

Extract of the Annual
Financial Report
2010/2011

Implementation status of environmental
programme 2010/2011

APPENDIX

APPENDIX 1 : Environmental programmes

IMPLEMENTATION STATUS OF ENVIRONMENTAL PROGRAMME 2010/2011

BEFIMMO ENVIRONMENTAL PROGRAMME (2010/2011)							
Topic	Specifics	Perimeter			Action	Status	Objectives / Remarks
		M ⁽¹⁾	S ⁽²⁾	B ⁽³⁾			
2009/2010 INCOMPLETED OBJECTIVES							
Compliance with laws and regulations	register of legislation	√	√	√	develop register of legislation and keep up to date		The register has been completed and also includes environmental law in force in the Grand Duchy of Luxembourg, where has Befimmo a building.
Promote environmentally friendly practices among tenants	tenants' code of conduct	√	√		develop, raise awareness, obtain feedback		The code has been drafted; the implementation programme has yet to be decided.
	define comfort criteria	√	√		introduce clear environmentally friendly criteria		Check in the green lease.
Renewable electricity	Fedimmo: renewable energy study			√	study the possibilities for implementing renewable energy		Screening took place in collaboration with Fedesco, and specific projects have been developed. These include the installation of photovoltaic panels for the Science-Montoyer and Goemaere buildings: 184 m ² were installed for the first building with a power of 23.3 kWp while 410 m ² were installed for the second building with a capacity of 38.6 kWp. New installations are under construction and/or being designed for 2012 (Ocean House, Vital, Central Gate, Eagle, Ikaros 3, etc.).
Switch to gas	replace oil-fired heating with gas-fired	√	√	√			Completed.
MANAGEMENT LEVEL (EXECUTIVE OFFICERS)							
Communication	gradual improvement	√	√	√	gradually develop GRI criteria		Annual Financial Report 2010/2011: B+ quality report (20 performance indicators and a limited review by Deloitte).
Raise tenants' awareness	encourage tenants to use green energy	√	√		develop awareness-raising programme		It is not clear whether tenants can easily subscribe to the green energy contract that Befimmo has through the external property manager. The situation at the Ikaros and Planet II sites is difficult. Firstly, Befimmo itself requested the installation of low-voltage electricity meters to limit the amount of charges billed via the property manager AG RE and secondly, transferring all meters (gas and electricity) at these two sites to the AG RE contract would mean a substantial workload for the property manager. Finally, the AG RE electricity contract expires in December 2012 while the gas contract runs out in late 2013. Moreover, there is a risk of conflicts of interest regarding the liberalisation of the choice of electricity supplier. A letter setting out competitive tariffs for green electricity will be sent to tenants to raise their awareness of the issue, and the property manager, trained in this subject, may also spread the word.

(1) Denotes buildings with multiple tenants.

(2) Denotes buildings with a single tenant.

(3) Denotes buildings let to the Buildings Agency.

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Topic	Specifics	Perimeter			Action	Status	Objectives / Remarks
		M	S	B			
Fedimmo	the Buildings Agency is implementing the guidelines laid down in the Federal Sustainable Development Plan			√	bring Buildings Agency and Fedimmo corporate social responsibility activities into line		Consultation meetings have been held with the Agency, at both strategic and operational levels. Nevertheless, some work remains to be done, for example on sharing information and consumption data.
Social and economic aspects	develop them	√	√	√	conduct a feasibility study of possible measures		Befimmo sees its societal impact as being primarily related to environmental aspects. Regarding social aspects, an internal committee (<i>Comité B+</i>), in consultation with staff and Executive Officers, is organizing various activities to support social associations, such as blood donation and collection of toys. The economic aspects are governed by the code of ethics, the corporate governance charter and the terms of reference. Various external stakeholders (VIGEO and B&S) are pressing for socio-economic aspects to be included more explicitly in Befimmo's business management. The communication department will conduct a more detailed analysis of this feedback and any measures to be taken.
Investor relations	join a stock-market index that takes account of energy performance	√	√	√	conduct a feasibility study to determine priorities		Befimmo has responded to the Vigeo questionnaire. An analysis of the situation will allow priorities to be defined so that Befimmo might eventually consider joining the Ethibel index.
Sustainable procurement conditions	formalise policy for using wood specified in sustainable procurement conditions	√	√	√	formalise policy for using wood specified in sustainable procurement conditions		To be finalised when recasting the EMS in early 2012.
Coordination of in-house activities	ensure proper coordination of corporate social responsibility activities	√	√	√	coordinate strategic and operational levels		Hire a Senior Property Manager notably with responsibility for optimum coordination of in-house activities.
Human resources	finalise job descriptions	√	√	√			Job descriptions explicitly include the jobholder's specific duties in terms of corporate social responsibility, and specify the more general responsibilities of all employees in carrying out office tasks.

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OPERATIONAL LEVEL							
Determine quantitative targets for the main KPIs	improve the KPI tool and data-collection methodology	√	√	√	implement various tools where there is added value		<p>The quality of consumption figures should have been improved by telemonitoring installed in the Befimmo portfolio (excluding Fedimmo). The equipment has been installed, but is not yet completely reliable, especially for electricity. Data for 2010/2011 therefore still come primarily from billing and/or data received from property managers and/or tenants. Secondary monitoring will be implemented gradually (first step: compliance with EPB legislation).</p> <p>The following objectives have been decided:</p> <p>Portfolio-level objectives:</p> <ul style="list-style-type: none"> energy performance certificates: complete the certification of the remainder of the Befimmo portfolio; BREEAM In-Use certificates: Befimmo's goal over the next 5 years is to raise its entire portfolio to a "Good" score (BREEAM In-Use Asset), i.e. 15% annually, or 9 buildings a year. For BREEAM In-Use Management certification: in the very short term (2012) Befimmo is aiming for "Pass" certification for the whole portfolio while it will make every effort to develop and improve communication with the principal property manager, AG RE. This should ensure that the entire portfolio is quickly certified as "Good"; energy consumption: Befimmo remains committed to reducing energy consumption in the common areas of its portfolio and now aims to reduce its gas and electricity consumption by 5% by 2014. water management: Befimmo also pays special attention to water management and plans in the short term to introduce measures to reduce its consumption. In 2012, 5 development projects for the recovery of rainwater will be considered; renewable energy generation: new installations are being designed and/or carried out and 2012 should see the current area of 735 m² rise to 3,135 m², an increase of over 300%. Befimmo's goal is to continue installing solar panels at a rate of an additional 15% of area a year. <p>Corporate-level objectives:</p> <ul style="list-style-type: none"> cut CO₂ emissions: from the Company's vehicle fleet: reduce by 5% for 2012 in relation to 2011; set up an intranet site to foster and improve communication between management and staff as well as within the team itself. This site will have a section on Befimmo's CSR policy. <p>The baseline will be consolidated using average consumptions between 2008 and 2011.</p> <p>KPIs will be developed in accordance with the recommendations of ISA, EPRA and GRI.</p>

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Documentation	transfer important documents (certificates, declarations, etc.) held by external management firms	√	√	√	adapt operational procedure		Some documents are routinely retrieved. The annual audit of AG RE identifies any missing documents.
Management of corporate activities	reduce environmental impact at corporate level	√			conduct a feasibility study of measures to be implemented		The following commitments regarding Befimmo's office tasks have been implemented: selection of an environmentally friendly paper label, waste reduction, provision of bicycles for staff. A new position has also created in the human resources department, to be responsible for monitoring the implementation of corporate-level activities and carrying out other exercises to raise awareness among the Befimmo team.
Waste	reduce impact of waste relating to use of the building	√	√		conduct a feasibility study to determine priorities		Devise a programme to reduce waste and improve tenants' waste recycling rate. Progress on this objective is behind schedule. It will be developed over the coming fiscal years, with the active involvement of the external property manager.
Compliance with EMS/legislation	tighten controls on action for which external firms are responsible => external firms audit programme	√	√		adapt procedure after determining the type and number of audits of external firms to be carried out		The main external property manager, AG RE, is audited annually. Moreover, the recasting of the EMS procedures includes the expansion of the duties of the health and safety coordinator for renovation work. The coordinator will also assess compliance with environmental legislation while projects are in progress.
	other	√	√	√	include the legislation on coordination of mobile and temporary sites		Progress on this objective is behind schedule. It will be developed over the coming years.
Continuous improvement	include the environmental aspects in annual building valuations	√	√	√	adapt the operational procedure		This objective has been realised during the recasting of EMS procedures.
Certification	certify In-Use buildings	√	√		certify entire M and S portfolio		Completed. Following this exercise, a working group will determine how often certification should be renewed.

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OTHER ITEMS							
Organisation	designate one person as a back-up with specific responsibilities for the EMS	√	√	√			Not completed, to be completed due to an internal change in functions.
Biodiversity	manage the biodiversity of the corporate site	√			conduct a feasibility study to determine priorities		The pilot study is a test case to assess whether this type of study can be carried out for other sites, especially for buildings in the Fedimmo portfolio. The results are interesting, but the added value is limited in relation to the cost of the study. In late 2011 this project was still being considered. A decision will be taken early in 2012, after evaluating the bids received from other suppliers for maintaining certification.