



Governance

The governance part of this chapter is composed of transverse topics and targets which contribute indirectly to the environmental and social performance.



BEHAVE ETHICALLY	98
USE ESG REGULATIONS TO ACCELERATE THE SUSTAINABILITY TRANSITION	99
ADOPT A DUE DILIGENCE STRATEGY	100
PROMOTE GREEN INVESTMENT OPPORTUNITIES	101
MAINTAIN A TRANSPARENT COMMUNICATION	102

The full 2030 Action Plan, comprising all governance targets, can be consulted in the Non-financial statements of this Report.

✘ NON-FINANCIAL STATEMENTS: 2030 ACTION PLAN, P.241

Behave ethically

WHY IS THIS RELEVANT?

Ethical behaviour is of capital importance to run the organisation and conduct business in order to create a relation of trust with all stakeholders and keep reputation high.

2030 ACTION PLAN

ONGOING

Adoption of a Human Rights Policy

TARGET → **PUBLISHED BY END 2023**

100%

Part of digitalisation projects controlled within the framework of GDPR

TARGET → **100% (PERMANENT TARGET)**

Description and approach

One of Befimmo's main goals is to uphold exemplary internal ethical standards, by putting in place the necessary means to prevent, detect and treat unethical behaviour.

In terms of ethics, Befimmo applies high standards which derive from its Company policy, its regulatory status and the environment in which it operates. Ethical conduct is an integral part of Befimmo's corporate culture, which emphasises honesty, integrity and the respect of high ethical standards in the performance of its activities.

Befimmo further abides by the principles of corporate governance laid down by the Belgian Code on Corporate Governance ("2020 Code").

Befimmo has established a set of policies and has taken measures to guarantee ethical standards at all levels of the Company:

- Corporate Governance Charter
- Code Of Ethics
- Dealing Code (2022)
- Whistleblowing Policy
- Anti-corruption Policy
- Client and Counterparty Acceptance Policy including preventions measures against the risk of anti-money laundering and terrorism financing
- Privacy Policy
- Policy on Diversity and Inclusion
- Philanthropy and Associative Partnership Policy
- Supplier Code of Conduct
- ESG Policy
- Signatory to the UN Global Compact

With the exception of the Client and Counterparty Acceptance Policy (which is not published for discretion reasons), the abovementioned policies are available on the Company's website (for external stakeholders) and on the Intranet (for team members). The General Counsel & Secretary General also gives regular presentations to the team covering these topics. In 2022, special training was provided to the team with regard to the updated Code of Ethics and the amended and newly adopted policies.

All abovementioned policies are a set of principles established to avoid any unwanted behaviour. The Chief Compliance Officer consistently ensures that stakeholders comply with these policies and, where applicable, takes appropriate action.

Looking ahead

Befimmo wants to increase transparency for its stakeholders, sharing statements on how Befimmo positions itself regarding ESG aspects. In 2023, Befimmo will work on the analysis and revision, as the case may be, of its existing policies in order to meet the ethical standards of its sole shareholder. In addition, Befimmo intends to adopt a Human Rights Policy in the future.



Use ESG regulations to accelerate the sustainability transition

WHY IS THIS RELEVANT?

With the implementation of the new EU directives linked to non-financial reporting, the scope of companies required to report on ESG aspects will be increased. This is an important step in the acceleration of the transformation towards more transparency.

2030 ACTION PLAN

ONGOING

Alignment with future ESG regulations

TARGET → FULLY ALIGNED BY 2026

Description and approach

Non-financial reporting has drastically improved over the past years. However, there is still room for improvement with regard to, amongst others:

- Strengthening the completeness and transparency of information;
- The contribution to Europe's commitment to achieve carbon neutrality by 2050;
- The alignment of communication practices;
- The comparability of ESG performance between companies;
- The management of sustainability-related matters in own operations and value chains as regards social and human rights.

Therefore, Befimmo is preparing for future ESG regulations that will improve non-financial reporting even more.

The main regulations that concern (in)directly Befimmo are the Taxonomy Regulation, the Proposal for a Corporate Sustainability Reporting Directive (CSRD), the Proposal for a Sustainable Corporate Governance Directive, the Sustainable Finance Disclosure Regulation (SFDR), the Fit for 55 package and the Proposal for a European Green Bond Standard.

Looking ahead

By adopting new policies and amending existing ones (see above) and by setting a higher focus on its entire value chain (see hereafter), Befimmo aims at anticipating on the regulation. The Company will of course continue to closely monitor the ESG regulatory initiatives (on top of the above-mentioned regulations, in particular, the initiatives on a Social Taxonomy and regarding pay transparency) with a view to identifying the actions to be undertaken with regards to ESG aspects.

▣ BEHAVE ETHICALLY, P.98

▣ ADOPT A DUE DILIGENCE STRATEGY, P.100



Adopt a due diligence strategy

WHY IS THIS RELEVANT?

Befimmo has a role to play to promote sustainable and ethical behaviour throughout its entire value chain. In order to establish strong partnerships with its stakeholders, they need to be onboarded in Befimmo's 2030 Action Plan.

2030 ACTION PLAN

36%

Part of the suppliers who signed the new code of conduct

TARGET → 100% BY 2023

TO BE INITIATED IN 2023

Part of the significant¹ suppliers assessed

TARGET → 100% BY 2024

TO BE INITIATED IN 2023

Part of the significant¹ suppliers engaged

TARGET → 100% BY 2030

1. Significant suppliers are suppliers having a potential risk on ESG aspects.

Description and approach

Tenants and occupants

Befimmo has developed and implemented a Client and Counterparty Acceptance Policy, including prevention measures against the risk of anti-money laundering and terrorism financing, with a view to the prior assessment of potential tenants and occupants before entering any business relationship with them.

✗ CORPORATE GOVERNANCE, P.112

Suppliers

In an effort to reduce and minimise the negative impact on its external environment, Befimmo pursues its ESG strategy throughout its entire value chain, which includes its providers and suppliers. In 2022, Befimmo adopted its [Supplier Code of Conduct](#). By the end of the fiscal year, all suppliers were asked to sign the Code of Conduct and return it to Befimmo. New suppliers were asked to sign the Code of Conduct before entering the approved list of suppliers. As at 31 December 2022, 36% of Befimmo's suppliers signed the Supplier Code of Conduct.

Subsidiaries

Befimmo's ESG strategy is implemented at group level and thus including all of its subsidiaries.

Silversquare, which has an own team and management to run its coworking business is increasing efforts on ESG level. Befimmo and Silversquare have jointly started working on an integrated ESG strategy, taking into account specific aspects linked to coworking, and integrating Silversquare into the 2030 Action Plan.

Looking ahead

The due diligence process for tenants and occupants will be extended to the suppliers of the Company. In 2023, the Company will implement a supplier assessment process for all suppliers "at risk", according to its due diligence procedure. Befimmo has chosen the EcoVadis platform for this matter in an effort to align its entire supply chain to Befimmo's ESG values. Befimmo also participated in the EcoVadis certification and received the Platinum Medal, the highest award, which distinguishes the top 1% of companies active in the same industry sector as evaluated by the rating agency.

Befimmo will proactively inform all future subsidiaries on the ESG strategy on the Company, and the necessity to adopt their own strategy according to their activities.



Promote green investment opportunities

WHY IS THIS RELEVANT?

Promoting green investment opportunities is a clear commitment to making strategic investments in sustainable projects and creating long-term value for Befimmo's stakeholders.

2030 ACTION PLAN

ONGOING

Analyse the opportunity to implement a Sustainability Linked Loan Framework

TARGET → 2023

Description and approach

In 2021, Befimmo finalised its Green Financing Framework. It provides the supporting structure on which Befimmo can issue green bonds, green private placements or green bank financing to drive its sustainability targets. The Framework is a natural and logical extension of all sustainability and environmental actions the Company undertakes.

As a whole, the framework sets out to provide the necessary information to evaluate the environmental impact of investments. Therefore, the Company defined a set of criteria for selecting projects eligible to be financed or refinanced by the proceeds of any financing issued under the framework. This framework was subject to a Second Party Opinion executed by Vigeo Eiris.

Looking ahead

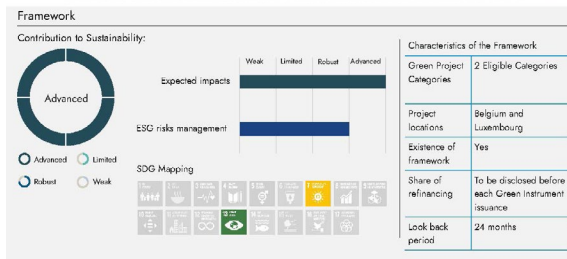
Befimmo will continue its efforts to convert its traditional debt financing towards green and sustainable forms, backing up the sustainable commitments it makes on the operational side. Therefore, it aims to analyse a Sustainability Linked Bond & Loan Framework (complementary to the Green Financing Framework) which will set out the targets, aligned with the SBTs, and procedures for any sustainability-linked financing it intends to issue. Furthermore, it will monitor, and update where necessary, its Green Financing Framework to align with the EU Taxonomy.



SECOND PARTY OPINION

on the sustainability of Befimmo's Green Finance Framework

V.E considers that Befimmo's Green Finance Framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 ("GBP") and the LMA's Green Loan Principles 2021 ("GLP").



Maintain a transparent communication

WHY IS THIS RELEVANT?

Non-financial reporting becomes increasingly important among clients, banks and regulators as they are looking for more standardisation in order to include non-financial drivers in their decision-making.

2030 ACTION PLAN

3

Number of annual participations in ESG assessments

TARGET → MIN. 2 VOLUNTARY ASSESSMENTS PER YEAR

Description and approach

For many years now, Befimmo has paid particular attention to the reliability of the reporting process, and rigorous, accurate and transparent financial and non-financial communication. The Company has seen a growing interest in ESG and sustainability topics which are increasingly integrated into investment processes.

Befimmo has aligned itself with the most ambitious and complete tools and frameworks for sustainable development, by adopting concrete targets, codes of conduct, and conventions on environmental, social and governance aspects.

- ✘ EPRA SUSTAINABLE PERFORMANCE INDICATORS, P.213
- ✘ NON-FINANCIAL STATEMENTS: GRI CONTENT INDEX, P.216
- ✘ NON-FINANCIAL STATEMENTS: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD), P.229

Thanks to its thorough, standardised and transparent way of communicating, the Company was able to gain recognition and to receive high ratings for its non-financial reporting.

Looking ahead

Befimmo aims to further analyse, develop and improve communication in line with the reference standards in force. It will maintain its participation level in various surveys high and use the scores as feedback to keep improving its sustainability initiatives.

FRAMEWORKS FOR SUSTAINABLE DEVELOPMENT



RECOGNITIONS



Gold



Gold



B Management



81/100



C Prime



Platinum



A



9.5/100 Negligible Risk
(22.06.2022)



83% Standing Investments
90% Developments
Green Star status

1. Befimmo has integrated 15 of the 17 Sustainable Development Goals in its day-to-day business. SDG 2 (Zero Hunger) and 14 (Life below Water) were not considered as these SDGs are not directly or indirectly linked to Befimmo's business.
2. Disclaimer statement: the use by Befimmo of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Befimmo by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
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