

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 €2.8 billion and comprises around a hundred office buildings with space totaling over 900,000 m<sup>2</sup>. Income from these buildings is recurring and relatively predictable; 60% comes from public institutions, under long-term leases (±8 yrs). Befimmo’s portfolio has an occupancy rate around 94%.

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. The Company keeps the future intention to adapt and develop its existing procedures in accordance with the structure of ISO50001.

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.

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	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	No	<Not Applicable>

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 CSR 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	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding strategy</li> <li>Reviewing and guiding major plans of action</li> <li>Reviewing and guiding risk management policies</li> <li>Reviewing and guiding annual budgets</li> <li>Reviewing and guiding business plans</li> <li>Setting performance objectives</li> <li>Monitoring implementation and performance of objectives</li> <li>Overseeing major capital expenditures, acquisitions and divestitures</li> <li>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</li> </ul>	<Not Applicable>	The Board of Directors is responsible for taking strategic decisions and approving the necessary budgets regarding CSR. As the CSR 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.

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)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Operating Officer (COO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Head of CSR & Innovation)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	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 CSR and Innovation (HCSR&I). This team meets every quarter and is responsible for developing and monitoring the Corporate Social Responsibility 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 Social Responsibility.

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

For human resources the Human Resources & Talent Manager (HR&TM) is responsible for educating all members of the team to take more account Of Social Responsibility, for following up initiatives put in place and for continuing to develop the strong corporate culture that exists within Befimmo. The HR&TM works with the Head of CSR and Innovation 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 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 6 strategic axes of the Company as well as to various CSR 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	

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.

Entitled to incentive	Type of incentive	Activity incentivized	Comment
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 Energy reduction target Behavior change related indicator Other (please specify) (Risk management on climate-change issues)	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. 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 2020-2022 (25%) - Coworking: turnover/m <sup>2</sup> of coworking space in line with the budget for the period 2020-2022 (15%) - CO2e emissions linked to the energy consumption of buildings for the common and private installations: 23.49 kgCO2e/m <sup>2</sup> at end of 2022, in line with the target for 2030(SBT method) (10%).
Chief Operating Officer (COO)	Monetary reward	Emissions reduction project Energy reduction project Behavior change related indicator Other (please specify) (Risk management on climate-change issues)	Managing risks, identification of climate change issues and integration in the risk management. As the rest of the team, the COO is also taking part in the reduction targets incorporated in the action plan. 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 2020-2022 (25%) - Coworking: turnover/m <sup>2</sup> of coworking space in line with the budget for the period 2020-2022 (15%) - CO2e emissions linked to the energy consumption of buildings for the common and private installations: 23.49 kgCO2e/m <sup>2</sup> at end of 2022, 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.
Please select	Please select	Please select	
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 2020-2022 (25%) - Coworking: turnover/m <sup>2</sup> of coworking space in line with the budget for the period 2020-2022 (15%) - CO2e emissions linked to the energy consumption of buildings for the common and private installations: 23.49 kgCO2e/m <sup>2</sup> at end of 2022, 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	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. 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. 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. Find our list of indicators on our dedicated sheet <a href="https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf">https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf</a> and in our action plan on <a href="https://www.befimmo.be/sites/default/files/imce/publications/plan_dactions_site_en.pdf">https://www.befimmo.be/sites/default/files/imce/publications/plan_dactions_site_en.pdf</a>
Medium-term	1	5	Find our list of indicators on our dedicated sheet <a href="https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf">https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf</a> and in our action plan on <a href="https://www.befimmo.be/sites/default/files/imce/publications/plan_dactions_site_en.pdf">https://www.befimmo.be/sites/default/files/imce/publications/plan_dactions_site_en.pdf</a>
Long-term	5	15	Find our list of indicators on our dedicated sheet <a href="https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf">https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf</a> and in our action plan on <a href="https://www.befimmo.be/sites/default/files/imce/publications/plan_dactions_site_en.pdf">https://www.befimmo.be/sites/default/files/imce/publications/plan_dactions_site_en.pdf</a>

**C2.1b**

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## (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 2019, a 1% decline in the value of the property assets would have an impact of around -€27.9 million on the net result, entailing a change of around -€1.0 in the net asset value per share, around 0.4% 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

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## (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 CO<sub>2</sub>e 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 CO<sub>2</sub>e emissions and assesses the impact of the asset on the overall objective of reducing CO<sub>2</sub>e 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 2019, a 1% decline in the value of the property assets would have an impact of around -€27.9 million on the net result, entailing a change of around -€1.0 in the net asset value per share, around +0.4% 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 2019. 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 Social Responsibility 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 Social Responsibility 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.

## 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	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 2019, the budget for this work was of the order of €0.5 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. 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.
Emerging regulation	Relevant, always included	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 POTENTIAL IMPACT: Changes in and non-compliance with regulations expose the Company to risks of being held reliable, 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. 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.
Technology	Relevant, sometimes included	Each building permit has to include an assessment of environmental footprint reduction technology (renewable energy production, insulation, etc.). These technological solutions are systematically considered on any projects on a voluntary basis.
Legal	Relevant, always included	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 2019, the budget for this work was of the order of €0.5 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. 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.
Market	Relevant, always included	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 2019, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €1.9 million on the property operating result, -€0.07 on the net asset value per share and +0.07% on the debt 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. 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. 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.
Reputation	Relevant, always included	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. 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.
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 new CSR 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)
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>



**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)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

4200000

**Potential financial impact figure – maximum (currency)**

0

**Explanation of financial impact figure**

On an annual basis at 31 December 2019, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €1.9 million on the property operating result, -€0.07 on the net asset value per share and +0.07% on the debt 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**

8000

**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 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)
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**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)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

236320

**Potential financial impact figure – maximum (currency)**

1477000

**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 16 €/tCO<sub>2e</sub> could be set in 2021 and this price could (in real terms) rise in 2030 to 100€/tCO<sub>2e</sub> (source: Belgian FPS Environment). This represents a potential financial impact of minimum 14 770 tCO<sub>2e</sub> (scope 1 and 2) \* 16€ = 236 320 € or maximum of 14.770 tCO<sub>2e</sub> (scope 1 and 2) \* 100€ = 1.477.000€

**Cost of response to risk**

24000

**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 CO<sub>2</sub> 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/](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
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**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)**

4200000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

#### Explanation of financial impact figure

One of the consequences could 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 2019, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €1.9 million on the property operating result, -€0.07 on the net asset value per share and +0.07% on the debt 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

48000

#### 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 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€) in 2019.

#### Comment

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## C2.4

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### (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

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### (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. On an annual basis at 31 December 2019, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €1.9 million on the property operating result, -€0.07 on the net asset value per share and +0.07% on the debt 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. The Company may also be exposed to higher expenses in connection with the marketing of properties available for lease. 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.

#### 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)

4200000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**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 an annual basis at 31 December 2019, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €1.9 million on the property operating result, -€0.07 on the net asset value per share and +0.07% on the debt 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**

3600016

**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 2019. The total investment is therefore . 3 millions €+ € 60k + € 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)**

4200000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**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 an annual basis at 31 December 2019, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €1.9 million on the property operating result, -€0.07 on the net asset value per share and +0.07% on the debt 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**

48000

**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, in

2019 are dedicated to follow the good implementation of the EPB (energy performance of buildings) certification 5% of the resources of the environmental team are dedicated to follow the good implementation of the EPB (energy performance of buildings) certification (about 60 MD per year, at 800€/MD => 48.000€ ) in 2019.

**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.).

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**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)**

4200000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**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 2019. Befimmo is pursuing its ambitious target of cutting specific electricity consumption (kWh/m<sup>2</sup>) in private areas (uncontrolled indirect energy consumption) by -17% 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 an annual basis at 31 December 2019, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €1.9 million on the property operating result, -€0.07 on the net asset value per share and +0.07% on the debt 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**

48000

**Strategy to realize opportunity and explanation of cost calculation**

The Building User Guide is a guide for the tenants of the building to the proper operation of the installations and for limiting its environmental footprint. The Building User Guide has currently been drafted and distributed for some 10 buildings. A list of priority buildings has been drawn up for further Building User Guides to be drafted and distributed to tenants. OBJECTIVE FOR 2018-2019 The objective is to finalise and distribute Building User Guides for all Befimmo buildings managed by Property Management. This document will be handed over by the property management to new tenants. Currently 5% of the resources of the environmental team are dedicated (about 60 MD per year at 800€/MD => 48.000€) on 2019.

**Comment**

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### C3. Business Strategy

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#### C3.1

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

Yes, qualitative and quantitative

### C3.1b

#### (C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (IEA ETP 2014)	<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: 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. Benefits This method and model allow to - Define new long-term target: 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; - Define intermediate and sub-objectives: The model estimates the environmental impact of each building on scope 1 (direct emissions), scope 2 (indirect emissions of controlled installations) and scope 3 (indirect emissions of private installation from tenants) 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; - Monitor the progress against the baseline: 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. - Compare the environmental impact of different business scenarios: The model includes a functionality that allows to define different business scenario and compare their impact on the environment. The target related to this matter is to achieve, by 2030, an average level of CO2e emissions per square meter of its entire portfolio of 20.3 kg CO2e/m<sup>2</sup>, a reduction of 33% compared with 2016. This equates to avoiding cumulative emissions of 53,000 t CO2e, or the equivalent of 2.4 years of consumption of the portfolio (year of reference 2016). This means a reduction of 17% in "controlled" CO2e emissions related to electricity consumption in common installations and a reduction of 17% in "uncontrolled" CO2e emissions related to the electricity consumption of private installations (under the control of tenants).</p>

### C3.1d

#### (C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
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. 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. 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). 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. 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. 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 short 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 to all Befimmo's direct suppliers. Each supplier (out of 100% of Befimmo's suppliers) is invited to read and accept the charter <a href="http://www.befimmo.be/sites/default/files/0318-responsible_procurement_charter.pdf">http://www.befimmo.be/sites/default/files/0318-responsible_procurement_charter.pdf</a> 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. For more information, consult the sheet <a href="https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf">https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf</a></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 2019 on R and D are estimated at some €480,000 (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. 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. 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. 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. More relevant than generic alarms triggered when a maximum threshold is exceeded, these models can detect very slight overconsumption in relation to total consumption. 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>

### C3.1e

**(C3.1e) 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. On an annual basis at 31 December 2019, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €1.9 million on the property operating result, -€0.07 on the net asset value per share and +€0.07 on the debt ratio. 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. 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 consumption by 2030." Finally, the feasibility of incorporating renewable self-generated energy systems is systematically considered for each project. 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 BREEM 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. 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 2019, a 1% decline in the value of the property assets would have an impact of around -€27.9 million on the net result, entailing a change of around -€1.0 in the net asset value per share, around +0.4% in the debt ratio and around +0.4% in the LTV ratio.</p>

**C3.1f**

**(C3.1f) 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 since 2008. 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 new 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. 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 and 2016), (2) it uses several recognized tools such as the BREEAM 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

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### C4.1

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

Both absolute and intensity targets

#### C4.1a

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**(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)**

12809.6

**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]**

6020.512

**Covered emissions in reporting year (metric tons CO2e)**

10453.82

**% of target achieved [auto-calculated]**

34.6995060308542

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**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/fiche\\_axe\\_utilisation\\_des\\_ressources\\_en\\_final.pdf](https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf)

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**Target reference number**

Abs 2

**Year target was set**

2017

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 2 (location-based)

**Base year**

2016

**Covered emissions in base year (metric tons CO2e)**

4822.3

**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 (%)**

23

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

3713.171

**Covered emissions in reporting year (metric tons CO2e)**

3851.65

**% of target achieved [auto-calculated]**

87.5146173258476

**Target status in reporting year**

Underway

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**Is this a science-based target?**

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

**Please explain (including target coverage)**

Rational use of energy and CO<sub>2</sub>e 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 CO<sub>2</sub>e emissions and assesses the impact of the asset on the overall objective of reducing CO<sub>2</sub>e in the long term (2030). We actually consider absolute CO<sub>2</sub> emission reduction by looking at the cumulative savings achieved by CO<sub>2</sub> related projects. Refer to the following document for more details: [https://www.befimmo.be/sites/default/files/fiche\\_axe\\_utilisation\\_des\\_ressources\\_en\\_final.pdf](https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf)

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**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 CO<sub>2</sub>e)**

6348.7

**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 CO<sub>2</sub>e) [auto-calculated]**

4951.986

**Covered emissions in reporting year (metric tons CO<sub>2</sub>e)**

5167.13

**% of target achieved [auto-calculated]**

84.5964170188027

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**Please explain (including target coverage)**

Rational use of energy and CO<sub>2</sub>e 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 CO<sub>2</sub>e emissions and assesses the impact of the asset on the overall objective of reducing CO<sub>2</sub>e in the long term (2030). We actually consider absolute CO<sub>2</sub> emission reduction by looking at the cumulative savings achieved by CO<sub>2</sub> related projects. Refer to the following document for more details: [https://www.befimmo.be/sites/default/files/fiche\\_axe\\_utilisation\\_des\\_ressources\\_en\\_final.pdf](https://www.befimmo.be/sites/default/files/fiche_axe_utilisation_des_ressources_en_final.pdf)

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**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 CO<sub>2</sub>e)**

49

**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)

25.88

% of target achieved [auto-calculated]

47.1836734693878

Target status in reporting year

Underway

Is this a science-based target?

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

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.

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## C4.1b

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(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)

0.0142

% 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]

0.0071

% 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)

0.0131

% of target achieved [auto-calculated]

15.4929577464789

Target status in reporting year

Underway

Is this a science-based target?

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

Please explain (including target coverage)

Befimmo aims to reduce by 50% its direct CO2e emissions related to the heating of buildings 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. 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.

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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)**

0.0054

**% 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]**

0.004482

**% 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)**

0.0052

**% of target achieved [auto-calculated]**

21.7864923747277

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**Please explain (including target coverage)**

Befimmo still has a target of cutting the CO2e emissions related to controlled indirect energy consumption by 17%, and the CO2e emissions related to uncontrolled indirect energy consumption by 17% (excluding offsets) of its buildings. It is well aware that this ambitious aim of reducing its environmental impact can be influenced by the constantly changing needs and behaviours of society, the world of work, especially through the use of new technologies and/or a new form of mobility that is now more geared towards electricity, but it intends to stand firmly by this target. This approach assumes flexibility and anticipation of the electricity needs that Befimmo will immediately integrate into all of its projects. Befimmo also aims to limit its CO2e emissions, in particular by continuing to invest in renewable energy generation. Depending on the configuration of the buildings and any subsidies granted on account of their geographical situation, a study of the photovoltaic potential carried out in 2017 enabled Befimmo to identify a number of opportunities for projects to be implemented quickly, together with the technical and financial resources required. All the sites identified as having a high potential are being installed or extended. This work on two buildings located in Brussels and representing an additional area of some 650 m<sup>2</sup> of solar panels will be completed during the first quarter of 2019. The additional area will complement the 3,854 m<sup>2</sup> of panels already installed. Furthermore, by the end of 2019, self-generation by all these installations should cover electricity needs equivalent to the annual consumption of some 150 households. The feasibility study will be updated in 2019. We will systematically consider installing solar panels on buildings to be built and/or renovated.

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**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)**

0.0071

**% 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]**

0.005893

**% change anticipated in absolute Scope 1+2 emissions**

-22

**% change anticipated in absolute Scope 3 emissions**

-22

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

0.0066

**% of target achieved [auto-calculated]**

41.4250207125104

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**Please explain (including target coverage)**

Befimmo still has a target of cutting the CO2e emissions related to controlled indirect energy consumption by 17%, and the CO2e emissions related to uncontrolled indirect energy consumption by 17% (excluding offsets) of its buildings. It is well aware that this ambitious aim of reducing its environmental impact can be influenced by the constantly changing needs and behaviours of society, the world of work, especially through the use of new technologies and/or a new form of mobility that is now more geared towards electricity, but it intends to stand firmly by this target. This approach assumes flexibility and anticipation of the electricity needs that Befimmo will immediately integrate into all of its projects. Befimmo also aims to limit its CO2e emissions, in particular by continuing to invest in renewable energy generation. Depending on the configuration of the buildings and any subsidies granted on account of their geographical situation, a study of the photovoltaic potential carried out in 2017 enabled Befimmo to identify a number of opportunities for projects to be implemented quickly, together with the technical and financial resources required. All the sites identified as having a high potential are being installed or extended. This work on two buildings located in Brussels and representing an additional area of some 650 m<sup>2</sup> of solar panels will be completed during the first quarter of 2019. The additional area will complement the 3,854 m<sup>2</sup> of panels already installed. Furthermore, by the end of 2019, self-generation by all these installations should cover electricity needs equivalent to the annual consumption of some 150 households. The feasibility study will be updated in 2019. We will systematically consider installing solar panels on buildings to be built and/or renovated.

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**C4.2**

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

Other climate-related target(s)

**C4.2b**

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**(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)**

Waste management	Other, please specify (A project is considered to be "material recovering" if : it has an inventory of materials + ambitious recovery target ; It has been visited by a recovery company in the case of (i) a development project (i) leave of a tenants)
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**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**

17

**Target year**

2020

**Figure or percentage in target year**

100

**Figure or percentage in reporting year**

17

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

no

**Is this target part of an overarching initiative?**

Other, please specify (This objective aims to meet Sustainable Development Goals )

**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". In all stages of its life cycle, a building generates a substantial flow of materials. Befimmo's strategy for resource use aims to reduce the environmental impact of these various flows by integrating the principles of sustainable building and the circular economy at each phase of a building's life cycle. For several years now, Befimmo has been monitoring building waste (quantities and treatment types) to make sure it is traceable. While in recent years significant efforts have been made in terms of recycling Befimmo now intends to strive to limit flows of waste, in particular by (i) systematically considering the re-use of the structure of a building to be redeveloped, and the re-use of as many components as possible in the project; (ii) sending the highest possible proportion of materials that cannot be maintained in the project to re-use facilities. In 2019, more than 900 tonnes were sent to re-use facilities during the dismantling phase. Befimmo is also drawing up building contracts and aims for levels of BREEAM certification that require its contractors to be very strict in the management and traceability of waste produced by the sites. All stakeholders involved in the project are educated about sorting waste. Waste management plans are drawn up by specialist consultancies, such as the BREEAM assessor, while environmental coordinators are appointed to ensure that environmental regulations are properly applied and respected. The short-term goal is to limit waste production of the portfolio and decrease the use of resources. In 2020, 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.

**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	11	
To be implemented*	8	105.3
Implementation commenced*	9	1789.31
Implemented*	10	121
Not to be implemented	2	

### C4.3b

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

#### Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

#### Estimated annual CO2e savings (metric tonnes CO2e)

24.8

#### Scope(s)

Scope 2 (location-based)

#### Voluntary/Mandatory

Voluntary

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

16045

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

139368

#### Payback period

4-10 years

#### Estimated lifetime of the initiative

21-30 years

#### Comment

It concerns 2 new PV installations. Annual monetary savings do not take into account regional subsidies.

#### Initiative category & Initiative type

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

#### Estimated annual CO2e savings (metric tonnes CO2e)

10.7

#### Scope(s)

Scope 1

Scope 2 (location-based)

#### Voluntary/Mandatory

Voluntary

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

4927

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

44090

#### Payback period

4-10 years

#### Estimated lifetime of the initiative

11-15 years

#### Comment

In 2019, Befimmo built digital twins for two buildings to analyse the data from the BMS (15.000 points realtime recorded). Based on our experiment, this system enable the building's overall energy consumption to be cut by 15-20% for a system supposed to be fonctional. In 2020, 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	Other, please specify (Implementation of actions recommended after an energy audit)
--------------------------------	---

#### Estimated annual CO2e savings (metric tonnes CO2e)

28.9

**Scope(s)**

Scope 1  
Scope 2 (location-based)

**Voluntary/Mandatory**

Mandatory

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

10353

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

18500

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

It concerns the implementation of some actions identified after a mandatory energy audit.

**Initiative category & Initiative type**

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

**Estimated annual CO2e savings (metric tonnes CO2e)**

0.7

**Scope(s)**

Scope 1  
Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

454

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

250000

**Payback period**

No payback

**Estimated lifetime of the initiative**

21-30 years

**Comment**

HVAC upgrade in one building

**Initiative category & Initiative type**

Energy efficiency in buildings	Lighting
--------------------------------	----------

**Estimated annual CO2e savings (metric tonnes CO2e)**

2.4

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

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

1550

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

41878

**Payback period**

>25 years

**Estimated lifetime of the initiative**

21-30 years

**Comment**

Relighting for a tenant.

**Initiative category & Initiative type**

Energy efficiency in buildings	Other, please specify (Major renovation)
--------------------------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**



53.4

**Scope(s)**

Scope 1  
Scope 2 (location-based)  
Scope 3

**Voluntary/Mandatory**

Voluntary

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

26670

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

12050000

**Payback period**

No payback

**Estimated lifetime of the initiative**

21-30 years

**Comment**

It concerns the major renovation of 3 small buildings.

**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 2019 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 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 2019 Befimmo invested a total of €0.5 million over the fiscal year. 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.
Employee engagement	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.

**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 CO2 on electricity production)

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

20

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Befimmo also aims to limit its CO2e emissions, in particular by continuing to invest in renewable energy generation. In 2017, Befimmo carried out a study of the potential for installing photovoltaic panels throughout its entire existing portfolio. Depending on the configuration of the buildings and any subsidies granted on account of their

geographical situation, the study helped to define a number of opportunities for projects to be implemented rapidly, together with the technical and financial resources required. In 2019, 650 m<sup>2</sup> of solar panels were installed on two buildings located in Brussels. This complementary surface has been added to the 3,854 m<sup>2</sup> of panels already installed. Self-generation by all these installations covers electricity needs equivalent to the annual consumption of ±150 households. The feasibility study conducted in 2017 will be pursued in 2020. The installation of solar panels on buildings to be built and/or renovated will be considered systematically. We will systematically consider installing solar panels on buildings to be built and/or renovated. Currently 20% of its portfolio in area are equipped with solar panels. The electricity production of these solar panels and cogeneration covers only a small part of the total consumption of the portfolio, but Befimmo wishes to continue increasing its self-production capacity.

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**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

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Rational use of energy and CO<sub>2</sub>e 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 CO<sub>2</sub>e emissions and assesses the impact of the asset on the overall objective of reducing CO<sub>2</sub>e 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 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.

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**Level of aggregation**

Company-wide

**Description of product/Group of products**

More green electricity contracts for tenants.

**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**

92

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Since Befimmo also aims to reduce its electricity consumption, the CO<sub>2</sub>e reduction targets for 2030 do not take account of the positive impact of green electricity consumption. However, until it reaches its target for reducing CO<sub>2</sub>e emissions by 2030, Befimmo is limiting its environmental impact by subscribing to a green electricity supply contract to cover the consumption of the installations in its buildings that are under its control. In 2019, 92% of the portfolio's floor area was covered by such a supply contract. Moreover, Befimmo also aims to cover uncontrolled consumption by means of a green electricity supply contract, where technically and administratively possible, by transferring the electricity supply contracts into its name. In 2018, Befimmo took over 46 private electricity supply meters under the same conditions as its green energy supply contract. This approach is now systematically applied whenever there is a change of tenants. In 2019, this approach covered about ten meters. This positive approach will be continued in 2020 with the aim of achieving a 100% green energy supply by 2021.

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**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**

9

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**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 2019, there were 2 cogeneration systems in Befimmo's portfolio (representing about 9% of the portfolio in area).

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**C5. Emissions methodology**

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**C5.1**

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**(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)**

12809.6

**Comment**

As direct emissions are mostly influenced by the refurbishment of buildings, which are under Befimmo's responsibility, we took the decision to consider direct energy from the complete portfolio in our scope 1.

**Scope 2 (location-based)****Base year start**

January 1 2016

**Base year end**

December 31 2016

**Base year emissions (metric tons CO2e)**

4822.3

**Comment**

Scope 2 emissions contains the indirect emissions from the directly managed buildings of our portfolio.

**Scope 2 (market-based)****Base year start**

January 1 2016

**Base year end**

December 31 2016

**Base year emissions (metric tons CO2e)**

49

**Comment**

Since Befimmo also aims to reduce its electricity consumption, the CO2e reduction targets for 2030 do not take account of the positive impact of green electricity consumption. However, until it reaches its target for reducing CO2e emissions by 2030, Befimmo is limiting its environmental impact by subscribing to a green electricity supply contract to cover the consumption of the installations in its buildings that are under its control. In 2019, 98% of the portfolio's floor areas were covered by such a supply contract. Moreover, Befimmo also aims to cover uncontrolled consumption by means of a green electricity supply contract, where technically and administratively possible, by transferring the electricity supply contracts into its name. In 2018, Befimmo took over 46 private electricity supply meters under the same conditions as its green energy supply contract. This approach is now systematically applied whenever there is a change of tenants. In 2019, this approach covered about ten meters. This positive approach will be continued in 2020 with the aim of achieving a 100% green energy supply by 2021.

**C5.2**

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**(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**

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**C6.1**

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**(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)**  
10453.8

**Start date**  
<Not Applicable>

**End date**  
<Not Applicable>

**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**  
Since Befimmo also aims to reduce its electricity consumption, the CO2e reduction targets for 2030 do not take account of the positive impact of green electricity consumption. However, until it reaches its target for reducing CO2e emissions by 2030, Befimmo is limiting its environmental impact by subscribing to a green electricity supply contract to cover the consumption of the installations in its buildings that are under its control. In 2019, 98% of the portfolio's electrical consumption was covered by such a supply contract. Moreover, Befimmo also aims to cover uncontrolled consumption by means of a green electricity supply contract, where technically and administratively possible, by transferring the electricity supply contracts into its name. In 2018, Befimmo took over 46 private electricity supply meters under the same conditions as its green energy supply contract. This approach is now systematically applied whenever there is a change of tenants. In 2019, this approach covered about ten meters. This positive approach will be continued in 2020 with the aim of achieving a 100% green energy supply by 2021.

**C6.3**

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

**Reporting year**

**Scope 2, location-based**  
3851.6

**Scope 2, market-based (if applicable)**  
27.9

**Start date**  
<Not Applicable>

**End date**  
<Not Applicable>

**Comment**

**C6.4**

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**(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**

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**(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 CO<sub>2</sub>e

9810

### 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 CO<sub>2</sub>e

10113.1

### 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 m<sup>2</sup>) 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 CO<sub>2</sub>e

5167.1

### 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 the private consumption of the tenants (gas and electricity).

### 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

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Not applicable for Befimmo's activities.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

3600.5

### 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

Regarding the outflow of materials, Befimmo is taking a circular-economy approach. For several years now, Befimmo has been monitoring building waste (quantities and treatment types) to make sure it is traceable, as detailed in the table below. While in recent years significant efforts have been made in terms of recycling<sup>2</sup> Befimmo now intends to strive to limit flows of waste, in particular by (i) systematically considering the re-use of the structure of a building to be redeveloped, and the re-use of as many components as possible in the project (ii) sending the highest possible proportion of materials that cannot be maintained in the project to re-use facilities.

## Business travel

### Evaluation status

Not relevant, calculated

### Metric tonnes CO2e

60.73

### 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.

## Employee commuting

### Evaluation status

Not evaluated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Not applicable for Befimmo's Business.

## Downstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Not applicable for Befimmo's Business.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Not applicable for Befimmo's Business.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Not applicable for Befimmo's Business.

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Not applicable for Befimmo's Business.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Not applicable for Befimmo's Business.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Not applicable for Befimmo's Business.

**Investments**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

**Please explain**

Not applicable for Befimmo's Business.

**Other (upstream)**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

**Please explain**

Not applicable for Befimmo's Business.

**Other (downstream)**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

**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	No, but we plan to for upcoming projects	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.

**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**

0.00164

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

12936.4

**Metric denominator**

Other, please specify (Gross Lettable Area)

**Metric denominator: Unit total**

789679

**Scope 2 figure used**

Location-based

**% change from previous year**

21.27

**Direction of change**

Decreased

**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 undertakes to achieve an average level of CO2e emissions per m<sup>2</sup> of its entire portfolio equal to 18.1 kgCO2e/m<sup>2</sup>, a reduction of 33% compared with 2016. This corresponds to avoiding cumulative emissions of 53,000 tCO2e, equivalent to 2.3 years of CO2e emissions related to the portfolio's energy consumption (reference year 2016). For the direct and indirect specific energy consumption and emission, there is a total decrease of 21,27% in 2019 in relation to 2018. These 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. In this way Befimmo is thinking ahead and aligning itself with the European political vision for sustainable construction. 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	10453.8
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)
Buildings directly managed by our Property Management Department	3700.5
Building indirectly managed	6753.3

**C7.5**

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**(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	3676.1	27.9	23338.7	23174.1
Luxembourg	175.6	0	1051.8	1051.8

**C7.6**

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

By business division

**C7.6a**

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**(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)
Buildings directly managed by our Property Management Department	1903.8	20.8
Building indirectly managed	1947.8	7.1

**C7.9**

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**(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**

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**(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 2021. We did not make any changes or additions to the green electricity supply contract level. At the level of scope 3, we convinced in 2018 the tenants of a big building to adhere to Befimmo's contract.
Other emissions reduction activities	2394	Decreased	14.1	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 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. Note that the significant reduction in CO2 emissions in 2019 is linked to the ongoing renovation of the largest building in the portfolio and its vacancy. (more than 11% of the total surface area of the portfolio) In this way Befimmo is thinking ahead and aligning itself with the European political vision for sustainable construction. Calculation: 2394T/Total Scope 1+2 (16933,6T) = 14,1%
Divestment	277	Decreased	1.64	In total two buildings were sold during the reporting year. Calculation: 277T/Total Scope 1+2 (16933,6T) = 1,64%
Acquisitions	374	Increased	2.21	One new building has impact on the CO2 emissions during the reporting year. Calculation: 374/Total Scope 1+2 (16933,6T) = 2,21%
Mergers		<Not Applicable >		
Change in output	39	Decreased	0.23	The consumption of some buildings was lower during the reporting year because they were for example under refurbishment. Calculation: 39/Total Scope 1+2 (16933,6T) = 0,23%
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

## 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	54234.5	54234.5
Consumption of purchased or acquired electricity	<Not Applicable>	21753	1491.3	23244.3
Consumption of purchased or acquired heat	<Not Applicable>	0	2076.3	2076.3
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	507.3	<Not Applicable>	507.3
Total energy consumption	<Not Applicable>	22260.3	57802.1	80062.4

## 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**

51342.3

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

50116.5

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

1225.8

**Emission factor**

0.188

**Unit**

metric tons CO2e per MWh

**Emissions factor source**

Energy supplier (Engie Electrabel)

**Comment**

For the one building located in Luxemburg, we use a conversion factor of 0.205 tCO2e/MWh provided by the local energy supplier.

**Fuels (excluding feedstocks)**

Fuel Oil Number 2

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

2892.2

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

2892.2

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

0

**Emission factor**

2515

**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	1733.1	1733.1	507.3	507.3
Heat	2076.3	2076.3	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/region of consumption of low-carbon electricity, heat, steam or cooling**

Belgium

**MWh consumed accounted for at a zero emission factor**

49103.9

**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/region of consumption of low-carbon electricity, heat, steam or cooling**

Belgium

**MWh consumed accounted for at a zero emission factor**

1733.1

**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 120 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 (which is part of one of its 6 strategic axes), 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**

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**C10.1**

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**(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**

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**(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**

C10.1a - Limited assurance Deloitte 2019.pdf

**Page/ section reference**

Full document (extract from Annual Financial Report 2019), pages 248-249

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

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**C10.1b**

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(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**

C10.1b - Limited assurance Deloitte 2019.pdf

**Page/ section reference**

Full document (extract from Annual Financial Report 2019), pages 248-249

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

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**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**

C10.1b - Limited assurance Deloitte 2019.pdf

**Page/ section reference**

Full document (extract from Annual Financial Report 2019), pages 248-249

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

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## C10.1c

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(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: Waste generated in operations

**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**

C10.1c - Limited assurance Deloitte 2019.pdf

**Page/section reference**

Full document (extract from Annual Financial Report 2019), pages 248-249

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

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## C10.2

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(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

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## 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 (Waste management data)	ISAE3000	External audit 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 2019 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](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](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 are still receiving the filled in assessments at this point. The aim is to create an action plan to raise more awareness on the environmental aspects amongst the Befimmo suppliers.

**Comment**

In 2018, Befimmo extend 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.

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**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

**Portfolio coverage (total or outstanding)**

<Not Applicable>

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

This engagement implies all buildings 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 strategic areas, namely integration in the city, the changing world of work, mobility and setting an example. Befimmo's whole Social Responsibility approach is underpinned by dialogue 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 introduces the Life Cycle Analysis method alongside BREEAM to quantify the environmental impact of the construction systems planned at the design stage, building on the work of the three Belgian regions (MMG tool) and following EN 15804 standards. In the choice of the materials, Befimmo considers 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.

In the ZIN redevelopment project, particular attention has been placed on the circular economy, using what Befimmo calls the 4R approach: REUSE: maximum reuse of materials on site or in other projects; REVIVE: improvement of the existing structure and its environment; RECYCLE: when materials cannot be reused, ensure they are transformed for other applications; RETHINK: ecological design and use of materials - Cradle-to-Cradle (C2C)1. In 2019, as part of the cleaning phase of WTC towers 1 and 2, significant work was done to find buyers for as much of the materials to be disposed of as possible. The materials that will be re-used in the future project have been stored in a space close to the site, and various recovery facilities have been set up for the remaining materials.

At the same time, as part of its strategic priority "Setting an example", Befimmo continued taking steps to stimulate and inform potential suppliers of the future building and to convince those who were not yet certified, to consider environmental certification of the impact of their products. In 2019, these steps have already led to Cradle to Cradle (C2C)1 certification of a major player in the prefabricated concrete sector, and will continue in 2020.

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

## C12.3b

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

Yes

**(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 (www.upsibe) – 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 2019 via working groups to incorporate federal and regional real-estate requirements. During the 2019 fiscal year, the following main topics were dealt with: P.L.A.G.E., the reform of property taxation, prevention of fire and explosion in car parks, ventilation of workplaces, public car parks, VAT on rental of professional buildings, urban planning charges (Wallonia), etc. The CEO is a member of the UPSI board of directors. The CFO also participates in the UPSI Taxation Committee. The Head of Environmental Management is chairman of the technical committee

**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 125,000 qualified members in some 150 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. With over 200 active members, it is the voice of European listed real-estate companies and represents €250 billion of real-estate assets. 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 2019, 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 towards investors. At the end of 2019, Befimmo won the "EPRA Gold Award - Financial Reporting" and "EPRA Gold Award - Sustainability Reporting" prizes for the Annual Financial Report 2018.

**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 300 organisations committed to Sustainable Development. In 2017, the CSR team took an active part in the debate on integrating the Sustainable Development Goals into the GRI guidelines. In 2019, 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. Moreover, since 2018, the CSR Officer is a member of Generation T, the sustainable development network from The Shift and the youth organisation Act4Change. Generation T brings together youngsters to give them more visibility, to reinforce their projects and to challenge sustainability policies from companies and other organisations.

**Trade association**

GRESB

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The 200 members of GRESB are institutional investors, 58 of which are pension funds. In the past fiscal year, Befimmo answered the GRESB questionnaire.

**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 83% in 2019, 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.

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**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.

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**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 a 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.

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C12.3f

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**(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?**

These are the same people within Befimmo who are involved in the implementation of the overall and the climate change strategy and who are managing the direct and indirect activities that influence policy.

Although, at strategic level, the Social Responsibility Team consists of five people including three executive officers: the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Head of Environmental Management and the Head of CSR & Innovation (HCSR&I). Since September 2013, the CEO decided to join the team to become more involved in decision-making on Social Responsibility and in the implementation of the action plan. This team is responsible for establishing the climate change strategy (in collaboration with the Board of Directors), developing and monitoring the Social Responsibility Program (including the environmental aspects), releasing sufficient human resources, and conducting the annual management review.

Since September 2013, a CSR Manager has been appointed, whose role is both strategic (developing CSR strategy, managing relationships with stakeholders) and operational (coordinating CSR projects, in-house consultancy for other departments). And so, the Head of CSR & Innovation - 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.

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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 2019.pdf

**Page/Section reference**

Annual Financial Report 2019: chapter on risks p. 7-21, environmental performance p. 65-71

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

The Annual Financial Report 2019 contains a dedicated chapter on risks, incorporating environmental risks.

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

C12.4 - Appendices to the Annual Financial Report 2019.pdf  
C12.4 - Tables on environmental performance 2019.pdf

**Page/Section reference**

- Compiled dedicated sheets, appendices to the Annual Financial Report 2019: Sheet on use of resources: p. 27-40 - Compiled dedicated sheets, appendices to the Annual Financial Report 2019: Sheet on CSR governance: p. 52-55 - Tables on energy and environmental performances, full document

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets

**Comment**

The dedicated sheets are appendices to the mandatory annual report. They contain complementary information to the mandatory information on all key topics of Befimmo. Two of these dedicated sheets, Use of resources and CSR governance, explains in detail our response to climate change and how we deal with it internally. Finally, the Tables on energy and environmental performances contain all information regarding our environmental performance.

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

C12.4 - Letter UN Global Compact (Befimmo).pdf  
C12.4 - Letter COP21 signed (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.

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## C15. Signoff

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C-FI

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**(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 the principles of Social Responsibility within its strategy and day-to-day operations by anticipating economic, societal and environmental evolutions.

Throughout the years, it has constructed a Social Responsibility 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, 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