



Extract of the Annual Financial Report 2012

Corporate social responsibility report

CORPORATE SOCIAL RESPONSIBILITY REPORT

As stated earlier in the chapter on strategy, for some years, Befimmo has been building the environmental, economic and social principles of corporate social responsibility into its strategic policy and day-to-day operations.

Since it is in the real-estate business, the main scope for Befimmo's corporate social responsibility relates to the environment. Moreover, Befimmo is aware that the value of a building is measured today largely from the standpoint of its performance in terms of sustainable development. Befimmo's achievements and the qualitative and quantitative targets it has set itself are discussed in this chapter.

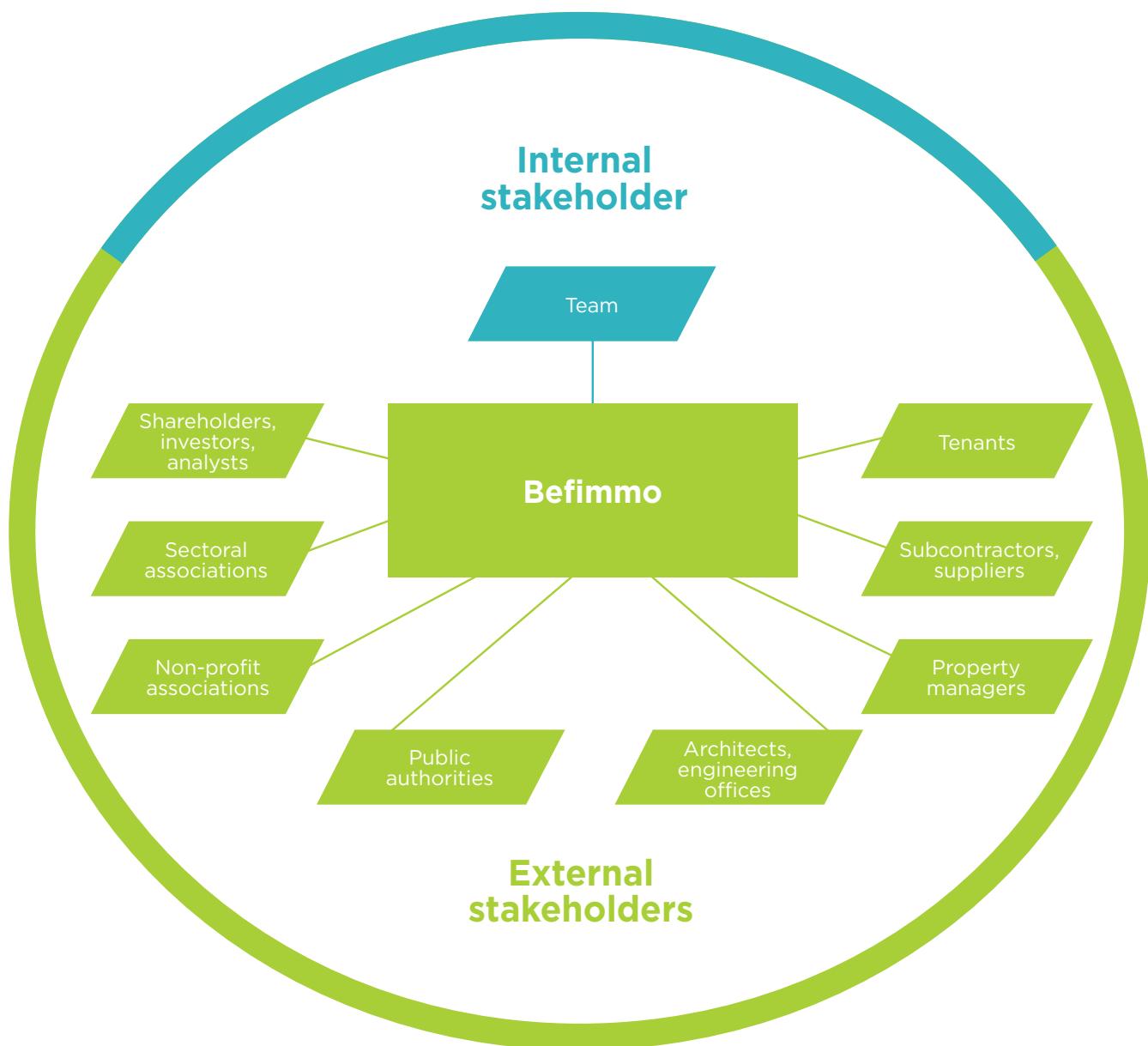
Regarding the economic component of its corporate social responsibility, Befimmo abides by the applicable legal requirements and has developed a code of ethics setting out the values to govern relations it has with its stakeholders.

Befimmo's social responsibility lies at the heart of its human resource management policy as the Company strives to offer a stimulating and quality working environment to its staff, and a training and awareness programme on environmental issues has been implemented for them.

INTERNAL AND EXTERNAL STAKEHOLDERS

Any business needs to communicate about its activities, commitments and performance as, in an increasingly interactive world, nothing can be built in isolation. Accordingly, Befimmo has identified each of its partners and stakeholders (any player actively or passively affected by a decision or project of the Company). The following diagram illustrates Befimmo's main internal and external stakeholders. A description of its interaction with most of them can be found in the table on page 202.

Befimmo commits to take account of the reasonable expectations of its stakeholders and partners in devising its strategy and to establish an open dialogue and constructive consultation with them.



FAQs on corporate social responsibility

Since Befimmo joined the BEL 20 index, the Company has noticed growing interest by external stakeholders in its sustainable development approach. In order to give answers that are as clear as possible and to provide this information to all stakeholders at the same time, Befimmo has prepared frequently asked questions (FAQs) on corporate social responsibility. This document is available on Befimmo's website at www.befimmo.be/en/faq and important new data and the main questions raised by stakeholders will be added.

Corporate social responsibility report

MATERIALITY

Befimmo continues to implement the measures that it believes are needed to reduce the environmental impact of the activities it controls and influences directly.

Generally speaking, the following points remain **systemic priorities**:

- compliance with legislation;
- education and training of employees and external stakeholders (especially tenants);
- audits on managers and other players working for Befimmo;
- energy performance: improving the energy performance of the property portfolio via a gradual approach that includes investment in renewable energy, more energy-efficient technical installations, etc. ;
- raising awareness among all Company staff of corporate social responsibility.

Befimmo has established a number of corporate social responsibility priorities. If they are to be met, they must be reported effectively. The standards applied and the tools used on a daily basis to ensure proper implementation of the corporate social responsibility strategy are described in the table below.

The environmental priorities linked to Befimmo's activities are:

- energy management;
- natural resource management;
- waste management;
- water management.

While the concept of corporate social responsibility discussed in this chapter covers environmental as well as social and economic issues, Befimmo's main impact is on the environmental level. Most of the management activities currently focus on this aspect. For the social and economic aspects, a number of KPIs are being monitored and reported.

Note that the policy implemented by Befimmo at operational level cannot yet be fully applied to the Fedimmo portfolio. The agreement with the Buildings Agency stipulates that most of the recurring work is its responsibility, so Befimmo does not have absolute control over these activities. Nevertheless, the environmental performances of the buildings are gradually being improved through regular dialogue and consultation with the Buildings Agency and Fedesco.

Level	
Corporate	<p>An exercise to analyse the business's environmental aspects and impacts, linked to the development of Befimmo's in-house ISO 14001 Environmental Management System.</p> <p>Applicable environmental and social legislation.</p>
Operational	<p>BREEAM specifications: BREEAM guidelines are an essential tool for assessing improvements in Befimmo's environmental performance.</p> <p>EPB certification (Energy Performance in Buildings).</p> <p>Regarding operational control, Befimmo's influence varies depending on the type of tenant and its importance in the building [building with multiple tenants (M), a single tenant (S) or let to the Buildings Agency (B)].</p>
Communication	<p>Application of the GRI standard including a review of the GRI real-estate sector supplement, GRI-CRESS.</p> <p>Publication of the KPIs laid down by EPRA.</p> <p>Analysis of sector reports on corporate social responsibility in the real-estate sector.</p> <p>Questions from stakeholders: where necessary, Befimmo fine-tunes the measures to be taken, based on questions and remarks by stakeholders such as institutional investors or company employees.</p>
Data management	<p>Installation of digital meters throughout the Befimmo portfolio (excluding Fedimmo).</p> <p>Contacts with utility companies with a view to obtaining consumption data at source.</p> <p>Use of sustainable development reporting software (SOFI).</p>

INTERNAL ORGANISATION

Befimmo's corporate social responsibility is now fully integrated into its day-to-day management. Befimmo staff are increasingly involved in this policy, one way or another depending on their field of expertise, and are aware of the major impact the real-estate sector on the environment.

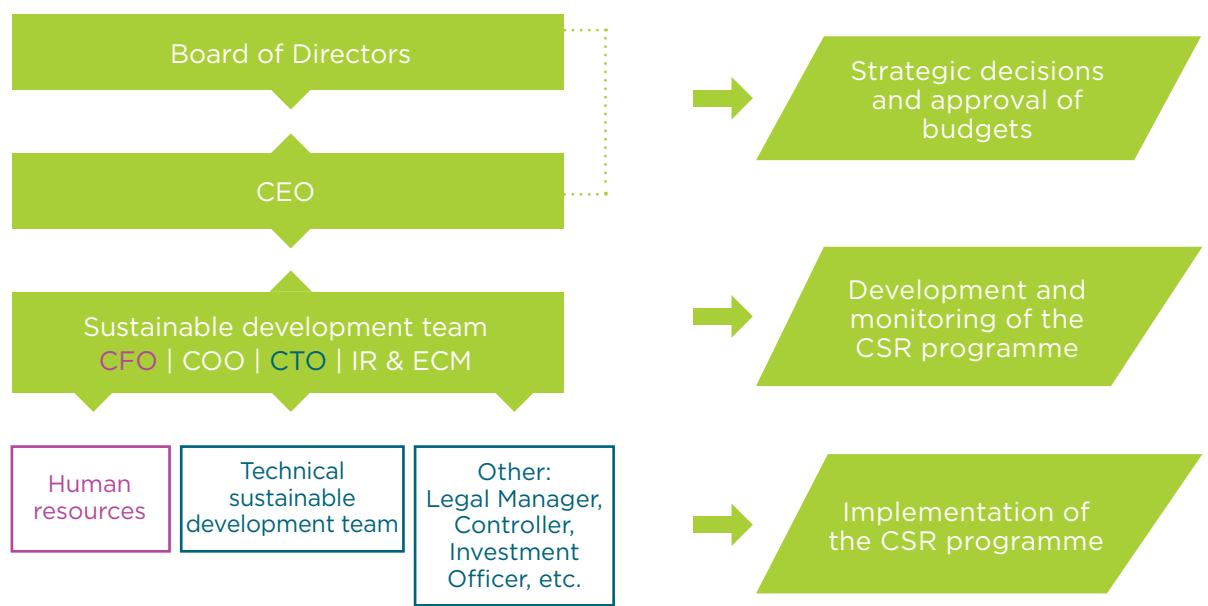
At **strategic level**, the sustainable development team consists of four people: the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO"), which are Executive Officers, the Chief Technical Officer ("CTO"), and the Investor Relations & External Communication Manager ("IR & ECM"). This team, in consultation with the Chief Executive Officer ("CEO"), is responsible for developing and monitoring the corporate social responsibility programme⁽¹⁾, freeing up sufficient human resources, and conducting the annual management review.

At **operational level**, the environmental technical team ("ETT"), consisting of three people specialising in energy and environment, is responsible for regularly assessing the implementation of the Environmental Management System ("EMS") and corporate social responsibility programme.

Since 1 April 2012, a member of the **human resources** department has been responsible for raising all team members' awareness of environmental considerations.

Other staff members also have responsibilities specifically defined in the EMS:

- Legal Manager ("LM");
- Head of Portfolio ("HOP");
- Investment Officer ("IO");
- Controller;
- Internal auditor;
- Project Managers ("PM");
- Managers.



(1) Formerly known as the environmental programme.

Corporate social responsibility report

GENERAL INFORMATION

GRI KPI reporting and EPRA KPI reporting	In recent years, Befimmo has embarked upon the standardisation of financial reporting and reporting on corporate social responsibility by adopting GRI (with a view to obtaining application level B) and EPRA reporting guidelines .
Reporting period	The GRI content index and the summary table of key EPRA indicators are on page 216 and page 226 respectively of this Report.
Reporting perimeter	<p>This Report covers activities over the 2012 fiscal year. The perimeter is set at 31 December 2012.</p> <p>There were no changes in Befimmo's internal operations over the fiscal year.</p> <p>A major change is expected in fiscal year 2013, namely the integration of the property management business (this point is discussed more fully on page 93 hereafter).</p> <p>The reporting perimeter for sustainable development activities covers the activities of Befimmo SA and its subsidiaries, Fedimmo SA, Meirfree SA, Vitalfree SA and Axento SA. Befimmo's commitments to sustainable development apply to its whole portfolio.</p> <p>The EMS covers the activities under Befimmo's direct control. Initially, the operational aspects of the EMS are deployed for the common areas of the buildings.</p> <p>This does not preclude the implementation of activities for aspects over which Befimmo has less direct influence, notably tenants' management of private areas.</p>
External review	<p>As part of the GRI reporting of its sustainable development indicators, Befimmo tasked Deloitte with a limited assurance review with a view to adding a "+" to the GRI score of B.</p> <p>Data marked with the ✓ symbol have been audited by Deloitte as part of this limited assurance mission.</p>
Methodology	The reporting methodology is described page 207.

FURTHER INFORMATION

In addition to the documents described at the end of the chapter, Befimmo's website (www.befimmo.be/en/corporate-social-responsability-policy) provides additional information that may be a helpful supplement to the "Corporate Social Responsibility" chapter of this Annual Financial Report, namely:

- corporate social responsibility policy (March 2012);
- the corporate social responsibility chapter in previous Annual Financial Reports, as well as this one;
- previous Annual Financial Reports;
- ISO 14001 certificate;
- BREEAM certificates;
- environmental passports;
- status of the corporate social responsibility programmes and the new corporate social responsibility programme for 2013;
- external stakeholders' answers to questionnaires;
- questionnaire for external stakeholders.

A **glossary** is provided on page 198 of the Annual Financial Report to facilitate the reading of this chapter by explaining a number of terms used.

The corporate social responsibility Report has been divided into two separate sections for ease of reading: **environmental and social aspects**. They describe Befimmo's achievements and commitments in recent years, the key results of the past fiscal year and the goals the Company has set itself for 2013 and future years.

Remember that in addition to these environmental and social aspects, Befimmo accepts its full corporate social responsibility on economic aspects. Befimmo abides the applicable legislation and the values set out in its code of ethics in relations with its customers, management team,

partners and shareholders. In line with this code of ethics, Befimmo abides by in-house rules designed to limit the risks associated with money laundering and funding of terrorism. Befimmo also has a corporate governance charter and terms of reference setting out all the rules, procedures and practices that define how the Company is managed and controlled. Befimmo has adopted the 2009 Belgian Code of Corporate Governance as a benchmark. Detailed information on the subject is given on page 98.

Environmental activity report

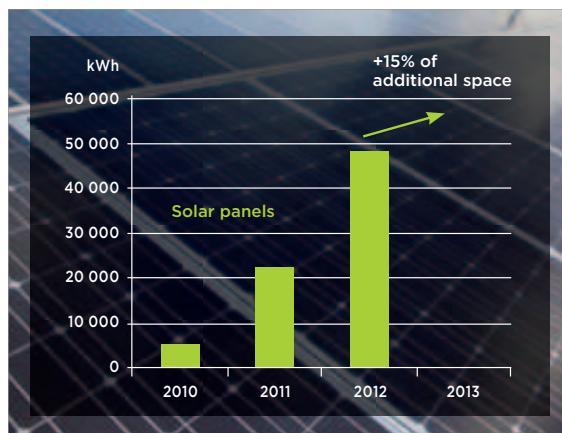
ENVIRONMENTAL Management System ISO 14001



Between **8** and **10%** of the overall investment went to improve energy performance in response to current and future legislation and also to the tenants' expectations.

Telemonitoring of the buildings' consumption in terms of gas, electricity and water now covers **95%** of Befimmo's portfolio.

On large sites, Befimmo is very careful to manage the waste produced, following the guidelines for BREEAM certification that it carries out for all its major renovations.



The cogeneration system in WTC III commissioned in February 2012 has given rise to 668 green certificates and cut overall CO₂ emissions by 16%.

Corporate social responsibility report

Direct energy consumption | Gas

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	73%	75%	78%	91%	90%		
Total consumption (million kWh)	31.6	33.2	37.8	34.7 ✓	39.4 ✓	EN3	Absolute Measures
Total consumption weighted by degree-days (million kWh)	31.6	33.2	30.9	39.8	37.5	EN3	Absolute Measures
Reporting perimeter	71%	73%	74%	80%	91%		
Normalised direct consumption (kWh/m ²)	88.0	88.0	81.4	89.1	79.3	CRESS-CRE1	Intensity Measures
Fedimmo portfolio							
Reporting perimeter	58%	65%	68%	75%	77%		
Total consumption (million kWh)	29.8	30.1	31.3	24.6	29.6	EN3	Absolute Measures
Total consumption weighted by degree-days (million kWh)	29.8	30.1	25.6	28.2	28.2	EN3	Absolute Measures
Normalised direct consumption (kWh/m ²)	147.2	134.7	110	113.8	110.6	CRESS-CRE1	Intensity Measures

Direct energy consumption | Heating oil

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	100%	100%	100%	100%	100%		
Total consumption (thousand litres)	636.7	603.2	713.2	248.5 ✓		EN3	Absolute Measures
Total consumption weighted by degree-days (thousand litres)	636.7	603.4	583.9	285.2	no more oil-fired boilers	EN3	Absolute Measures
Normalised direct total consumption (litres/m ²)	9.2	10.5	6.1	-		CRESS-CRE1	Intensity Measures

Indirect energy consumption | Electricity

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	84%	87%	88%	93%	92%		
Total consumption common areas (million kWh)	22.3	23.7	23.0	22.8 ✓	20.2 ✓	EN4	Absolute Measures
Total consumption private areas (million kWh)	17.8	17.4	17.9	16.8 ✓	27.0 ✓	EN4	Absolute Measures
Total consumption common and private areas (million kWh)	40.1	41.1	40.9	39.6	47.2	EN4	Absolute Measures
Green electricity consumption (solar panels) (kWh)				13.0	41.0		
Reporting perimeter	59%	58%	60%	63%	77%		
Normalised consumption common areas (kWh/m ²)	55.9	53.3	51.8	48.7	42.4	CRESS-CRE1	Intensity Measures
Normalised consumption private areas (kWh/m ²)	58.1	56.8	56.1	51.4	65.7	CRESS-CRE1	Intensity Measures
Normalised consumption common and private areas (kWh/m ²)	114	110.1	107.9	100.1	108.1	CRESS-CRE1	Intensity Measures
Fedimmo portfolio							
Reporting perimeter	60%	71%	79%	82%	80%		
Total consumption (million kWh)	10.5	11.9	13.9	14.1	13.2	EN4	Absolute Measures
Green electricity consumption (solar panels and cogen) (kWh)			5 210	9 500	1 305 893		
Normalised consumption common areas (kWh/m ²)	19.9	19.5	20.5	20.8	19.8	CRESS-CRE1	Intensity Measures
Normalised consumption private areas (kWh/m ²)	29.8	29.3	30.8	31.2	29.7	CRESS-CRE1	Intensity Measures
Normalised consumption common and private areas (kWh/m ²)	49.7	48.8	51.3	52	49.5	CRESS-CRE1	Intensity Measures

Water withdrawal

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	81%	77%	81%	80%	84%		
Total withdrawal (thousand m ³)	104.8	93.8	100.9	91.3 ✓	113.9 ✓	EN8	Absolute Measures

Direct and indirect CO₂ emissions

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	84%	87%	88%	93%	94%		
Total emissions (thousand tonnes of CO ₂)	13.1	13.5	14.9	13.2 ✓	12.6 ✓	EN16	Absolute Measures
Fedimmo portfolio							
Reporting perimeter	59%	58%	60%	63%	79%		
Emissions from electricity (kg/m ²)	14.6	14.4	14.3	13.4	7.5	CRESS3	Intensity Measures
Reporting perimeter	73%	75%	78%	91%	91%		
Emissions from gas (kg/m ²)	17.7	17.7	19.5	15.1	17.1	CRESS3	Intensity Measures
Reporting perimeter	100%	100%	100%	100%			
Emissions from heating oil (kg/m ²)	27.9	28.1	33.1	11.6	0	CRESS3	Intensity Measures
Reporting perimeter	60%	71%	79%	82%	80%		
Total emissions (thousand tonnes of CO ₂)	8.8	9.2	9.9	8.6	9.4	EN16	Absolute Measures

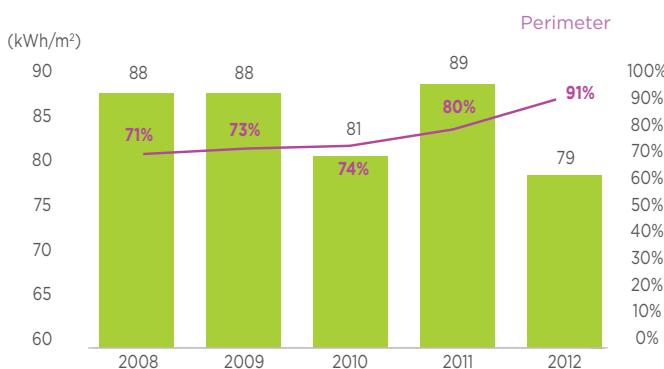
Waste

	2008	2009	2010	2011	2012	GRI	EPRA
Befimmo portfolio (excluding Fedimmo)							
Reporting perimeter	57%	59%	62%	67%			
Waste (total from all) (thousand m ³)	11 867	12 635	12 050 ✓	11 400 ✓		EN22	Absolute Measures
Paper/cardboard (thousand m ³)	10 203	15 275	12 683 ✓	12 745 ✓		EN22	Absolute Measures
Plastic, metal cartons (thousand m ³)	816	1 173	1 278 ✓	1 466 ✓		EN22	Absolute Measures
Glass (thousand m ³)	11	141	48 ✓	44.8 ✓		EN22	Absolute Measures
Total recycled (%)	48	57	54 ✓	55.6 ✓		EN22	Absolute Measures

Corporate social responsibility report

Gas

Normalised direct consumption
(Befimmo portfolio excluding Fedimmo)

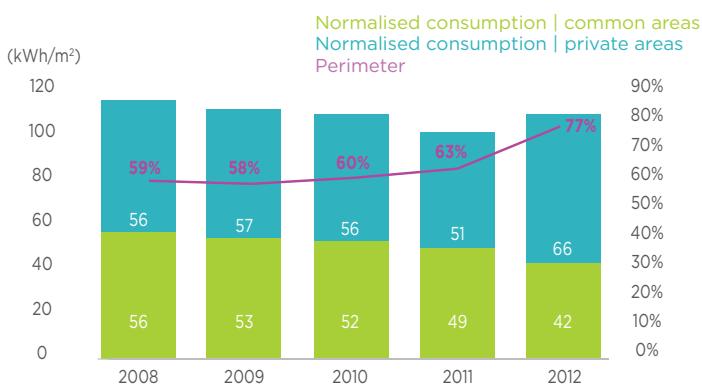


Gas

Specific direct gas consumption has been relatively stable, with the exception of 2010 when an exceptionally long and cold winter probably led to improved efficiency of heating systems by reducing stop-start sequences and losses when stopped. Consumption for 2011 has suffered some technical deficiencies in some high-consuming buildings but also a lack or reactivity from the maintenance companies on technical installations when returning to "normal" weather conditions. In 2012, the level of specific consumption fell by 11% in relation to 2011 despite overconsumption observed in some large buildings managed by the occupants themselves.

Electricity

Normalised consumption
(Befimmo portfolio excluding Fedimmo)



Electricity

There was a decline in specific consumption for common areas between 2011 and 2012 of 12.5%. These data should nevertheless be analysed with care because the score achieved in 2012 is not only the result of investments in Befimmo's portfolio but is also increased by a change in calculation method for apportioning consumption between common and private areas, from 50/50 to 40/60. Private consumption is higher firstly as a result of applying the same apportionment to consumption and, secondly, because more complete data for private consumption were obtained than were available in previous years. Note that the proportion of green electricity produced with solar panels is low but has been constantly increasing since 2012.

Water

Normalised consumption (Befimmo portfolio excluding Fedimmo)

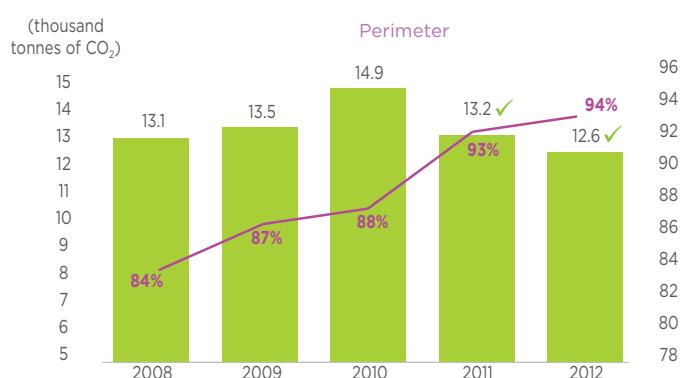


Water

The increase in specific water withdrawal between 2011 and 2012 is partly explained by the expansion of the measurement perimeter and having obtained more comprehensive and reliable consumption data. The situation of some large single-occupant buildings managed directly by the tenant is detrimental to the average specific withdrawal. These figures were pushed up these somewhat by factors such as some leaks and corrective action that sometimes came too late, and the systematic installation of showers with a view to improving the BREEAM certification. Withdrawal is still stable, however.

CO₂

Direct and indirect emissions (Befimmo portfolio excluding Fedimmo)



CO₂ emissions

CO₂ emissions are directly related to energy consumption, which explains an overall downward trend of 2012 data in line with 2011. The completion in 2012 of the replacement of all oil-fired boilers (high emissions factor) with gas ones explains the overall reduction in CO₂ emissions and the rising figures for gas. The installation of solar panels and some tenants signing contracts for green electricity for their private areas have also helped to cut CO₂ emissions to the atmosphere.

Corporate social responsibility report

ACHIEVEMENTS, COMMITMENTS AND GOALS

The **corporate social responsibility programme** is available on page 209. In addition to completing the targets which were achieved only partially or not at all last year, Befimmo is setting new targets for next fiscal year.

BREEAM Design, refurbishment and renovation work

Buildings	Design	Post Construction
2010 and 2011		
Froissart	"Excellent"	"Very Good"
Science-Montoyer	"Excellent"	"Excellent"
2012		
Ikaros 17-19	"Very Good"	Pending: dossier sent to BREEAM
Ocean House	Pending: dossier sent to BREEAM with the goal of obtaining a "Good" rating	
Brederode 1	"Very Good"	Work in progress
Paradis	"Excellent"	Under construction

BREEAM

Befimmo applies the BREEAM guidelines so as to follow a structured approach and to obtain validation of the objectives achieved. This method can be used to measure the degree of sustainability of the buildings and offers a recognised and respected certification.

Buildings	Design
Targets 2013	
Triomphe I	Dossier in preparation for sending to BREEAM
WTC IV	Pending: dossier sent to BREEAM with the goal of obtaining an "Outstanding" rating

BREEAM In-Use, existing buildings⁽¹⁾

Befimmo portfolio (excluding Fedimmo)	Number of buildings	
	2012	
BREEAM In-Use Asset	"Good"	30
	"Pass"	34
BREEAM In-Use Management	"Good"	2
	"Pass"	62

As at 1 January 2012, ±50% of the Befimmo certified portfolio was rated "Good" at Asset level. Take for example the Central Gate building: the investments made have significantly improved the environmental performance of the building, erected in 1930, raising its BREEAM In-Use rating (Asset level) from "Pass" to "Good".

As at 1 January 2012, 85% of the Befimmo portfolio was rated "Pass" for "Management" while the remaining 15% were rated "Acceptable". This situation remains unchanged at 1 January 2013. Befimmo nevertheless began an initial test to improve the rating for the Media building. It has been temporarily suspended on account of the integration of property management but will be resumed later.

At "Asset" level, Befimmo's goal over the next four years is to raise its entire portfolio to a "Good" rating, i.e. 12% of buildings annually, or 7 to 8 a year. Note that only the buildings in which work is carried out to improve the BREEAM rating will be re-certified annually.

At "Management" level, the situation will be reviewed when property management is integrated.

Befimmo portfolio (excluding Fedimmo)	Number of buildings	
	Targets 2013	
BREEAM In-Use Asset	"Good"	38
	"Pass"	26
BREEAM In-Use Management	"Good"	2
	"Pass"	62

Energy Performance Certificates (PEB)

Befimmo portfolio

Energy performance certification has already been carried out for many of the buildings located in the Brussels-Capital Region.

Fedimmo portfolio

The majority of Fedimmo buildings are occupied by public bodies that display the energy performance certificates of the buildings they occupy. Befimmo is gradually collecting and mapping this information.

In 2013, Befimmo will continue to have the remainder of its portfolio certified in response to changing legislation in the regions. This includes obtaining certificates for the Joseph II, Montesquieu and Poelaert buildings. Regarding the latter two buildings on a long-term lease to a single tenant, the tenant is applying for certification itself. It has undertaken to provide us with the documents.

Budgets have been earmarked for implementing EPC for the buildings located in Flanders and Wallonia. No action is planned, however, before the relevant legislation is introduced.

In case of major works, Befimmo will also make sure the certificates are updated as was the case in particular after the renovation of the Central Gate building in 2012. Although theoretical, the data of the certificates are also compared with the actual specific consumption figures.

ISO 14001

The Environmental Management System has been in place for over 3 years. Both internal and external audits show that, on the whole, Befimmo has succeeded in managing the EMS well. Numerous measures have been taken and environmental awareness among staff is clearly observable. In particular, awareness-raising features a discussion process to improve the implementation of the register of legislation, the introduction of environment coordinators and site audits.

Befimmo's EMS is maturing and is playing an increasingly prominent role in the Company's operating methods.

Befimmo achieved a big step forward a few months ago by

taking ownership of the system and in particular since the necessary resources were put in place.

Over the coming months, Befimmo will seek to improve the efficiency of the EMS, adapt it to the integration of property management and simplify it, while continuing to improve the level of environmental performance.

Data management of consumption

All data and information are obtained via (i) **telemonitoring of consumption**, (ii) maintenance companies and, more recently, (iii) the **utility companies** and suppliers.

Telemonitoring currently covers 95% of Befimmo's portfolio and 15% of Fedimmo's portfolio. The collected data generally cover all utilities (water, gas and electricity). Regarding electricity, work is ongoing to apportion consumption data between private and common areas, to ensure that common consumption can be cut by 5% by 2014 (base 2011). The alarms added to the telemonitoring system allow Befimmo to detect anomalies in consumption in real time and take immediate corrective action as required.

During the 2012 fiscal year, Befimmo pursued efforts and contacts with utility companies in order to obtain the data for consumption (gas and electricity) at source. For Brussels, the utility company has provided Befimmo with complete and reliable information and a three-year history (2008-2011). Regarding Flanders and Wallonia, the information has been

obtained for 2012 through Fedesco but Befimmo will in principle be able to access it directly from 2013.

Other contacts were also made with the current utility company (gas and electricity) to obtain billing data electronically.

From 2013, data will be automatically consolidated and verified upstream before it is integrated into the new sustainable development reporting software (SOFI⁽²⁾).

(1) The data in this table include the Ikaros 17-19 and Pavilion buildings.

(2) During the 2012 fiscal year, Befimmo decided to abandon its collaboration with ISA (International Sustainability Alliance) because the tools developed in the framework of this partnership did not meet Befimmo's requirements or expectations. Since then, Befimmo has been working with PE International which provides the SOFI software.

Corporate social responsibility report

Multi-annual investment plan

Befimmo strives to keep its buildings attractive to tenants, thereby maintaining as high an occupancy rate as possible in its portfolio, by continually investing in the renovation and redevelopment of its properties or improving their energy performance, to upgrade them or maintain them at a high level of quality for the benefit of its customers. To that end, Befimmo has implemented a multi-annual investment plan.

This plan was devised for the sustainable optimisation of operational properties (Befimmo portfolio excluding Fedimmo) that are not due to undergo major renovation. To improve their environmental performance, Befimmo invested a total of €1.7 million during the 2012 fiscal year. These investments are detailed on page 32 of this Report.

For major renovations, part of the overall renovation budget is allocated to sustainable optimisation of the building. Accordingly, over the fiscal year Befimmo carried out investment work in its buildings at an overall cost of around €36.1 million. Between 8 and 10% of this overall investment went to improve their environmental performance and thus respond to current and future legislation and also to its tenants' expectations.

 Befimmo intends to continue on that path.

(€ million)	Forecasts			
	2012	2013	2014	2015
	1.7	2.7	2.0	2.0

Renewable energy generation

Current total coverage with **solar panels** is around 1,048 m² compared with 735 m² at the end of 2011. The total power is 133,830 kWp while the sites already in production and handed over have generated the equivalent of 29,149 kWp (excluding Axento) and earned the equivalent of 128 green certificates.

Note that the Axento building generates 18,922 kWh from photovoltaic panels. All of this electricity is fed back into the grid and produces no green certificate as stipulated by the regulations in Luxembourg.

The target of increasing their areas by 15% was achieved and even exceeded.

The **cogeneration** system in WTC III commissioned in February 2012 has earned us to 668 green certificates and cut overall CO₂ emissions by 16%. The principle of cogeneration is that it generates heat and power at the same time. This combined generation cuts energy losses significantly. Thus, cogeneration can save between 15 and 20% in primary energy in relation to separate production of the same amounts of heat and power. In addition, CO₂ emissions from the use of cogeneration are substantially less than with conventional heat production and electricity generation.

In principle, cogeneration is more suitable and efficient for sites needing constant heat (hot water), such as hospitals, nursing homes, etc. It is therefore best to target buildings for which this technology is properly suited.

 Target of 15% area increases maintained for 2013.

 Befimmo has planned a feasibility study in 2013 for five of its buildings to determine whether or not it is worth implementing this technology on part of its portfolio. The five buildings selected include the View Building which houses a fitness centre with a swimming pool.

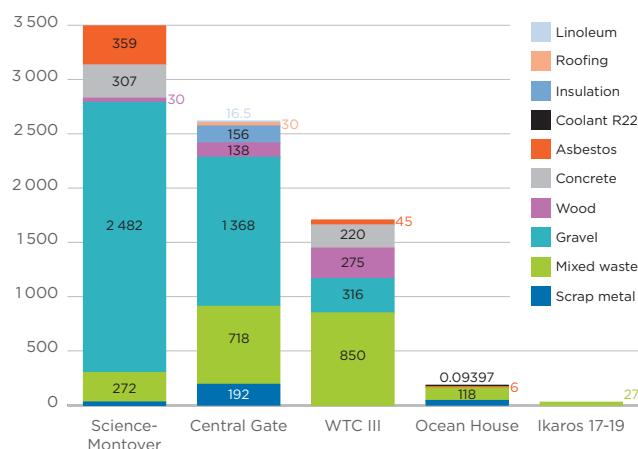
Waste management & recycling

In the 2012 fiscal year, work continued on gradually collecting data on the volume of waste (paper/cardboard, plastic, metal and drinks cartons and household waste) and the processing of waste (recycling and incineration).

One of the main companies responsible for collecting and sorting waste in the Befimmo portfolio continued its efforts to raise awareness among tenants and in particular to those who were clearly identified as major waste producers.

Befimmo is very careful to manage the waste produced, following the guidelines for BREEAM certification that it carries out for all its major renovations. This was done in 2012 for the renovation of the Science-Montoyer building for which accurate data are available and included in this report.

Site waste (tonnes)



Energy consumption

Befimmo is pursuing its commitment to cut energy consumption in its buildings. The priority is to reduce consumption in common areas, although steps to reduce consumption in private areas are also systematically considered during renovations and/or commercial renegotiations.

The goal of cutting gas and electricity consumption by 5% by 2014 in relation to the reference year 2011 was achieved and even exceeded in 2012.

Since the comfort level of some buildings is being or will be upgraded, notably by fitting air conditioning, we are maintaining the same reduction target for the next two years, to cut consumption by 5% by the end of 2014. Rainwater recovery projects are still on the agenda. In view of the difficulty of integrating such systems into existing buildings in operation, the focus is on renovation projects where the technical installations, especially the water distribution circuits, are to be renewed.

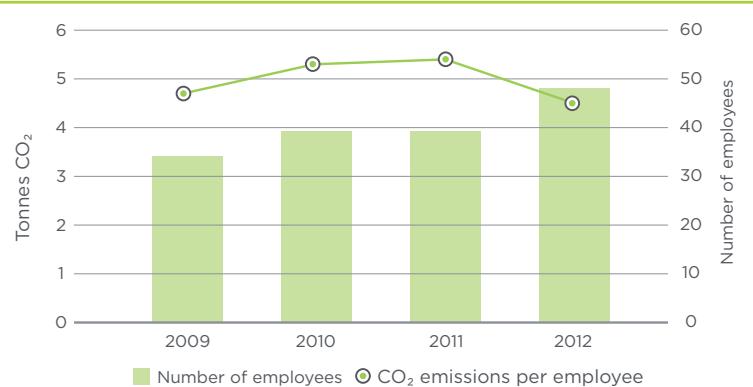
In 2013 Befimmo made initial contacts with non-profit association ROTOR which was commissioned by the IBGE to set up a platform (Opalis) bringing business people into contact with a network of resale professionals who might be interested in the material cleared from Brussels building sites. The advantages of future collaboration are clear and will be assessed on two test sites in 2013.

Corporate social responsibility report

Social activity report

Team of 48 qualified staff members

- ✓ 65% have a university degree and 52% of those graduates also have a post-graduate diploma
- ✓ 58% men and 42% women



Befimmo has set up an **intranet**, a true driver of communication within the Company.

All staff receive awareness training in sustainable development and an introduction to the EMS.

Befimmo plans to continue its efforts to raise awareness among its staff of its sustainable development policy.

In 2013 Befimmo will take on 15 new employees working in property management.



CO₂ EMISSIONS RELATED TO BEFIMMO'S OWN ACTIVITIES ACCORDING TO THE CARBON BALANCE METHOD

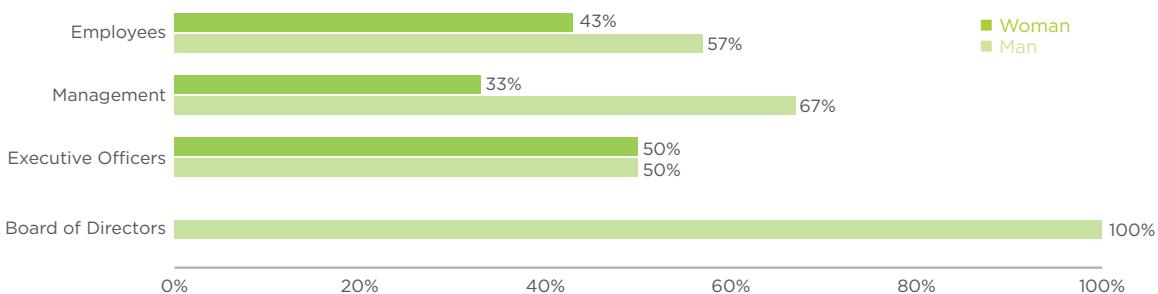
CO₂ emissions linked to Befimmo's business, i.e. the IT activities of his office staff, were evaluated according to the

carbon balance method, developed by ADEME (the French environment and energy management agency - *Agence française de l'Environnement et de la Maîtrise de l'Énergie*)⁽¹⁾. The operational scope covers travel in company cars, business travel by air and rail, the use of paper and the use of the Company's headquarters.

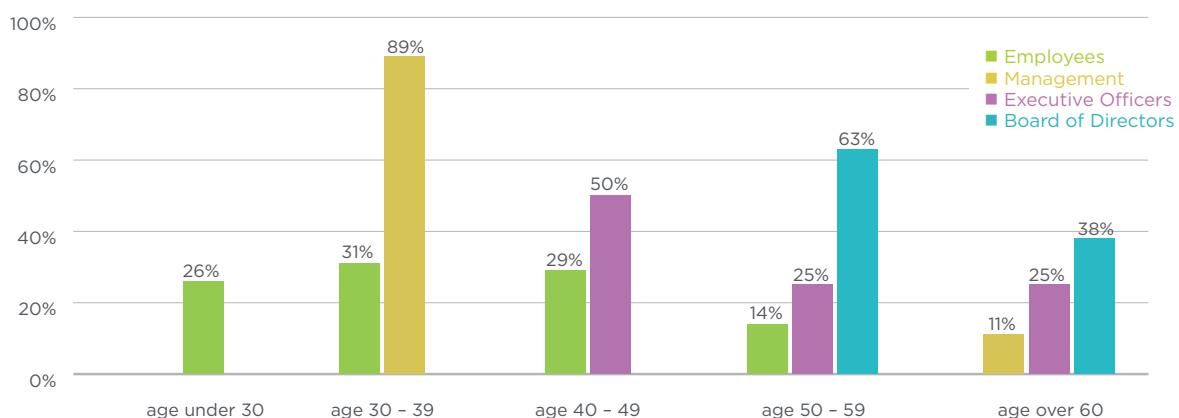
Source	Unit	2009	2010	2011	2012	CO ₂ emission factors (in kg)	Tonnes CO ₂ e	%/year	%/year	%/year	%/year			
							2009	2010	2011	2012	2009	2010	2011	2012
Corporate							30.8	39.0	23.7	22.6	19.4	18.8	11.3	10.5
Electricity	kWh	268 480	230 484	158 097	172 040	0.000	0.0	0.0	0.0	0.0				
Gas	kWh	144 585	190 226	115 417	110 155	0.205	29.6	39.0	23.7	22.6				
Air conditioning	kg	0.6	0.0	0.0	0.0	1 976.351	1.1	0.0	0.0	0.0				
Vehicle fleet							123.7	153.1	176.5	179.8	77.7	74.0	84.2	83.8
Diesel	litres	43 046	48 248	56 082	57 629	2.662	114.6	142.0	165.0	169.6				
Petrol	litres	3 744	3 911	4 060	3 608	2.425	9.1	11.1	11.5	10.2				
Business trips							0.3	10.27	6.24	7.68	0.2	5.0	3.0	3.6
Short-haul flights	km	2 200	16 292	16 480	16 480	0.126	0.3	2.1	2.1	2.1				
Long-haul flights			70 848	35 424	47 232	0.113		8.0	4.0	5.3				
High-speed train	km	1 280	14 380	11 030	18 060	0.015	0.02	0.22	0.17	0.27				
Paper							4.3	4.6	3.3	4.5	2.7	2.2	1.6	2.1
Paper	kg	3 268	3 500	2 500	3 420	1.320	4.3	4.6	3.3	4.5				
Total CO₂ emissions							159.1	206.9	209.7	214.6	100	100	100	100
Number of full time equivalents		34	39	39	48									
CO ₂ emissions per employee							4.7	5.3	5.4	4.5				

SOCIAL INDICATORS

Composition of governing bodies and breakdown of employees by gender (as at 31 December 2012)



Composition of governing bodies and breakdown of employees by age (as at 31 December 2012)



As at 31 December 2012, there were 48 staff on the team (58% men and 42% women). With the exception of the CEO, all team members are employed on a contract of indefinite duration. Within the team, 65% have a university degree and 52% of those graduates also have a post-graduate diploma.

The average age of the Befimmo SA team (excluding the Board of Directors) is 40.

Over the 2012 fiscal year, Befimmo recruited 10 new staff members and two left.

Over the past fiscal year, Befimmo had no cases of occupational diseases and only one occupational accident.

Absenteeism⁽²⁾ amounted to 1.62% of the total number of hours worked, which is well below the average rate of 2.44%⁽³⁾ recorded for all Belgian companies across all sectors.

Befimmo is subject to the Joint National Auxiliary Committee for White-Collar Workers, also known as Joint Committee 218, which covers all staff members.

The remuneration paid by Befimmo is in line with market rates and substantially higher than the relevant minimum scales.

Under Befimmo's salary package, employees are covered by a non-statutory pension scheme that guarantees a replacement income that is proportional to the salary earned at the time of retirement (defined-benefits system) and their length of service in the Company.

More detailed information can be found in the note "Employee benefits" on page 171 of this Annual Financial Report.

With the integration of the property management business, Befimmo is preparing to take on 15 staff members during the second quarter of 2013. The arrival of this new team is discussed further in this chapter.

(1) www.site-index.fr/ademe/bilan-carbone.html

(2) Absenteeism rate: ratio of the number of hours of short-term sickness (< 30 days) to the total hours worked.

(3) Source: "Absenteeism 2012, management and figures", SDWorx.

Corporate social responsibility report

ACHIEVEMENTS, COMMITMENTS AND GOALS

Appraisal and training

Befimmo attaches great importance to managing the skills of its team members.

The effective development of the skills of each staff member requires a positive climate in which to assess each individual in a constructive way, validate this assessment with the person concerned, build a development plan in tune with the company context, set clear priorities and implement a motivational process for the staff member whose continual efforts and progress will be supported by Befimmo's management.

The present appraisal system provides for an annual interview between each employee and his manager.

This interview is based on a framework that looks first at the achievements over the past year and any difficulties the employee has encountered. In the second stage, the objectives that were set for the previous year are reviewed and set against the achievements in the context of an open discussion.

Finally, the employee's development priorities are determined, highlighting any training needs, and are followed up later. Accordingly, new targets have been set for the coming year.

During the 2012 fiscal year, many training courses were offered to staff. In addition to the language courses and many individual courses, undertaken by the staff, managers continued with the leadership skills development programme begun in 2011.

Over the past fiscal year, Befimmo imparted an average of 51 hours' training per staff member, more than half of which related to language courses. For members of the technical department and the sustainable development team, a significant proportion of individual training was also devoted to sustainable development issues and Befimmo's policy in that area, covering topics such as BREEAM certification, water recycling techniques, sustainable urban projects and passive construction.

The education and training programme is also continuing for all staff:

- each employee receives sustainable development awareness training and an introduction to the EMS;
- more in-depth training on the EMS is offered to employees who have a specific task defined in the EMS;
- in the technical department, monthly meetings are held during which EMS procedures are reviewed as required. This is also an opportunity to share the know-how acquired on external training courses;
- whenever results are presented to staff, there is a section devoted to progress on sustainable development activities and Befimmo's strategy in this area. On such occasions, the most sustainable projects are highlighted and commented for the benefit of the staff.

Finally, in view of the major challenge of integrating the property management team in the second quarter of 2013, Befimmo plans to continue its soft skills training cycle and, in the last quarter of 2013, training in communication for all interested employees.

 Befimmo will continue to focus its efforts on developing the skills of its team, and hence on their training and appraisal. A new procedure for enrolment in training courses will offer a broader and clearer view of the training each individual receives, so that the relevance of training can be assessed across the whole Company. There will also be more systematic feedback on training.

In 2013, in addition to individual and specific needs for training in IT or specific operational subjects, Befimmo aims to offer to all staff introductory training to the ISO 14001 standard, and a presentation on sustainable construction and soft skills training focused on communication.

Managers will also be made aware of the importance of setting and appraising environmental objectives for their staff and individual monitoring of staff training.

Efficiency and well-being

The Befimmo team continues to evolve. Ten new talented people joined the Company this year.

In 2012, Befimmo intends to work towards achieving an ideal balance between efficiency and well-being for its staff. During a workshop on this topic in 2011, a need for better in-house communication emerged and, in response to that, Befimmo has set up an intranet, a genuine vehicle for communication within the Company. Details of this project are given in the section "activities at corporate level".

Befimmo has also worked to implement other suggestions made at that workshop: staff health-care cover has been further improved, a welcome brochure has been produced for new employees, staff can now take subscriptions to a gym, the leave-management system has been improved by installing dedicated software, etc.

The integration of the property management business into the Company was also raised by staff during the workshop, as a factor that could improve the Company's operational efficiency.

In 2013 that project will come to fruition when in the second quarter Befimmo takes over the management of 28 buildings and office parks, previously handled by AG Real Estate Property Management.

Property management is the supervision of the activities of technical maintenance, accounting for rents and accounting for property-related charges, to be passed on to tenants. By fully integrating its property management, all day-to-day contact with tenants will take place directly with Befimmo.

It will be a substantial change for the team too, since Befimmo will take on 15 new employees dedicated to property management, all former staff of AG Real Estate Property Management.

This is obviously far from being a trivial operation since it means a 30% increase in the Company staff. To ensure it is successful, current employees have been made aware of their role in integrating their new colleagues.



In order to measure the expectations of the team once again at the end of this integration, Befimmo is planning a new staff satisfaction survey during the second half of 2013.

Corporate social responsibility report

Staff awareness

The key achievement of this fiscal year has undoubtedly been the setting up jointly by the communication department and the human resources department of an intranet dedicated to communication with staff.

This intranet, online since September 2012, is used to post a wide variety of information on the Company's business, events, publications, procedures, human resource management, etc. Regular, concise and effective "news" items posted on the home page keep staff informed of developments in the Company and communicate all kinds of practical information. These publications are also intended to explain how everyone works and raise awareness of their jobs and skills. The intranet also has a CSR section, which plays an important role in educating the staff about Befimmo's sustainable development policy. It contains some general information on CSR, a link to the EMS procedures and highlights some key Company projects.

Finally, there is a quiz to test their knowledge with questions about social responsibility, and how well they know their colleagues or the Company's business.

The intranet will undoubtedly continue to be a valuable education and communication tool in 2013, when the new employees are integrated.

In this regard, a welcome brochure for newcomers was also produced in 2012. In addition to the contractual documentation (regulations, etc.) which must always be given to all employees taking up their posts, it contains valuable

information on fringe benefits, the team – with a "who's who" guide, corporate social responsibility policy and the day-to-day functioning of our Company.

In 2012, Befimmo also decided to raise staff awareness on sustainable development through its team-building initiative. The key activity this time was in fact the visit to Thorntonbank, an offshore wind farm located about thirty kilometres off the Belgian coast.

 Befimmo obviously plans to continue its efforts to raise awareness among its staff of its sustainable development policy. This is all the more necessary since several new employees will be joining the team in 2013.

The intranet will continue to be the main vehicle for this process. "News" items will be posted regularly with the aim of explaining a variety of points related to Befimmo's corporate social responsibility or the EMS.

Finally, presentations of the results to staff will continue to include a CSR section to inform them of the Company's plans in that area.

Comité B+ and social actions

Comité B+, set up in 2011 at the initiative of the staff and with the support of the Executive Officers, has continued its efforts to organise sports, cultural, festive, charity and family activities.

In 2012, Comité B+ has chosen to focus its voluntary work on a partnership that began in 2011 with the Red Cross (Auderghem local unit).

The Committee organised two blood donations, in March and September, at its premises in the Goemaere building, and other tenants in the building were able to take part. In view of the success of the initiative, Comité B+ will continue to organise two blood donations a year from now on.

Several staff members also took part in the Red Cross *Quinzaine*, which takes place every spring, and helped to sell adhesive plasters for the Auderghem local unit in aid of the "Holidays for all" programme, a camp for children from unprivileged backgrounds.

The more athletic staff members took part in the Brussels 20 km run for the *Infirmiers de rue* team⁽¹⁾.

Finally, as in previous years, the Befimmo team took part in the Shoe-Box⁽²⁾ project to collect food for the homeless and poor and needy in Belgium.

 Comité B+ intends to continue its social outreach in 2013. The participants are keen to repeat most of the above operations. For its part, the Company will continue to support Comité B+ initiatives by proposing philanthropic activities to the staff.

CO₂ EMISSIONS

Following the introduction of a new car policy within the Company, the goal of cutting the average CO₂ emissions of the vehicle fleet by 5% has almost been achieved. The reduction was in fact 4.61%. This cut was obtained after 3 vehicles left the Befimmo fleet and 6 vehicles joined it in 2012.



Befimmo is setting itself the target of cutting the average CO₂ emissions of its vehicle fleet by a further 3% in 2013.

Furthermore, in 2013 Befimmo intends to test the use of a pool of electric cars for use by staff for short business trips during the day.

Finally, Befimmo intends to continue its policy of raising staff awareness by organising monthly "green mobility days". Everyone is encouraged to take part, by carpooling, using public transport, or – for the more energetic – cycling.

SUSTAINABLE PROCUREMENT POLICY



Befimmo plans to analyse more closely the sustainability of its purchases, ranging from furniture to office supplies. To that end it will analyse its usual orders to identify any more sustainable alternatives while nevertheless controlling its procurement costs.

PAPER CONSUMPTION

The installation in 2010 of an electronic document management system helped to reduce paper consumption, which fell from 96 kg per person in 2009 to 89 kg per person in 2010 and 64 kg per person in 2011. Unfortunately, Befimmo has seen an increase in the volume of paper consumed in 2012, with average consumption of 71 kg per person.

Befimmo is determined to pursue its efforts to encourage staff to become aware of their paper consumption and try to bring it down. Advice will be posted on the intranet to help team members achieve that.



Befimmo is challenging its whole team by setting a target of cutting paper consumption (per person) in 2013 in relation to 2012.