



INTEGRATION INTO THE CITY

- The building, a key player in an ecosystem -



USE OF RESOURCES



MOBILITY



THE WORLD OF WORK



DIALOGUE



SETTING AN EXAMPLE



INTEGRATION INTO THE CITY

DESCRIPTION

Every building is part of a community, an environment. Befimmo aims to ensure that every building in its portfolio integrates harmoniously into the neighbourhood where it is located, in terms of its architecture, the pooled services it offers and the activities taking place inside.

In this context, Befimmo reaffirms its commitment to meet the expectations, firstly, of its occupants, offering them an environment that is open to multifunctionality, evolving work spaces and business networks and, secondly, of the outside community by designing buildings that are open to the city and thus contribute to security, by exploiting less-used spaces such as roofs, large entrance halls, etc.

The Company is also looking for an efficient and sustainable user of the urban space. The challenges for Befimmo are also to upgrade underused spaces, dedicate them to new functions, leave more space for green and recreational areas, transform classic spaces into inspiring spaces.

Aware that its approach is sometimes limited by urban planning regulations, the location of certain existing buildings or a property's specific constraints, etc., Befimmo advocates responsible urban development.

OBJECTIVE

Befimmo's objective is to devise a new vision for its renovation and/or construction projects.

It believes that they must be integrated as part of a sustainable and human ecosystem.

This is why it will ensure that it is listening to stakeholders active in the environments in which these projects are located.



APPROACH

Befimmo integrates its buildings in cities in terms of (i) architecture during renovation and/or reconstruction, (ii) services and facilities offered to tenants and other stakeholders, (iii) mixed use by offering shared spaces, coworking spaces, restaurants, housing, etc., (iv) participation in the digital transformation of different districts in which it is implemented.

Any new project is considered in this light, in cooperation with both administrations and architects. It is above all a collaborative effort between the various departments of Befimmo, which are coached and trained to that end through training courses, lectures, trips and visits to other sites and inspiring examples.

There are many examples of ongoing and future iconic projects supporting this approach.

Moreover, within the framework of its numerical transformation reflection, Befimmo decided to join, early 2019, other private partners (Joyn International, Thanksys, Belfius) for the Smart Cities Chair organised by the *Vrije Universiteit Brussel*, its faculty of Economic and Social Sciences, the Solvay Business School, and its research centre Imec-SMIT.

ACHIEVEMENTS

Up4North



The Up4North association, which brings together the main institutional owners of the North area, has continued its work, under Befimmo's leadership.

The ecosystem created in WTC Tower 1, and now re-installed in the CCN building for a temporary duration that several owners have made available to multiple organisations (a university, architects, start-ups, a library, artists, a conference centre, etc.), bringing added value to the neighbourhood, helps to raise awareness among stakeholders, including the

regional and city public authorities, that the North area is a tremendous asset, so close to the historic centre of the city, and with the largest public-transport hub in the country.

Once the temporary occupation in the CCN building is over, the Up4North ecosystem will find a new space in the North area to continue its revitalisation mission.

The district is gradually evolving from a mere transit point for commuters travelling to work to a true destination in the city for the people of Brussels.



Quatuor

With its new architecture, the Quatuor project (60,000 m²), located in the North district of Brussels, has been designed to fit harmoniously into its urban environment.

Construction work on the Quatuor project is in progress. The project, open to mixed use, is fully in line with rapidly changing current and future needs of occupants.

Note that about a third of the space (22,000 m²) in the Quatuor building is pre-let to Beobank.

Befimmo has also recently announced the opening of a Silversquare coworking space in the building. In addition to these coworking and office spaces, the Quatuor will be open to the city, linking the historic heart of the city to the North area. It will offer services such as a book store, a fitness room, restaurants, an event space, an internal garden, rooftop terraces, a transient space and much more.



ZIN: a new multifunctional space

In 2018, Befimmo applied for a permit for its new ZIN project, located in the North area of Brussels. This project concerns the redevelopment of the site of the present WTC Towers 1 and 2.

ZIN is a multifunctional project of about 110,000 m² above ground, 75,000 m² of which is office space (including a space devoted to coworking), 14,000 m² of housing, 16,000 m² of hotel accommodation, and leisure areas, hospitality and shops. Thanks to its various functions, integrated with one other, the project will make a fundamental contribution to bringing back a true new dynamic to the North area; the Up4North association is already providing the impetus for it to evolve towards a real lively city district, all week long.



ZIN will be fully integrated into its urban ecosystem and will be open to the city. It is a highly innovative project as much for its architecture as for its design and respect for the environment, notably in terms of energy nearneutrality and circularity.

The well-being of the occupants is central to the project. The office part is fully in line with the principles of the new world of work and will be very flexible in use and in terms of its potential future reallocation.

The work will commence in the first quarter of 2019 and will continue until mid-2023.

As Befimmo has already stated, the office part of the ZIN project is participating in the public tender for works procedure launched by the "Vlaamse Overheid" in 2017. An innovative hotel concept is planned for the hotel part in cooperation with a specialist operator. Meanwhile, the residential part will be rented out.

In January 2020, the ZIN project won the "be.exemplary 2019" prize, organised by the Brussels government ("urban.brussels"), in the "big private projects" category.



Mobility

Facing the congestion of Belgian cities, Befimmo continues to prioritise connectivity of its buildings with public transport.

Moreover, following a change in attitude regarding vehicle ownership, alternative mobility solutions recently emerged in Brussels. Befimmo is aware of the benefit of these solutions for urban development and contributes to their arrival by facilitating the access towards the buildings of its portfolio. Specifically, this means initiatives like the extension of sharing areas, more shared vehicles or even parking mutualisation. In addition to the benefits for the occupants, these initiatives are also directly beneficial for communities around the building.

In 2019, Befimmo continued testing such initiatives by applying them effectively to the building of its head office. Based on feedback, it intends to extend these initiatives to its entire portfolio ad from 2020.

→ Sheet on "Mobility"

Services and facilities

Befimmo provides a wide range of shared services to its occupants to facilitate their day-to-day life: food trucks, secured lockers to receive or return parcels, nurseries, fitness centres, restaurants, showers, electric terminals for cars and bikes, etc.

Since late 2019, a transversal team Services and Facilities has been created at Befimmo (including members of the teams Facilities, Commercial and CSR). The goal of this team is to create a database of the tenant needs through physical encounters. The goal of this "user centricity" approach is to be closer to the client or user. Afterwards, the necessary services will be analysed and implemented in the different buildings.

→ Sheet on "World of work"

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

*The in-depth analysis of the Sustainable Development Goals (SDGs)¹, conducted in 2017, enabled Befimmo to identify the issues on which its activities could have a positive or negative impact and to define strategic priorities. According to this analysis, the strategic priority **Integration into the city** impacts the targets of the following SDGs:*



- 9.1: Develop quality, reliable, sustainable and resilient infrastructure
- 11.3: Enhance sustainable urbanisation
- 11.4: Strengthen efforts to protect and safeguard heritage
- 11.6: Reduce the adverse per capita environmental impact of cities
- 11.7: Provide universal access to safe green and public spaces
- 13.3: Awareness-raising on climate change mitigation, adaptation and impact reduction
- 15.5: Halt the loss of biodiversity

¹ <http://www.un.org/sustainabledevelopment/>



KEY INDICATORS

Sustainable integration into the city is a recent topic, so no target has yet been set. However, the “Community Engagement” indicator, published by EPRA, was calculated for two consecutive years. To calculate it, Befimmo takes account of the projects that it is supporting and setting up in the North area, and public announcements, surveys or consultations that it organises when making applications for environmental and urban planning permits.

In the 2019 fiscal year, this approach covered 25%² of the consolidated portfolio and the goal is to improve this result each year. The teams work together on implementing urban evolution,

establishing indicators to measure progress in terms of the number of buildings following this evolution.

Furthermore, Befimmo also follows and is inspired by other benchmarks and certifications, such as *Well*³ or *Be Exemplary*⁴ certifications, etc. that take account in particular of the building’s integration into the city.

This is an extract from Befimmo’s global action plan, linked to the strategic axe “Integration into the city”. To consult the full action plan, please go to the following page of the Befimmo website: <https://www.befimmo.be/en/investors/publications?type=76>.

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA sBPR
Part of the projects carried out in dialogue with the stakeholders	A project is considered to be in dialogue with the stakeholders when: <ul style="list-style-type: none"> It has been analysed by the communication team; Communication initiatives in line with the characteristics and context of the project are implemented. 	53%	100%	2020	EPRA Compty-Eng GRI 203-1 GRI 413-1
Part of the buildings of the portfolio that will be open to the city	A building is considered to be open to the city when it includes functions that are accessible to the public (inside and/or outside).	55%	70%	2023 (80% by 2030)	EPRA Compty-Eng GRI 203-1 GRI 413-1

² The value of the indicator is notable directly related to and/or influenced by the number of permit applications that depend on ongoing and/or development projects.

³ <https://www.wellcertified.com/>

⁴ Exemplary Brussels buildings (<https://urbanisme.irisnet.be/be-exemplary>)



THE WORLD OF WORK

- Repenser les espaces de travail en fonction du type d'activité et du profil d'utilisateur -



USE OF RESOURCES



MOBILITY



THE WORLD OF WORK



DIALOGUE



SETTING AN EXAMPLE



INTEGRATION INTO THE CITY

DESCRIPTION

The world is changing, professions are evolving: new technologies are emerging fast, new generations have alternative lifestyles, environmental and health concerns are coming to the fore.

Nowadays, tenants are looking for a landlord who offers them much more than a "premium" building. They want to work in bright and pleasant spaces, that are open to the outside, with access to services that facilitate their daily lives, and move around easily without parking or other constraints.

Today, companies face the challenge of retaining their employees, and attracting new talent and new generations. Despite the complex configuration of some buildings, some more difficult locations, and resistance to change among some occupants, Befimmo intends to embrace this evolution.

In response to this, Befimmo is broadening its vision of tomorrow's workspaces, and of how to design and use them. Befimmo rides this trend and adapts its property portfolio to keep it highly attractive.

OBJECTIVE

To connect together the various buildings in Befimmo's portfolio, give tenants more flexibility by offering them different working environments across interconnected buildings, extend the range of services throughout the portfolio to improve the user experience and create connections.



It supports digitisation and offers environments that are human, flexible, innovative and open to multifunctionality, to accommodate new ways of working and connect these spaces together. Premises occupied by a mix of occupants (scale, profession, structure, etc.) forming a community, create new links in a changing world of work.

Befimmo's buildings, offices, and coworking and meeting spaces are all designed and developed with one idea in mind: to make working a productive and enjoyable experience.

The well-being, health and safety of the occupants are still paramount in the design of these spaces.

Depending on the characteristics of the buildings (rental situation, location, type of lease, etc.), tenants are provided with a restaurant, a catering service, a nursery, a fitness centre, showers, secure lockers and bicycle and car parks equipped with electrical charging stations.

APPROACH

Eventually, all of Befimmo's multi-tenant buildings, as well as new projects, will be eligible to be equipped with a variety of inspiring facilities that encourage exchanges between organisations and businesses. Befimmo will gain added value by offering its tenants a concept of networks and exchanges, by designing:

- office space featuring various "activity-based" layouts tailored to the user's activity. These are shared offices designed for working together, concentration spaces, inspiring meeting rooms, etc. ;
- spaces where the occupant's well-being is a priority from the design stage: the main focus is on acoustics, air quality, thermal comfort, etc.;
- coworking spaces, inhabited by a genuine community of different organisations;
- "meeting centres" for organising meetings, seminars, brainstorming sessions, etc.;

- a wide range of pooled services to facilitate occupants' everyday lives: *food trucks, secure lockers for receiving and returning parcels, nurseries, fitness centres, restaurants, showers, charging points for electric cars and bicycles, etc.*

To conceive and design these working environments, Befimmo (i) draws inspiration from and surrounds itself with experts, (ii) encourages its various teams to work together (Property, Project, CSR, Environment, Commercial, etc.) and (iii) builds partnerships to share know-how and expertise.

The evolution of the world of work is now a fact, as is the increased digitisation of our society.

In this context of digitisation, and with the desire to offer the best workspaces possible, not only in terms of quality, comfort, and energy efficiency, but also in terms of user experience, Befimmo wanted to undertake a real consideration of its buildings, genuine living spaces for thousands of workers.

ACHIEVEMENTS 2019

Coworking centres

In 2017, Befimmo and Silversquare have joined forces to develop a Belux network of interconnected workspaces to better meet the increasing needs of flexibility of the users of working environments. By the end of 2018, one year after the creation of the Silversquare @Befimmo joint venture, Befimmo acquires a controlling stake of 61% in Silversquare. With the acquisition, Befimmo will offer different workspace solutions in a Hybrid Offices model, going from the traditional office, over the mixed office with coworking and traditional space, to the full coworking building.

In May 2018, the first 4,000 m² of coworking space were set up in the Triomphe building, chosen for its excellent location. In October 2019, the Zaventem coworking space (2,800 m²) opened in Ikaros Park.



In 2020, this network should consist of 8 spaces (36,000 m²) in Brussels, its periphery, other Belgian towns and cities and the Grand Duchy of Luxembourg. In Befimmo's portfolio, several new coworking spaces are under development, notably in the Central Gate building in Brussels city centre (opening in September 2020), and in the Paradis Express project in Liège and the Quatuor project in the North area of Brussels (both opening in 2021).

Smart building (hyperconnectivity)

After an initial internal discussion process, Befimmo wishes to open up the discussion to its partners and contacts in order to answer the following question: how can the Smart Building improve the world of work, and the user experience in particular?

Befimmo first of all brought several external stakeholders, such as experts and existing/future partners, together around the table in the form of workshops to better understand the advantages that a connected office building could have for the tenants and service providers as well as for the owner itself.

The next step? Meeting with the tenants to better determine their real needs and expectations as well as their concerns. This discussion, which is intended to be comprehensive and innovative, should lead to the establishment of an action plan for future years.

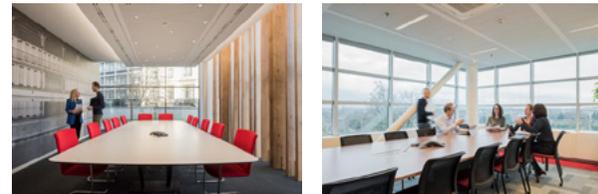
Creating links, means proposing an inspiring experience within an ecosystem that creates opportunities through a network of digital spaces and an efficient internal organisation. With this goal in mind, Befimmo grouped a series of digital transformation projects under the name "LynX programme". This programme gave the opportunity to coordinate current projects (like BIM, virtual visits, optimisation of accountancy systems, client relations, "Smart Building" or Business Intelligence solutions) and to initiate new strategic projects.

Services and facilities

Befimmo has already carried out various projects at its **Ikaros Business Park** site, located in the Brussels periphery, which is equipped with the most advanced tools in terms of efficiency and working convenience. All tenants have access to a nursery, a restaurant, a fitness centre, shared meeting rooms, flexible office spaces, etc.



Another example is the fitting-out of flexible meeting rooms on the ground floor of the **Blue Tower** and **Triomphe** buildings. At an ideal location, these meeting rooms are equipped with the latest audio-visual technologies and are offered to tenants of the portfolio at attractive rates, and also to any other companies wishing to rent a room for one or more meetings.



By launching the "On-Site Ahooga Bike Store & Services" concept, Befimmo aims to reduce barriers to the use of bicycles (electric or non-electric) in companies by offering an on-site service together with Ahooga.



The first Befimmo buildings to offer the new on-site service are **Central Gate**, located in the centre of Brussels, close to the central train station and the **Triomphe** building, located in Ixelles, which has also been hosting a Silversquare coworking centre since May 2018.

➔ Sheet on "Mobility"

Since late 2019, a transversal team Services and Facilities has been created at Befimmo (including members of the teams Facilities, Commercial and CSR). The goal of this team is to create a database of the tenant's needs through physical encounters. The goal of this "user centricity" approach is to be closer to the client or user. Afterwards, the necessary services will be analysed and implemented in the different buildings.

Smart Ways of Working (SWOW) – the Befimmo environment as a laboratory

Befimmo attaches great importance to taking a coherent approach. In the buildings it occupies it has tested the transformation of offices into meeting spaces and exchanges between the various team members. It has devised a project for implementing "Smart Ways of Working" (SWOW) for its employees, which came to fruition in late 2016. Today, Befimmo offers an open, bright, flexible working environment equipped with modern technology, that stimulates exchange and creativity.

The focus has been placed on opening up workspaces, collaboration, ergonomics, acoustics, computing and ease of movement and connection. Apart from the physical transformation of the working environment, Smart Ways of Working also involve a change of mindset in the organisation of work.

Since 2017, Befimmo continues its ongoing reflection on the New World of Work in order to keep listening to its team, ensure its well-being, and to experiment with innovative forms of layouts and organisation that can potentially be transferred to the operational property portfolio.

In 2019 notably, some departments chose to reorganise their furniture to create a more collaborative working environment. Furthermore, many staff members are now also testing the coworking spaces within the framework of flexibility at work.

Health and safety

One Property Manager works half-time as Risk Coordinator. He is responsible, among others, for regular monitoring of quality and risks related to the operational, technical and administrative management of the buildings and renovation and upgrade projects. In 2019, they managed one incident involving people.

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

*The in-depth analysis of the Sustainable Development Goals (SDGs)¹, conducted in 2017, enabled Befimmo to identify the issues on which its activities could have a positive or negative impact and to define strategic priorities. According to this analysis, the strategic priority **World of work** impacts the targets of the following SDGs:*



3.9: Substantially reduce the number of illnesses from hazardous chemicals and air, water and soil pollution and contamination in the workplace



8.2: Achieve higher levels of economic productivity through technological upgrading and innovation: offer pleasant and innovative workspaces

8.8: Promote safe and secure working environments

¹ <http://www.un.org/sustainabledevelopment/>



KEY INDICATORS

The best way to measure this evolution of the world of work, and Befimmo's ability to adapt to it, is to observe the occupancy rate of its buildings, the development of a community in coworking spaces and hence indirectly the satisfaction of the tenants.

Befimmo applies the global method for assessing the environmental performance and sustainability of buildings developed by BREEAM (BRE Environmental Assessment Method) to the whole of its portfolio, whether in operation or under construction/renovation.

It pays special attention during the design phase of its projects to the future satisfaction of the occupants and users of its buildings and aims to secure their loyalty by providing quality spaces in

good locations and that are flexible, efficient in terms of environmental management, use of space, etc. The high level of BREEAM certification and quality criteria that it strives for in its developments take full account of the considerations and requirements regarding people's health and well-being.

Furthermore, Befimmo also follows and is inspired by other benchmarks and certifications, such as *Well*² or *Be Exemplary*³ certifications, etc. that take account of the well-being of the occupant.

This is an extract from Befimmo's global action plan, linked to the strategic axe "World of Work". to consult the full action plan, please go to the following page of the Befimmo website:

<https://www.befimmo.be/en/investors/publications?type=76>.

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA sBPR
Occupant satisfaction rate	Satisfaction measuring in terms of services, HVAC comfort, security, connectivity, communication with Property, access for people with reduced mobility (rolling list)	Not calculated	100%	2030	EPRA H&S-Asset GRI 416-1

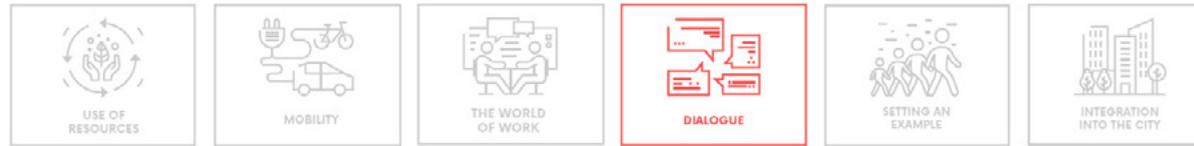
² <https://www.wellcertified.com/>

³ Exemplary Brussels buildings (<https://urbanisme.irisnet.be/be-exemplary>)



DIALOGUE

- Understand the expectations of our stakeholders in order to act and/or improve our offer -



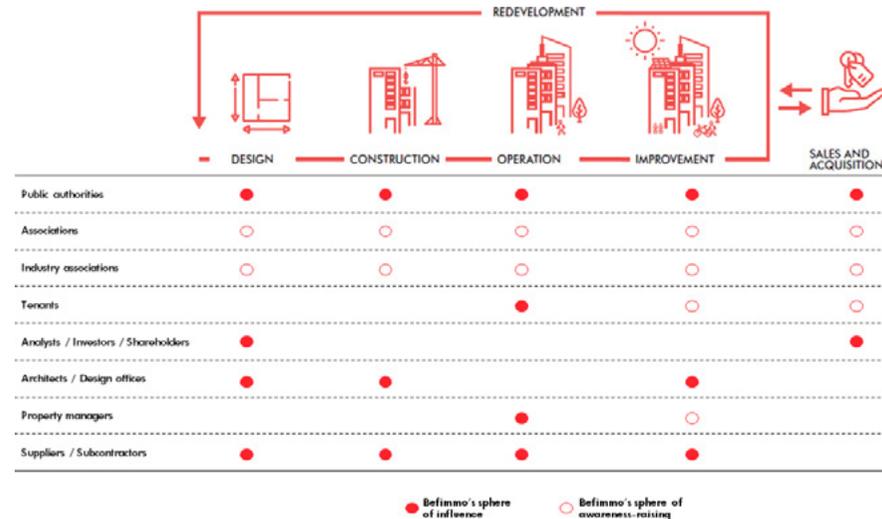
DESCRIPTION

Befimmo brings together many players at the different stages of a building's life cycle (see illustration on the right).

Conducting a constant and proactive dialogue with them ensures that the Company keeps in step with the expectations of its stakeholders and a constantly changing society. Alongside electronic channels, we give preference to direct face-to-face contacts because they strengthen human bonds and allow qualitative exchanges that transcend figures and surveys.

Dialogue and listening are the best ways for Befimmo to move forward in a positive societal direction. This approach is used in a cross-cutting way to innovate on the various strategic areas, namely integration in the city, the changing world of work, mobility and setting an example.

Befimmo's whole Social Responsibility approach is underpinned by dialogue to ensure that it is accurate and relevant.



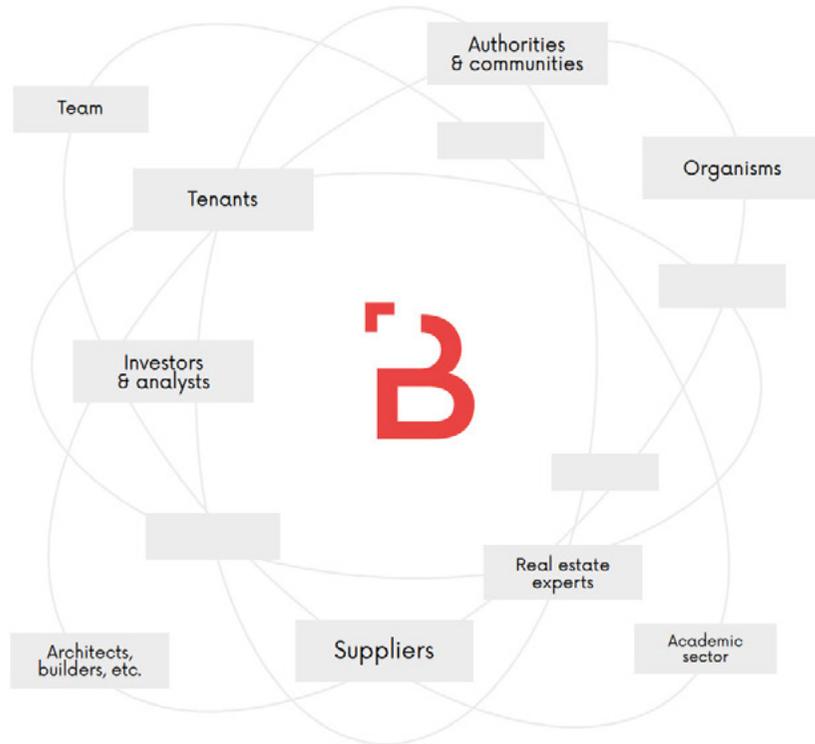
OBJECTIVE

Befimmo's objective is to continually improve the regular dialogue with all its stakeholders, enhancing the communication tools by adapting them to each stakeholder and giving preference to human contacts. It is a matter of opening the dialogue in order to innovate.



Main stakeholders

Befimmo is continuing with its regular dialogue with all of its internal and external stakeholders, seeking to balance their various expectations against the issues it regularly faces.



STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	COMMUNICATION MODE
Financial community (investors, analysts and shareholders)	<ul style="list-style-type: none"> Financial and strategic transparency In line with the corporate governance principles Ethics Business longevity Financial performance 	<ul style="list-style-type: none"> Letter to the shareholders General meetings Press releases and financial reports Roadshows, fairs and investor days Information on the website and on social media (LinkedIn)
Public authorities	<ul style="list-style-type: none"> Monitoring legislation Good relationship and open dialogue with the bodies (IBGE, etc.) 	<ul style="list-style-type: none"> Transparent and regular contact during projects
Associations multi-stakeholder forums	<ul style="list-style-type: none"> Awareness of challenges Information sharing, collaboration 	<ul style="list-style-type: none"> Implication in various projects Meetings, workshops and seminars
Tenants and occupants	<ul style="list-style-type: none"> Comfort, well-being Innovative solutions Good relationship with the Property Manager Alternative mobility offer 	<ul style="list-style-type: none"> Complaint platform, contact service Punctual satisfaction surveys Dedicated extranet per tenant Newsletters
Suppliers and subcontractors	<ul style="list-style-type: none"> Fair working practices Security and well-being Good relationship with the handler Compliance 	<ul style="list-style-type: none"> Charter of responsible procurement Encounters Regular communication Construction site visits
Local communities and residents	<ul style="list-style-type: none"> Transparent communication relative to construction and renovation projects 	<ul style="list-style-type: none"> Events and information sessions for and to involve residents Regular communication Opening of new projects on the city
Players involved in construction: architects, design offices, contractors, trades	<ul style="list-style-type: none"> Clear and recurring communication relative to building sites Security on-site 	<ul style="list-style-type: none"> Construction site meetings Regular communication Specification
Academic sector	<ul style="list-style-type: none"> Partnership for some projects to develop 	<ul style="list-style-type: none"> Partnership Participation in researches
Team members	<ul style="list-style-type: none"> Good working conditions Professional development Global and personal performance Trainings Comfort and well-being Motivating compensation 	<ul style="list-style-type: none"> Permanent communication (through the Intranet, innovation walls, screens, etc.) Team events, Comité B+, transversal groups Annual assessments and satisfaction surveys, Vox Collector LynX programme (agile method, collective intelligence, etc.) Employee Assistance Program Trainings (language courses, mindfulness, etc.)



APPROACH AND ACHIEVEMENTS 2019

1. Dialogue with external stakeholders

■ Financial community (investors, analysts, shareholders)

- » The Communication department is responsible for communicating transparently about the Company's activities and their follow-up. The information is published in the form of (annual and half-yearly) reports and press releases. Furthermore, various events are organised for this stakeholder group, like roadshows and investors days for investors, conference calls and presentations for analysts and general meetings for shareholders. Befimmo also participates in multiple financial fairs.

■ Public authorities

- » **European Union:** monitoring developments in new legislation.
- » **Brussels: Leefmilieu Brussel | Bruxelles Environnement:** Befimmo endeavours to maintain good relations and synergies with Bruxelles Environnement. This ensures follow-up of regional legislation and facilitates interactions during the design phase of major renovations.
- » Since 2017, Befimmo participated among others in the **TOTEM project**¹. By recommending the use of this tool for its real-estate projects, Befimmo contributes to its diffusion. This also opens dialogue on the social impact of material choice and constructive techniques with architects and design offices.

 Sheet on "Use of resources - Circular economy"

■ Associations and multi-stakeholder forums

- » **Professional Union of the Real-Estate Sector (UPSİ):** Befimmo remains committed to its relationship with UPSİ. UPSİ and Befimmo actively cooperated again in 2019 via working groups to incorporate federal and regional real-estate requirements. During the 2019 fiscal year, the following main topics were dealt with: P.L.A.G.E., the reform of property taxation, prevention of fire and explosion in car parks, ventilation of workplaces, public car parks, VAT on rental of professional buildings, urban planning charges (Wallonia), etc. The CEO is a member of the UPSİ board of directors. The CFO also participates in the UPSİ Taxation Committee. The COO and the CFO co-chair the UPSİ Investors Committee, which discusses dossiers of specific interest for investor members.
- » **RICS | Royal Institution of Chartered Surveyors:** RICS is a British professional body whose mission is to regulate and promote the real-estate profession, maintain a level of excellence and professionalism among its members through continuous training, and protect customers and consumers through a strict code of ethics. It is an independent not-for-profit body with more than 125,000 qualified members in some 150 countries. RICS assists its members in fine-tuning their sustainable development strategy. The CEO of Befimmo is a fellow member of RICS.
- » Befimmo is an active member of the Belgian network **The Shift** which brings together more than 300 organisations committed to sustainable development. In 2017, the CSR team took an active part in the debate on integrating the Sustainable Development Goals into the GRI guidelines. In 2018, the Company also participated in multiple events organised by The Shift, notably on the SDGs. Through The Shift, Befimmo also became leader for the « [Sign for my Future](#) » campaign early 2019. This campaign aimed to encourage governments to take measures to save our climat.

¹ The TOTEM project, set up by the three Regions, consists of developing a method and tools for assessing the impact of materials adapted to the Belgian construction context. This method has been developed in line with European standards for assessing the environmental impacts of buildings (<https://www.totem-building.be/>).



- » Moreover, since 2018, the CSR Officer is a member of **Generation T**, the sustainable development network from The Shift and the youth organisation Act4Change. Generation T brings together youngsters to give them more visibility, to reinforce their projects and to challenge sustainability policies from companies and other organisations.
- » Befimmo participates actively in certain meetings organised by the **Scientific and Technical Construction Centre (CSTC)** on more technical questions, notably on the BIM, circularity and environmental subjects. More specifically, in 2019, Befimmo joined the [research project "Smart Building in Use"](#), which is a cluster that supports companies in the computerisation of maintenance and management of buildings.
- » **European Public Real Estate Association (EPRA)**: EPRA is a professional organisation that defends the real-estate sector's interests across Europe. In 2018, the General Counsel & Secretary General ("GC") and the CFO again sat on the Tax & Regulatory Committee, a working group on European regulatory issues.
- » The CFO participates in the Reporting & Accounting Committee, a working party handling the standardisation of financial performance indicators and accountancy topics. The Head of IR & Communication takes part in the IR Committee, on communication towards investors.
- » At the end of 2019, Befimmo won the "EPRA Gold Award - Financial Reporting" and "EPRA Gold Award - Sustainability Reporting" prizes for the Annual Financial Report 2018.
 [Sheet on "Reporting & recognitions"](#)
- » The members of the Management Committee belong to professional associations in their fields of expertise. For example, the General Counsel & Secretary General is a director of the **Federation of Enterprises in Belgium (FEB)**, member of the Advisory Council of the **European Issuers** association (analysis and exchange on topics of common interest for listed companies, monitoring of financial regulations, governance issues, etc.) and member of the **Institut Des Juristes d'Entreprise** (institute of company lawyers).

- » The CFO and the General Counsel & Secretary-General are members of the "**BE-REIT Association**", founded in December 2015 (discussion of various aspects of accounting and tax regulations impacting the sector). The CFO is the chairman and the General Counsel & Secretary-General is the head of the Legal & Regulatory Committee.

▪ Tenants and occupants

» Targeted communication

Befimmo's Communication team supports the Property Managers to guarantee the occupants a clear and cohesive communication. Different communication channels are used: newsletters, screens in the entrance halls, surveys, events and information sessions.

» Welcome Pack

To guarantee the best welcome for a building's occupant, Befimmo initiated a welcome pack in 2018 to present their contact person at Befimmo, the infrastructures, services and facilities of the building.

» Provision of a Building User Guide

The Building User Guide is a guide for the tenants of the building to the proper operation of the installations and for limiting its environmental footprint. The Property Manager sends this document to new and existing tenants.

The objective is to finalise the Building User Guides and make them available on an electronic platform for all Befimmo buildings managed by the Property Management, based on the priorities.

» Helpsite

The helpsite is a powerful system that ensures the Property Manager to plan, implement and monitor incidents and requests for intervention. This online collaborative application offers notably secure external access for tenants (and suppliers).



The helpsite enables to optimise incident management by the Property Management and to propose tenants an effective follow-up of their submitted requests.

» [Extranet](#)

In 2017, Befimmo set up an extranet for tenants. It is a website with secure access specific to each tenant. On the site, Befimmo provides occupants with information about their buildings: a photo gallery, news and documents specific to their building(s), news and general documents, and documents specific to their lease(s).

Following the successful first phase in 2017, Befimmo expanded the access to the tenant extranet to occupants of all portfolio buildings in 2018.

▪ **Suppliers and subcontractors**

- » In an effort to integrate the CSR approach even more in its supply chain, Befimmo developed a [responsible procurement charter](#) to communicate its expectations in terms of the supplier engagement in a clear way.

The orders placed by a member of the Befimmo team are confirmed through the means of an order form, which is sent to the supplier. By signing the order form, the supplier indicates that he has read and approved the responsible procurement charter (annexed to the order form). Since the creation of this charter early 2018, every placed order included a link to the general conditions and the responsible procurement charter. Given the importance of CSR at Befimmo, suppliers who do not respect the charter are likely to be replaced.

▪ **Local communities and residents**

- » Every building is part of a community, an environment. Befimmo aims to ensure that every building in its portfolio integrates harmoniously into the neighbourhood where it is located, in terms of its architecture, the pooled services it offers and the activities taking place inside.

In this context, Befimmo reaffirms its commitment to meet the expectations of the external community by designing buildings that are open on the city. A practical example is the construction of the Quatuor. On top of the information sessions organised for the residents regarding this construction project, other, more playful initiatives are also put into place to contribute to the revolution of the Brussels North district. Painters and illustrators have carried out a monumental work on the hoardings installed all around the building site of the project. Workshops on urban gardening and painting activities for kids around the construction site animate and involve the community even more.

▪ **Players involved in construction: architects, design offices, contractors, trades**

- » The **Project** department coordinates the various players in the planning and design stages for building and renovation work. One of the key projects of last year is ZIN. In 2018, Befimmo applied for a permit for this project, located in the North area of Brussels. It concerns the redevelopment of the site of the present WTC Towers 1 and 2. ZIN is a multifunctional project of about 110,000 m² above ground. Thanks to its various functions, integrated with one other, the project will make a fundamental contribution to bringing back a true new dynamic to the North area; the Up4North association is already providing the impetus for it to evolve towards a real lively city district, all week long. ZIN will be fully integrated into its urban ecosystem and will be open to the city.

 [Sheet on "Integration in the city"](#)

- » The **Property** department coordinates the players involved in improvement works in the buildings.
- » The **Building Information Management (BIM)** system is a set of processes designed to guide the implementation of certain construction processes and to facilitate the communication, exchange and management of data for real-estate projects. The BIM involves all players involved in construction and several Befimmo departments. It is not restricted to the building process, but concerns a property's entire life cycle. It was introduced in early 2017. Since then, four projects are managed in BIM.



Befimmo organises round tables on an annual basis with its operating partners and property managers of Belgian buildings to share respective experiences and to identify collaboration opportunities.

- » The BRE Environmental Assessment Method ("**BREEAM**") is a global standard and rating system for buildings. Befimmo has been following up and applying BREEAM certification since 2010 for all of its portfolio, both operational buildings and those under construction or renovation.

➔ Sheet on "Environmental certification & compliance"

- » The Up4North association, which brings together the main institutional owners of the North area, has continued its work, under Befimmo's leadership. The ecosystem created in WTC Tower 1, which is now re-installed in the CCN building that several owners have made available to multiple organisations (a university, architects, start-ups, a library, artists, a conference centre, etc.), bringing added value to the neighbourhood, has helped to raise awareness among stakeholders, including the regional and city public authorities, that the North area is a tremendous asset, so close to the historic centre of the city, and with the largest public-transport hub in the country. After the temporary occupation in the CCN building, the Up4North ecosystem will find a new space in the North area to continue its revitalisation mission.

➔ Sheet on "Integration in the city"

▪ Academic sector

- » Befimmo is collaborating with the VUB and other parties to organise a "Chair on Smart Cities".

2. Dialogue with internal stakeholders:

▪ The team

- » In addition to the day-to-day support work of the Talent Management Department, Befimmo has set up a number of internal communication channels:
 - The **intranet** is the main communication channel for formal and informal information in a user-friendly way;
 - Team members or departments give "**breakfast & lunch presentations**" on a variety of topics, to highlight particular aspects of the Company's business;
 - In late 2019, all Befimmo staff were invited to express their degree of **satisfaction** with the Company's internal workings. This **survey** is conducted every other year, and gives the HR department feedback on office layout, working conditions, etc. The results of this survey were published early 2020. On top of this survey, Befimmo installed a Vox Collector in its entrance hall. This machine asks a new question to the staff members every single day. The staff can answer by pressing "I agree" or "I disagree". This survey method is quick and gives the opportunity to gather more information throughout the whole year.

➔ Annual Financial Report 2019, chapter "The team"

- In 2017, Befimmo launched an **innovation campaign**, which persists to this day. It's a genuine participative approach to involve the team in strategic axes at the heart of Befimmo's business. Team members are invited to share their thoughts on the "innovation wall" and to join one or other working group that inspires them, in a process of collective intelligence, to devise innovation projects and bring them to fruition.

➔ Sheet on "Setting an example"

- To improve communication between departments and to facilitate transversal projects, **collaborative IT tools** were introduced (Teams, Sharepoint, other programs under consideration and/or in development).



- Creating links, means proposing an inspiring experience within an ecosystem that creates opportunities through a network of digital spaces and an efficient internal organisation. With this goal in mind, Befimmo grouped a series of digital transformation projects under the name “**LynX programme**”. The management method of the programme is agile. The project leaders work in short iterations, which pushes them to test the relevance of their solutions rapidly. All these projects also follow a user-oriented approach.
- Befimmo also proposed various **team events, training** and an **EAP**.
 Annual Financial Report 2019, chapter "The team"

▪ The Board of Directors

The Directors of Befimmo take part in defining and approving budgets and taking major decisions on Social Responsibility, especially at strategy meetings and at the quarterly meetings when the results are published.

▪ The Executive Committee

Within the framework of the strategy and the general policy defined by the Board of Directors, the Executive Committee ensures the effective leadership and management of the operational activities of the Company.

▪ The Social Responsibility Team (SRT)

At strategic level, the Social Responsibility Team consists of five people including three members of the Executive Committee: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Head of Environmental Management (HEM) and the Head of CSR & Innovation (HCSR&I). This Team meets every quarter and is responsible for developing and monitoring the CSR Action Plan, and releasing adequate

resources, and takes an active part in the annual management review of the ISO 14001 Environmental Management System.

 Sheet on "CSR governance"

ASSESSMENT

Assessments of its responses to CDP, EPRA, GRESB, MSCI, Oekom and Vigeo allow Befimmo to see how it is evolving over time and to compare itself with its peers. The results of these assessments also help to determine the relevance of the aspects of its Social Responsibility.

 Sheet on "Reporting & recognitions"

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

*The in-depth analysis of the Sustainable Development Goals (SDGs)², conducted in 2017, enabled Befimmo to identify the issues on which its activities could have a positive or negative impact and to define strategic priorities. According to this analysis, the **Dialogue** strategic axis impacts the targets of the following SDGs:*



16.7 Include stakeholder expectations in decision-making



17.16 Share experience and expertise with stakeholders

² <http://www.un.org/sustainabledevelopment/>



KEY INDICATORS

This is an extract from Befimmo's global action plan, linked to the strategic axe "Dialogue". to consult the full action plan, please go to the following page of the Befimmo website:

<https://www.befimmo.be/en/investors/publications?type=76>.

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA SBPR
Part of the suppliers with whom we maintain a dialogue	A supplier is assessed (quality and CSR aspects) when he was analysed by the CSR team and when an encounter occurred at least once a year.	6%	100%	2022 (2025: also include the corporate suppliers)	GRI 308-1 GRI 414-1
Investor targeting / Investor relations	Implementation of targeting criteria, identify new roadshow cities (if the need is identified based on the targeting criteria), identify new potential investors (following the targeting criteria), maintain a recurring relation with (potential) (identified) private and institutional investors through recurring encounters, carry out a perception study and a targeting study every 2 years.	Not calculated	100%	2021	GRI 102-21 GRI 102-40 GRI 102-42 GRI 102-43
Aim for the integration of Befimmo in sustainable indexes and funds	In order to measure the recognition of investors regarding Befimmo's durability, the level of integration of the Befimmo share into sustainable funds and indexes is measured.	Not calculated	100%	2030	GRI 102-21 GRI 102-40 GRI 102-42 GRI 102-43



MOBILITY

- Accessible buildings and optimised commuting -



DESCRIPTION

Brussels is one of the most congested cities in the world. According to the "Traffic Index", Brussels is the 16th most congested European city¹. Constant car traffic has an impact on air quality and the quality of life in the city. Two thirds of this congestion is due to the use of cars for commuting².

Since almost all of Befimmo's property is located in a city, stakeholders have emphasised the importance of Befimmo contributing to solutions for more fluid and environmentally friendly mobility in relation to its buildings. Within the limits of existing infrastructures and available public transport, Befimmo intends to mitigate the societal impact of the occupants of the building and its employees commuting by car.

OBJECTIVE

Befimmo maintains its policy of raising awareness in the team, testing and gradually incorporating mobility solutions into its services for occupants of buildings in the portfolio.

¹ The "Traffic Index " is based on user GPS data (https://www.tomtom.com/en_gb/trafficindex/).

² 36.2% in Brussels according to a study by the Federal Public Mobility Service in 2017 (https://mobilit.belgium.be/fr/mobilite/domicile_travail/rapport_derniere_edition).



APPROACH

These issues are managed at various levels within the organisation:

- A Mobility Team initiates cross-cutting measures under the innovation programme (alternatives to the company car, awareness raising, etc.);
- The property managers initiate specific measures for the occupants of their buildings (provision of car-pooling, bicycle or scooter sharing services, awareness-raising activities, etc.);
- The Project and Investment teams integrate mobility criteria into their investment choices and renovation plans (proximity of public transport, alternative modes of transport, etc.);
- The HR department devises mobility benefits for employees (mobility packs, homeworking, cafeteria plan, provision of electric folding bikes, etc.).

ACHIEVEMENTS 2019

Actions towards staff members

- **Flexibility in terms of mobility:** in 2019, the HR department has set up mobility packs ("mobility@BEFIMMO"), enabling the team members to choose the mobility solutions that best suit their needs. Therefore, they have the possibility to give up their company car in exchange for public transport passes, an electric folding bike and other advantages including the access to a range of alternative mobility solutions that can be obtained through the means of a cafeteria plan ("mychoice@BEFIMMO").
- Since 2014, Befimmo has incorporated a **pooled electric vehicle and three electric bikes** in its fleet of vehicles for intra-urban travel. The latter is in growing use by the team.

- **B-Switch:** Befimmo has acquired a fleet of ultralight electric folding bicycles. In exchange for a commitment to share a parking space with a colleague, team members taking part in the programme are provided with a bicycle.

A win-win solution in every respect: grateful commuters, a clear reduction in car use and the associated pollution, and a saving in car park rental.

Since 2017, 40 staff members are participating in this project (29 members in 2017 and 11 additional members in 2018). In view of the project's success, Befimmo is offering shared electric bikes for daytime business trips to all tenants in its headquarters building.

- **B-Move:** Befimmo challenged its staff members during one month by making them move for a noble cause. The Company undertook to sponsor each travelled kilometre walking, running or cycling by using an application. Hence, the team was able to raise €5,000 for an association.



Actions towards building occupants

- Installation of **electric vehicle charging points** for building occupants and their visitors;
- Installation of **showers and cycling infrastructure** in all buildings, in accordance with BREEAM recommendations;
- Promotion of **shared mobility** solutions to occupants of buildings;



- **"On-Site Ahooga Bike Store & Services"**: An Ahooga team runs a service point on site to help tenants learn how to use an electric (or non-electric) bike, folding or flexible. The first Befimmo buildings to offer the new on-site service are Central Gate, located in the centre of Brussels, close to the central train station and the Triomphe building, located in Ixelles, which has also been hosting a Silversquare coworking centre since June 2018. The goal is to give workers the opportunity to easily discover and test the use of a greener means of transport for short trips. If the experiment proves successful, Befimmo plans to extend this service to other buildings in its portfolio;
- Testing of digital solutions enabling the improvement of the **dynamic parking use and management** within the portfolio;
- **Fietsevent 2019**: Together with VOKA³, an information session on bike solutions for companies was organised in the Ikaros Park in Zaventem. The participating companies were informed on development practices of a mobility policy adapted to bikes for their team members.



Market actors presented different mobility solutions, giving the opportunity to participants to test innovative solutions.



ASSESSMENT

In 2019, Befimmo established a scorecard, which gives the opportunity to assess the part of the portfolio that is easily accessible by public transports and that offers mobility solutions.

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

*The in-depth analysis of the Sustainable Development Goals⁴, conducted in 2017, enabled Befimmo to identify the issues on which its activities could have a positive or negative impact and to define strategic priorities. According to this analysis, the **Mobility** strategic axis impacts the targets of the following SDGs:*



3.6: Promote the use of public transport
Reduce commuting distances



11.2: Provide access to sustainable transport systems

11.6: Pollution generated by motor vehicles

³ Network of entrepreneurs - <https://www.voka.be/>

⁴ <http://www.un.org/sustainabledevelopment/>



KEY INDICATORS

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA sBPR
Part of the portfolio that offers real mobility solutions	A building is considered to be offering real mobility solutions when the public transport frequency, the diversity and the access to mobility solutions is satisfactory.	41%	80% 100%	2025 2030	EPRA H&S Asset GRI 416-1
Members of the team who changed their mobility	Change its mobility involves: <ul style="list-style-type: none"> ▪ To choose an alternative fuel car (electric-CNG-hybrid); ▪ To choose a car of a lower class or a smaller car; ▪ To give up its company car. 	13%	40%	2030	EPRA GHG-Indir-Abs EPRA GHG-Dir-Abs GRI 305-1 GRI 305-2 GRI 305-5



SETTING AN EXAMPLE

- Being a positive influence on our stakeholders -



DESCRIPTION

Befimmo is a real-estate operator specialising in quality office buildings. With a property portfolio of about 900,000 m², Befimmo has the opportunity to engage its stakeholders in a responsible approach.

Befimmo has decision-making power over many of the real-estate projects it develops. This allows it to have a positive influence on the choices and decisions of its partners (architects, subcontractors, suppliers, public authorities, investors) so as to meet the expectations of society.

APPROACH AND ACHIEVEMENTS 2019

- **Towards investors**
 - » The Executive Committee publicly commits to the Company's Social Responsibility.
 - ➔ Annual Financial Report 2019, chapter "Message from the president and the CEO"

OBJECTIVE

Befimmo intends to use its influence in a beneficial way to meet the expectations of society and, more generally, to make a positive contribution to the Sustainable Development Goals set by the United Nations.



- » Social Responsibility is integrated into the Company's strategy and its approach to innovation.
→ Annual Financial Report 2019, chapter "Our strategy"
- » Befimmo responds systematically to questionnaires from analysts such as CDP, GRESB, EPRA, MSCI, Oekom and Vigeo Eiris. In return, their assessments allow Befimmo to measure the progress in its performance from year to year and compare itself with its peers.
→ Sheet on "Reporting & recognitions"
- **Towards suppliers**
 - » Befimmo's approach to innovation is open to collaboration with external partners (suppliers, subcontractors, research and development partners and the academic world), such as in the "ZIN" project.
→ Sheet on "Integration into the city"
 - » Befimmo has implemented a collaborative supplier assessment tool. This tool allows all staff to assess and search for suppliers based on the quality of their services and their approach to Social Responsibility in a list incorporating these assessments. In total, 103 assessments were made by the Befimmo team since the creation of the tool in April 2018.
 - » The environmental impact is integrated into all purchases throughout the quality matrix.
→ Sheet on "Use of resources - Responsible procurement"
 - » Maintenance companies are made aware of the impact of the running of the technical installations on the quality, as well as on environmental and energy performance of the buildings in the portfolio.

- **Within the team**

- » All staff are invited to take part in the innovation process. Its genuine participatory approach allows the team to be involved in the core topics of Befimmo's Social Responsibility. Team members have been invited to share their thoughts on the "innovation wall" and to join a working group on a topic that they care about, in a process of collective intelligence, to devise innovation projects and bring them to fruition. Since the founding of the project in 2017, a some fifteen projects are ongoing, some of which are already implemented.
- » Creating links, means proposing an inspiring experience within an ecosystem that creates opportunities through a network of digital spaces and an efficient internal organisation. With this goal in mind, Befimmo grouped a series of digital transformation projects under the name "LynX programme". The management method of the programme is agile. The project leaders work in short iterations, which pushes them to test the relevance of their solutions rapidly. All these projects also follow a user-oriented approach.
- » As the occupant of a building in its own portfolio, Befimmo uses its own workspaces to test innovative solutions with the participation of its employees and to implement these solutions within its portfolio (e.g.: services such as Bringme, shared meeting rooms, shared bikes, even drillings, etc.).
- » The General Counsel & Secretary General (member of the Executive Committee) is responsible for updating and compliance with the code of ethics and the corporate governance charter. She also acts as Compliance Officer and, in that capacity, checks that in-house rules and procedures are followed, so as to prevent the risks of market abuse.
→ Sheets on "CSR governance" and "Ethics"

- **Towards other stakeholders**

- » Befimmo keeps its communication transparent and relevant in response to stakeholder expectations.
→ Sheet on "Dialogue"



- » Open to dialogue with its stakeholders, Befimmo takes part in many debates to learn, describe and share experiences, challenges and solutions.

➔ Sheet on "Dialogue"

▪ Towards the local community

- » In the context of the Up4North association, Befimmo made space available in the WTC 1 building (now re-installed in the CCN building) to foster meetings and cooperation between the various stakeholders in the neighbourhood.

➔ Sheet on "Integration into the city"

- » Participation in social action in the local community via Be.Face. This body is a movement of responsible businesses which aims to build bridges between the needs of associations and resources of the business world, in terms of time, activities and equipment. Through Be.face, Befimmo got in touch with the public social welfare centre of its municipality (CPAS) and decided to reallocate its budget usually assigned to end-of-year treats for the team to end-of-year presents for disadvantaged children and older people in the municipality, organised by the municipal public social welfare centre (CPAS).

- » Comité B+, set up in 2011 at the initiative of the staff and with the support of the Executive Committee, has continued its efforts to organise activities for the team. In 2019, Comité B+ was split into two groups: one group took care of all sporting, cultural, family and festive activities, whereas the second group organised all social and charity activities.

➔ Annual Financial Report 2019, chapter "The team"

ASSESSMENT

- External recognition by neutral organisations such as CDP, GRESB, EPRA, MSCI, Oekom and Vigeo Eiris.

➔ Sheet on "Reporting & recognitions"

- Assessment of the quality of relationships with suppliers: The supplier assessment system allows for data to be extracted to reach conclusions about the quality of relationships with suppliers. These conclusions are presented to the CSR Team which will initiate any necessary dialogue with the supplier concerned for corrective action to be taken.

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

*The in-depth analysis of the Sustainable Development Goals¹, conducted in 2017, enabled Befimmo to identify the issues on which its activities could have a positive or negative impact and to define strategic priorities. According to this analysis, the **Setting an example** strategic axis impacts the targets of the following SDGs:*



1.2: Give preference to suppliers who have a CSR approach



4.7: CSR training and awareness
Awareness-raising among suppliers



11.a: Participate in urban development planning



16.5: Take part in the participatory decision-making process

¹ <http://www.un.org/sustainabledevelopment/>



KEY INDICATORS

This is an extract from Befimmo's global action plan, linked to the strategic axe "Setting an example". to consult the full action plan, please go to the following page of the Befimmo website:
<https://www.befimmo.be/en/investors/publications?type=76>.

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA sBPR
Certifications	Maintain the existing certifications (ISO and the biodiversity label)	100%	100%	Continuous	-
Part of innovative projects	A project is considered as innovative if, at the time of its design and implementation, it has included an innovation compared to the Befimmo standards (cfr. quality matrix) on minimum 2 of the strategic axes: <ul style="list-style-type: none"> ▪ use of resources; ▪ mobility; ▪ integration into the city; ▪ world of work; ▪ dialogue with stakeholders. 	42%	100%	2025	EPRA Environmental measures GRI 301 - 306
External communication	Active participation in debates, events, contests, etc. to communicate externally within the framework of our exemplarity	Not calculated	100%	Continuous	-
Green financings	Validation and implementation of financings which fall within the green financial framework	0%	10%	2030	-



USE OF RESOURCES



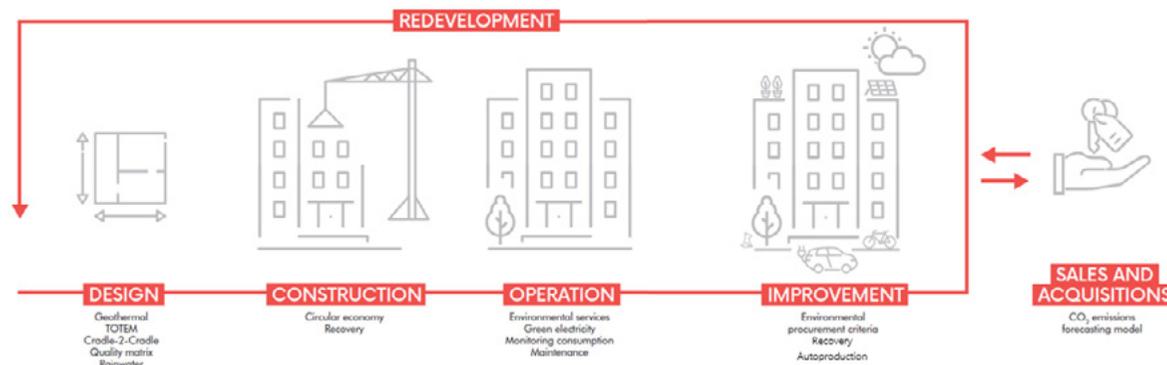
- [Water | energy | CO₂e emissions](#) -

- [Responsible procurement](#) -

- [Circular economy](#) -

Befimmo is sensitive to the expectations of its stakeholders and is aware that its environmental impact affects all levels of its business and value chain as illustrated in the figure hereafter.

We will start by describing the impact management linked to energy and water consumption. We will then describe the approaches for responsible procurement and circular economy, enabling to reduce the impact linked to construction material and their transport.





USE OF RESOURCES: WATER | ENERGY | CO₂e EMISSIONS

- Environmental footprint, greenhouse gas emissions -



DESCRIPTION

The depletion of fossil-fuel resources and global warming are the main environmental impacts on which Befimmo must act as a responsible landlord.

Energy consumption related to a building's life cycle is a very significant share of the environmental impact linked to the property business, such as the acquisition or sale of assets, the renovation or construction of buildings and their use.

To a lesser extent, water consumption is also an important topic for the real-estate service sector. Befimmo is always very sensitive and careful about conserving this resource as far as possible.

Today, the intrinsic value of a building includes criteria related to sustainable development, which reflect attention to and awareness of the climate issues on the international agenda.

Among these, the COP21 (2015) enabled to set a goal of stabilising global warming due to human activities "significantly below" 2°C by 2100 (relative to the temperature of the pre-industrial era) and even aim to limit this temperature rise to 1.5°C.

OBJECTIVE

Befimmo is investing to reduce the environmental impact related to its real-estate activities.

It aims to continue marketing and offering its tenants high-quality and environmentally-friendly buildings.



Achieving these objectives at European level necessarily entails drastic cuts in greenhouse gas emissions of some 80 to 95% by 2050 in relation to the level of emissions in 1990.

Belgium's commitment to this process has led to the development of a low-carbon strategy up to 2050. Nevertheless, it is regrettable that Belgium was unable to support the "High ambition coalition" at the COP24 of 2018, for which some 30 participating countries aim to be at the very forefront of climate action. Early 2019, Befimmo showed once more its involvement and engagement to fight climate change by becoming a leader for "Sign for my Future"¹.

Given the scale of its property business, its local roots and its use of resources, Befimmo continues to work on the environmental aspect of its Social Responsibility.

Moreover, Befimmo considers that a broad and clear vision of energy consumption is a basic requirement, essential to the good management of its buildings.

The systems for measuring and collecting consumption that Befimmo has developed and consolidated over the past few years have given it a good understanding of its environmental impact.

Apart from having full and reliable information, its policy of reducing the use of resources means that it must also factor in certain constraints related in particular to the expiries of leases², the occupants' needs for comfort³, and at the lowest level, the control of private installations.

All of these factors are part of the challenges and points requiring attention that Befimmo intends to keep addressing in the day-to-day management of its assets.

APPROACH

1) Energy efficiency

Rational use of energy and CO₂e emissions generated by its consumption are integrated into Befimmo's day-to-day management, throughout all the operational processes.

At the acquisition

The overall environmental performance and energy consumption, in particular of buildings subject to acquisition projects, are analysed in the context of detailed environmental and technical audits carried out by Befimmo's teams and supplemented, as needed, by the expertise of specialist external consultants.

The conclusions of the audits and the energy aspects in particular are incorporated into an in-house decision tool developed on the basis of Science-Based Targets. This tool, presented and validated by the Management, reflects the energy performance in the form of CO₂e emissions and assesses the impact of the asset on the overall objective of reducing CO₂e in the long term (-33% by 2030).

As the case may be, the tool identifies any potential improvement work, budgets and the timescale required to achieve the desired objective.

¹ <https://signformyfuture.be/fr/>

² Major works that allow a complete overhaul of a building, incorporating an energy strategy that goes beyond the statutory obligations, can generally take place only on the expiry of a lease. Indeed, such work involves altering the building's envelope and technical installations that are hardly compatible with the premises being occupied.

³ Befimmo leases require it to provide minimum comfort conditions for the occupants of its buildings. However some tenants, on account of the nature of their business, require the technical installations to operate for longer hours, which entails additional energy consumption.



At construction and operational level

In addition, in the context of building design and construction, Befimmo's teams pay particular attention to the study and design phases of future projects that they develop, in terms of the choice of materials and the optimisation of techniques to minimise energy consumption during the operational phase of its buildings.

The choice of materials and techniques to be implemented in the projects is made in particular on the basis of the extent of the works to be carried out on the BREEAM certification criteria and/or on the minimum technical requirements developed in-house and incorporated into a quality matrix.

→ See "Use of resources - Sustainable procurement" hereafter

With this approach and this objective, Befimmo aims to achieve energy efficiency that exceeds the statutory requirements.

The Environmental Technical Team and the team of about 15 Property Managers in charge of the operational management of the buildings are also involved in each project when the works programme is implemented and during the analysis of the projects. They provide the development teams with support and operational thinking based in particular on their experience.

These teams can call upon the Green Adviser who plays an important role in monitoring the effectiveness of energy investments on the ground while ensuring a high level of comfort for tenants.

This important work helps to structure the process and work towards a coherent overall vision on sustainable development. It also allows each project to be compared with the needs and requirements of the market and to ensure that proper thought is given to good resource management and limiting consumption. Finally, the feasibility of incorporating renewable self-generated energy systems is systematically considered for each project and, if adopted, ensures that it has a positive impact on the environment.

2) Managing and exploiting consumption data

All energy-consumption data and information for the portfolio are obtained via (i) the utility companies and energy suppliers, (ii) maintenance companies, (iii) telemonitoring of consumption, (iv) the in-house manager and (v) the building occupants.

Telemonitoring now covers a large part of the buildings of the portfolio and corresponds to the need for information coming directly from the technical installations. The buildings equipped with this facility are mainly those over which Befimmo has a significant level of control, enabling it to take immediate specific action that can lead to energy savings. This means working on the network infrastructure in some of its buildings and ongoing awareness-raising among the occupants of certain sites on which Befimmo does not control of the electricity supply.

All building consumption data are recorded in an in-house database which can also generate detailed reports useful for benchmarking, strategic thinking, provision of information for occupants and decision-making.

→ Sheet on "Dialogue"

3) Cutting CO₂e emissions

In addition to measures to optimise energy efficiency, Befimmo has been limiting the CO₂e emissions of its portfolio by investing each year since 2010 in self-generation and/or renewable energy systems such as photovoltaic solar panels, cogeneration systems (2 buildings) and geothermal energy (2 building projects).

At the same time, Befimmo is pursuing its objective of covering its entire portfolio by 2021 with green electricity supply contracts. Ceci suppose d'une part la mise en œuvre de travaux d'infrastructure réseau dans certains de ses bâtiments et d'autre part la sensibilisation permanente des occupants de certains sites vis-à-vis desquels Befimmo ne dispose pas de la maîtrise de la fourniture d'énergie.

→ See "Use of resources - Responsible procurement" hereafter



The possible additional cost of green electricity supply contracts, in line with the objectives to reduce Befimmo's CO₂e emissions, is offset by negotiating a deal for the whole portfolio.

4) Rational use of water

Befimmo considers that water consumption of its buildings is also an important topic on which it intends to act.

It therefore pays particular attention in each of its development projects to incorporating water recovery systems, leak detection, and deploying low-consumption appliances, in particular following the guidelines provided by the BREEAM certification and its in-house quality standards.

These appliances are generally supplemented by telemonitoring where available, as well as a detailed and daily monitoring of the portfolio consumption by Befimmo's Green Adviser. This system allows an ongoing optimisation of consumption and a limitation of leaks.

ACHIEVEMENTS 2019

Multi-annual investment plan

In addition to the budget allocation, in the context of the construction and redevelopment projects for its buildings, the optimisation of environmental performance and the anticipation of the associated regulations, Befimmo is implementing a specific multi-annual investment plan, with the aim of carrying out work to optimise the environmental performance of operational buildings⁴ and generally leading to an improvement in the BREEAM In-Use certification of the buildings. In 2019, the budget allocated to these works, which was fully integrated into the Company's internal mode of operation via the quality matrix it has developed, was of the order of €0.5 million.

➔ See "Use of resources - Responsible procurement" hereafter

Green energy: study of the potential for installing photovoltaic panels throughout the entire portfolio

In 2017, Befimmo carried out a study of the potential for installing photovoltaic panels throughout its entire existing portfolio. Depending on the configuration of the buildings and any subsidies granted on account of their geographical situation, the study helped to define a number of opportunities for projects to be implemented rapidly, together with the technical and financial resources required.

In 2019, 650 m² of solar panels were installed on two buildings located in Brussels. This complementary surface has been added to the 3,854 m² of panels already installed.

⁴ Replacement of old technical installations with more energy-efficient equipment, implementation of new equipment management technologies, installation of water-recovery systems, improvement of insulation, fitting of photovoltaic panels, heat pumps, etc.



Self-generation by all these installations covers electricity needs equivalent to the annual consumption of ±150 households.

The feasibility study conducted in 2017 will be pursued in 2020. The installation of solar panels on buildings to be built and/or renovated will be considered systematically.

Electricity supply contract for the portfolio

Until it achieves its target for reducing CO₂e emissions without compensation by 2030, Befimmo has already voluntarily limited its environmental impact by subscribing to a green electricity supply contract to cover the consumption of the electrical installations under its control.

To guarantee that the electricity consumed by its entire portfolio is of green origin, it has set itself the goal, as soon as it is technically and administratively possible, to take back the meters of the electricity installations that it does not control under a green energy contract.

In 2019, Befimmo took over about 10 private electricity supply meters under the same conditions as its green energy supply contract.

This positive approach will be continued in 2020 with the aim of achieving and maintaining a 100% green energy supply for all its meters by 2021.

Befimmo's CO₂e emissions reduction targets do not take account of the positive impact related to its green electricity supply contract, as it primarily aims to reduce the portfolio's energy consumption.

Geothermal energy

The ongoing construction works in the Quatuor project (four buildings together forming a complex of 60,000 m²) in the North Area of Brussels include a geothermal system. The aim is to design an innovative and sustainable office building, combining low energy consumption with an excellent thermal comfort.

In two of the four towers, the low-temperature heat is provided by a heat pump connected to a geothermal storage field while the "high-temperature" cold is provided by geo-cooling, using the same geothermal storage field.

The use of this type of technology is expected to reduce energy consumption and CO₂e emissions by 20 to 30% compared with a "traditional" solution in which all heating and cooling needs would be met by conventional installations (condensing boilers and chillers).

Given this very positive outcome, Befimmo aims to carry out a new study in 2020 on the potential and the feasibility of developing new projects based on the geothermal principle in its existing portfolio.

Finally, the ZIN redevelopment project in the North area also embraces this principle of sustainability.

Optimising the operation of technical installations

In 2018 Befimmo installed new software in some buildings to analyse the data from the regulation systems.

Initially, all the data from the programmable or other controllers in the network are recorded at regular intervals to create a "big data" system.

Then, the software processes the big data to present the information in a summarised and practical form so that the behaviour of the installations can be analysed in real time or at a later stage. Furthermore, it allows the exact functioning of the processes to be understood and any problems with the design, regulation or control of the installations to be detected.

In the event of a problem, this tool can examine the whole chain of processes that led to the dysfunction and trace the cause. This makes it a good tool for limiting energy consumption and for anticipating and reducing complaints from tenants.



In the specific case of one building in the portfolio, this system has enabled the building's overall energy consumption to be cut by 18%, for a financial saving way in excess of the amount invested.

Befimmo will continue to roll out this solution in other buildings that it has already identified in the portfolio.

Befimmo also invested in the fitting of centralised technical management systems in some of its buildings that had not yet been equipped. These installations will enable further savings of energy to be made and better monitoring of the comfort conditions in buildings and for their occupants.

Water management

At the end of 2019, a total of 110 water-recovery systems (rainwater - grey water - boreholes) were installed in 22 buildings in the Befimmo portfolio, representing 19% of its total floor area. Furthermore, all building/renovation projects examined and developed in 2019 incorporate such devices, which are in line with Befimmo's aim of reducing the mains-water consumption of its buildings.

Befimmo is maintaining the goal of reducing the water consumption of its portfolio by 15% in relation to 2016 by 2030. It will keep monitoring consumption, replacing obsolete equipment high-performance equipment and raising awareness among users and maintenance companies.

ASSESSMENT

Since 2010, Befimmo implemented an Environmental Management System (EMS) based on the ISO 14001 standard. It ensures a systematic approach to the environmental aspects of its activities and also contributes to the sustainable ongoing implementation and monitoring of its commitments.

[→ Sheet on "Environmental certification & compliance"](#)

More specifically, in terms of the use of resources related to energy and the associated CO₂e emissions, in 2017, Befimmo developed a model and a method based on the SBT⁵ principles that enable it to assess its environmental performance and to compare it with the long-term targets that it has set itself.

[→ Annual Financial Report 2019, appendix VI "Methodology"](#)

CO₂e emissions related to energy consumption have been constantly declining (13.1 kg CO₂e/m² in 2019, as against 43.3 kg CO₂e/m² in 2008). This 70% reduction in specific emissions is the result of continuous investments designed to improve the energy and environmental performance of the buildings, combined with the signing of a contract for the supply of green electricity to cover consumption of controlled electric installations of its buildings.

Befimmo believes that the targets it has set for 2030 are ambitious but achievable. It intends to continue with the investments and all necessary steps to achieve them.

⁵ Science-Based Targets.



IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

The in-depth analysis of the Sustainable Development Goals (SDGs)⁶, conducted in 2017, enabled Befimmo to identify the issues on which its activities could have a positive or negative impact and to define strategic priorities. According to this analysis, the strategic axis **Use of resources – Water, Energy, Global warming** impacts the targets of the following SDGs:



6.3: Consider reusing grey water and limiting the use of drinking water



7: There is still real potential for installing renewable energy generation systems, which should be studied, and access for tenants to the green electricity supply contract.



11.6: Reduce the use of fossil fuels to curtail air pollution in cities



13: There is still a margin for improving energy efficiency in the portfolio

KEY INDICATORS AND OBJECTIVES

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE 2030	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA SBPR
CO₂e emissions of the portfolio	CO ₂ e emissions linked to energy consumption of the buildings for common and private installations	23.75 kg CO ₂ e/m ²	18.1 kg CO ₂ e/m ²	2030 (limitation to 2°C)	EPRA GHG-Indir-Abs EPRA GHG-Dir-Abs GRI 305-1 GRI 305-2 GRI 305-5 CRE3
Specific water consumption	Tap water, rainwater, drilling water, grey water from the portfolio	265 l/m ²	216 l/m ²	2030	EPRA Water-Int GRI 303-1 CRE2

Since 2017, Befimmo has increased and consolidated its non-financial reporting perimeter by including the buildings leased by the Buildings Agency.

In fact, to implement a strategy of reducing energy consumption in the long term, it is essential to have a comprehensive view of the consumption of its portfolio as well as detailed and structured energy accounting.

⁶ <http://www.un.org/sustainabledevelopment/>



Reduce the use of fossil fuels and increase self-generation capacity in renewable energy

Befimmo aims to reduce by 50% its direct CO₂e emissions related to the heating of buildings by 2030. Apart from structural investments, this implies a transition from the use of equipment burning fossil fuels to alternatives such as geothermal energy and/or heat pumps.

In 2020, Befimmo will analyse the potential to install geothermal systems in the entire portfolio.

This switch from one form of energy to another will entail a potential increase in the electricity consumption of the buildings, which Befimmo intends to anticipate and control.

In addition, Befimmo still has a target of cutting the CO₂e emissions related to controlled indirect energy consumption by 17%, and the CO₂e emissions related to uncontrolled indirect energy consumption by 17% (excluding offsets) of its buildings. It is well aware that this ambitious aim of reducing its environmental impact can be influenced by the constantly changing needs and behaviours of society, the world of work, especially through the use of new technologies and/or a new form of mobility that is now more geared towards electricity, but it intends to stand firmly by this target.

This approach assumes flexibility and anticipation of the electricity needs that Befimmo will immediately integrate into all of its projects.

Finally, to achieve its objectives, Befimmo's ambition is firstly to maximise and/or develop existing and future renewable energy generation facilities, and to achieve 100% use of green energy across its entire portfolio, including private areas, by 2021.



USE OF RESOURCES: RESPONSIBLE PROCUREMENT

- Extend Social Responsibility throughout the supply chain -



DESCRIPTION

Befimmo's real-estate activities require substantial quantities of building materials. Meanwhile, corporate, service and facility activities consume furniture and office supplies.

The production of these materials requires natural and energy resources that have a significant impact on the environment. Transporting them is also a source of pollution and traffic congestion.

Befimmo intends to raise awareness among its suppliers in relation to budgetary constraints and technological availability, regardless of the history of its relationship with them.

OBJECTIVE

In 2020, Befimmo will continue to extend the adoption of its responsible procurement charter to its suppliers.

It also aims to improve continuously its environmental criteria and ensure their compliance for all its purchases.



APPROACH

- To further integrate the CSR approach into its supply chain, Befimmo has drafted a Sustainable Procurement Charter to clearly communicate the commitments it expects from its suppliers.
- This charter was published on the Befimmo website in early 2018. The standard terms and conditions required of all its suppliers will include abiding by the charter.
- The CSR and Environmental teams are responsible for raising the awareness of Befimmo's buyers by offering them procurement criteria guidelines. These criteria are inspired by those used for public procurement by various administrations.
- Since 2017, the environmental impact is integrated into the minimum technical requirements for buildings. From the operational standpoint, these criteria are included in the quality matrix. It is the outcome of cooperation between Befimmo's various real-estate departments (Commercial Management, Environmental Management, Property Management, Services & Facilities and Project Development) and includes the technical requirements in terms of:
 - » Design;
 - » Operations;
 - » Comfort and well-being;
 - » Energy and environmental performance;
 - » Choice of materials.

This matrix is inspired by the guidelines that Befimmo follows for BREEAM certification. It evolves in line with technological progress and feedback from the field.

These technical criteria systematically serve as a basis for the drawing of specifications.

ACHIEVEMENTS 2019

Since 2018, within the framework of a continuous improvement process, Befimmo has made its quality matrix operational. Firstly, the quality requirements (including environmental requirements) for operating techniques are annexed to all order forms. Secondly, the environmental criteria are taken as a basis of the specifications for the design and renovation of buildings.

Finally, the responsible procurement charter is communicated to all suppliers through orders.

ASSESSMENT

The Environment department is responsible for maintaining, complying and updating the quality matrix through the environmental management system ISO 14001.

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

*The in-depth analysis of the Sustainable Development Goals (SDGs)⁷, conducted in 2017, enabled Befimmo to identify the issues on which its activities could have a positive or negative impact and to define strategic priorities. According to this analysis, the strategic axis **Use of resources - Sustainable procurement** impacts the targets of the following SDGs:*



8.4: Creating real-estate value while minimising environmental impact



11.6: Environmental impact related to the use of buildings and pollution related to construction waste



12.2: Impact on natural resources of the production of building materials and installation

⁷ <http://www.un.org/sustainabledevelopment/>



USE OF RESOURCES: CIRCULAR ECONOMY

- Circular economy in at construction, renovation and operational level of buildings -



DESCRIPTION

At all stages of its life cycle, a building generates substantial flows of material (building waste, building material, operational waste, interior design, furniture, etc.).

Befimmo's stakeholders want it to take account of the indirect environmental impact from these various flows, and pro-actively contribute to reducing them in the design and management of buildings.

The strategy in terms of use of resources takes these expectations into account through the incorporation of the circular-economy principles into the management of each phase of a building's life cycle.

Furthermore, special attention is paid to the operational waste generated by its corporate activities.

OBJECTIVE

The short-term goal is to limit waste production of the portfolio and decrease the use of resources.

In 2020, Befimmo will continue to be proactive in material and furniture recovery for all of its construction sites and when tenants leave.



APPROACH

Impact of construction sites

- Involvement of the Environmental team, particularly through the quality matrix, in investment projects to support decisions on the choice of construction or renovation scenarios:
 - » Select construction and renovation scenarios based on measurements of societal impact and life-cycle analyses;
 - » Taking into account the disassembling and deconstruction capacity as from the design stage of buildings;
 - » Contribute to eco-design initiatives for materials and consider the use of recovered materials and/or materials with an environmental certification;
 - » Consider the materials/equipment coming from the service economy;
 - » Consider exploiting building material and waste on the site itself or for other applications, notably through the creation of an inventory re-use;
 - » In order to measure and compare the overall societal impact of various construction or renovation scenario's, Befimmo chose to take part in the TOTEM⁸ initiative by recommending its use for all projects employing an architect.

Impact of operating buildings

- Befimmo has implemented a waste management contract that it wishes to expand into the entire portfolio. This includes awareness-raising of users on waste sorting.
- In order to measure the efficiency, Befimmo collects and analyses the information on waste volumes per treatment type.

⁸ The TOTEM project, set up by the three Regions, consists of developing a method and tools for assessing the impact of materials adapted to the Belgian construction context. This method has been developed in line with European standards for assessing the environmental impacts of buildings.

ACHIEVEMENTS 2019

- The building contracts and the desired levels of BREEAM certification require contractors to be very strict in the management and traceability of waste produced by the sites. Manual workers and all stakeholders involved in the project are involved and educated in waste sorting. Waste management plans are drawn up by specialist consultancies while environmental coordinators are appointed in addition to the BREEAM coordinator to ensure proper waste management.
- Within the framework of the dismantling of the WTC Towers 1 and 2, an important work has been done to find transferees for as much materials as possible that had to be removed. Materials that will be re-used in the future project were stored in a space close to the site. Various recovery systems could be activated for the remaining materials. Hence, more than 900 tonnes were discharged to the re-use sector.
- Befimmo partnered with the Scientific and Technical Construction Centre (CSTC) within the framework of the [FCRBE](#) project (Facilitating the circulation of reclaimed building elements in Northwestern Europe). In 2020, it will participate in pilot projects, with the aim of increasing the re-used materials share in the context of its building sites.
- In the ZIN project, particular emphasis has been placed on the circular economy, using what Befimmo calls the 4R approach:
 - » REUSE: Maximum reuse of materials on site or in other projects
 - » REVIVE: Improvement of the existing structure and its environment
 - » RECYCLE: When materials cannot be reused, ensure they are transformed for other applications
 - » RETHINK: Ecological design and use of materials - cradle-to-cradle



ASSESSMENT

Production of construction and operational waste is measured, consolidated and compared from year to year to measure progress on recycling and reuse measures.

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

The in-depth analysis of the Sustainable Development Goals (SDGs)⁹, conducted in 2017, enabled Befimmo to identify the issues on which its activities could have a positive or negative impact and to define strategic priorities. According to this analysis, the strategic axis **Use of resources - Circular economy** impacts the targets of the following SDGs:



8.4: Creating real estate value while minimising the environmental impact



11.6: Environmental impact related to the use of buildings and pollution related to construction waste



12.4 & 12.5: Eco-design of materials and facilities and reduction of waste generated

KEY INDICATORS

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA SBPR
Part of the projects that includes material recovery	<p>A project is considered to be material recovering if:</p> <ul style="list-style-type: none"> It has an inventory of materials and an ambitious recovery target in the case of a redevelopment project; It has been visited by a recovery company in the case of a development project and the leave of a tenant. 	28%	100%	2020	GRI 301-2

⁹ <http://www.un.org/sustainabledevelopment/>



ENVIRONMENTAL CERTIFICATION & COMPLIANCE

- Compliance with legislation in force and a proactive attitude towards the authorities -



DESCRIPTION

In order to limit any adverse impact of its activities and preserve the quality of the environment, Befimmo strives to ensure that its portfolio is operated in compliance with current standards and regulations.

APPROACH

In 2010, Befimmo introduced an Environmental Management System (EMS) based on ISO 14001 (2015). It ensures a systematic approach to the environmental aspects of its activities and also contributes to the sustainable ongoing implementation and monitoring of its commitments. EMS procedures cover all stages of the life cycle of a building from sale or acquisition, design and/or construction of new buildings until it is operational.

OBJECTIVE

Befimmo aims to fully comply with environmental regulations for the activities it controls.

One of the first steps for achieving such compliance is full coverage of Befimmo's activities by valid environmental permits and compliance with the operating conditions associated with those permits.

Finally, Befimmo is aiming for recertification of its EMS and its EVE® label.



Befimmo has put in place a proactive environmental compliance management process, integrated into its ISO 14001 EMS. This process can be broken down into several key stages:

- Regulatory monitoring to identify environmental legislation applicable to its activities;
- Circulation of these regulations to its Property Managers;
- Compliance audits of the buildings by the Property Managers;
- Any observations/non-compliances identified during audits by the Environmental Technical Team and the Property Managers are followed up and addressed.

Befimmo also carries out audits of its sites to verify that they are run in accordance with regulations and its working procedures.

Befimmo wants its buildings to achieve an environmental performance that surpasses the regulatory requirements. With this in mind, since 2010 Befimmo has been applying the most widely used method of assessing the environmental performance of buildings, developed by BRE (BRE Environmental Assessment Method), for its entire portfolio of buildings, whether they are under construction or renovation or in operation.

During the design phase of its projects, it pays particular attention not only to the environmental performance of the building but also to the future satisfaction of its occupants and users by

providing quality spaces in good locations, that are flexible and efficient in terms of use of space. The high level of BREEAM certification and quality criteria that it strives for in its developments also take full account of the considerations and requirements regarding human health and well-being.

Furthermore, Befimmo continuously arranges BREEAM In-Use Asset and Management certification for its operational buildings.

The energy performance of its buildings is also reflected in their EPB certification level. Befimmo has "Offices and services" energy performance certificates for all its buildings in Brussels. "Public building" certificates, which are mandatory for occupying some administrative buildings in Brussels are applied for by the relevant administrations and displayed in most of the buildings concerned. In Flanders, most "Public building" certificates are available and displayed, while mandatory display is still not obligatory. The Axento building in Luxembourg also has a certificate.

These certificates are updated during major works to improve the energy performance of the operational portfolio.

Finally, Befimmo manages the green space of its corporate headquarters in line with the principles of sustainable development and in compliance with the guidelines of Eve® (Ecological plant space) developed by ECOCERT. Befimmo is the only Belgian site to have this certification (since 2011).



ACHIEVEMENTS 2019

ISO 14001

In November 2019, the ISO 14001 certification was renewed for a period of 3 years.

BREEAM

In 2019, Befimmo obtained the following certifications:

- Quatuor – Tower C: BREEAM New Construction – Design Stage – Outstanding;
- Ikaros 2/4 and 6/8: BREEAM Refurbishment – Design Stage – Good;
- Arts 56: BREEAM In-Use – Asset & Management – Good.

Ecocert

The certification of the green space at Befimmo headquarters was renewed in 2019.

ASSESSMENT

Surveillance audits are conducted (by an external company) at regular intervals to check that the ISO 14001 EMS is being properly managed.

The BREEAM and EVE® labels are also overseen by external audits.

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS



6: Clean water – Sanitation: Consider reusing grey water and limiting the use of drinking water



7: Clean and affordable energy



11: Sustainable cities and human settlements: Environmental impact of cities



12: Responsible consumption and production: Sustainable and efficient management of natural resources, environmental management of waste over its life cycle and reduce the amount of waste through prevention, recycling and reuse



13: Combat climate change: Environmental impact of the life cycle of a building



15: Terrestrial ecosystems: Possible degradation of biodiversity



KEY INDICATORS

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA sBPR
Certifications	Maintain the existing certifications (ISO and the biodiversity label)	100%	100%	Continuous	-



REPORTING & RECOGNITION

- Maintain a dialogue with the individuals and entities affected by the Company's business, communicate transparently on initiatives taken, and follow them up -



TRANSPARENT COMMUNICATION

Befimmo pays particular attention to the reliability of the reporting process and rigorous, accurate and transparent financial and non-financial communications.

For some years now, throughout its Report, Befimmo has been following the trend towards standardisation not only of financial reporting but also of reporting on Social Responsibility, by subscribing to the indicators published by EPRA, and by following the GRI Standards ("Core") and those for the real-estate sector, GRI-CRESS through the GRI Content Index (appendix to the Annual Financial Report).

OBJECTIVE

The objective is to further pursue and improve the communication in line with the reference standards in force.



RECOGNITION

Befimmo won the following awards for reporting during the 2019 fiscal year:

- Befimmo was awarded the "EPRA Gold Award Financial Reporting" for its Annual Financial Report 2018 and the "EPRA Gold Award Sustainability Reporting" for its Social Responsibility Report;

- Befimmo also obtained 83% with the GRESB, corresponding to the GRESB "Green Star" status;
- Befimmo was awarded the "C Awareness" status for the 2019 CDP questionnaire.

The goal is to conduct and continually improve communication in line with the current reference standards.

Here is an overview of the scores awarded to Befimmo over the years:

	2011	2012	2013	2014	2015	2016	2017	2018	2019
 ¹	Gold & Most Improved	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Gold
 ¹	-	Silver	Silver	Bronze	Gold	Gold	Gold	Gold	Gold
 ¹	-	-	-	83B	95C	A- Leadership ²	B Management	A- Leadership	C Awareness
 ¹	-	56%	59%	70%	83% Green Star	82% Green Star	86% Green Star	81% Green Star	83% Green Star
	-	-	-	-	Prime C	-	-	Prime C+	-
	-	-	-	-	A	BBB	A	A	A
	-	-	-	-	EE-	EE-	EE-	EE-	-
	-	-	-	-	-	-	-	64/100	56/100

¹ Voluntary participation of Befimmo.

² New rating system (from A to D-) since 2016.



KEY INDICATORS

INDICATOR	DESCRIPTION	RESULT 2019	OBJECTIVE	TIMEFRAME	REFERENCES GRI STANDARDS & EPRA sBPR
Certifications	Maintain the existing certifications (ISO and the biodiversity label)	100%	100%	Continuous	-
Participation in external recognition initiatives	Investor questionnaires GRESB, CDP, MSCI, Oekom, Vigeo Eiris	100%	100%	Continuous	GRI 102-12



ETHICS

- Ethical practices in Befimmo's team and governance -



DESCRIPTION

As a publicly traded company and a Regulated Real Estate Investment Trust (BE-REIT), Befimmo is subject to a set of rules designed to prevent conflicts of interest and inform investors and supervisory bodies, and it abides by the principles of corporate governance laid down by the Belgian Code of Corporate Governance.

In addition to these principles of governance, Befimmo applies ethical practices in its human resources management and recruitment, and with a keen eye for diversity and inclusion:

- **Diversity:** visible and non-visible characteristics of each individual;
- **Inclusion:** the process of joining the different characteristics in order to achieve a common goal.

These practices are described in the following documents published on the Company's website.

- ➔ Annual Financial Report 2019, chapter "Governance"
- ➔ Annual Financial Report 2019, chapter "The team"

OBJECTIVE

The objective is to prevent and minimise the number of infringements and to uphold exemplary internal ethical standards.

Befimmo undertakes to (i) establish procedures and take measures to guarantee ethical standards at all levels of Befimmo, (ii) prevent the risks of corruption, anti-competitive behaviour, conflicts of interest, etc.



- **Code of Ethics:**

In accordance with the law and its articles of association, Befimmo acts in accordance with its corporate interest, which includes the interests of its stakeholders. It undertakes always to act, whether towards its customers, employees and business contacts or towards its shareholders, in compliance with the laws and regulations in force in all economic sectors of the country and in accordance with ethical principles. It does not tolerate any form of corruption, and refuses to enter into a business relationship with anyone involved or suspected of involvement in illegal activities. Against this background, it has developed an in-house policy designed to limit the risks associated with money laundering and funding of terrorism.



http://www.befimmo.be/sites/default/files/gbl_quicklinks/code_ehtique_uk_font_befimmo_2.pdf

- **Corporate Governance Charter:**

The Corporate Governance Charter and the attached Terms of Reference describe the set of rules, procedures and practices defining how the Company is managed and controlled. Befimmo has adopted the 2020 Belgian Code of Corporate Governance as a benchmark.



https://www.befimmo.be/sites/default/files/gbl_quicklinks/charte_20200128_uk_vfinale.pdf

- **Dealing code:**

The purpose of this Code is to make its recipients aware of the applicable market abuse regulations (insider dealing, unlawful disclosure and market manipulation) and, without prejudice to the rules applicable under the Regulation, to remind them of the obligations that apply on the one hand to the Company, in its capacity as a listed company issuing Financial Instruments, and on the other hand to all other persons carrying out activities within the Company or for the Company, and who may have access to inside information.



http://www.befimmo.be/sites/default/files/gbl_quicklinks/20180207_dealing_code_befimmo_en_final_sans_annexes.pdf

- **Terms of reference of the internal audit:**

The Internal Audit is an internal, independent and permanent function of the Company, intended to review and assess all the Company's activities, with the aim of improving operational efficiency, risk management and the internal control systems. The Board of Directors decided to implement an internal audit for Befimmo in a step-by-step approach and asked the Audit Committee to adopt the terms of reference of the internal audit.



http://www.befimmo.be/sites/default/files/imce/Corporate_doc/befimmo_-_internal_audit_terms_of_references_-_may_2015.pdf



APPROACH

1. Examples of ethical practices towards the team:

- **Diversity and inclusion:** This means ethical practices in human resource management and recruitment. Befimmo regards itself as a company open to diversity (age, gender, origin, language, etc.) respecting everyone's identity. During the 2019 fiscal year, there were no employment-related complaints.
- Issues raised by stakeholders: discrimination (origin, gender, disabilities), integration, youth training, pay.
- **Other:** Integrate Social Responsibility into the team through annual targets during year-end appraisals.

2. Example of ethics in terms of governance:

- **Prevention** of the risks of corruption, anti-competitive behaviour, conflicts of interests, risk to reputation and raising awareness of ethics and compliance with the law.
- Issues raised by stakeholders: corporate culture, values, code of ethics.

These are not specific achievements, but ongoing goals.

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS



- 3.5: **Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol:** Awareness-raising in the team



- 5.1: **End all forms of discrimination against all women and girls everywhere:** Raise awareness of team members, management and Board members
- 5.5: **Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life:** Gender balance in management positions and the Board of Directors



- 10.4: **Adopt policies, especially budgetary, wage and social protection policies, and progressively achieve greater equality:** Analysis by HR



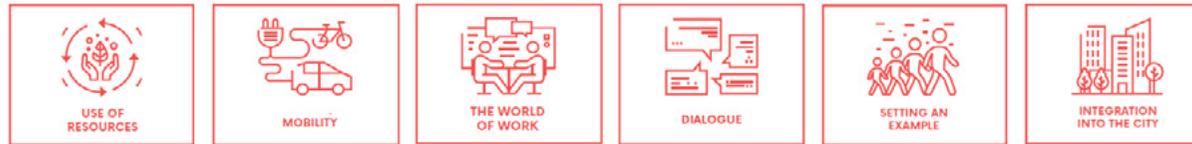
KEY INDICATORS

INDICATOR	DESCRIPTION	REFERENCES GRI STANDARDS & EPRA sBPR	OBJECTIVE
<i>Information on employees and other workers</i>	Information on employees and other workers	102-8	Continuous improvement
<i>Values, principles, standards, and norms of behaviour</i>	Values, principles, standards, and norms of behaviour	102-16	Continuous improvement
<i>Mechanisms for advice and concerns about ethics</i>	Mechanisms for advice and concerns about ethics	102-17	Continuous improvement
<i>Communication and training about anti-corruption policies and procedures</i>	Communication and training about anti-corruption policies and procedures	205-2	Continuous improvement
<i>Employee gender diversity</i>	Diversity of governance bodies and staff and percentage of male & female employees	405-1 Diversity-Emp	Continuous improvement
<i>Incidents of discrimination and corrective action taken</i>	Incidents of discrimination and corrective action taken	406-1	Continuous improvement



CSR GOVERNANCE

- Befimmo's internal organisation and CSR governance -



DESCRIPTION

Befimmo's Social Responsibility is fully integrated into its strategy. The Directors of Befimmo set and approve the budgets and major decisions on Social Responsibility, notably at strategy meetings and at the meetings scheduled every quarter when the results are published.

Furthermore, its Social Responsibility is now also fully integrated into the day-to-day management of the Company. Befimmo staff are involved in this approach, one way or another depending on their field of expertise, and are aware of the major impact of the real-estate sector on the environment.

At strategic level, the Social Responsibility Team (SRT) consists of five people including three members of the Executive Committee: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Head of Environmental Management (HEM) and the Head of CSR & Innovation (HCSR&I).

This team meets every quarter and is responsible for developing and monitoring the CSR Action Plan, and releasing adequate resources, and takes an active part in the annual management review of the ISO 14001 Environmental Management System.

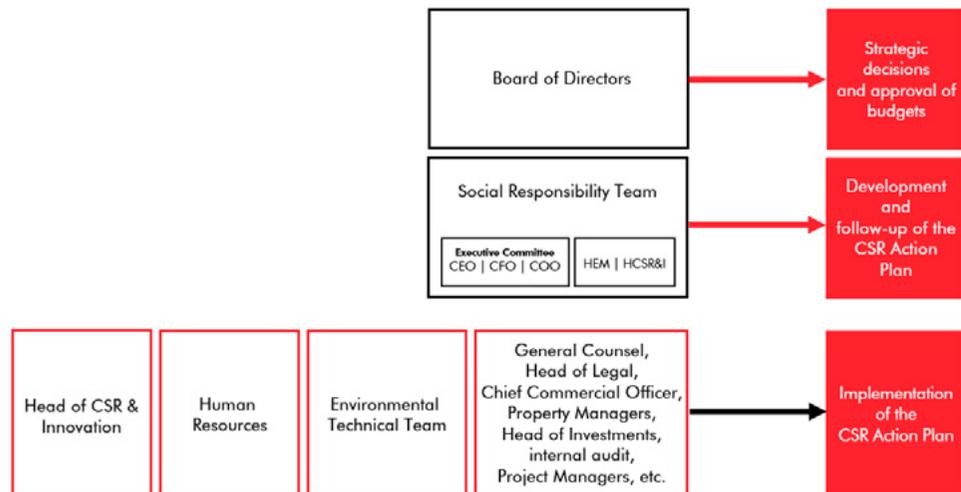
At operational level, the Environmental Technical Team consists of five specialists with the task of improving the environmental performance of the portfolio. It meets regularly and its responsibilities include implementing the CSR Action Plan. These specialists include the Green Adviser who plays an important role monitoring the effectiveness of energy investments on the ground while ensuring a high level of comfort for tenants.

The Head of CSR & Innovation, a member of the Social Responsibility Team, reports directly to the CEO. Her role is both strategic (developing CSR strategy, managing relations with stakeholders) and operational (coordinating and running CSR projects, managing the CSR Action Plan, acting as in-house consultant for other departments and encouraging staff to embrace change).



For human resources, the Human Resources & Talent Manager (HR&TM) is responsible for educating all members of the team to take more account of Social Responsibility, for following up initiatives put in place and for continuing to develop the strong corporate culture that exists within Befimmo. The HR&TM works with the Head of CSR & Innovation and interacts with the Social Responsibility Team.

Other staff also have specific responsibilities defined in the Environmental Management System: General Counsel, Head of Legal, Chief Commercial Officer, Property Managers, Head of Investments, Internal Audit, Project Managers, etc.



AIM

In the coming years, Befimmo aims, firstly, to continue investing in its portfolio in a sustainable manner and to carry out the various projects begun or identified for achieving the objectives and, secondly, to continue its process of dialogue by seeking to achieve the best possible balance between the expectations of its stakeholders and the challenges it regularly faces.

Furthermore, Befimmo also wishes to increase its indirect impact by further stepping up its tenant-oriented approach through the services and facilities that it already offers and that it will increasingly offer them in future. Tenant satisfaction is Befimmo's priority, and it strives to offer quality properties in good locations, that are flexible, environmentally friendly and efficient. Now, it will endeavour more than ever to provide them with comprehensive personalised services, provide the best facilities in its buildings and be even more proactive in raising tenants' awareness of energy and environmental issues.

In 2018, Befimmo went even further in terms of its Social Responsibility policy and reporting, by (i) switching from the GRI-G4 to the GRI Standards, which involved a thorough review its CSR policy, and (ii) considering the possibility of following an approach that enables Befimmo to set long-term targets, up to 2030, for cutting greenhouse gas emissions, as recommended by IPCC¹ scientists, thereby making its own contribution to limiting the rise in global average temperature to below 2°C, in line with the decision of COP21.

¹ Intergovernmental Panel on Climate Change, established in 1988 by the World Meteorological Organization.



The following projects will also be continued:

- The development of coworking in various buildings in the portfolio
- The transversal projects on innovation (Innovation@Befimmo) and digitalisation (LynX)
- Continuous mobility and well-being projects

APPROACH

All achievements related to social responsibility were carried out in accordance with Befimmo's in-house CSR organisation:

- Responsible value chain
- Innovation and new ways of working (Innovation@Befimmo and LynX)
- The partnership with Silversquare and the development of coworking (Triomphe, Ikaros)
- The various mobility and well-being projects
- The management of sustainable purchases
- ...

IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS



Befimmo's Action Plan is aligned with 15 of the 17 Sustainable Development Goals published by the United Nations: 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16 and 17.

- 1: End poverty
- 3: Healthy lives and well-being
- 4: Quality education
- 5: Gender equality
- 6: Clean water and sanitation
- 7: Sustainable and affordable energy
- 8: Decent work and economic growth
- 9: Industry, innovation and infrastructure
- 10: Equality
- 11: Sustainable cities
- 12: Responsible consumption and production
- 13: Combat climate change
- 15: Terrestrial ecosystems
- 16: Peace, justice and effective institutions
- 17: Partnerships

Throughout the various ongoing projects, Befimmo takes account of the SDGs concerned.



KEY INDICATORS

INDICATOR	DESCRIPTION	REFERENCES GRI STANDARDS & EPRA sBPR	OBJECTIVE
<i>Precautionary principle or approach</i>	Organisational profile: Precautionary principle or approach	102-11	Continuous improvement
<i>Statement from senior decision-maker</i>	Strategy: Statement from senior decision-maker	102-14	Continuous improvement
<i>Governance structure</i>	Governance: Governance structure	102-18	Continuous improvement
<i>Delegating authority</i>	Governance: Delegating authority	102-19	Continuous improvement
<i>Executive-level responsibility for economic, environmental, and social topics</i>	Governance: Executive-level responsibility for economic, environmental, and social topics	102-20	Continuous improvement
<i>Role of highest governance body in setting purpose, values, and strategy</i>	Governance: Role of highest governance body in setting purpose, values, and strategy	102-26	Continuous improvement
<i>Evaluating the highest governance body's performance</i>	Governance: Evaluating the highest governance body's performance	102-28	Continuous improvement
<i>Highest governance body's role in sustainability reporting</i>	Governance: Highest governance body's role in sustainability reporting	102-32	Continuous improvement
<i>Communicating critical concerns</i>	Governance: Communicating critical concerns	102-33	Continuous improvement
<i>Entities included in the consolidated financial statements</i>	Reporting practice: Entities included in the consolidated financial statements	102-45	Continuous improvement
<i>Defining report content and topic boundaries</i>	Reporting practice: Defining report content and topic boundaries	102-46	Continuous improvement
<i>Changes in reporting</i>	Reporting practice: Changes in reporting	102-49	Continuous improvement