, and a 'Gold Medal' rating from EthiFinance⁷ (83/100, improving trend).

ARGAN is also recognized as a 'Company Committed to Nature' by the French Government⁸.

Further information is available in the company's ESG Report⁹.

2. Green Financing Framework

2.1. Rationale

As ARGAN continues to advance its ESG strategy, this Framework has been developed to serve as a tool to channel capital toward environmentally sustainable projects creating long-term value for all stakeholders.

This Green Financing Framework has been developed in alignment with the Green Bond Principles (2025), as administered by the International Capital Market Association (ICMA), which represent the leading market standard for green financing instruments reflecting ARGAN's commitment to transparency and best practices in sustainable finance. As such, it will support communication to the capital markets of the contribution ARGAN is making to development of a more sustainable economy, and to support the presentation of debt raised to finance the company's operations as eligible for consideration by debt providers active in the 'green finance' markets, in line with applicable market standards.

Under this Framework, ARGAN may issue Green Financing Instruments such as Green Bond or Green Loans ('Green Financing Instruments').

2.2. Alignment with the Green Loan Principles and Green Bond Principles

ARGAN is committed to ensuring this Green Financing Framework remains aligned with market best practices and evolving standards in sustainable finance. As such, this Framework has been developed to align with the following standards in their current versions:

- Loan Market Association (LMA) Green Loan Principles (2025).¹⁰

⁴ The GRESB Real Estate Assessment is an investor-driven global ESG benchmark and reporting framework for listed property companies, private property funds, developers, and investors that invest directly in real estate. <https://www.gresb.com/real-estate-assessment/>

⁵ www.sustainalytics.com

⁶ www.ecovadis.com (Ecovadis Rating update currently in process)

⁷ www.ethifinance.com

⁸ 'Entreprises Engagées pour la Nature' – this program aims to mobilize companies to act in the interests of biodiversity promotion and protection. French Government Biodiversity Office: <https://ofb.gouv.fr/entreprises-engagees-nature>

⁹ <https://pix-cus-s3-argan-assets.s3.gra.io.cloud.ovh.net/uploads/2025/11/51lbziIW51/ARGAN-Rapport-ESG-2025-EN-final-Mail.pdf>

¹⁰ Green Loan Principles 2025, LMA/LSTA/APLMA: [Green Loan Principles - 26 March 2025.pdf](#)



- Green Bond Principles (2025), as published by the International Capital Market Association (ICMA).¹¹

ARGAN will monitor developments in these principles and guidelines, as well as emerging regulations and taxonomies relevant to green financing. Should significant changes occur to these standards, ARGAN will evaluate any need to update this Framework accordingly.

Updated versions of the Framework may be published from time to time on ARGAN's website (and will replace this version of the Framework), to reflect evolutions in market practices, regulation and in ARGAN's ESG Strategy. Where appropriate, it will be accompanied by an updated Second Party Opinion.

For the avoidance of doubt, any Green Financing Instruments issued under this Framework will remain aligned with the version of the Framework published at the time of issuance, even if the Framework is subsequently updated.

2.3. Use of Proceeds

An amount equivalent to the net proceeds from the issuance of Green Financing Instruments will be used to finance or refinance, in whole or in part, a portfolio of green assets (the 'Eligible Green Assets') which meet the eligibility criteria specified below. Eligible Green Assets will be included in the Eligible Green Portfolio at their appraisal value, and without a specific 'lookback' period. Eligible Green Capital Expenditures (CapEx) will qualify with a maximum lookback period of two years.

Green Bond Principles Category	EU Taxonomy Economic Activity mapping ¹²	Eligibility Criteria ¹³
Green Buildings	Acquisition & Ownership of Buildings (7.7)	The building meets one or more of the following criteria: <ul style="list-style-type: none"> ▪ For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. ▪ The building is within the top 15 % of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. ▪ For buildings built after 31 December 2020, the Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European

¹¹ Green Bond Principles updated as of June 2025, as published by the International Capital Market Association (<https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>)

¹² Mapping of eligibility criteria to EU Taxonomy activities provided for information purposes only.

¹³ Note on the EU Taxonomy: these Eligibility Criteria include *inter alia* criteria based on those set out in the [EU Taxonomy](#) and [associated delegated regulations](#), where relevant. However, this Framework does not reference all requirements of the EU Taxonomy, in particular the 'Do No Significant Harm' and 'Minimum Safeguards' components. Green Financing Instruments issued in accordance with this Framework are therefore not aligned with the EU Taxonomy.

		<p>Parliament and of the Council, the energy performance is certified using an as built Energy Performance Certificate (EPC).</p> <ul style="list-style-type: none"> ▪ BREEAM¹⁴ 'In-Use' certification ≥ 'Excellent'. ▪ HQE¹⁵ certification ≥ 'Very Good'. ▪ Aligned with the Carbon Risk Real Estate Monitor¹⁶ (CRREM) Carbon Emissions or Energy Efficiency thresholds applicable 5 years from the year of issuance of any Green Financing Instrument issued under this Framework¹⁷, using the CRREM trajectories published and available at the date of this Framework.
	Renovation of Existing Buildings (7.2)	<ul style="list-style-type: none"> ▪ The building renovation leads to a reduction of Primary Energy Demand (PED) of at least 30 %. ▪ BREEAM 'Refurbishment and Fit Out' ≥ 'Excellent'
	Construction of New Buildings (7.1)	<ul style="list-style-type: none"> ▪ For buildings built after 31 December 2020, the Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU¹⁸ of the European Parliament and of the Council, The energy performance is certified using an as built Energy Performance Certificate (EPC) ▪ BREEAM 'New Construction' certification ≥ 'Excellent'. ▪ HQE certification ≥ 'Excellent'.

¹⁴ BREEAM is a global science-based suite of validation and certification systems for a sustainable built environment: www.breeam.com

¹⁵ France-focused Sustainable Building Certification scheme: www.hqegbc.org

¹⁶ A global standard to align real estate with climate goals and manage climate risk: www.crrem.org

¹⁷ For example, buildings eligible under a 2026 Framework would be aligned with the CRREM 2031 thresholds.

¹⁸ <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:153:0013:0035:en:PDF>



Exclusions

Proceeds will be allocated in accordance with the eligibility criteria specified above and no other uses will be eligible for allocation.

Buildings dedicated to storage, transportation, exploration or production of fossil fuels are not eligible for inclusion in the Eligible Green Portfolio.

2.4. Process for Project Evaluation and Selection

A Green Finance Committee (the 'Committee') has been created, the Committee will be meeting at least on an annual basis (or more frequently if required), its responsibilities will include:

- Evaluating proposed Eligible Green Assets for alignment with the Eligibility Criteria as set out in the Use of Proceeds section above.
- Monitoring the size of the portfolio of Eligible Green Assets throughout the life of Green Financing Instruments
- Overseeing, approving, and publishing allocation and impact reporting
- Managing any future updates to the Green Financing Framework¹⁹, including any addition of categories to the specified Uses of Proceeds.

The Committee is composed of the following representatives.

- Member of the ARGAN Management Board in charge of ESG
- Member of the ARGAN Audit, Risk, and Sustainability Committee
- Chief Financial Officer or delegate (Finance Manager)
- Asset Technical Manager

Proposed Eligible Green Assets will be developed and operated subject to ARGAN's environmental and social policies and procedures as set out in the Company's ESG Annual Report²⁰.

2.5. Management of Proceeds

ARGAN will allocate an amount at least equivalent to the amount of any Green Financing Instrument ('GFI') outstanding to a portfolio of Eligible Green Assets as defined in the 'Use of Proceeds' section above.

ARGAN intends to establish a formal internal process to track the allocation of proceeds through a dedicated register. This register is expected to be reviewed regularly by the Treasury and ESG teams to ensure that the amount of Eligible Green Assets will always exceed the equivalent net proceeds from the GFI, exclude projects that no longer comply with the Eligibility Criteria or have been disposed of and, in such case, replace them.

¹⁹ Any updated versions of the Green Financing Framework will be published on ARGAN's website.

²⁰ <https://pix-cus-s3-argan-assets.s3.gra.io.cloud.ovh.net/uploads/2025/11/51lbzilWs1/ARGAN-Rapport-ESG-2025-EN-final-Mail.pdf>



ARGAN intends on a best-efforts basis to reach full allocation of proceeds within 24 months from the date of any Green Financing Instrument issued under this Framework.

If applicable, ARGAN will hold any unallocated proceeds temporarily in the form of cash deposits, money market funds, or other short-term instruments in accordance with applicable treasury policy.

ARGAN will - on a best-efforts basis – pending allocation of these proceeds, invest in money market funds managed in accordance with a responsible investment policy.

In the unlikely event that an allocated asset no longer meets the eligibility criteria, ARGAN will reallocate the equivalent amount to other Eligible Green Assets as soon as reasonably practicable.

2.6. Reporting

ARGAN will annually produce an allocation report (the 'Allocation Report') and an impact report (the 'Impact Report'), for each Green Financing Instrument issued under this Framework and as long as any Green Financing Instrument is outstanding.

The Allocation Report and Impact Report will be made available via ARGAN's website²¹.

Allocation Reporting

On an annual basis, ARGAN will provide investors and/or lenders with information on the allocation of an amount equivalent to any Green Financing Instrument proceeds.

The Allocation Report will include:

- The size (value) of the Eligible Green Asset Portfolio
- Total of outstanding of Green Financing Instruments issued under the Framework
- Details of the allocation of an amount equal to the proceeds of any Green Financing Instrument issued against the Eligible Green Asset Portfolio, including information on:
 - o Eligible Green Assets (re)financed by eligible category
 - o Geographical location of Eligible Green Asset
 - o A breakdown of 'financing' versus 'refinancing'
 - o the balance of any unallocated proceeds

Impact Reporting

ARGAN will publish environmental impact reporting on an aggregated basis by eligible category where suitable information is available. The Impact Report will align with the ICMA 'Handbook – Harmonized Framework for Impact Reporting' on a best-efforts basis and could include the following metrics:

²¹ www.argan.fr



Eligible Project Category	Example Impact Metrics
Green Buildings	Renewable energy capacity added (MW)
	Greenhouse Gas Emissions avoided (tCO ₂ e) ²²
	Energy Savings (MWh)
	Water Savings (m ³)

The Impact Report will include information on the methodology and assumptions used to evaluate the environmental impacts of Eligible Green Assets.

2.7. External Review

Second-Party Opinion

ARGAN has commissioned Sustainable Fitch to provide a Second Party Opinion on the Framework's alignment with the Green Loan Principles and the Green Bond Principles. The Second Party Opinion will be made available via ARGAN's website.

Any future material changes to ARGAN's Green Financing Framework will be supported by an updated Second-Party Opinion.

Compliance Review

ARGAN will appoint an external reviewer to provide an annual compliance review which will be made publicly available via ARGAN's website, until such time as the proceeds of the Green Financing Instrument have been allocated in full, confirming that an amount equal to the net proceeds of the Green Financing Instrument has been allocated in compliance (in all material respects) with the Eligibility Criteria defined in this Green Financing Framework.

²² Note on methodology: ARGAN expects to estimate GHG emissions avoided by comparing the actual emissions attributable to the Eligible Green Asset Portfolio with a recognised baseline value, based on official reference sources, e.g. those established by the 'RT2012', and 'RE2020' French building regulatory standards, relevant GHG emission factors sourced from ADEME (French Environment Agency); or methodologies provided by Deepki (ESG data platform) or OID (French real estate sustainability observatory).



3. Disclaimer

The information and opinions contained in this Framework are provided as at the date of this document and are subject to change without notice. ARGAN does not assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise.

This Framework represents current ARGAN policy and intent, is subject to change and is not intended nor can be relied on, to create legal relations, rights or obligations.

This Framework is provided for information purposes only and does not constitute or form part of, and should not be construed as, an offer or invitation to sell ARGAN debt instruments, or the solicitation of an offer to underwrite, subscribe for or otherwise acquire any debt instrument of ARGAN, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever.

Any decision to purchase any ARGAN debt instrument should be made solely on the basis of the information to be contained in any offering document produced in connection with the offering of such instruments.

Prospective lenders and/or investors are required to make their own independent investment decisions.

ARGAN makes no representation as to the suitability of any ARGAN debt instruments to fulfil environmental and sustainability criteria required by prospective lenders and/or investors. Each potential lender and/or investor should determine for itself the relevance of the information contained or referred to in this Framework or the relevant debt instrument documentation for such ARGAN debt instruments regarding the use of proceeds. Any investment decision in respect of ARGAN debt instruments should be based upon such independent investigation as such prospective lender and/or investor deems necessary.

ARGAN has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with ARGAN debt instruments. However, it will not be an event of default or breach of contractual obligations under the terms and conditions of any ARGAN debt instruments if ARGAN fails to adhere to this Framework, whether by failing to fund or complete Eligible Green Assets or to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide lenders and/or investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

In addition, it should be noted that all of the expected benefits of the Eligible Green Assets as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in applicable law, regulation or governmental policy, the lack of available suitable projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Green Assets. In addition, each environmentally focused potential lender or investor in ARGAN debt instruments should be aware that Eligible Green



Assets may not deliver the environmental or sustainability benefits anticipated and may result in adverse impacts. On this basis, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort, contract or otherwise which any lender, investor or other purchaser of ARGAN debt instruments or any other person might otherwise have in respect of this Framework or any ARGAN debt instruments as a result of any failure to adhere to or comply with this Framework is hereby disclaimed.

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