

Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Befimmo, a Regulated Real-Estate Investment Trust (BE-REIT), is a real-estate operator specialising in office buildings, meeting centres and coworking spaces. Those Befimmo Environments are located in Brussels, the main Belgian cities and the Grand Duchy of Luxembourg. Its portfolio is worth some €2.7 billion and comprises around a hundred office buildings with space totaling over 950,000 m². Income from these buildings is recurring and relatively predictable; 63% comes from public institutions, under long-term leases (± 7 yrs). Befimmo's portfolio has an occupancy rate around 95%. Befimmo offers a full service (property management, project management, environmental support, facility management), and provides optimum facilities in its properties (flexible meeting rooms, restaurant, catering, nursery, fitness centre, etc.) to facilitate the everyday lives of its tenants. Befimmo works proactively in its portfolio and gives priority to keeping its properties at a high level of quality to keep them attractive to their occupants over the long term: every year, a specific investment program is devoted to renovation to improve their performances and ensure lasting appeal on the market. Over the years, Befimmo has put together a technical team to manage every aspect of the construction of new buildings or renovation of existing buildings. This ongoing renovation and construction strategy goes hand-in-hand with a proactive environmental and sustainable-development policy: all passive design criteria are taken into account and anticipated where possible. The property management business enables Befimmo to control the last link in the real-estate investment business, thereby cementing even closer relationships with its tenants. By managing directly and promptly any problem related to the occupation of a building, Befimmo offers them an improved comfort and is more proactive in responding to their expectations.

Befimmo has fully integrated the principles of social responsibility (including the climate change issues) into its strategy and day-to-day operations, anticipating economic, societal and environmental developments. Since it is in the real-estate business, the main focus of Befimmo's action in this area



relates to the environment. For several years, it has built energy performance and sustainable development into its renovation, acquisition and construction projects. Befimmo is aware that the value of a building is also measured in terms of sustainability. Accordingly, the Company has wasted no opportunity to demonstrate the efforts it has been making in recent years: its environmental management system has been ISO14001 certified (2010, 2013, 2016 and 2019), it uses several recognised tools such as the BREEAM environment-performance certificate, and since 2011 it adopted quantitative criteria that can be measured objectively year by year.

Befimmo is now ready and convinced of the advantages of supplementing and enhancing its Environmental Management System using an effective and credible energy-management tool.

Moreover, since investment in improving the energy performance of its buildings is an integral part of the optimal and sustainable management of its portfolio, the sustainable development team— mainly composed of members of the Management Committee – informs and involves the Board of Directors in all major decisions on the subject. Meanwhile, Befimmo continues to develop its in-house environmental policy to reduce the impact of its own activities: management of emissions from its vehicle fleet, of waste, of natural resources, of electricity, etc., and continuously expands the scope of these measures over its supply chain.

Befimmo's impact on society is a driver for its CSR on the economic level as well. Befimmo abides by the applicable laws in this regard. It has also devised a code of ethics setting out the values that are to govern its relations with its customers, management team, partners and shareholders. Befimmo abides by in-house rules in the framework of the code of ethics and the dealing code designed to limit the risks associated with money laundering and funding of terrorism. Moreover, it takes account of its social responsibility.

In 2017 Befimmo has begun a comprehensive study on the redefinition of new long term targets for reducing greenhouse gas emissions (in accordance with the recommendations of IPCC scientists), thus making its contribution to limiting the global rise in average temperatures to below 2°C, in line with the decision of COP21.

Finally, since 2013, Befimmo has initiated a process of recurring dialogue with all its stakeholders. This allows to better identify and prioritize its environmental, economic and social challenges, review the strategy and define our priorities in six axes that reflect the way we view our business today and tomorrow. This exercise was carried out again in 2020, where a new materiality matrix has been set up.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Belgium
Luxembourg

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CN0.7/C-RE0.7

(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?

New construction or major renovation of buildings
Buildings management

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	The Board of Directors is responsible for taking strategic decisions and approving the necessary budgets regarding CSR.
Chief Executive Officer (CEO)	The CEO is member of the Social Responsibility Team. Development and follow-up of the Action Plan.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives 	The Board of Directors is responsible for taking strategic decisions and approving the necessary budgets regarding sustainability. As the sustainability strategy is now fully integrated into the day-to-day strategy of the Company, the follow-up of the objectives is in hands of the Management and staff.

	Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	Assessing climate-related risks and opportunities	More frequently than quarterly
Chief Operating Officer (COO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Other, please specify Head of Transformation & Impact	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

At strategic level, the Social Responsibility Team (SRT) consists of five people including three members of the Management Committee: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Head of Environmental Management (HEM) and the Head of Transformation & Impact (HT&I). This team twice a year and is responsible for developing and monitoring the overall Action Plan, and



releasing adequate resources, and takes an active part in the annual management review of the ISO 14001 Environmental Management System. The Directors of Befimmo also take part in defining and approving budgets and taking major decisions on sustainability matters.

At operational level, the Environmental Technical Team consists of five specialists with the task of improving the environmental performance of the portfolio. It meets regularly and its responsibilities include implementing the Action Plan. These specialists include the Green Adviser who plays an important role monitoring the effectiveness of energy investments on the ground while ensuring a high level of comfort for tenants.

The Head of Transformation & Impact, a member of the Social Responsibility Team, reports directly to the CEO. Her role is both strategic (developing the sustainability strategy, managing relations with stakeholders) and operational (coordinating and running sustainability projects, managing the Action Plan, acting as in-house consultant for other departments and encouraging staff to embrace change).

The Human Resources department is responsible for educating all members of the team to take more account Of sustainability, for following up initiatives put in place and for continuing to develop the strong corporate culture that exists within Befimmo. HR works with the Head of Transformation & Impact and interacts with the Social Responsibility Team.

Other staff also have specific responsibilities defined in the Environmental Management System: General Counsel, Head of Legal, Chief Commercial Officer, Property Managers, Chief Investment Officer, Internal Audit, Project Managers, etc.

Furthermore, Befimmo’s action plan was fully reviewed during the 2019 fiscal year. In order to integrate the entire Befimmo team within this action plan, various meetings and workshops were planned over the year with all departments. Following these encounters, new KPI’s were introduced, some existing KPI’s were maintained or updated. This action plan is a perfect example of a collaborative project throughout the entire Befimmo staff. The main target is to achieve, as a team, all objectives related to the KPI’s. These different KPI’s are all linked to the 3 commitments of the Company as well as to various ESG standards (like the Sustainable Development Goals, GRI or EPRA).

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	The incentives are detailed below.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Environment/Sustainability manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Behavior change related indicator Environmental criteria included in purchases Supply chain engagement Company performance against a climate-related sustainability index	The Environmental department therefore has targets such as energy reduction targets and energy reduction projects. It has to meet these emission reduction targets, identify climate change issues and integrate these in the risk management.
All employees	Non-monetary reward	Emissions reduction target Energy reduction target Behavior change related indicator Supply chain engagement Company performance against a climate-related sustainability index	The entire team has also energy reduction targets and behavior change related indicators. There are awareness-raising campaigns, and the possibility to participate actively in environmental initiatives (including climate change issues) of Befimmo. The rest of the team also has quantified environmental objectives to optimize the benefits by linking them to the results obtained by the company.
Chief Financial Officer (CFO)	Monetary reward	Emissions reduction target	Managing risks, identification of climate change issues and integration in the risk management. As the rest of the team, the CFO is also taking part in the reduction

		<p>Energy reduction target</p> <p>Behavior change related indicator</p> <p>Other (please specify)</p> <p>Risk management on climate-change issues</p>	<p>targets incorporated in the action plan.</p> <p>As of fiscal year 2020, the other members of the Befimmo Executive Committee may also be allocated Performance Stock Units (PSUs).</p> <p>The shares-underlying the PSUs will be issued only after an assessment of the achievement of the following criteria (Performance Test) at the end of the three-year vesting period:</p> <ul style="list-style-type: none"> - Evolution of the Total Shareholder Return (TSR) in relation to Befimmo’s “peers” (50%) - Consolidated EPRA earnings (€m) in line with the budget for the period 2021-2023 (25%) - Coworking: turnover/m² of coworking space in line with the budget for the period 2021-2023 (15%) - CO₂e emissions linked to the energy consumption of buildings for the common and private installations: 23.88 kgCO₂e/m² at end of 2023, in line with the target for 2030(SBT method) (10%).
<p>Chief Operating Officer (COO)</p>	<p>Monetary reward</p>	<p>Emissions reduction project</p> <p>Energy reduction project</p> <p>Behavior change related indicator</p> <p>Other (please specify)</p> <p>Risk management on climate-change issues</p>	<p>Managing risks, identification of climate change issues and integration in the risk management. As the rest of the team, the CFO is also taking part in the reduction targets incorporated in the action plan.</p> <p>As of fiscal year 2020, the other members of the Befimmo Executive Committee may also be allocated Performance Stock Units (PSUs).</p> <p>The shares-underlying the PSUs will be issued only after an assessment of the achievement of the following criteria (Performance Test) at the end of the three-year vesting period:</p> <ul style="list-style-type: none"> - Evolution of the Total Shareholder Return (TSR) in relation to Befimmo’s “peers” (50%) - Consolidated EPRA earnings (€m) in line with the budget for the period 2021-2023 (25%) - Coworking: turnover/m² of coworking space in line with the budget for the period 2021-2023 (15%)

			- CO2e emissions linked to the energy consumption of buildings for the common and private installations: 23.88 kgCO2e/m ² at end of 2023, in line with the target for 2030(SBT method) (10%).
Energy manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target	Emissions reduction target, Energy reduction project, Energy reduction target, Efficiency project and Efficiency target. Main objectives of the Green Adviser.
Other, please specify General Counsel & Secretary General	Monetary reward	Emissions reduction target	As of fiscal year 2020, the other members of the Befimmo Executive Committee may also be allocated Performance Stock Units (PSUs). The shares-underlying the PSUs will be issued only after an assessment of the achievement of the following criteria (Performance Test) at the end of the three-year vesting period: - Evolution of the Total Shareholder Return (TSR) in relation to Befimmo’s “peers” (50%) - Consolidated EPRA earnings (€m) in line with the budget for the period 2021-2023 (25%) - Coworking: turnover/m ² of coworking space in line with the budget for the period 2021-2023 (15%) - CO2e emissions linked to the energy consumption of buildings for the common and private installations: 23.88 kgCO2e/m ² at end of 2023, in line with the target for 2030(SBT method) (10%).

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	<p>What Befimmo considers a short period is what happens on a daily basis in its portfolio and can negatively or positively affect the climate situation.</p> <p>To effectively manage all situations on a daily basis Befimmo has set up since 2008 an environmental management system. The implementation of the Environmental Management System (“EMS”), which is ISO 14001 compliant, helps to anticipate environmental risks at both strategic level specially at the operational level (building maintenance, use of buildings, etc.). Befimmo's procedures make it possible to respond to emergency situations and take action immediately.</p> <p>It is thus possible for example to limit the negative impact that would be for example the leak on a refrigeration installation. In addition, Befimmo has an internal green adviser who carries out a detailed accounting and continuous monitoring of the technical installations by means of warning systems for ongoing optimisation of consumption and limitation of the impact of leaks.</p> <p>Find our list of indicators in our sustainability report 2020 https://www.befimmo.be/sites/default/files/imce/publications/sustainability_report_2020_uk.pdf and in our action plan on https://www.befimmo.be/sites/default/files/imce/publications/action_plan.pdf</p>
Medium-term	1	5	<p>Find our list of indicators in our sustainability report 2020 https://www.befimmo.be/sites/default/files/imce/publications/sustainability_report_2020_uk.pdf and in our action plan on https://www.befimmo.be/sites/default/files/imce/publications/action_plan.pdf</p>

Long-term	5	15	Find our list of indicators in our sustainability report 2020 https://www.befimmo.be/sites/default/files/imce/publications/sustainability_report_2020_uk.pdf and in our action plan on https://www.befimmo.be/sites/default/files/imce/publications/action_plan.pdf
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C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Some climate-related risks could imply a negative change in the buildings fair value. On the basis of the data as at 31 December 2020, a 1% decline in the value of the property assets would have an impact of around -€27.6 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.04% in the debt ratio, and around +0.4% in the LTV ratio. This is, for Befimmo, considered as a substantive financial impact.

Befimmo's position regarding this impact is:

- (1) a responsible investment strategy focused on quality office buildings, with a good location, good accessibility and a sufficient critical size, among other factors,
- (2) buildings that are well-equipped and flexible, in an appropriate rental situation and with potential for value creation, and
- (3) statutory rotation of independent experts, who are systematically informed of changes in the situation of the buildings, also by organising visits to buildings.

A first assessment of the risks linked to the environment and the climate was carried out by Befimmo with the help of a specialized company in 2013 and an update took place in 2018. Each year Befimmo reassess the risks, taking into account in particular the evolution of its activities (real estate projects, coworking,...).

The approach it follows is as follows:

- Critical review of the risk universe (additions, deletions required) through discussions with Befimmo management,
- Assessment of the potential impact of each risk according to 4 criteria (financial, operational, legal, reputational) according to a severity scale at 4 levels. This assessment is made on the basis of input from Befimmo management, either through a workshop or during individual interviews,

- Assessment of "appetite" for each risk. Befimmo's management (or the Board of Directors), assesses the level of appetite for each identified risk. The assessment criteria are identical to those used to determine the potential impact of the risks. This makes it possible to identify situations where the impact would be greater than the desired level of risk (zero tolerance on certain risks for example);

Assessment of the level of risk control (maturity of control procedures, existence of damage history). It is the "design" ("how the controls should work") of the controls, not their operational effectiveness ("how they really work") that is assessed.

The results are returned to Befimmo management, in the form of maps, and proposals for actions to be taken depending on the situations encountered.

How are the results processed and presented in a matrix?

- Graphical representation of the result of the risk analysis
- TOP 10 of Befimmo's key risks with the assessment of the level of risk management and palatability
- Graphic representation of the TOP10 of Befimmo's key risks
- TOP 5 dispersions (deviations) in the risk assessment
- TOP 5 dispersions (deviations) in the assessment of the level of palatability
- Voting results by category with the assessment of the level of risk control and appetite
- Presentation of the TOP 3 dispersions by risk category

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

The Risk analysis include the identifying and assessing climate-related risks is based on a study to classify the Company's major risks, in order of potential impact (severity and estimated probability of occurrence), and to determine the extent to which it controls these risks. On this basis, a matrix of risks and the extent to which they are controlled is produced. This matrix provides the framework for the work of the internal audit service, reviewed annually as part of a three-year plan by the Audit Committee. The corporate risk rules provide for a formal update of the risk factors, twice a year, when the half-yearly and annual financial reports are drafted. This is an in-depth risk analysis periodically carried out by the Risk Manager, in cooperation with the Internal Auditor and Compliance Officer. This update is then presented to and discussed in the Management Committee. Finally, the document is transmitted to the Audit Committee for review and to the Board of Directors for formal approval.

Otherwise Befimmo applies a responsible approach, under which, for many years, the necessary action has been taken to reduce the environmental and climate-related risks impact of the activities that the Company controls and influences directly. The implementation of the Environmental Management System ("EMS"), which is ISO 14001 compliant, helps to anticipate environmental and climates-related risks at both strategic level (acquisitions, major renovations, etc.) and operational level (building maintenance, use of buildings).

Typically CO₂e emissions generated by use of energy and consumption are integrated into Befimmo's day-to-day management, throughout all the operational processes. The overall environmental performance and energy consumption, in particular of buildings subject to acquisition projects, are analysed in the context of detailed environmental and technical audits carried out by Befimmo's teams and supplemented, as needed, by the expertise of specialist external consultants. The conclusions of the audits and the energy aspects in particular are incorporated into an in-house decision tool developed on the basis of Science-Based Targets. This tool, presented and validated by the Management, reflects the energy performance in the form of CO₂e emissions and assesses the impact of the asset on the overall objective of reducing CO₂e in the long term (2030). As the case may be, the tool identifies any potential improvement work, budgets and the timescale required to achieve the desired objective and to reduce the climate-related risks.

Some climate-related risks could imply a negative change in the buildings fair value. On the basis of the data as at 31 December 2020, a 1%

decline in the value of the property assets would have an impact of around -€27.6 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.04% in the debt ratio, and around +0.4% in the LTV ratio. This is, for Befimmo, considered as a substantive financial impact. Befimmo's position regarding this impact is (1) a responsible investment strategy focused on quality office buildings, with a good location, good accessibility and a sufficient critical size, among other factors, (2) buildings that are well equipped and flexible, in an appropriate rental situation and with potential for value creation, and (3) statutory rotation of independent experts, who are systematically informed of changes in the situation of the buildings, also by organising visits to buildings.

However, in line with its CSR policy and as part of a process of continuous improvement, when considering acquisition projects it also reviews and analyses energy efficiency, aspects related to soil pollution and the presence of hazardous substances, together with aspects related to mobility, such as location, accessibility, proximity to public transport, etc.

Befimmo has identified risks and opportunities that could result indirectly from climate change. These risks are integrated in the main risks identified by Befimmo regarding its business and are described in the chapter "Risk factors" of the Annual Financial Report 2020. This chapter also describes the measures taken by the Company to anticipate, to control and limit the potential impact of each of the risks identified. The risks related to reputation, subcontractors & suppliers (for example the risk linked to the presence of undeclared people on construction sites) regulatory constraints and/or insurance coverage are assessed at the corporate level. These risks and opportunities and their consequences include for example higher operational costs or reputational risks. Physical and weather-related impacts from climate change implying a deterioration of buildings are assessed at the asset level by the Technical & Environmental teams, and then analysed and supervised at the corporate level. Befimmo is in charge of the technical control of the portfolio that the property team directly manages. The assessment of the environmental risks is partially covered by the implementation of the ISO 14001 procedures. Befimmo has organised the management of internal control and corporate risks by defining its control environment (general framework), identifying and classifying the main risks to which it is exposed, analysing its level of control of these risks and organising a "control of the control". The Board of Directors has set up two internal committees with board members (the Audit Committee and the Appointments and Remunerations Committee). These committees report to the Board of Directors on that matter. The CFO is in charge of organising the risk management process and reports to the Audit Committee which informs the Board of Directors. The Audit Committee meets at least 4 times a year (every quarter).

Befimmo is convinced that a proactive approach leads to a strong position in terms of reputation and improved profitability; since 2008 it has gradually evolved from a qualitative environmental policy to a true proactive Sustainability policy, integrated into its overall strategy. It recognizes that effective governance over the long term requires a committed approach, applying the precautionary principle, designed to anticipate its risks and control its costs. Indeed, identifying the risks that could affect Befimmo, it is putting in place the necessary measures to anticipate these risks and limit their potential impact. It undertakes to take account of the expectations of its stakeholders in devising its strategy and to establish a dialogue and constructive consultation with them. Befimmo regards sustainability as a part of its strategy, taking opportunities

to improve its performances and create value in the long term for its stakeholders. As a responsible asset manager, it must constantly strive to limit its impact on society while being able to develop economically and improve its dialogue with its stakeholders. ok

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Regulatory changes could - for example - increase capital costs due to the requirements for new investments to meet the new regulatory standards. These costs increase are not (yet) reflected in rents increase. Befimmo is implementing a specific multi-annual investment plan designed to carry out work to optimize the sustainable performance (including proactive environmental measures) of the operational buildings (replacement of old technical installations by energy-saving equipment, installation of new equipment management technologies, installation of water-recovery systems, improved insulation, installation of photovoltaic panels, etc.) and generally to improve the BREEAM In-Use certification of the buildings. In 2020, the budget for this work was of the order of €0.4 million. As for major renovations, part of the overall renovation budget is allocated to sustainable optimization and anticipating new regulations on the improvement of the environmental performance of buildings.</p> <p>MITIGATION AND CONTROL MEASURES: The Company has a legal team with the necessary skills to ensure strict compliance with regulations and proactively anticipate changes in the law (regulatory monitoring). It also regularly calls upon external consultants. However, the Company has put in place procedures published in the Environmental Management System (ISO 14001 certified) to avoid this risk (e.g. risk of missing installations in the permit, non-respect of operating conditions). The update of the legislative register is outsourced by a specialized legal service but then checked and controlled by our in-house legal counsel. This helps follow the fast changing legislation regarding energy performance of buildings.</p>
Emerging regulation	Relevant, always included	<p>Through its activities, the Company is exposed to changes in (Belgian, European and international) law and increasingly numerous and complex regulations, and to possible changes in their interpretation or application by the authorities or the courts, notably accounting, reporting, fiscal, environmental, urban-development and public-procurement regulations. For example, Belgium could decide to include the real estate sector in the ETS system.</p>

		<p>POTENTIAL IMPACT: Changes in and non-compliance with regulations expose the Company to risks of being held liable, civil, criminal or administrative convictions, and the risk of not obtaining or the non-renewal of permits. This could adversely affect the Company's business, its results, profitability, financial situation and/or outlook.</p> <p>ASSESSMENT AND MITIGATION: The Company has a legal team with the necessary skills to ensure strict compliance with regulations and, as far as possible, anticipates changes in the law (legislation watch). It also calls upon external consultants.</p>
Technology	Relevant, sometimes included	<p>Each building permit has to include an assessment of environmental footprint reduction technology (renewable energy production, insulation, etc.).</p> <p>These technological solutions are systematically considered on any projects on a voluntary basis.</p>
Legal	Relevant, always included	<p>Regulatory changes could - for example - increase capital costs due to the requirements for new investments to meet the new regulatory standards. These costs increase are not (yet) reflected in rents increase. Befimmo is implementing a specific multi-annual investment plan designed to carry out work to optimize the sustainable performance (including proactive environmental measures) of the operational buildings (replacement of old technical installations by energy-saving equipment, installation of new equipment management technologies, installation of water-recovery systems, improved insulation, installation of photovoltaic panels, etc.) and generally to improve the BREEAM In-Use certification of the buildings. In 2020, the budget for this work was of the order of €0.4 million. As for major renovations, part of the overall renovation budget is allocated to sustainable optimization and anticipating new regulations on the improvement of the environmental performance of buildings.</p> <p>MITIGATION AND CONTROL MEASURES: The Company has a legal team with the necessary skills to ensure strict compliance with regulations and proactively anticipate changes in the law (regulatory monitoring). It also regularly calls upon external consultants. However, the Company has put in place procedures published in the Environmental Management System (ISO 14001 certified) to avoid this risk (e.g. risk of missing installations in the permit, non-respect of operating conditions). The update of the legislative register is outsourced by a specialized legal service but then checked</p>

		and controlled by our in-house legal counsel. This helps follow the fast changing legislation regarding energy performance of buildings.
Market	Relevant, always included	<p>One of the consequences of the regulatory changes could also be a decrease of Befimmo portfolio occupancy rate and thus a decrease of its annual global revenues. The realization of this risk could lead to a decline in occupancy rates and a reduction in the operating result of the portfolio. rental income. On an annual basis at 31 December 2020, a 1% fluctuation in the spot occupancy rate of the Company’s portfolio would have an impact of some €2.0 million on its property operating results, -€0.07 on the net asset value per share, and +0.07% on the debt ratio.</p> <p>Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €2.3 million, equivalent to around 1.7% of total rental income. The Company may also be exposed to higher expenses in connection with the marketing of properties available for lease and the fall in the value of buildings.</p> <p>ASSESSMENT AND MITIGATION: The Company has a legal team with the necessary skills to ensure strict compliance with regulations and proactively anticipate changes in the law (regulatory monitoring). It also regularly calls upon external consultants. However, the Company has put in place procedures published in the Environmental Management System (ISO 14001 certified) to avoid this risk (e.g. risk of missing installations in the permit, non-respect of operating conditions). The update of the legislative register is outsourced by a specialized legal service but then checked and controlled by our in-house legal counsel. This helps follow the fast changing legislation regarding energy performance of buildings.</p>
Reputation	Relevant, always included	<p>The Company is exposed to the risk of damaging its reputation. By not acknowledging, understanding and appropriately addressing climate change issues, there is a risk of damage to reputation.</p> <p>ASSESSMENT AND MITIGATION: One of the methods to manage this reputation risk, could be that Befimmo proactive and very transparent is in its communication; in order to avoid the announcement of unexpected bad news. Befimmo communicates transparently and adapts the communication to the various stakeholders (type, means, frequency, etc.). For example, if an environmental concern occurred in one of its buildings, Befimmo could proactively notify the tenants of the building and explain how she intends to solve the problem. If the concern is important, Befimmo could proactively inform the market (shareholders) via a press release.</p>



Acute physical	Relevant, sometimes included	Before acquiring a new building in its portfolio, Befimmo evaluates if the buildings are situated in flooding areas or not. Accordingly, the Company has no buildings situated in flooding areas and is thus not concerned by floods.
Chronic physical	Relevant, sometimes included	So far, as Befimmo's assets are located in Belgium (temperated temperatures), outside floods are, we have considered that the climate change would not substantially affect Befimmo's portfolio. According to our strong risk and opportunities identification process, we don't feel that the market is such that changes in the physical climate parameters in the region in which we operate (Belgium) drive significant opportunities. However, recent studies (GreenPeace / JP Van Ypersele) have shown a potential impact of climate change on Belgian's weather conditions (highest temperatures variations, more frequent heavy rains). As these have a potential impact on our building management and design, we have considered these factors in our strategy definition, based on the UN SDGs and also in our technical requirements.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Legal

Other, please specify

Policy and legal: Increased operating costs

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums): The Company is exposed to the risk of infringing increasingly numerous and complex and constantly changing regulations, and of possible changes in their interpretation or application by the authorities or the courts, notably environmental and fire-safety regulations, urban development and mobility regulations, environmental risks related to property purchase or ownership, and the risk of refusal or non-renewal of permits. The Company is exposed to the risk that new constraints might limit the possibility of operating and/or letting certain buildings or impose more stringent obligations upon it, notably in terms of environmental performance.

Main negative impacts: (1) to miss interesting value-creating investment opportunities, (2) The realization of this risk could lead to a decline in occupancy rates and a reduction in the operating result of the portfolio.

Regulatory changes could - for example - increase capital costs due to the requirements for new investments to meet the new regulatory standards. These costs increase are not (yet) reflected in rents increase. Befimmo is implementing a specific multi-annual investment plan designed to carry out work to optimize the sustainable performance (including proactive environmental measures) of the operational buildings (replacement of old technical installations by energy-saving equipment, installation of new equipment management technologies, installation of water-recovery systems, improved insulation, installation of solar panels, etc.) and generally to improve the BREEAM In-Use certification of the buildings. As for major renovations, part of the overall renovation budget is allocated to sustainable optimization and anticipating new regulations on the improvement of the environmental performance of buildings.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

4,200,000

Potential financial impact figure – maximum (currency)

30,000,000

Explanation of financial impact figure

On the basis of the data as at 31 December 2020, a 1% decline in the value of the property assets due for example to the fluctuation in the spot occupancy rate of the company's portfolio would have an impact of around -€27.6 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.04% in the debt ratio, and around +0.4% in the LTV ratio.

Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €2.3 million, equivalent to around 1.7% of total rental income.

Cost of response to risk

8,000

Description of response and explanation of cost calculation

MITIGATION AND CONTROL MEASURES: The Company has a legal team with the necessary skills to ensure strict compliance with regulations and proactively anticipate changes in the law (regulatory monitoring). It also regularly calls upon external consultants. However, the Company has put in place procedures published in the Environmental Management System (ISO 14001 certified) to avoid this risk (e.g. risk of missing installations in the permit, non-respect of operating conditions).

This process can be broken down into several key stages:

- Regulatory monitoring to identify environmental legislation applicable to its activities;
- Circulation of these regulations to its Property & project Managers ;
- Compliance audits of the buildings by the Property Managers and Befimmo's Environmental Technical Team ;
- Any observations/non-compliances identified during audits by the Environmental Technical Team and the Property Managers are followed up and addressed.

Otherwise the building will integrate into the city and become an ecosystem open to its urban environment, bringing together a mix of functions. Steady cash flow depends mainly on rental income being secured. The Company therefore strives to ensure that a large proportion of its portfolio is let on long-term leases and/or to multiple tenants, which helps to spread the rental risks.

Concerning the regulatory monitoring system used by Befimmo to check the Befimmo's portfolio compliance with the regulations, the set-up fee was €4,000 while the annual fee is about €8,000 also.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Legal

Other, please specify

Policy and legal: Increased pricing of GHG emissions

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description



The Company is exposed to the risk of the introduction by the authorities of a carbon tax on the buildings sector in Belgium. In 2015, by adopting the Paris Agreement, its signatories committed to holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. In order to meet this ambition, urgent action is needed to significantly reduce, and ultimately phase out, greenhouse gas emissions. In line with this commitment, the European Union (EU) and Belgium, as a member state of the EU, have committed to reducing their emissions of greenhouse gases (GHG) by at least 80 to 95% by 2050 with respect to 1990. In this context, the EU has already developed a framework to reach 2030 medium-term objectives through the EU Emission Trading System (EU ETS) and the EU Effort Sharing Regulation, that are part of the broader Energy Union strategy. Under this EU framework, Belgium is to develop and implement an integrated national energy and climate plan, as well as a Long-term Low Emission Strategy (LTLES) to guide its transition towards a low carbon society. As per the discussion held at the nation level in 2017-2018, the first sectors that would be impacted by this carbon would be the transport and the building sectors, in which Befimmo operates.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

238,000

Potential financial impact figure – maximum (currency)

850,000

Explanation of financial impact figure

Budget neutrality is perceived by the authorities and all consulted actors as a key success factor for the concrete implementation of carbon pricing.

A second principle defended by the authorities is the long-term orientation of carbon pricing, which should be taken into account from the outset. Indeed, the purpose of implementing a carbon price is not to penalize and impose a burden on actors in the short-term, but to set a credible price signal over time to progressively orient the decisions of citizens, companies and institutions towards low carbon behaviours and investments

Regarding the price trajectory, most countries with a carbon tax have opted for gradually increasing prices. A price of 35 €/tCO_{2e} could be set in 2022 and this price could (in real terms) rise in 2030 to 125€/tCO_{2e}. This represents a potential financial impact of minimum 6.800 tCO_{2e} (scope 1 and 2) * 35€ = 238.000 € or maximum of 6.800 tCO_{2e} (scope 1 and 2) * 125€ = 850.000€

Cost of response to risk

24,000

Description of response and explanation of cost calculation

After the signing of the Paris agreement on limiting global warming at COP21, Befimmo decided to set long-term targets up to 2030 for cutting greenhouse gas emissions (as recommended by IPCC scientists). Befimmo is thereby making its own contribution to limit the rise in global average temperature to below 2°C, in line with the decision of COP21. To set ambitious yet realistic targets, Befimmo developed a model and method including two approaches:

- 1) Top-down: taking as benchmark external expectations from a Belgian real estate company (namely information provided by the Science Based Target Initiative and Scenarios for a Low Carbon Belgium by 2050 both in line with IPCC recommendations)
- 2) Bottom-up: a model that estimates future environmental impacts (measured in CO₂ equivalent) based on historical emissions and expected business scenarios.

This method and model allow to

- Define new long-term target: Long term objectives are in accordance with external scientific expectations and in line with business expectations
- Define intermediate and sub-objectives: The model estimates the environmental impact of each building on scope 1,2 and 3 on an annual basis with a perspective of 15 years ahead. This enables to define objectives per building, per scope, in short and medium term. This enables Befimmo to foresee the introduction of carbon pricing under different price scenarios
- Monitor progress against the Baseline
- Compare the environmental impact of different business scenarios

The Befimmo's tool has been developed internally by the environmental team for an effort of 30 MD (estimated at about 800€/MD) .
This work has been recognized and nominated for the Belgian Business Award for the Environment.
http://www.feb.be/en/what-we-do/campaigns/belgian-business-awards-for-the-environment_2015-08-20/nomines-2017-2018_19-01-2018/

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

For some of our tenants, demand has progressively shifted to occupy buildings which address sustainability and climate change issues. To not address these issues would be detrimental to the marketability of the assets to existing and future tenants.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

On the basis of the data as at 31 December 2020, a 1% decline in the value of the property assets due for example to the fluctuation in the spot occupancy rate of the company's portfolio would have an impact of around -€27.6 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.04% in the debt ratio, and around +0.4% in the LTV ratio.

Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €2.3 million, equivalent to around 1.7% of total rental income.

Cost of response to risk

48,000

Description of response and explanation of cost calculation

One of the methods to manage this consumer behaviour risk is to educate its tenants, telling them what Befimmo is doing in terms of its various approaches to sustainability and environment. For example, Befimmo is encouraging all its tenants to shift to green electricity contracts.

Otherwise the Befimmo's environmental team monitors the environmental performance of the buildings on a daily basis. It also offers support to occupants with measures to optimise their energy consumption and waste management.

Befimmo also provided a building user guide to its tenants that is a guide of the building to the proper operation of the installations and for limiting its environmental footprint. The Property Manager sends this document to new and existing tenants.

To keep or design attractive buildings an In order to reduce the volume of waste and improve the material reuse rate, Befimmo also anticipates

for dismantling from the design stage of the building and work sites in line with the principles of the circular economy. Its participation in the Totem initiative is the proof. Totem [Tool to Optimise the Total Environmental impact of Materials] is a digital interface, transparent and easy to use thanks to which the Belgian construction sector will be able to objectify and limit the environmental impacts of buildings. Currently 10% of the resources of the environmental team are dedicated (about 60 MD per year, at 800€/MD = 48.000€).

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

In the Brussels Capital Region, energy performance requirements have been required since July 2008 for all works requiring the introduction of a building permit. In 2015, these requirements were revised upwards and are now aimed at high energy performance for new construction.

Since July 1, 2019 Befimmo as a large owner is subject to the mandatory P.L.A.G.E (Local Action Plan for Energy Management - <https://environnement.brussels/thematiques/batiment-et-energie/obligations/plage/un-plage-pour-les-grands-parcs-immobiliers>) whose objective is to significantly reduce the energy consumption of buildings.

The P.L.A.G.E approach is one of the levers which will enable the Region to respect its international commitments, in particular the European objectives for 2030 in terms of climate and of energy, reflected in strong commitments in the regional Air-Climate-Energy Plan, adopted by the Brussels government in June 2016: reduce greenhouse gas emissions by 30% greenhouse by 2025 compared to 1990, and almost double the production of renewable energy.

Regulatory changes could impact the occupation rate. The realization of this risk could lead to a decline in occupancy rates and a reduction in the operating result of the portfolio rental income.

By implementing new regulations, Befimmo anticipates the evolution through a sustainable approach of its portfolio that will ultimately lead to improved marketability or occupancy rate, lower energy consumption figures, improved building valuation, longer useful life cycles. The realization of this opportunity could avoid a decline in occupancy rates and a reduction in the operating result of the portfolio rental income.

Befimmo continuously invests to improve and optimise the existing technical installations, especially in connection with the strategy to rejuvenate Befimmo's portfolio. By 2026 approximately 50% of the surface area of the Brussels portfolio will be less than five years old.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Befimmo is implementing a specific multi-annual investment plan designed to carry out work to optimize the sustainable performance (including proactive environmental measures) of the operational buildings (replacement of old technical installations).

Regulatory changes could impact the occupation rate. The realization of this opportunity could avoid a decline in occupancy rates and a reduction in the operating result of the portfolio rental income. On the basis of the data as at 31 December 2020, a 1% decline in the value of the property assets due for example to the fluctuation in the spot occupancy rate of the company's portfolio would have an impact of around -€27.6 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.04% in the debt ratio, and around +0.4% in the LTV ratio.

Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €2.3 million, equivalent to around 1.7% of total rental income.

Cost to realize opportunity

3,600,016

Strategy to realize opportunity and explanation of cost calculation

By implementing new regulations, Befimmo anticipates the evolution through a sustainable approach of its portfolio that will ultimately lead to improved marketability or occupancy rate, lower energy consumption figures, improved building valuation, longer useful lifecycles. Depending on the project, part of the overall renovation budget (+/- 5%) is allocated to sustainable optimization and anticipating new regulations on the improvement of the environmental performance of buildings. This policy aims at respecting current and anticipated regulations and at meeting tenants', investors' and shareholders' expectations. At the same time, Befimmo has budgeted 600.000€ to implement the works it has identified

for the P.L.A.G.E within the next 5 years.

Currently about 20 MD per year, at 800€/MD, are dedicated for this in 2020.

The total investment is therefore . 3 millions €+ € 600k + € 16k = 3.600.016€

Comment

For major renovations, part of the over-all renovation budget (+/- 5 %) is allocated to sustainable optimisation of the building. The Company continued its multi-annual investment programme to improve the energy performance of its operational buildings. Furthermore, in the context of changing ways of working and in order to offer a better user experience to tenants, Befimmo is gradually equipping its buildings with shared meeting rooms, restaurants, spaces for nurseries, a fitness centre, etc., taking into account the specific characteristics of the buildings (rental situation, location, etc.).

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

EPB (energy performance of buildings) certificates. This index, based on EU Directive 2002/91/EC, expresses the amount of energy needed to meet the various needs of a building in normal use. It is calculated on the basis of the various factors influencing energy demand (insulation, ventilation, solar and internal gains, heating system, etc.).

Mandatory Energy performance certificates are an opportunity on the property market as they attract potential tenants who are conscious of their environmental impact. Befimmo further request EPB when not request in order to further measure, ameliorate and use it as a commercial argument towards clients.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Regulatory changes - in this case Environmental Certification obligation - increase capital and operational costs due to the requirements for new investments to meet the new regulatory standards but allows maintaining a high level, high quality buildings and so high occupancy rate. The goal is to transform a risk into an opportunity, so, prevent the realization of a risk and in this below mentioned case, prevent a reduction in Befimmo occupancy rate and therefore a loss of revenues. The realization of this risk could lead to a decline in occupancy rates and a reduction in the operating result of the portfolio.

On the basis of the data as at 31 December 2020, a 1% decline in the value of the property assets due for example to the fluctuation in the spot occupancy rate of the company's portfolio would have an impact of around -€27.6 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.04% in the debt ratio, and around +0.4% in the LTV ratio.

Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €2.3 million, equivalent to around 1.7% of total rental income.

Cost to realize opportunity

16,000

Strategy to realize opportunity and explanation of cost calculation

Befimmo is aware of the importance of checking proper implementation in the field of its investments in the environmental and energy performances of its buildings and also assisting the achievement of the EPB certification. Since 2014, the Green Adviser monitors energy consumption by telemonitoring and optimising it while ensuring a high level of comfort for tenants. Depending on the project, part of the overall renovation budget (between 5 to 10%) is allocated to sustainable optimization and anticipating new regulations on the improvement of the environmental performance of buildings (such as, for instance, the installation of rooftop solar PV panels). This policy aims at respecting current and anticipated regulations and at meeting tenants', investors' and shareholders' expectations.

Currently about about 20 MD per year, at 800€/MD => 16.000€, in 2020 are dedicated to follow the good implementation of the EPB (energy performance of buildings) certification

Comment

For major renovations, part of the over-all renovation budget (5%) is allocated to sustainable optimisation of the building. The Company continued its multi-annual investment programme to improve the energy performance of its operational buildings. Furthermore, in the context of changing ways of working and in order to offer a better user experience to tenants, Befimmo is gradually equipping its buildings with shared meeting rooms, restaurants, spaces for nurseries, a fitness centre, etc., taking into account the specific characteristics of the buildings (rental situation, location, etc.).

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Other, please specify

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description

Nowadays, tenants of buildings are looking for a landlord who offers them much more than a “premium” building: contemporary office spaces and related services in buildings that are sustainable in terms of architecture, location and respect for the environment. Therefore, Befimmo is developing with all its stakeholders, namely its tenants a continuous dialogue, through (i) the Environmental Cooperation Agreement and (ii) the Building User Guide (BUG), in order to reduce the environmental impact of its portfolio.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Currently 5% of the resources of the environmental team are dedicated (about 60 MD per year at 800€/MD, this represents) on 2020.

Befimmo is pursuing the ambitious objective of reducing by 17% the CO2e emissions linked to energy purchases (fuels, heat, electricity) made by tenants in buildings controlled by tenants by 2030. Befimmo plans, among other things, to take up this challenge through this agreement and the BUG to active awareness-raising among its tenants and encourage them reducing their energy consumption and so their charges linked to this consumption.

On the basis of the data as at 31 December 2020, a 1% decline in the value of the property assets due for example to the fluctuation in the spot occupancy rate of the company's portfolio would have an impact of around -€27.6 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.04% in the debt ratio, and around +0.4% in the LTV ratio.

Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €2.3 million, equivalent to around 1.7% of total rental income.

Cost to realize opportunity

48,000

Strategy to realize opportunity and explanation of cost calculation

The Building User Guide is a tenant's guide to using the buildings facilities and limiting its environmental footprint. The Property Manager sends this document to new tenants. The Property Management department has finalised a template for the Guide, based on the needs of the users. The objective is to digitalise this document at a later stage for the various Befimmo buildings. All of these projects follow a user-oriented approach.

Currently 5% of the resources of the environmental team are dedicated (about 60 MD per year at 800€/MD => 48.000€) on 2020.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, but we intend it to become a scheduled resolution item within the next two years	Befimmo's low-carbon management plan is discussed indirectly at the General Meeting (i) when approving the annual report, which contains the elements of the CSR strategy, and (ii) when approving the remuneration report, which since 2020 has included specific targets to be set for the long-term variable remuneration of the management, directly linked to the reduction of CO2 emissions. These targets are approved by the GM. There is no specific item at the annual general meeting, but Befimmo plans to include it within two years.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
<p>Other, please specify IEA ETP 2014</p>	<p>A few months after the signing of the Paris agreement on limiting global warming at COP21, Befimmo has decided to set long-term targets, up to 2030, for cutting greenhouse gas emissions (as recommended by IPCC scientists). Befimmo is thereby making its own contribution to limiting the rise in global average temperature to below 2°C, in line with the decision of COP21. To set ambitious, yet realistic targets, Befimmo has developed a model and a method including two approaches:</p> <ol style="list-style-type: none"> 1) Top-down: taking as benchmark external expectations from a Belgian real estate company (namely, information provided by the Science Based Target Initiative and by the Scenarios for a Low Carbon Belgium by 2050, both in line with IPCC recommendations); 2) Bottom-up: a model that estimates future environmental impacts (measured in CO2 equivalent) based on historical emissions and expected business scenarios. <p>Benefits</p> <p>This method and model allow to</p> <ul style="list-style-type: none"> - Define new long-term target: <p>Combining the ‘bottom-up’ and ‘top-down’ approach in one model allows to define long term objectives that comply with external scientific expectations and that are in line with business expectations;</p> <ul style="list-style-type: none"> - Define intermediate and sub-objectives: <p>The model estimates the environmental impact of each building on scope 1 (‘directly-controlled’ emissions, relating to fuels (gas, oil) purchased by the landlord for heating purpose), scope 2 (indirectly-controlled’ emissions, relating to the electricity and heat purchased by the landlord for (1) shared service installations (HVAC, lighting of common areas, parking, lifts, etc.) and (2) for tenant areas.) and scope 3 (indirectly-uncontrolled’ emissions, relating to the use of electricity, heat, fuels (gas, oil) purchased by tenants in buildings not under Company</p>

	<p>control) on an annual basis with a perspective of 15 years ahead. This enables to define objectives per building, per scope, in the short and medium term;</p> <ul style="list-style-type: none"> - Monitor the progress against the baseline: <p>As the model was developed on the database that collects real consumption, it will be further used to compare expected emissions with actual ones. This allows a continuous improvement of the model and its assumptions.</p> <ul style="list-style-type: none"> - Compare the environmental impact of different business scenarios: <p>The model includes a functionality that allows to define different business scenario and compare their impact on the environment.</p> <p>The following objectives were defined: by 2030, Befimmo is committed to achieving an average level of CO2e emissions per m² related to the energy consumption of its entire portfolio equal to 19.9 kg CO2e/m², i.e. a reduction of 33% compared to 2016. This corresponds to avoiding an accumulation of emissions of 53.000 tCO2e, equivalent to 2.3 years of CO2e emissions linked to the energy consumption of the portfolio (reference year 2016).</p> <p>These objectives are coupled with a concrete Action Plan and realistic estimates and have been closely reflected by reality since 2017. They are divided into three sub-objectives:</p> <ol style="list-style-type: none"> 1. 50% reduction in CO2e emissions linked to the fuel (gas,oil) purchased by the landlord 2. 17% reduction in CO2e emissions linked to the electricity and heat purchased by the landlord 3. 17% reduction in CO2e emissions linked to energy (fuels, heat, electricity) purchased by tenants of buildings managed by tenants.
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C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

Have climate-related risks and opportunities influenced your	Description of influence

	strategy in this area?	
Products and services	Yes	<p>As a company that is human, a corporate citizen, and responsible, Befimmo offers its occupants contemporary office spaces and related services in buildings that are sustainable in terms of architecture, location and respect for the environment. Nowadays, tenants of buildings are looking for a landlord who offers them much more than a “premium” building. Befimmo’s buildings, offices, coworking and meeting spaces are all designed and developed with one idea in mind: to make working a productive and enjoyable experience. In the short term we offer occupants a wide range of services and facilities to make their everyday lives easier.</p> <p>BUILDING FACILITIES - Depending on the characteristics of the buildings (rental situation, location, etc.), tenants are provided with a wifi, restaurant, catering service, nursery, fitness centre, showers, secure lockers and bicycle and car parks equipped with electrical charging stations.</p> <p>PROPERTY MANAGEMENT - The team of property managers manages the buildings while improving tenant satisfaction and comfort. It develops a regular and transparent relationship with tenants with a view to meeting their expectations. In this context, tenants are provided with a helpdesk (24/7 telephone service) and management tools: Helpsite: this tool is used to plan, act upon and follow up all tenants’ requests. This online collaborative application offers secure external access for tenants (and suppliers). Extranet: online platform gives tenants secure access to all relevant documents concerning their lease and building (documents relating to the environmental impact and technical management of the building).</p> <p>SPACE PLANNING and PROJECT MANAGEMENT - The team provides turnkey solutions by assisting current and prospective tenants with the design and construction of their real-estate projects.</p> <p>ENVIRONMENTAL SUPPORT - The environmental team monitors the environmental performance of the buildings on a daily basis. It also offers support to occupants with measures to optimise their energy consumption and waste management.</p> <p>BUILDING FACILITY MANAGEMENT - It offers tenants support in the framework of the services provided, organises tenant satisfaction surveys and, as far as possible, introduces new services in line with their expectations. It also organises networking events in multi-tenant buildings to support the creation of corporate networks.</p>
Supply chain and/or value chain	Yes	<p>In the sort term Befimmo is determined to further integrate the CSR approach into its supply chain, suppliers being an integral part of it. Therefore, a Sustainable Procurement Charter has been drafted and transmitted to all its suppliers to clearly communicate the commitments the Company expects from them. The responsible procurement charter applies</p>

		<p>to all Befimmo's direct suppliers. Each supplier (out of 100% of Befimmo's suppliers) is invited to read and accept the charter http://www.befimmo.be/sites/default/files/0318-responsible_procurement_charter.pdf</p> <p>Its supply chain is influenced by (i) the inflows of construction and office material. The impact of the flow is controlled by environmental and societal criteria integrated in the quality matrix. This internal reference document contains Befimmo's minimum technical requirements. And by (ii) the outflows of used material and waste. The aim is to inject circular-economy principles into its real-estate projects, so that waste is considered as a resource.</p> <p>For more information, consult the sustainability report: https://www.befimmo.be/sites/default/files/imce/publications/sustainability_report_2020_uk.pdf</p>
Investment in R&D	Yes	<p>Over the fiscal year and in a short time horizon, Befimmo carried out Research and Development activities related to the potential of various markets, the changing working environment and new services to be offered to its tenants. At the same time, Befimmo launched an innovation campaign, a genuine participative approach to involve the team in strategic axes at the heart of Befimmo's business. Team members are invited to share their thoughts on the "innovation wall" and to join one or other working group that inspires them, in a process of collective intelligence, to devise innovation projects and bring them to fruition. Total resources spent in 2020 on R and D are estimated at some €1,180,000 (annual basis).</p>
Operations	Yes	<p>All available energy-consumption data and information are obtained via (i) utility companies and energy suppliers, (ii) maintenance companies, (iii) telemonitoring of consumption and (iv) the in-house manager.</p> <p>Telemonitoring now covers 75% by floor area of the portfolio. The data collected generally cover all consumption (water, gas and electricity). This centralisation of data and online real-time access to them allows us to remotely identify any malfunctioning technical installations, immediately take the necessary corrective action, assess the energy performance of each building and identify priority future investments to be considered.</p> <p>With regard to the management of electricity consumption data, Befimmo is continuing to work on separating consumption for private and common areas of the buildings in which it has control over the energy supply contract. Regarding the buildings in which the supply contracts are not in Befimmo's name, the Environmental Technical Team directly asks tenants for consumption data and/or the renewal of the mandates needed for obtaining data via the network managers. This approach is systematically applied for all new tenants, notably when signing the lease.</p>

		<p>In 2017, Befimmo has been systematically using statistical models to refine the detection of abnormal electricity, water and gas consumption. These models for predicting future consumption are based on the energy signature of the building and working hours.</p> <p>More relevant than generic alarms triggered when a maximum threshold is exceeded, these models can detect very slight overconsumption in relation to total consumption.</p> <p>For its 2018 reporting, Befimmo has chosen to disclose all the data available to it, even though for some buildings its level of control is limited, and consumption and/or generation data are not always accessible or available.</p>
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C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Acquisitions and divestments	<p>Revenues: The Company is committed to this new world of work. These strategic actions tend towards a higher occupancy rate, a loyalty of current tenants and therefore towards higher incomes/revenues.</p> <p>On an annual basis at 31 December 2020, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €2.0 million on its property operating results, -€0.07 on the net asset value per share, and +0.07% on the debt ratio.</p> <p>Operating costs: The Green Adviser plays an important role in monitoring the effectiveness of energy investments on the ground while ensuring a high level of comfort for tenants.</p> <p>This contributes to the reduction of the carbon footprint, as set up in the Science-Based Target objectives set up by the company: Based on 2016 measures, Befimmo commits to cut by half direct CO2 emissions per square meter of its portfolio by 2030. Further, it commits to reduce by 17% its specific indirect CO2 emissions related to electricity</p>

		<p>consumption by 2030."</p> <p>Finally, the feasibility of incorporating renewable self-generated energy systems is systematically considered for each project.</p> <p>Capital expenditures/allocation: The analysis of opportunities related to climate change make Befimmo evolve towards renewable energy investments. Befimmo is also implementing a specific multi-annual investment plan designed to carry out work to optimise the sustainable performance of the operational buildings (replacement of old technical installations by energy-saving equipment and installation of new equipment-management technologies) and generally to improve the BREEAM In-Use certification of the buildings. In terms of magnitude, part of the overall renovation budget (between 5 to 10%) is allocated to sustainable optimisation of the building.</p> <p>Acquisitions: When considering acquisition projects it also reviews and analyses energy efficiency, aspects related to soil pollution and the presence of hazardous substances, together with aspects related to mobility. Buildings without any green investments could have a negative change in their fair value. On the basis of the data as at 31 December 2020, a 1% decline in the value of the property assets would have an impact of around -€27.6 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.04% in the debt ratio, and around +0.4% in the LTV ratio.</p>
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C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

(i) INFLUENCE: Befimmo has integrated the principles of corporate social responsibility (including the identification of the climate change issues) into its long-term strategy, and these are reflected in the environmental, economic and social aspects of its day-to-day operation. Since it is in the real-estate business, the main focus of Befimmo's action in this area relates to the environment. For several years, it has built energy performances and

sustainable development into its renovation, acquisition and construction projects allowing a reduction of 64% of the portfolio's CO2 emissions between 2008 and 2016. Like all market players, Befimmo is aware that the value of a building is also measured in terms of sustainability.

(ii) ASPECTS: The aspects of climate change that have influenced the strategy comes mainly from the regulation on the energy performance (including climate change) of buildings decided by the European Commission and Belgian authorities. Befimmo will keep one step ahead of the regulations and gradually improve the energy performance of its buildings. Communication between the Executive Officers and the Board of Directors on the one hand and with staff on the other, as well as the involvement of every member of the Company, will be stepped up as much as possible.

Accordingly, the Company has wasted no opportunity to demonstrate the efforts it has been making in recent years on short and long term.

(iii) SHORT TERM STRATEGY: Befimmo continues to implement measures that it believes are needed to reduce the environmental impact (CO2 emissions) of the activities it controls and influences directly. The following points remain systemic priorities: (1) compliance with legislation; (2) education and training of employees and external stakeholders (especially tenants with Building User Guide and environmental cooperation agreement); (3) audits on property managers and other players working for Befimmo; (4) improving the energy performance of the property portfolio via a gradual approach that includes investment in renewable energy, more energy-efficient technical installations, etc. (5) raising awareness among all Company staff of corporate social responsibility, (6) Adopt the principles of circular economy, (6) reducing the pressure on biodiversity, (7) working on mobility and accessibility to buildings...

Moreover, since investment in improving the energy performance of its buildings is an integral part of the optimal and sustainable management of its portfolio, the sustainable development team – mainly composed of Executive Officers – informs and involves the Board of Directors in all major decisions on the subject. Meanwhile, Befimmo continues to develop its in-house environmental policy to reduce the impact of its own activities: management of emissions from its vehicle fleet, of waste, of natural resources, of electricity, etc., and plans to further expand the scope of these measures.

(iii) LONG TERM STRATEGY: Befimmo is striving for EXCELLENCE, positioning itself as a responsible company and landlord, anticipating economic, social and environmental trends, while innovating to create value for all its stakeholders: (1) Being a responsible landlord, proactively managing its high-quality office portfolio, innovating to best meet the needs of its rental customers by anticipating changes in the world of work. (2) Being a responsible company, beyond its own activities, endeavoring to raise awareness and inspire all its stakeholders to achieve its qualitative and quantitative targets. (3) Being a responsible employer, concerned about the well-being of its team while respecting and developing the three core values of the Company: Professionalism, Commitment and Team spirit. (4) Pursuing profitable growth based on sound foundations, while creating long-term value for its stakeholders. Befimmo seeks to strike a balance between the expectations of its stakeholders and the challenges it regularly faces.

Accordingly, it has identified and prioritised environmental, economic and social challenges grouped into four major themes: the environment, the team, the tenants and governance. For each of these challenges, Befimmo undertakes to act on important initiatives both in its own interests and for the society in which it operates. The response to these challenges takes the form of specific measures, long-term objectives described in detail in the Social Responsibility programme prepared in cooperation with the management and the team (published on Befimmo's website). The environmental priorities linked to Befimmo's activities are: (a) energy management- (b) natural resource management – (c) waste management and (d) water management.

Some examples: (1) its Environmental Management System has been ISO 14001 certified since 2010 (recertified in 2013, 2016 and 2019), (2) it uses several recognized tools such as the BREEAM & DGNB environmental-performance certificate, (3) since 2011 it adopted short and medium and long-term quantitative targets that can be measured objectively year by year, and (4) it identifies sustainable and climate change risks & opportunities.

In 2018, Befimmo went even further in terms of its social responsibility policy and reporting, by considering the possibility of following an approach that enables Befimmo to set long-term targets, up to 2030, for cutting greenhouse gas emissions (as recommended by IPCC, scientists), thereby making its own contribution to limiting the rise in global average temperature to below 2°C, in line with the decision of COP21.

(v) STRATEGIC ADVANTAGE: Thanks to this strategy, Befimmo offers to the market and makes available to its potential tenants more energy efficient buildings. Befimmo is also closer to its tenants and can influence positively and help them to reduce their energy consumption, reduce their waste production, etc. and therefore have a competitive advantage.

(vi) BUSINESS DECISIONS: For example: Befimmo is seeking its tenants and try to convince them to subscribe to green electricity supply contracts for their private parts (private consumption).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Base year

2016

Covered emissions in base year (metric tons CO₂e)

3,900.6

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

53

Covered emissions in target year (metric tons CO2e) [auto-calculated]

1,833.282

Covered emissions in reporting year (metric tons CO2e)

3,387

% of target achieved [auto-calculated]

24.8437831045

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

Rational use of energy and CO2e emissions generated by its consumption are integrated into Befimmo's day-to-day management, throughout all the operational processes.

The overall environmental performance and energy consumption, in particular of buildings subject to acquisition projects, are analysed in the context of detailed environmental and technical audits carried out by Befimmo's teams and supplemented, as needed, by the expertise of specialist external consultants.

The conclusions of the audits and the energy aspects in particular are incorporated into an in-house decision tool developed on the basis of Science-Based Targets. This tool, presented and validated by the Management, reflects the energy performance in the form of CO2e emissions and assesses the impact of the asset on the overall objective of reducing CO2e in the long term (2030).

We actually consider absolute CO2 emission reduction by looking at the cumulative savings achieved by CO2 related projects.

Refer to the following document for more details: https://www.befimmo.be/sites/default/files/imce/publications/sustainability_report_2020_uk.pdf

Target reference number

Abs 2

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2016

Covered emissions in base year (metric tons CO₂e)

8,712.6

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

36.43

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

5,538.59982

Covered emissions in reporting year (metric tons CO₂e)

6,799

% of target achieved [auto-calculated]

60.2898516534

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

Rational use of energy and CO2e emissions generated by its consumption are integrated into Befimmo's day-to-day management, throughout all the operational processes.

The overall environmental performance and energy consumption, in particular of buildings subject to acquisition projects, are analysed in the context of detailed environmental and technical audits carried out by Befimmo's teams and supplemented, as needed, by the expertise of specialist external consultants.

The conclusions of the audits and the energy aspects in particular are incorporated into an in-house decision tool developed on the basis of Science-Based Targets. This tool, presented and validated by the Management, reflects the energy performance in the form of CO2e emissions and assesses the impact of the asset on the overall objective of reducing CO2e in the long term (2030).

We actually consider absolute CO2 emission reduction by looking at the cumulative savings achieved by CO2 related projects.

Refer to the following document for more details: https://www.befimmo.be/sites/default/files/imce/publications/sustainability_report_2020_uk.pdf

Target reference number

Abs 3

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Base year

2016

Covered emissions in base year (metric tons CO₂e)

15,384

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

22

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

11,999.52

Covered emissions in reporting year (metric tons CO₂e)

11,571.5

% of target achieved [auto-calculated]

112.6465513166

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

2°C aligned

Please explain (including target coverage)

Rational use of energy and CO2e emissions generated by its consumption are integrated into Befimmo's day-to-day management, throughout all the operational processes.

The overall environmental performance and energy consumption, in particular of buildings subject to acquisition projects, are analysed in the context of detailed environmental and technical audits carried out by Befimmo's teams and supplemented, as needed, by the expertise of specialist external consultants.

The conclusions of the audits and the energy aspects in particular are incorporated into an in-house decision tool developed on the basis of Science-Based Targets. This tool, presented and validated by the Management, reflects the energy performance in the form of CO2e emissions and assesses the impact of the asset on the overall objective of reducing CO2e in the long term (2030).

We actually consider absolute CO2 emission reduction by looking at the cumulative savings achieved by CO2 related projects.

Refer to the following document for more details: https://www.befimmo.be/sites/default/files/imce/publications/sustainability_report_2020_uk.pdf

Target reference number

Abs 4

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 2 (market-based)

Base year

2016

Covered emissions in base year (metric tons CO2e)

455.7

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2021

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

189

% of target achieved [auto-calculated]

58.5253456221

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Befimmo's ambition is to achieve 100% use of green energy across its entire portfolio, including private areas, by 2021.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Intensity metric

Metric tons CO₂e per square meter

Base year

2016

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.01387

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

50

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

0.006935

% change anticipated in absolute Scope 1+2 emissions

-53

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)

0.0147

% of target achieved [auto-calculated]

-11.9682768565

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

Target ambition

2°C aligned

Please explain (including target coverage)

Befimmo aims to reduce its direct CO2e emissions from its own fuel purchases (gas, oil) by 50% by 2030. Apart from structural investments, this implies a transition from the use of equipment burning fossil fuels to alternatives such as geothermal energy or electrically-powered

equipment such as heat pumps. As early as 2023, the commissioning of high-performance buildings equipped with these technologies should provide 30% savings compared to 2016.

This switch from one form of energy to another will entail a potential increase in the electricity consumption of the buildings, which Befimmo intends to anticipate and control.

Target reference number

Int 2

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 2 (location-based)

Intensity metric

Metric tons CO₂e per square meter

Base year

2016

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.01832

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

17

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

0.0152056

% change anticipated in absolute Scope 1+2 emissions

-23

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)

0.01407

% of target achieved [auto-calculated]

136.4628820961

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

Target ambition

2°C aligned

Please explain (including target coverage)

Befimmo aims to reduce CO2e emissions related to the electricity consumption of buildings it controls by 17%, and CO2e emissions related to the energy consumption of buildings managed by tenants also by 17%. This ambitious target may be influenced by changes in society and the world of work, and especially the use of new technologies and the use of electricity for mobility, but Befimmo will do everything that's necessary to maintain its objective. It implies flexibility and anticipation of electricity needs, which Befimmo will immediately integrate into all its projects. Befimmo also aims to maximise and/or develop existing and future renewable energy production facilities, and has invested every year since

2010 in self-production and/or renewable energy systems such as photovoltaic solar panels, cogeneration systems and geothermal energy.

Befimmo will systematically consider installing solar panels on buildings to be built and/or renovated.

At the same time, Befimmo is pursuing its objective of covering its entire portfolio by 2022 with green electricity supply contracts. This implies, on the one hand, the implementation of network infrastructure work in some of its buildings and, on the other hand, the ongoing awareness of the occupants of certain sites over which Befimmo does not have control of energy supply.

Target reference number

Int 3

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Intensity metric

Metric tons CO₂e per square meter

Base year

2016

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.02776

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

17

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.0230408

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

-22

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.02248

% of target achieved [auto-calculated]

111.8833700627

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

Target ambition

2°C aligned

Please explain (including target coverage)

Befimmo aims to reduce CO₂e emissions related to the electricity consumption of buildings it controls by 17%, and CO₂e emissions related to the energy consumption of buildings managed by tenants also by 17%. This ambitious target may be influenced by changes in society and the world of work, and especially the use of new technologies and the use of electricity for mobility, but Befimmo will do everything that's necessary

to maintain its objective. It implies flexibility and anticipation of electricity needs, which Befimmo will immediately integrate into all its projects. Befimmo also aims to maximise and/or develop existing and future renewable energy production facilities, and has invested every year since 2010 in self-production and/or renewable energy systems such as photovoltaic solar panels, cogeneration systems and geothermal energy. Befimmo will systematically consider installing solar panels on buildings to be built and/or renovated.

At the same time, Befimmo is pursuing its objective of covering its entire portfolio by 2022 with green electricity supply contracts. This implies, on the one hand, the implementation of network infrastructure work in some of its buildings and, on the other hand, the ongoing awareness of the occupants of certain sites over which Befimmo does not have control of energy supply. In 2020, Befimmo started a new photovoltaic installation of 100 m² (19.8 kWc) but sold three buildings equipped with photovoltaic self-generation installations with a total surface area of 628 m² (109.9 kWc). At the end of 2020, photovoltaic installations installed on Befimmo's buildings reached 3,810.4 m² (550.9 kWc) and the total self-production for 2020 reached 500 MWh, which is equivalent to the annual electricity consumption of more than 140 households. As well as photovoltaic projects to be developed on existing buildings over the next few years, the ZIN and Quatuor projects under construction in the North area of Brussels have an additional photovoltaic surface area of around 10,000 m² (±1,950 kWc).

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

Other, please specify

Maintain existing elements and reuse material. A project is considered to be "material recovering" if : it has an inventory of materials ; It has been visited by a recovery company in the case of (i) a new project (i) leave of a tenants

Target denominator (intensity targets only)

Other, please specify

Redevelopment and development projects and the leave of tenants.

Base year

2019

Figure or percentage in base year

96

Target year

2020

Figure or percentage in target year

100

Figure or percentage in reporting year

100

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

no

Is this target part of an overarching initiative?

Other, please specify

This objective aims to achieve Sustainable Development Goals but also to reduce CO2 emissions from resource extraction

Please explain (including target coverage)

This objective aims to meet Sustainable Development Goals 8.4 "Creating real estate value while minimising the environmental impact" , 11.6 "Environmental impact related to the use of buildings and pollution related to construction waste", 12.4 and 12.5 "Eco-design of materials and facilities and reduction of waste generated". This objective also aims to limit the use of resources and the CO2 emissions associated with the extraction of the raw material. Special attention is also paid to the operational waste generated by our corporate activities.

The principles of the circular economy have been integrated into a responsible procurement charter and quality matrix. These include the minimum technical requirements we apply to all renovation or construction projects, and to operational assets. Most of these requirements exceed existing standards and regulations, and they include the obligation to carry out an inventory for reuse, to consider disassembly and future dismantling from the design stage, and to consider the use of recovered materials/equipment that have an environmental certification or that come from the service economy. Redevelopment projects take preservation of the existing structure into account.

Befimmo's building contracts, and the requirements of environmental certifications (BREEAM, DGNB, etc.), oblige contractors to operate strict waste management and traceability of waste produced by the sites. All stakeholders, including manual workers, are engaged in the issue and educated in waste sorting. Waste management plans are drawn up by specialist consultancies, and environmental coordinators are appointed in addition to the BREEAM and/or DGNB coordinator to ensure proper waste management.

The short-term goal is to limit waste production of the portfolio and decrease the use of resources. In the coming years, Befimmo will continue to be proactive in material and furniture recovery for all of its construction sites and when tenants leave.

The indicator for this target will be the part of the projects that includes material recovery. A project is considered to be material recovering if (i) It has an inventory of materials and an ambitious recovery target in the case of a redevelopment project; (ii) It has been visited by a recovery company in the case of a development project and the leave of a tenant.

Target reference number

Oth 2

Year target was set

2019

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Other, please specify

Number of people in the team who changed their mobility

Target denominator (intensity targets only)

Base year

2019

Figure or percentage in base year

10

Target year

2025

Figure or percentage in target year

40

Figure or percentage in reporting year

14

% of target achieved [auto-calculated]

13.3333333333

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, this objective is part of Befimmo's overall goal to reduce CO2e emissions related to its team's needs.

Is this target part of an overarching initiative?

Science Based Targets initiative

Please explain (including target coverage)

Befimmo evaluates the environmental impacts of its team largely according to the Bilan Carbone method, taking into account the use of paper, the production of waste, the energy consumption of the Company's headquarters building (heating and electricity), travel by company car, and business travel by plane and train. The challenges relating to team mobility are managed at various levels of the organisation. A mobility unit, which includes representatives of the Transformation & Impact, Environment, and HR departments, initiates transverse measures under the innovation programme, including alternatives to the company car and awareness-raising. The HR department defines mobility benefits for employees (mobility packs, teleworking, cafeteria plan, provision of folding electric bikes, etc.).

In 2019, the HR department designed mobility packs ('mobility@BEFIMMO') allowing employees to choose the mobility solution that best meets their needs. They can for example give up their company car in exchange for public-transport season tickets, a folding electric bike, and a range of alternative mobility solutions, which can be obtained through a cafeteria plan mychoice@BEFIMMO'). In 2020 some team members entitled to a company car opted for the 'Cash for Car' system, obtaining financial compensation instead of a vehicle. More than 5% of those entitled to a company car in the team made this choice in 2020, compared to 0.5% nationally. To compensate for the abolition of this system at the end of 2020, Befimmo set up the 'Mobility Budget' at the beginning of 2021 in order to pursue its policy of multimodal mobility management. In 2020, more team members decided to choose alternative fuels and/or engines for their vehicles, thus showing an awareness when making the choice. In 2020 average emissions per vehicle (CO2e/km) across the fleet were 5% lower than in 2016 – the result of applying an updated car policy to new and replacement vehicles. Vehicle-related CO2e emissions fell by 27%, from 236 tonnes in 2019 to 173 tonnes in 2020, a drop

largely due to COVID restrictions, but also explained by the continued 'greening' of the fleet. Currently, 7% of its vehicles have a hybrid, electric, or CNG engine.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	622.9
To be implemented*	4	36.8
Implementation commenced*	4	2,032.8
Implemented*	6	1,326.3
Not to be implemented	3	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

- Energy efficiency in buildings
- Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

37.6

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

12,575

Investment required (unit currency – as specified in C0.4)

384,185

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

It concerns 3 different projects: optimisation of one HVAC installation (e.g. via recovering heat from chiller condensers), replacement of 2 boilers and replacement of one chiller.

Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

33

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

9,508

Investment required (unit currency – as specified in C0.4)

47,783

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

In 2020, Befimmo built digital twins for 7 buildings to analyse the data from the BMS (15.000 points real-time recorded). Based on our experiment, this system enable the building's overall energy consumption to be cut by at least 5% for a system supposed to be functional. In 2021, Befimmo will continue to roll out this solution in other buildings that it has already identified in the portfolio.

Initiative category & Initiative type

Energy efficiency in buildings

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

9.2

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

5,346

Investment required (unit currency – as specified in C0.4)

59,507

Payback period

11-15 years

Estimated lifetime of the initiative

11-15 years

Comment

It concerns the 3 relighting projects in buildings where old lightning have been replaced by LED

Initiative category & Initiative type

Energy efficiency in buildings

Insulation

Estimated annual CO2e savings (metric tonnes CO2e)

2.2

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

438

Investment required (unit currency – as specified in C0.4)

66,052

Payback period

No payback

Estimated lifetime of the initiative

>30 years

Comment

It concerns the insulation of a roof of a small building (~3.000m²) while replacing the waterproofing layer. There is no payback time period calculated because we don't know the over cost due to the insulation.

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

Major renovation

Estimated annual CO₂e savings (metric tonnes CO₂e)

102.7

Scope(s)

Scope 1

Scope 2 (location-based)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

36,424

Investment required (unit currency – as specified in C0.4)

19,380,000

Payback period

No payback

Estimated lifetime of the initiative

>30 years

Comment

It concerns the major renovation of one building of 7.355m2.

Initiative category & Initiative type

Waste reduction and material circularity

Waste reduction

Estimated annual CO2e savings (metric tonnes CO2e)

1,142.6

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

>30 years

Comment

During the demolition phase of a major renovation project, we have maintained the existing building cores instead of demolishing them. The basements and foundations will also be maintained during the work to be carried out in 2021.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Alignment with legislation and anticipating forthcoming legislation. Befimmo will keep one step ahead of the regulations and gradually improve the energy performance of its buildings.
Dedicated budget for energy efficiency	Eager to meet the needs of its tenants, keep its properties attractive and at a high level of quality, and to ensure the highest possible occupancy rate in the portfolio, Befimmo continually invests in its buildings (in line with its Social Responsibility strategy) by renovating them, redeveloping them or improving their energy performance. Over the 2020 fiscal year, Befimmo invested €62 million overall in works in its buildings. The Company continued its multi-annual investment programme to improve the energy performance of its operational buildings (Befimmo's

	<p>portfolio excluding Fedimmo). Furthermore, in the context of changing ways of working and in order to offer a better user experience to tenants, Befimmo is gradually equipping its buildings with shared meeting rooms, restaurants, spaces for nurseries, a fitness centre, etc., taking into account the specific characteristics of the buildings (rental situation, location, etc.). In 2020, Befimmo also continued to invest heavily in its portfolio of buildings in operation to improve its environmental performance. The work carried out consisted mainly of the replacement of old boilers, replacement of glazing units, fitting of photovoltaic panels and various sustainable-development measures.</p>
<p>Employee engagement</p>	<p>The involvement of the Befimmo team in Social Responsibility is crucial to the success of its global strategy. Staff awareness of and participation in conceptual work as well as their day-to-day contribution, is an essential element for achieving the objectives set. By providing a pleasant working environment, Befimmo helps to stimulate creativity and motivation in the team and enhances its commitment to the Company. Befimmo is convinced that the development of its employees enhances their desire to advance their careers and deploy their skills, and so continued its appraisal and training policy in this area. In-house training for new employees on the Company's Social Responsibility policy and ISO 14001 certification also continued these last years.</p>
<p>Other Development and use of an internal decision support tool for carbon management</p>	<p>The overall environmental performance and energy consumption of buildings are analysed in the context of detailed environmental and technical audits carried out by Befimmo's teams, supplemented where necessary by specialist external consultants. The conclusions of the audits and the energy aspects in particular are integrated into an in-house decision tool developed using Science Based Targets and validated by Befimmo's management. This tool reflects energy performance in the form of CO2e emissions. It then assesses the impact of the asset on the overall CO2e reduction target. Finally, the tool can identify improvement work, budgets, and timescales required to achieve the objective of -33% by 2030.</p>

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

Green electricity produced thanks to the installation of solar panels.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

No more CO2 on electricity production

% revenue from low carbon product(s) in the reporting year

20

Comment

Befimmo also aims to maximise and/or develop existing and future renewable energy production facilities, and has invested every year since 2010 in self-production and/or renewable energy systems such as photovoltaic solar panels, cogeneration systems and geothermal energy. In 2020, Befimmo developed a simplified photovoltaic potential calculation tool which allows a quick evaluation of the potential of each building according to its configuration and possible subsidies. As a test case, five buildings were analysed in detail and some will be equipped with photovoltaic panels by the end of 2021. Plans for financing such projects were also initiated and are still in progress. In 2020, Befimmo started a new photovoltaic installation of 100 m² (19.8 kWc) but sold three buildings equipped with photovoltaic self-

generation installations with a total surface area of 628 m² (109.9 kWc).

At the end of 2020, photovoltaic installations installed on Befimmo's buildings reached 3,810.4 m² (550.9 kWc) and the total self-production for 2020 reached 500 MWh, which is equivalent to the annual electricity consumption of more than 140 households. As well as photovoltaic projects to be developed on existing buildings over the next few years, the ZIN and Quatuor projects under construction in the North area of Brussels

have an additional photovoltaic surface area of around 10,000 m² (±1,950 kWc).

We will systematically consider installing solar panels on buildings to be built and/or renovated.

Level of aggregation

Company-wide

Description of product/Group of products

Less energy intensive installations (relighting, presence detector, optimisation HVAC regulation, etc.)

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Studies, audits (consultation (firms))

% revenue from low carbon product(s) in the reporting year

100

Comment

Rational use of energy and CO₂e emissions generated by its consumption are integrated into Befimmo's day-to-day management, throughout all the operational processes.

The overall environmental performance and energy consumption, in particular of buildings subject to acquisition projects, are analysed in the context of detailed environmental and technical audits carried out by Befimmo's teams and supplemented, as needed, by the expertise of specialist external consultants.

The conclusions of the audits and the energy aspects in particular are incorporated into an in-house decision tool developed on the basis of Science-Based Targets. This tool, presented and validated by the Management, reflects the energy performance in the form of CO₂e emissions and assesses the impact of the asset on the overall objective of reducing CO₂e in the long term (2030).

As the case may be, the tool identifies any potential improvement work, budgets and the timescale required to achieve the desired objective. In addition, in the context of building design and construction, Befimmo's teams pay particular attention to the conception and design phases of future projects that they develop, in terms of the choice of materials and the optimisation of techniques to minimise energy consumption and CO₂e emissions during the operational phase of its buildings.

The choice of materials and techniques to be implemented in the projects is made in particular on the basis of the extent of the work to be carried out on the BREEAM certification criteria and/or on the minimum technical requirements developed in-house and incorporated into a quality matrix.

These audit apply to all Befimmo's portfolio.

Level of aggregation

Company-wide

Description of product/Group of products

Maintain and/or achieve 100% green electricity supply for the buildings under Befimmo's control

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Tenant awareness

% revenue from low carbon product(s) in the reporting year

100

Comment

As Befimmo also aims to reduce its electricity consumption, the CO₂e reduction targets for 2030 do not take into account the positive impact of green electricity consumption. However, while waiting to reach its 2030 CO₂e reduction target, Befimmo is limiting its environmental impact by taking out a green electricity supply contract to cover the consumption of the installations in its buildings that are under its control. In 2020, 92% of the total electricity consumption was covered by such a supply contract, while 100% of the buildings under Befimmo's control are covered by a green electricity supply contract. In addition, Befimmo also aims to cover non-controlled consumption with a green electricity supply contract, where technically and administratively possible, by transferring the electricity supply contracts to its name. This positive approach will be continued in 2021 with the aim of achieving 100% green energy supply in 2022.

Level of aggregation

Company-wide

Description of product/Group of products

Installation of cogeneration system, etc.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Self-generation of electricity

% revenue from low carbon product(s) in the reporting year

Comment

In addition to measures to optimise energy efficiency, Befimmo has been limiting the CO₂e emissions of its portfolio by investing each year since 2010 in self-generation energy systems such as photovoltaic solar panels, cogeneration systems and heat pumps. In 2020, there were 2 cogeneration systems in Befimmo's portfolio (representing about 9% of the portfolio in area).

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

3,900.61

Comment

Since 2017, Befimmo has opted to report the data for the Befimmo and Fedimmo portfolios in consolidated form. For its 2020 non-financial reporting, in order to better correspond to international standards Befimmo has stepped up the concept of landlord-controlled building and tenant-controlled building by further detailing the buildings for which the energy is purchased by Befimmo. The emissions for the base year 2016 have therefore been recalculated from 12,809.6 tonnes to 3,900.61 tonnes.

Scope 2 (location-based)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

4,811.96

Comment

'indirectly-controlled' emissions, relating to the electricity and heat purchased by the landlord for (1) shared service installations (HVAC, lighting of common areas, parking, lifts, etc.) and (2) for tenant areas.

Scope 2 (market-based)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO₂e)

455.7

Comment

'indirectly-uncontrolled' emissions, relating to the use of electricity, heat, fuels (gas, oil) purchased by tenants in buildings not under Company control.

Since 2017, Befimmo has opted to report the data for the Befimmo and Fedimmo portfolios in consolidated form. For its 2020 non-financial reporting, in order to better correspond to international standards Befimmo has stepped up the concept of landlord-controlled building and tenant-controlled building by further detailing the buildings for which the energy is purchased by Befimmo. The emissions for the base year 2016 have therefore been recalculated from 49 tonnes to 455,7 tonnes.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Bilan Carbone

EPRA (European Public Real Estate Association) Sustainability Best Practice recommendations Guidelines, 2017

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

3,387

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

As Befimmo also aims to reduce its electricity consumption, the CO₂e reduction targets for 2030 do not take into account the positive impact of green electricity consumption. However, while waiting to reach its 2030 CO₂e reduction target, Befimmo is limiting its environmental impact by taking out a green electricity supply contract to cover the consumption of the installations in its buildings that are under its control. In 2020, 89% of the surface area of the portfolio was covered by such a supply contract, while 100% of the buildings under Befimmo's control are covered by

a green electricity supply contract. In addition, Befimmo also aims to cover non-controlled consumption with a green electricity supply contract, where technically and administratively possible, by transferring the electricity supply contracts to its name.

This positive approach will be continued in 2021 with the aim of achieving 100% green energy supply in 2022.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

3,411.79

Scope 2, market-based (if applicable)

188.98

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

5,799

Emissions calculation methodology

The methodology used to calculate the GHG emissions related to “Purchase of services and consumables” is based on the Economic Input-Output Life Cycle Assessment (EIO-LCA) or Bilan Carbone v8 . This method estimates the materials and energy resources required for, and the environmental emissions resulting from, activities in the economy. It is one technique for performing a life cycle assessment, an evaluation of the environmental impacts of a product or process over its entire life cycle. The method uses information about industry transactions - purchases of materials by one industry from other industries, and the information about direct environmental emissions of industries, to estimate the total emissions throughout the supply chain. This methodology provides monetary emission factors per economy sector. To each expense category from Befimmo amounts, a monetary emission factor from the EIO-LCA model has been assigned. These monetary ratios are US-based. A conversion has been done in the emission factors for electricity generation in order to reflect the Belgian national grid factor.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9,114.6

Emissions calculation methodology

The methodology used to calculate the GHG emissions related to “Capital Goods” is based on GHG Protocol definition: “this category includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the

reporting year. Emissions from the use of capital goods by the reporting company are accounted for in either scope 1 (e.g., for fuel use) or scope 2 (e.g., for electricity use), rather than in scope 3". The methodology use the lettable areas (in m2) and the year of construction or last big refurbishment of each asset of the Befimmo's portfolio. Based on an average useful life of each asset of 25 years (corresponding to the assumption that a big refurbishment occurs every 25 years), an emission factors of Bilan Carbone v8 has been applied. A double check has been

performed to make sure that what has been classified as « big refurbishment » leads to the reactivation of the asset of the portfolio, and that there is no double counting with the works in Purchased Goods and Services.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

11,571.47

Emissions calculation methodology

In terms of inventorying and reporting Befimmo started to apply "Bilan Carbone®" method and then gradually implements the GHG Protocol. These emissions relate to 'indirectly-uncontrolled' emissions, relating to the use of electricity, heat, fuels (gas, oil) purchased by tenants in buildings not under Company control. "Uncontrolled buildings" means buildings for which Befimmo itself does not purchase the energy required for heating and electrical installations

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's activities.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

6,867

Emissions calculation methodology

This amount refers to the emissions from the renovation projects and buildings in use. The emission factors of ADEME have been used and multiplied by the amount of waste per type and treatment. Befimmo takes great care to manage waste from its sites and usually exceeds the applicable regulations. Even before construction sites it systematically organises campaigns for dismantling building materials that could be reused for other projects. Furthermore, its building contracts, and the level of BREEAM certification it aims to obtain, require its contractors to be very rigorous in the management and traceability of waste produced by its building sites. Manual workers and all stakeholders involved in the project are involved and educated in waste sorting. Waste management plans are drawn up by specialist consultancies while environmental coordinators are also appointed in addition to the BREEAM coordinator to ensure proper waste management. Accurate reporting is also put in place for each site.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Befimmo's building contracts, and the requirements of environmental certifications (BREEAM, DGNB, etc.), oblige contractors to operate strict waste management and traceability of waste produced by the sites. All stakeholders, including manual workers, are engaged in the issue and educated in waste sorting. Waste management plans are drawn up by specialist consultancies, and environmental coordinators are appointed in addition to the BREEAM and/or DGNB coordinator to ensure proper waste management.

IMPACT OF OPERATING BUILDINGS – Befimmo has implemented a waste management contract that it wishes to expand into the entire portfolio.

This includes monitoring the real quantities of waste produced, yearly reporting with the average recycling level per building, and raising awareness of waste sorting.

– For buildings not included in the waste management contract, Befimmo collects and analyses the information on waste volumes per treatment type.

CONSTRUCTION WASTE - In 2020, Befimmo continued its efforts to limit the quantities of waste generated by its worksites: – Inventories for reuse have been produced for all buildings in the conception phase in order to optimise reuse and upcycling on site or elsewhere, corresponding to 100% of our objective 'Adopt circular economy principles'. Internal processes have also been established to extend reuse inventories to all renovation projects: in one project in Brussels city centre, we found a buyer for 200 m of partition walls that would have normally be considered as waste. – For ongoing (re)development projects, Befimmo plans to preserve the structure, preventing production of huge quantities of waste. Retaining the existing concrete structure for the PLXL major refurbishment project will avoid around 18,000 tonnes of waste when compared to complete demolition

Business travel

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

0.9

Emissions calculation methodology

These are CO2 emissions generated by business travels by air or rail or taxi made in the reporting year by Befimmo employees.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Befimmo provides and calculates this information but since the business travel are very limited / nearly insignificant, it's not relevant to provide this information. In 2020 the emissions are really limited because of the limitation of travel due to the Covid 19 crisis !

Employee commuting

Evaluation status

Not evaluated

Please explain

In 2020, due to Covid 19 pandemic, employee travel and business travel was very limited. A large part of the team teleworked. Emissions related to travel were therefore not relevant

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable for Befimmo's Business.

C-CN6.6/C-RE6.6

(C-CN6.6/C-RE6.6) Does your organization assess the life cycle emissions of new construction or major renovation projects?

	Assessment of life cycle emissions	Comment
Row 1	Yes, qualitative assessment	Life cycle assessments are systematically carried out for renovation projects but not yet at a global level. It's befimmo's short-term wish to develop a comprehensive and systematic approach at the level of the entire portfolio, including the buildings in operation.

C-CN6.6a/C-RE6.6a

(C-CN6.6a/C-RE6.6a) Provide details of how your organization assesses the life cycle emissions of new construction or major renovation projects.

	Projects assessed	Earliest project phase that most commonly includes an assessment	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	All new construction and major renovation projects	Design phase	Whole life	EN 15978 EN 15804 GHG Protocol - Product Life Cycle Accounting and Reporting Standard	Since 2010 Befimmo has been applying the most widely used method of assessing the environmental performance of buildings, developed by Environmental Assessment Method (BRE), to its entire portfolio of buildings, whether they are under construction or renovation or in operation. One requirement of BREEAM certification, which Befimmo systematically implements for its major renovation projects, is to keep up-to-date data on the use of natural resources and recycled materials by integrating a life cycle dimension into it. But a 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 consultancy bureaux, also extends the

					<p>building's potential commercial life. In addition to the Breeam certification, Befimmo has also opted to certify its projects in DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) The DGNB is a non-profit organisation based in Stuttgart, founded in 2007, whose aim is to promote change in the real estate market engendering an appropriate understanding of quality as a foundation for responsible and sustainable action. The DGNB promotes sustainable construction in particular through the certification of buildings on the basis of three fundamental factors: Life-cycle analysis, a holistic approach and a focus on performance (https://www.dgnb.de/en/index.php)</p>
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C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.02872

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

6,799

Metric denominator

Other, please specify
Gross Lettable Area

Metric denominator: Unit total

236,733

Scope 2 figure used

Location-based

% change from previous year

27

Direction of change

Increased

Reason for change

The forecasting model implemented in 2017 and reviewed during each strategic decision taken enabled Befimmo to set the following objectives: by 2030, Befimmo is committed to achieving an average level of CO₂ e emissions per m² related to the energy consumption of its entire portfolio equal to 19.91 kg CO₂ e/m², i.e. a reduction of 33% compared to 2016. This corresponds to avoiding an accumulation of emissions of 53,000 tCO₂ e, equivalent to 2.3 years of CO₂ e emissions linked to the energy consumption of the portfolio (reference year 2016).

The 27% increase in intensity in 2020 compared to 2019 is justified by the presence in 2019 of a very large building (110,000m²) which was partially empty and therefore with low energy consumption and which was removed from the portfolio in 2020 for renovation.

This exit from the portfolio therefore explains the significant decrease in the denominator and therefore the increase in CO₂e emissions in intensity

By 2024, some 50% of the floor area of the Brussels portfolio will be less than 5 years old! The old buildings, which are less efficient despite improvements made in the past, will be gradually renovated and replaced, in the long term, by buildings that are more efficient than is required by law. In this way Befimmo is thinking ahead and aligning itself with the European political vision for sustainable construction.

The prediction model implemented in 2017 was adapted in 2020 to incorporate the concept of 'landlord control of buildings' and 'tenant control of buildings'. This concept has no influence on the overall target of -33%, which remains

unchanged, but in the long term could significantly influence the breakdown between the sub-objectives depending on whether the management

of renovated and high-performance buildings is kept in-house or entrusted to a third party

The forecasting model developed by Befimmo confirms today the objective of a 50% cut in emissions linked to direct energy and a 17% cut in emissions linked to the electricity consumption of common facilities by 2030. The achievement of these ambitious objectives assumes a transition from the use of appliances burning fossil fuels to alternatives such as geothermal energy and/or heat pumps. It also implies an increase in self-generation of renewable energy.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Belgium	3,387
Luxembourg	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
High-Rise Office	880
Low-Rise Office	775
Mid-Rise Office	1,732

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Belgium	3.108	157.03	18,396.14	16,471.63
Luxembourg	302.85	31.95	1,623.47	1,589.19

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
High-Rise Office	946	0
Low-Rise Office	491	157
Mid-Rise Office	1,975	32

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	We take the difference between the total green electricity consumed. This is the result of Befimmo's ambition to achieve 100% use of green energy across its entire portfolio, including private areas, by 2022. We did not make any changes or additions to the green electricity supply contract level.
Other emissions reduction activities	55	Decreased	0.8	In addition to the budget allocated in the context of construction projects and the redevelopment of its buildings to sustainable optimisation and anticipation of regulations related to the improvement of environmental performance, Befimmo is also implementing a specific multi-annual investment plan designed to carry

				<p>out work to optimise the sustainable performance of the operational buildings (replacement of old technical installations by energy-saving equipment, installation of new equipment-management technologies, installation of water-recovery systems, improved insulation, installation of photovoltaic panels, heat pumps, etc.) and generally to improve the BREEAM In-Use certification of the buildings. Indeed, thanks to the significant investment it makes in its buildings in innovative, high-performance and low-energy technical installations, coupled with renewable energy sources and tenant awareness, Befimmo brings to market buildings of high environmental quality. The reduction in CO₂e emissions are justified firstly by the ongoing investments made to improve and optimise the functioning of the existing technical installations and above all linked to the strategy of rejuvenating the Befimmo portfolio. By 2024, some 50% of the floor area of the Brussels portfolio will be less than 5 years old! The old buildings, which are less efficient despite improvements made in the past, will be gradually renovated and replaced, in the long term, by buildings that are more efficient than is required by law.</p> <p>It should be noted that the 0.8% decrease in CO₂e emissions in 2020 compared to 2019 is mainly due to the improvement in the energy performance of two buildings (Axento & Goemaere) in the portfolio in operation (excluding major renovation work). Calculation: $55T / \text{Total Scope 1+2 (2019 - 7.851T)} = 0,7\%$</p>
Divestment	420	Decreased	6.18	6 properties were sold during the reporting year while one property sold during 2019 also contributed to this result. Calculation: $420T / \text{Total Scope 1+2 (2019 - 7.851T)} = 5,35\%$
Acquisitions	0	No change	0	There were no acquisitions during 2020
Mergers	0		0	There were no company mergers in 2020

Change in output	209	Decreased	3.1	The Covid crisis and in particular the reduction in the occupancy rate of buildings has impacted and reduced overall CO2e emissions. Calculation: $209 / \text{Total Scope 1+2 (2019 - 7851T)} = 2,66\%$
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified	104	Decreased	1.5	Some of the reduction in CO2e emissions is difficult to explain as the buildings concerned have not undergone any performance improvement work. Calculation : $104 / \text{Total Scope 1+2 (2019 - 7.851T)} = 1,3\%$
Other	264	Decreased	3.88	These reductions in CO2e emissions are the result of the departure and return of some buildings undergoing work in the portfolio. Calculation : $264 / \text{Total Scope 1+2 (2019 - 7.851T)} = 3,36\%$

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	17,124	17,124

Consumption of purchased or acquired electricity		17,592	1,925	19,516
Consumption of purchased or acquired heat		797	0	797
Consumption of self-generated non-fuel renewable energy		370		370
Total energy consumption		18,759	19,048	37,807

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

14,973

MWh fuel consumed for self-generation of heat

14,770

MWh fuel consumed for self-cogeneration or self-trigeneration

203

Emission factor

188

Unit

kg CO2 per KWh

Emissions factor source

Energy supplier (Engie Electrabel)

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

2,151

MWh fuel consumed for self-generation of heat

2,151

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.515

Unit

kg CO2e per liter

Emissions factor source

Bilan Carbone V7.6

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	573	493	370	349
Heat	797	797	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Belgium

MWh consumed accounted for at a zero emission factor

17,592

Comment

Source: Electrabel communication on origin of green electricity (see <https://www.engie-electrabel.be/fr/support/faq/contrat/origine-energie-verte>)

Sourcing method

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Belgium

MWh consumed accounted for at a zero emission factor

570

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	For the moment Befimmo does not itself make investments in R&D but on the other hand it supports and encourages all kinds of initiatives in this direction.

C-RE9.9

(C-RE9.9) Does your organization manage net zero carbon buildings?

No, but we plan to in the future

C-CN9.10/C-RE9.10

(C-CN9.10/C-RE9.10) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?

No, but we plan to in the future

C-CN9.11/C-RE9.11

(C-CN9.11/C-RE9.11) Explain your organization's plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.

For many years Befimmo has made a priority of reducing induced emissions linked to the energy consumption of its portfolio in such a way as to target and reach the levels of limitation of global warming limitation of 2 ° C. It raises awareness and encourages users to be more sober and feeds the energy needs of its buildings with increasingly low-carbon energies (only two small buildings are still heated with oil on a portfolio of more than 100 buildings !) and aiming at more or less short term excluding fossil resources.

It also aims to reduce emissions related to the stages of the life cycle of construction products and equipment that it uses during the construction, maintenance or renovation of its existing buildings by using efficient and "low carbon" construction products and equipment..

Through its duty to set an example Befimmo outside its perimeter, also makes other players aware of reducing their GHG emissions. It offers the occupants of its buildings services that help them to reduce their emissions in various areas: food, mobility, etc. It also works with manufacturers to develop high-performance, low-carbon products and services.

By limiting the artificialization of soils (Befimmo's buildings are mainly located in large cities), by trying to favor wood and bio-based products with long lifespans and by implementing in the projects it develops all the principles of the circular economy Befimmo aims to limit its environmental impact as much as possible.

All the actions described below are already applied within Befimmo and the projects it is developing.

Aiming for carbon neutrality by 2050 by aligning with international objectives is part of Befimmo's strategy and objectives.

Designing net zero carbon buildings by reducing consumption and increasing self-production of energy is a reflection that is part of every Befimmo's project. The portfolio's situation in the city center sometimes limits the use of renewable energy (solar panels, geothermal energy, etc.) but Befimmo is also counting a lot for the future on its capacity to innovate.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 C10.1 - Sustainability Report 2020.pdf

Page/ section reference

Sustainability Report 2020 - Limited assurance report from Deloitte on p.89.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 C10.1 - Sustainability Report 2020.pdf

Page/ section reference

Sustainability Report 2020 - Limited assurance report from Deloitte on p.89.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 C10.1 - Sustainability Report 2020.pdf

Page/ section reference

Sustainability Report 2020 - Limited assurance report from Deloitte on p.89.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 C10.1 - Sustainability Report 2020.pdf

Page/section reference

Sustainability Report 2020 - Limited assurance report from Deloitte on p.89.

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C9. Additional metrics	Other, please specify	ISAE3000	External annual audit (scope 1, scope 2, scope 1&2 and scope 3) performed by Deloitte included 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 2020 waste indicators.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Befimmo is following closely Belgian governmental initiatives to extend ETS (setting a tax price on carbon) to the building sector and anticipates changes accordingly.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

Other, please specify

Rating according to CSR

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

The responsible procurement charter applies to all Befimmo's direct suppliers. It further includes indirect suppliers as the charter explicitly encourages them to apply Befimmo's requirements towards its own suppliers (see https://www.befimmo.be/sites/default/files/0318-responsible_procurement_charter.pdf). Since the creation of this charter and the integration of the link to this charter in every order form mid-2018, all suppliers were made aware of this charter. By accepting the order and general conditions, the supplier accepts the responsible procurement charter.

Impact of engagement, including measures of success

Befimmo's real-estate activities require substantial quantities of building materials. Meanwhile, corporate activities consume office supplies. The production of building materials and office equipment requires natural and energy resources that have a significant impact on the environment. Transporting them is also a source of pollution and traffic congestion. Befimmo intends to raise awareness among its suppliers in relation to budgetary constraints and technological availability, regardless of the history of its relationship with them.

APPROACH:

- To further integrate the CSR approach into its supply chain, Befimmo has drafted a Sustainable Procurement Charter to clearly communicate the commitments it expects from its suppliers.
- This charter has been published on the new Befimmo website early 2018. The standard terms and conditions required of all its suppliers are including abiding by the charter. (see https://www.befimmo.be/sites/default/files/0318-responsible_procurement_charter.pdf).
- This link to the charter is included on all purchase order to further remind suppliers.
- The CSR and environmental teams are responsible for raising the awareness of Befimmo's buyers by offering them responsible procurement guidelines grouped by purchasing categories.

These procurement criteria are inspired by those used for public procurement by various administrations. - Incorporation of environmental impact into the quality matrix, which includes all the technical requirements for each component of the building at every stage of its life cycle. This matrix is inspired by the guidelines that Befimmo follows for BREEAM certification. It evolves in line with technological progress. Any alterations to the matrix are made by consensus between the members of the real-estate teams. Furthermore, in 2019, Befimmo started an analysis of the 200 main suppliers of the Company. Together with an external partner, an assessment was sent to these suppliers, giving us information on how they perform environmentally and how important CSR and environmental/social issues are to them. We received the results in 2020. The aim now is to create an action plan to raise more awareness on the environmental aspects amongst the Befimmo suppliers and introduce an ESG selection process for suppliers.

Comment

In 2018, Befimmo extended the adoption of its responsible procurement charter to all its suppliers (which means 100% of the suppliers) which have received an order from Befimmo and have the buyers concerned give preference to suppliers that adopt it. It also aims to set up a process for measuring the effectiveness of and compliance with the quality matrix for construction or renovation projects for the current year.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

60

% of customer - related Scope 3 emissions as reported in C6.5

20

Please explain the rationale for selecting this group of customers and scope of engagement

This engagement implies all building except those managed by the 'Building Agency'. For these buildings Befimmo has no control and its influence on the tenant (Belgian state) is very limited.

Impact of engagement, including measures of success

Conducting a constant and proactive dialogue with customers ensures that the Company keeps in step with the expectations of its stakeholders and a constantly changing society. Alongside electronic channels, we give preference to direct face-to-face contacts because they strengthen human bonds and allow qualitative exchanges that transcend figures and surveys. This approach is used in a cross-cutting way to develop the various engagements, namely the transformation of cities, providing and rethinking workspaces, and acting in a responsible manner. Befimmo's whole sustainability approach is underpinned by dialogue with stakeholders to ensure that it is accurate and relevant.

Helpsite: The Helpsite is a powerful automated system that covers the entire operational management of the buildings and allows the Property Manager to plan, implement and monitor services. This online collaborative application offers secure external access for tenants and suppliers. The Helpsite enables the Property Management to optimise management and follow up tenants' requests effectively.

Extranet: In 2017, Befimmo set up an extranet for tenants. It is a website with secure access specific to each tenant. On the site, it provides occupants with information about their buildings: a photo gallery, news and documents specific to their building(s), news and general documents, and documents specific to their lease(s).

OBJECTIVE: Befimmo's objective is to continually improve the regular dialogue with all its stakeholders, enhancing the communication tools by

adapting them to each stakeholder and giving preference to human contacts. Results are measured by monitoring closely private consumption of the tenants and establishing KPI's in terms of kWh/m².

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

(1) METHOD In late 2016, an initial workshop attended by about 10 internal and external stakeholders (consultancy firms, architects, general contractors, certification bodies) was organised to exchange ideas on the advantages and disadvantages of the systems for assessing the environmental performance of a building or renovation project, by distinguishing two stages: a). During the design of the project when the project manager and architect have to be given the means to assess the construction system in terms of its environmental performance; b). During the construction of the project when the project manager has to be given the means to select the materials suppliers in terms of their environmental performance.

(2) PRIORITIZING: However, reading the 2014 results of CSR-related surveys (such as investors questionnaires GRESB, CDP or the analysis The Shift), Befimmo has identified not only its strengths but also its weaknesses and has therefore decided to make every effort to improve them. The main aspect for improvement identified was the issue of its Social Responsibility related to its value chain. Befimmo is aware that a significant part of its environmental and also societal impact is upstream in its value chain. Its responsibility extends beyond its own business and it must educate and inspire all of its stakeholders as much as possible, especially its suppliers, to achieve its qualitative and quantitative objectives.

(3) MEASURES OF SUCCESS: This initial workshop highlighted two approaches that were studied and tested in 2017 on specific new construction and renovation projects. In the choice of construction systems, Befimmo introduce the Life Cycle Analysis method alongside BREEAM or DGNB to quantify the environmental impact of the construction systems planned at the design stage, building on the work of the three Belgian regions and following EN 15804 / EN 15978 standards. In the choice of the materials, Befimmo consider the possibility of using the existing labels (NF Environnement, Blaue Engel Ecolabel, etc.) or develop specific criteria or excluding certain materials on account of their environmental performance. ZIN redevelopment project has been conceived, designed, and will be rebuilt with clear commitments to the conservation of the existing structure, reuse and recovery of materials on and off site, and the use of sustainable and low-polluting materials. Most of the materials (95% of the new material for offices), such as glazing and aluminium window frames, load-bearing structures for the floor, plastering and floor coverings, will be certified Cradle-to-Cradle (C2C) or an equivalent label. Our requirement to have C2C-certified concrete for ZIN has led the first concrete plant in the Benelux to embark on the certification process and obtain the certificate. The partnership that has been initiated with CCB will allow other projects to

use C2C concrete, and Befimmo will be able to create recycled aggregates and to integrate them with new concrete in other sites. Other suppliers and products have also started the certification process to meet C2C requirements

Regarding the tenants, Befimmo tries to improve the dialogue of its tenants, in order to make them aware of the importance of the sustainable and climate change issues. Therefore, 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. New tenants are being offered an Environmental Cooperation Agreement 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.). Tenants are free to take part or not.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify Certification	Support	To transpose the international BREEAM certification (compatible Sustainable Building benchmark) towards a national certification, namely setting up a "Breeam.be" certification.	At this stage, no proposed legislative solution.
Adaptation or resilience	Support with major exceptions	Brussels Code on Air, Climate and Energy Management (COBRACE). The COBRACE => regional Air-Climate-Energy plan sets the guidelines as well as the measures to be taken in order to achieve at least the objectives in accordance with European Union policy and international law on air, climate and air. energy.	Order of 2 MAY 2013 on Cobrace.

Carbon tax	Support	To understand the mechanisms and enhance everything Befimmo has already achieved. Between 2008 and 2016 Befimmo has already reduced its energy CO2 emissions by 65% !	To be linked with other initiatives to reduce energy consumption
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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

UPSI Professional Union of Real-Estate sector

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Professional Union of the Real Estate Sector (<https://www.upsi-bvs.be/fr>) – which brings together Belgian developers, real-estate investors and other actors related to real estate - is studying the Belgian real estate market as well as the factors that affect this market (incl. environmental factors). UPSI wants to promote and support all legislative and administrative measures favourable to the real-estate sector, as well as the Environmental improvements linked to this sector. (Ex.: labelling and certification of sustainable buildings). This Union represents its members at the federal and regional authorities, working with public bodies and advising them.

How have you influenced, or are you attempting to influence their position?

Befimmo remains committed to its relationship with UPSI. UPSI and Befimmo actively cooperated again in 2020 via working groups to incorporate federal and regional real-estate requirements. During the 2020 fiscal year, the topics dealt with included: the impact of the COVID

crisis on the sector, P.L.A.G.E., the reform of property taxation, prevention of fire and explosion in car parks, public car parks, reduction of VAT on demolition and reconstruction, and urban planning charges (Wallonia). The CEO is a member of the UPSI board of directors, the CFO participates in the UPSI Taxation Committee., the Head of Environmental Management

Trade association

RICS (Royal Institution of Chartered Surveyors)

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

RICS is a British professional body whose mission is to regulate and promote the real-estate profession, maintain a level of excellence and professionalism among its members through continuous training, and protect customers and consumers through a strict code of ethics. It is an independent not-for-profit body with nearly 134,000 qualified members in some 140 countries. RICS assists its members in fine-tuning their sustainable development strategy.

How have you influenced, or are you attempting to influence their position?

The CEO of Befimmo is a fellow member of RICS.

Trade association

EPRA (European Public Real Estate Association)

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

European Public Real Estate Association. EPRA is a professional organisation that defends the real-estate sector's interests across Europe. It is the voice of European listed real-estate companies. EPRA establishes good practice in accounting, information and corporate governance. It provides quality information to investors and publishes financial and environmental reporting standards which Befimmo meets every year.

How have you influenced, or are you attempting to influence their position?

In 2020, the General Counsel & Secretary General ('GC') and the CFO again sat on the Tax & Regulatory Committee, a working group on European regulatory issues. The CFO participates in the Reporting & Accounting Committee, a working party handling the standardisation of financial performance indicators and accountancy topics. The Head of IR & Communication takes part in the IR Committee, on communication with investors.

At the end of 2020, Befimmo won the 'EPRA Gold Award Financial Reporting' and 'EPRA Gold Award Sustainability Reporting' prizes for the Annual Financial Report 2019.

Trade association

The Shift

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

A Belgian network of sustainable development. The Shift was founded in June 2015 by former networks of sustainable development KAURI and Business and Society Belgium.

How have you influenced, or are you attempting to influence their position?

Befimmo is an active member of the Belgian network The Shift which brings together more than 480 organisations committed to sustainable development. In 2017, Befimmo took an active part in the debate on integrating the Sustainable Development Goals into the GRI guidelines. In 2018, the Company also participated in multiple events organised by The Shift, notably on the SDGs. Through The Shift, Befimmo also became leader for the 'Sign for my Future' campaign early 2019. This campaign aimed to encourage governments to take measures to save our climate. Finally, in 2020, Befimmo joined the

Belgian Alliance for Climate Action (BACA) in 2020 through The Shift. This alliance is a community of Belgian organisations that take their climate ambitions seriously and choose the path of Science Based Targets.

Trade association

GRESB

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

GRESB assess and benchmark the Environmental, Social and Governance (ESG) and other related performance of real assets, providing standardised and validated data to the capital markets. GRESB Assessments are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments, and are aligned with international reporting frameworks, such as GRI, PRI, SASB, DJSI, TCFD recommendations, the Paris Climate Agreement, UN SDGs, region and country specific disclosure guidelines and regulations.

How have you influenced, or are you attempting to influence their position?

Thanks to the action taken in recent years, Befimmo improved its score and made progress on the shortcomings identified at the beginning, namely the involvement of management in the CSR strategy and social factors. It also achieved the status of "Green Star" (70%) in 2012, which it has maintained in subsequent years, achieving a score of 80% in the Standing Investments category and 84% in the Developments category in 2020, well in excess of the average for the real-estate sector. While Befimmo has achieved a higher level than its competitors, it still has matters requiring attention, such as analysing the value chain, performance indicators and stakeholder commitment. Befimmo is an official member of GRESB, which allows it to access more information, attend training events and be eligible to serve on committees and take part in working groups.

Trade association

UNGC (UN Global Compact)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The United Nations Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society.

How have you influenced, or are you attempting to influence their position?

A few months after the signing of the Paris agreement on limiting global warming at COP21, Befimmo also joined the Global Compact and thus supports the initiatives launched by the United Nations in the respect of human rights, international labour standards, environmental protection and combating corruption.

Trade association

CSTC (Scientific and Technical Construction Centre)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Scientific and Technical Construction Centre is an research institute founded in 1960 on the initiative of the professional organisation with the aim of promoting applied research within the sector.

How have you influenced, or are you attempting to influence their position?

Befimmo participates actively in certain meetings organised by the Scientific and Technical Construction Centre (CSTC) on more technical questions, notably on the BIM, circularity and environmental subjects. More specifically, in 2019, Befimmo joined the research project "Smart Building in Use", which is a cluster that supports companies in the computerisation of maintenance and management of buildings. In 2020, Befimmo also participated in a panel discussion on City & Buildings Transformation.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Since September 2013, a CSR Manager has been appointed, whose role is both strategic (developing a sustainability strategy, managing relationships with stakeholders) and operational (coordinating sustainability projects, in-house consultancy for other departments). And so, the Head of Transformation & Impact - together with the Management - ensures consistency between direct and indirect activities and the overall climate change strategy.

In 2017, Befimmo went even further in terms of its social responsibility policy and reporting, by considering the possibility of following an approach that enables Befimmo to set long-term targets, up to 2030, for cutting greenhouse gas emissions (as recommended by IPCC, scientists), thereby making its own contribution to limiting the rise in global average temperature to below 2°C, in line with the decision of COP21.

Sustainability governance:

At Board level:

The Directors of Befimmo set and approve budgets and major decisions on Social Responsibility, notably at strategy meetings and at the meetings scheduled every quarter when the results are published. Social Responsibility is now also fully integrated into the day-to-day management of the Company.

At strategic level:

The Social Responsibility Team (SRT) consists of five people including three members of the Executive Committee: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Head of Environmental Management (HEM) and the Head of Transformation & Impact (HT&I). This team meets every half-year and is responsible for developing and monitoring the overall Action Plan 2030, and releasing adequate resources, and takes an active part in the annual management review of the ISO 14001 Environmental Management System. Sustainability topics are also discussed every month during Executive Committee meetings.

At operational level:

The Environmental Technical Team consists of five specialists with the task of improving the environmental performance of the portfolio. It meets regularly and its responsibilities include implementing the Action Plan 2030. These specialists include the Green Adviser who monitors the effectiveness of energy investments on the ground while ensuring a high level of comfort for tenants.

The Head of Transformation & Impact, a member of the Social Responsibility Team, reports directly to the CEO. Her role is both strategic (developing strategy on ESG topics, managing relations with stakeholders) and operational (coordinating and running sustainability projects, managing the Action Plan 2030, acting as in-house consultant for other departments, and encouraging staff to embrace change).

The Human Resources department is responsible for educating all members of the team to take more account of Social Responsibility, for following up initiatives, and for continuing to develop Befimmo's strong corporate culture.

Other staff also have specific responsibilities defined in the Environmental Management System: the General Counsel, Head of Legal, Chief Commercial Officer, Property Managers, Head of Investments, Internal Audit, Project Managers, etc.

All other team members are involved in the Social Responsibility approach of the Company, depending on their field of expertise, and are aware of the major impact of the real-estate sector on the environment. The objectives described in the Action Plan 2030 for each department are the driving force towards a more sustainable reflexion.

All activities related to Social Responsibility, innovation, digitalisation, and sustainability are achieved in co-operation with Befimmo's in-house Transformation & Impact team.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

Status

Complete

Attach the document

 C12.4 - Annual Financial Report 2020.pdf

Page/Section reference

Annual Financial Report 2020: chapter on risks p. 7-16, ESG performance p. 30-35

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

The Annual Financial Report 2020 contains a dedicated chapter on risks, incorporating environmental risks.

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 C10.1 - Sustainability Report 2020.pdf

Page/Section reference

Sustainability Report 2020: Document fully dedicated to sustainability and ESG performance.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

This report contains complementary information to the mandatory information on all key topics of Befimmo.

Publication

In voluntary communications

Status

Complete

Attach the document

 C12.4 - Letter COP21 signed (Befimmo).pdf

 C12.4 - Letter UN Global Compact (Befimmo).pdf

Page/Section reference

COP21 Letter (signed by Befimmo): full document - UN Global Compact Letter (signed by Befimmo): full document

Content elements

Strategy

Comment

In 2015, Befimmo signed the Message of Belgian stakeholders in support of the COP21, which refers to the United Nations Climate Change Conference of Paris, committing itself to contribute in limiting the temperature rise to 2°C by 2100. Furthermore, since 2016, Befimmo supports



the ten principles of the UN Global Compact involving the respect of Human rights, international labour standards, the protection of the environment and the fight against corruption. The Company is clear on its willingness to integrate these principles in its strategy, its culture, its day-to-day operations, and to take these principles forward in its sphere of influence.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Befimmo has fully integrated sustainability and ESG criteria within its strategy and day-to-day operations by anticipating economic, societal and environmental evolutions.

Throughout the years, it has constructed a sustainability strategy based on the themes that are considered as material for Befimmo and its stakeholders.

Befimmo has aligned itself with the most ambitious tools and frameworks in terms of sustainable development (EPRA and GRI), through the adoption of concrete targets, codes of conducts and conventions, both on environmental, social and governance level.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English



Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms