



Extract of the Annual  
Financial Report  
2010/2011

Corporate Social Responsibility

# Corporate social responsibility

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# MESSAGE FROM THE CEO

Regarding Corporate Social Responsibility (“CSR”), Befimmo endeavours to take account of environmental, economic and social concerns in its business.

Of course, since it operates in real estate, Befimmo has the most significant control over its environmental impact. This is why environmental aspects has always been central to its sustainable development communication, though it certainly does not neglect the other two pillars of CSR.

This Report, which gives extensive coverage to corporate social responsibility, is an opportunity to set out the economic and social measures taken in more detail. Moreover, with regards to the environmental aspects, a set of quantitative indicators have been introduced for ease of reading the implementation of our policy.

## **So is corporate social responsibility now an integral part of your strategic policy?**

It is. The environmental aspect is fully integrated in our business, especially our renovation projects. Players in the real-estate sector are increasingly sensitive to it and the market is beginning to differentiate between energy-efficient and other buildings.

Fortunately, we have long been proactive. We went ahead without waiting for the recent laws and regulations; the energy performance of all our projects has been an integral part of our investment programme for some years now.

There are several reasons behind this. First, a substantial proportion of our stakeholders are very interested in this issue and are

enquiring about it. It would benefit no-one to ignore their interest in the issue. Our tenants too are sensitive to these environmental issues, not only for ecological and economic reasons, but also on account of their reputations.

Finally, we ourselves are greatly concerned about these issues of sustainable development, since by refurbishing buildings to bring them into line with modern energy standards, we are giving Befimmo a strategic position in its market. Accordingly, each year at the “strategy” Board meeting, we approve a specific budget to cover all aspects of energy investments.

Our philosophy has always been to work in a sustainable manner, adding value to the building and benefitting tenants during their occupancy and the building after they leave. This long-term view requires a clear proactive approach of which environmental policy is now an integral part.

## **Do these objectives require major investments?**

Yes. Our current programme of investment in renovation and construction will cost some €175 million over the next three years. These renovations address the building’s energy performance. This programme also includes the construction of the Paradis building located in Liège, next to Guillemins railway station.

This tower will be exemplary in energy and environmental terms.

The additional investment in energy efficiency accounts for 5 to 10% of the total, which will directly benefit tenants in energy savings.

Otherwise, we are simultaneously investing some €4 million a year in the operational portfolio (i.e. occupied buildings), mainly for maintenance and upgrades. That said, one has to accept that it is also up to tenants using the property to be mindful of the building’s impact on the environment... So our role consists in making them aware of their responsibility as major energy consumers.

## **And have you introduced such specific measures in-house?**

Yes, alongside our policy of energy saving in the buildings that we offer on the market, we are working on our own environment policy. We have taken a number of in-house measures to reduce our own environmental impact, such as improving the management of emissions from our vehicle fleet. You might say this seems rather symbolic. I don’t think so. I think it clearly contributes to an overall change in mindset that is tending towards greater convergence of financial and non-financial strategies.

So despite the low impact of these measures at our small scale, we believe in them as individuals and as a team. Moreover, our sustainable development team is working to raise awareness, through regular communication and specific training. Befimmo staff and teams are also major stakeholders and, as such, they play an important role in this area.

## **Is this commitment based on principles, a policy?**

Indeed, we have translated these principles into a policy that is published on Befimmo’s website. The policy is approved by the Board of Directors. It is informed of and involved in all major decisions relating to



corporate social responsibility. Furthermore, our sustainable development team includes some of our Executive Officers, which is testimony to our commitment at all levels, including management. This team, supported by human resources, also educates the staff. So you see that everyone at Befimmo is included and welcome to contribute to our corporate social responsibility objectives; rigorous monitoring of decisions with a dashboard allows these objectives to be achieved in the medium term.

Honestly, I like to think that we are pioneers in this field. We have started the ball rolling by introducing a genuine environmental policy and strategy and, as a result, we are ahead of the field in this area. Our failing has perhaps been not to communicate enough, as our stakeholders have told us. We are taking account of their views in this Report by giving a detailed account of the measures taken and our goals in this area.

### **Is this approach paying off?**

Yes! In 2010, our Environmental Management System was ISO 14001 certified; this means that our policy is credible, robust and acknowledged. This is very positive not only for all our counterparties, but also for Befimmo itself; this recognition encourages us to pursue our efforts to keep this “sustainable” perspective in mind when making our everyday choices and in everything we do.

### **What are your latest priorities?**

This year we are adding quantitative objectives to our qualitative objectives: they are specific and measurable and will allow us to demonstrate, with supporting figures, how we are reducing the impact of

our property portfolio on the environment. These quantitative targets, covering the period from 2012 to 2014, will clearly play an important role both in-house and externally; they will motivate the team in their day-to-day decision-making and provide stakeholders with a yardstick of our efforts in that direction.

# GENERAL INFORMATION

**Data with the symbol ✓ have been checked by Deloitte as part of a limited review report.**

Befimmo subscribes to the principles of Corporate Social Responsibility (CSR). The guidelines of its social responsibility policy can be summarised as follows:

## BEFIMMO'S SOCIAL RESPONSIBILITY POLICY

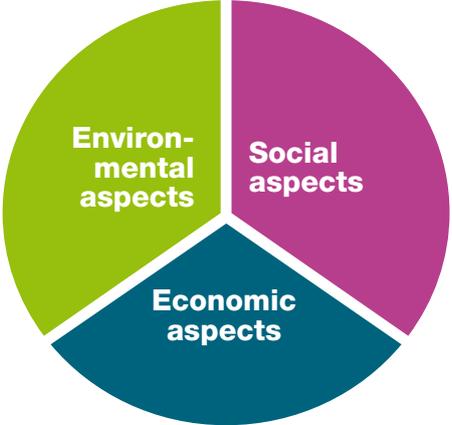
Compliance with applicable environmental laws and regulations

Development of a preventive approach for environmental impact

Setting up effective communication systems in order to ensure optimum coordination of subcontracted activities

Promoting, within the limits of its competence, the same respect for the environment among its tenants

Continuous assessment and improvement of its overall environmental performance



Importance of involving employees and raising their awareness

Team development training programme

Setting environmental objectives for most of the employees

Befimmo has a code of ethics

Befimmo has adopted the 2009 Belgian Code of Corporate Governance as a benchmark.



## GRI reporting

**GRI** <sup>(1)</sup> is introducing a corporate social responsibility reporting standard, accepted worldwide. This Annual Financial Report has achieved a **B+ quality level** (see Table 1) and has therefore been checked by a third party, Deloitte (see paragraph on “External review” on page 109), allowing the “+” to be added to the B quality level.

A check by GRI confirms this quality level. This check is not a judgement on the value or quality of the content of the Report, but

assesses the level of application of the GRI reporting framework.

Since the publication of the GRI Construction and Real-Estate Sector Supplement (CRESS), Befimmo also takes account of the guidelines and priorities set out in its report, as appropriate.

The index of GRI content can be found in Appendix 3, on page 164 of this Report.

TABLE 1: CRITERIA REPORTING APPLICATION LEVELS OF GRI

Report Application Level		C	C+	B	B+	A
Standard Disclosures	Profile Disclosures <b>OUTPUT</b>	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report externally assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report externally assured	Same as required for Level B
	Management Approach Disclosures <b>OUTPUT</b>	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category
	Performance Indicators & Sector Supplement Performance Indicators <b>OUTPUT</b>	Report on a minimum of 10 performance Indicators, including at least one from each of: economic, social and environmental		Report on a minimum of 20 performance indicators, at least one from each of: economic, environmental, human rights, labor, society, product responsibility		Report on each core G3 and sector supplement indicator with due regard to the materiality principle by either: a) reporting on the indicator or b) explaining the reason for its omission

(1) Global Reporting Initiative (“GRI”) – <https://www.globalreporting.org/>.

# GENERAL INFORMATION



## EPRA reporting

In September 2011, the European Public Real Estate Association (“EPRA”) published for the first time a report entitled “Best Practices Recommendations on Sustainability Reporting”<sup>(1)</sup>. This document contains the recommendations and for defining the main sustainable-development performance indicators applicable to listed real-estate companies.

Befimmo supports the reporting standardisation approach because it wants to improve the quality and comparability of the information supplied to investors and has implemented most of the EPRA recommendations.

The first edition of this EPRA report currently focuses on environmental issues only. Indeed, the “EPRA Sustainability Reporting” committee has identified these as the most relevant and significant for the real-estate sector. EPRA plans to implement these social indicators in future editions.

Moreover, the EPRA performance indicators (Best Practices Recommendations – “BPRs”), currently cover only operational buildings and the building occupied by the company itself.

A summary table of the main EPRA indicators is provided in Appendix 4, on page 174 of this Report.

**For ease of reading, the references to the performance indicators published by the GRI and EPRA are given in the margin of this chapter on “corporate social responsibility”.**

## Reporting period

This Report covers activities over the 2010/2011 fiscal period (15 months<sup>(2)</sup>). The perimeter is set as at 31 December 2011.

The previous Annual Financial Reports (including that for the 2009/2010 fiscal year, published in November 2010) are available on Befimmo’s website:  
<http://www.befimmo.be/en/publications/22>.

## Scope of reporting

Befimmo SCA’s main activities and internal operation did not change over the fiscal period and no significant changes are planned for the next fiscal year.

The scope of reporting on sustainable development activities covers the activities of Befimmo SCA and its subsidiaries, Fedimmo SA, Meirfree SA, Vitalfree SA and Axento SA.

As at 31 December 2011, the consolidated portfolio represented 851,441 m<sup>2</sup> of office space. This floor area changed over the 15 months of the past fiscal period, mainly due to the sale of the Kattendijkdok building (January 2011) and Empress Court

(1) [www.epra.com/regulation-and-reporting/sustainability/](http://www.epra.com/regulation-and-reporting/sustainability/).

(2) As a reminder, this fiscal period, which began on 1 October 2010, ended on 31 December 2011 and therefore exceptionally lasted 15 months.

building (March 2011), the sale of a floor of office space in a jointly owned building at Chaussée de la Hulpe 177 in Brussels (June 2011) and the purchase of Ringcenter SA, owner of the Pavilion complex (February 2011). The comparison of the 2010/2011 and 2009/2010 fiscal periods is therefore influenced by this change in floor area (around 6,700 m<sup>2</sup>).

Befimmo's strategic commitments to sustainable development apply to its whole portfolio.

The activities covered by the Environmental Management System ("EMS") are those which Befimmo controls. Initially, the operational aspects of the EMS are deployed for the common areas of the buildings.

This does not rule out implementing activities regarding aspects over which Befimmo has less influence, such as tenants' behaviour.

Regarding operational control, Befimmo's influence varies according to the type of tenant and the relative size of their lets in the building:

1. building with multiple tenants (M);
2. building with single tenant (S);
3. building let by the Buildings Agency (B);

**TABLE 2: BEFIMMO'S RELATIVE INFLUENCE DEPENDING ON THE RENTAL SITUATION**

Relative influence	Rental situation		
	M	S	B
Non-recurring improvements	++	++	++
Recurring improvements	++	+	-

## External review

As mentioned before, as part of the GRI reporting of its sustainable development indicators, Befimmo tasked Deloitte with a limited review to obtain a B+ application level. Deloitte's audit work was supplemented by a number of recommendations to help Befimmo to improve the quality and presentation of the chapter on "corporate social responsibility".

## Glossary

A glossary is provided in Appendix 5, on page 175, to help the reader understand this chapter, and to provide more information on certain terms used. A copy of this glossary is available on Befimmo's website: [www.befimmo.be/en/lexicon-0](http://www.befimmo.be/en/lexicon-0).

# OUR VISION IN A GIVEN CONTEXT

## “Why corporate social responsibility is important to Befimmo and what are Befimmo’s commitments?”

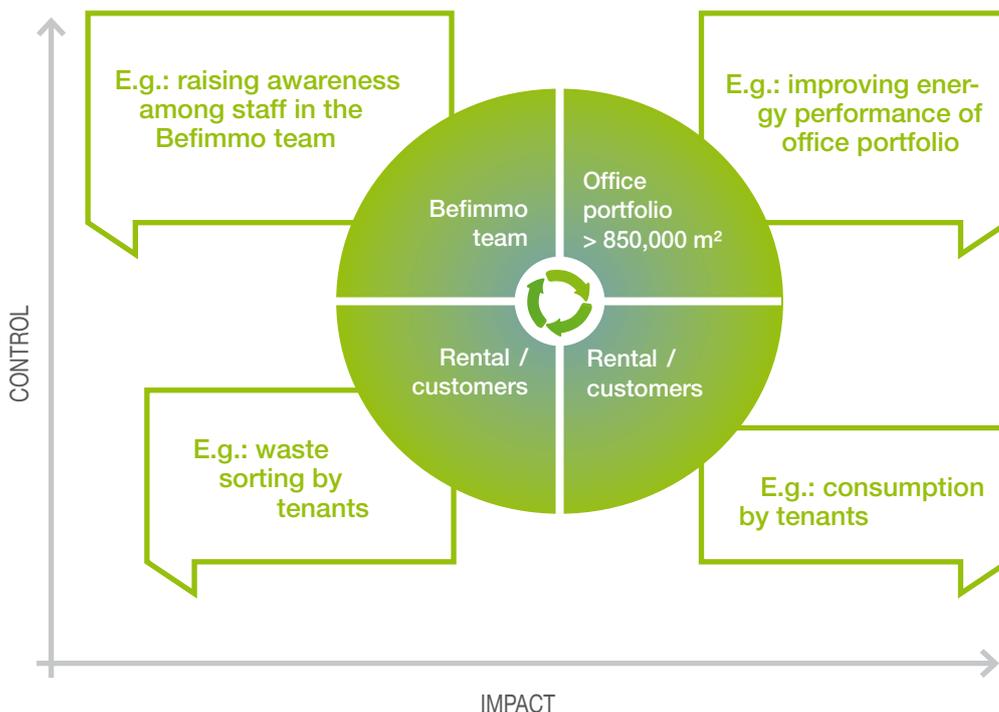
Corporate social responsibility is an increasingly fundamental concept in the opinion of those involved in the real-estate sector. Property owners, occupiers and promoters all over the world are facing tougher requirements in terms of real-estate sustainability.

So the real-estate sector has to face up to its responsibilities in this field and has to take account of this. The sector is complex, mainly because there are many players who can have an impact on a building’s environmental performance. The management and refurbishment of existing buildings are both a challenge and a significant opportunity.

The corporate social responsibility policy is based on common sense and is a response to a general trend in society that we find

in both private and institutional shareholders, the legislature, the tenants and public opinion. This policy aims to frame the Company’s present and future activities in reasonable and responsible management, while optimising use of natural, human and financial resources.

As an Asset Manager specialising in investment in office buildings, Befimmo applies a fully sustainable approach to its activities, as this Report shows<sup>(1)</sup>. Its current portfolio includes one hundred quality office buildings, with an overall floor area of over 850,000 m<sup>2</sup>, valued at €1.9 billion.



(1) Indeed, societal aspects and Befimmo’s vision are reported in various sections of this Report, notably in the “Letter to the shareholders”, the “Evolution of the real-estate portfolio”, “Befimmo identity and strategy”, etc.

### Choice of the main priorities according to their impact and the control that Befimmo has on them. (see illustration before)

Befimmo's activities have a significant environmental impact; that is why the Company has focused primarily on environmental issues and takes the steps necessary to reduce the environmental impact of the activities over which it has direct control and influence.

As far as possible, Befimmo also strives to make its tenants aware of the environmental impact of their behaviour to reduce their consumption. Its influence can help to raise its tenants' awareness, thereby helping to improve the energy performance of the building they occupy by informing them through various information tools such as the consumption monitoring available on the Befimmo extranet.

Befimmo's approach also focuses increasingly on social aspects. In spite of its small size (40 employees) and therefore its relatively limited environmental impact, the Befimmo team is crucial to the success of the global strategy of the Company. Staff awareness of and participation in conceptual work, as well as their day-to-day contribution, are key factors for achieving its objectives.

#### Environmental aspects

Befimmo's activities have an impact on the environment at different levels: jobs, working conditions, use of natural resources, energy consumption, waste production, etc. The Befimmo activities are themselves influenced by their own environment: geographical situation, legislation, local economy, global economy, risks of bad weather, etc. A good understanding of the possible interactions between each of these elements is essential for managing the risks and opportunities in an informed way.

The main risks identified at strategic level, besides climate change and pollution of the environment, are non-compliance with legislation and depreciation of the value of the portfolio when low-consumption buildings have become commonplace on the market.

In the past, the commercial life of a building was between 25 and 30 years. This lifetime is shortening as European legislation becomes increasingly restrictive. True to one of the main principles of sustainable development, "reduction at source", Befimmo is closely monitoring the development of existing legislation, anticipating forthcoming legislation and analysing the sector studies in order to incorporate new management technologies and tools as quickly as possible, and hence often at lower cost (i.e. it costs less to plan a solution from the design phase of a major renovation, rather than implementing it retroactively).

## OUR VISION IN A GIVEN CONTEXT

The priority environmental impacts linked to Befimmo's activities are:

- energy management;
- management of natural resources;
- waste management;
- water management.

Befimmo always takes care to keep its property in a good state of repair and improve it, particularly in terms of energy performance; over the past fiscal period it carried out renovation and construction work costing a total of €40.1 million as part of its multiannual investment plan. Between 8 and 10% of this overall investment went to improve the energy performance of its buildings and thus respond to current and future legislation and also to its tenants' expectations.

Befimmo ensures the ongoing improvement of its overall environmental performance through precise and measurable qualitative and quantitative performance objectives and an environmental programme that takes account of the economically acceptable application of the best available techniques. Befimmo has prepared a multiannual investment plan that includes the work to be performed by 2020.

### Social aspects

Befimmo aims to bolster its employees' commitment to the Company and the environment in which they evolve. In particular it strives to offer staff a quality working environment, relevant training and genuine development opportunities. More specifically, in terms of corporate social responsibility, an awareness-raising and training programme was implemented for the team. To raise awareness among the workforce, environmental goals are set and discussed

annually at individual staff appraisal interviews.

### Economic aspects

Befimmo has a code of ethics requiring ethical values to be observed in relations with its customers, management team, partners and shareholders. Befimmo conducts its business in accordance with the applicable legislation and ethical values. In line with this code of ethics, Befimmo abides by in-house rules designed to limit the risks associated with money laundering and funding of terrorism.

Befimmo is convinced that a responsible approach to its business is crucial for the Company's sustainability, and it intends to pursue its future activity with this same vision. It aims to maintain its portfolio of offices at a high level of quality in an environment of constantly changing energy performance, which is both a concern and an increasingly important criterion for stakeholders. The strategic priority will remain focused on environmental aspects and Befimmo will thus continue to anticipate regulatory changes and achieve a gradual improvement in the energy performance of its buildings. Communication between Executive Officers and the Board Of Directors on the one hand and staff on the other, as well as the involvement and commitment of each and every one of them, will be developed further. In terms of interaction, Befimmo will also continue to play an active role in the work already begun with the identified stakeholders.

# MANAGING CORPORATE SOCIAL RESPONSIBILITY

## “How does Befimmo manage corporate social responsibility?”

### Internal organisation

Befimmo's corporate social responsibility is now fully integrated into its day-to-day management. The staff on Befimmo's team, numbering forty as at 31 December 2011, are increasingly involved in this policy in one way or another and are aware of the major impact the real-estate sector has on the environment.

At the **strategic level**, the sustainable development team consists of 4 people, 2 of whom are Executive Officers: the Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”), Chief Technical Officer (“CTO”) and Investor Relations & External Communication Manager (“IR & ECM”). This team, in cooperation with the Chief Executive Officer (“CEO”), is responsible for developing and monitoring the environmental programme, freeing up adequate human resources, and conducting the annual management review.

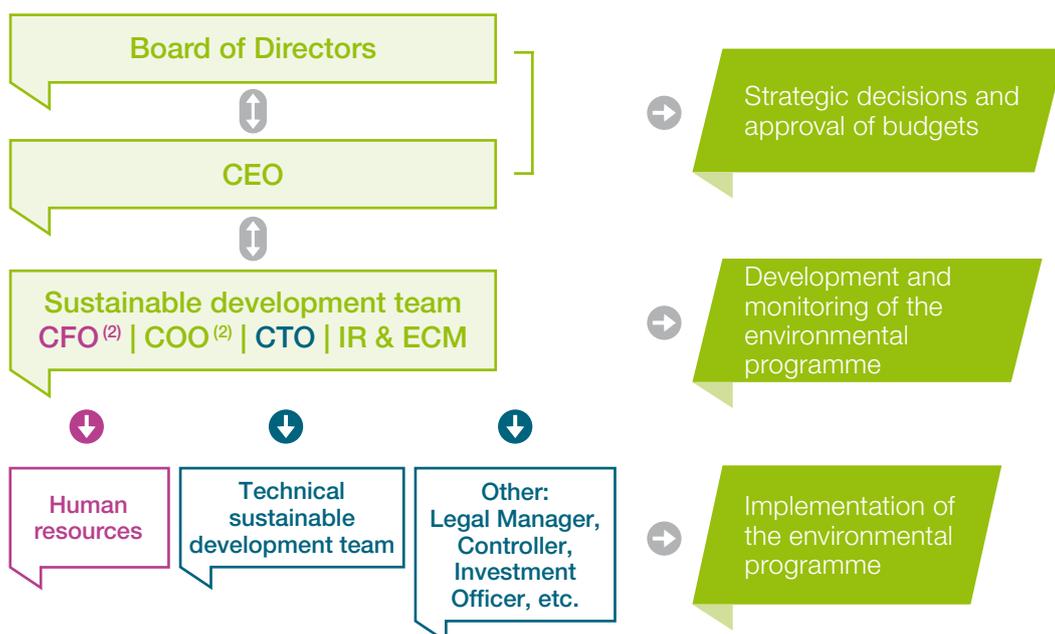
At the **operational level**, the technical sustainable development team is tasked with assessing the implementation of the Environmental Management System on a regular basis and putting the environmental programme into operation.

From 1 April 2012, a member of the **human resources** department will be responsible for increasing team members' awareness of environmental considerations. Befimmo has been a member of Business & Society asbl<sup>(1)</sup> for a year now, and works alongside this association to maximise

integration of the principles of sustainable development in its organisation.

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

- Legal Manager (“LM”);
- Head of Portfolio (“HOP”);
- Investment Officer (“IO”);
- Controller;
- Internal Auditor;
- The Project Managers (“PM”);
- The managers.



(1) [www.businessandsociety.be](http://www.businessandsociety.be).

(2) The CFO and COO are Executive Officers.

# MANAGING CORPORATE SOCIAL RESPONSIBILITY

## Stakeholders

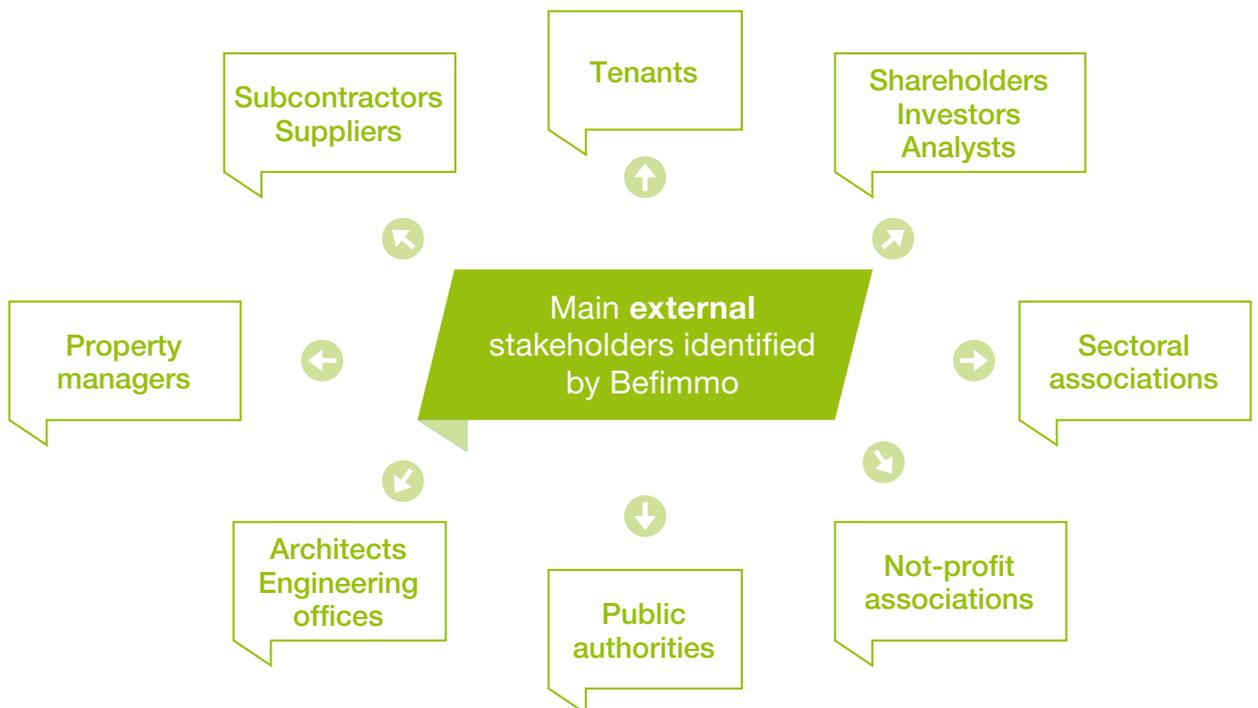
*Stakeholders are defined as “any group or individual that can affect or be affected by the company’s purpose”, Freeman, R.E., “Strategic Management: A stakeholder approach”, Pitman, Boston, 1984.*

Any business needs to communicate about its activities, commitments and performance and, in an increasingly interactive world, nothing can be built in isolation. Befimmo undertakes to take account of the reasonable expectations of its stakeholders

and partners in devising its strategy and establishing a fair dialogue and constructive consultation with them.

### EXTERNAL STAKEHOLDERS

The following diagram indicates the main external stakeholders Befimmo has identified. A description of the interaction with most of them can be found in the table in Appendix 2 to this Report, on page 162 and on Befimmo’s website: [www.befimmo.be/en/questionnaires](http://www.befimmo.be/en/questionnaires).





### **Befimmo's membership of Business & Society asbl**

During the past fiscal period, Befimmo became a member of Business & Society, an association bringing together more than 80 businesses and business federations from a variety of sectors, which aspires to become a benchmark for Corporate Social Responsibility ("CSR"). As a benchmark network in Belgium, Business & Society offers its members the opportunity to exchange knowledge and experience in the field of CSR. During this first year as a member, the Business & Society team has conducted an in-depth review of Befimmo's sustainable development policy. This review allows Befimmo to gauge the efforts it has made, enhance best practices, improve certain insights and explore new issues.

### **EPRA Award "Most Improved Annual Report 2010-2011"**

On 1 September 2011, Befimmo received the prize for the "Most Improved Annual Report 2010/2011" and a Gold Award in London. This prize is awarded annually by the European Public Real Estate Association ([www.epra.com](http://www.epra.com))<sup>(1)</sup>. Befimmo's Annual Financial Report was selected from more than 80 annual reports of major European listed property companies.

This award is the first in the Company's history, and Befimmo is keen to keep improving its corporate communication.

## **COMMUNICATION WITH EXTERNAL STAKEHOLDERS**

### **Carbon Disclosure Project**

For the first time, Befimmo took part in reporting carbon emissions linked to its activities by responding to the questionnaire of the "Carbon Disclosure Project"<sup>(2)</sup> which aims to set up a global database of corporate greenhouse emissions. This organisation acts on behalf of 550 investors representing more than US\$70 trillion in assets.

### **Greenhouse Gas Protocol**

Regarding greenhouse gases, such as carbon emissions, Befimmo plans to comply gradually with the international "Greenhouse Gas Protocol"<sup>(3)</sup>. This standard, developed by the World Resources Institute (WRI)<sup>(4)</sup> and the World Business Council for Sustainable Development (WBCSD)<sup>(5)</sup>, is an acknowledged global benchmark used for mapping, quantifying and managing greenhouse gases.

### **Corporate social responsibility FAQs**

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

(1) With over 200 active members, EPRA is the voice of European listed real-estate companies and represents €250 billion in real-estate assets.

(2) [www.cdproject.net/](http://www.cdproject.net/).

(3) [www.ghgprotocol.org/](http://www.ghgprotocol.org/).

(4) [www.wri.org/](http://www.wri.org/).

(5) [www.wbcsd.org/](http://www.wbcsd.org/).

# MANAGING CORPORATE SOCIAL RESPONSIBILITY

## Questionnaire

In a desire to come into more direct contact with external stakeholders, they can also assess Befimmo's sustainable development approach and make comments and suggestions for improvement by filling an "External Stakeholders Questionnaire" which is available on Befimmo's website: [www.befimmo.be/en/stakeholders-questionnaire](http://www.befimmo.be/en/stakeholders-questionnaire).

## ANALYST/INVESTOR FEEDBACK

During the past fiscal period, Befimmo has responded to questionnaires sent by VIGEO (an analyst linked to the Ethibel share index), CDP (Carbon Disclosure Project) and GRESB (Global Real-Estate Sustainability Benchmark). The responses and feedback received are published on Befimmo's website: [www.befimmo.be/en/questionnaires](http://www.befimmo.be/en/questionnaires).

Overall, the Company's strengths have been assessed as:

- strategy and analysis;
- reporting, disclosure and external communication;
- environmental aspects;
- monitoring;
- certification.

The areas for development are:

- socio-economic aspects;
- customer relations;
- quantitative performance.

In response to stakeholder expectations, various working groups will follow up on the most relevant comments and will be responsible for:

- assessing the conditions to be met (including socio-economic aspects) for inclusion in the Ethibel index;
- assessing the possibility of rolling out a customer-satisfaction survey.

As outlined on page 150 of this chapter, quantitative performance objectives were established.

In terms of communication, Befimmo will continue to answer questionnaires.

## INTERNAL STAKEHOLDERS

### Employee-satisfaction survey

The Befimmo team has changed considerably since the acquisition of Fedimmo in late 2006. 22 new talents have joined our teams and we now have a staff of 40. This development has had a significant impact. This growth has undoubtedly led to greater complexity in human resource management: in a small team, managing these various aspects is by definition more intuitive and therefore less formal. We have detected increasing needs for delegation, communication, recognition, self-fulfillment, organisation, stress and time management.

In April 2011, the management organised a workshop on well-being and efficiency at work. This meeting was conceived as a staff-satisfaction survey, and aimed to identify measures that might contribute to an ideal balance between, on the one hand, well-being, defined as a state of health, pleasure, realisation and personal develop-

ment; and, on the other, efficiency, which means the ability of a person, group or system to achieve the goals it has set itself. This workshop was an opportunity for the entire staff to stand back from their workday situation and facilitated a wide-ranging and very constructive debate, confirming the collective working atmosphere, solidarity, attachment and mutual respect within Befimmo, and to the Company itself.

It was a chance to gauge the team's expectations. A number of measures have already been undertaken to respond to these expectations, such as extending health-insurance cover, revising the holiday schedule, installing a new telephone switchboard, promoting sports activities, etc.

### Activities at corporate level

Opportunities for improvement were identified at corporate level following analyses made by Business & Society, VIGEO, Deloitte and through external audits. Although the impact of the Befimmo team is limited because of its small size, some activities do fall entirely under the responsibility of the Company, therefore it is important to pay special attention to them and define specific aims and targets.



The **setting-up of Comité B+** in 2011, at the initiative of the staff, supported by the Executive Officers, is one step in this direction, as it aims to put in place a series of measures linked to social aspects at team level. The purpose of this Committee is to organise social, sports, cultural and festive activities. It seeks to strike a balance in the choice of activities in these various areas. In addition to the activities mentioned before, the Committee has also undertaken to organise regular charity activities and/or events.

The main projects carried out in 2011 included the participation in two campaigns for the Samu Social and the Red-Cross (the local body of Auderghem).

Samu Social is an organisation classified as an "emergency service", i.e. it works at grass-roots level: distributing warm clothing in the winter months (hats, scarves, blankets), distributing food, etc. The Red-Cross organises more specific actions such as collecting toys for Saint-Nicholas day, helping the homeless, etc. At the end of 2011, the Committee decided to set up a longer-term partnership with a social association. Befimmo is currently considering a number of partnership projects. The aim is to select a project during the first quarter of 2012 to which Befimmo could make a substantial long-term contribution.

For the second year running, the Befimmo team took part in the Shoe-Box<sup>(1)</sup> project to collect food for the homeless and poor and needy in Belgium. The food is placed in shoe boxes and distributed by several aid associations over Christmas and new year.

Since a year now, Befimmo has provided its employees with fair-trade products from Oxfam (juice, sugar, tea, etc.), these are articles produced under fair trade rules.

Comité B+ is firmly committed to continuing in 2012 the social campaigns that it began so enthusiastically in 2011. Several projects will thus be repeated like the blood donation collection of the Befimmo team, taking part in the 20 km Brussels running event for the organisation Infirmiers de rue<sup>(2)</sup>, etc.

### Staff training

*"Appropriate training in response to the challenges of ongoing skills development."*

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

The 2010/2011 fiscal period was an intense and rewarding year for training. In addition to language classes and individual courses held, two training programmes were also put in place. One programme open to the entire staff was based on "soft skills" (time and stress management, etc.) and another two-year programme aims at developing leadership skills for managers.

A programme of awareness-raising and training in sustainable development has been implemented:

- each employee receives awareness training in sustainable development and an introduction to the EMS;
- more in-depth training on the EMS is offered to employees who have a specific task defined in the EMS;
- monthly meetings are held in the technical department to assess implementation of the EMS and to share know-how acquired during external training;
- the Executive Officers prepares an annual presentation for all staff, to inform them of progress on sustainable development activities and Befimmo's strategy in this area.

Over the past fiscal period (15 months), Befimmo has imparted an average of 59 hours' training per staff member, more than half of which relates to language courses.

In 2012, in addition to the language courses offered by the Company to all of its staff, Befimmo continues to strive to develop the team's skills.

(1) [www.shoe-box.be/en/particuliers](http://www.shoe-box.be/en/particuliers).

(2) <http://www.infirmiersderue.be/index.php?id=1&L=4>

# MANAGING CORPORATE SOCIAL RESPONSIBILITY

## Individual staff sustainable development goals

To raise awareness among staff, environmental goals are set and discussed each year during staff evaluation interviews, such as implementing responsibilities under the ISO 14001 standard, sustainable building management, optimal use of the electronic document management programme, rational paper use or optimising waste sorting.

## Materiality

Befimmo's priorities for corporate social responsibility and hence also for materiality and reporting were devised by analysing a number of tools and applying them in accordance with the Company's values.

These include amongst other:

- an **exercise to analyse the business' environmental aspects and impacts**, linked to the development of Befimmo's internal ISO 14001 Environmental Management System;
- **applicable environmental legislation**;
- **analysis of sectoral reports** on corporate social responsibility in the real-estate sector;

- **BREEAM specifications:** respecting the BREEAM guidelines is an important element of implementing Befimmo's commitment to improve its environmental performances;
- **application of ISA guidelines** (see hereafter for more details);
- **review of the GRI sectorial supplement for the GRI-CRESS real-estate sector**;
- **RICS specifications<sup>(1)</sup>**;
- **questions from stakeholders:** where necessary, Executive Officers fine-tune the measures to be taken, based on questions and remarks by stakeholders such as institutional investors or Company employees.

TABLE 3: THEMES IDENTIFIED BY BEFIMMO

Use of buildings		Renovations	Internal team	Governance
Common areas	Private areas			
Climate change	Healthy and pleasant environment	ECO-design/procurement <sup>(2)</sup>	Working conditions	Transparency
Energy management	Climate change	Reducing raw materials use	Benefits	Code of ethics
Water management	Energy management	Use of hazardous and toxic products	Training	Communication with stakeholders
Prevention/Reduction of pollution / Biodiversity	Water management Information and Communication to tenants	Waste recycling Health/safety on construction site	Social commitment Vehicle fleet	Legal compliance Internal and external communication
Coordination / Follow-up of managing agent and maintenance companies	Coordination / Follow-up of managing agent and maintenance companies	Energy management Coordination of contractors	Energy management Waste recycling	

(1) [www.rics.org](http://www.rics.org).

(2) Anticipate the materials, design, etc.

# MAIN ACHIEVEMENTS

## “Why does Befimmo wish to improve its corporate social responsibility?”

### Summary of main achievements

- ▶ Introduction of the EMS (ISO 14001)
- ▶ Introduction of telemonitoring
- ▶ Energy audits
- ▶ Setting qualitative objectives
- ▶ Introduction of a sustainable procurement policy
- ▶ First BREEAM Design certification
- ▶ Communication as per GRI (grade C)
- ▶ Setting quantitative targets
- ▶ Communication as per GRI and EPRA BPRs
- ▶ Improving dialogue with external and internal stakeholders
- ▶ Study for joining a stock-market index



**In 2011, 2012 and beyond: reducing the carbon footprint and continuous improvement of energy performance of buildings of the Befimmo portfolio**

Befimmo continues to implement measures that it considers necessary to reduce the environmental impact of the activities it controls and influences directly.

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

- alignment with legislation;
- awareness / training of employees and external players;
- audits on managers and other players working for Befimmo;
- energy performance: continuing to improve the energy performance of the property portfolio via a gradual approach that includes investment in renewable energy, more energy-efficient technical installations, etc.;
- raising awareness of corporate social responsibility among all Company staff.

(3) PEB: Energy Performance of Buildings.

# MAIN ACHIEVEMENTS

The standards applied and the tools used to on a daily basis to ensure proper implementation of the corporate social responsibility strategy are described the table below:

**TABLE 4: TOOLS AND STANDARDS IMPLEMENTED BY BEFIMMO AT VARIOUS LEVELS**

Level	Approach followed / tool used
Corporate	Implementation of an ISO 14001-certified Environmental Management System (“EMS”)
Operational	BREEAM Building and BREEAM In-Use certification, EPB certificate (Energy Performance in Buildings)
Communication	Gradual application of GRI standard and the KPIs published by EPRA
Monitoring	Installation of digital meters throughout the Befimmo portfolio (excluding Fedimmo), ISA tools

The priority environmental impacts linked to Befimmo’s activities are:

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

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

We would point out that the policy implemented by Befimmo at operational level cannot yet be fully applied to the Fedimmo portfolio. The lease agreement with the Buildings Agency stipulates that most of the recurring work is its responsibility, and accordingly Befimmo does not have absolute control over these activities. Nevertheless, through regular dialogue and

consultation with the Buildings Agency and Fedesco, the environmental performance of the buildings is gradually being improved.

## GRI EN26

### Environmental aspects

Befimmo treats the following key topics for environmental improvements as priorities:

1. energy and climate change;
2. management of natural resources;
3. dialogue with external firms working for or on behalf of Befimmo, and with the tenants.

Progress towards the objectives announced during the past fiscal period is given at the end of the chapter. Implementation of some objectives will be postponed until the 2012 fiscal year.

We give details here of the most significant achievements:

#### ISO 14001

The Environmental Management System has been in place for over 2 years. Both internal and external audits show that, on the whole, the Company has succeeded in managing the EMS well. Numerous measures have been taken and environmental awareness among staff is clearly observable. Sound progress has been made with the management of subcontractors.

Of the five non-compliances identified during the certification audit, two were closed and three have made good progress, but have yet to be finalised. No new non-compliance was identified by the surveillance audits.

The following areas for improvement were identified during the various audits:

- the need to make more specific commitments and to develop quantitative objectives;
  - this issue has been resolved; see “Quantitative targets” on page 150;
- the need to manage the subcontracting cascades;
  - an audit of the main external manager was carried out in 2011, and an external managing agent training programme will be implemented in 2012;
- the need to help stakeholders to make the connection in their everyday lives between action on the ground and the Company’s environmental objectives;
  - one employee has been given responsibility for monitoring implementation and developing other awareness-building exercises for the Befimmo team. In addition, at their annual evaluation employees were given environmental objectives tailored to their posts.

Based on 2 years of experience with the system and following the arrival of the Environmental Manager (“EM”), various ways of improving and clarifying the procedures have been identified. A substantial revision of the EMS will take place in early 2012.



## MAIN ACHIEVEMENTS

### INTERNATIONAL SUSTAINABILITY ALLIANCE (ISA)

Befimmo is a founding member of ISA. Note that, since 2009, ISA, in partnership with BRE Trust, has been developing a worldwide network of organisations operating in the real-estate sector and is dedicated to achieving a more sustainable built environment. ISA is an independent, non-profit organisation.

Befimmo is actively pursuing its close cooperation with ISA to develop a powerful comparison system for its own buildings. This automated tool, which meets GRI requirements, already provides a means of assessing the performance of Befimmo's buildings in terms of specific consumption

in relation to a database that now includes 7,000 references (a figure that is set to increase to 50,000 in the foreseeable future) supplied by around 30 members including Aberdeen, BNP Paribas, Bopro, Cushman & Wakefield, EDF Group, Redevco, etc.

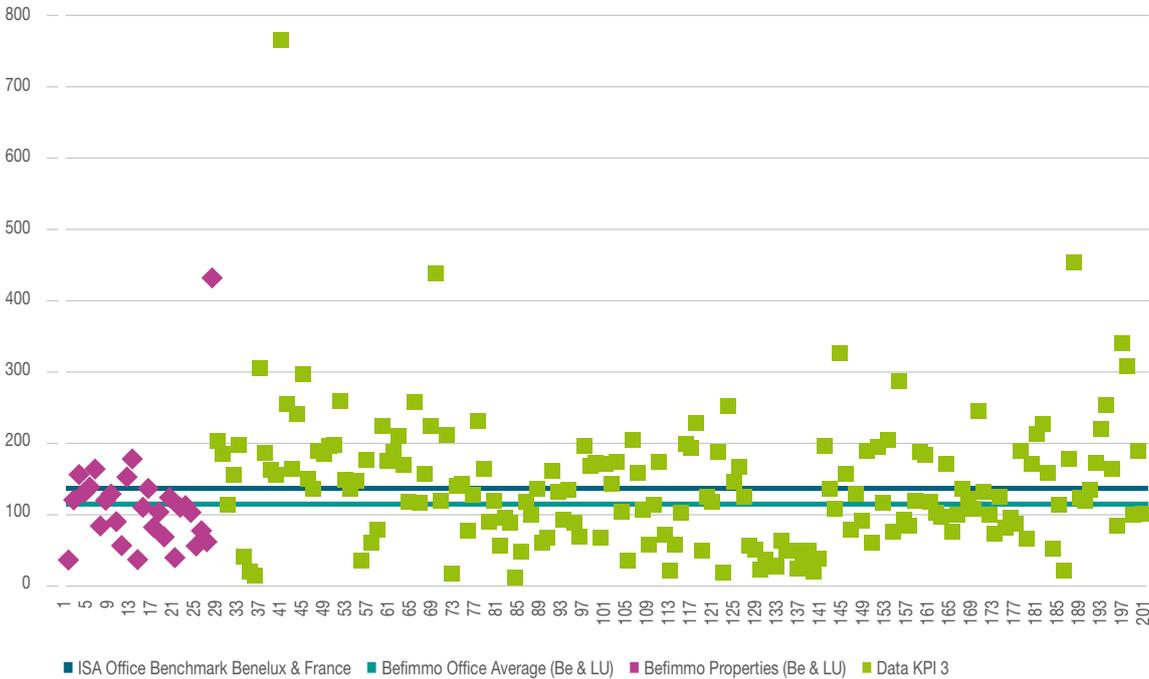
These references include the data for 28 buildings of Befimmo's portfolio, most of whose consumption figures are better than the average results for Benelux and France (see graph hereafter).

The tools developed by ISA are compatible with ISO 14001 and the GRI.



► La Plaine  
Brussels decentralised

EXAMPLE ISA GRAPH: KPI 3 PROPERTY ENERGY INTENSITY<sup>(1)</sup> (kWh/m<sup>2</sup>/yr)



**KPI 3 gives the total energy consumption of Befimmo buildings over a certain period (2010). The total energy consumption of Befimmo buildings can be compared with that of the ISA benchmark (± 200 buildings) (ISA Office Benchmark Benelux and France - Records KPI 3).**

(1) Source: ISA

# MAIN ACHIEVEMENTS

## BREEAM

In order to follow a structured approach and to obtain validation of the objectives achieved, Befimmo applies the guidelines issued by BREEAM. This method provides a means of measuring the level of sustainability and certifying the buildings in a consistent manner.

## REFURBISHMENT AND RENOVATION WORK

The extraction and use of resources to create materials and products during renovation (and construction) work are among the greatest causes of direct environmental impact in the real-estate sector. Ecological impact, such as loss of biodiversity, greenhouse-gas emissions and waste can be effectively reduced thanks to recycling and dismantling.

The BREEAM certification, which Befimmo systematically implements for its major renovation projects, imposes the requirement, among other things, to keep up-to-date data on the use of natural resources and recycled materials.

However, the building's environmental performance is also determined at the design stage. The adoption of an eco-design approach from the initial phase, in consultation with the architects and the engineering offices, also extends the building's potential commercial life.

Over the first half of the fiscal period, at the Ecobuild conference that took place in London in March 2011, Befimmo won the "2011 BREEAM AWARD category Europe Offices", for the scheme to renovate its Froissart building, located in Brussels. This internationally renowned exhibition is the most important in the field of sustainable

design and construction. In practice, this means that the Froissart renovation project, which was completed in October 2010, obtained the highest score in Europe of all the projects to receive a BREEAM certification. Apart from the building's high energy performances, the project also includes features such as the provision of public-transport information for the building's users and facilities for cyclists. This award demonstrates the external recognition of sustainable performances of our projects.

In January 2012, Befimmo was the first real-estate Company in Europe (excluding the UK) to be rated "Excellent" for the BREEAM Post Construction certificate for its Science-Montoyer building.



## IN-USE BUILDINGS

### BEFIMMO WAS THE FIRST REAL-ESTATE COMPANY IN BELGIUM TO APPLY THE BREEAM IN-USE CERTIFICATION

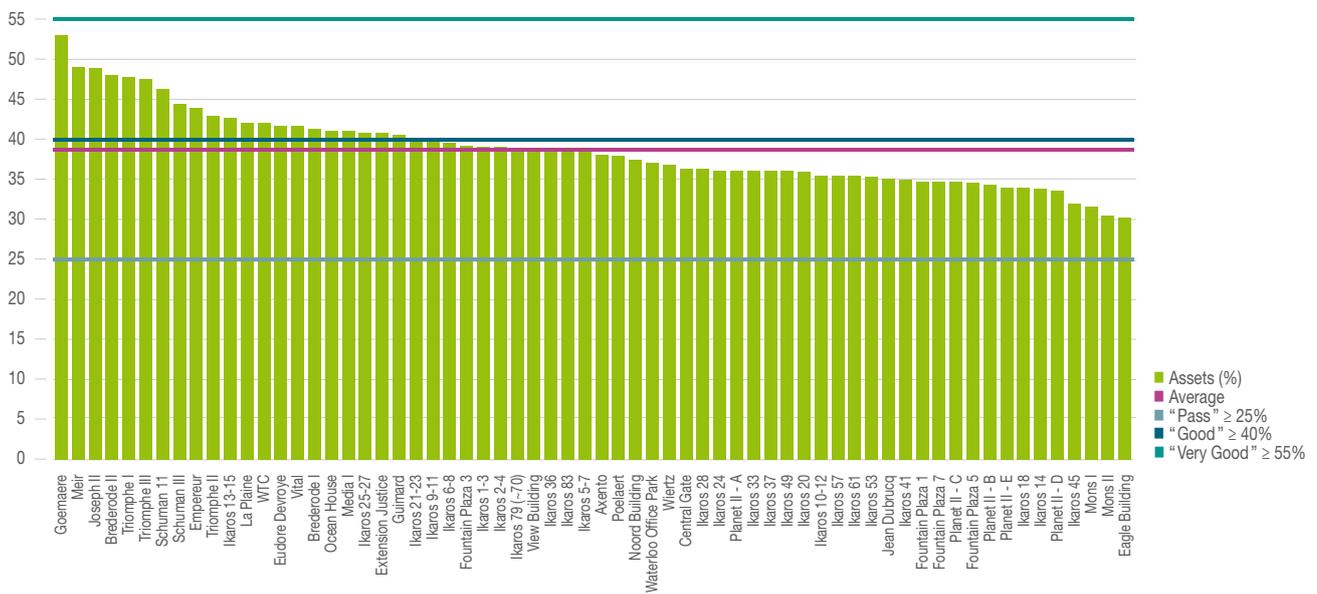
The BREEAM In-Use certification, which is renewed every year, is consistent with the continuous improvement guidelines imposed by the ISO 14001 standard.

This is a valuable tool that validates Befimmo's efforts to improve the sustainability of the existing buildings in its portfolio. The initial performance of the buildings is first measured, for the building itself (Asset) and for its management (Management).

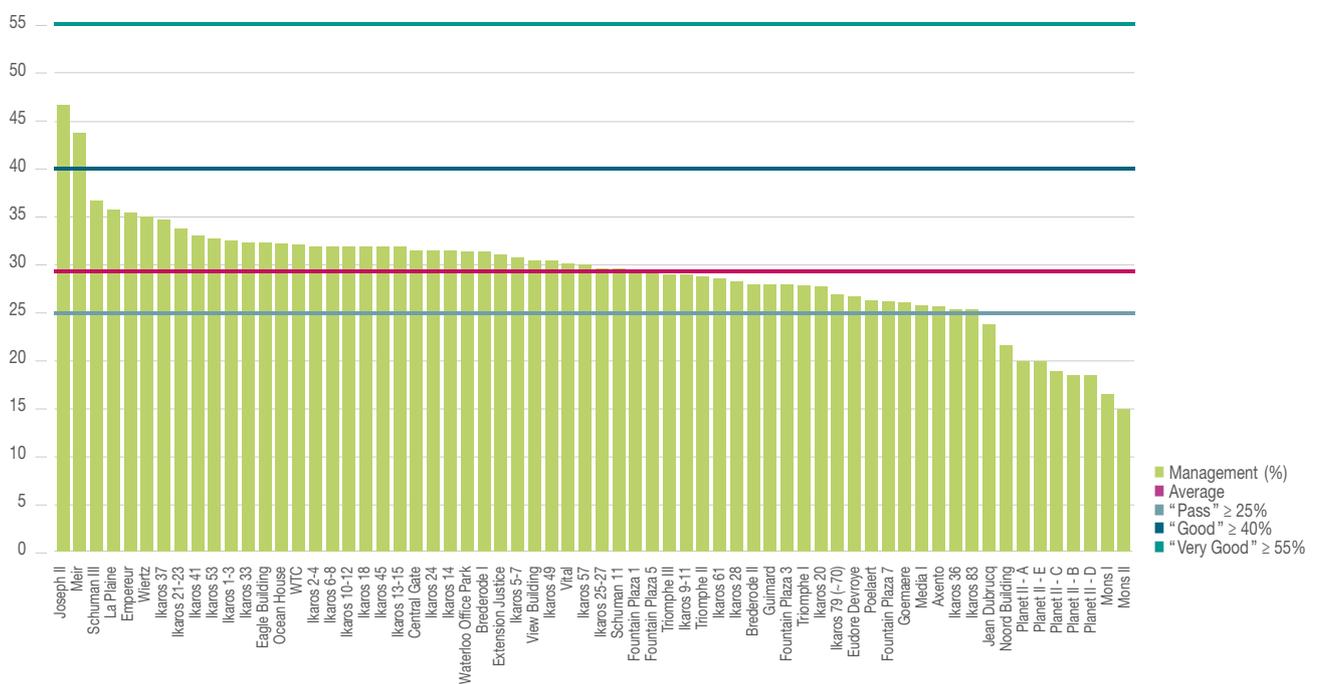
Among other things, this certification requires consumption data to be monitored. The validation of the resulting data is an important step towards achieving acceptable benchmarking figures.

A total of 30% of the Befimmo portfolio was audited during 2010. Of these buildings, work was carried out on 7 to raise the Asset score from "Pass" to "Good" in 2011. The remaining 70% of the buildings of the portfolio were certified in 2011.

BREEAM IN-USE ASSET



BREEAM IN-USE MANAGEMENT



# MAIN ACHIEVEMENTS

## ENERGY PERFORMANCE CERTIFICATES (EPB)

### Befimmo

In 2011, Befimmo completed most of the energy performance certification for the buildings located in the Brussels-Capital Region in accordance with the decree of 17 February 2011<sup>(1)</sup> of the Government of the Brussels-Capital Region on the EPB certificate established by a certifier for tertiary units.

It is important to draw a distinction between tertiary buildings which are not open to the public and those which are. In fact, the latter fall under the decree of 27 May 2010<sup>(1)</sup> of the Government of the Brussels-Capital Region on the energy performance certificate of public buildings.

The energy classes defined in the two decrees are different. Although theoretical, the data of the certificates are also compared with the actual specific consumption figures.

## TERTIARY BUILDINGS IN BEFIMMO'S PORTFOLIO

kWh/m <sup>2</sup> /year	Number of buildings	Share (%)
0 - 61 A		
62 - 93 B+		
94 - 124 B	1	6%
156 - 186 C+	3	17%
187 - 217 C	4	22%
218 - 248 C-	7	39%
249 - 279 D+	2	11%
280 - 310 D		
311 - 341 D-	1	6%
342 - 372 E+		
373 - 434 E and E-		
435 - 527 F		
> 527 G		
<b>TOTAL</b>	<b>18</b>	<b>100%</b>

**The figure of 100% represents 18 buildings, i.e. 81% of tertiary buildings of Befimmo's portfolio (excluding Fedimmo).**

(1) [www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg.pl?language=fr&la=F&cn=2011021704&table\\_name=loi](http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2011021704&table_name=loi).



Brederode 1  
Brussels centre

#### “PUBLIC” BUILDINGS IN BEFIMMO’S PORTFOLIO

kWh/m <sup>2</sup> /year	Number of buildings	Share (%)
229 - 266 C	1	50%
311 - 341 D-	1	50%
<b>TOTAL</b>	<b>2</b>	<b>100%</b>

**The figure of 100% represents 2 buildings, i.e. 50% of public buildings of Befimmo’s portfolio (excluding Fedimmo).**

In 2012, Befimmo will complete the certification of the remainder of the portfolio located in the Brussels-Capital Region, notably the buildings for which certification is not a legal obligation because they are leased long-term to a single occupant. This mainly concerns the certificates relating to the Joseph II, Montesquieu, Pavilion and Poelaert buildings.

Befimmo will also make sure the certificates are updated whenever major works are carried out.

# MAIN ACHIEVEMENTS

## Fedimmo

The Fedimmo buildings were self-certified by the occupier, which provided the information processed by its services:

### BUILDINGS IN FEDIMMO'S PORTFOLIO <sup>(1)</sup>

kWh/m <sup>2</sup> /year	Number of buildings	Share (%)
1 - 38 A		
39 - 76 A-		
77 - 114 B+	1	5%
115 - 152 B	5	23%
153 - 190 B-	8	36%
191 - 228 C+	4	18%
229 - 266 C	3	14%
267 - 304 C-	1	5%
305 - 342 D+		
343 - 380 D		
381 - 418 D-		
419 - 455 E+		
456 - 531 E and E-		
532 - 645 F		
> 645 G		
<b>TOTAL</b>	<b>22</b>	<b>100%</b>

**The figure of 100% represents 22 buildings, i.e. 39% of Fedimmo's portfolio.**

(1) The energy classes used in the table are those used for public buildings in the Brussels-Capital Region. The different categories of energy classes are not defined by explicit standards in the Flemish and Walloon Regions.



► **Joseph II**  
Brussels  
Leopold district

## AUDIT OF AG REAL ESTATE

In June 2011, AG Real Estate (AG RE), the main managing agent of Befimmo's portfolio (representing some 400,000 m<sup>2</sup>, was audited by Befimmo for the first time. The purpose of the audit was to assess the compliance with the guidelines of Befimmo's EMS as regards activities that fall under the responsibility of the external managing agent and to evaluate the compliance of the activities of AG RE with the environmental legislation in force.

The audit was also intended to identify areas for improving general cooperation between Befimmo and AG RE.

In the fiscal years ahead, further improvements will be made in the following areas:

- improving knowledge of EMS procedures;
- raising awareness in maintenance companies. This awareness must be developed through maintenance contracts for which AG RE exercises supervision and responsibility (M and S portfolio - see definition on page 109);

- collecting documents and data (inventory of toxic products, volume of waste, annual loss of gases that deplete the ozone layer, etc.);
- raising awareness among tenants and checking that their activities meet the requirements of the environmental permit, updating the environmental permit during changes of activities and notifying the competent authorities when changes are made to installations that are listed or likely to be listed in future;
- improving communication between AG RE and Befimmo. Two offices have been made available in the technical department for regular consultations with AG RE. In addition, AG RE will be given access to the EDM (Electronic Document Management) system in order to make the documents connected with the follow-up tables directly available for Befimmo.

## MULTIANNUAL INVESTMENT PLAN

Befimmo has drawn up a multiannual investment plan designed to improve the energy performance of the portfolio. The foreseen amounts are well in excess of the commitments announced in the previous Annual Financial Report:

**TABLE 5: BUDGETS ALLOCATED TO IMPROVE THE ENERGY PERFORMANCE OF BEFIMMO BUILDINGS (EXCLUDING FEDIMMO)**

Budgets (€ million)	2009/2010	2010/2011	2012	2013	2014
	(12 months)	(15 months)	(12 months)		
Announced in the Annual Financial Report 2009/2010	1.2	3.7	2.4	2.0	-
Announced in the Annual Financial Report 2010/2011	-	3.9	3.6	3.4	3.3
Achieved (total)	1.2	3.9	-	-	-

# MAIN ACHIEVEMENTS

The multiannual investment plan was devised for sustainable optimisation work on buildings that will not undergo a major renovation. For these buildings, a specific proportion of the overall renovation budget is allocated for sustainable optimisation.

## ASSESSMENT AT CORPORATE LEVEL

### CO<sub>2</sub> emissions

The CO<sub>2</sub> emissions associated with the Company's own activities, i.e. office activities of its staff, were assessed according to the "*Bilan Carbone*" (carbon footprint), a methodology developed by the French Environment and Energy Management Agency (*Agence de l'Environnement et de la Maîtrise de l'Énergie* – ADEME)<sup>(1)</sup>:

The operational perimeter covers:

- travel by company car;
- business trips by air and rail;
- paper consumption;
- use of the company headquarters.

This exercise was carried out for the first time by CO<sub>2</sub>logic in 2010, and was published in the 2010 Annual Financial Report. Unlike the calculation used for reporting in the 2010 Annual Financial Report, home/work commuting was not included, as there is too much uncertainty concerning these data. The calculated CO<sub>2</sub> emissions do not take account of the indirect emissions generated upstream of the Company's activities.

Emissions at corporate level have increased mainly as a result of the vehicle fleet and business trips. One of the objectives of the year ahead is to develop a car policy and to reduce the team's CO<sub>2</sub> emissions by 5% in relation to 2011.

In 2011, Befimmo installed 410 m<sup>2</sup> of photovoltaic panels on the roof of its headquarters. Over the last quarter of 2011, solar panels generated 6% of the Company's total consumption.

Paper consumption has decreased significantly thanks, among other things, to the introduction of the Electronic Document Management (EDM) system.

(1) [www.site-index.fr/ademe/bilan-carbone.html](http://www.site-index.fr/ademe/bilan-carbone.html).

CO<sub>2</sub> EMISSIONS RELATED TO BEFIMMO'S OWN ACTIVITIES ACCORDING TO THE "CARBON FOOTPRINT" METHODOLOGY

	UNIT	2009	2010	2011	CO <sub>2</sub> emission factors (kg)	Tonnes CO <sub>2</sub> e 2009	Tonnes CO <sub>2</sub> e 2010	Tonnes CO <sub>2</sub> e 2011	%/year 2009	%/year 2010	%/year 2011
<b>Corporate</b>						<b>30.8</b>	<b>39.0</b>	<b>23.7</b>	<b>19.4%</b>	<b>18.8%</b>	<b>11.3%</b>
Electricity	kWh	268 480	230 484 ✓	158 097 ✓	0.000	0.0	0.0	0.0			
Gas	kWh	144 585	190 226 ✓	115 417 ✓	0.205	29.6	39.0	23.7			
Air-conditioning	kg	0.6	0.0	0.0	1 976.4	1.1	0.0	0.0			
<b>Vehicle fleet</b>						<b>123.7</b>	<b>153.1</b>	<b>176.5</b>	<b>77.7%</b>	<b>74.0%</b>	<b>84.2%</b>
Diesel	Litres	43 046	48 248 ✓	56 082 ✓	2.662	114.6	142.0	165.0			
Petrol	Litres	3 744	3 911 ✓	4 060 ✓	2.425	9.1	11.1	11.5			
<b>Business trips</b>						<b>0.3</b>	<b>10.27</b>	<b>6.24</b>	<b>0.2%</b>	<b>5.0%</b>	<b>3.0%</b>
Short-haul flights	km	2 200	16 292	16 480	0.126	0.3	2.1	2.1			
Long-haul flights			70 848	35 424	0.113		8.0	4.0			
High-speed train	km	1 280	14 380	11 030	0.015	0.02	0.22	0.17			
<b>Paper</b>						<b>4.3</b>	<b>4.6</b>	<b>3.3</b>	<b>2.7%</b>	<b>2.2%</b>	<b>1.6%</b>
Paper	kg	3 268	3 500	2 500	1.320	4.3	4.6	3.3			
<b>Total CO<sub>2</sub> emissions</b>						<b>159.1</b>	<b>206.9</b>	<b>209.7</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Number of full time equivalents		34	39	39							
CO <sub>2</sub> emissions per employee						4.7	5.3	5.4			

Data with the symbol ✓ have been checked by Deloitte as part of a limited review report.

# MAIN ACHIEVEMENTS

## CASE STUDIES



### Photovoltaic panels

In 2011, Befimmo completed several photovoltaic panel installation projects. Noteworthy among them were the Science-Montoyer and Goemaere projects, for which 184 m<sup>2</sup> and 410 m<sup>2</sup> of panels were installed respectively. The panels produce a total output of 61.9 kWp, in addition to the 19.95 kWp (141 m<sup>2</sup>) already placed on the roof of the Axento building in Luxembourg.

Total power generation by voltaic panels since 2010 is broken down as follows:

- 2010: 5,210 kWh;
- 2011: 22,500 kWh, of which 2,500 kWh of production for the Goemaere building over the last quarter.



### Pilot biodiversity study of the Goemaere site

In August 2011, Befimmo's Goemaere site was presented for a labelling audit and was awarded the Eve<sup>®</sup> label by the Ecocert "Ecological Green Spaces" certification body. Indeed, this site - where Befimmo works continuously to manage and improve its biodiversity - has been found to comply with the requirements of the benchmark. Befimmo is proud to be the first company in Belgium to receive this certification. The Eve<sup>®</sup> benchmark is intended to promote environmental practices in the management of green spaces.

Similar studies could be conducted in the future for a number of sites, especially those in the Fedimmo portfolio that are located on a large area of land.



## MONITORING

Telemonitoring currently covers 95% of Befimmo's portfolio and 15% of Fedimmo's portfolio. The data collected generally cover all consumption (water, gas and electricity). As regards electricity, Befimmo aims over the coming years to be able to differentiate between data for individual and common consumption. Indeed, Befimmo aims to achieve savings of 5% in common areas by 2014, as it has for gas.

In addition, it should soon be possible to import the information recorded via telemonitoring and to use it as input for the ISA database.

Finally, the installation of alarms on the telemonitoring system will enable Befimmo to identify consumption anomalies and carry out any necessary corrective action in real time.

## Waste

During the 2011 fiscal period, work continued on the collection of data concerning the volume of waste (paper/cardboard, plastic, metal and drinks cartons and household waste) and the processing of waste (recycling, incineration). MCA<sup>(1)</sup>, the Company responsible for collecting and processing waste for most of the portfolio, identifies the tenants who generate the most waste and takes action to encourage them to reduce their volume of waste.

## Social aspects

### THE BEFIMMO TEAM

As at 31 December 2011, there were 40 staff members on the team (60% men and 40% women). With the exception of the CEO, all team members are hired as employees and on a contract of indefinite duration. Within the team, 68% have a university degree and 63% of those graduates also have a post-graduate diploma.

During the past fiscal period, Befimmo had no cases of occupational diseases and only one occupational accident. The absenteeism rate<sup>(2)</sup> over the past fiscal period (15 months) was 2.14% of the total number of hours worked. This figure can be compared with an average rate of 2.42%<sup>(3)</sup> for all Belgian companies across all sectors.

In the 2010/2011 fiscal period (15 months), Befimmo recruited 8 new staff members and 9 people left<sup>(4)</sup> the Company.

Each member of the team has at least one annual evaluation interview with their superior based on a wide-ranging assessment, including the relationship between the Company and its employee. In order to raise awareness among staff, individual environmental objectives are set and discussed individually during this interview.

Befimmo's employees are covered by a non-statutory pension scheme that guarantees a replacement income that is proportional to the salary earned at the time of retirement (defined-benefits system) and their length of service in the Company. More detailed information can be found in the note "Employee benefits" on page 221 of this Annual Financial Report.

(1) [www.mca-recycling.com](http://www.mca-recycling.com).

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

(3) Source: sdWorx publication in April 2011.

(4) Including one fixed-term contract.

# MAIN ACHIEVEMENTS

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

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

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

## Economic aspects

Befimmo has a code of ethics that requires ethical values to be observed in its relations with its customers, management team, partners and shareholders. Within the framework of the code of ethics, Befimmo complies with internal rules in order to limit the risks associated with money laundering and the funding of terrorism.

The corporate governance charter of 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 2009 Belgian Code of Corporate Governance as a benchmark.

The governance charter and the code of ethics are available on Befimmo's website: [www.befimmo.be/en/corporate-governance](http://www.befimmo.be/en/corporate-governance).

The various terms of reference and other documents can also be found on the website:

- terms of reference of the Board of Directors;
- terms of reference of the Audit Committee;
- terms of reference of the Appointments and Remunerations Committee;
- terms of reference of the Executive Officers;
- charter of the Supervisory College of the day-to-day management;
- terms of reference regarding the Internal Audit.

# PERFORMANCE INDICATORS

## Reporting methodology

### ENERGY, GAS, WATER AND GREENHOUSE-GAS EMISSIONS

Befimmo now has a database covering 3 years of consumption (water, gas and electricity) for a large part of its portfolio. The buildings belonging to the portfolio are of diverse origin and have had different owners, each of which had its own fundamental vision of the development and management of the property. Befimmo's portfolio is therefore made up of assets which in many cases have widely differing technical characteristics.

Moreover, when one takes into account the diverse nature of the occupants and the specificity of their business needs (such as long working hours), it is clearly very difficult and even risky to focus on one or other standard building without running the risk of creating distortions.

Befimmo has decided to review its reporting methodology. The objective is to refine our analysis and to define rules that help to take better account of the specificities of the Company's activities and to progressively extend the reporting scope to include any and all information that may be useful (consumption of water, gas, electricity, heating oil, etc.). Of course, reporting on all the figures without excluding the results that deviate significantly from the average increases the level of uncertainty of the result obtained, but it does provide a means of identifying the buildings where corrective action is needed on the ground and/or in data collection (telemonitoring, manage-

ment reports, information received from tenants, etc.).

**Absolute figures:** the figures are reported firstly in total, and the reporting scope is defined on the basis of the correlation between the floor area concerned by the obtained data and the total floor area of the portfolio. The latter is defined as follows:

#### FLOOR AREA OF THE CONSOLIDATED PORTFOLIO

(m <sup>2</sup> )	2008	2009	2010	2011
Befimmo <sup>(1)</sup>	507 317	520 770	520 770	521 862
Fedimmo <sup>(2)</sup>	349 010	344 371	344 766	353 273

Note that the total GLA of the Befimmo portfolio was revised and increased by some 17,000 m<sup>2</sup> following new surveys carried out during the last fiscal period.

**Normalised figures:** the figures are also presented in normalised form in relation to the area.

The new methodology is also applied retroactively as regards all the data that have previously been published. Finally, it is applied in the same way to the data collected for the Fedimmo portfolio.

As regards electricity consumption, Befimmo draws a distinction between buildings that have a high-voltage cabin and a main low-voltage switchboard fitted with sub-meters that calculate individual consumption, and buildings that are also fitted with low-voltage meters for direct billing of the occupants. In the first case, Befimmo has a general overview of the consumption associated with the functioning of the building, while in the second case it has only a partial view of consumption. If the informa-

tion received makes no distinction between the total combined electricity consumption for private and common areas, it is agreed that the consumption is divided 50/50 pending a more accurate calculation.

In order to facilitate the proper management of our energy accounting, we believe it is best to maintain a distinction between electricity consumption in common and private areas.

Befimmo's investments to reduce energy consumption focus mainly on common installations, while a campaign of awareness-building and communication will be conducted among occupants regarding their individual electricity consumption.

Befimmo takes account of the following factors when calculating greenhouse-gas emissions:

- 253 gCO<sub>2</sub>/kWh for emissions associated with the consumption of non-renewable electricity;
- 0 gCO<sub>2</sub>/kWh for emissions associated with the consumption of renewable

(1) Source: Global Lettable Area (GLA)

(2) Source: Befimmo Annual Financial Reports (2008-2011)

# PERFORMANCE INDICATORS

electricity (supply contract through the managing agent of AG Real Estate Property Management);

- 205 gCO<sub>2</sub>/kWh for emissions associated with the consumption of gas;
- 2.662 kgCO<sub>2</sub>/litre for emissions associated with the consumption of heating oil.

## WASTE

The data are obtained mostly from external companies (managing agent and tenants); these provide information on quantity (m<sup>3</sup>, kg, litres, etc.) by type of waste.

In most cases, suppliers responsible for removing waste intervene upstream, i.e. directly with the tenants, and provide them with the information and materials required to improve the sorting of waste (selective sorting waste bins).

## NORMALISATION

Where applicable, the normalisation of data is carried out by m<sup>2</sup> according to the BACS measurement code based on the GLA (Gross Lettable Area, which includes common parts).

For the calculation of the normalised consumption figures for gas and oil, the data relating to the buildings on which work has been carried out during the year to switch from one type of fuel to another are systematically ignored, as it is not advisable to extrapolate the results in either case and the results obtained are relatively unreliable.

## Interpretation of the figures

The figures for consumption taken from Befimmo's energy accounting are compared with the market data that come, for example, from organisations such as the ICEDD (*Institut de Conseil et d'Études en Développement Durable*) or from ISA.

Internal benchmarking is also applied to the normalised data on Befimmo's portfolio with a view to defining and introducing a well-considered strategy of energy investments.

The normalised consumption data can now also be compared with the theoretical data from energy performance certificates issued in 2011 for the buildings located within the Brussels-Capital Region.

This approach will probably be extended in the years ahead to cover the buildings located outside the Brussels-Capital Region.

TABLE 6: DETAILED REPORTING OF KPIS

Topic	Reporting scope	Improvements to be made with regards to the reporting
Use of natural resources, rate of recycled materials and waste linked to major renovations	<p>The data will be reported for major renovations that comply with sustainable procurement conditions, i.e. projects costing over €500,000.</p> <p>The management of recycled materials and waste has been closely monitored within the framework of the refurbishment of the Science-Montoyer building. The renovation work for this building was the subject of a call for projects to the IBGE, and it was also closely monitored by a BREEAM assessor, in particular as regards waste management.</p>	
Energy consumption (gas and electricity) and greenhouse-gas emissions	<p>The reporting scope has been systematically extended to the maximum based on the data obtained. Buildings for which no information is available are removed from the scope of normalisation.</p> <p>As regards the electricity consumption of the Befimmo buildings, if the information received concerns the total consumption without distinction, the 50/50 rule (common and private areas) is applied. The situation will be updated and the results refined as telemonitoring is extended and improved.</p> <p>When calculating specific gas/fuel consumption, the data for the buildings on which work was carried out during the year to switch from one type of fuel to another are systematically ignored.</p> <p>Finally, when calculating consumption of gas and heating oil, the degree-day concept 16.5/16.5 is also applied.</p> <p>The following values<sup>(1)</sup> are used:</p> <ul style="list-style-type: none"> <li>• 2008: 2,213 degree-days;</li> <li>• 2009: 2,212 degree-days;</li> <li>• 2010: 2,703 degree-days;</li> <li>• 2011: 1,928 degree-days.</li> </ul> <p>The above methodology is applied to all the processed data, including usable data from previous years.</p> <p>The calculated percentage of renewable energy is a minimum, as Befimmo has no information about the origin of the electricity when it is billed directly to the tenant.</p> <p>For this reason, the calculation of greenhouse-gas emissions is an estimate. An emission factor of 253 gCO<sub>2</sub>/kWh was used for emissions associated with electricity consumption (Source: EIA, 2007), while an emission factor of 205 gCO<sub>2</sub>/kWh was used for emissions associated with natural gas consumption (Source: ADEME, <i>Bilan Carbone</i>) and a factor of 2.662 kgCO<sub>2</sub>/litre for heating oil.</p>	<p>The BREEAM In-Use guidelines are applied systematically. Nevertheless, it is still sometimes difficult to apply these guidelines for minor renovations, as the cost of applying the guidelines is sometimes very high while the added value is low.</p> <p>Befimmo's paramount aim is to continue to distinguish between consumption in private and common areas and to obtain more information on the origin of electricity used in private areas. The installation of any other specific metering system may be envisaged on a case-by-case basis where needed.</p>
Water consumption	<p>This is consumption associated with the use and management of buildings.</p>	<p>As is the case with gas and electricity, the BREEAM In-Use guidelines are applied and information concerning the total consumption by building is already available. The specific metering system is designed according to the nature of the work (major renovations) and the score to be attained by the project.</p>
Waste from building use	<p>Compared with 2009, the scope applied in 2010 and 2011 has been extended by some 20% and is now around 60%. The data received are generally more detailed by type. The figures for the production of other waste are always difficult to obtain, and Befimmo has limited control over this.</p>	<ul style="list-style-type: none"> <li>• Obtain more information on the treatment of unrecycled waste and the method used by refuse collection firms to consolidate their figures.</li> <li>• Obtain data for: <ul style="list-style-type: none"> <li>• small household chemical waste;</li> <li>• glass.</li> </ul> </li> </ul>

(1) Source: [www.gaznaturel.be](http://www.gaznaturel.be).

# PERFORMANCE INDICATORS

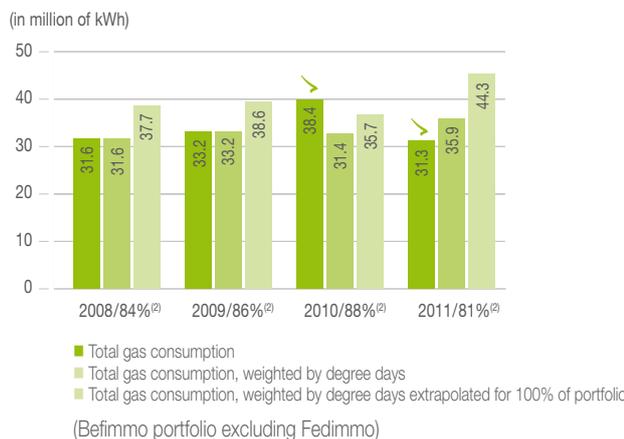
## Environmental indicators

**The information concerning the Fedimmo portfolio is incomplete but it is nonetheless published for information purposes. It will be supplemented in the coming fiscal years so that it can be analysed in the same way as the information available for Befimmo.**

### ENERGY <sup>(1)</sup>

#### Direct energy consumption

DIRECT ENERGY CONSUMPTION | TOTAL | GAS



GRI EN3  
EPRA  
Absolute measures

Data with the symbol ✓ have been checked by Deloitte as part of a limited review report.

(1) The Greenhouse Gas (GHG) Protocol defines direct and indirect emissions as follows: direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity (for example, combustion of gas to heat buildings). Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity (for example, consumption of electricity produced in an off-site power station). (See [www.ghgprotocol.org/calculation-tools/faq](http://www.ghgprotocol.org/calculation-tools/faq)). The GHG Protocol is the international accounting tool most used by government leaders and companies to understand, quantify and manage greenhouse gas emissions. It is a partnership that was set up more than 10 years ago between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

(2) Year / reporting perimeter.

## DIRECT ENERGY CONSUMPTION | NORMALISED | GAS



GRI CRESS - CRE1  
EPRA  
Intensity measures

**The increase in total gas consumption in 2011 (which was less cold than the reference year 2008) is due mainly to the switch from heating oil to gas in a few buildings belonging to the portfolio and to anomalies (overconsumption) identified in certain high energy consuming buildings.**

**We observed an increase in the normalised gas consumption in 2011 compared with 2010. The weather in 2011 was not so cold, which should have been reflected in a lower normalised consumption (-30%). This trend was not borne out by the figures, and an analysis shows that for certain buildings, the settings were not adjusted quickly enough after the winter of 2010, which was colder.**

## DIRECT ENERGY CONSUMPTION | TOTAL | OIL

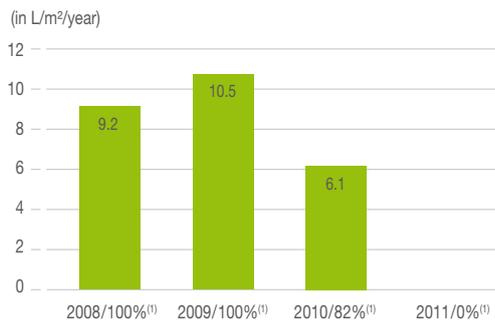


GRI EN3  
EPRA  
Absolute measures

**In 2011, the sharp drop in the consumption of heating oil during the year was due to the fact that 3 buildings switched to gas.**

# PERFORMANCE INDICATORS

## DIRECT ENERGY CONSUMPTION | NORMALISED | OIL



■ Total oil consumption, weighted by degree days and area of reporting scope

(Befimmo portfolio excluding Fedimmo)

GRI CRESS - CRE1  
EPRA  
Intensity measures

**For 2011, the figures are not normalised because they are not regarded as representative, since work was being carried out on these buildings (switching to gas).**

GRI EN3  
EPRA  
Absolute measures

GRI CRESS - CRE1  
EPRA  
Intensity measures

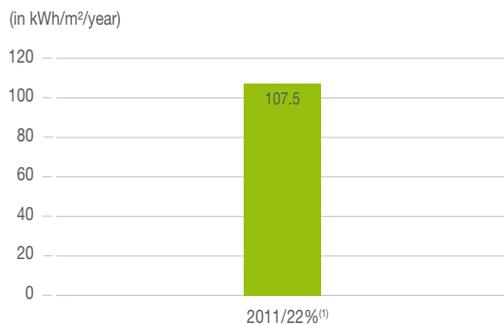
## DIRECT ENERGY CONSUMPTION | TOTAL | GAS



■ Total gas consumption  
■ Total gas consumption, extrapolated for 100% of portfolio

(Fedimmo portfolio)

## DIRECT ENERGY CONSUMPTION | NORMALISED | GAS



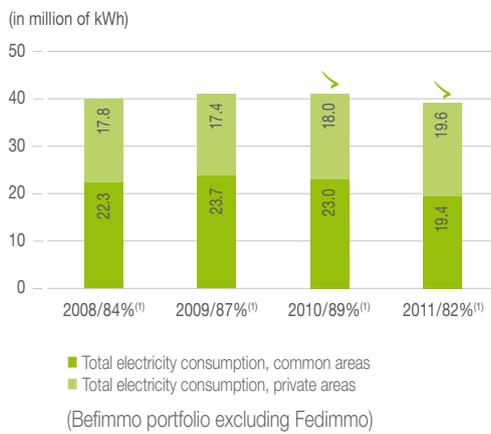
■ Total gas consumption, weighted by reporting perimeter

(Fedimmo portfolio)

(1) Year / reporting perimeter.

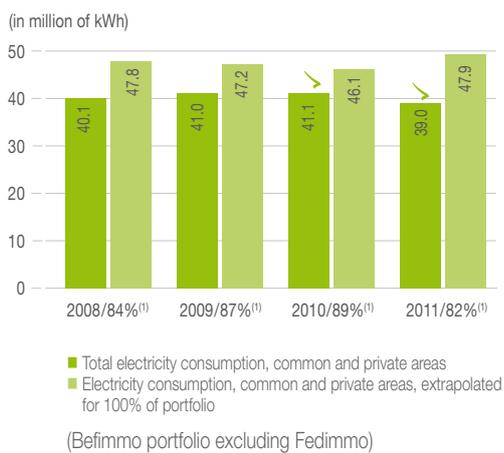
## Indirect energy consumption

### INDIRECT ENERGY CONSUMPTION | TOTAL | ELECTRICITY



GRI EN4  
EPRA  
Absolute measures

### INDIRECT ENERGY CONSUMPTION | TOTAL | ELECTRICITY

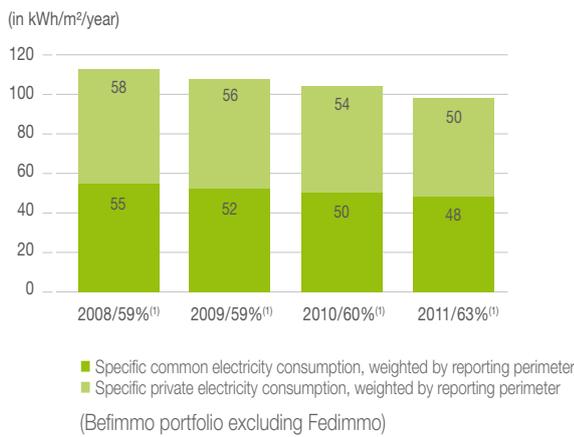


GRI EN4  
EPRA  
Absolute measures

**Total electricity consumption is relatively stable and correlates directly with the reporting perimeter.**

# PERFORMANCE INDICATORS

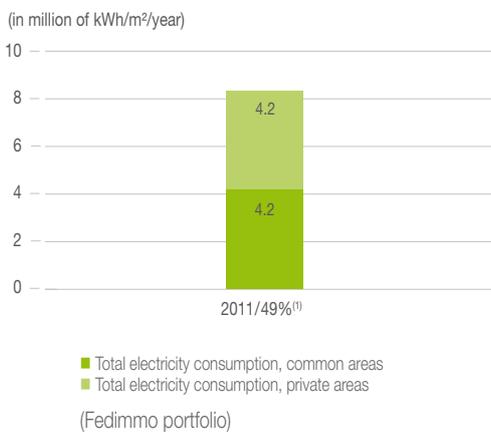
## INDIRECT ENERGY CONSUMPTION | NORMALISED | ELECTRICITY



GRI CRESS - CRE1  
EPRA  
Intensity measures

**Normalised consumption for private and common areas shows a downward trend in relation to a scope which is gradually expanded as new data are received. Note that the 50/50 rule, which is often used where only incomplete data are available, tends to smooth out the data. This only partially reflects the reality. More reliable values will be provided in future as telemonitoring facilitates the separation of consumption.**

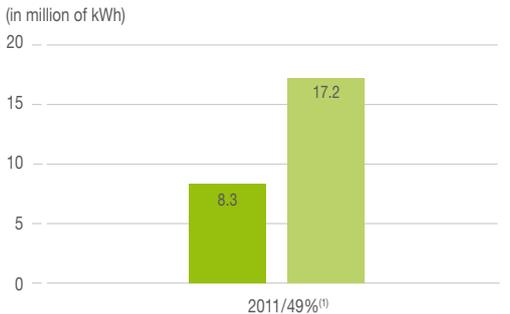
## INDIRECT ENERGY CONSUMPTION | NORMALISED | ELECTRICITY



GRI EN4  
EPRA  
Intensity measures

(1) Year / reporting perimeter.

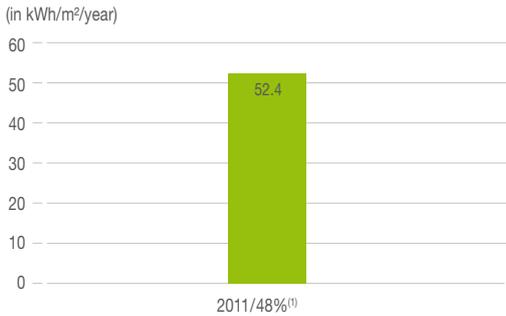
INDIRECT ENERGY CONSUMPTION | TOTAL | ELECTRICITY



■ Total electricity consumption, common and private areas  
■ Electricity consumption, common and private areas, extrapolated for 100% of portfolio  
(Fedimmo portfolio)

GRI EN4  
EPRA  
Absolute measures

INDIRECT ENERGY CONSUMPTION | NORMALISED | ELECTRICITY



■ Total electricity consumption, weighted by reporting perimeter  
(Fedimmo portfolio)

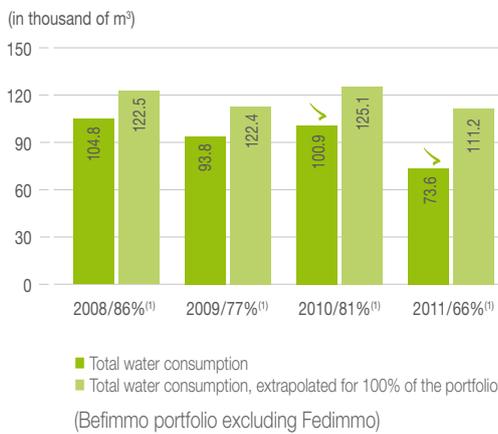
GRI CRESS - CRE1  
EPRA  
Intensity measures

# PERFORMANCE INDICATORS

## WATER CONSUMPTION

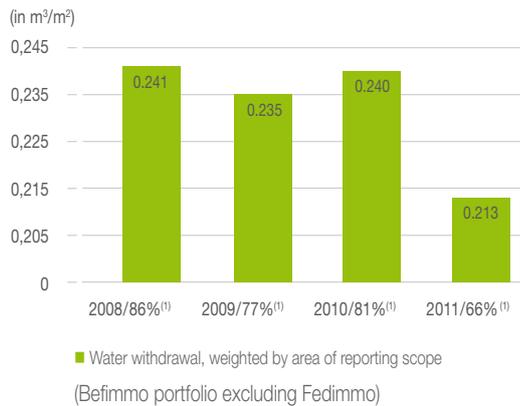
### Water consumption

#### TOTAL WATER CONSUMPTION



GRI EN8  
EPRA  
Absolute measures

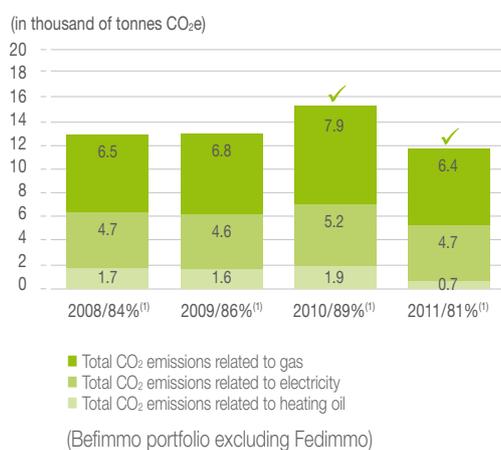
#### WATER CONSUMPTION | NORMALISED



GRI CRESS-CRE2  
EPRA  
Intensity measures

**The water consumption trend is on the decline with a slight peak in 2010.**

(1) Year / reporting perimeter.

CO<sub>2</sub> EMISSIONSDirect and indirect CO<sub>2</sub> emissionsDIRECT AND INDIRECT CO<sub>2</sub> EMISSIONS

GRI EN16  
EPRA  
Absolute measures

DIRECT AND INDIRECT CO<sub>2</sub> EMISSIONS

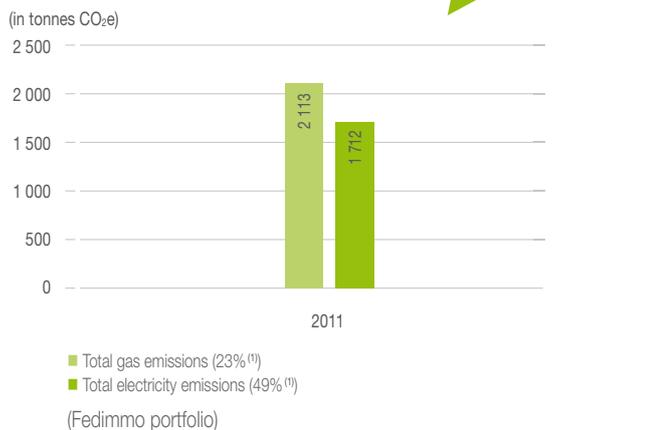
GRI EN16  
EPRA  
Absolute measures

# PERFORMANCE INDICATORS

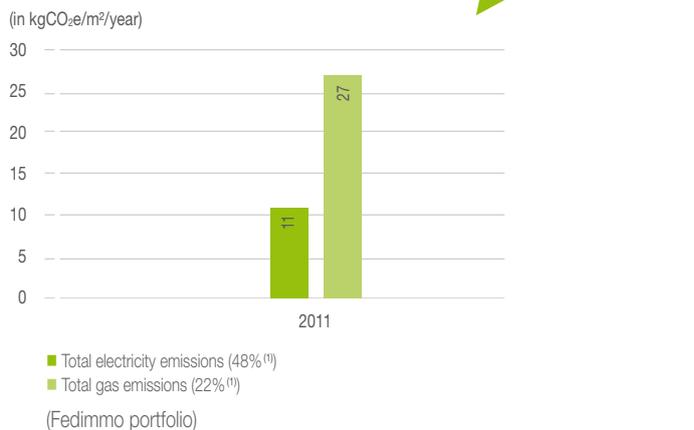
DIRECT AND INDIRECT CO<sub>2</sub> EMISSIONS NORMALISED PER SURFACE OF THE REPORTING PERIMETER



DIRECT AND INDIRECT CO<sub>2</sub> EMISSIONS



DIRECT AND INDIRECT NORMALISED CO<sub>2</sub> EMISSIONS



**The increase in total CO<sub>2</sub> emissions in 2010 is directly linked to the increase in the reporting perimeter compared with previous years and to the exceptional increase in the consumption of gas and heating oil for 2010, which was a particularly cold year. In 2011, we observe a drop in direct CO<sub>2</sub> emissions, which is associated, among other things, with the use of heating oil and is explained by the switch to gas in a few remaining buildings.**

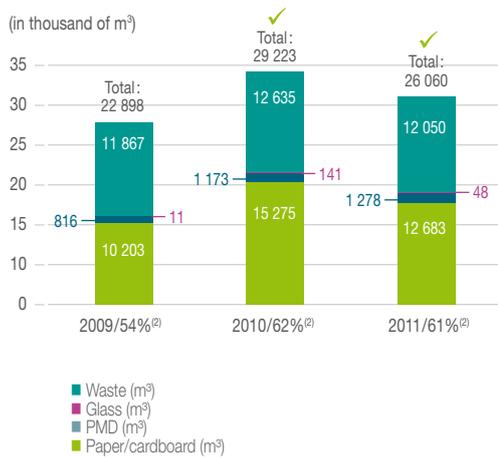
(1) Year / reporting perimeter.

## WASTE

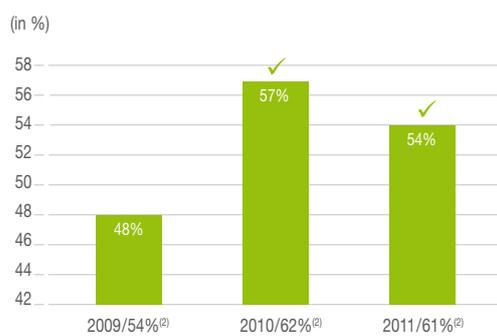
### Use and management of buildings

#### Total mass of waste by type and processing method

TOTAL VOLUME OF WASTE, BY TYPE

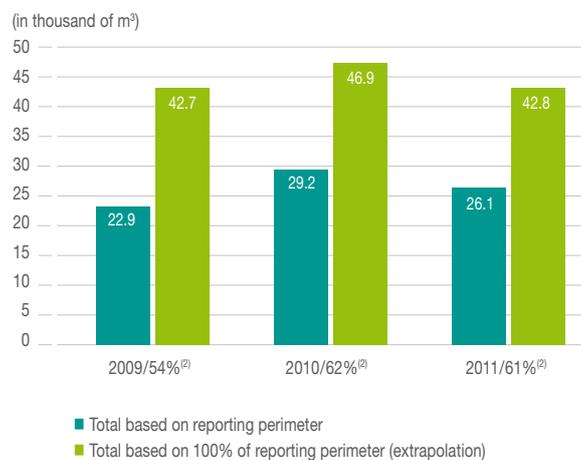


RECYCLED WASTE



GRI EN22  
EPRA  
Absolute measures

#### COMPARISON OF TOTAL VOLUME OF WASTE WITH REPORTING PERIMETER OF PORTFOLIO

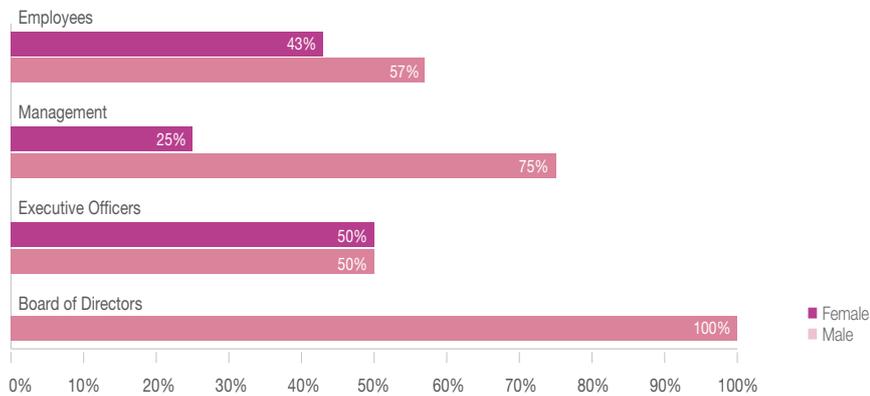


(2) Year / % of portfolio.

# PERFORMANCE INDICATORS

## Social indicators

COMPOSITION OF GOVERNING BODIES AND BREAKDOWN OF EMPLOYEES BY GENDER (as at 31 December 2011)



GRI LA13

COMPOSITION OF GOVERNING BODIES AND BREAKDOWN OF EMPLOYEES BY AGE (as at 31 December 2011)



GRI LA13

## Economic indicators

GRI EC1

### INDICATOR OF DIRECT ECONOMIC VALUE CREATED AND DISTRIBUTED

(€ million)	30.09.2009 (12 months)	30.09.2010 (12 months)	31.12.2011 (15 months)
I. Direct economic value created	154.4	157.1	212.7
II. Economic value distributed			
Operating costs	32.1	30.3	38.9
Staff costs	4.9	5.9	8.9
Payments to contributors of capital	94.0	89.3	104.5
Payments to the State	12.4	16.9	22.8
	<b>143.4</b>	<b>143.4</b>	<b>175.0</b>
III. Undistributed economic value (I-II)	11.0	13.7	37.7

**The increase in the non-distributed economic value between the 2011 fiscal period and the previous fiscal periods is due mainly to the exceptionally long period for 2011 (15 rather than 12 months) and to the revenue from the disposals of assets generated in the 2011 fiscal period (some €15 million), which was virtually non-existent in 2010 and 2009.**

# QUANTITATIVE OBJECTIVES



## Objectives for the portfolio

### 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 in relation to the 2011 reference year.

Note that in 2011, the energy investment project in the La Plaine building has reduced consumption of fuel (electricity + gas) by 1,000,000 kWh or 25% of the building's total consumption. In terms of consumption across the whole portfolio for 2011, this is a saving of 1.35%.

Befimmo also pays special attention to water management and plans in the short term to implement measures to reduce its consumption. In 2012, 5 development projects for the recovery of rainwater will be considered.

### RENEWABLE ENERGY GENERATION

Current total coverage with solar panels is around 735 m<sup>2</sup>.

New installations are under study and/or construction and the current area of 735 m<sup>2</sup> should be increased by 300% to a total of 3,135 m<sup>2</sup> in 2012.

Befimmo's goal is to install solar panels at a rate of an additional 15% of area a year.

### ENERGY PERFORMANCE CERTIFICATES

In 2012, Befimmo will complete the certification of the remainder of the Befimmo portfolio. This includes the Joseph II, Montesquieu, Pavilion and Poelaert buildings. These buildings are on long-term leases to a single tenant, and so in theory, need not be certified.

Befimmo will also make sure the certificates are updated whenever major works are carried out. Although theoretical, the data of the certificates are also compared with the actual specific consumption figures.

### BREEAM IN-USE CERTIFICATION

As at 1 January 2012, 75% of the Befimmo certified portfolio scored "Pass" for the "Asset". The remaining 25% scored "Good" in the same test. Befimmo's goal over the next five years is to raise its entire portfolio to a "Good" score, i.e. 15% annually, or 9 buildings a year.

As at 1 January 2012, 85% of the Befimmo portfolio scored "Pass" for Management while the remaining 15% were classed as "Acceptable."

In the very short term Befimmo is aiming for "Pass" certification for the whole portfolio, while it will make every effort in 2012 to develop and improve communication with the principal property manager AG RE. This should bring the entire portfolio up to a "Good" score.

The 2012 environmental programme can be consulted at the end of this chapter or on Befimmo's website:

<http://www.befimmo.be/en/environmental-programme>.



► Goemaere  
Brussels  
decentralised

In addition to completing the targets which were not completely or partially achieved last year, Befimmo is setting new targets for the next fiscal year.

## Corporate-level objectives

The following measures are being implemented to reduce the environmental footprint of the activities of Befimmo's team:

### CO<sub>2</sub> EMISSIONS

As mentioned above, emissions at corporate level have increased mainly on account of the vehicle fleet and business trips. One of the objectives for the 2012 fiscal year is to develop a car policy and to reduce the team's CO<sub>2</sub> emissions by 5% in relation to 2011.

### INTRANET SITE

An intranet site will be developed in 2012 to foster and improve communication between Executive Officers and staff as well as within the team itself. This site will include specific sections devoted to human resources, activities organised by the *Comité B+* and also a specific section on Befimmo's corporate social responsibility.

# FURTHER INFORMATION

## Befimmo's website

Befimmo's website: [www.befimmo.be](http://www.befimmo.be) provides additional information that may be a helpful supplement to the "corporate social responsibility" chapter of this Annual Financial Report, namely:

- corporate social responsibility policy (updated and approved in March 2012);
- interaction between Befimmo and its main external stakeholders;
- the corporate social responsibility chapter in the 2008/2009 and 2009/2010 Annual Financial Reports, as well as this one;
- previous Annual Financial Reports;
- ISO 14001 certificate;
- BREEAM and BREEAM In-Use certificates;
- environmental passports;
- status of the 2009/2010 and 2010/2011 environmental programmes;
- new 2012 environment programme;
- external stakeholders' answers to questionnaires;
- questionnaire for external stakeholders;
- code of ethics;
- governance charter;
- various terms of reference;
- index GRI.

## Appendix

The following information is annexed to this chapter of this Report:

- Appendix 1 : environmental programmes
  - o Implementation status of environmental programme 2010/2011
  - o environmental programme 2012
- Appendix 2: interaction between Befimmo and its main external stakeholders
- Appendix 3: GRI table identifying the reporting parameters
- Appendix 4: summary table of EPRA performance indicators
- Appendix 5: corporate social responsibility glossary
- Appendix 6: limited assurance report issued by Deloitte

## Contact

Please contact Emilie Delacroix on any issues relating to Befimmo's corporate social responsibility:

**Emilie Delacroix - Investor Relations & External Communication Manager**

M: [e.delacroix@befimmo.be](mailto:e.delacroix@befimmo.be)  
T: +32-2 679.38.63  
F: +32-2 679.38.66

# 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 <sup>(1)</sup>	S <sup>(2)</sup>	B <sup>(3)</sup>			
<b>2009/2010 INCOMPLETED OBJECTIVES</b>							
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 <sup>2</sup> were installed for the first building with a power of 23.3 kWp while 410 m <sup>2</sup> 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.
<b>MANAGEMENT LEVEL (EXECUTIVE OFFICERS)</b>							
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.

## APPENDIX

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.

Topic	Specifics	Perimeter			Action	Status	Objectives / Remarks
		M	S	B			
<b>OPERATIONAL LEVEL</b>							
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"> <li>energy performance certificates: complete the certification of the remainder of the Befimmo portfolio;</li> <li>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";</li> <li>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.</li> <li>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;</li> <li>renewable energy generation: new installations are being designed and/or carried out and 2012 should see the current area of 735 m<sup>2</sup> rise to 3,135 m<sup>2</sup>, 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.</li> </ul> <p>Corporate-level objectives:</p> <ul style="list-style-type: none"> <li>cut CO<sub>2</sub> emissions: from the Company's vehicle fleet: reduce by 5% for 2012 in relation to 2011;</li> <li>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.</li> </ul> <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>

## APPENDIX

Topic	Specifics	Perimeter			Action	Status	Objectives / Remarks
		M	S	B			
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.

Topic	Specifics	Perimeter			Action	Status	Objectives / Remarks
		M	S	B			
<b>OTHER ITEMS</b>							
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.

## APPENDIX

## ENVIRONMENTAL PROGRAMME 2012

BEFIMMO ENVIRONMENTAL PROGRAMME (2012)					
Topic	Action	Perimeter			Target
		M	S	B	
<b>GENERAL</b>					
Programme 2010/2011	Finalise the uncompleted points of the Environmental Programme 2010/2011.	√	√	√	
<b>STRATEGIC</b>					
Ethical stock market index	Conduct study/gap analysis on Befimmo joining the Ethibel index.	√	√	√	
<b>OTHER STAKEHOLDERS</b>					
Business & Society, GRESB analyses	The communication department will conduct a more detailed analysis of this feedback and propose any measures to be taken.	√	√	√	
<b>COMPLIANCE WITH LEGISLATION</b>					
Compliance with environmental permit	For Befimmo buildings, an inventory of non-compliances with environmental permits will be made during 2012. KPIs will be developed on the basis of the outcome of the study. For Fedimmo, all available information will be listed by the end of 2012. KPIs will be developed on the basis of the outcome of the study. For Fedimmo, all information will also be identified and surveyed by the end of 2012.	√	√	√	
EPB regulations	EPB-heating regulations applicable in Brussels since 1 January 2011 are not yet complied with. An inventory of installations is in progress. The whole Befimmo portfolio will be brought into compliance in 2012. The situation of the Fedimmo portfolio must also be addressed during 2012. Initially, AG RE will be asked to provide the information necessary for a consultancy bureau to ensure compliance.	√	√	√	
New EMS procedure	Disposal of a risky activity, ground surveys and risk analyses. Several ground surveys were conducted and/or were in progress in 2011 in the context of disposals of risky activities.	√	√	√	
Inventory of secondary retention on emergency generators	Inventory of emergency generators and the presence of secondary retention on emergency generators.	√	√	√	
Recasting of register of legislation	A pilot test by MATRIciel will be the starting point for recasting the register of legislation, will define the current degree of control and propose measures to ensure that our activities abide by the law.	√	√	√	

Topic	Action	Perimeter			Target
		M	S	B	
<b>CARBON FOOTPRINT OF BUILDINGS</b>					
Performance and energy programme	Reduce carbon footprint, continue to improve energy performance via a gradual approach that includes investment in renewable energy, more energy-efficient technical installations, etc.	√	√	√	<ul style="list-style-type: none"> <li>performance certificates for the remainder of the Befimmo portfolio (excluding Fedimmo);</li> <li>BREEAM In-Use certificate: asset rated "Good" for the Befimmo portfolio (excluding Fedimmo);</li> <li>cut 5% of energy consumption in common areas by 2014.</li> </ul>
Renewable energy	Increase the percentage of renewable energy.	√	√	√	increase area of photovoltaic panels by 15% a year
Energy monitoring	Improve quality of telemonitoring data.	√	√	√	
Carbon reporting	More detailed definition of the method for calculating energy consumption and greenhouse-gas emissions. Data quality is improved by using digital meters, phasing-in of the Carbon Disclosure Protocol (CDP) standard.	√	√		
<b>SUBCONTRACTORS / SUPPLIERS</b>					
AG RE training programme	A training programme has been devised specifically for the principal external property manager. This will help to put in place many measures related to suppliers, maintenance companies and tenants. In consultation with AG RE, a training and awareness programme will be set up for suppliers and maintenance companies.	√	√		
Awareness among maintenance companies	Awareness must be raised through the maintenance contracts where AG RE has control and responsibility (M and S portfolio). A list of the main maintenance companies will be drawn up (e.g. Dalkia, Cofely, TEM, etc.). They will be asked what internal measures they are taking to manage environmental risks.	√	√		
Awareness among suppliers	Draw up list of main suppliers/services/supplies. They will be asked what internal measures they are taking to manage environmental risks. At the end of each project, the suppliers will be assessed. The aim will be to share experiences (good or bad) within the company, and gradually build quality among the suppliers.	√	√		

## APPENDIX

Topic	Action	Perimeter			Target
		M	S	B	
Collection of documents and data	Inventory of toxic products, volume of waste, annual loss of gases that deplete the ozone layer, etc. At the beginning of each year, AG RE will provide all the information Befimmo needs to complete its annual reporting in terms of substance and waste management. The information that Befimmo wishes to obtain will be detailed in a document.	√	√		
Health and safety aspects	No major problems in the Befimmo team. Develop an evaluation programme for construction sites. Get statistics from the health and safety coordinator or by assessing the supplier at the end of a project.	√	√	√	
Audit programme	AG RE: once a year Buildings Agency once a year Large sites: health and safety/environment coordinators Site-related EMS procedures: audits to be conducted by Befimmo project managers. The frequency of audits depends on the size of the site.	√	√	√	
<b>TENANTS</b>					
Raise tenants' awareness of environmental permit conditions	Raise awareness and check compliance of tenants' activities with environmental permit. By the external property manager for M and S tenants and by an annual letter to R tenants.	√	√	√	
Tenant survey	Assess the need to devise and implement a satisfaction survey.	√	√	√	
Implement green lease programme	The green lease is finalised; an implementation programme must now be developed.	√	√		
<b>HUMAN RESOURCES</b>					
Staff survey	Continue implementing the recommendations from the well-being and efficiency at work survey.	√			
<b>COMMUNICATION</b>					
External evaluation of corporate social responsibility reporting	Deloitte conducted an initial qualitative assessment of the Annual Financial Report 2010; a second assessment including quantitative aspects has been conducted for this Annual Financial Report 2011. The latter is classed as B <sup>+</sup> quality, according to GRI standards.	√	√	√	
<b>CORPORATE IMPACT</b>					
Designation of person responsible	One employee has been given responsibility for monitoring implementation and developing other awareness exercises for the Befimmo team.	√			

Topic	Action	Perimeter			Target
		M	S	B	
Incorporate corporate social responsibility in departments other than the technical team	This will be done by: <ul style="list-style-type: none"> <li>• setting annual CSR goals in the year-end evaluation;</li> <li>• setting objectives and quantitative targets in the 2012 environmental programme;</li> <li>• development of an intranet site.</li> </ul>	√			
Mobility	Reduce emissions from vehicle fleet, and devise a Car Policy.	√			Cut emissions by 5% by 2014.
Welcome new employees	Develop a Welcome Pack for new employees.	√			
<b>FEDIMMO</b>					
Environmental permits	Create a tracking form for Fedimmo environmental permits. Clarify the procedure under the terms of the lease.			√	
Compliance with legislation	Check and draft an action plan to ensure compliance by the end of 2012.			√	
<b>BIODIVERSITY</b>					
Biodiversity	Study biodiversity management at various sites: for the Goemaere site, measures will be implemented to keep the "ECOCERT certificate"; an assessment of the costs incurred will determine whether other sites will follow suit.	√			

## APPENDIX

## APPENDIX 2: Interaction between Befimmo and its main external stakeholders

LEVEL	EXTERNAL STAKEHOLDER	ACTIVITIES
Public authorities	European Union	<ul style="list-style-type: none"> <li>• monitoring of new legislation;</li> <li>• consultation, through ISA, on improving environmental legislation based on specific consumption data.</li> </ul>
	<p><b>Brussels:</b> Brussels Institute for Environmental Management (IBGE)<sup>(1)</sup></p> <p><b>Wallonia:</b> DGARNE (<i>Direction générale Opérationnelle de l'Agriculture, des Ressources naturelles et de l'Environnement</i>)<sup>(2)</sup>.</p> <p><b>Flanders:</b> LNE (<i>Leefmilieu, Natuur en Energie</i>)<sup>(3)</sup></p>	<ul style="list-style-type: none"> <li>• monitoring of regional legislation;</li> <li>• interaction during the design phase of major renovations;</li> <li>• participation in exemplary buildings competitions.</li> </ul>
Not-for-profit associations	BRE (Building Research Establishment)	<ul style="list-style-type: none"> <li>• BRE has developed the BRE Environmental Assessment Method (BREEAM), a global standard and rating system for buildings, launched in 1990. More than 200,000 buildings are BREEAM certified. This association issues BREEAM certifications; see page 124, in the “Main achievements” section of this chapter.</li> </ul>
	ISA	<ul style="list-style-type: none"> <li>• The Chief Technical Officer is a member of the ISA board of directors.</li> </ul>
	Business & Society asbl	<ul style="list-style-type: none"> <li>• Business &amp; Society is an association bringing together more than 80 businesses and business federations from a variety of sectors, which aspires to become a benchmark for corporate social responsibility (CSR). As a benchmark network in Belgium, Business &amp; Society offers its members the opportunity to exchange knowledge and experience in the field of CSR.</li> </ul>
Analysts Investors Shareholders	Vigeo, GRESB et EIRIS (Experts in Responsible Investment Solutions) <sup>(4)</sup> , etc.	<p>Befimmo answers specific questions on corporate social responsibility from stakeholders such as EIRIS or for sectoral studies.</p> <p>The answers to these questionnaires are made available to other stakeholders via the Company website.</p> <p>Furthermore, Befimmo regularly presents its approach at roadshows and at conferences held on this topic, such as the study day organised by ING Bank for companies working in the real-estate sector.</p>

(1) [www.ibgebim.be/](http://www.ibgebim.be/).(2) <http://environnement.wallonie.be/administration/orgdgarne.htm>.(3) [www.lne.be/](http://www.lne.be/).

(4) EIRIS is a world leader in environmental, social and governance (ESG) analysis for business and government. The EIRIS analysis is used as a basis for determining whether to include companies in the FTSE4Good stock-market index.

LEVEL	EXTERNAL STAKEHOLDER	ACTIVITIES
Sectoral associations	RICS (Royal Institution of Chartered Surveyors) <sup>(5)</sup>	<p>RICS is an independent not-for-profit body with nearly 100,000 qualified members in some 140 countries. RICS establishes high standards of competence and integrity, organises training and specific studies, and helps its members to fine-tune their sustainable-development strategies.</p> <p>The CEO is a fellow member of RICS. The CTO is a member of the Board of RICS Belux.</p>
	UPSI ( <i>Union Professionnelle du Secteur Immobilier</i> ) <sup>(6)</sup>	<p>UPSI is an umbrella organisation for Belgian property investors and developers and is dedicated exclusively to studying, protecting and developing the professional interests of its members.</p> <p>UPSI studies the Belgian property market and the factors influencing it, and aims to promote and support all legislative and administrative measures favourable to the real-estate sector.</p> <p>The CEO serves on the UPSI board of directors and the CTO is chairman of the Technical Commission.</p>
	EPRA (European Public Real Estate Association) <sup>(7)</sup>	<p>With over 200 active members, EPRA is the voice of European listed real-estate companies and represents €250 billion in real-estate assets.</p> <p>EPRA establishes good practice in accounting, information, corporate governance and sustainable development. It provides quality information for investors.</p> <p>The CEO is a member of the EPRA Board of Director.</p>
Tenants	La Plaine building	Development, in agreement with the tenant, of an investment plan worth more than €2 million for improving the performance and comfort of the building.
	Buildings Agency	A strategy meeting was held with the Buildings Agency, at which Befimmo presented its sustainable-development approach. An opportunity analysis will be carried out.
Property managers	AG Real Estate Property Management, BNP Paribas Fortis, single tenants	Regular meetings to assess opportunities for improvement, at both strategic and operational levels.
Architects/ consultancy firms	various firms involved in the major renovations	Consultation from the design stage to identify the impacts and opportunities of major renovations.
Subcontractors/ suppliers	external property managers/maintenance companies	Regular consultation at strategic and operational levels, with the principal external property manager, identifies priorities to be addressed for reducing environmental impact. The property manager, as the main point of contact with maintenance companies, is then responsible for educating them. The property manager has an important role in raising awareness among tenants. The property manager is audited annually.
	suppliers	Suppliers and contractors must use sustainable procurement procedures to demonstrate the measures they are taking to reduce or manage environmental risks.

(5) [www.rics.org](http://www.rics.org).(6) [www.upsi-bvs.be](http://www.upsi-bvs.be).(7) [www.epra.com](http://www.epra.com).

## APPENDIX

## APPENDIX 3: Index of GRI content

GRI INDEX		
	Reporting status	
<b>STRATEGY AND ANALYSIS</b>		
1.1 CEO's statement	Complete	
1.2 Description of key impacts, risks and opportunities	Complete	
<b>ORGANISATIONAL PROFILE</b>		
2.1 Name of the organisation	Complete	
2.2 Products and/or services	Complete	
2.3 Operational structure	Complete	
2.4 Headquarters	Complete	
2.5 Country of establishment	Complete	
2.6 Nature of ownership and legal form	Complete	
2.7 Markets	Complete	
2.8 Scale of organisation	Complete	
2.9 Material changes of the size, structure or ownership during the reporting period	Complete	
2.10 Awards received	Complete	
<b>REPORTING PARAMETERS</b>		
3.1 Reporting period	Complete	
3.2 Date of most recent previous report	Complete	
3.3 Reporting cycle	Complete	
3.4 Contact point	Complete	
3.5 Process for defining report content	Complete	

Reference / Comment
Introduction Benoît De Blicq, CEO 3: Letter to the shareholders 104-105: Message from the CEO
4-5: Befimmo identity and strategy 37-40: Main risks relating to Befimmo and its business 110-112: Our vision in a given context 118-120: Materiality
97: Structure and organisation
4-5: Befimmo identity and strategy 22-23, 26: Portfolio 32-35: Portfolio in detail
97: Structure and organisation 113: Internal organisation
234: General information
5: Befimmo identity and strategy
234-239: General information
20-23: Portfolio 28-29: Portfolio
29: Portfolio 133: The Befimmo team 181: Consolidated statement of financial position
8-9: Key events of the fiscal period 108-109: Scope of reporting
115: EPRA Award "Most Improved Annual Report 2010-2011" 124: "2011 BREEAM Award category Europe Offices"
108: Scope of reporting
108: Scope of reporting
108: Scope of reporting The cycle is annual.
152: Contact
118: Materiality 107: GRI reporting 108: EPRA reporting 162-163: Interaction between Befimmo and its main external stakeholders The topics discussed in this Report are categorised by the three pillars of sustainable development: environmental, social and economic aspects. For the corporate social responsibility chapter, there is more emphasis on environmental aspects, as that is where the Company's activities have the greatest impact.

## APPENDIX

## APPENDIX 3: Index of GRI content

	Reporting status	
3.6 Scope	Complete	
3.7 Scope of reporting	Complete	
3.8 Basis for reporting on joint ventures, etc.	Complete	
3.9 Data measurement techniques and the bases of calculations	Complete	
3.10 Restatements	Complete	
3.11 Changes in the reporting method	Complete	
3.12 Table identifying the location for the disclosures that are covered in the report	Complete	
3.13 Policy and current practice with regard to seeking external assurance for the report	Complete	
<b>GOVERNANCE, COMMITMENTS AND DIALOGUE</b>		
4.1 Governance structure	Complete	
4.2 Is the Chairman of the Board of Directors also an executive officer?	Complete	
4.3 Independent members of the Board of Directors	Complete	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Complete	
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organisation's performance (including social and environmental performance)	Complete	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	Complete	
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	Complete	
4.8 Statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Complete	
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Complete	
4.10 Processes for evaluating the highest governance body's own performance, in particular with respect to the company's economic, environmental, and social performance	Complete	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Complete	
4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes	Complete	

## Reference / Comment

108-109: Scope of reporting

108-109: Scope of reporting  
There are no specific limitations on the scope of reporting.

108: Scope of reporting

135-137: Reporting methodology

135: Reporting methodology

135: Reporting methodology

164: Index of GRI content

107: GRI reporting  
109: External review  
176: Limited review report78-80: Corporate governance statement  
84-86: Corporate governance statement80: Board of Directors of the Managing Agent, Befimmo SA  
81: Board of Directors  
87: Executive Officers

80: Composition of the Board of Directors

115-116: Communication with stakeholders  
Each year, the CEO presents the company's results to all the staff. Topics such as sustainable development and the outlook for the next three years are also discussed.85-86: Appointment and Remuneration Committee  
89-90: Remuneration and benefits

93-94: Rules for preventing conflicts of interest

84: Self-assessment  
113: Internal organisationCorporate governance charter: <http://www.befimmo.be/en/charter>.  
Sustainable development policy: <http://www.befimmo.be/en/corporate-social-responsability-policy>.  
Code of ethics: <http://www.befimmo.be/en/code-ethics>.  
The principles described in these documents are applicable throughout the Company.A "strategy" Board meeting is generally held to analyse and assess these and other topics.  
Every year, the sustainable development team, composed of the CFO, CTO, COO and IR & ECM plus the CEO, organises a management review, which assesses the status of implementation of the environmental programme, compliance with legislation, stakeholder expectations and priority issues to be tackled over the next fiscal year.

84: Self-assessment

110: Our vision in a given context  
The precautionary principle is assessed when taking major decisions. No formal process has been introduced at this stage.106: Befimmo's social responsibility policy  
118: Materiality

## APPENDIX

## APPENDIX 3: Index of GRI content

	Reporting status	
4.13 Memberships of associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: holds positions in governance bodies, participates in projects or committees; provides substantive funding beyond routine membership dues; or views its membership as strategic	Complete	
4.14 List of stakeholders involved in our organisation	Complete	
4.15 Basis of identification and selection of stakeholders	Complete	
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Complete	
4.17 Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns, including through its reporting	Complete	
<b>PERFORMANCE INDICATORS</b>		
Note to the reader: the environmental programme can be found on Befimmo's website: <a href="http://www.befimmo.be">www.befimmo.be</a> .		
<b>ECONOMIC PERFORMANCE INDICATORS</b>		
<i>Disclosure on EC management approach</i>		
EC1 Direct economic value	Complete	
EC3 Coverage of the organisation's defined-benefit plan obligations	Partial	
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>		
<i>Disclosure on EN management approach</i>		
EN1 Total consumption of raw materials	Not reported	
EN2 Recycled materials	Not reported	
✓ EN3 Direct energy consumption	Complete	
✓ EN4 Indirect energy consumption	Partial	
CRE1 Building energy intensity	Complete	
EN6 (additional) <sup>(1)</sup> Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Partial	

Data with the symbol ✓ have been checked by Deloitte as part of a limited review report.

(1) These are the indicators considered by the GRI to be additional rather than core parameters.

## Reference / Comment

162-163: Interaction between Befimmo and its main external stakeholders

162-163: Interaction between Befimmo and its main external stakeholders

114-116: External stakeholders

116-118: Internal stakeholders

To identify and address issues related to sustainable development that are of interest to stakeholders and relevant to Befimmo, we poll opinions from many sources and are committed to a proactive approach within and outside our organisation. Primary stakeholders have a direct influence on corporate social responsibility decisions. We take the concerns of secondary stakeholders into consideration where possible.

162-163: Interaction between Befimmo and its main external stakeholders

We discuss sustainable development issues at least once a year with stakeholders such as external property managers and the main tenants. For other stakeholders, we do so at regular intervals but there is no formally agreed frequency.

116: Analyst/Investor feedback

116: Employee-satisfaction survey

4-5: *Befimmo identity and strategy*

110-112: *Our vision in a given context*

149: Economic indicators

221-224 : Employee benefits

110-112: *Our vision in a given context*

This indicator is material but is not reported at this stage. It is planned to develop it over the next fiscal years, in line with major renovations

This indicator is material but is not reported at this stage. It is planned to develop it over the next fiscal years, in line with major renovations

138-140: Direct energy consumption

For 2011 (in J)

Gas consumption for Befimmo portfolio excluding Fedimmo (information available for 81% of the reporting perimeter): 112,535,636 MJ

Gas consumption for Fedimmo portfolio (information available for 23% of the reporting perimeter): 30,069,140 MJ

Oil consumption for Befimmo portfolio excluding Fedimmo (information available for 100% of the reporting perimeter): 8,944,596 MJ

Oil consumption for Fedimmo portfolio (information available for 100% of the reporting perimeter): 0 J

141-143: Indirect energy consumption

For 2011 (in J)

Electricity consumption for Befimmo portfolio excluding Fedimmo (information available for 82% of the reporting perimeter): 140,471,629 MJ

Electricity consumption for Fedimmo portfolio (information available for 49% of the reporting perimeter): 30,057,880 MJ

Note: consumption of urban heating or cooling does not apply to Befimmo activities.

139, 140, 142, 143: Environmental indicators

119: Summary of main achievements

124-125: Main achievements

129: Multiannual investment plan

132: Case studies

133: Monitoring

The reductions achieved have not been quantified.

## APPENDIX

## APPENDIX 3: Index of GRI content

	Reporting status	
EN7 (additional) <sup>(1)</sup> Initiatives to reduce indirect energy consumption and reductions achieved	Partial	
✓ EN8 Total water consumption	Complete	
CRE2 Building water intensity	Complete	
EN11 Land sited in protected areas	Complete	
EN15 (additional) <sup>(1)</sup> Number of IUCN Red List species	Complete	
✓ EN16 Direct and indirect greenhouse-gas emissions	Complete	
✓ EN17 Other relevant indirect greenhouse-gas emissions by weight	Complete	
CRE3 Greenhouse-gas intensity from buildings	Complete	
CRE4 Greenhouse-gas emissions intensity from new construction and redevelopment activity and major renovations	Not reported	
EN18 (additional) <sup>(1)</sup> Initiatives to reduce greenhouse-gas emissions and reductions achieved	Partial	
EN19 Emissions of ozone-depleting substances	Not reported	
EN21 Total water discharge	Not reported	
✓ EN22 Total weight of waste by type and disposal method	Partial	
EN23 Total significant spills	Complete	
EN25 (additional) <sup>(1)</sup> Biodiversity of water supply sources significantly affected by the organisation's discharges of water	Not reported	
CRE5 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	Not reported	
EN26 Initiatives to mitigate environmental impacts	Complete	
EN28 Monetary value of significant fines	Complete	
EN27 Percentage of products sold and their packaging materials that are reclaimed	Not reported	
EN30 (additional) <sup>(1)</sup> Total environmental monetary value of protection expenditures	Partial	
<b>SOCIAL PERFORMANCE INDICATORS - Labour practices and decent work</b>		
<i>Disclosure on LA management approach</i>		
LA1 Total workforce by employment type, employment contract, and region	Partial	

Data with the symbol ✓ have been checked by Deloitte as part of a limited review report.

(1) These are the indicators considered by the GRI to be additional rather than core parameters.

## Reference / Comment

119: Summary of main achievements  
 124-125: Main achievements  
 129: Multiannual investment plan  
 130-131: Assessments at corporate level  
 132: Case studies  
 133: Monitoring  
 The reductions achieved have not been quantified.

144: Water consumption

144: Water consumption

None. Befimmo's policy is to develop office buildings in city centres.

No threatened species linked to Befimmo's activities have yet been identified.

145-146: CO<sub>2</sub> emissions

130-131: Assessment of CO<sub>2</sub> emissions at corporate level

146: CO<sub>2</sub> emissions

This indicator is material but is not reported at this stage. It is planned to develop it over the next fiscal years.

119: Summary of main achievements  
 124-125: Main achievements  
 129: Multiannual investment plan  
 130-131: Assessments at corporate level  
 132: Case studies  
 133: Monitoring  
 The reductions achieved have not been quantified.

This indicator is material but is not reported at this stage. It is planned to develop it over the next fiscal years.

This indicator is material but is not reported at this stage. It is planned to develop it over the next fiscal years.

147: Waste  
 Hazardous/toxic waste is not reported at this stage. Glass, PMD and paper/cardboard are recycled. Other waste (household waste) is incinerated (information provided by the refuse-collection company).

There were no spills over the reporting period.

Waste water is discharged into public sewers.

Waste water is discharged into public sewers.

117: Staff training  
 118: Individual staff sustainable development goals  
 119-120: Main achievements  
 121-122: Environmental aspects  
 129: Audit of AG Real Estate audit

There were no significant fines during the past fiscal period.

Befimmo does not sell any products.

129: Multiannual investment plan  
 A surplus of 5 to 10% can be released for major renovations in order to improve environmental performance.

133-134: Social aspects

133-134: Social aspects

## APPENDIX

## APPENDIX 3: Index of GRI content

	Reporting status	
LA2 Employee turnover	Partial	
LA3 (additional) <sup>(1)</sup> Benefits provided to full-time employees	Partial	
LA7 Rates of injury, occupational diseases, lost days, and absenteeism	Complete	
CRE6 Percentage of the organisation operating with verified compliance with a health and safety management system	Complete	
LA10 Training by employee category	Complete	
LA11 (additional) <sup>(1)</sup> Programmes for skills management and learning	Complete	
LA1 2(additional) <sup>(1)</sup> Employees receiving regular performance and career-development reviews	Complete	
LA13 Ratio of men to women at management levels	Complete	
<b>SOCIAL PERFORMANCE INDICATORS - Human rights</b>		
<i>Disclosure on HR management approach</i>		
HR4 Incidents of discrimination	Complete	
HR6 Child labour	Not reported	
HR7 Forced and compulsory labour	Not reported	
<b>COMPANY</b>		
<i>Disclosure on SO management approach</i>		
SO4 Actions taken in response to incidents of corruption	Partial	
SO7 (additional) <sup>(1)</sup> Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Complete	
SO8 Monetary value of significant fines	Complete	
CRE7 Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	Complete	
<b>PRODUCT RESPONSIBILITY</b>		
<i>Disclosure on PR management approach</i>		
PR2 Total number of incidents of non-compliance concerning health and safety impacts of services	Complete	
CRE8 Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Complete	
PR7 (additional) <sup>(1)</sup> Number of incidents of non-compliance with regulations concerning marketing communications	Complete	
PR8 (additional) <sup>(1)</sup> Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Complete	

(1) These are the indicators considered by the GRI to be additional rather than core parameters.

## Reference / Comment

133-134: Social aspects

133-134: Social aspects  
221-224 : Employee benefits

135-136: Social aspects

0%. No health and safety management system is implemented within Befimmo.

133-134: Social aspects

133-134: Social aspects

133-134: Social aspects

148: Social indicators

*Befimmo abides by its own code of ethics: <http://www.befimmo.be/en/code-ethics>.*

There were no cases of discrimination over the past fiscal period.

This aspect is not relevant for Befimmo's activities.

This aspect is not relevant for Befimmo's activities.

*Befimmo abides by its own code of ethics: <http://www.befimmo.be/en/code-ethics>.*There were no incidents of corruption over the past fiscal period.  
See also: code of ethics: <http://www.befimmo.be/en/code-ethics>.

There were no legal actions for anti-competitive behaviour, anti-trust or monopoly practices during the past fiscal period.

There were no fines over the past fiscal period.

None. Befimmo's policy is to invest in office buildings in city centres.

*110-112: Our vision in a given context*

There were no incidents of non-compliance concerning health and safety impacts of services during the past fiscal period.

124: BREEAM  
126-128: Energy performance certificates (EPB)

There were no incidents of non-compliance with regulations concerning marketing communications over the past fiscal period.

There were no complaints regarding breaches of customer privacy or losses of customer data over the past fiscal period.

## APPENDIX

## APPENDIX 4: Summary table of EPRA performance indicators

EPRA SUSTAINABILITY PERFORMANCE MEASURES			
Topic	Sustainability performance measure	GRI correspondence	Unit
<b>ABSOLUTE MEASURES</b>			
Energy	Total energy consumption   Electricity	GRI EN4	kWh
	Total energy consumption   Urban heating and cooling system (N.B. does not apply to Befimmo)	GRI EN4	kWh
	Total energy consumption   Fuels	GRI EN3	kWh
Greenhouse gases	Total direct greenhouse-gas emissions	GRI EN16	metric tonnes CO <sub>2</sub> e
	Total indirect greenhouse-gas emissions	GRI EN16	metric tonnes CO <sub>2</sub> e
Water	Total water withdrawals by source	GRI EN8	m <sup>3</sup>
Waste	Total weight of waste by type and disposal method	GRI EN22	metric tonnes
	Percentage of waste by type and disposal method	N/A	proportion by weight (%)
<b>INTENSITY MEASURES</b>			
Energy	Energy intensity of building	GRI CRESS - CRE1	kWh/m <sup>2</sup> /year or kWh/person/year
Greenhouse gases	Greenhouse-gas intensity from building energy use	GRI CRESS - CRE3	kgCO <sub>2</sub> e/m <sup>2</sup> /year or kg CO <sub>2</sub> e/person/year
Water	Energy intensity of building	GRI CRESS - CRE2	m <sup>3</sup> /m <sup>2</sup> /year or m <sup>3</sup> /person/year

## APPENDIX

## APPENDIX 5: Corporate social responsibility glossary

- **Stakeholders:** stakeholders are individuals or entities having an interest in the success or failure of a project or entity.
- **EMS (Environmental Management System):** An EMS is a framework for managing environmental performance.
- **ISO 14001:** the international environmental management standard ISO 14001 defines internationally accepted requirements for environmental management systems.
- **BREEAM (BRE Environmental Assessment Method):** BREEAM is an assessment method designed to aid construction professionals in creating environmentally friendly buildings, both new and existing.
- **ISA (International Sustainability Alliance):** ISA is a global network of leading real-estate organisations dedicated to achieving more sustainable real estate by creating international standards for measuring performance.
- **GRI (Global Reporting Initiative):** GRI is the organisation behind the establishment of a globally recognised reporting standard on corporate social responsibility. It is committed to its continuous improvement and application worldwide.
- **KPI (Key Performance Indicator):** in business administration, key performance indicators are figures that are used to measure the progress that an organisation has made in implementing its main objectives.
- **Fedesco:** Fedesco is a public energy service company (ESCO) founded in March 2005 at the initiative of the Federal Government. It facilitates and finances energy-efficiency projects in federal public buildings. Further information can be obtained at: [www.fedesco.be](http://www.fedesco.be).
- **EIRIS:** EIRIS is a world leading provider of research into corporate environmental, social and governance performance.
- **EPB certificate:** the EPB energy certificate is a document that evaluates the energy performance of buildings as an index on a scale from A++ (green) to E (red), based on a series of observations, under standardised use and climate conditions. In particular it takes account of materials used, insulation of the roof, windows and walls, and heating and ventilation systems.
- **CDP (Carbon Disclosure Project):** the CDP is an independent, non-profit organisation that aims to reduce greenhouse-gas emissions by businesses and cities. It achieves this by means of a global database of greenhouse-gas emissions. The organisation acts on behalf of 550 investors representing more than US\$70 trillion in assets.

# APPENDIX

## APPENDIX 6: Limited review report

### **Statutory auditor's report on the limited review performed on selected environmental performance indicators published in the Annual Financial Report of Befimmo SCA as of 31 December 2011**

To the board of directors

As statutory auditor we have been engaged to perform limited review procedures to express a limited assurance on selected environmental performance indicators ("the Data") published in the annual financial report of Befimmo SCA for the year ended the 31 December 2011 ("the Annual Financial Report"). The environmental performance indicators have been defined following the guidelines of the "Global Reporting Initiative" (GRI) G3. The Data have been selected by Befimmo SCA and are identified with the symbol ✓ in the tables as mentioned on pages 164 to 173 of the Annual Financial Report.

The scope of our work has been limited to the Data covering the years 2010 and 2011 and including only the environmental performance indicators of the buildings of Befimmo SCA and not the buildings of the subsidiaries Fedimmo SA and Axento SA. Our conclusion as formulated below covers therefore only these Data and not all indicators presented or any other information included in the chapter "corporate social responsibility" of the Annual Financial Report.

#### **Responsibility of the board of directors**

The board of directors of Befimmo SCA is responsible for the Data and the references made to it presented in the Annual Financial Report as well as for the declaration that its reporting meets the requirements of the "Global Reporting Initiative" (GRI) G3 application level B+, as described in chapter "Corporate Social Responsibility" of the Annual Financial Report.

This responsibility includes the selection and application of appropriate methods for the preparation of the Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations. Furthermore, the board of directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the Data.

The choices made by the board of directors, the scope of the chapter "Corporate Social Responsibility" of the Annual Financial Report and the reporting policies, including any inherent limitations that could affect the reliability of the information are set out on page 135 of the Annual Financial Report.

#### **Nature and scope of works**

Our responsibility is to express an independent conclusion on the Data based on our limited review. Our assurance report has been made in accordance with the terms of our engagement letter.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Information".

We planned and performed the procedures deemed necessary for expressing a limited assurance on the fact that the Data are not materially misstated. A limited assurance engagement provides less assurance than an audit.

The scope of our work included, amongst others the following procedures:

- Assessing and testing the design and operating effectiveness of the systems and procedures used for data-gathering, classification, consolidation and validation, and that for the methods used for calculating and estimating the 2010 and 2011 environmental performance indicators identified with the symbol ✓ in the tables as mentioned on pages 164 to 173 of the Annual Financial Report;
- Conducting interviews with responsible officers;
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of these data.

#### **Conclusion**

Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the Data identified with the symbol ✓ in the tables as mentioned on pages 164 to 173 of the Annual Financial Report have not been prepared, in all material respects, in accordance with GRI guidelines G3.

Diegem, 2 March 2012

**The Statutory auditor**

**DELOITTE Reviseurs d'Entreprises**

SC s.f.d. SCRL

Represented by

Rik Neckebroeck

Kathleen De Brabander