



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