

Befimmo

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Sector: Financial Services - Real Estate Information rate: N/A (sector average: N/A %) Company cooperation level: Responsive *

Companies in sector panel : 33

General information

Befimmo SA, a real estate investment trust, primarily invests in the real estate markets of Brussels, other Belgian towns and cities and the Grand Duchy of Luxembourg. The firm makes investments in office buildings. Befimmo made a proposal to its shareholders to change its legal status from a Sicafi into a public B-REIT. The company is listed on Euronext Brussels and member of the BEL 20 index. The Extraordinary General Meeting of 21 October 2014 approved this change of status, with a majority of 99.93% of the shareholders present or represented. Befimmo SA was founded in 1995 and is based in Brussels, Belgium.

Main Economic Segment	Turnover 2014
Offices	100 %

Selected financial data

Key data	Net rental result	EBIT	Employees
2014	EUR 138.7m	EUR 113m	69
2013	EUR 136.8m	EUR 114m	70
2012	EUR 128.7m	EUR 107m	47
2011	EUR 124.6m	nd	40
2010	EUR 123.7m	nd	40

Main shareholders	2014
Ageas and affiliated Cie	10.6 %
Axa Belgium SA	10.5 %
Blackrock Inc.	2.9 %

Geographical breakdown	Turnover 2014	Employees 2014
Belgium	100 %	100 %

Selected ESG Indicators

	2014
3 -year energy consumption trend (normalised to the surface area)	↑
Ratio of payments to employees vs. shareholders (3-year trend)	↑
Percentage of independent Board members	45.4
Percentage of women on Board	27.2
Percentage of women in Executive team	33
Percentage of women in workforce	44
Transparency on lobbying budget	No
Percentage of employees covered by collective agreements on working conditions	100
3 year trend for safety at work	è
Involvement in armament	No
Transparency on payment of tax	Partial
Management of social risks in supply chain	Weak

Company inclusion in Vigeo Indices*** : NO

* On a 4-level scale: proactive, responsive, partially responsive, not responsive
N/A means that the data is not available

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Environment

Environmental strategy and responsible property investment (score: 78)

ENV1.1

Visibility of commitment to environmental issues

The company has issued a formalised commitment to manage the environmental impact of its properties in its Social Responsibility Policy. In addition, the company set targets on water and energy consumption.

Relevance of the company's environmental strategy:

The company commits to all its responsibilities in terms of management of the environmental impact of its properties:

- Integrate environmental considerations in investment processes: the company reports that ongoing renovation and construction strategy goes hand in hand with a proactive environmental and sustainable development policy. The company reports to better anticipate environmental risks at both strategic level (acquisitions, major renovations, etc.)

- Integrate environmental considerations in management processes: the company is committed to be attentive to water consumption in all its new renovation and/or construction projects. In addition, Befimmo has set a quantitative target for water recovery (m³) of covering 2% of water requirements of the Befimmo portfolio by the end of 2017, in relation to the reference period of 2014.

- Improve the energy efficiency of buildings: Befimmo works to reduce CO2 emissions for the entire portfolio and to improve its environmental management system. Befimmo strives to maintain its properties in good working order and upgrade them in terms of energy performance and technical installations. Befimmo has set targets to reduce electricity consumption :
(1) to cut specific electricity consumption (kWh/m²) of common areas in the Befimmo portfolio by -2.5% a year during 3 years, or a total of -7.5% by the end of 2016.

(2). To reduce electricity consumption of the common areas in the Befimmo portfolio at constant floor area , by -1% over the period 2014-2015.

(3). Befimmo has set a quantitative goal for self-generation of renewable energy (photovoltaic panels and cogenerations), which is to cover 5% of the electricity needs, at constant perimeter , of common areas in the Befimmo portfolio by the end of 2017, compared with the reference period of 2014.

- Cooperate with tenants on the reduction of environmental impacts from the use of buildings: the company works to educate its tenants and to encourage sustainable mobility. Befimmo is pursuing its ambitious target of cutting specific electricity consumption (kWh/m²) in private areas by -1% a year during 3 years, or -3.0% by the end of 2016.

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, there is a dedicated structure responsible for this issue.

At strategic level, the Social Responsibility (CRS) team consists of five people including three Executive Officers: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Senior Environmental Manager (SEM) and the Corporate Social Responsibility Manager (CSR Manager). This team is responsible for devising and monitoring the CSR Programme. At operational level, the Environmental Technical Team (ETT) is responsible for assessing the implementation of the Environmental Management System and implementing the CSR Programme. RICS (Royal Institution of Chartered Surveyors) is an independent nonprofit 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, including Befimmo, to fine tune their sustainable development strategies, including climate change position. Befimmo also works with UPSI (Belgian Professional Union of the Real Estate Sector) on topics such as: the BREEAM compatible Sustainable Building benchmark and setting up Breeam.be, environmental liability 2015, the energy performance of buildings, urban development charges.

Means and processes to integrate environmental considerations in the investment strategy.

The company has developed a comprehensive methodology to assess environmental risks in its due diligence process for all new acquisitions and developments. The company's buildings are being renovated or under construction are certified with BREEAM Design and BREEAM in-Use. In late 2014, Befimmo recruited a Green Adviser to check energy investments and to check the effectiveness of energy measures on the ground.

Means and processes allocated to integrate environmental considerations in the property management strategy

The company has allocated significant measures to integrate environmental considerations in its property management strategy:

- *System to monitor and collect environmental data of buildings / action plans: Telemonitoring of environmental data covers 96% of buildings in the Befimmo portfolio and a small proportion of the buildings in the Fedimmo portfolio. Befimmo is putting in place a multiannual investment plan to schedule and carry out work to optimise the sustainable performance of the properties that are in use (Befimmo portfolio excluding Fedimmo) and not undergoing major renovations. In addition, the company reports about the progress made in the achievement of the environmental targets.*
- *Certified Environmental Management System of management processes: Befimmo applies the BREEAM and BREEAM In-Use certification; in addition, Befimmo implements the Environmental Management System, ISO 14001.*
- *Regular training of employees / managers: Presentation on sustainable construction is provided to the whole Befimmo team. In-house training for new employees on the Company's Social Responsibility policy and ISO14001 certification are also provided. Finally, the CSR department and environment team organised an awareness policy on employees' energy consumption, both in the office and at home, by launching the Befimmo Energy Challenge.*
- *Manager remuneration linked to environmental performances: Monetary rewards incentives provided to managers are based on environmental indicators. For instance for the company's COO and CFO, the performance indicators are managing risks, and identification of climate change issues and integration in the risk management. For the CSR manager's monetary award, the performance indicators include also role the development of CSR strategy, and meeting emission reduction targets.*

Share of properties certified by a third-party green building standard

Between 30% and 60% of the company's portfolio obtained green building certifications.
50% of the company's buildings receive BREEAM Design certifications with 'Excellent'; 47% of buildings are certified as 'Very Good'; while 3% is certified with 'Good'.

Protection of biodiversity (score: 32)

ENV1.4

Relevance of the commitment

The company does not disclose any commitments to biodiversity protection.

Means allocated to biodiversity protection

The company has implemented some measures to identify its impacts and integrate biodiversity in the management of its operations. In October 2013, the labelling committee of ecological green spaces ("Espaces Végétales Écologiques") reallocated the Eve® label to Befimmo's Goemaere site which was presented to the labelling audit, carried out by Ecocert. This site has been found to comply with the requirements of the benchmark. The Eve® benchmark is intended to promote environmental practices in the management of green spaces.

Coverage of means allocated to biodiversity protection

There is no evidence that the company has implemented these measures for a majority of projects.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Energy efficiency of buildings (score: 77)

ENV2.2

Relevance of the commitment to improve the energy efficiency of the property portfolio

The company has set quantified targets in terms of energy consumption / energy efficiency of its portfolio, covering the whole portfolio.
Befimmo works to reduce CO2 emissions for the entire portfolio and to improve its environmental management system. Befimmo's targets are the following:

- (1). *To cut specific electricity consumption (kWh/m2) of common areas in the Befimmo portfolio by -2.5% a year during 3 years, or a total of -7.5% by the end of 2016.*
- (2). *Befimmo is pursuing its target of cutting specific electricity consumption (kWh/m2) in private areas by -1% a year during 3 years, or -3.0% by the end of 2016.*
- (3). *To reduce electricity consumption of the common areas in the Befimmo portfolio at constant floor area, by -1% over the period 2014-2015.*
- (4). *Befimmo has set a quantitative goal for self-generation of renewable energy (photovoltaic panels and cogenerations), which is to cover 5% of the electricity needs, at constant perimeter, of common areas in the Befimmo portfolio by the end of 2017, compared with the reference period of 2014.*
- (5). *To cut specific gas consumption (kWh/m2) in the Befimmo portfolio by -3% a year during 3 years, or -9.0% by the end of 2016.*
- (6). *New target: reduce the gas consumption of the Befimmo portfolio, at constant perimeter [Lfl], by -1% over the period 2014-2015.*

Means allocated to improve the energy efficiency of buildings

The company has set up monitoring systems for the energy consumption of its portfolio and it has adopted some energy efficient technologies to improve the energy efficiency of its properties. In addition, the company owns buildings considered outstanding in terms of energy efficiency.

- Use of renewable energy sources: Befimmo has set a quantitative target for self-generation of renewable energy (photovoltaic panels and cogeneration), which is to cover 5% of the electricity needs, at constant floor area, of common areas in the Befimmo portfolio by the end of 2017, in relation to the reference period of 2014.

- Other energy efficient equipment: the company reports to implements energy efficient technical installations (relighting, presence detector, optimisation HVAC regulation, etc.),

In addition, the company reports to have many investments, such as the fitting of new windows with high-insulation glazing units, roof insulation and heat exchangers for the ventilation units. In addition, to enhance the sustainability of the project's footprint, installations such as rainwater recovery systems to supply the toilets have been fitted and green roofs have been planted in many renovation projects. Investment regarding the heating (condensing boiler, cogenerations, etc.) but also relighting (namely LED Lights), improvement of the air tightness. Befimmo conducts Energy audits to focus on and give priority to the most important investments and also to optimise as much as possible existing technical installations.

5 buildings are certified with BREEAM Design Excellent.

Coverage of the means

Telemonitoring now covers 96% of buildings in the Befimmo portfolio and a small proportion of the buildings in the Fedimmo portfolio. The data collected generally cover all consumption (water, gas and electricity). 94% of total electricity consumption by the Befimmo portfolio currently comes from green energy, i.e. produced from renewable energy sources.

Energy intensity of the property portfolio (Scope 1 and 2 energy consumption)

The energy intensity of the company's property portfolio has decreased continuously by 23% from 192 KWh/m² in 2012 to 148 KWh/m² in 2014.

Carbon intensity of the property portfolio (Scope 1 and 2 emissions)

The company's CO₂ emissions (direct and indirect) linked to energy consumption of its properties' portfolio, normalised to the surface area, have decreased continuously by 46% from 0.02 t/m² in 2012 to 0.013 t/m² in 2014.

Cooperation with tenants on the reduction of environmental impacts from the use of buildings (score: 48)

ENV3.1

Relevance of commitments

The company works to educate its tenants and to encourage sustainable mobility. Befimmo is pursuing its target of cutting specific electricity consumption (kWh/m²) in private areas by -1% a year during 3 years, or -3.0% by the end of 2016. Befimmo plans, among other things, to reduce electricity consumption in private areas also introducing an environmental cooperation agreement and active awareness-raising among its tenant.

Cooperation with tenants on the reduction of the environmental impacts from the use of buildings

The company provides evidence of comprehensive initiatives to reduce the environmental impacts from the use of its buildings with active cooperation with tenants:

- *Awareness raising for tenants : Befimmo has implemented a Tenants' code of conduct called the Building User Guide (BUG). It is a guide for occupants of the building to the proper operation of the installations and for limiting the environmental footprint. Currently, the BUG has been prepared for one building. During 2014, some 140 tenants in a total of 16 buildings were informed to reduce the total amount of unsorted waste, this helped reducing unsorted waste by more than 50% and increased the volume of recycled paper/cardboard by around 40%.*
- *Green leases: many tenants have green electricity contracts. New tenants and also existing tenants are being offered an Environmental Cooperation Agreement (formerly known as a Green Lease) associated with each lease. This agreement encourages the landlord and tenant to strive to improve the environmental performance of the building and let spaces (reducing consumption of resources, waste production, carbon emissions, etc.).*
- *Involve tenants in the definition of environmental strategies for buildings : Befimmo intends to invite its tenants to take part in its approach to achieve more sustainable development (including climate change approach), and to that end proposes to organise biannual meetings between tenants, the property manager and Befimmo's commercial department in order to inform tenants about the building they occupy, its technical operation, and the influence and role of each party in relation to environmental protection.*
- *Training to tenants on green practices: Befimmo's tenants are also provided with the company's training programme to improve the energy performance of buildings*

Coverage of the measures

The company has taken measures in a significant part of the property portfolio.

Normalized water consumption of property portfolio

The estimated water consumption of the company's portfolio in m3/m2 has slightly increased over the past three years by 8% from 0.26 in 2012 to 0.28 in 2014.

Normalized waste production of property portfolio

The normalized waste generated from the company's portfolio in (T/m2) has increased over the past three years by 8% from 0.003 in 2012 (0.01 in 2013) to 0.004 in 2014.

Human Resources

Promotion of labour relations (score: 61)

HRS1.1

Visibility of commitment

The company has made references to labour relations in its Code of Ethics.

Relevance of commitment

The company's commitment to promote labour relations is general. Befimmo works hard to keep harmonious human relations within its team guided by sound professional ethics; it ensures that the rights of its colleagues are respected with the focus on a constructive dialogue based on trust.

Ownership of commitment

The commitment applies throughout the company, supported by senior management.
The Board of Directors of Befimmo SA has drawn up the Code of Ethics.

Coverage of employee representative bodies

Local employee representative bodies have been set up in the majority of company sites.
The size of Befimmo's team is relatively small, Befimmo is subject to the Joint National Auxiliary Committee for White-Collar Workers, also known as Joint Committee 200, which covers all team members. The company reported to Vigeo that seeing the small size of its team, this issue is considered as not applicable to Befimmo.

Subjects covered by collective bargaining

Collective bargaining between the company and employee representatives deals with subjects related to working conditions, including: health & safety; remuneration; working hours; training. The company reported to Vigeo that seeing the small size of its team, this issue is considered as not applicable to Befimmo.

Quality of social dialogue

The company has not faced conflicts/controversies in recent times.

Coverage of collective agreements on working conditions

Collective agreements on working conditions cover more than 75% of its employees.
100% of the company's workforce are in Belgium.

Responsible management of reorganizations (score: 27)

HRS2.3

Relevance of commitment to manage reorganisations responsibly

The company does not disclose any commitment to manage reorganisations responsibly.
The company reported to Vigeo that seeing the small size of its team, this issue is considered as not applicable to Befimmo.

Involvement with employee representatives

The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

Means allocated to prevent and manage reorganisations

Information obtained from the company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.

Coverage

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Result of the company's commitment to manage reorganisations responsibly

The company has been able to maintain employment.

Career management and promotion of employability (score: 58)

HRS2.4

Visibility of commitment

The company makes some general statements promoting career management and training in its CSR Report 2014.

Relevance of commitment

The company's commitment to promoting career management and training is general. Befimmo is convinced that the development of its employees enhances their desire to advance their careers and deploy their skills, and so continued its policy in this area in 2014.

Ownership of commitment

The Head of HR is not part of the company's Executive Committee; however, skills are assessed for line managers in terms of "lead & supervise" and "motivate & develop"

Career management systems

The company has formalised the skill requirements for the various job positions. Moreover, employees have regular performance assessment interviews. Befimmo reviewed its annual appraisal process that is already in place for all Company employees. Generic skills were identified for all Befimmo employees, and linked to the Company's three values, thereby reinforcing everyone's connection with the corporate culture. They were appraised for each employee. A more substantial and more detailed part of the appraisal is now devoted to the staff development plan, with the objective of maintaining their motivation and well-being, and a particular focus on each staff member's areas of development and training needs to attain their goals.

Coverage of career management systems

These career management systems cover all the company's employees. Annual appraisal process is in place for all the company's employees.

Types of training provided to non-managers

*The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills.
Apart from language training and courses organised on an individual basis, Befimmo offered its entire staff training on work/life balance. A leadership skills development programme was also reorganised for new managers. In-house training for new employees on the Company's Social Responsibility policy and ISO 14001 certification also continued.*

Means allocated to training for all employees

The number of training hours normalised to the number of employees has decreased over the past three years by 35% from 51 in 2012, to 33 in 2014. In its feedback to Vigeo, Befimmo explains that this decrease is due to the reorganization of the languages trainings.

Mobility / turnover

The employee turnover rate has decreased, but not continuously by 4.7 percentage points from 17.5% in 2010 to 12.8% in 2014. In its feedback to Vigeo, the company reports that this increase is due mainly to many hiring, namely due to the integration (May 2013) of the Property Management Business with a new team of 14 employees.

Training delivered during the year under review

All the company's employees received training during the year under review.

Improvement of health and safety conditions (score: 25)

HRS3.2

Visibility of health & safety commitments

The company has made references to health and safety issues in its Social Responsibility Policy.

Relevance of commitment

*The company's commitment only addresses part of its responsibilities:
- promote well-being: well-being is among the priorities set by the company.*

Ownership of commitment

*The commitment applies throughout the company, supported by senior management.
The Head of Human Resources is responsible for company's commitment.*

Means allocated to health and safety *Information obtained from the company and public sources regarding means allocated to health and safety is insufficient.*

Coverage of health and safety system

Means allocated to reduce stress at work

The company has allocated basic means to address stress at work, including:

- monitoring of absenteeism: the company monitors absenteeism rate.

- awareness raising for employees: A seminar open to all on the theme of "work-life balance" was held at the end of the year. The trainers highlighted the importance of a balanced life and provided effective and practical tools for retaining control over one's life, notably through a personal action plan to achieve balance and personal fulfilment. In 2015, a new training cycle, aimed directly at managing stress and preventing burnout will be organised.

- job redesign: Befimmo is opening a discussion on the new world of work, "New Ways of Working" (NWOW). The vision that Befimmo wishes to embrace, as an "office provider", is to offer a workplace that is flexible and suited to modern technology, that stimulates exchange and creativity while respecting the balance between employees and, logically, starting with its own operation.

- monitoring of stress through opinion surveys: The results of the satisfaction survey carried out in late 2013 were presented in a comprehensive and transparent manner to employees in early 2014, with proposals for several courses of action. The survey found that there could be room for improvement in the area of work/life balance.

Coverage of means allocated to reduce stress at work

The measures allocated to address mental health cover the majority of the company's employees.

Accident frequency rate

Information disclosed on the company's accident frequency rate is insufficient. The company reports that, over the year, there were two occupational accidents but no cases of occupational disease. However, the company does not report on historical data related to accident frequency rate to determine the trend.

Other health and safety indicators

The rate of absenteeism has remained stable over the past five years, standing at 2.1 in 2014.

Human Rights

Respect for freedom of association and the right to collective bargaining (score: 22)

HRT2.1

Visibility of commitment

The company does not disclose any commitment to freedom of association and the right to collective bargaining.

Relevance of commitment

Ownership of commitment

Promotion of collective bargaining

Befimmo is subject to the Paritary Committee 200, and follows the applicable legislation.

Coverage

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review.

Non-discrimination (score: 27)

HRT2.4

Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its Social Responsibility Policy and in its Code of Ethics. In addition, the company has made references to non-discrimination in its Social Responsibility programme 2015.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines some of the categories at stake for the sector.
- gender
- age
- origin

Ownership of commitment

The commitment applies throughout the company, supported by senior management.
In its feedback to Vigeo, Befimmo reports that the commitment applies throughout the company and is supported by senior management.

Means allocated

The company has set up a few measures to prevent discrimination:
- monitoring. *The company monitors its workforce by gender.*

Coverage *Although the company has set up monitoring, the company has not gone beyond that to implement programmes to promote diversity in its operations.*

Results in terms of gender diversity *The percentage of women in management has remained stable over the past three years, standing at 33% in 2014. However, the percentage of women in the top management has increased. As of 31 December 2014, the team of Executive Officers is composed of 67% of women.*

Results in terms of employment of people with disabilities Information disclosed on performance indicators such as the share of disabled persons in the total workforce is insufficient to determine a trend.

Stakeholders' feedback A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Community Involvement

Promotion of the social and economic development (score: 22)

CIN1.1

Visibility of commitment The visibility of the company's commitment to promote local social and economic development is insufficient.

Relevance of commitment

Ownership of commitment

Means allocated *The company has allocated some means to address social and economic development, including:*
- Social needs impact assessments for development/re-development projects: Befimmo reported to Vigeo that it adopted an approach of communication with the community before and during the works implementation through mails. In addition, a follow-up of the potential complaints is done by the contractor and the owner. Befimmo collaborates with the contractor to resolve quickly the issue and communicate its action-plan and its follow-up with the community. Moreover, preventive measures are also included in the ISO 14001 procedures followed by Befimmo.

Geographical coverage There is no evidence that these measures are allocated in a majority of the company's sites.

Performance trend *The company does not report indicators on social and economic development.*

Stakeholders' feedback *A review of stakeholder sources did not reveal any allegations against the company during the period under review.*

Social accessibility of properties (score: 31)

CIN2.1

Visibility of commitment *The company refers to addressing the accessibility of its services in its 2014 Social Responsibility Report and in its feedback to Vigeo.*

Relevance of commitment *The company's commitment addresses its main responsibilities in terms of accessibility of its buildings:*
- Promote safety of visitors and tenants: Befimmo assumes accountability for the health and safety of tenants and ensures the safety of its tenants in the buildings, with a focus on construction sites in occupied buildings.
- Consider sites' connectivity in investment decisions: The investment side of Befimmo's business is driven by the creation of long-term value including the consideration of proximity to public transport.
- Promote inclusive design: Befimmo considers accessibility for people with reduced mobility in its investments.

Ownership of commitment *The commitment applies throughout the company, supported by senior management.*
A property manager was recently recruited and works part-time as Risk Coordinator. His responsibilities include regular monitoring of quality and risks related to the operational, technical and administrative management of the buildings and any renovation and upgrade projects carried out by property management.

Measures to promote connectivity of properties *Information obtained from company and public sources regarding measures allocated to the connectivity of its property portfolio is insufficient*

Coverage *Information obtained from the company and public sources regarding the percentage of the company portfolio covered by such efforts is insufficient.*

Measures to promote a safe access for visitors and tenants *The company has allocated some measures to promote the safe access to buildings of tenants and visitors:*
- Risk assessment: Befimmo also checks that all statutory controls are properly implemented and that any observations and/or infringements arising from reports by inspectors on its portfolio are remedied. Indoor air quality is among the issues treated about health and safety.

Coverage *There is no evidence that these are allocated in the majority of the company portfolio.*

Performance Trend *The company does not disclose indicators on the societal impact of its products.*

Stakeholders' feedback *A review of stakeholder sources did not reveal any allegations against the company during the period under review.*

Business Behaviour (C&S)

Responsible Customer Relations (score: 39)

C&S1.3

Visibility of commitment *The company refers to responsible customer relations in its Code of Ethics.*

Relevance of the commitment *The company's commitment to responsible customer relations is general. In its relations with its clients, Befimmo is careful to meet their expectations and the trust they have placed in the company. Befimmo aims to provide its clients with complete and accurate information and to provide them with quality buildings and services.*

Ownership of commitment *The commitment applies throughout the company, supported by senior management. Befimmo has a team of professionals (commercial and technical staff, managers, etc.), reporting to the Chief Operating Officer (COO), whose goal is to improve the quality of "customer service".*

Means allocated *The company has set up few measures:*

- *measuring customer satisfaction and be acting on the results. Specifically, the Property Manager, responsible for the daily management of the majority of Befimmo's multi and single tenant buildings, conducted a satisfaction survey amongst tenants. The results were discussed with Befimmo, and an action plan was developed to instore corrective actions.*
- *cooperating with stakeholders on customers related topics. Befimmo has conducted a materiality study and initiated a process of regular dialogue with all its stakeholders (employees, tenants, investors, public authorities, suppliers, directors, etc.). This study was conducted in cooperation with management, the Board of Directors and the heads of the departments involved in the process. This materiality matrix has enabled Befimmo (i) to identify and prioritise its environmental, economic and social priorities, taking account of the expectations of its stakeholders, (ii) to fine-tune its Social Responsibility strategy and (iii) to focus its action on priority topics.*

Complaints management system *There is a formalised and accessible system to handle complaints. For tenants under category M (building with multiple tenants) and S (Building with single tenant), complaints, mostly of technical nature, are handled firstly by the Property Manager. If a solution cannot be found, Befimmo intervenes. For tenants under category B (Building leased to the Buildings Agency), a Single Point of Contact (SPOC) within Befimmo handles follow-up of complaints.*

Coverage The company has set up such systems throughout the company

Results *The company does not disclose quantitative data on performance indicators such as client satisfaction.*

Stakeholders' feedback A review of stakeholder sources did not reveal any allegations against the company during the period under review.

Integration of environmental factors in the supply chain (score: 38)

C&S2.3

Visibility of commitment *The company has made references to including environmental factors in supply chain management in its CSR Report 2014.*

Relevance of commitment *The company's environmental requirements for suppliers are general. Befimmo aims to undertake a comprehensive review of its supply chain by producing, as a first step, an analysis and evaluation of its existing core and corporate suppliers, taking account of the main environmental aspects. In 2015, Befimmo wants to achieve a sustainable purchasing charter, identify all suppliers and make them adhere to the charter. The aim is to continue the comprehensive reflection about implementing a generalised e-invoices system while integrating in it a supplier evaluation component including as far as environmental, human rights, the impact on society and employment practices are concerned.*

Ownership of commitment The commitment applies throughout the company, supported by senior management.
In its feedback to Vigeo, the company reports that the commitment applies throughout the company and is supported by senior management.

Means allocated *The company has set up some measures to include environmental factors in supply chain management:*

- *integration of environmental issues into contractual clauses. Befimmo has implemented and uses sustainable purchasing conditions (for major projects or greater than EUR 100,000) and the minimum technical criteria (for small renovations and recurring jobs or lower than EUR 100 000), inspired by the BREEAM standards. Befimmo ensures the update depending on the evolution of the BREEAM certification. Befimmo intends to improve and update these conditions of existing sustainable procurement, to communicate those as soon as possible to suppliers and ensure their monitoring and compliance.*
- *supplier support. Befimmo intends to raise awareness in maintenance companies, by offering training to all maintenance companies working for Befimmo, to add a sustainable development/energy performance addendum to existing contracts and devise new environmental performance terms for new contracts. Regular consultation at strategic and operational levels with the Property Management helps to identify priorities to be addressed for reducing environmental impact. The Property Management, as the main point of contact with maintenance companies, is responsible for educating them. The company provides suppliers with a Building Supplier Guide (BSG) for each building in the Befimmo portfolio managed by the Property Manager.*

Audits of suppliers/subcontractors *The company includes environmental aspects in its standard quality audits of suppliers. At portfolio level, the suppliers and contractors must demonstrate what measures are implemented to reduce and /or manage environmental risks through compliance with the sustainable purchasing conditions and minimum technical criteria that Befimmo has developed. Befimmo aims to undertake a comprehensive review of its supply chain by producing, as a first step, an analysis and assessment of its existing "core" and "corporate" suppliers, taking account of the main economic, societal and environmental aspects. This study is expected to start in the first half of 2015.*

Coverage of the audits conducted There is no evidence that such means are implemented throughout the company.

Share of corrective measures vs problems uncovered The company does not disclose quantitative data on the share of environmental problems in the supply chain that were addressed by corrective measures.

Allegations against suppliers *A review of stakeholder sources did not reveal any environmental allegations against the company's suppliers.*

Integration of social factors in the supply chain (score: 24)

C&S2.4

Visibility of commitment *The company has made references to including social factors in supply chain management in its CSR Report 2014.*

Relevance of commitment *The company's social requirements for suppliers are general. Befimmo aims to undertake a comprehensive review of its supply chain by producing, as a first step, an analysis and evaluation of its existing core and corporate suppliers, taking account of the main societal aspects. In 2015, Befimmo wants to achieve a sustainable purchasing charter, identify all suppliers and make them adhere to the charter. The aim is to continue the comprehensive reflection about implementing a generalized e-invoices system as well as a supplier evaluation system including as far as environmental, human rights, the impact on society and employment practices are concerned.*

Ownership of commitment *In its feedback to Vigeo, Befimmo reports that the commitment applies throughout the company and is supported by senior management.*

Means allocated *Information obtained from the company and public sources regarding measures to include social factors in supply chain management is insufficient.*

Audits of suppliers/subcontractors *Information obtained from the company and public sources regarding social audits of suppliers is insufficient.*

Coverage

Share of corrective measures / problems uncovered

The company does not disclose quantitative data on the share of social problems in the supply chain that were addressed by corrective measures.

Allegations against suppliers

A review of stakeholder sources did not reveal any social allegations against the company's suppliers.

Prevention of corruption and money laundering (score: 54)

C&S3.1

Visibility of commitment to corruption and money-laundering prevention

The company has issued a formalised commitment to preventing corruption and money laundering in its Code of Ethics.

Relevance of commitment to corruption and money-laundering prevention

The company's commitment to preventing corruption and money laundering addresses its main responsibilities:

- active/ passive bribery
- gifts and invitations
- money laundering
- conflicts of interest
- illegal financing of political parties
- facilitation payments

Ownership of commitment

The commitment applies throughout the company, supported by senior management.
The General Counsel & Secretary-General (member of the Executive Management Committee) is responsible for updating and compliance with the Code of ethics and the corporate governance charter. She also holds the position of Compliance Officer and, in that capacity, ensures compliance with internal rules and procedures to prevent the risk of market abuse.

Involvement of employees (corruption AND money laundering)

The company has instituted formal training programmes for relevant employees on corruption and money laundering prevention. The company educates the team on compliance with ethical values in its relations with its rental customers, partners and shareholders. Befimmo abides by in-house rules designed to limit the risks associated with money laundering and funding of terrorism. Befimmo edited a the dealing code that was updated during 2014. It was then posted on the Company's intranet for the whole team. This update will be followed by a briefing session for the team about the content of this document. They must then be approved and signed by each employee. The dealing code is now sent to each new employee. The information sessions will be held by the end of December 2015 by the General Counsel.

Means allocated to prevent corruption

In its feedback to Vigeo, the company reports that it has set up internal controls to prevent corruption that include: internal audits and a dedicated email address.

Coverage of means on corruption prevention

The measures implemented cover all significant parts of the company.

Means allocated to prevent money laundering *The company has set up limited measures to prevent money laundering that include: internal audits (internal verification of compliance with the company's code of conduct etc.)*

Coverage of means on money laundering prevention The measures implemented cover all significant parts of the company.

Reporting *During 2014 fiscal year, the company reported no incidents regarding corruption practices.*

Stakeholders' feedback A review of stakeholder sources did not reveal any allegations against the company during the period under review.

Transparency and integrity of influence strategies and practices (score: 15)

C&S3.3

Visibility of commitment *The company resorts to specialists organisations (think-tanks, lobbyists, trade associations), but does not disclose a formalized commitment to ensuring transparency and integrity of lobbying practices.*

Relevance of commitment

Ownership of commitment The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

Involvement of employees Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

Means allocated *Befimmo is not directly involved in lobbying practices. Befimmo takes part of several trade associations which defends the Public Listed Real Estate companies in terms of regulations. They are, for example: the European Public Real Estate Association (EPRA); Union professionnelle du Secteur Immobilier (UPS).*

Coverage of the means *Although the company participates indirectly in lobbying activities through trade associations, the company has not gone beyond that to ensure transparency and integrity of lobbying practices.*

Reporting The company does not disclose the budget directly and indirectly dedicated to lobbying practices.

Stakeholders feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review.

Corporate Governance

Board of Directors (score: 58)

CGV1.1

[LISTED COMPANIES] Existence and independence of Nomination Committee

All members are non-executive directors and the majority, including the committee's chairman, are independent.
2 members of the 3-member Nomination and Remuneration Committee are considered independent.

Independence of the Board Chairman

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

Responsibility allocated over CSR issues

There is a CSR Committee that is part of the management. The Social Responsibility (CRS) team consists of five people including three Executive Officers: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Senior Environmental Manager (SEM) and the Corporate Social Responsibility Manager (CSR Manager). The CSR Manager, a member of the Social Responsibility team, reports directly to the CEO.

Share of independent shareholder-elected Board members

*The Board is between 34 and 50% independent, which is less than the recommended level.
5 members of the 11-member Board are considered independent.*

Diversity of the skills and backgrounds of the Board

The Company's Board of Directors diversity appears to be partial:
- female directors represents 27% of the Board in 2014;
- Board members with demonstrated professional experience in the company's sector of activities;

Training and expertise provided to board members

Training is provided upon joining the Board.
New Directors shall ensure that they receive adequate initial training to enable them quickly to make an effective contribution to the work of the Board of Directors.

Regular election of Board members

Board members are eligible for re-election following 4-year terms.

Evaluation of Board's functioning and performance

Performance is evaluated with disclosure on the results. However, the Board carried out its most recent self-assessment at the end of the 2012 fiscal year. The main conclusions of the self-assessment report were published in the Annual Financial Report 2012.

Review of CSR issues at Board meeting

Most of the relevant CSR issues for the company are discussed at Board level. The Directors of Befimmo also take part in defining and approving budgets and taking major decisions on Social Responsibility, especially at the strategy meetings held each year and at the meetings scheduled every quarter when the results are published. The Board of directors analysed and validated the company's materiality matrix that includes the following topics:

- Energy efficiency of buildings
- Environmental and social standards in supply chain
- Human resources
- Cooperation with tenants
- Non-discrimination

Regularity of and attendance at Board meetings

Regular meetings are held, and attendance rates are above 90%
16 Board meetings were held during 2014 and the attendance rate was 96.5%.

Non-independent board members (excl. employee representatives)	Role	Current or Former Executive	More than 9 years on board	Stock options or warrants	Paid >1/2 executive salary	Owns or represents >3% company's shares	Other
Alain Devos	Chairman[[SC]] a member of the Appointment and Remuneration Committee		X				
Benoit De Blicck	CEO	X	X				
Benoit Godts	a member of the Audit Committee		X				He is linked to the shareholder Ageas & linked Cie
Kurt De Schepper							He is linked to the shareholder Ageas and linked Cie
Guy Van Wymersch-Moons							He is linked to a shareholder (Axa Belgium SA)
Jacques Rousseaux			X				representing Roude BVBA

Audit & Internal Controls (score: 60)

CGV2.1

[LISTED COMPANIES] Existence and independence of Audit Committee

2 members of the 3-member Audit Committee are considered independent.

Skills and backgrounds of Audit Committee members

Members appear to have financial and audit experience and relevant operational experience.

Operational and CSR risks covered by the company's internal controls system

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations.

- Energy efficiency: When managing its portfolio, the Company is exposed to environmental risks especially in terms of soil, water, air (high CO2 emissions) and also noise pollution.

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a comprehensive role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

Management of the CSR risks

Relevant processes dedicated to management of CSR risks are in place:
 - *materiality assessment: Befimmo has produced materiality matrix to identify and prioritise its environmental, economic and social priorities, taking account of the expectations of its stakeholders, (ii) to fine-tune its Social Responsibility strategy and (iii) to focus its action on priority topics.*
 - *Monitoring of key risk indicators: Risks associated with the operation of the buildings was drawn up and monitoring reports are systematically included in a database with validity dates and comments.*

Independence of the firm's external auditors

The audit firm receives non-audit fees, but these represent 50% or less of total fees (although more than 25%).
Non-audit fees represented 41.5% of total fees paid to Deloitte in 2014.

Inclusion of CSR issues in company reporting

The company publishes significant CSR reporting on key material issues, with an independent third party assessment of the reliability of key performance indicators, with limited scope of the assurance. The company publishes significant CSR reporting on key material issues, with an independent third party assessment of the reliability of key performance indicators, with limited scope of the assurance. The limited assurance review is conducted by Deloitte.

Reliability of the company's internal controls system

A review of stakeholder sources did not reveal any allegations for internal control failures against the company during the period under review.

Shareholders (score: 70)

CGV3.1

Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

Nonexistence of anti-takeover devices

Anti-takeover devices have been identified.
The Board of Directors of Befimmo SA has certain powers concerning the right to issue or purchase shares (authorised capital clause and authorisation for the purchase and disposal of treasury shares).

Ability to add items to the agenda of the AGM and to convene an EGM.

Major restrictions have been identified to convene an EGM.
In Belgium, 5% of total shares are needed to propose a AGM. An extraordinary meeting must be convened at the request of shareholders jointly holding one/fifth of the share capital.

Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, and it is possible to vote using online services.
The Company facilitates participation in General Meetings through the availability of proxy voting forms or correspondence forms on its website.

Ability to vote on relevant issues in separate resolutions at AGM

All major items are voted upon in separate resolutions, in accordance with standards advocated by Vigeo.

Presentation of CSR strategy to shareholders and investors

The company has presented to shareholders and investors its CSR strategy and this covers some of the most relevant CSR issues.
- Energy efficiency
- Human capital

Feedback from shareholders and other stakeholders on the company's corporate governance performance

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Executive Remuneration (score: 34)

CGV4.1

[LISTED COMPANIES] Existence and independence of Remuneration Committee

2 members of the 3-member Nomination and Remuneration Committee are considered independent.

Disclosure of senior executives' individual remuneration

Executive remuneration is disclosed, but on a collective rather than on an individual basis.

Link between Short Term Incentive Plans and the economic and CSR performance of the company

Bonuses are linked to predetermined and disclosed economic and operational performance indicators. However the actual quantified targets are not disclosed. In 2014, the CEO's performance was assessed based on the following weighting:
- net current result per share (30%);
- operating margin (15%);
- occupancy rate of properties (15%);
- financing costs (20%);
- human-resource management (20%)

Link between the main Long Term Incentive Plan and the economic performance of the company

Long-term incentives are linked to performance conditions, but quantified targets are not disclosed.
The final allocation of the variable portion of the remuneration, which is a time-deferred payment, is subject to predetermined and objectively measurable medium- and long-term performance criteria. Payment of the variable remuneration will now be spread over three years.

Link between variable remuneration and CSR performance of the company

CSR performance objectives are considered in the determination of variable remuneration of senior executives, but information on performance targets are not disclosed. Human resources management is among the criteria assessing the CEO's performance.

Severance pay for senior executives

Severance pay may exceed 1 year's, but not 2 years', base salary.
Pursuant to article 554 (4) of the Code of Company Law and the recommendations of the Belgian Corporate Governance Code, Befimmo's remuneration policy provides that this severance grant may not in principle exceed 12 months' remuneration (fixed and variable, based on the 12 months preceding termination) or 18 months (on a reasoned opinion of the Appointment and Remuneration Committee). Furthermore, if in future the Company were to make an agreement providing for severance grants exceeding these limits, the exemption clause regarding severance grants would require prior approval at the first Ordinary General Meeting following that agreement.

Evolution of CEO-to-employee compensation ratio

The ratio of CEO compensation vs. average employee salary has increased by 27% over the past three years from 8.5 in 2012 to 10.8 in 2014.
- *the CEO's remuneration (Fixed remuneration, Variable remuneration, Postemployment benefits, Other components of remuneration and miscellaneous benefits) decreased by 45% from EUR 1,290,873 in 2012 to EUR 715,000 in 2014*
- *the average employee salary was calculated as staff total costs over the number of employees , and it has decreased by 55% from EUR 151,063 in 2012 to EUR 66,666 in 2014.*

Stakeholders feedback on the company's executive remuneration

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Allegations and controversies

Domain Sustainability driver

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