

# PIONEERS IN INNOVATION

## OUR STORY

### 2017 SUSTAINABLE DEVELOPMENT REPORT

FULL VERSION



#### HEALTHCARE REAL ESTATE

Support the operators of medical facilities facing a growing demand for diversified infrastructures.



#### OFFICES

Significantly reduce the buildings' energy consumption and offer innovative interior design concepts in line with new, more flexible working habits.



#### PROPERTY OF DISTRIBUTION NETWORKS

Use the latest techniques to preserve the portfolio and provide high-performance buildings over the long term.

#### Flex Corners® by Cofinimmo

Flex Corners® meet the growing demand for a diversified range of work spaces and enable us to add a new type of tenant to our portfolio.

MAGDALENA DIERICK -  
COMMERCIAL ACCOUNT MANAGER



#### BIM

If we want to optimise a building's overall life cycle, it's important to do so starting at the design stage. Applying virtual models with structured information simplifies the process considerably.

DOMIEN SZEKÉR -  
HEAD OF PROJECT MANAGEMENT



# 2017 SUSTAINABLE DEVELOPMENT REPORT - PIONEERS IN INNOVATION

# Cofinimmo

together in real estate



# COFINIMMO IN A FEW FIGURES

We are the leading Belgian listed real estate company. We are a member of the BEL20 and operate under the favourable REIT tax regime.

We are specialised in rental properties. Our portfolio consists of healthcare assets, offices and property of distribution network assets in Belgium, France, the Netherlands and Germany.

Our business is both stable and innovative. Our goal is to meet the needs of our shareholders, tenants, employees and the community at large.

A presentation of our sustainable development activities and results for the past 12 months follows below.

**5.0 %**

Dividend yield  
(Based on the share price at 31.12.2017)

**3.5 billion EUR**

Fair value of the portfolio

**94.6 %**

Occupancy rate

**10 years**

Average lease length

**1,493**

Assets

**139.1 million EUR**

Net result from core activities

**133**

Employees

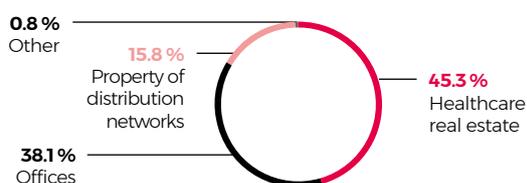
**6.7 %**

Gross rental yield  
(At 100 % occupancy of the portfolio)

**1,840,000 m<sup>2</sup>**

Total (above-ground) surface area

## PORTFOLIO ALLOCATION BY SEGMENT<sup>1</sup>



<sup>1</sup> In fair value

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## INNOVATIVE REAL ESTATE MARKETS

In the healthcare segment, we have a proactive approach which anticipates tomorrow's needs. It goes beyond nursing and care homes.



## TAILOR-MADE OFFICES

We have innovated with the implementation of Flex Corners® and Lounges®, flexible spaces which answers the profound mutation operating in the world of work.

## AN INTEGRATED SERVICES OFFERING

Our 'service desk' provides an immediate response to any questions from our tenants requiring intervention.



## RESPONSIBLE CHOICES

We want to both anticipate the future standards that will be applied to our activity and adopt a sustainable approach in our everyday activities.

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(➔) Go to page/chapter

<sup>1</sup> Go to footnote

🌐 Go to website

🔍 audited by Deloitte Company Auditors

# MESSAGE TO THE STAKEHOLDERS

“THINKING IN TERMS OF OUR BUILDINGS' LIFE  
CYCLE.”

JACQUES VAN RIJCKEVORSEL,  
CHAIRMAN OF THE BOARD OF DIRECTORS



JEAN-EDOUARD CARBONNELLE  
Chief Executive Officer

JACQUES VAN RIJCKEVORSEL  
Chairman of the Board of Directors

### **The notion of sustainability in renovations or new constructions is the prime concern for Cofinimmo. How do you differentiate yourself in this regard?**

**Jean-Edouard Carbonnelle** 📌 We are active on several fronts: sustainability, in the broad sense, and environmental protection. Real estate is a large energy consumer. When Cofinimmo thinks about energy, it concerns not only consumption but also a building's overall life cycle. 74 % of the energy used for new constructions is directly related to the building's materials. We keep this fact in mind when considering sustainability of buildings we bring onto the market. This is an automatism within our teams.

**Jacques van Rijckevorsel** 📌 Our reflexions cover three elements: the real estate concept, its location included, sustainability (in particular, through the selection of materials) and its recycling. We approach this last element in the same way as the automotive market where each part of a car needs to be recyclable. When we refurbish or convert a building for other usage, we make our best efforts to mitigate the environmental impact of our activities, in the field of both our buildings' performance and the recycling of materials used in our buildings' refurbishment.

### **What are Cofinimmo's practices to limit its environmental footprint?**

**J.-E.C.** 📌 Whatever its age, one can

always apply small changes to improve a building's energy balance. We pay extra attention to this fact. Motion detectors connected to the lighting system is a good example of a cheap but very profitable investment.

**J.v.R.** 📌 In addition to maximise buildings' energy performance, which we focus on, we also seek to give a second life to materials and equipment of buildings we refurbish. In this context, we work together with a number of companies and associations.

### **In consequence, Cofinimmo's future is based on the life cycle axis, an approach to give an obsolete building new life. How does this work?**

**J.-E.C.** 📌 Sometimes, the use of our buildings evolves. This is also part of their life cycle. When a neighbourhood changes or when opportunities to complement them arise, we convert our buildings for another use. We reallocated, for example, an office building in Woluwe-Saint-Lambert/ Sint-Lambrechts-Woluwe into a nursing and care home. We make every effort to keep construction elements in the building and try to find new market opportunities for materials that don't fit into the building's refurbishment.

### **What role does a company like Cofinimmo play in the future of urban centres?**

**J.-E.C.** 📌 Cities are changing constantly. Our role is to improve the citizens' quality of life by developing green areas and shared or assembly areas. The actual trend is to create mixed spaces within premises, such as a combination of shops, offices, hotels. Cities such as Paris, London and Amsterdam gave the example and Brussel should follow. The optimal city theme is at the heart of all town planners' reflections. Debate topics comprise the ideal distance or the increase in height rather than in width.

### **How does Cofinimmo stimulate the innovation spirit of its employees in the area of sustainability?**

**J.-E.C.** 📌 We set up working groups composed of twelve people in the company who meet every two years during four months. Their mission is to identify innovative elements within our products, namely buildings and related services. However, innovation can also emerge from the company's different departments. Afterwards, the proposed ideas are implemented. In this way, sustainable alternatives for traditional offices, such as Flex Corners® and Lounges® were created for a new generation of tenants.

**“WE ASSESS THE ENERGY CONSUMED DURING THE BUILDING'S OPERATION, BUT ALSO THE ONE USED FOR ITS CONSTRUCTION AND, ONE DAY, FOR ITS DEMOLITION.”**

**JEAN-EDOUARD CARBONNELLE,  
CHIEF EXECUTIVE OFFICER**

# INNOVATION



## CONTINUOUS INNOVATION TOGETHER WITH OUR CUSTOMERS: WORK AND LIFE

- 1.**  Work is part of life: working in easily accessible buildings, with shops, gym and leisure facilities nearby.
- 2.**  Nowadays work is flexible: today we work at home and tomorrow at the office. Starting as an entrepreneur in a small space and then letting it grow with the company's needs. Nowadays work has to be smarter and more enjoyable: the workspace must provide a boost to productivity, provide opportunities to share ideas in a lounge, patio or landscaped garden. Developers of office spaces must not only create a beautiful space, but also an environment favourable for success.
- 3.**  Life for the elderly nowadays is, in many cases, finding a pleasant and protecting environment where qualitative medical care services are provided by a skilled staff. The latter will be more dedicated to his work if the facility is functional, bright and pleasant.
- 4.**  Life for many is experiencing and discovering: everything has to be easily accessible and in the immediate vicinity. That is why there is a need for office space which is accessible by public transport and enhance collaboration between employees in a pleasant environment.



# PIONEERS IN INNOVATION

Anyone who wants to play a leading role in real estate, must understand how people live and work.

In the long-term, the major social changes are due to an increased urbanisation, an ageing population, but also the Generation Y and the Millennials on the labour market. They experience the labour market in a different way. It all depends in which stage of life they are in, trying to combine their work life with their family life and leisure time.

For Cofinimmo, innovation means responding to the changing trends in terms of accommodation and working by offering real estate properties which meets the needs of its customers.

These trends and the knowledge of customers, partners and employees are bundled in proposals, which are further developed in accordance with specific priorities. Innovation means thinking at a lateral and horizontal level, spontaneous and passionate. Employees, partners and customers work on projects with the aim of making work and leisure time more pleasurable.

## 5.

Life for most of us is keeping an eye on our health with flexible, easy-to-reach multidisciplinary health centres or retail clinics, where medical staff work together and provide support for the general health and well-being of patients, as a more efficient alternative for hospitals. Convenience is increasingly becoming the driving force when choosing a location where people go to receive medical cares.

## 6.

Life is also paying attention to efficiency: smart meters that measure energy consumption, advice for a better use, proper maintenance, sustainable renovations and using free space in certain buildings as living space or other amenities, in order to reduce the transaction costs, which ultimately benefits the customers.

## 7.

Life is also paying attention to the environment. That is why buildings that are energy-efficient and easy to adapt to the changing working and living environment (flexibility, green design, smart areas) are the winners of today and certainly of tomorrow.

**INNOVATION**

Cofinimmo

# SOUND STRATEGIC CHOICES



## “INNOVATIVE REAL ESTATE MARKETS.”

In 2005, Cofinimmo was the first real estate company in Belgium to invest in the healthcare sector. Our approach is proactive, both in terms of the new uses of some of our buildings, which enjoy a second lease on life, and in terms of the search for operators to whom we provide support and experience. We are always exploring new niches in the healthcare real estate sector: clinics, sport and wellness centres and medical office buildings are examples which answer the evolution of society. Our projects are based on a sustainable environmental approach which anticipates tomorrow's standards.

**MATTHIAS GABRISCH,**  
Asset & Transaction Manager

Nursing and care home Vivalys  
(formerly Woluwe 106-108)  
Brussels decentralised (BE)

Cofinimmo used the building located on Boulevard de la Woluwe/Woluwedal as office building for many years. It was vacant and required significant renovation works, so we converted it into a nursing and care home.

The renovation works were delivered at the end of 2017. We now lease the building to Vivalto, a healthcare operator.

## INNOVATION

# 2

# AN INTEGRATED SERVICES OFFERING

**“WE HAVE A CLOSE RELATIONSHIP WITH OUR TENANTS TO ENSURE OPTIMAL SERVICE.”**

# ”

We have implemented an internal organisation, namely software tools and a highly-skilled team fully dedicated to the occupants of our office buildings. We want to facilitate the management of their work space by providing them with our expertise. Our service desk provides an immediate response to any questions requiring intervention, even for something as simple as changing a light bulb. Our employees are ready to answer to every request. This special relationship with our tenants ensures their loyalty. As a result, our clients often recommend us to new potential tenants when space become available.

**MONA GUENNAOUI,**  
Property Manager



Woluwe 58 office building - Bruxelles Decentralised (BE)  
Cofinimmo headquarters



**INNOVATION**

# 3 TAILOR-MADE OFFICES

**“WELCOMING AND FLEXIBLE SPACES.”**

The world of work is going through a major change. Although traditional office space continues to be popular, we have been innovating with offerings like the Lounge® and Flex Corners® which are very popular among another group of clients. These concepts meet the growing need for a variety of spaces at work. Our Lounges® are convivial spaces where our tenants like to meet to have a coffee or enjoy the recreational facilities. Flex Corners® are in the same vein. We lease spaces, some of which are quite small, to micro-companies which have access to a kitchen and shared meeting rooms. And when their company grows, we can provide them with the right solutions for their needs.

**MARC VAN HAELEN,**  
Commercial Account Manager



**The Lounge® - The Gradient office building - Brussels Decentralised (BE)**

The Gradient office building is hosting the second Lounge® opened by Cofinimmo. There are several meeting rooms, a catering space, lounges, a participative library, table football and a storage area. The concept has drawn new tenants to the building which is now over 90 % occupied.

**INNOVATION**

**4**  
**RESPONSIBLE CHOICES**



**“ALL REAL COMPANIES  
HAVE A SOCIAL ROLE TO  
PLAY.”**

We have a global approach to environmental issues. We act on traditional requirements like insulation and energy consumption, of course, but we also explore soft mobility, the life cycle of buildings and the reuse of materials and furniture from our buildings. We want to both anticipate the future standards that will be applied to our business and to innovate in our everyday activities. We think about the future of our buildings over the very long-term. As a real estate company, we have a social role to play. Our decisions impact the development of cities.

**HANNA DE GROOTE,**  
Environmental Manager

**Belliard 40 office building -  
Brussels Leopold district (BE)**

The building on Rue Belliardstraat was torn down and rebuilt, illustrating the 'life cycle' approach adopted by Cofinimmo. The new building is passive from an energy consumption perspective. This architecturally daring project opened up Rue Belliardstraat with a green and open space in front of the building and a transparent atrium with a view on the interior garden.

# 2017 IN BRIEF



## PEOPLE

**15**

new employees

**9**

departures

**6**

new positions

**4,967** hours

training

**700** hours

coaching

Formalising **teleworking** opportunities for employees

**Philanthropic action** at year-end: sponsoring of the ASBL/VZW Les Trois Pommiers through the King Baudouin Foundation.



## ENVIRONMENT

Ongoing installation of **remote meters**

**55**

buildings connected

**BREEAM 'Very Good'** certificate obtained for Guimard 10-12 (Brussels - Leopold district (BE))

New certification implementing the **ISO 14001:2015** standard changes

Definition of **energy reduction** goals for 13/58 buildings under operational control as part of 'major consumer' energy audits.



Medical office building **De Voorste Stroom - Oisterwijk (NL)**



## PORTFOLIO

### RENOVATIONS/ CONSTRUCTIONS/ EXTENSIONS DELIVERED IN 2017



**14,700** m<sup>2</sup>

Healthcare real estate



**5,496** m<sup>2</sup>

Offices

### ACQUISITIONS

**The Netherlands:** one care centre for people suffering from mental disorders (Alphen aan den Rijn), five medical office buildings (Oisterwijk (2), Baarn, Eemnes, Tiel), one plot of land for the development of a care centre for people suffering from mental disorders (Gorinchem)

**Germany:** four nursing and care homes (Lüneburg, Neustadt im Westerwald, Riesa, Gelsenkirchen)

### GEOGRAPHICAL<sup>1</sup> BREAKDOWN OF OUR PORTFOLIO

**9.2 %**

The Netherlands

**4.2 %**

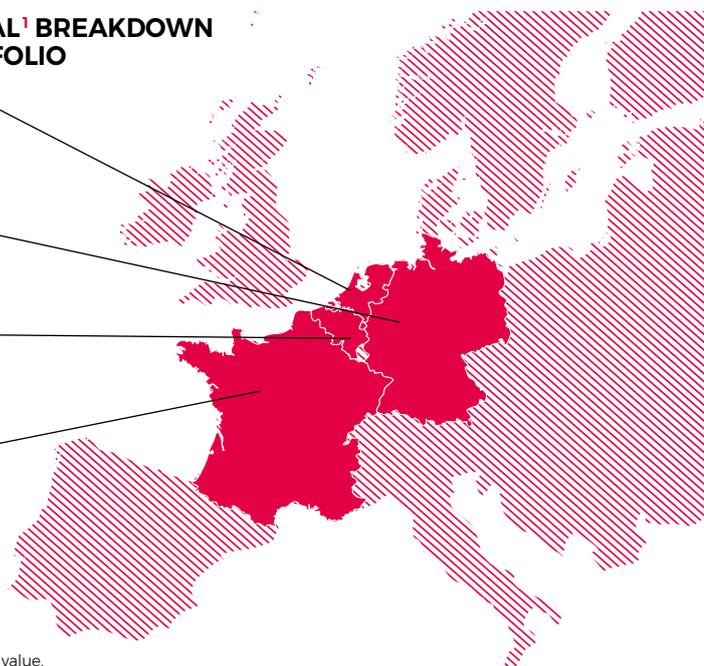
Germany

**71.5 %**

Belgium

**15.1 %**

France



<sup>1</sup> Based on the assets' fair value.



## FINANCE

- Allocation of all capital collected (55 million EUR) via the Green & Social Bonds' issue
- Optional dividend: 41 % of dividends reinvested in new ordinary shares (33.2 million EUR capital increase)
- Renewal of several credit lines
- Extension of the maturity of a 300 million EUR syndicated loan
- Redemption of the non-convertible bonds issued in 2013

### MARKET CAPITALISATION

**2.3 billion EUR**

compared to 2.3 billion EUR at 31.12.2016

### AVERAGE COST OF DEBT

**1.95 %**

compared to 2.4 % at 31.12.2016

### STANDARD & POOR'S RATING

**BBB**

Stable outlook for the long term and

**A-2**

for the short term

### AVERAGE DEBT MATURITY

**4.7 years**

compared to 4.8 years at 31.12.2016



## COMMUNICATION

### EXTRA-FINANCIAL RANKINGS

	2017 score
EPRA <sup>1</sup> - <a href="http://www.epra.com">www.epra.com</a>	Gold
GRESB <sup>2</sup> - <a href="http://www.gresb.com">www.gresb.com</a>	66 %
Standard Ethics <a href="http://www.standardethics.eur">www.standardethics.eur</a>	EE+
Vigeo Eiris <a href="http://www.vigeo-eiris.com">www.vigeo-eiris.com</a>	12/37 <sup>3</sup> (49 % <sup>4</sup> )

First listing on the Euronext Vigeo Eiris - Eurozone 120 index with an average overall score of 56 %.

### OUR POSITION IN THE GRESB BENCHMARK<sup>5</sup>

We took part in the GRESB benchmark for the fifth time and reached our objective, which is to be ranked above 50 % in terms of implementation. With respect to our sustainable development policy, we ranked second (97 %) among 20 European listed companies with a diversified portfolio which took part in the benchmark. We are now a **Green Star** based on our overall score.



We also took part in the GRESB 'Health and well-being' module for the first time.

<sup>1</sup> European Public Real Estate Association.

<sup>2</sup> Global Real Estate Sustainability Benchmark.

<sup>3</sup> Vigeo Eiris ranking compared to the reference sector.

<sup>4</sup> Absolute Vigeo Eiris score.

<sup>5</sup> All intellectual property rights for this graph belong to GRESB BV (GRESB) exclusively. All rights reserved. GRESB assumes no liability whatsoever for any losses, damages, costs or expenses incurred as a result of the use of, or reference to, any information attributed to it.

# FOCUS ON ACHIEVEMENTS

## ALPHEN AAN DEN RIJN

### THE NETHERLANDS

This service flat complex for people with a disability comprises 45 separate residential units and shared living rooms. There is also an office section and a central restaurant in the building.

### HEATING AND VENTILATION

- Boiler and floor heating (low temperature) in every flat, adjustable per room
- Wind pressure-controlled ventilation grills and CO<sub>2</sub>-controlled extraction
- Balanced ventilation in the shared and living rooms
- Air treatment with heat recovery in the common areas

### FAÇADES

- Triple-glazed windows
- Well insulated shell (RC = 7 m<sup>2</sup>.K/W)

### LIGHTING

- LED lighting

### ROOFS

- 165 photovoltaic panels (expected return: around 36,046 kWh/year)



Care center Castorstraat - Alphen aan den Rijn (NL)



Address:	Castorstraat 1 Alphen aan den Rijn (NL)
Architect:	Bronsvooort Blaak Architecten BNA
Operator:	Gemiva
Surface:	3,967 m <sup>2</sup>
Available:	Q4 2017
Environmental standards:	Energy label: A Energy index: 0,69 Standard energy consumption: 443.1 MJ/m <sup>2</sup> /year (electricity: 31.8 kWh/m <sup>2</sup> /year; gas: 4.3 m <sup>3</sup> /m <sup>2</sup> /year; heat: 0 GJ/m <sup>2</sup> /year) CO <sub>2</sub> emission based on standard energy consumption: 25.6 kg/m <sup>2</sup> /year

## CALAU

### GERMANY

The site comprises an 81 bed-nursing and care home with common areas and terraces per living group (two groups per standard floor) as well as a daycare centre for 20 people.

The facility is located in a new allotment near the Calau city center. Other service flats were built there, generating an integrated dynamic.

### HEATING AND COOLING

- Floor heating (low temperature heating) and local convectors
- Mechanic supply of fresh air and mechanic extraction in all rooms
- Air handling units with heat recovery system

### FAÇADES AND ROOFS

- Well insulated shell
- Façades: rendering on insulation

### ERGONOMICS

- The centre is accessible, inside and outside, for people with reduced mobility

### SURROUNDINGS

- Green areas: partly open to the public and partly protected for seniors
- Separate, closed garden for people suffering from dementia
- Easy access for people with reduced mobility: clinker walkways, rest areas with benches, etc.
- Surroundings conducive to outdoor activities (e.g. outdoor chessboard)
- Pond within the allotment for water buffering
- Separate access for deliveries

Address:	Residenzweg 2 03205 Calau (DE)
Architect:	Entwurfs- und Planungsbüro Kirsch - COTTBUS
Operator:	MED Gesellschaft für Altenpflege mbH
Surface:	4,600 m <sup>2</sup>
Available:	Q2 2016
Environmental standards:	Energy label: A Energy requirement: 48,2 kWh/m <sup>2</sup> /year  Primary energy requirement: 22,2 kWh/m <sup>2</sup> /year (quality requirement: 62,7 kWh/m <sup>2</sup> /year - Class A)  Energy quality building shell: 0,29 W/m <sup>2</sup> K (quality requirement: 0,5 W/m <sup>2</sup> K)  CO <sub>2</sub> emission: -4 kg/m <sup>2</sup> /year

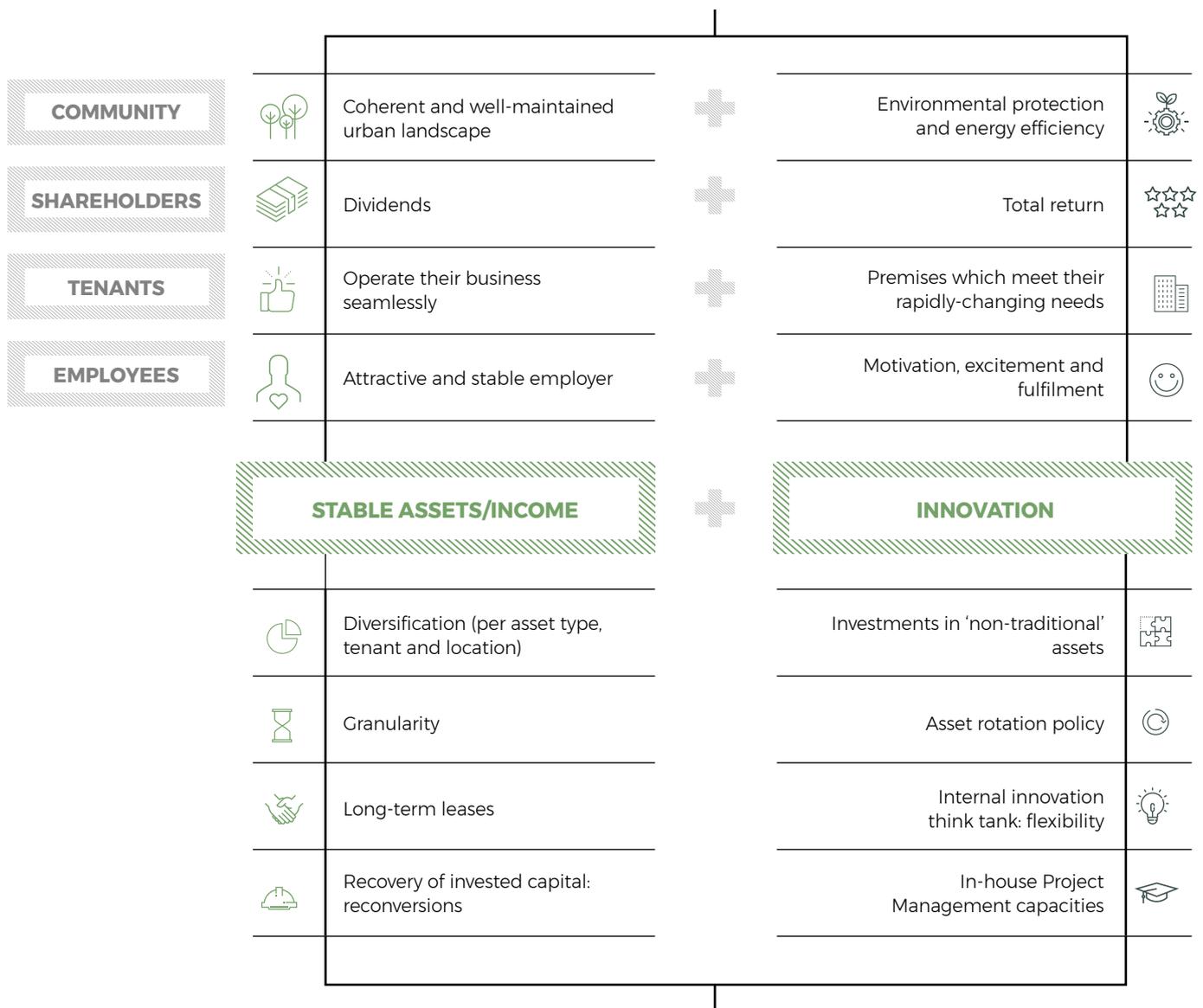
Nursing and care home Seniorenresidenz Calau – Calau (DE)



# COFINIMMO IN BRIEF

OUR MISSION IS, IN BOTH STABILITY AND INNOVATION,  
TO MEET AS CLOSELY AS POSSIBLE THE NEEDS OF OUR SHAREHOLDERS,  
TENANTS, EMPLOYEES AND THE COMMUNITY IN LARGE.

## OUR MISSION WHAT DO OUR SHAREHOLDERS WANT?



## OUR REAL ESTATE STRATEGY

HOW DO WE MEET OUR SHAREHOLDERS' EXPECTATIONS?

# OUR AMBITIONS

The goals of our **sustainability strategy** are to

1.



Contribute to a well-planned urban development to **improve the citizens'** and, in particular, the tenants' **living environment** by promoting socially sustainable, **mixed-use urban districts**

2.



Improve our buildings' energy performance and comfort standards while providing a long-term environmental answer to their **life cycle**

3.



Implement sustainability as much as possible within the limits of **economic feasibility** in order to be **profitable**

INNOVATION

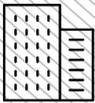
INVESTMENT

DIALOGUE  
WITH OUR  
STAKEHOLDERS

## OUR RESOURCES

## OUR BUSINESS ACTIVITIES

The activities on which our sustainability strategy is based consist of:



**DEVELOPMENT**

acquisition and redevelopment



**PROJECT MANAGEMENT**

construction and refurbishment



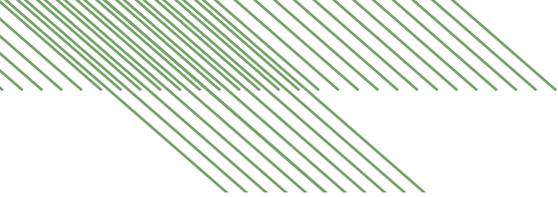
**PROPERTY MANAGEMENT**

sustainable management of the portfolio

## OUR REFERENCE FRAMEWORK

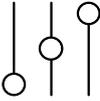
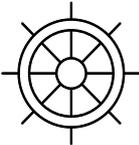
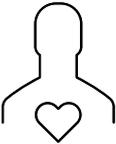
We include our activities in a wider framework and have aligned our strategy with the United Nations' **'Sustainable Development Goals'** (SDG) in advance of 2030

(→ see pages 36 to 63 of the 2017 Sustainability Report).



# OUR VALUES

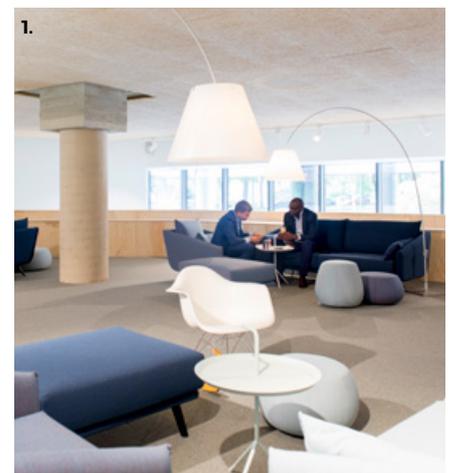
We pay particular attention to our corporate values, which guide our teams' daily operations.

	<b>TEAM SPIRIT</b> 	
<b>CREATIVITY</b> 	<b>SELF-DISCIPLINE</b> 	<b>RESPONSIBILITY</b> 
	<b>CLIENT ORIENTATION</b> 	

## THE LOUNGE® BY COFINIMMO

This contemporary concept is a concrete example of our 'Customer orientation' value. It is in line with the evolution towards more flexible and even nomadic work habits, such as co-working, remote work and increasing connectivity between people and objects.

- 1. 2. **The Lounge® - Office building The Gradient - Brussels Decentralised (BE)**
- 3. **The Lounge® - Office building Park Lane - Brussels Periphery (BE)**



### **'TAKE MY PLACE'**

During the 2017 'Communication' workshops, many employees expressed their interest in a better understanding of the job of others and the reason for their requirements.

Our HR department subsequently implemented the 'Take my place' concept. It enabled employees to shadow a colleague during his/her work day.

Twenty-six employees participated. Their testimonials demonstrate the very positive and enriching side of this concept which is helping to strengthen our corporate values.



**"THIS MORNING I GOT A MUCH BETTER UNDERSTANDING OF WHAT AN INTERIOR DESIGNER DOES. I WOULD LIKE TO THANK MY COLLEAGUE FOR SHARING THE PLANS OF A PROJECT, THE TECHNICAL ASPECTS OF A WORK SITE AND THE FEEDBACK FROM THE WORK SITE MEETINGS WITH ME. IT WAS JUST THE TIP OF THE ICEBERG!!"**

SARAH DENEFF, HEALTHCARE ASSISTANT, TOOK THE PLACE OF A PROJECT MANAGER

**"I THINK THE EXCHANGE WAS PERFECT TO UNDERSTAND AN ACTIVITY WHICH SEEMED VERY ABSTRACT TO ME."**

HANNA DE GROOTE, ENVIRONMENTAL MANAGER, TOOK THE PLACE OF THE TREASURER

**"A VERY LEARNING EXPERIENCE THAT I'M READY TO RENEW. KNOWING EXACTLY WHAT THE OTHER PERSON IS DOING AND NOT JUST HAVING A VAGUE IDEA, WILL FACILITATE FUTURE EXCHANGES."**

ANDRÉE DE COCK, ACCOUNTANT, TOOK THE PLACE OF A PROPERTY MANAGEMENT ASSISTANT AND A COMMERCIAL DEPARTMENT ASSISTANT



**Flex Corner® - Office building The Gradient - Brussels Decentralised (BE)**

### **FLEX CORNER® BY COFINIMMO**

This second innovative concept was implemented to meet the needs of SMEs, start-ups and temporary organisations looking for smaller premises with shared facilities (meeting rooms, kitchenette, etc.).

## CORPORATE GOVERNANCE

Our Group's governance is rigorous and explicit. It is adapted to the way the company operates and to its shareholding structure. We want to serve the long-term interests of our shareholders, tenants, employees and the community at large.

Our company adopted the 2009 Belgian Corporate Governance Code ('Code 2009') as its reference code. The rules, procedures and practices which define the way in which our company is managed and controlled are described in our Corporate Governance Charter<sup>1</sup>.

### A GOVERNANCE STRUCTURE ATTENTIVE TO THE SUSTAINABILITY CHALLENGES

The Board of Directors approves all of the company's strategic decisions while remaining attentive to the sustainability issues proposed by the Executive Committee. The latter first analyses and approves the proposals of the Sustainability Committee whose mission is to continuously identify and assess all elements which can improve the sustainability aspects of the strategy. It is composed on the one hand of the representatives of the departments directly involved in the property management of the Group's portfolio and, on the other hand, of the legal, communication and human resources departments.

### RISK MANAGEMENT AND CORPORATE GOVERNANCE ARE INSEPARABLE

We have implemented a risk management and internal control process in accordance with the rules of corporate governance and the laws applicable to Regulated Real Estate Companies. In order to do so, we selected the Enterprise Risk Management (ERM) model developed by COSO<sup>2</sup> as our reference frame.

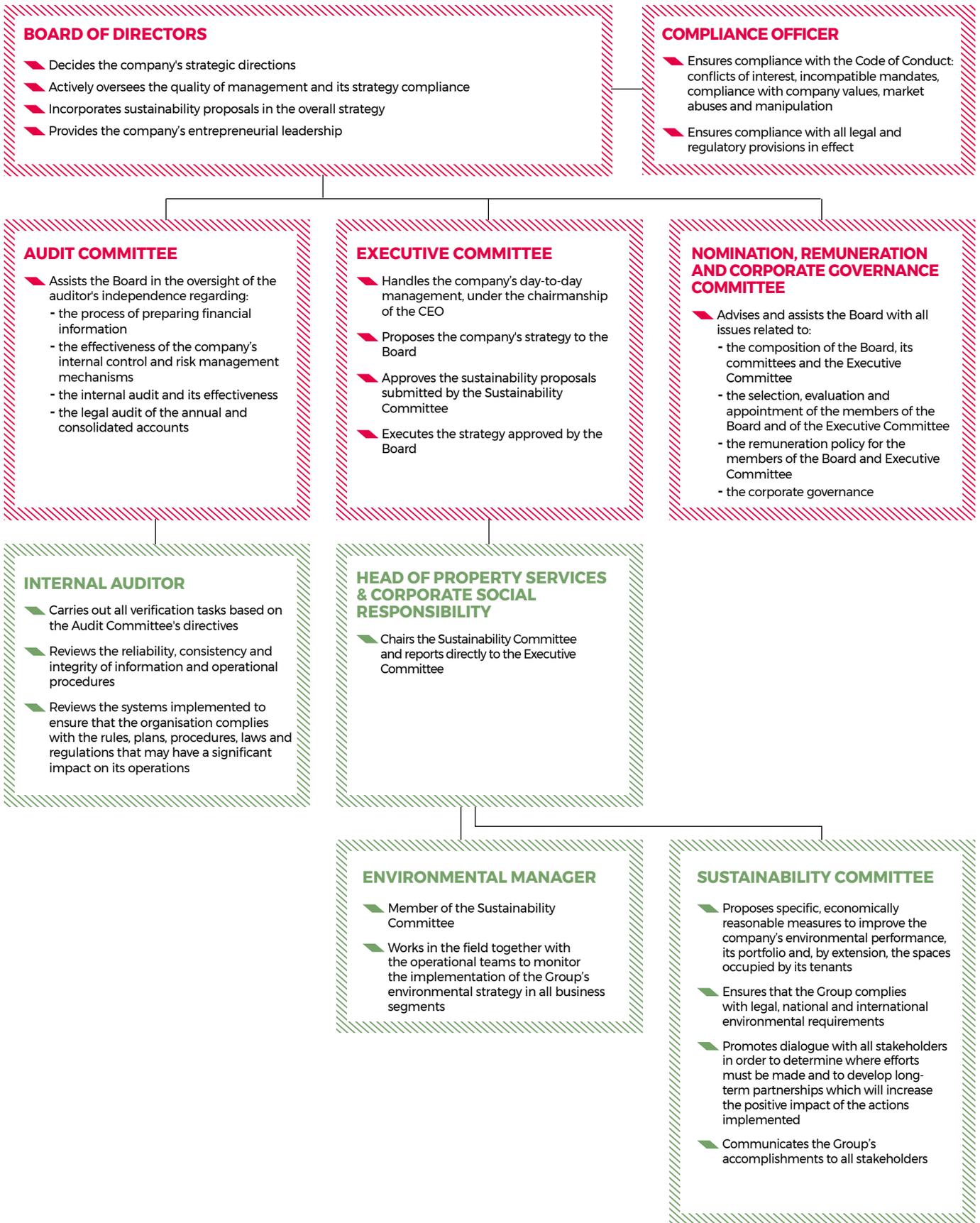
The periodic risk analysis at Group level includes all risks related to sustainability such as the impact of climate change on the company's business. The different risk factors and their potential effects on the company's business, and the various elements and actions mitigating the potential negative impact of the risks are detailed ➔ on pages 2-6 of the 2017 Annual Financial Report (see 📄 [www.cofinimmo.com](http://www.cofinimmo.com)).

Head office Cofinimmo - Office building  
Woluwe 58 - Brussels Decentralised (BE)



<sup>1</sup> All of the components of Cofinimmo's Corporate Governance Charter can be viewed at 📄 [www.cofinimmo.com](http://www.cofinimmo.com).  
<sup>2</sup> COSO: Committee of Sponsoring Organizations or Treadway Commission (📄 [www.coso.org](http://www.coso.org)). A private sector organisation. Its goal is to promote quality improvements in financial reporting via the application of business ethics rules, an effective internal control system and enterprise governance rules.

# OUR GOVERNANCE STRUCTURE



# MAJOR TRENDS IMPACTING OUR ACTIVITIES

WE MUST ADAPT TO THE WORLD OF TOMORROW AND INTEGRATE SOCIETY'S MAJOR TRENDS IN OUR STRATEGY OR RISK SEEING OUR BUILDINGS BECOME RAPIDLY OBSOLETE AND, AS SUCH, ENDANGER OUR ECONOMIC SUSTAINABILITY.

We position ourselves as drivers of change in dealing with challenges such as climate change, ageing population, growing urbanisation, changing technologies and work habits and, therefore, of the need for built spaces.

We are building more efficient buildings and managing them more cost-effectively in response to increasing regulations on energy performance.

However, those aren't the only factors we have to take into account.

## 1. Rehabilitation centre Plataan - Heerlen (NL)

## 2. Nursing and care home Caux du Littoral - Néville (FR)



## SHARING ECONOMY

A new awareness by society about the importance of limiting its carbon footprint and the search for more efficient use of physical and financial resources are leading more people and companies to embrace the principles of the sharing economy.

They become product users rather than owners, or in the case of real estate, sole tenants. In addition, this approach provides users access to flexible solutions which are more in line with their rapidly changing needs and avoids certain investment costs.

Many sharing applications already directly or indirectly impact the office real estate sector: shared vehicles<sup>1</sup> and bicycles<sup>2</sup>, some of which are electric, pooled parking spaces<sup>3</sup>, shared meeting rooms in buildings and business parks, co-working areas<sup>4</sup>, etc.

However, the sharing economy also affects residential real estate. Housing with more community areas are being built, sometimes for a very targeted group of users like Generation Y<sup>5</sup>.

## WELL-BEING AT WORK AND HOSPITALITY

In developed countries, we're seeing a gradual decrease in the proportion of working people due to population ageing, on the one hand, and to lower birth rates, on the other hand. This phenomenon should accelerate between 2020 and 2030<sup>6</sup>.

This is gradually leading to a talent war in which the winning company will be the one in a position to provide its employees with work/personal life balance, a degree of physical and mental well-being and, above all, meaningful work.

New infrastructure and concierge-type services are being developed in buildings much like in the hotel industry: play and relaxation areas, fitness, personal services<sup>7</sup> including dry-cleaning, ironing, shopping home delivery, car wash, etc.

New types of certification are completing existing environmental certifications (BREEAM, LEEDS, HQE, etc.) by assessing buildings according to their ability to meet human needs<sup>8</sup>: access to quality air and water, daylight, healthy food, nature, etc.

Everything is done to guarantee a healthy and pleasant working environment which has a positive impact on the well-being of employees, their motivation and their productivity.

1 Drive Now, Car2Go, ZipCar, Cambio, Zencar.

2 Gobee.bike, Billy Bike, Villo, Velib.

3 Be Park, Zen Park.

4 Tribes, Spaces, WeWork.

5 WeLive, Cohabs.

6 'The Global Workforce Crisis: \$10 Trillion at Risk', Boston Consulting Group, 02.07.2014.

7 EasyDay.

8 WELL, Fitwell certification.



Medical Office Building Torenzicht – Eemnes (NL)

## DIVERSIFICATION OF THE HEALTHCARE PORTFOLIO

We seek to diversify our healthcare assets, both geographically and in terms of asset types. The acquisition of medical office buildings since 2016 reinforces our presence in the Netherlands. At 31.12.2017 we had nine assets of this type in our portfolio.

In contrast to the other types of assets in the healthcare real estate portfolio, these centres are occupied by several healthcare professionals and require active marketing, which we have entrusted to a specialised manager in the Netherlands.

## CHANGING TECHNOLOGY FOR HEALTHCARE

Technology is enabling a gradual shift from curative to predictive medicine. The appearance of remote monitoring devices and portable sensors enables doctors to have a more dynamic view of their patients' health and, whenever possible, to faster adapt their treatment based on the patient's condition. These sensors can also automatically send a message to emergency services if there are significant anomalies in a patient's parameters. All of these possibilities have an impact on healthcare infrastructure: hospital stays become shorter.

Other types of healthcare real estate are being developed to meet the needs of an ageing population which remains very autonomous: rehabilitation centres, daycare centres, etc. This new generation of senior citizens wants to stay in their own home as long as possible. The changes in healthcare technology will make this possible. However, it will require flexible housing design which can evolve according to a person's life stage.

## EVOLVING TECHNOLOGY TO ENHANCE REAL ESTATE: THE INTERNET OF THINGS, AUGMENTED REALITY, ARTIFICIAL INTELLIGENCE, DIGITALISATION

It is difficult to imagine the future extent and impact of evolving technology in the real estate sector, but the first experiences can already give us some leads. Technology makes it possible to go beyond the automation of recurrent tasks. Today, it provides support in more complex intellectual processes.

### in client relationships:

- when selecting premises, new technologies optimise the decision process on the basis of complex criteria such as travel time between home and work for employees and visitors and selected transport modes;
- visits can be done virtually without going on site, using a digital tablet or a virtual reality headset, and amenities can be selected in a dynamic way.
- working space becomes more personalised and is directly controlled via smartphone: temperature, lighting, etc.

### in equipment maintenance and failure management:

augmented reality will guide technicians in their maintenance tasks and provide them with real-time image assistance. In addition, the enriched data provided by communication between technical equipment (the Internet of Things) will anticipate failures and carry out a first diagnosis to enable the technician to make targeted repairs<sup>1</sup>.

### in energy management:

taking into account the New Way of Work in which employees no longer have allocated spaces, a smart building approach will enable the gradual and efficient filling of the building. Empty, un-airconditioned areas can by this way remain vacant, which provides energy savings.

<sup>1</sup> Artificial intelligence applied to lift maintenance via Kone's use of IBM Watson (<https://www.ibm.com/blogs/internet-of-things/kone/> / <http://machineconversations.kone.com/>).

# VALUE CHAIN

## LONG-TERM EXPERTISE AND SUSTAINABLE MATERIALS

We have implemented a high-quality LCA<sup>1</sup> approach. A study is carried out starting at the building design (or reallocation) stage. Its purpose is to take sustainable decisions upstream regarding the construction principles (demolition or refurbishment), the materials and the programme of works (reuse of interior elements). It also takes into account the further development potential of the building. The method is backed by BREEAM certification and the ISO 14001 standard<sup>2</sup>.

For all activities during our portfolio's life cycle, from office buildings, including our head office, to all other building types, we have an ISO 14001:2005-certified environmental management system to formalise our projects with environmental impact.

<sup>1</sup> Life cycle analysis.

<sup>2</sup> This is a new certification based on changes in the ISO 14001:2015 standard. Our new certification now includes acquisition and redevelopment (Development), construction and refurbishment (Project Management) and sustainable management (Property Management) in all business areas of the portfolio.

### Nursing and care home Vivalys - Brussels Decentralised (BE)

We began the final phase of the conversion of this building into a nursing and care home at the end of 2017. The architectural concrete of the left and right wings, typical of office buildings in the 1980s, was retained. A new central area in glass and aluminium will give the overall building a more contemporary look.



## CONCRETE EXAMPLES

### WASTE

**15.14 tonnes**

of materials **recovered** before demolition during the redevelopment of the Quartz building (formerly Arts/Kunst 19H)

### RAW MATERIALS

**15,355m<sup>2</sup>**

of **recycled** carpet installed for rental renovations

### BONDS

**55 million EUR**

Allocated amount, collected by **Green & Social Bonds**

### ACQUISITIONS

**Realistic residual value assumptions** are made for the valuation model of each acquisition based on the asset's morphology and location.

### DESIGN

#### BREEAM 'Very Good' minimum

We have established a certification program aimed at BREEAM for renovations and BREEAM In-Use for the operation of our office buildings. We pursue a dual objective with this certification scheme: on the one hand, to continuously **improve** the **environmental performance** of our buildings and, on the other hand, to **promote** their **marketing competitiveness**.

### CONSTRUCTION

Together with other tools such as BIM (Building Information Modelling), LCA<sup>1</sup> enables the mapping of buildings and the valuation and budgeting of all their components.

### MARKETING

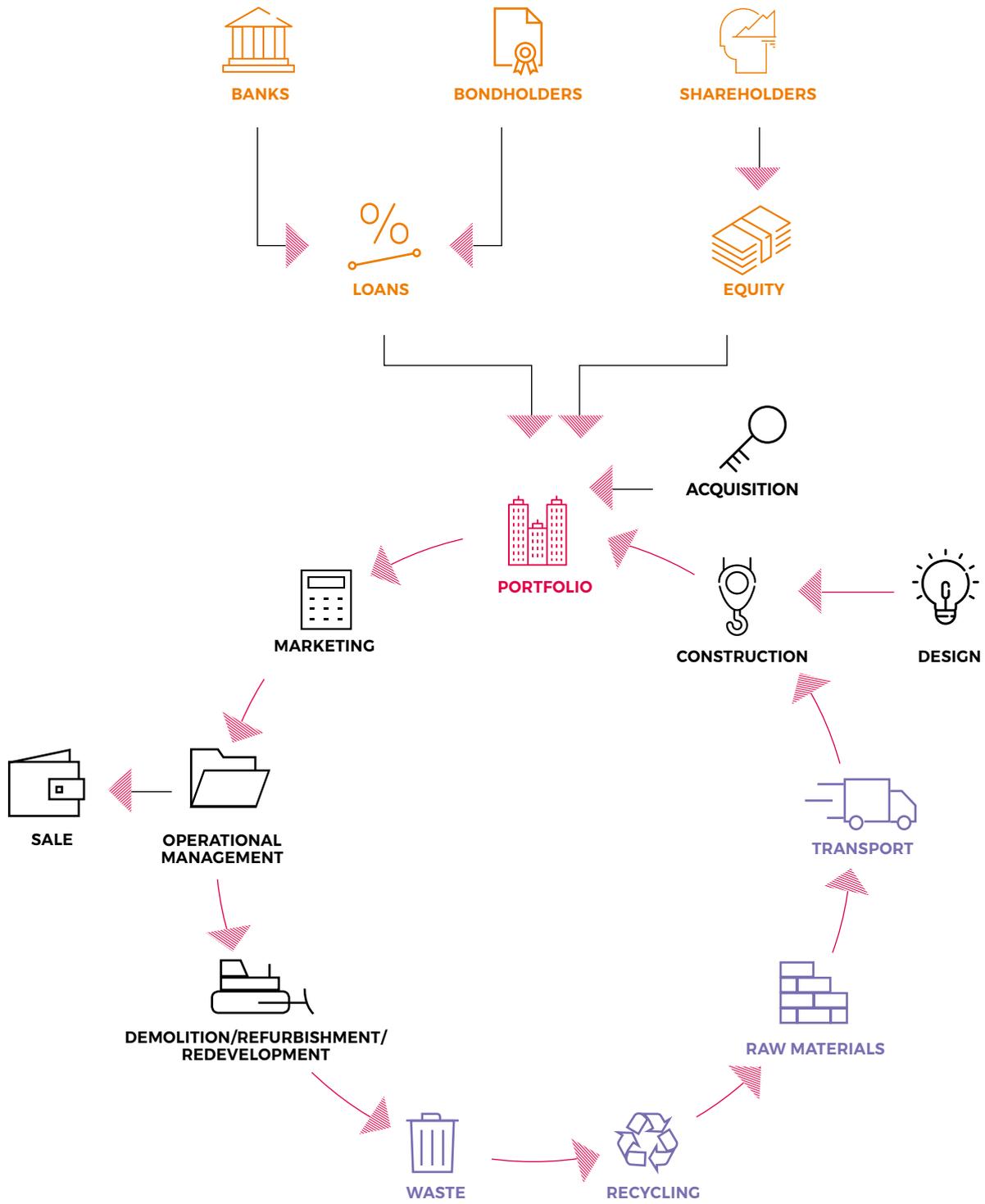
**20.4 %**

of offices covered by a Green Charter

We are convinced that owners and tenants have a common interest, i.e. to reduce the environmental impact of rented premises. We invite our office tenants to sign a Green Charter, a long-term collaboration agreement to **share** consumption data and put in place actions to **reduce** consumption.

### OPERATIONAL MANAGEMENT

Renewal of the ISO 14001:2015 certificate.



**CAPITAL**  
**SERVICES**  
**MATERIALS**

# LEVERS AT THE DIFFERENT STAGES OF THE VALUE CHAIN, BY ACTIVITY SEGMENT

	 <b>HEALTHCARE REAL ESTATE</b>	 <b>OFFICES</b>
Financing	■ ■ ■	■ ■ ■
Design	■ ■	■
Construction	■ ■	■ ■
Marketing	■	■ ■ ■
Operational management	■	■ ■ ■
Demolition/Refurbishment/Redevelopment	■ ■	■ ■ ■

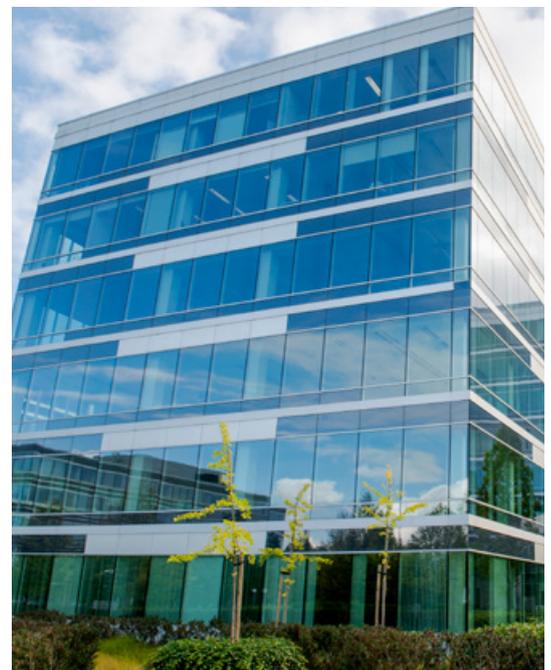


## **AZURIT SENIORENZENTRUM - RIESA (DE)** **Construction of a nursing and care home**

In 2017, we signed a convention for the acquisition of this asset, currently under construction. The delivery of the works is planned in the second quarter of 2018. The asset will count a 6,450 m<sup>2</sup> above-ground surface area and offer 138 beds.

### **SUSTAINABLE MEASURES**

- Energy performance in line with the new constructions legislation
- Access to all surface areas without obstacles for people with reduced mobility
- South-east façade with solar control glazing
- Shutters in all residents' rooms



## **BOURGET 42 - BRUSSELS PERIPHERY (BE)** **Conversion of a single-tenant office building into a multi-tenant building**

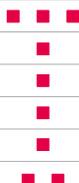
We refurbished this office building after the departure of its sole tenant. The works have improved the comfort and functionality for its future tenants. The lobby has been refurbished and a Flex Corner® created.

### **SUSTAINABLE MEASURES**

- Renovation of the sanitary facilities on each floor generating 40 to 50 % water savings
- LED lighting in all common areas
- Increase of bicycle parkings
- Shower arrangements



### PROPERTY OF DISTRIBUTION NETWORKS



### PUBLIC-PRIVATE PARTNERSHIPS



#### COFINIMMO INFLUENCE

■	low
■ ■	medium
■ ■ ■	high



#### CHEVAL MARIN - BRUSSELS CENTRE (BE)

##### Restoration of an historical building

The building previously housed a port operations facility and has been listed since 2002. It was abandoned since 1999, before our acquisition.

We brought it up to current safety and comfort standards and completely refurbished it according to the restoration requirements of Monuments and Sites (reuse of existing materials, upgraded insulation, use of natural and environmental-friendly products).

The ground floor has been returned to commercial use and two high-quality flats have been built on the upper floors.

We contributed to the revitalisation of this urban district and to the heritage conservation thanks to this renovation.

##### SUSTAINABLE MEASURES

- Reuse of wooden floors and frameworks
- Overglazing
- Use of natural and environmental-friendly products: wood fibre insulation, lime plaster, natural linseed oil paint
- Condensing boiler
- Double-flow ventilation



#### NELSON MANDELA RESIDENCE - BRUSSELS DECENTRALISED (BE)

##### Large-scale refurbishment of a building for student housing

The building, which has 234 rooms, six studios and a caretaker's lodge, underwent a large-scale refurbishment based on a tender provided by the Université Libre de Bruxelles (ULB).

We also handle the technical maintenance of the building during the lease period of 27 years to ULB.

##### SUSTAINABLE MEASURES

- New, high-performance condensing boilers
- Ventilation with heat recovery units
- Significant insulation improvement: new façades, roofs, outside woodwork and high-performance glazing
- Individual monitoring per unit to optimise electricity and hot water consumption
- Green roof to increase biodiversity and delay rain water run-off
- Rain water recovered for sanitary facilities
- Adaptation of certain studios for persons with reduced mobility (e.g., in height adjustable kitchen cabinets).

# DIALOGUE WITH OUR STAKEHOLDERS

We are a real estate company that invests in buildings and we enable the general public to invest in real estate indirectly via our stock exchange listing.

We are aware of the impact of our activities and maintain a regular dialogue with our stakeholders at every step of a building's life.

We organise consultation meetings with local residents, local government and retailers among others, beginning with the design stage of the building and the permit requests. This allows us to ensure a balance between the interests of each of the stakeholders: respect for protected natural areas, heritage conservation, traffic flow in the neighbourhood, retail activity, residents' well-being, etc.

We also take into account the needs of future tenants as well as a sufficient profitability level to compensate investors.

During the buildings' operational stage, we regularly meet our clients to assess their needs and their satisfaction level.

The motivation and commitment of each one of our employees is very important to us: transparent and proactive communication, performance reviews, feedback and reward processes, individual and team coaching, training, work-private life balance, accountability, etc.

In some cases, we interact with our stakeholders in multiple ways: a banker can be a capital supplier and, at the same time a tenant or a local resident of one of our buildings.



# OUR INFLUENCE FRAMEWORK

## ENVIRONMENTAL

**2**  
distribution  
networks



**276**  
insurance agencies



**984**  
pubs/restaurants

**85**  
office  
buildings

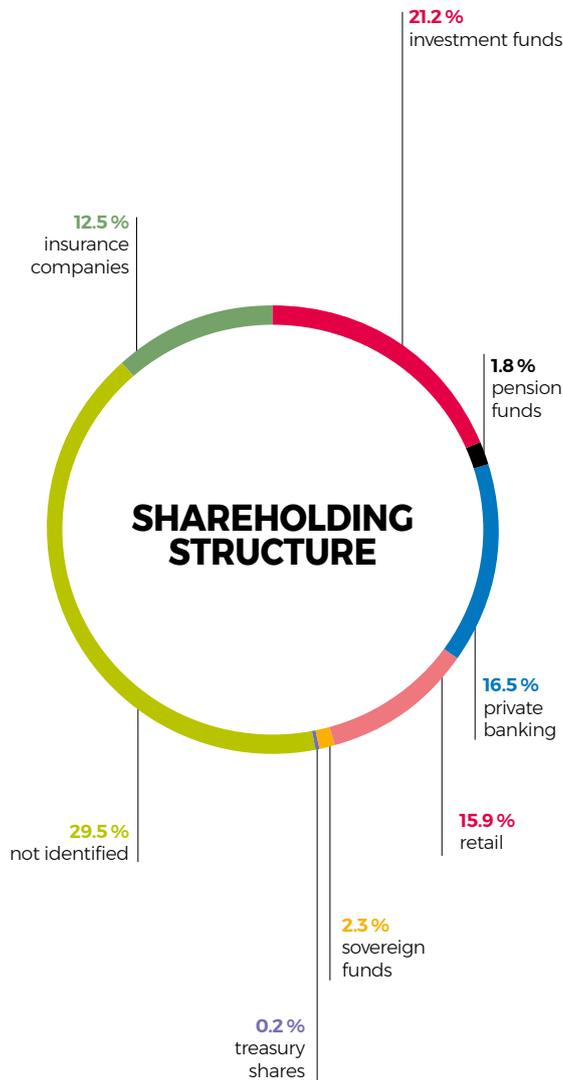


**420**  
tenants  
**33,285**  
occupants

**145**  
healthcare  
buildings



**133**  
tenants  
**12,850**  
residents



## ECONOMIC

**2,339**  
suppliers



**180** million EUR  
of services

**12**  
banks



**1.9** billion EUR  
of equity

**1.6** billion EUR  
of borrowed funds

## SOCIAL

**Media**



**3,261**  
Twitter/LinkedIn/Xing  
followers



**222**  
investors met  
(15 roadshows/  
10 conferences)

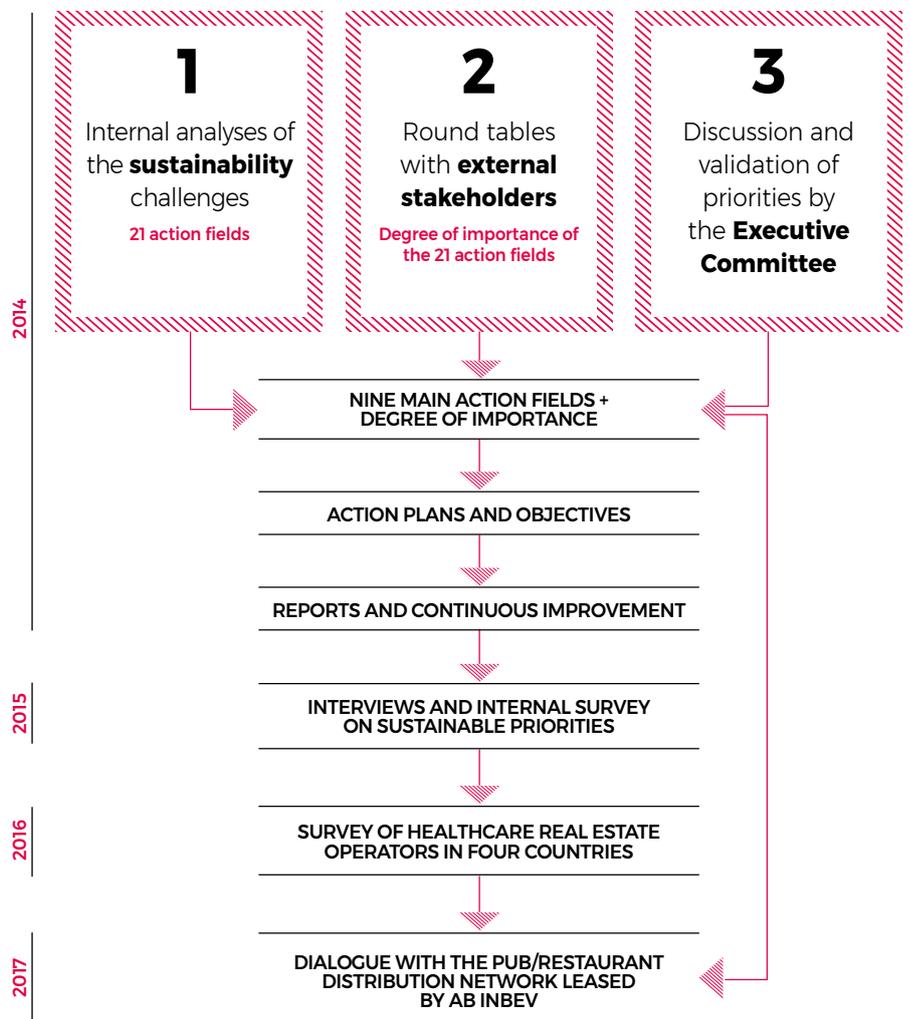


**37**  
press releases

# VALIDATION AND PRIORITISATION OF OUR ACTION FIELDS

In 2017, as part of the ongoing dialogue with our stakeholders, we surveyed AB InBev, which leases our Pubstone sub-portfolio, about its sustainability strategy and expectations towards Cofinimmo.

In an interview, Ms Heleen Vanhoudt, AB InBev's Responsible Sustainable Development Benelux, provided a more detailed overview of the company's commitments and of the social responsibility practices implemented (➔ see pages 33 to 36 of the 2017 Sustainability Report).





“Any effort to reduce the energy consumption of our pub managers and to functionalise vacant spaces, makes our current and future living environment more sustainable.”

**HELEEN VANHOUDT**  
Responsible Sustainable Development  
Benelux, AB InBev

## INTERVIEW WITH HELEEN VANHOUDT, RESPONSIBLE SUSTAINABLE DEVELOPMENT BENELUX, AB INBEV

### **AB InBev’s Better World programme and its sustainability pillars Growing World, Cleaner World and Healthier World. What does this mean exactly?**

**H. V.** For AB InBev social responsibility and sustainable development means long-term development, using brewery techniques that do not deplete natural resources, recycling and attention for all stakeholders who benefit from AB InBev’s activities.

These ambitions are defined in our global sustainability strategy ‘Growing World’ with a focus on ‘profit, planet, people’, which we have been working on for several decades already.

### **Efforts seem to concentrate on countries outside Europe. Is it because Europe has a head start in the field of sustainability?**

**H. V.** As the world’s leading brewer, AB InBev has implemented an international sustainable development strategy which manifests itself into regional and local initiatives.

As challenges in Europe often differ from those in other parts of the world, focus is also shifted from a few projects to local needs. In Europe, for example, focus is more on issues such as responsible consumption, packaging and logistics.

There is also a strong commitment to the environmental dimension outside Europe, with a focus on issues such as water consumption and assistance to farmers. In Africa and California, for example, we pay particular attention to the use of water and the restoration of water catchment areas. In Russia, we help local farmers to cultivate high-quality barley in a profit-making way and to map more efficiently climate conditions by using satellite programs.

### How should we then imagine AB InBev's efforts in Europe?

**H. V.** In Europe we are constantly working on sustainable brewery processes through the responsible use of ingredients, of which water is one of the most important. We make sure that water is included in a circular system so that it can be reused, after treatment, for the rinsing of materials. We pay special attention to our energy consumption and take advantage of recycling by reusing the heat from the brewing process at the beginning of the cycle. Throughout the whole value chain, we are also very attentive to logistics and, as mentioned before, the social dimension.

AB InBev is a pioneer in the use of 'ecocombis' which travel a fixed route from Heverlee to Katoen Natie in the port of Antwerp. Two ecocombis replace three regular lorries which implies fewer trips for the same quantity of products and, therefore, a CO<sub>2</sub> emission decrease. In one and a half year CO<sub>2</sub> emissions have decreased by nearly 20 tonnes by using ecocombis on the fixed route between Heverlee and Antwerp. This represents a 21% decrease. Large-scale use can have a positive impact on mobility as about 32 % fewer trips are needed.

Another key issue in Europe and Belgium is the reduction of packaging and its recycling. Together with Fost Plus, AB InBev conducted in 2017 an awareness-raising campaign against litter. At festivals, AB InBev and partners also bring this issue to the attention of young people, by recycling cups into bottle openers via 3D printing, for example.

Furthermore, we also focus on responsible beer consumption. AB InBev invests in non-alcoholic beers in order to allow people to make a positive choice for valuable alternatives.



1. Pub/restaurant Three Sisters - Amsterdam (NL)

2. Pub/restaurant Le Royal - Louvain/Leuven (BE)

**-21 %**

In one and a half year, CO<sub>2</sub> emissions decreased by nearly 20 tonnes thanks to the use of ecocombis on the fixed route Heverlee-Antwerp.

**343,143 m<sup>2</sup>**  
**984**

pubs/restaurants  
AB InBev's distribution network, managed by Cofinimmo, represents a surface of around 20 % of Cofinimmo's portfolio.

### How does a multinational like AB InBev succeed in communicating its sustainable development strategy and win the support of all players in its value chain, including pub managers?

**H. V.** Until recently AB InBev delivered the most of its sustainability efforts in its breweries, processes and the awareness raising of its employees.

Our sales people also try to convey this sustainable attitude when they meet the pub managers. They offer them, for example, toolkits to promote responsible alcohol consumption and train them in rinsing their dispensing equipments.

The next step could consist in making pub managers more aware of their energy consumption and how to economise by consuming less energy.

### Did AB InBev take specific measures regarding its real estate?

**H. V.** A distinction must be made between our breweries and offices on the one hand, and our pubs on the other hand.

In the first case, we already delivered considerable efforts and have a sound sustainable track record: responsible use of ingredients, water and heat recycling, reduced energy consumption and CO<sub>2</sub> emissions and increased sustainability awareness among our employees.

In the second case, sustainability on the sales side, efforts can still be made. Pub properties are very diverse and require a wide range of sustainable solutions which can be managed by AB InBev and its real estate partners, such as Cofinimmo.

“ COFINIMMO CONTRIBUTES TO THE UPGRADE OF CERTAIN DISTRICTS AND THE REAPPRAISAL OF THE URBAN COHESION.”

**What are your expectations regarding sustainability for a real estate partner such as Cofinimmo? In the environmental and social field? Do you have specific SDG<sup>1</sup> in mind?**

**H. V.**  Cofinimmo owns our sales network. It is a partner who meets the sustainability conditions we set for our partners.

Cofinimmo wants to maximise the return on its real estate. There is nothing wrong with that. That's why the network of pubs is well maintained, refurbished and vacancy is managed to give spaces a second life as residential spaces e.g. Pubstone provides in the Netherlands, for example, vacant ground floor retail spaces for temporary accommodation and converted them in Mons/Bergen (BE) into apartments. The AB InBev distribution network, managed by Cofinimmo, totals about 350,000 m<sup>2</sup>, nearly 43 % of our direct points of sale. Each effort made to reduce the pub managers' energy consumption and convert vacant space into useful spaces, brings us a step closer to a more sustainable today's and tomorrow's living environment.

**What role should or could Cofinimmo, as a real estate provider, play in AB InBev's sustainable development strategy?**

**H. V.**  AB InBev goes for a world in which there is room for growth and attention for environment and health. Cofinimmo, as owner and manager of our distribution network, is a fully committed partner to this vision.

Our pubs are primarily places where people meet each other.

As we strive for sustainability within the brewery, it is also important to have sustainable sales properties: e.g. energy-efficient, well insulated, well maintained and optimally used.

Cofinimmo is first and foremost a provider of properties where we sell our beers. Its role could, however, evolve towards an organisation which, together with our pub managers, raises

sustainability awareness and optimises the use of these properties via energy savings and by re-assigning the unused accommodation. Cofinimmo would be a 'consultant' in smart energy consumption and a partner in creating housing. This would make unused space useful.

A good example is the restoration of the Cheval Marin in Brussels city centre. This historical building was entirely refurbished. All technical equipment was provided and construction materials were reused whenever possible to make it functional and comply with current comfort and safety standards. In this way, Cofinimmo contributes to the upgrade of certain areas and to the reappraisal of the urban cohesion. In addition to the ground floor's retail function that was restored, two high-quality residential units were created on the upper floors. In this way, this restoration fits perfectly with the revitalisation of this neighbourhood of the city centre, located between the Grand'Place and Canal areas. By being inspiring and facilitating and establishing a connection between housing and real estate, the triple win relation 'Profit-People-Planet' can be redefined.

**Pub/Restaurant Cheval Marin - Brussels Centre (BE)**



<sup>1</sup> Sustainable Development Goals.

# OUR ACTION FIELDS CORRESPONDING WITH THE SUSTAINABLE DEVELOPMENT GOALS

WE SEE OUR ACTIVITIES<sup>1</sup> IN A BROADER FRAMEWORK AND HAVE TIED THE OBJECTIVES OF OUR SUSTAINABLE DEVELOPMENT POLICY TO THOSE OF THE UNITED NATIONS. THEY CONSIST OF A LIST OF MEASURES TO BE IMPLEMENTED FOR THE PRESERVATION OF THE PLANET AND WELL-BEING OF ITS INHABITANTS. IN PRACTICE, THE UNITED NATIONS' GOAL IS TO END POVERTY BY 2030 AND TO ENHANCE LIVES WHILE PRESERVING THE PLANET VIA 17 SUSTAINABLE DEVELOPMENT GOALS (SDG).



**“THE SUSTAINABLE DEVELOPMENT GOALS ARE A NAVIGATION SYSTEM FOR REACHING THE FUTURE WE DESIRE. THEY SERVE AS A COMPASS INDICATING OUR DIRECTION, AND OFFER A MAP FOR MEASURING PROGRESS ALONG THE ROUTE.”**

ERNST LIGTERINGEN,  
CEO GLOBAL REPORTING  
INITIATIVE (GRI) TILL MID-2017



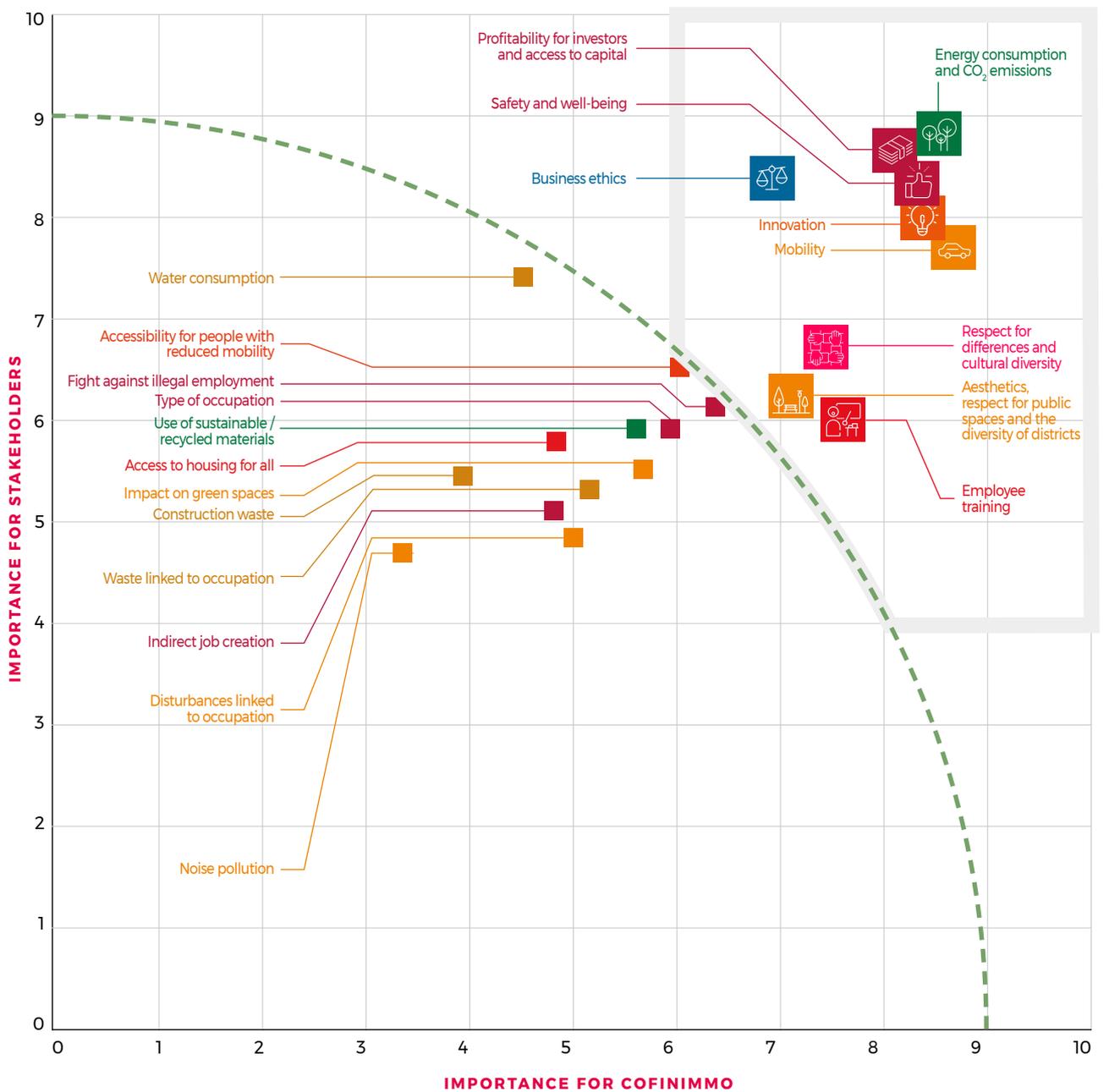
## OUR MATERIALITY MATRIX

Our materiality matrix was established for the first time in 2014, based on the GRI guidelines. It is reviewed and fine-tuned every year. Each point on the matrix represents a sustainable development challenge for our company. Its position on an axis is jointly determined by the perception of our shareholders and the importance of the impacts considered by Cofinimmo in-house.

The upper right area, beyond the green arc, contains the nine priority action fields among the 21 identified in-house.

Certain topics in the materiality matrix are not considered as priority issues and are below the green arc. This does not mean that the Group is not interested, but can be explained by the fact that these topics are mostly subject to fairly strict legislation, forcing companies to address them, irrespective of their perceived importance. For example, we take care of reducing water consumption by means of remote metres, in the same way as we treat energy consumption and CO<sub>2</sub> emissions.

<sup>1</sup> The details of all the 2017 actions and future objectives are included in a dashboard  
➔ see Appendix Dashbord of the 2017 Sustainable Development Report - full version on [www.cofinimmo.com](http://www.cofinimmo.com).



# 3 GOOD HEALTH AND WELL-BEING



**ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES**

**3.4**

BY 2030, REDUCE BY ONE THIRD PREMATURE MORTALITY FROM NON-COMMUNICABLE DISEASES THROUGH PREVENTION AND TREATMENT AND PROMOTE MENTAL HEALTH AND WELL-BEING.”

- UNITED NATIONS -

## OUR ACTION FIELD

### SAFETY AND WELL-BEING

The impact of real estate on the outdoor environment is increasingly well managed. But what about its impact on the indoor environment?

In today's society it is insufficient to guarantee safety in buildings. Expectations have changed and people expect buildings and communities to be tools for well-being where hospitality takes centre stage. This change is promoted by new labels and benchmarks<sup>1</sup>.

It is therefore important that we provide buildings which meet these new expectations. The development of Lounges® and Coffee Corners® is part of this approach.

Sports and wellness centre Uhlenhorst Club - Hamburg (DE)

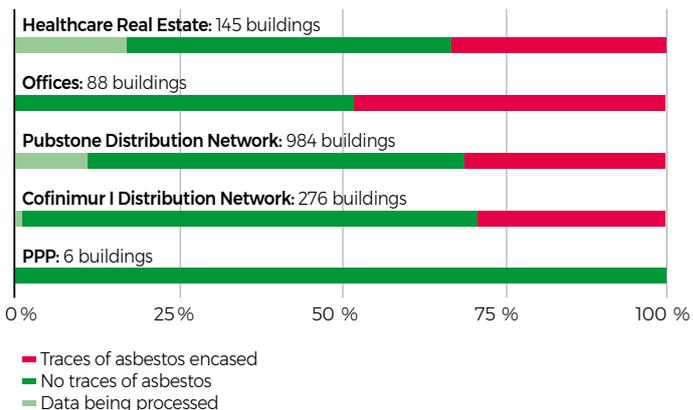


## OUR 2017 PERFORMANCE INDICATORS

### EMPLOYEE WELL-BEING

Absenteeism	2016	2017
Short term	1.2 %	1.6 %
Long term	3.5 %	2.6 %
Work-related accidents	0	4

### ASBESTOS MANAGEMENT IN LEASED BUILDINGS



## OUR 2018 OBJECTIVES



### DATA COLLECTION

Complete asbestos data for the various sectors and gradual clean up.

<sup>1</sup> Cofinimmo took part in the GRESB 'Health and well-being' module for the first time in 2017.

# OUR 2017 ACHIEVEMENTS

## OUR EMPLOYEES

We have always implemented a series of practices to promote the well-being of our employees and the execution of their job under the best conditions. Employees receive, as soon as they take up their position, a welcome package describing all of the practical and safety aspects of the workplace. In 2017, 15 new employees were individually welcomed by the Human Resources manager and the CEO.

There are also discussion forums where employees can share their ideas and/or concerns: monthly lunch meetings, breakfasts with management, working groups on improving internal and inter-departmental communications and workshops on psycho-social risks.

Team building sessions are organised if needed, to enable department members to get to know each other better and, where relevant, identify improvements in the team dynamics. In 2017, four team building sessions were held with 36 participants.

We also pay attention to mental well-being and stress at work. Increased stress at work, very frequent in the business world, can have sad consequences and might lead to burn-out in some people. This type of affliction leads to the prolonged absence of the affected person and a disruption and additional costs for the employer. We raise manager awareness about this topic on a regular basis (one training session with 17 participants in 2017).

We carried out a global survey on ergonomics with our employees in 2017. The ErgoTool<sup>1</sup> questionnaire replies provided feedback on the potential issues caused by a sedentary profession. All screen users were also informed of the danger of prolonged sitting periods.

We also started Pilates gymnastics classes in 2017, which are very popular with our employees. 20 people attended 30 sessions during their lunch time.

We raise our employees' awareness about eating healthy food by providing fruit baskets twice a week and soup in wintertime.

## THE OCCUPANTS OF OUR BUILDINGS

The construction choices and the maintenance quality have an impact on the safety and well-being of occupants. Uncontrolled hazardous materials, non-compliance with safety standards, and improperly adjusted air conditioning equipment can have an impact on the occupants' well-being and health.

We analyse all elements which are likely to have an impact on public health. The presence of asbestos, soil pollution, fire protection measures, etc. are systematically analysed during the due diligence process.

The asbestos risk is monitored closely in the older buildings of the portfolio. Any asbestos found in buildings is encased. In the event of deterioration, these materials are removed following the legal prescriptions ensuring the safety of people.

In 2017, our Environmental Manager organised four round tables with 52 participants to improve the understanding of the real estate legislation applicable in Belgium and the adjacent countries where we are present.

The presence of relaxation opportunities and taking care of oneself on the spot has really become an important criteria in the choice of a building. Yoga, bums & tums and relaxation sessions are held

in our Lounges<sup>®</sup>, in collaboration with the company Easy Day, occasionally followed by a drink or a healthy lunch full of vitamins. The task of the Community Manager, responsible for the Lounges<sup>®</sup>, is to promote actions with a positive impact on the well-being of the occupants of our office buildings.

## OUR SUBCONTRACTORS

Fairness to our suppliers during purchase negotiations and concern for the safety of their staff are important to us. Commercial relationships can only be maintained through the mutual respect of the parties and understanding of their respective concerns and objectives. The outsourcing of building and maintenance activities are coupled with a strict monitoring of these subcontracting works.

Some employees have been trained in safety coordination for large-scale refurbishment works. They identify and implement risks and prevention measures for each work site. We also call on external safety coordinators depending on the workload. Within the framework of calls for tenders, we clearly describe everyone's responsibilities in the requirement specifications and contracts.

Regarding our portfolio maintenance, we equip our buildings with security systems in order to guarantee our suppliers' physical safety (access platforms and anchor points for window-cleaning teams, for example). Subcontractors' services are covered by framework contracts to ensure a mutually beneficial partnership.

<sup>1</sup> The ErgoTool is part of a sustainable vision of well-being at work. It is completed with advice to enable employees to set up ergonomically their computer workstation, to avoid health problems and stay fit and healthy. ErgoTool consists of two parts: e-learning training and a self-assessment about on screen working.

## 4 QUALITY EDUCATION



### ENSURE INCLUSIVE AND QUALITY EDUCATION FOR ALL AND PROMOTE LIFELONG LEARNING

4.4

BY 2030, SUBSTANTIALLY INCREASE THE NUMBER OF YOUTH AND ADULTS WHO HAVE RELEVANT SKILLS, INCLUDING TECHNICAL AND VOCATIONAL SKILLS, FOR EMPLOYMENT, DECENT JOBS AND ENTREPRENEURSHIP”

- UNITED NATIONS -

## OUR ACTION FIELD

### EMPLOYEE TRAINING

Human capital represents a decisive competitive advantage for the quality the company can provide to its customers, in other words, for its economic and societal performances.

In the medium term, we promote professional and personal development at each stage of all our employees' careers.

In the long term, we aim to ensure a career-end, plenty of challenges and free of future concerns.

### OUR 2017 PERFORMANCE INDICATORS

**1.9 %**

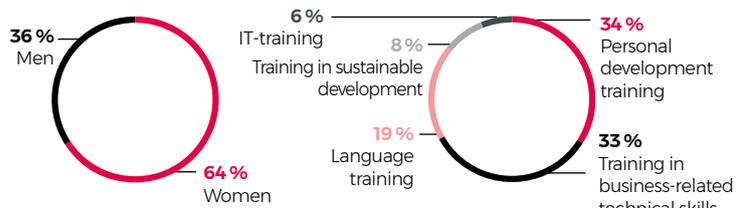
Training budget compared to gross salary total<sup>1</sup>

**4,967 hours**

Cumulative total of training hours<sup>2</sup>

**85 %**

Employees who attend one or several training courses



**47.5 %**

University graduates

**35 %**

Post-university graduates

### OUR 2018 OBJECTIVES



#### TRAINING

Continued training for employees and team leaders



#### ACADEMY

Summer Academy / Language Academy – 2018 edition



#### TRAINING

New types of training: webinars, e-learning, tutorials



#### INVESTORS IN PEOPLE

Renewed label and gold level acquisition

<sup>1</sup> It is important, however, to note that Belgian legislation has evolved in this respect. Companies are now required to provide an average of five training days per employee rather than a percentage of the salary total.  
<sup>2</sup> Of which 700 hours of individual or team coaching.



**“INVESTING IN OUR EMPLOYEES ALLOWS US TO BENEFIT FROM THEIR INCREASED EFFECTIVENESS AND COMMITMENT AND OPENS THE WAY TO EXCELLENCE”**

CHANTAL CABUY –  
CHIEF HUMAN RESOURCES OFFICER



## OUR 2017 ACHIEVEMENTS

### OUR INVESTORS IN PEOPLE (IiP) LABEL

This label is widespread in the world, especially in Anglo-Saxon countries, but also in Flanders. Since 2006, we have been among a group of fewer than ten companies to be awarded the label in the Brussels-Capital Region<sup>1</sup>. Its renewal every three years since then allowed us to position ourselves in the market as a company with a trustworthy management which operates in accordance with our corporate values. It highlights the fact that we invest in our employees and that we are listening to them. Such certification also allows us to attract new talent, potentially interested in our sustainable approach.

### GOLD LEVEL

IiP reviews its approach on a regular basis to ensure that it is always as close as possible to current company operations and employee expectations. In 2017, we continued to implement all measures required to ensure the label's renewal in 2018. Therefore, we will be evaluated in three ways.

#### Leading

Managers play a central role in the company culture and must provide support to employees to ensure their unfailing commitment. They must have foresight in a complex environment. The task is becoming increasingly difficult. Managers are always expected to do more, often in less time and, sometimes, with fewer resources.

<sup>1</sup> No companies have yet received the label in Wallonia.



**Supporting**

Organisations are facing constant changes and employees are expected to be more and more flexible. Flatter and more 'supportive' organisations are able to implement decisions faster and with more client focus. This implies confidence, autonomy and accountability, as well as recognition!

**Improving**

The new world of work requires creative and innovative approaches to the development of people and products.

liP expects companies to make its motto 'Being better tomorrow than we are today' theirs.

The bar is set (very) high to obtain the Gold-level label, but we have been fully committed to it since 2015, i.e. the last time we were awarded the label.

**OUR CONTINUING EDUCATION POLICY FOR EMPLOYEES AND TEAM LEADERS**

We offer to all our employees the same training and development opportunities, and do not discriminate in any way whatsoever.

We are motivated by our desire to ensure that each person is ready at all times for a new position within Cofinimmo or elsewhere and that their expertise aligns with market requirements. We also promote from inside whenever possible.

Five areas of training are emphasised: business-related technical skills, sustainable development, languages, IT and personal development.

Training courses are selected jointly by the employee, their manager and Human Resources. They take into account the advances made by the competition and the sector, the development needs of the teams, new trends and the potential for assuming a higher-level position. We encourage all employees with potential to train in leadership and people management skills.

During the slower summer period, employees can attend a Summer Academy to refresh or improve their Word, Excel, Outlook, PowerPoint, Access and LinkedIn skills.

In 2017, we launched the 'Language Academy' simultaneously with an external partner. It provides employees at the same level with the opportunity to spend three days in an intensive course, in groups of three or four, improving their Dutch, French, English or German.

The opportunity to refresh knowledge

and acquire new skills within a limited timeframe has been very successful with employees. This type of approach is a win-win for both employees and the employer.

2017 was also the year during which we studied new training trends which enable employees to manage their time individually and more efficiently and avoid having to free up at least a half-day at a scheduled date. Starting in 2018, employees will be able to register for e-learning sessions. These will include webinars and tutorials on various topics such as pivot tables, meeting management, etc.

Team Managers (in place or potential) are provided with (individual and/or group) leadership and people management development courses to improve their understanding of the different, and very specific, aspects of this position. In addition to in-depth knowledge, the position requires behaviour and approaches that will motivate and increase the commitment of their reports.

These opportunities are provided equally to all employees, regardless of the country in which they are operational. They are in line with our 'Diversity' and 'Investors in People' label commitments.

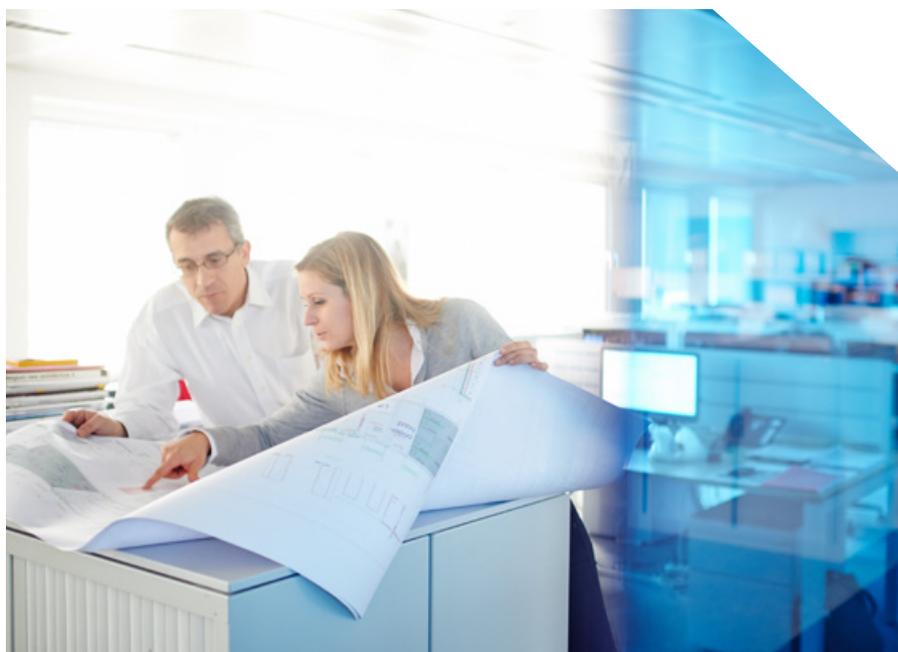
## OUR REMUNERATION POLICY

The salary envelope we offer our employees is based on identical criteria for every employee and takes into account an objective classification of job duties. It includes an insurance plan, a profit-sharing scheme and, since 2009, a non-recurring bonus tied to company results.

Given the issues of traffic jams and the work/private life balance, our employees have voiced their need to optimise the use of their time. In order to meet this request and enable them to work effectively from a remote location one day a week, we have offered them with IT solutions (high-end portables, suitable telephone equipment) and added an Internet subscription to their salary package.

This is in addition to the other extra-legal benefits they already enjoy (company car, group insurance, hospitalisation and outpatient insurance, meal vouchers, eco-checks, medical check-ups, Pilates classes, fresh fruit baskets, mobile phones, tablets, option plans, etc.).

We look to the same talent pool as other BEL20 companies in our search for highly qualified employees. However, most of those companies are much larger than we are, given that we are about the size of a SME. In addition to our dynamic culture and shared values we therefore pay close attention to alternative forms of remuneration to ensure the loyalty of the next generation of employees (profit-sharing schemes, non-recurring bonuses based on results, etc.).



## 7 AFFORDABLE AND CLEAN ENERGY



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

7.3

BY 2030, DOUBLE THE GLOBAL RATE OF IMPROVEMENT IN ENERGY EFFICIENCY.\*

- UNITED NATIONS -

## OUR ACTION FIELD

### ENERGY CONSUMPTION AND CO<sub>2</sub> EMISSIONS

The real estate sector is responsible for 40% of all CO<sub>2</sub> emissions in Europe. The energy performance of our portfolio's buildings must be optimal in order to limit their CO<sub>2</sub> emissions resulting from their use.

Starting in 2020, all new buildings in Europe must meet passive standards. This creates an opportunity for Cofinimmo to proactively differentiate itself by anticipating the legislation. Better energy performing buildings are marketingwise more attractive. They offer occupants both more comfort and lower charges.

### OUR 2017 PERFORMANCE INDICATORS



CO<sub>2</sub>-EMISSIONS



ELECTRICITY CONSUMPTION



GAS CONSUMPTION AT CONSTANT CLIMATE

Like-for-like change between 2016 and 2017

**-3.6%**

**-3.0%**

**5.1%**

Change at Cofinimmo's head office between 2016 and 2017

**-0.6%**

**-1.5%**

**9.7%**

### OUR 2018-2022 OBJECTIVES



**9** buildings

Equipping of the remaining multi-tenant buildings with remote meters.



**6.05%**

Renovation of the portfolio (new constructions and acquisitions excluded).



**1,501 MWh/year**

Estimated potential of the installation projects of photovoltaic production units (420 MWh/year in the Brussels-Capital Region and 1,081 MWh/year in the Netherlands)



**30%**

office spaces covered by a Green Charter<sup>1</sup>.

<sup>1</sup> Sustainable collaboration agreement between Cofinimmo and the tenant.

# OUR 2017 ACHIEVEMENTS

## MEASURE

Energy reduction starts with an increased knowledge of the portfolio. We therefore gradually improve the consumption records of our buildings' equipments. The action plan implemented since 2013 reaches its final phase with the equipment with remote meters in 45 of 57 buildings. These meters connect equipment to an energy accounting software. Consumption data of all common areas managed by Cofinimmo, as well as private consumption data voluntarily provided by tenants (for example the electricity consumption of 80 % of the healthcare portfolio) are collected in this software.

All energy consumption and CO<sub>2</sub> emission results are available in the **Appendix 2017 Key Performance Indicators<sup>1</sup> of the 2017 Sustainability Report - full version** (see [www.cofinimmo.com](http://www.cofinimmo.com)).

## AVOID

Avoiding consumption by redevelopment or large-scale refurbishment of our portfolio (1,1 % of the total portfolio in 2017) is in our profession the main way to actively participate in global efforts to reduce greenhouse gases. We strive to go as far as possible in terms of energy efficiency, often beyond legal requirements, where economically viable. As part of our sustainable approach, we completed 74 interventions in the distribution network segment in 2017.

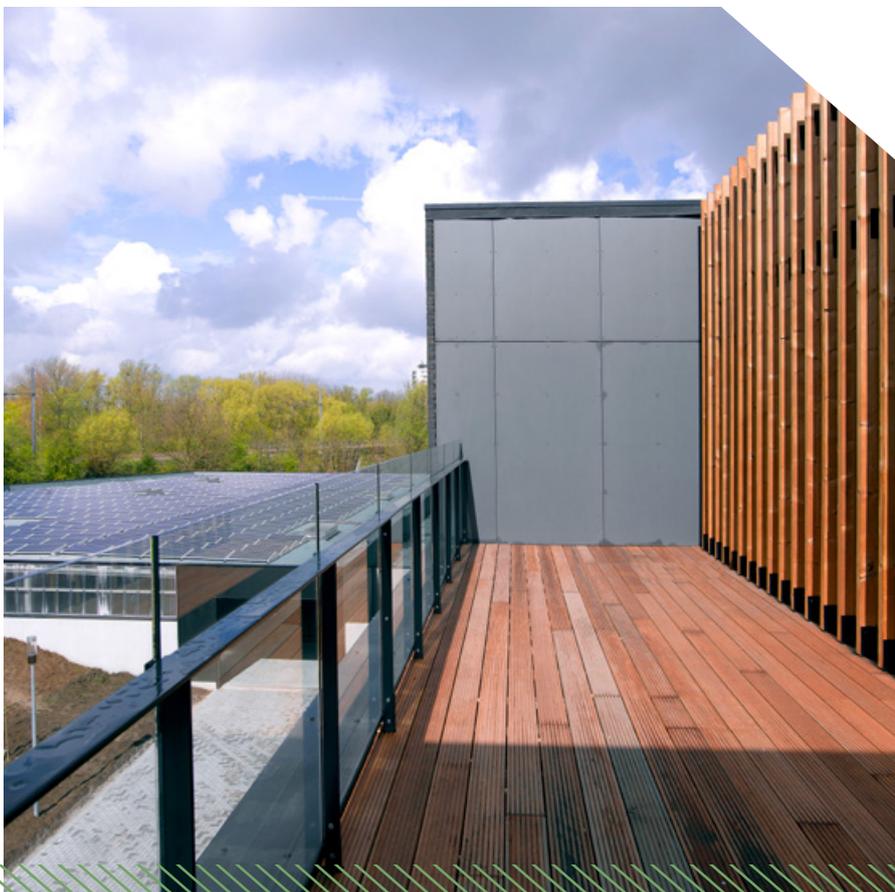
## RENEWABLE SOURCE

Minimal energy consumption will always be necessary. The global goal is to increase the share of renewable energy. In 2017, we deepened our knowledge of photovoltaic panels installed in the portfolio: nine buildings together produce 1 GWh/year. We use all of the energy produced. However, legal constraints do not facilitate production expansion without becoming an energy supplier<sup>2</sup>. Photovoltaic projects are, therefore, implemented under a 'third-party investor' scheme. The mechanism releases us of all responsibility as an energy supplier and enables us to enhance unusable areas for other activities. A study for the potential installation of photovoltaic panels in the healthcare real estate segment in Brussels revealed only two assets of interest. A study of the potential in the Netherlands is in progress.

## REDUCE

The consumption reduction approach differs for each segment. In the office segment, we are often involved in both the construction/refurbishment phase and in the day-to-day management of a majority of buildings. This enables us to influence energy consumption as of the building's occupation. At 31.12.2017, 34 tenants had signed a Green Charter, covering 133,033 m<sup>2</sup>, i.e. 20 % of the office portfolio. In other segments, our involvement is limited to raising tenants' awareness. Building occupants are responsible for their own energy consumption management. Cofinimmo's involvement is sometimes limited to the level of data exchange.

Police station - Termonde/Dendermonde (BE)



<sup>1</sup> Cofinimmo adopted the performance indicators recommended by the European Public Real Estate Association (EPRA). The 28 indicators, correspond to 21 Global Reporting Initiative (GRI) standards. They provide a very clear picture of the performance of different buildings from year to year.  
<sup>2</sup> In addition, in Belgium, only the subsidy system in Brussels is favourable to this type of installation.

## 8 DECENT WORK AND ECONOMIC GROWTH



### PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

8.2

ACHIEVE HIGHER LEVELS OF ECONOMIC PRODUCTIVITY THROUGH DIVERSIFICATION, TECHNOLOGICAL UPGRADING AND INNOVATION, INCLUDING THROUGH A FOCUS ON HIGH-VALUE ADDED AND LABOUR-INTENSIVE SECTORS.”

- UNITED NATIONS -

## OUR ACTION FIELD

### PROFITABILITY FOR INVESTORS AND ACCESS TO CAPITAL

Profitability is essential to allow our company to assume its responsibilities and pursue its activity. It measures both the efficiency and the value that clients grant to Cofinimmo's products and services. It determines the allocation of resources and preservation of the investments which condition its development and the production of its services. We cannot fully assume our economic and social role if profits are insufficient or our financial base is fragile.

### OUR 2017 PERFORMANCE INDICATORS

**93.26 EUR**

Net asset value per share (at fair value)

**1.9 %**

Average cost of debt

**6.53 EUR**

Net result from core activities per share

**5.50 EUR**

2017 gross dividend payable in 2018 per ordinary share

### ECONOMIC VALUE GENERATED AND DISTRIBUTED IN 2017

ECONOMIC VALUE GENERATED (X 1,000 EUR)

+ **210,899 EUR**  
Customers

- **25,407 EUR**  
Suppliers of goods and services

= **185,492 EUR**  
Value added

ECONOMIC VALUE DISTRIBUTED (X 1,000 EUR)

- **19,566 EUR**  
Personnel

- **120,502 EUR**  
Shareholders

- **30,552 EUR**  
Financial expenditure

- **5,791 EUR**  
Public sector

- **171,477 EUR**  
Total economic value distributed (X 1,000 EUR)



**9,080 EUR**

Economic value retained within the Group (x 1,000 EUR)

### OUR 2018 OBJECTIVES



#### DIVERSIFICATION

Diversification of financial resources



#### CAPITAL MARKETS

Regular recourse to capital markets

**45 %**

Approximate debt ratio



#### DURATION AND COST OF DEBT

Optimisation of the duration and cost of financing

**5.50 EUR**

Gross 2018 dividend payable in 2019 per ordinary share

Our status as a Regulated Real Estate Company (RREC) offers the general public the opportunity to invest indirectly in real estate. Transaction and management costs are considerably lower than for direct investments in property.

Cofinimmo's share must contribute to the wealth of our shareholders and investors. This entails the distribution of a high and consistent dividend and preservation of the capital invested.

We must also have access to financial resources at the lowest possible cost and sufficiently diversified to reduce refinancing risk at maturity and guarantee the invested capital maintenance.

### **DIVERSIFICATION OF FINANCIAL RESOURCES**

To avoid risk concentration, we diversify not only the asset types and countries in which we invest but also our financial resources. We finance our investments with bank loans, 'traditional' bonds (non-convertible), convertible bonds, Green & Social Bonds and long- and short-term commercial paper. In addition, we work closely with about ten high-quality banking partners.

### **REGULAR RECOURSE TO CAPITAL MARKETS**

We use several fund raising methods: capital increases, optional dividends in shares, sales of treasury shares, contributions in kind, issues of preference shares, 'traditional' bonds (non-convertible), convertible bonds and Green & Social Bonds.

#### **Nursing and care home Zonneweelde - Rijmenam (BE)**



### **DEBT RATIO CLOSE TO 45 %**

Although our RREC legal status allows a debt ratio of maximum 65 % and banking agreements allow a ratio of maximum 60 %, our policy is to maintain a debt ratio close to 45 %.

This choice was not made by chance: it takes into account the long weighted average residual length of our leases and the high returns on our buildings. It also includes cautious interest rate hedging measures.

### **OPTIMISATION OF THE DURATION AND COST OF FINANCING**

We actively manage our financial resources by refinancing maturing debt at least one year in advance. We carefully optimise the cost of debt by paying attention to the diversification of our financial resources and the average maturity of our debt.

As floating rate is part of our debt, we are exposed to the risk of rising rates, which could deteriorate our financial result. We therefore partially hedge our floating rate debt with Interest Rate Swaps (IRS). The goal is to secure about 80 % of the overall debt (at fixed and floating rates) for the next five years, and 50 % thereafter.

## **OUR 2017 ACHIEVEMENTS**

- **Optional dividend in shares**  
As a result of the offer to pay the 2016 dividend in new ordinary shares, Cofinimmo's shareholders chose to reinvest a total of 41 % of their dividends in new shares, thus allowing the company to increase its capital by 33.2 million EUR  
(➔ **see also our press releases of 10.05.2017 and 01.06.2017 on [www.cofinimmo.com](http://www.cofinimmo.com)**).
- **Renewal of several credit lines for a total amount of 303 million EUR.**
- **Extension of the maturity of a 300 million EUR syndicated loan**
- **New Interest Rate Swaps for the period 2023-2025**
- **Green & Social Bonds**  
At the end of 2016, we collected 55 million EUR from the issue of Green & Social Bonds. In 2017, all of the funds were allocated to projects contributing positively to sustainable development, in a proportion of 50 % to offices with BREEAM or BREEAM In-Use certification (minimum 'Very Good' level) and 50 % to healthcare assets for the housing of vulnerable or dependent people requiring specific care.

Details regarding the strengthening operations of our financial resources are described on the **pages 86-89 of the 2017 Annual Financial Report** (see ➤ [www.cofinimmo.com](http://www.cofinimmo.com)). A detailed Green & Social Bonds report is included in the **Appendix Innovative use of Green & Social Bonds to the 2017 Sustainability Report - full version** (see ➤ [www.cofinimmo.com](http://www.cofinimmo.com)).

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



### BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

9.1

DEVELOP QUALITY, RELIABLE, SUSTAINABLE AND RESILIENT INFRASTRUCTURE, INCLUDING REGIONAL AND TRANSBORDER INFRASTRUCTURE, TO SUPPORT ECONOMIC DEVELOPMENT AND HUMAN WELL-BEING, WITH A FOCUS ON AFFORDABLE AND EQUITABLE ACCESS FOR ALL."

- UNITED NATIONS -

## OUR ACTION FIELD

### INNOVATION

As a major Belgian property owner, we are trying to be visionary and to stimulate the debate on future real estate needs. We integrate to the best of our abilities major societal trends in our strategy to avoid accelerated obsolescence of our buildings and preserve our economic sustainability. Innovative solutions are a must to create new growth opportunities and ensure sustainability of the current portfolio.

### OUR 2017 PERFORMANCE INDICATORS



**4**  
new Flex Corners®



**1**  
new Lounge®

**1,200** m<sup>2</sup>  
of new  
multifunctional  
space



**18**  
new shared meeting  
rooms



**1**  
new equipped  
roof-top terrace



**6** pubs  
temporarily available for  
residential use

### OUR 2018 OBJECTIVES



#### FLEX CORNER®

New Flex Corner® in the Arts/Kunst 46 building (Brussels Leopold district) and extension of the Flex Corners® at Park Hill (Brussels Periphery) and Omega Court (Brussels Decentralised).



#### THE LOUNGE®

Ongoing marketing of the Lounges® meeting rooms at Park Lane and The Gradient and opening of the Park Lane's restaurant.



#### INNOVATION

Further implementation of new innovative prototypes.



#### RENOVATION

Further refurbishment of the Quartz building (formerly Arts/Kunst 19H) using BIM software.



#### BIG DATA

Continuing use of big data.

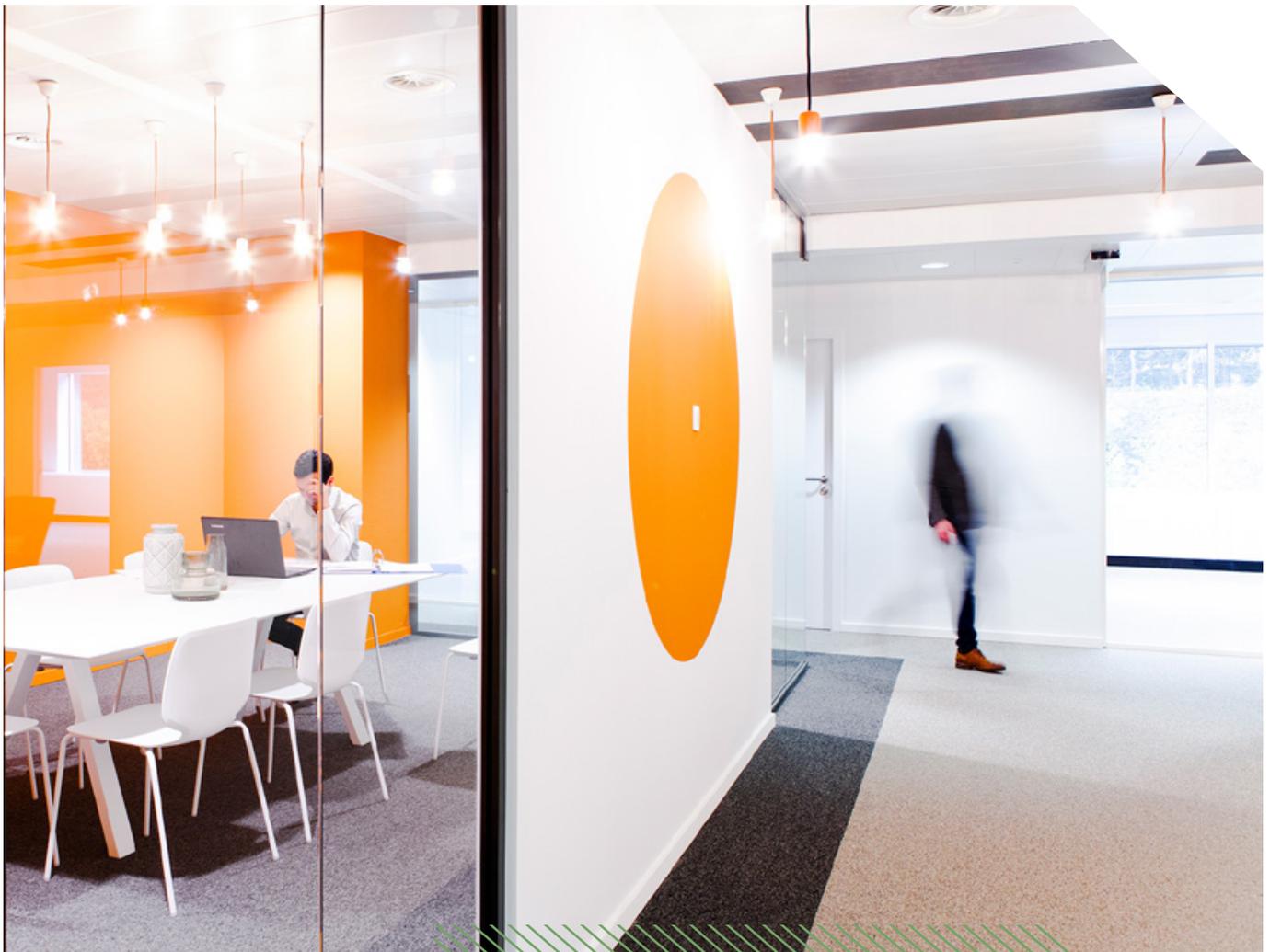
## OUR 2017 ACHIEVEMENTS

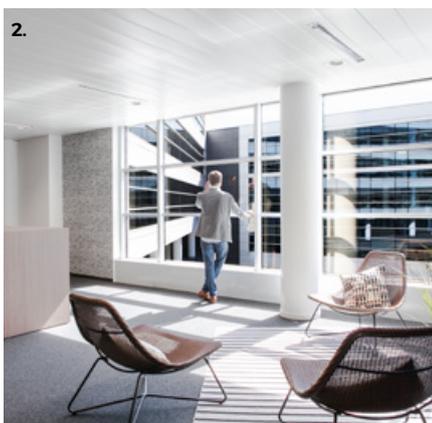
We periodically set up workgroups of a dozen of in-house people in order to think on how to implement new identified societal trends. These groups feed their research through meetings with visionaries in fields that might influence tomorrow's real estate (mobility, urban agriculture, smart cities & buildings, the digital revolution, big data, etc.). Taking into account new construction techniques and new, more sustainable technologies, they submit various proposals in line with the needs of clients-tenants in order to reduce the portfolio's rental vacancy, to extend the office buildings' life cycle and to facilitate their operation. A first think-tank was active at the end of 2014, early 2015. Four of this group's ideas led to real projects.

A second group was set up at the end of 2016, early 2017. The first prototypes of the selected ideas are under development.

However, innovation is not exclusive to these special workgroups. It also emanates from the company's various departments. Tools are provided to all employees. In 2016, in search of solutions, a digital exchange site was implemented to enable all employees to share their ideas or present the challenges they face.

**Flex Corner® - Office building Souverain/Vorst 36 - Brussels Decentralised (BE)**





1. **The Lounge® - Office building Park Lane - Brussels Periphery (BE)**
2. **Flex Corner® - Office building Omega Court - Brussels Decentralised (BE)**
3. **Flex Corner® - Office building Souverain/Vorst 36 - Brussels Decentralised (BE)**

## OUR INNOVATIVE CONCEPTS

### FLEX CORNER®

The Flex Corner® concept provides maximum flexibility. It consists of a set of small office spaces of various sizes combined with shared facilities (kitchenette, lounge and several meeting rooms of different capacity). The office spaces are pre-cabled and basic amenities, such as carpeting, are already installed. Tenants can call on our expertise to finalise their private office areas. Shared meeting rooms are available proportionally to the size of the leased surfaces and can be booked via a reservation system from the client's computer or from a screen near the rooms.

The minimum lease length is one year, but can be adjusted to the tenant's needs, via a 'Custom your lease®' option and suitable contractual conditions. Tenants receive a monthly invoice which includes the rent, taxes, and a set amount for shared charges (electricity, maintenance, Wi-Fi and the use of meeting rooms).

In 2017, four new Flex Corners® were created in Park Hill, Bourget 42, Omega Court and Souverain/Vorst 36 and the existing Flex Corner® in Paepsem Business Park was expanded. Eight office buildings are now equipped with this type of facilities.

### THE LOUNGE®

These are modern, multifunctional spaces comparable to airport VIP lounges. They are fitted in such way one can work, meet or relax there. The concept meets the needs of changing work habits which are becoming more flexible and mobile, such as co-working and teleworking. They reflect the growing connectivity between people and objects and meet the increased need for flexible and diverse living spaces at work.

We opened the first Lounge® in December 2016 at Park Lane Business Park in Diegem (BE). In 2017, a second Lounge® was opened in The Gradient building on Avenue de Tervuren 270 at 1200 Brussels. These two Lounges® represent together a total surface of 1 600 m<sup>2</sup> and comprise shared spaces, brainstorming areas, a number of different alcoves, multimedia meeting rooms of different capacity and relaxation areas (library, table football).

Catering facilities are also on site. The Gradient Lounge® has a sandwich shop and catering service. The Park Lane site will have a brand-new restaurant in 2018.

The Lounges® are managed by our Community Manager, a real orchestra conductor, who is responsible for ensuring the proper functioning of the spaces, but also promoting networking between tenants and organise events to create gradually a community spirit among the customers. Renting all or part of the Lounges® for corporate events (product launches, seminars, year-end activities, etc.) is also possible.

The goal is to gradually create a network of Lounges® at the Brussels' entrance roads.

## ROOF-TOP TERRACES AND OFFICE BUILDINGS' SURROUNDINGS

In 2017, we continued the gradual fitting out of some roofs and gardens to provide outdoor rest areas for the occupants of our buildings. The roofs are also used for marketing purposes.

## TEMPORARY USE OF VACANT PREMISES

As soon as a rentable surface becomes available, and while waiting for a new tenant, we analyse the possible temporary disposal of the premises for an alternative use to the building's primary purpose. This practice is most common in the portfolio of pubs and restaurants in the Netherlands.

Six vacant pubs were used for housing in 2017.

Office building Brand Whitlock 87 - Brussels Decentralised (BE)



## BIG DATA

Big data consists of all information available in both internal and external databases, such as social media, public statistics databases, etc.

By using external data and cross-referencing them with our own databases, we aim to improve our predictive models for important strategy issues (i.e., the evolution of our client portfolio).



Office building Paepsem Business Park - Brussels Decentralised (BE)

## 10 REDUCED INEQUALITIES



### REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

#### 10.2

BY 2030, EMPOWER AND PROMOTE THE SOCIAL, ECONOMIC AND POLITICAL INCLUSION OF ALL, IRRESPECTIVE OF AGE, SEX, DISABILITY, RACE, ETHNICITY, ORIGIN, RELIGION OR ECONOMIC OR OTHER STATUS.”

- UNITED NATIONS -

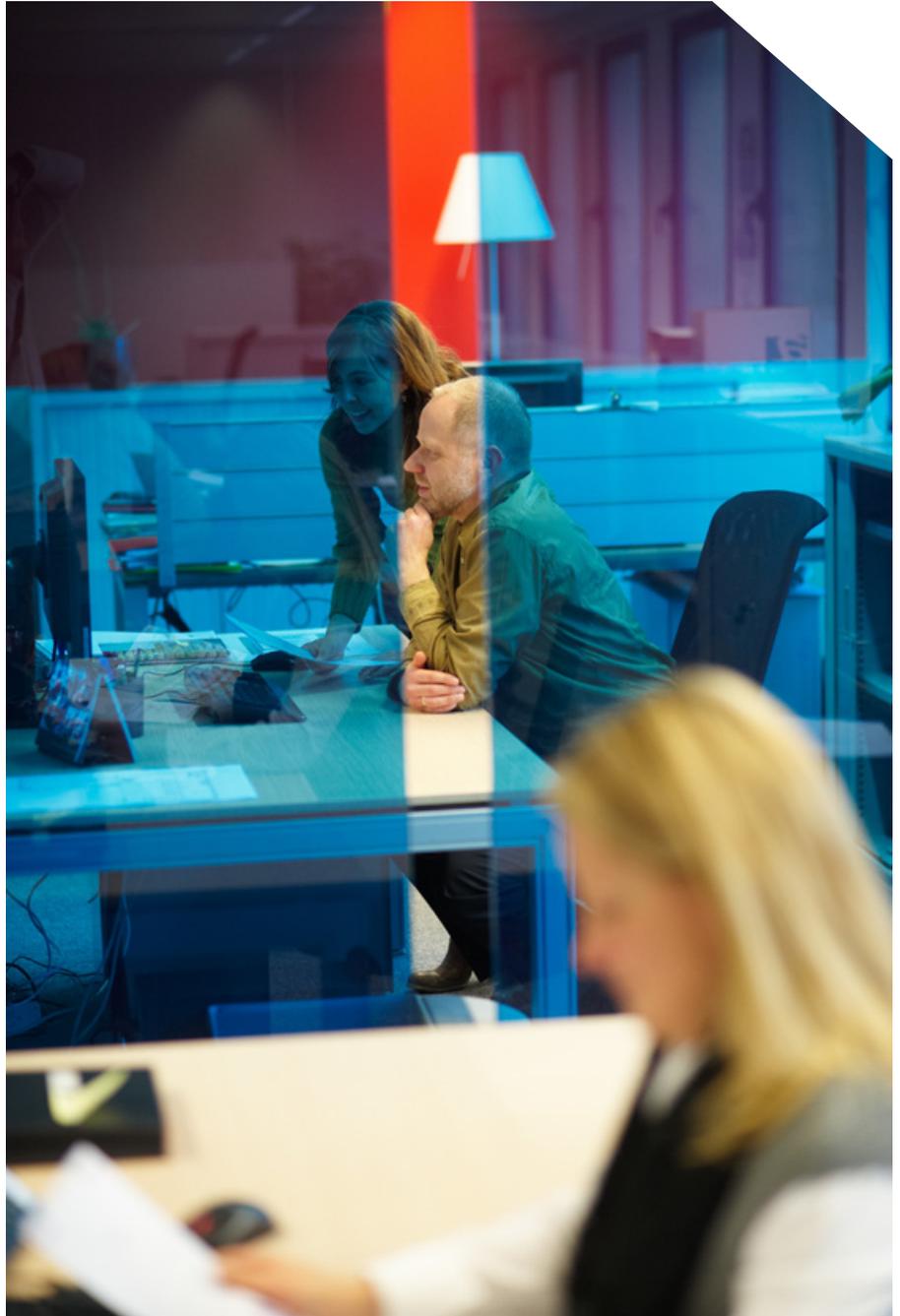
## OUR ACTION FIELD

### RESPECT FOR DIFFERENCES AND CULTURAL DIVERSITY

We are firm believers in the added value of diversity (cultural, generational, linguistic, gender, etc.) for both the company and the community. Equality is a fundamental value for democracies.

We have been awarded the 'Diversity Label' for more than ten years. It confirms our continuous in-depth commitment, reflected in the recruiting, personnel management and external positioning of our company.

Diversity allows to widen the points of view, to improve the richness of exchanges between people and to release innovative solutions in the various activities.



## OUR 2017 PERFORMANCE INDICATORS

	Independent members/total	Gender equality in % 		Age in % 		Internationalisation in %	Background in %		
		Men	Women	30-50 years	> 50 years		Financial	Real Estate	Industrial or other
Board of Directors	<b>8/12</b> (67%)	<b>58 %</b>	<b>42 %</b>	<b>17 %</b>	<b>83 %</b>	<b>33 %</b>	<b>25 %</b>	<b>42 %</b>	<b>33 %</b>
Executive Committee	<b>n/a</b>	<b>75 %</b>	<b>25 %</b>	<b>50 %</b>	<b>50 %</b>	<b>25 %</b>	<b>25 %</b>	<b>50 %</b>	<b>25 %</b>
Audit Committee	<b>3/3</b> (100%)	<b>33 %</b>	<b>67 %</b>	<b>0 %</b>	<b>100 %</b>	<b>33 %</b>	<b>67 %</b>	<b>33 %</b>	<b>0 %</b>
Nomination and Remuneration Committee	<b>4/4</b> (100%)	<b>75 %</b>	<b>25 %</b>	<b>0 %</b>	<b>100 %</b>	<b>50 %</b>	<b>0 %</b>	<b>25 %</b>	<b>75 %</b>

**14**  
**MANAGERS**

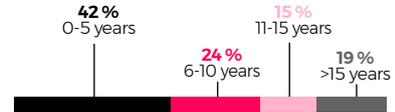
**133**  
**EMPLOYEES**



Gender equality



Seniority



Age



Nationality



Background



## OUR 2018 OBJECTIVES



Continue to **improve the M/F ratio**.



Focus on **recruiting young people** via our presence at university employment days and offering **traineeships to students** during their studies



Assess other ways to **hire persons with disabilities, including persons with reduced mobility and hearing or visually impaired persons** via specialised non-profit associations.

# OUR DIVERSITY POLICY

## OUR BOARD AND ITS COMMITTEES

The diversity of our Board of Directors is reflected both in the significant presence of women and the presence of three different nationalities. By this selection the Board can increase its knowledge about the different countries in which we operate.

## OUR MANAGEMENT

We are one of the few Belgian real estate companies with such a high female presence. For many years, the majority of our employees are female. Many of them have management positions in both operational and support teams (Human Resources, Accounting, Finance, Investor Relations, Treasury, etc.).

All employees are offered flexibility in their working life. Mainly young women exploit this flexibility.

The potential career development and growth within the company remains unchanged for women returning from maternity leave, as promotions are based on talent and skill recognition, regardless of their origin. Only these profiles will be able to efficiently assume the role of manager-coach.

## OUR EMPLOYEES

Diversity management is an integral part of Human Resources Management (access to training, coaching and stress management, knowledge transfer, etc.)

Equality, also demonstrated by the regular renewal of our Investors in People label, is present in every field and at all levels.

Our employees have a mixed cultural background. This stimulates internal creativity and improves team performances. Generational diversity gathers wisdom and innovation and results in replicable solutions.



**“THE MAIN GOAL OF GOVERNANCE IS TO ACHIEVE QUALITY, DEVELOPMENT AND SUSTAINABILITY. THE HIGHEST DEGREE OF MANAGEMENT QUALITY CAN BE ACHIEVED THROUGH DIVERSITY. THE BOARD OF DIRECTORS’ COMPOSITION MUST REFLECT THIS DIVERSITY BY THE PRESENCE OF BOTH WOMEN AND REPRESENTATIVES OF THE DIFFERENT COUNTRIES IN WHICH COFINIMMO OPERATES. THE CHAIRMAN’S ROLE IS, AMONG OTHER THINGS, TO ENSURE THE BOARD’S COMPOSITION AND THAT DISCUSSIONS WITHIN THE BOARD REFLECT THIS DIVERSITY. EVERYONE HAS SOMETHING TO SAY AND EXPERIENCE TO OFFER.”**

JACQUES VAN RIJCKEVORSEL -  
CHAIRMAN OF THE BOARD OF DIRECTORS

Medical Office Building Strijp Z - Eindhoven (NL)





Office building Souverain/Vorst 24 – Brussels Decentralised (BE)

## OUR 2017 ACHIEVEMENTS

### RECRUITMENT

In 2017, we recruited 11 new colleagues in Belgium, two in France and two in the Netherlands. Two of them are young, two are over 50 years and two are over 60 years.

We have a diversified talent vision, open to all profiles.

Our performances in terms of sensitive ratios (age, origin, etc.) are improving from year to year.

### PERSONNEL MANAGEMENT

Any new employee receives at his arrival a presentation of our Diversity Charter, which is part of the welcome file.

### COMMUNICATION

Today, our external communication regarding our involvement in diversity is primarily exposed in documents like the Annual Financial Report, the Sustainability Report and our website.

At the same time, we pay attention to internal communication and we share with all our stakeholders an open approach.

And above all, we succeed in creating among our employees a shared will to be involved and always perform better...

## 11 SUSTAINABLE CITIES AND COMMUNITIES



“MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

11.3

BY 2030, ENHANCE INCLUSIVE AND SUSTAINABLE URBANISATION AND CAPACITY FOR PARTICIPATORY, INTEGRATED AND SUSTAINABLE HUMAN SETTLEMENT PLANNING AND MANAGEMENT IN ALL COUNTRIES.”

- UNITED NATIONS -

## OUR ACTION FIELD

### AESTHETICS, RESPECT FOR PUBLIC SPACES AND DIVERSITY OF DISTRICTS

Given our position as property landlord and investor, we are able to influence the aesthetics and diversity of districts through our investment and construction choices, even though they are first based on economic considerations.

Sustainable development of cities is based on urban balance. Offices, residential buildings, shops and green spaces must coexist and single-purpose districts must gradually disappear.

Through reallocation of some vacant office buildings, we can re-establish diversity in neighbourhoods from design stage on and improve our buildings' attractiveness.

The buildings' architectural aesthetics are a source of satisfaction for their occupants and contribute to the brand image of the companies located there. We are striving for urban beauty and harmony by promoting the construction of iconic buildings.



Office building Quartz (formerly Arts/Kunst 19H) - Brussels Leopold district (BE)

### OUR 2017 PERFORMANCE INDICATORS



**5,496 m<sup>2</sup>**  
renovated/built  
in the office sector



**14,700 m<sup>2</sup>**  
renovated/built in  
the healthcare real  
estate sector

### OUR 2018 OBJECTIVES



#### OFFICES

Start of a large-scale refurbishment of the Quartz building (formerly Arts/Kunst 19H)

Delivery of the redevelopment works of the Belliard 40 building



#### HEALTHCARE REAL ESTATE

Delivery of refurbishment and extension works of the buildings Zonnewende (Aartselaar - BE), Bismarckpark (Gelsenkirchen - DE), Seniorenzentrum Brühl (Chemnitz - DE) and Domaine de Vontes (Évres-sur-Indre - FR)

# OUR 2017 ACHIEVEMENTS

## RECREATE DIVERSITY IN NEIGHBOURHOODS

### BELLIARD 40

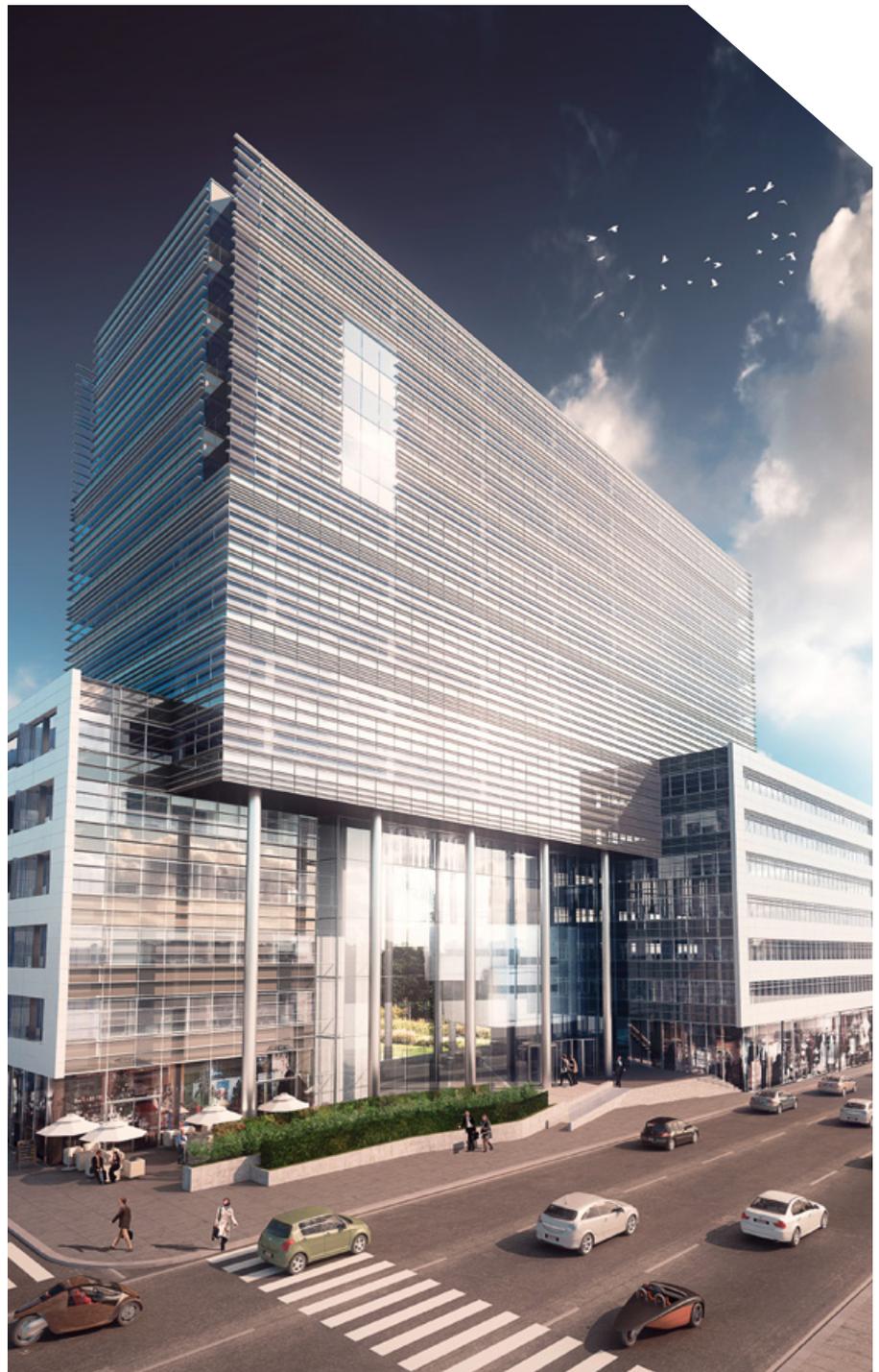
We started the last phase of this redevelopment project in the **CBD district** in 2017. Even before delivery of the works, scheduled for the first quarter of 2018, 66 % of its office surfaces is already pre-let. This is thanks to the high-end standards, environmental added value and the design of the building which the Brussels-Capital Region has recognised as an exemplary building ('Bâtiment exemplaire').

The architects wanted to create living and work spaces in which the quality of natural light, air and materials is most important.

For the first time, at this location, a green public area has been created at the front of a building. It considerably changes the appearance of a section of Rue Belliard/Belliardstraat, a heavily trafficked Brussels main road. The complex brings architectural renewal thanks to its unique structure which consists of a block on top of two others and a transparent, five-story atrium which will enable passersby to see from the esplanade along the building the interior garden at the back.

In addition, in line with the Brussels-Capital Region's plan to create diversity and make the Leopold district more dynamic, 17 housing units (1,370 m<sup>2</sup>) will be let in the complex.

Office building Belliard 40 - Brussels Leopold district (BE)





Pub/restaurant Cheval Marin – Brussels Centre (BE)



Nursing and care home Vivalys (formerly Woluwe 106-108) – Brussels Decentralised (BE)

### VIVALYS

A decreasing demand for offices in the **decentralised area of Brussels** made us opt for the conversion of the Woluwe 106-108 building into a nursing and care home. The works were delivered at the end of 2017. The new nursing and care home Vivalys with 151 beds will be operational as of the first quarter of 2018.

The conversion of this kind of building, rather than its demolition/reconstruction, allows considerable energy savings over the asset's life cycle since its initial construction.

We decided to keep the architectural concrete for the left and right wings, which was typical of office buildings in the 1980s, and to create a new central area in glass and aluminium to give the overall building a contemporary look. The parking lot at the back of the building has been converted into a garden for the future residents.

### CHEVAL MARIN

This building is located Rue Marché aux Porcs/Varkensmarktstraat 25-27 in Brussels, in a **capital city centre** district between the Grand'Place/Grote Markt and the Canal/Kanaal. It previously housed a port operations facility. The entire building has been listed since 2002. We acquired it recently, after it had been abandoned for 20 years, for a restoration and long-term lease to AB InBev.

In order to restore its past glory and provide the technical equipment required to ensure that it meets safety and comfort standards, we turned to specialised tradespeople and very scarce artisans.

The refurbishment project, which was finalised in November 2017, in a record time of 14 months, was intended to restore the ground floor's retail assignment and to avoid vacancy on the upper floors. We therefore created two high-quality flats.

Through this type of refurbishment we can contribute, even in the distribution network segment, to the revitalisation of some urban districts where we own properties and to the upgrading of town centres.

## IMPROVE THE BUILDINGS' ATTRACTIVENESS

In our societal role, we create living spaces at work, both indoors and outdoors, thereby improving our portfolio's attractiveness. We mention in this context Park Hill, Omega Court and West-End as examples. On these sites outdoor rest areas have been created for the occupants and the increase of biodiversity has been promoted.

### PARK HILL - A PLACE TO GROW

In this business park, we offer flexible offices to give companies the opportunity to gradually expand. We also made improvements in the park so that tenants can relax there (minigolf, table tennis, etc.).

In 2017, the tenants collected, for the first time, apples from the trees that were planted on site in 2016.



Office buildings Park Hill - Brussels Periphery (BE)

### Office building Omega Court - Brussels Decentralised (BE)



### OMEGA COURT - HAVEN OF PEACE

The inner courtyard of this building has been harmoniously transformed with plantation of solitary birch and ginkgo trees. Occupants of the building can now relax in a pleasant place during their breaks.

### WEST-END - SEA VIEW

The address of the site (North Sea Avenue) was the inspiration source for the landscaping of the surroundings. The greenery has been cut into immense waves, the outdoor furniture evokes the seaside environment with blue metal waves and metal seagulls. In this way, we hope that our tenants can escape, over lunch, to the North Sea.



Office buildings West-End - Brussels Periphery (BE)

# 11 SUSTAINABLE CITIES AND COMMUNITIES



“MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

11.6

BY 2030, REDUCE THE ADVERSE PER CAPITA ENVIRONMENTAL IMPACT OF CITIES, INCLUDING BY PAYING SPECIAL ATTENTION TO AIR QUALITY AND MUNICIPAL AND OTHER WASTE MANAGEMENT.’

- UNITED NATIONS -

## OUR ACTION FIELD

### MOBILITY

Mobility has a direct impact on the buildings’ accessibility and, therefore, on their attractiveness. Growing vehicle traffic is making city travel more difficult and creates discomfort for residents through increased air pollution and noise. This is why many European countries have implemented a LEZ<sup>1</sup> in their major cities over the past few years.

Mobility-related emissions account for over half of a building’s ecological footprint. Calculated over the entire life cycle, the impact of travel to a low-energy consumption building located outside of the city centre will be higher than the impact of travel to a less energy-efficient building located in the city centre.

Reducing travel by car via the use of alternative transport methods (electric vehicles, for example) will have a positive impact on the environment and the well-being of people, but requires the implementation of special equipment.

### OUR 2017 PERFORMANCE INDICATORS



INFRASTRUCTURE FOR CYCLISTS

**1,046**  
bicycle parking spaces

**158**  
showers



ELECTRIC VEHICLE CHARGING STATIONS

**14**  
charging stations for our office buildings’ tenants

**1**  
station available to the general public



SHARED AND PUBLIC PARKING SPACES

**2.7 %**  
of the parking spaces available in the office portfolio, of which

**133**  
shared parking spaces

**200**  
public parking spaces

### ACCESSIBILITY OF OUR OFFICE BUILDINGS<sup>2</sup> (BY PUBLIC TRANSPORT/BICYCLE)

**94**  
Buildings



11 Very good  
17 Good  
45 Acceptable  
21 Weak

### OUR 2018-2020 OBJECTIVES



#### THE BIKE PROJECT

Participate in this project to increase the number of cyclists in the company. ([www.thebikeproject.be](http://www.thebikeproject.be)).



#### CARPPOOLING

Extend the carpooling platform to the tenants of Boulevard de la Woluwe/Woluwelaan buildings.



#### CYCLISTS

Gradually improve infrastructure for cyclists.



#### 2,500 PARKING SPACES

Assess the gradual transformation of 2,500 parking spaces into public parking spaces as permits are renewed.

<sup>1</sup> Low Emission Zone.  
<sup>2</sup> Public-Private Partnerships (PPP) included.

# OUR 2017 ACHIEVEMENTS

## FOR OUR EMPLOYEES

We implement innovative actions to facilitate the transition from cars to alternative mobility options and journeys by 'cleaner' vehicles.

At the end of 2016, our Mobility Team introduced a **new mobility policy** which is ahead of current legislation. It includes the ecoscore concept and promotes alternative mobility methods. A company car combined with sustainable mobility, in the form of a bicycle and/or a public transport pass is now possible. We encourage our personnel to use alternative transport modes.

The first vehicles ordered as part of this new mobility policy have been in circulation since January 2017. 30 % of new orders already combine a company car with a sustainable mobility method and we noticed an increase in the number of hybrid cars. The result is a 5 % reduction of CO<sub>2</sub> emissions compared with 2016 (-27 % compared with 2010) and a 62.1<sup>1</sup> average ecoscore of our vehicle fleet.

**Shared equipment** were provided to all members of our personnel as part of the transition. Our fleet comprises now an electric car and a recently acquired electric bicycle. Their use has encouraged some of our employees to give preference to the electric bicycle for commuting. Others are planning to do so soon.

Furthermore, we have provided IT solutions (high-end portables, suitable telephone equipment) to all of our employees in order **to facilitate teleworking** for those interested. In 2017, about ten employees chose to work from home one day a week. This has had a positive impact both in terms of travel and well-being of those involved.

## FOR OUR CLIENT-TENANTS

Our role in our portfolio consists primarily in raising our clients-tenants' awareness. By implementing a range of **facilities** in our office buildings our impact becomes measurable.

Nowadays, bicycles, and especially electric bicycles, have become a real competitor for the car for 10 to 20 km journeys between home and workplace. Improved facilities in our office buildings are therefore essential. For cyclists, this means **bicycle parking spaces**, preferably indoor, and **showers** with or without lockers.

Growing vehicle traffic is making city travel more difficult and creates discomfort for residents through increased air pollution and noise. The use of electric vehicles in response to these issues also requires specific equipment such as **charging stations**.

Our company has a **carpooling platform** since several years. Given the importance of critical mass in carpooling, this platform was opened to the tenants of three office sites.

A final incentive to reduce travel by car is to decrease the number of available parking spaces on arrival. Following the introduction of the Cobrace legislation<sup>2</sup>, we have ordered a mobility assessment of two buildings in our portfolio. The goal of this assessment is to estimate the need in number of parking spaces according to the different purposes (visitors, deliveries, charging stations). The Brussels' authorities currently offer two options for spaces which will no longer be allowed at the environmental permit expiry: paying an environmental tax or transitioning to shared/public parking spaces. We believe that the second option is more sustainable over the long term and will increase the occupancy of parking spaces by rotation.



1. Electric car of Cofinimmo's fleet

2. Bicycle parking - Office building Loi/Wet 227 - Brussels Leopold district (BE)

3. Parkbrug - Office building Avenue Building - Antwerp Periphery (BE)

<sup>1</sup> In absolute value. The average 2016 ecoscore of the entire fleet of leased vehicles in Belgium was 63.6 thanks to their high replacement rate. Source: <http://ecoscore.be>.

<sup>2</sup> Brussels air, climate and energy control Code.

# 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



**PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE INSTITUTIONS AT ALL LEVELS**

**16.5**

**SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY IN ALL THEIR FORMS.”**

**- UNITED NATIONS -**

## OUR ACTION FIELD

### BUSINESS ETHICS

As a leading company in the market listed on the stock exchange, we show transparency and ethical behaviour towards our stakeholders in conducting our activities.

We condemn all dubious or by law punishable practices (corruption, money laundering, undeclared work, social dumping, etc.) and those that counters the principles of sustainable development, fair treatment, equal opportunities and respect for others.

The operating principles are valid for all segments and countries in which we are active.



Office building Prins Boudewijnlaan 41 - Antwerp Periphery (BE)

### OUR 2017 PERFORMANCE INDICATORS



**0** cases of misappropriation were identified.



**0** faulty calls for tenders were identified.

### OUR 2018 OBJECTIVES



#### TRANSPARENCY OF THE RULES

Continue to rigorously comply with the transparency and ethical rules.



#### RISKS

The internal auditor will continue to monitor for any potential compliance failure with these rules through the assignments entrusted to him.



#### CODE OF GOOD CONDUCT

Formal adoption of the code of good conduct of the Royal Institute of Chartered Surveyors (RICS).

## OUR 2017 ACHIEVEMENTS

### OUR CORPORATE GOVERNANCE CHARTER

We adopted the 2009 Belgian Corporate Governance Code as reference code for our corporate governance charter. It describes a series of rules, procedures and practices which define how the company is managed and controlled. It recommends transparency in decisions taken at all levels and defines the ethical principles which our employees must apply to their professional practices and conduct with all interlocutors.

The Compliance Officer ensures compliance with the ethical rules and duties in our company. He provides assistance and advice to all employees who request help with ethical matters and contributes to the adoption and deployment of the Charter.

The fundamental principles to comply with are:

- Compliance with the laws and regulations of the countries in which we operate
- Respect for persons
- Respect for the environment
- Prevention of conflicts of interest
- Protection of assets
- Information transparency and integrity.

All of the documents included in our company's governance charter can be viewed on our website

(<http://www.cofinimmo.com/about-us/governance/charters>).

### OUR COMPANY ETHICS

We emphasise the principles of honesty, integrity and fairness. Our employees comply in their daily work, with a Code of Conduct and the corporate values (**➔ see also pages 20-21 of the 2017 Sustainability Report**). A whistleblowing policy has been implemented to enable employees to report any ethical fault they know about.

We expect the same attitude from third parties with which we have a business relationship. Attempted corruption is covered in a specific article of the general purchasing terms and conditions, appended to all orders. Any occurrence would be severely punished. All forms of fraud and misappropriation are naturally prohibited and very strict rules govern calls for tenders:

- Segregation of Duties principle (a double signature by different persons for all commitments and payments);
- consultation of an appropriate number of suppliers or service providers;
- rotation of tenders.

The internal auditor verifies the establishment of internal controls to ensure reliability, consistency and integrity of information and operational procedures. Financial results are certified by an external auditor.

Likewise, a systematic control of the workers present on construction sites is organised to detect and prevent cases of social fraud.

Since 2000, we also have a vade mecum for real estate agents. It specifies in detail the collaboration and remuneration rules applied for the marketing of our buildings.

### DEALING CODE

We have a duty to ensure confidentiality at all times. Members of the company's bodies and employees who plan to carry out transactions on Cofinimmo shares must report their intent to the Secretary General beforehand. They are strictly forbidden from buying or selling shares during key periods around the publication of corporate reports or if they are in possession of confidential information which may potentially impact the share price. They are also forbidden from providing the information to third parties, including their family members.

The 'Dealing Code', which sets the rules governing the purchase and sale of Cofinimmo shares, has been revised and distributed throughout the company. The Dealing Code and whistleblowing policy have been incorporated into the Code of Conduct. (**see <http://www.cofinimmo.com/about-us/governance/charters/>**).

### INTERNAL AUDITOR

At the request of the Audit Committee, the internal auditor conducted two new missions in 2017 to verify the soundness of the internal control system implemented by management and to provide recommendations to improve controls in the audited areas.

Recommendations are issued from:

- conclusions from internal audit missions;
- conclusions from external audit missions (IT and others);
- annual analysis of 'incidents' identified (for example: fraud to the president). An incident is an event whose proven or potential impact may have an effect on the company's objectives.

Once a year, the auditor prepares and submits a report on the internal control systems within the company to the supervisory authority (FSMA). This report is also validated by the external auditor.

# STAKEHOLDERS: THEIR EXPECTATIONS, OUR RESPONSE

Stakeholders	Their expectations	Our response
<p><b>Shareholders and investors:</b> Individual and institutional shareholders, bankers</p>	<ul style="list-style-type: none"> <li>➤ A stable dividend;</li> <li>➤ Protection of the invested capital;</li> <li>➤ A moderate risk profile;</li> <li>➤ Transparent financial information;</li> <li>➤ A long-term relationship;</li> <li>➤ Ethical behaviour;</li> <li>➤ Reimbursement of debt and payment of interests.</li> </ul>	<ul style="list-style-type: none"> <li>➤ A clear investment policy in the four business segments: healthcare real estate, offices, property of distribution networks and Public-Private Partnerships;</li> <li>➤ A search for long-term income;</li> <li>➤ Transparent financial information controlled by the external auditor and supervised by the Financial Services and Markets Authority: annual report, participation in investor events, General Meeting, etc.;</li> <li>➤ Full application of the corporate governance code.</li> </ul>
<p><b>Tenants and occupants:</b> Nursing home operators, office tenants, retailers, public authorities and other occupants</p>	<ul style="list-style-type: none"> <li>➤ A building in line with to their specific activity needs;</li> <li>➤ The ability to innovate in order to meet changing needs;</li> <li>➤ Rents in line with their financial potential;</li> <li>➤ Control of rental charges;</li> <li>➤ A trustworthy, stable landlord;</li> <li>➤ Sustainable buildings.</li> </ul>	<ul style="list-style-type: none"> <li>➤ A team of professionals active in various real estate fields: sales representatives to understand clients' needs, Project Managers to ensure the buildings' construction quality, Property Managers to ensure efficient management of buildings in operation and control of charges.</li> </ul>
<p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>➤ Pleasant working conditions;</li> <li>➤ Fair treatment;</li> <li>➤ Guaranteed, stable and appealing salaries;</li> <li>➤ A skills development plan (training, career plan, etc.);</li> <li>➤ Management which listens, with strong ethical values and a sense of leadership.</li> </ul>	<ul style="list-style-type: none"> <li>➤ A code of conduct;</li> <li>➤ An annual appraisal system of performances and the employee/manager relationship;</li> <li>➤ Access to training;</li> <li>➤ Regular employee surveys;</li> <li>➤ Cofinimmo was awarded the Investors in People label, a sign of its commitment to the development of its staff;</li> <li>➤ Fair treatment. Cofinimmo has signed the diversity charter of the Brussels-Capital Region, where its registered office is located.</li> </ul>
<p><b>Suppliers of goods and services:</b> Developers, contractors, service providers, facility managers, real estate agents, lawyers, consultants</p>	<ul style="list-style-type: none"> <li>➤ Collaboration opportunities;</li> <li>➤ Compliance with purchase orders and signed contracts: product and service prices, payment deadlines, etc.;</li> <li>➤ A healthy, well-balanced commercial relationship;</li> <li>➤ Respect for suppliers' staff.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Clear specifications and tender rules;</li> <li>➤ Non conflicting deliveries of products and services;</li> <li>➤ Payment of agreed amounts within the agreed deadlines;</li> <li>➤ Openness to dialogue in the event of a dispute;</li> <li>➤ A code of conduct which includes supplier relationships.</li> </ul>

Stakeholders	Their expectations	Our response
<p><b>Supervisory authorities:</b> Financial Services and Markets Authority (FSMA) and the National Bank, auditors, municipal, regional and federal authorities</p>	<ul style="list-style-type: none"> <li>➤ Compliance with the laws and regulations in effect, particularly those governing town-planning and environment;</li> <li>➤ A dialogue opened via professional associations;</li> <li>➤ Compliance with public space planning.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Financial publications and press releases which meet regulatory requirements;</li> <li>➤ Timely transmission of information on the transactions carried out to enable the supervisory authority to calmly review them;</li> <li>➤ Compliance with the regulations and procedures in effect and forms required by the authorities.</li> </ul>
<p><b>Media, financial analysts</b></p>	<ul style="list-style-type: none"> <li>➤ Accurate, reliable information, timely dissemination.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Annual reports, press releases and other publications;</li> <li>➤ Participation in interviews, round tables, debates, roadshows;</li> <li>➤ Press conferences;</li> <li>➤ Extra-financial ratings.</li> </ul>
<p><b>Civil society, local communities:</b> local residents, civil associations, etc.</p>	<ul style="list-style-type: none"> <li>➤ A response to societal real estate needs;</li> <li>➤ A contribution to citizens' well-being;</li> <li>➤ Improvement of urban quality and harmony;</li> <li>➤ Tax payment.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Investment in required segments representing a present and future societal challenge (healthcare real estate, Public-Private Partnerships);</li> <li>➤ Respect for the neighbourhood when refurbishing or developing buildings;</li> <li>➤ Citizen initiatives supported by Cofinimmo's employees (mobility week, waste reduction week, help the homeless, etc.).</li> </ul>

# INNOVATIVE USE OF GREEN & SOCIAL BONDS



**"THE GREEN & SOCIAL BONDS ISSUE CONFIRMED COFINIMMO'S COMMITMENT TO SUSTAINABLE DEVELOPMENT. ITS SUCCESS RESULTS FROM THE GROWING INVESTORS' APPETITE FOR TRULY COMMITTED COMPANIES IN THIS FIELD. IT REWARDS OUR CORPORATE SOCIAL RESPONSIBILITY (CSR) STRATEGY AND OUR EFFORTS TO IMPROVE OUR PORTFOLIO'S LONG-TERM ENVIRONMENTAL AND SOCIAL FOOTPRINT."**

JÉRÔME DESCAMPS, CFO

ON 09.12.2016, WE SUCCESSFULLY CLOSED THE FIRST PRIVATE PLACEMENT OF GREEN & SOCIAL BONDS FOR AN AMOUNT OF 55 MILLION EUR WITH AN EIGHT-YEAR MATURITY AND A 2.00 % COUPON. THE BONDS, WHICH WERE MEANT TO (RE)FINANCE PROJECTS WITH A POSITIVE CONTRIBUTION TO SUSTAINABLE DEVELOPMENT, WERE PLACED WITH INSTITUTIONAL INVESTORS. COFINIMMO IS THUS THE FIRST EUROPEAN PROPERTY COMPANY TO ISSUE GREEN & SOCIAL BONDS.

The project was subject to an external opinion from the Vigeo Eiris ESG (Environmental, Social and Governance) research and services company on its compliance with 2016 *Green Bond Principles* and the *Guidance for Issuers of Social Bonds* of the International Capital Market Association (ICMA), as well as on its environmental and social purposes and the issue's responsible character. The projects were selected according to criteria and procedures defined by Cofinimmo and assessed by Vigeo Eiris as being robust.

## SELECTION PROCEDURE IN LINE WITH THE GROUP'S SUSTAINABLE DEVELOPMENT STRATEGY

The assessment and selection framework has been defined and published on the company's website. It is backed by internal and external expertise.

The current Green & Social Bonds' portfolio is composed by the projects resumed in the table on **➔ page 68**. Their selection was based on defined criteria such as fund allocation and environmental, social and governance (ESG) criteria. The selection procedure was based on the expertise of Cofinimmo's in-house teams responsible for these projects, on the one hand, and on impact assessment studies, BREEAM requirements and other external technical factors, on the other hand.

Each evaluation step was approved by the Executive Committee and is part of a vision of a building's life cycle analysis.

## FUND ALLOCATION

Cofinimmo's Treasury department ensures that the funds collected via the Green & Social Bonds issue are allocated exclusively, and within the year following the issue, to projects of the Green & Social Bonds portfolio within a range of 50 % to offices with an environmental and sustainable certification and of 50 % to healthcare assets dedicated to the housing of vulnerable or dependent people in need of special care.

## AUDIT

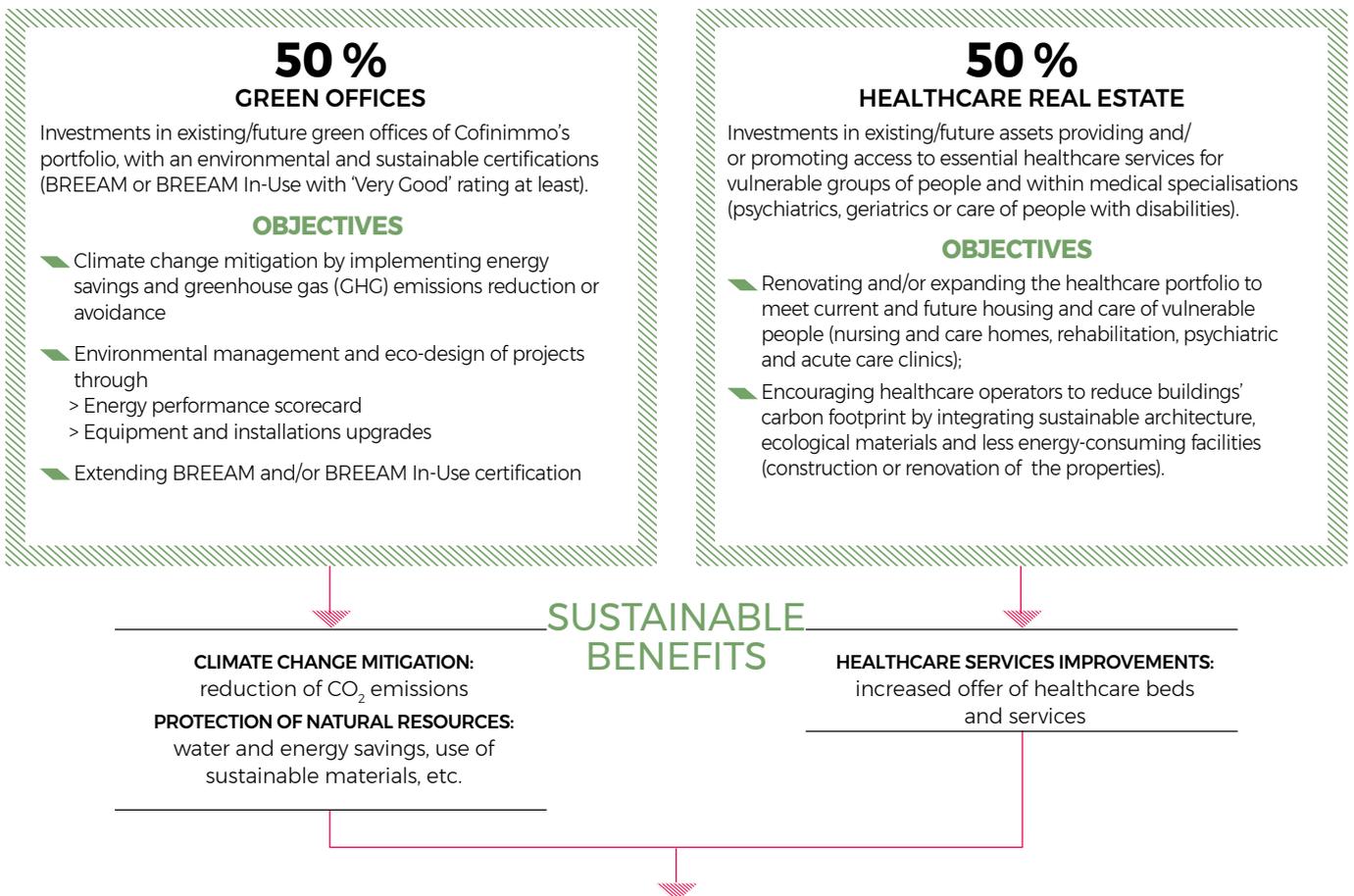
The external auditor, currently Deloitte, will assess annually, and until the bond's maturity in 2024, the allocation of the funds, the compliance of the selected projects and the reporting. The assessment report can be consulted in the **➔ appendix Statutory Auditor's Report of the 2017 Sustainable Development Report – full version** (see [www.cofinimmo.com](http://www.cofinimmo.com)).

# COMPONENTS OF ICMA'S GREEN BOND PRINCIPLES

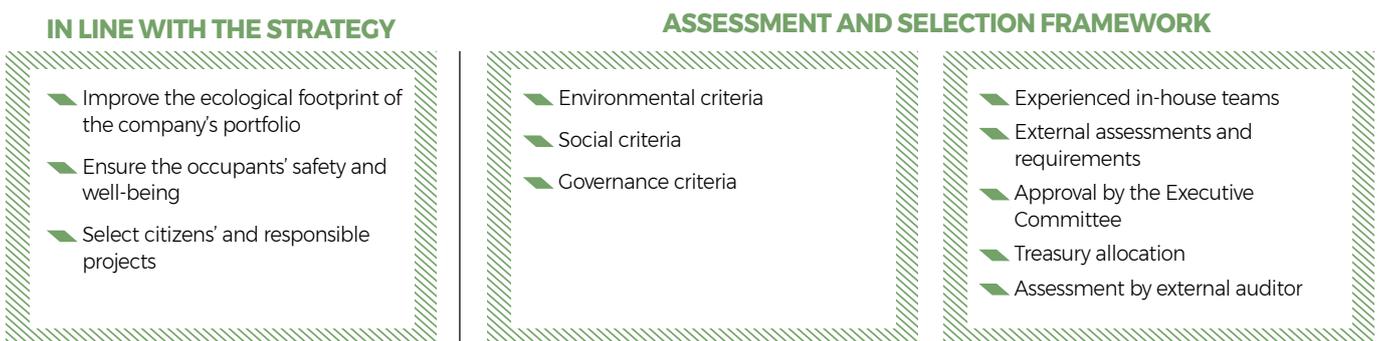


## CRITERIA AND OBJECTIVES TWO ELIGIBLE PROJECT CATEGORIES

THE FUNDS ARE MEANT TO (RE)FINANCE PROJECTS WITH A POSITIVE CONTRIBUTION TO SUSTAINABLE DEVELOPMENT. THE SELECTED PROJECTS OF THE GREEN & SOCIAL BONDS' PORTFOLIO HAVE BEEN RECENTLY DELIVERED, RENOVATED OR ARE UNDER DEVELOPMENT AND HAVE AN ENVIRONMENTAL OR SOCIAL PURPOSE.



## SELECTION PROCEDURES



## GREEN & SOCIAL BONDS PORTFOLIO

Some indicators were not selected 'ex-ante' and are not included in Vigeo Eiris' Second Party Opinion at the bonds issue. They are not applicable and in this table marked with n/a.

<b>GENERAL INFORMATION</b>		
		Eligibility criteria <span style="color: red;">▼</span>
		Type of work/asset <span style="color: red;">▼</span>
		Work progress <span style="color: red;">▼</span>
		Tenant(s)
		Above-ground surface area <span style="color: red;">▼</span>
		Number of beds
		Year of construction or last renovation
		Acquisition or delivery date
<b>ALLOCATION OF COLLECTED FUNDS (55 MILLION EUR)</b>		
		Total project cost: <span style="color: red;">▼</span> - Healthcare real estate: 31.0 million EUR - Green offices: 48.9 million EUR
		Allocated amount : <span style="color: red;">▼</span> - Healthcare real estate: 27.5 million EUR - Green offices: 27.5 million EUR
		Allocation %: - Healthcare real estate: 50 % - Green offices: 50 %
		(Re)financing
<b>SUSTAINABLE BENEFITS</b>		
	Fight against climate change Natural resources conservation	Yearly CO <sub>2</sub> emissions <span style="color: red;">▼</span>
		Yearly energy consumption <span style="color: red;">▼</span>
		Yearly water consumption <span style="color: red;">▼</span>
	Healthcare service improvement	Number of beds (new/existing) <span style="color: red;">▼</span>
		Medical specialty <span style="color: red;">▼</span>

HEALTHCARE REAL ESTATE			GREEN OFFICES
<b>RESIDENCE TILLENS</b> Rue Beeckman/Beeckmanstraat 26 - 1180 Brussels (BE)	<b>VILLA SONNENMOND</b> Am Stein 20 56479 Neustadt im Westerwald (DE)	<b>DOMAINE DE VONTES</b> Vauguinier, BP 19 37320 Esvres-sur-Indre (FR)	<b>GUIMARD 10-12</b> Rue Guimard/Guimardstraat 10- 12 - 1040 Brussels (BE)
			
Nursing and care home	Nursing and care home	Aftercare and rehabilitation clinic	BREEAM 'Very Good'
Creation of an environment promoting the life time of persons suffering from dementia. Green spaces with adapted plants provide real added value to this type of asset. Special attention has been paid to the patients' safety.	Nursing and care home based on the 'Village in the building' concept, particularly well-suited to persons suffering from dementia.	Extension and reorganisation of the aftercare and rehabilitation clinic (Clinique de soins de suite et de réadaptation - SSR)	Large-scale refurbishment of the building to significantly improve its energy performance (insulated curtain wall with double-pane windows, installation of a heat pump and condensing boilers, LED lighting, etc.).
Works completed	Asset in operation	Extension works in progress	Works completed
Armonea	Convivo Holding GmbH	Inicéa	Banque Degroof Petercam SA/ NV European Socialist Party Rohde Public Policy SPRL/BVBA
4,960 m <sup>2</sup>	2,940 m <sup>2</sup>	6,352 m <sup>2</sup>	10,410 m <sup>2</sup>
81	72	between 150 and 160, according to the fares' optimisation	n/a
2015	2012	1967	2015
acquisition on 29.07.2011	acquisition on 01.09.2017	delivery of extension works scheduled for November 2018	acquisition on 24.12.2004
16.4 million EUR	6.1 million EUR	8.5 million EUR	48.9 million EUR
15 million EUR	6 million EUR	6.5 million EUR	27.5 million EUR
27 %	11 %	12 %	50 %
100 % refinanced	100 % refinanced	100 % refinanced	100 % refinanced
n/a	n/a	n/a	26 kg CO <sub>2</sub> e/m <sup>2</sup>
n/a	n/a	n/a	118 kWh/m <sup>2</sup>
n/a	n/a	n/a	0.35 m <sup>3</sup> /m <sup>2</sup>
Between 303 and 313/6,664 beds in the categories Nursing and care homes and Psychiatric clinics			n/a
Psychogeriatrics	Psychogeriatrics	Psychiatry	n/a

**ESG MANAGEMENT<sup>1</sup> (AT 31.12.2017)**

<b>ENVIRONMENTAL</b>	Environmental strategy	Five-year portfolio renewal goals <b>V</b>
	Energy efficiency of the buildings	Yearly energy consumption (normalised by surface) <b>V</b>
		Yearly CO <sub>2</sub> emissions (normalised by surface) <b>V</b>
		Estimated MWh (solar energy production) <b>V</b>
	Cooperation with tenants to reduce the buildings' environmental impact	Multi-tenant buildings equipped with remote meters (%)
		Number of Green Charters signed
		Number of inspections
	Inclusion of environmental factors in the logistic chain	Materials reused after building refurbishment (in tonnes)
		Number of supplier contracts with environmental clauses listing major development and refurbishment projects
<b>SOCIAL</b>	Responsible customer relations	Number of flexible contracts (space, length)
		Number of complaints
		Progress of asbestos detection and removal
		Number of inspections
	Inclusion of social factors in the logistic chain	Number of constraints related to social aspects of the logistic chain <b>V</b>
	Promotion of social and economic development	Number of contracts with a job promotion clause for local youth <b>V</b>
	Building accessibility	Number of accessibility audits for persons with reduced mobility <b>V</b>
		Number of audits for building connectivity (proximity and multi-modal transport) <b>V</b>
<b>GOVERNANCE</b>	Prevention of bribery and money laundering	Number of audits and constraints <b>V</b>
	Audit and internal control	Number of audits and results <b>V</b>

<sup>1</sup> See materiality matrix, pages 36-37 of the 2017 Sustainability Report.

	HEALTHCARE REAL ESTATE	GREEN OFFICES	TOTAL
	5.58 %	7.46 %	6.05 % (residential projects included)
	182 kWh/m <sup>2</sup>	176 kWh/m <sup>2</sup>	218 kWh/m <sup>2</sup>
	40 kg CO <sub>2</sub> e/m <sup>2</sup>	38 kg CO <sub>2</sub> e/m <sup>2</sup>	37 kg CO <sub>2</sub> e/m <sup>2</sup>
	266 MWh	1,069 MWh	1,335 MWh
	n/a	Guimard 10-12 is one of 45 buildings equipped with remote meters. In total, 79 % of the multi-tenant buildings are equipped with remote meters.	
	n/a	20 % of the office surfaces are Green Charter covered.	
	The three assets of the Green & Social Bonds portfolio have been inspected. In total, 60 healthcare properties were subject of inspection in 2017. During these inspections environmental items were discussed on site with the operator.	n/a	
	n/a	In 2017, 15.14 tonnes of materials were recovered before demolition during the redevelopment of the Quartz building (formerly Arts/Kunst 19H).	
	The environmental policy is attached to all general contracting agreements.	n/a	
	n/a	In 2017, 18 contracts were signed in the Flex Corners® for surface areas between 50 m <sup>2</sup> and 698 m <sup>2</sup> and for a duration of 12 to 36 months.	
	n/a	In 2017, the service desk handled 10,858 complaints, of which 213 in Guimard 10-12.	
	Data for 83 % of the portfolio have been processed. 50 % of the portfolio (the three assets of the Green & Social Bonds portfolio included) is asbestos free.	52 % of the total portfolio is asbestos free.	For the global portfolio (→ see page 38 of the 2017 Sustainability Report).
	The three assets of the Green & Social Bonds portfolio have been inspected. In total, 60 healthcare properties were subject of inspection in 2017. During these inspections social items were discussed on site with the operator.	n/a	
	No constraints related to social aspects of the logistic chain were identified.		
	n/a	A trainee's employment clause is included in all general contracting agreements.	
	The compliance checks are part of the due diligence procedure and regulated by the exploitation license of the assets.	16 buildings were audited since 2013.	
	At the time of the acquisition, an audit is not mandatory but often carried out pro-actively (at due diligence stage).	Quantitative audits of the whole portfolio (→ see page 60 of the 2017 Sustainability Report).	
	In 2017, two external audits were carried out on the accounts and IT by Deloitte. No case of misappropriation or faulty call for tenders was identified.		
	During the 2017 audits 45 recommendations were made on MAAF and document management. 40 of the total number of recommendations were closed in 2017.		

# 2017 KEY PERFORMANCE INDICATORS

## DATA COMPLIANT WITH EPRA STANDARDS

### SCOPE

The data are calculated based on information in possession of Cofinimmo as landlord and of the Cofinimmo Services as property manager of the landlord's portfolio. They also include data collected from the building occupants. In this way, an operational control approach was adopted. The surface areas under operational control include Cofinimmo's head office and the operational multi-tenant leases (394,201/1,981,863 m<sup>2</sup>).

Cofinimmo has no operational control over the consumptions in buildings in the following sectors: healthcare real estate, single-tenant buildings, property of distribution networks and PPP, which represent together 80 % of the portfolio.

### COVERAGE

Coverage is always expressed in m<sup>2</sup> per segment. The used surfaces match with the buildings' superstructure (→ see **Real Estate Report, pages 118-127 of the 2017 Annual Financial Report**, on [www.cofinimmo.com](http://www.cofinimmo.com)).

### CONSUMPTION ESTIMATES

Consumption estimates are made using the same formula for all of the meters. The data source is mentioned on the annual invoice. To align the consumption of a calendar year, an estimate is made to complete the missing period on an annual consumption basis (for example: consumption for the period from June 2016 to May 2017 is used to estimate the consumption for the period from June 2017 to December 2017). The formula takes 'degree day' into account for fuels. This method has been validated and the data were verified for a sampling of sites during the external audit.

### EXTERNAL ASSURANCE

All indicators have been externally assured by Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises BV o.v.v.e. CVBA / SC s.f.d. SCRL (→ see the **Statutory Auditor's Report, pages 98-100 of the 2017 Sustainable Report - full version on [www.cofinimmo.com](http://www.cofinimmo.com)**), in accordance with ISAE 3000. The report provides an outside and objective data review and provides a guarantee that they accurately reflect reality. The indicators assessed correspond to the 28 performance indicators recommended by EPRA and represent 21 Global Reporting Initiative indicators (GRI standards). They are considered to be material for the real estate sector.

### LIMITS

We receive consumption data directly from tenants for a sampling of the surface areas (68 %) based on a mix of operational and financial leases.

84 % of the consumption data for the private areas of multi-tenant buildings are obtained from the landlord's Property Manager (71 %) or by the distribution network's manager with a formal agreement of the tenant (13 %).

Cofinimmo can only act on common technical equipments' consumption in multi-tenant office buildings of which Cofinimmo Services covers the property management, and in the head office (20 % of the portfolio).

### STANDARDISATION

Fuel consumption is usually standardised to assess the harshness of the climate. The comparison is based on standardised consumption in 'degree days' (DD). The number of DD raises as it becomes colder. The average DD value for a location (established over the past 30 years) is called 'normal degree days' (NDD).

Standardised consumption = Consumption recorded x NDD/DD.



**-3.6 %**

Greenhouse gas emissions



**-3.0 %**

Electricity consumption



**5.1 %**

Gas consumption at constant climate

The environmental intensity indicators are always mentioned per surface area unit. The surface used as the denominator is the superstructure area.

### ANALYSIS PER SEGMENT

In addition to the distinction made for buildings under operational control, or not, another distinction is made based on the following segments: head office, multi-tenant office buildings, healthcare real estate, single-tenant office buildings, property of distribution networks and Public-Private Partnerships. Segmentation is done in the same way as for the financial analysis with the exception of the Other segment which is not material for the environmental analysis and, therefore, included in the single-tenant office building segment since it is managed by the same people.

The indicators are not analysed by geography, except for PEB certificates, since the legislation differs in each country.

## SURFACE OF THE PORTFOLIO

1,981,589 m<sup>2</sup>

### HEAD OFFICE

The head office's results and their evolution are transparently indicated on a separate line for each indicator. No estimates are made for the head office.

Social employee indicators concern all employees (133 persons) in Belgium (125 persons), France (4 persons) and the Netherlands (4 persons). All other indicators only concern surface areas in Belgium (3,868 m<sup>2</sup>), since surfaces occupied in France (93 m<sup>2</sup>) and the Netherlands (52 m<sup>2</sup>) are not material.

### PERFORMANCE

Results concerning electricity and gas consumption, water consumption and waste are related to buildings under operational control of Cofinimmo and the tenants.

Conclusions below concern the 2016-2017 like-for-like analysis of the results for buildings under operational control. On a like-for-like basis, there was a 3.6 % decrease in greenhouse gas emissions, with the following breakdown:

- ▀ a 3.0 % decrease of electricity consumption;
- ▀ a 3.9 % decrease of gross gas consumption.

### CHANGES ON A LIKE-FOR-LIKE BASIS BETWEEN 2016 AND 2017

The like-for-like electricity and greenhouse gas emissions analysis is based on common technical equipments' consumptions of multi-tenant offices, the head office excluded.

The like-for-like gas analysis at constant climate is based on the building's total consumption, without distinction between private and common areas, the head office included.

The gas consumption decrease was climate linked. Despite the fact that 2017 was warmer than 2016, with an average of 1,780.4 degree days (1,947.6 in 2016), there was only a 3.9 % consumption decrease. At constant climate we did not realise a

#### WITHOUT OPERATIONAL CONTROL



**754,739** m<sup>2</sup>  
Healthcare real estate



**402,221** m<sup>2</sup>  
Distribution networks



**287,309** m<sup>2</sup>  
Single-tenant offices



**143,119** m<sup>2</sup>  
Public-Private Partnerships

#### UNDER OPERATIONAL CONTROL



**390,333** m<sup>2</sup>  
Multi-tenant offices



**3,868** m<sup>2</sup>  
Head office

Coverage	Electricity and gas consumption	Water consumption	Waste
<b>Buildings under operational control of</b>			
<b>Cofinimmo</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
<b>Tenant(s)</b>	<b>60 %</b>	<b>50 %</b>	<b>11 %</b>

gas consumption decrease.

The standardised 2017 like-for-like gas consumption represented 36,024 MWh, in comparison with 34,264 MWh in 2016. As a result, gas consumption at constant climate increased by 5.1 %, mainly related to the facilities' excesses during June 2017, which was exceptionally warm.

All 2017 data were provided by the energy accounting system.

The material challenge related to energy consumption and CO<sub>2</sub> emissions has been described in **the 2017 Sustainable Development Report** (→ see page 44-45). The goals related to the coverage of energy consumption and CO<sub>2</sub> emissions are described in the **Appendix Dashboard to the 2017 Sustainable Development Report - full version on** [www.cofinimmo.com](http://www.cofinimmo.com) (→ see pages 86-91).

### PUBLICATION

All environmental and social indicators are published in the **2017 Sustainability Report - full version** (→ see pages 74-85). Information concerning government indicators is published in the **2017 Annual Financial Report** (→ see pages 90-117) on [www.cofinimmo.com](http://www.cofinimmo.com).

### PERIOD

The indicators cover the period from 01.01.2017 to 31.12.2017. A comparison is made with the 2016 figures.

No adaption was made to the 2016 historical data.

### MATERIALITY MATRIX

A complete materiality analysis was carried out and is documented in the **2017 Sustainability Report** (→ see pages 36-37).

## ENVIRONMENTAL PERFORMANCE INDICATORS

### ELEC-ABS

#### TOTAL ELECTRICAL ENERGY CONSUMPTION (MWH/YEAR)

Based on GRI 302-1 and 302-2

Total electricity consumed from indirect renewable and non-renewable sources ('indirect' means that the electricity is produced off-site and purchased from an electricity provider).

	Number of buildings	Coverage in m <sup>2</sup> per segment	Electricity consumption			Electricity consumed from renewable production sources	Estimated electricity consumption	Relative consumption	
			2016 MWh	2017 MWh	Δ			2016 kWh/m <sup>2</sup>	2017 kWh/m <sup>2</sup>
Multi-tenant office buildings - Shared	57	100 %	20,060	19,452	-3.0 %	1.7 %	0.4 %	51	50
Head office	1	100 %	348	343	-1.5 %	1.3 %	-	90	89
<b>TOTAL under operational control</b>	<b>58</b>	<b>100 %</b>	<b>20,408</b>	<b>19,795</b>	<b>-3.0 %</b>	<b>1.7 %</b>	<b>0.4 %</b>	<b>52</b>	<b>50</b>
Like-for-like Elec-LfL	57	100 %	20,060	19,452	-3.0 %	1.7 %	-	51	50
Multi-tenant office buildings - Private	56	84 %	13,600	13,264	-2.5 %	-	3.3 %	41	40
Single-tenant buildings	27	99 %	56,460	50,284	-10.9 %	0.2 %	18.2 %	200	176
Public-Private Partnerships	4	89 %	5,277	5,253	-0.5 %	6.8 %	-	41	41
Healthcare real estate	109	80 %	32,175	40,653	26.4 %	-	1.0 %	63	67
Property of distribution networks	19	2 %	318	343	8.0 %	-	20.0 %	31	38
<b>TOTAL without operational control</b>	<b>159</b>	<b>69 %</b>	<b>107,830</b>	<b>109,797</b>	<b>1.8 %</b>	<b>0.4 %</b>	<b>8.3 %</b>	<b>85</b>	<b>81</b>
Like-for-like Elec-LfL	139	59 %	93,805	87,895	-6.3 %	-	-	101	95
<b>TOTAL</b>	<b>217</b>	<b>74 %</b>	<b>128,238</b>	<b>129,592</b>	<b>1.1 %</b>	<b>0.6 %</b>	<b>7.1 %</b>	<b>77</b>	<b>74</b>

- The values indicated for the buildings under operational control are only for the consumption of the shared technical equipment of the buildings, except for the head office where all consumption is measured.
- The values shown for buildings which are not under operational control are for the total consumption of the buildings, including the private and shared areas, except for multi-tenant office buildings where only the private consumption of tenants is shown.
- Cofinimmo does not have any control over the private consumption of tenants in the buildings. It can only act on the consumption of the shared technical equipment of multi-tenant office buildings for which Cofinimmo Services provides Property Management.
- The like-for-like analysis for buildings under operational control is based on the consumption of the shared technical equipment of the multi-tenant office buildings, excluding the head office.
- The like-for-like analysis of buildings which are not under operational control is carried out based on the total consumption of the buildings without distinction between the private and the shared areas, and excluding the private areas of multi-tenant office buildings.
- The consumption increase of the healthcare real estate segment is caused by the increase in coverage.

#### TOTAL ELECTRICAL ENERGY CONSUMPTION (MWH/YEAR) BASED ON BUILDING AGE

	Number of buildings		Electricity consumption			Relative consumption	
	2016	2017	2016 MWh	2017 MWh	Δ	2016 kWh/m <sup>2</sup>	2017 kWh/m <sup>2</sup>
0 - 5 years	3	3	1,851	1,747	-5.6 %	55	52
6 - 10 years	10	10	3,105	3,068	-1.2 %	48	48
11 - 15 years	8	7	3,083	1,374	-55.4 %	51	44
> 15 years	36	37	12,020	13,262	10.3 %	52	51
<b>TOTAL under operational control</b>	<b>57</b>	<b>57</b>	<b>20,060</b>	<b>19,452</b>	<b>-3.0 %</b>	<b>51</b>	<b>50</b>

- The analysis of buildings by age is carried out for buildings under operational control based on the consumption of the shared technical equipment of multi-tenant office buildings, excluding the head office.

## DH&C-ABS

### TOTAL CONSUMPTION OF ENERGY FROM URBAN HEATING AND COOLING SYSTEMS (MWH/YEAR)

Based on GRI 302-2

	Number of buildings	Coverage in m <sup>2</sup> per segment	Heat consumption			Heat consumed from renewable production sources	Estimated heat consumption	Relative consumption	
			2016 MWh	2017 MWh	Δ			2016 kWh/m <sup>2</sup>	2017 kWh/m <sup>2</sup>
Healthcare real estate	2	1.2 %	1,754	1,740	-0.8 %	100 %	-	259	199
<b>TOTAL without operational control</b>	<b>2</b>	<b>0.6 %</b>	<b>1,754</b>	<b>1,740</b>	<b>-0.8 %</b>	<b>100 %</b>	-	<b>259</b>	<b>199</b>
Like-for-like DH&C-LfL	1	0.4 %	1,754	1,641	-6.4 %	100 %	-	259	242

1 The conversion factor used is 278 kWh/GJ.

2 Heat consumption accounts for 0.002 % of total fuel consumption.

## FUELS-ABS

### TOTAL DIRECT ENERGY CONSUMPTION FROM FUELS (MWH/YEAR)

Based on GRI 302-1 and 302-2

Total direct energy consumed from fuels (gas and fuel oil).

	Number of buildings	Coverage in m <sup>2</sup> per segment	Fuel consumption			Fuel consumed from renewable production sources	Estimated fuel consumption	Relative consumption	
			2016 MWh	2017 MWh	Δ			2016 kWh/m <sup>2</sup>	2017 kWh/m <sup>2</sup>
Multi-tenant office buildings	57	100 %	34,738	33,373	-3.9 %	-	-	89	85
Head office	1	100 %	348	348	0.2 %	-	-	90	90
<b>TOTAL under operational control</b>	<b>58</b>	<b>100 %</b>	<b>35,085</b>	<b>33,721</b>	<b>-3.9 %</b>	-	-	<b>89</b>	<b>86</b>
Like-for-like Fuels-LfL	58	100 %	35,085	33,721	-3.9 %	-	-	89	86
Single-tenant buildings	28	100 %	30,104	24,149	-19.8 %	-	25.2 %	106	84
Public-Private Partnerships	4	78 %	9,158	7,741	-15.5 %	-	-	67	69
Healthcare real estate	95	73 %	52,794	66,885	26.7 %	2.6 %	0.7 %	116	121
Property of distribution networks	17	2 %	753	444	-41.0 %	-	33.7 %	85	54
<b>TOTAL without operational control</b>	<b>144</b>	<b>61 %</b>	<b>92,808</b>	<b>99,219</b>	<b>6.9 %</b>	<b>1.8 %</b>	<b>6.1 %</b>	<b>105</b>	<b>103</b>
Like-for-like Fuels-LfL	124	54 %	90,162	84,908	-5.8 %	1.9 %	-	106	99
<b>TOTAL</b>	<b>202</b>	<b>68 %</b>	<b>127,893</b>	<b>132,940</b>	<b>3.9 %</b>	<b>1.3 %</b>	<b>4.6 %</b>	<b>100</b>	<b>98</b>

1 The values of the fuels used for the total under operational control relate to 91.6 % for heating gas and 8.4 % for fuel oil. For the total without operational control, the figures are 93.0 % for heating gas and 7.0 % for fuel oil.

2 The values shown are the total consumption for the building, without differentiating between the private and shared areas.

3 Cofinimmo does not have any control over the private consumption of tenants in the buildings. It can only act on the consumption of the shared technical equipment of multi-tenant office buildings for which Cofinimmo Services provides Property Management.

4 The like-for-like analysis is carried out on the basis of the total consumption of the building, without differentiating between the private and shared areas.

5 The fuel consumed does not come from renewable production sources.

6 The biggest variations are caused by the buildings' coverage changes.

## TOTAL DIRECT ENERGY CONSUMPTION FROM FUELS (MWH/YEAR) BASED ON BUILDING AGE

Total direct energy consumed from fuel (gas and oil).

	Number of buildings		Fuel consumption			Relative consumption	
	2016	2017	2016 MWh	2017 MWh	Δ	2016 kWh/m <sup>2</sup>	2017 kWh/m <sup>2</sup>
0 - 5 years	3	3	1,640	1,472	-10.2 %	48	43
6 - 10 years	10	10	5,336	5,106	-4.3 %	83	80
11 - 15 years	8	7	5,671	2,891	-49.0 %	94	92
> 15 years	37	38	22,438	24,252	8.1 %	95	92
<b>TOTAL under operational control</b>	<b>58</b>	<b>58</b>	<b>35,085</b>	<b>33,721</b>	<b>-3.9 %</b>	<b>89</b>	<b>86</b>

<sup>1</sup> The analysis by building age is done for the total under operational control.

<sup>2</sup> The analysis by building age is done based on the total consumption of the building, without differentiating between the private and shared areas.

## NORMALISED DIRECT ENERGY CONSUMPTION ON A LIKE-FOR-LIKE BASIS (MWH/YEAR)

Normalised consumption is usually compared to assess weather severity, based on Degree Days (DD). The colder it is, the higher the DD value. The average DD value for a location (established over the past 30 years) is referred to as the 'Normal Degree Days' (NDD).

Normalised consumption = Consumption recorded x NDD/DD.

	Number of buildings	Coverage in m <sup>2</sup> per segment	Fuel consumption			Relative consumption	
			2016 MWh	2017 MWh	Δ	2016 kWh/m <sup>2</sup>	2017 kWh/m <sup>2</sup>
Multi-tenant office buildings	57	100 %	33,924	35,652	5.1 %	87	91
Head office	1	100 %	339	372	9.7 %	88	96
<b>TOTAL under operational control</b>	<b>58</b>	<b>100 %</b>	<b>34,264</b>	<b>36,024</b>	<b>5.1 %</b>	<b>87</b>	<b>91</b>
<i>Like-for-like</i>	<i>58</i>	<i>100 %</i>	<i>34,264</i>	<i>36,024</i>	<i>5.1 %</i>	<i>87</i>	<i>91</i>
Single-tenant buildings	28	100 %	29,399	25,798	-12.2 %	103	90
Public-Private Partnerships	4	78 %	8,943	8,269	-7.5 %	65	74
Healthcare real estate	95	73 %	51,557	71,453	38.6 %	113	129
Property of distribution networks	17	2 %	735	475	-35.4 %	83	57
<b>TOTAL without operational control</b>	<b>144</b>	<b>61 %</b>	<b>90,635</b>	<b>105,996</b>	<b>16.9 %</b>	<b>102</b>	<b>110</b>
<i>Like-for-like</i>	<i>124</i>	<i>54 %</i>	<i>88,051</i>	<i>90,708</i>	<i>3.0 %</i>	<i>103</i>	<i>106</i>
<b>TOTAL</b>	<b>202</b>	<b>68 %</b>	<b>124,898</b>	<b>142,020</b>	<b>13.7 %</b>	<b>97</b>	<b>105</b>

<sup>1</sup> The 15/15 DD in Uccle/Ukkel for 2016 was 1,947.6.

<sup>2</sup> The 15/15 DD in Uccle/Ukkel for 2017 was 1,780.4.

<sup>3</sup> The NDD for Uccle/Ukkel was 1,902 (base year 2015).

<sup>4</sup> The biggest changes are caused by the buildings' coverage changes.

## ENERGY-INT

### RELATIVE ENERGY CONSUMPTION (KWH/M<sup>2</sup>/YEAR)

Based on GRI CRE1

Ratio between the total energy consumed from all sources, i.e. electricity, fuel, urban heating and cooling divided by the surface unit. The total energy consumed or the numerator corresponds to the sum of the three following absolute value indicators: electrical energy, energy from urban heating and cooling, and energy from fuels. The surface used as the denominator is the superstructure area.

	Number of buildings	Coverage in m <sup>2</sup> per segment	Relative consumption		
			2016 kWh/m <sup>2</sup>	2017 kWh/m <sup>2</sup>	Δ
Multi-tenant office buildings	57	100 %	181	176	-3.1%
Head office	1	100 %	180	179	-0.6%
<b>TOTAL under operational control</b>	<b>58</b>	<b>100 %</b>	<b>182</b>	<b>176</b>	<b>-3.0 %</b>
Like-for-like	58	100 %	181	176	-3.1%
Single-tenant buildings	27	99 %	306	261	-14.8 %
Public-Private Partnerships	3	73 %	108	105	-2.5%
Healthcare real estate	94	73 %	172	182	6.0%
Property of distribution networks	17	2 %	119	95	-20.8 %
<b>TOTAL without operational control</b>	<b>141</b>	<b>60 %</b>	<b>205</b>	<b>196</b>	<b>-4.2 %</b>
Like-for-like	122	53 %	203	189	-6.5%
<b>TOTAL</b>	<b>199</b>	<b>68 %</b>	<b>226</b>	<b>219</b>	<b>-3.0 %</b>

<sup>1</sup> The values shown are the total consumption for the building, without differentiating between the private and shared areas.

<sup>2</sup> Cofinimmo does not have any control over the private consumption of tenants in the buildings. It can only act on the consumption of the shared technical equipment of multi-tenant office buildings for which Cofinimmo Services provides Property Management.

<sup>3</sup> The like-for-like analysis is carried out on the basis of the total consumption of the building, without differentiating between the private and shared areas.

### RELATIVE ENERGY CONSUMPTION (KWH/M<sup>2</sup>/YEAR) BASED ON BUILDING AGE

	Number of buildings		Relative consumption		
	2016	2017	2016 kWh/m <sup>2</sup>	2017 kWh/m <sup>2</sup>	Δ
0 - 5 years	3	3	103	95	-7.8%
6 - 10 years	10	10	132	128	-3.2%
11 - 15 years	8	7	145	135	-7.0%
> 15 years	36	37	147	143	-2.9%
<b>TOTAL under operational control</b>	<b>57</b>	<b>57</b>	<b>140</b>	<b>135</b>	<b>-3.5 %</b>

<sup>1</sup> The analysis of buildings by age is carried out for buildings under operational control based on the consumption of the shared technical equipment of multi-tenant office buildings, excluding the head office.

## GHG-DIR-ABS AND GHG-INDIR-ABS

### TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (TONNES OF CO<sub>2</sub>E/YEAR)

Based on GRI 305-1, 305-2 and 305-3

Electricity: amount of greenhouse gas emitted indirectly by the purchase of electricity and urban heating and cooling per year.

Gas: amount of greenhouse gas emitted indirectly by the use of fuel on site per year.

Total: total direct and indirect greenhouse gas emissions.

	2016			2017			Δ
	Electricity tonnes CO <sub>2</sub> e	Gas tonnes CO <sub>2</sub> e	Total tonnes CO <sub>2</sub> e	Electricity tonnes CO <sub>2</sub> e	Gas tonnes CO <sub>2</sub> e	Total tonnes CO <sub>2</sub> e	
Coverage (number of buildings)	200	186		217	202		
Multi-tenant office buildings - Shared	4,529	7,121	11,651	4,392	6,841	11,234	-3.6 %
Head office	79	71	150	77	71	149	-0.6 %
<b>TOTAL under operational control</b>	<b>4,608</b>	<b>7,192</b>	<b>11,800</b>	<b>4,470</b>	<b>6,913</b>	<b>11,382</b>	<b>-3.5 %</b>
Like-for-like GHG-Dir-LfL and GHG-Indir-LfL	4,529	7,192	11,722	4,392	6,913	11,305	-3.6 %
Multi-tenant office buildings - Private	3,071	-	3,071	2,995	-	2,995	-2.5 %
Single-tenant buildings	12,749	6,171	18,920	11,354	4,951	16,305	-13.8 %
Public-Private Partnerships	1,192	1,877	3,069	1,186	1,587	2,773	-9.6 %
Healthcare real estate	7,265	10,823	18,088	9,179	13,711	22,891	26.6 %
Property of distribution networks	72	154	226	78	91	169	-25.4 %
<b>TOTAL without operational control</b>	<b>24,348</b>	<b>19,026</b>	<b>43,374</b>	<b>24,792</b>	<b>20,340</b>	<b>45,132</b>	<b>4.1 %</b>
Like-for-like GHG-Dir-LfL and GHG-Indir-LfL	21,181	18,483	39,664	19,847	17,406	37,253	-6.1 %
<b>TOTAL</b>	<b>28,956</b>	<b>26,218</b>	<b>55,174</b>	<b>29,262</b>	<b>27,253</b>	<b>56,515</b>	<b>2.4 %</b>

- The values indicated for the buildings under operational control are only for the consumption of the shared technical equipment of the buildings, except for the head office where all consumption is taken into account.
- The values shown for buildings which are not under operational control are for the total consumption of the building, including the private and shared areas, except for multi-tenant office buildings where only the private consumption of tenants is shown.
- Cofinimmo does not have any control over the private consumption of tenants in the buildings. It can only act on the consumption of the shared technical equipment of multi-tenant buildings for which Cofinimmo Services provides Property Management.
- The like-for-like analysis for buildings under operational control is based on the consumption of the shared technical equipment of the multi-tenant office buildings, excluding the head office.
- The like-for-like analysis of buildings which are not under operational control is carried out based on the total consumption of the buildings without distinction between the private and the shared areas, and excluding the private areas of multi-tenant buildings.
- The CO<sub>2</sub> emissions factor is 225.8 g/kWh for electricity (source IEA 2015) and 205 g/kWh for gas (source ADEME).
- The conversion coefficients used are based on location. Taking into account market conversion coefficients, total indirect emissions under operational control are zero as a result of the green electricity contracts that Cofinimmo Services has signed for all of its areas under operational control.
- The emissions' increase for the healthcare real estate segment is caused by an increase in coverage.

### TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (TONNES OF CO<sub>2</sub>E/YEAR) BASED ON BUILDING AGE

	2016			2017			Δ
	Electricity tonnes CO <sub>2</sub> e	Gas tonnes CO <sub>2</sub> e	Total tonnes CO <sub>2</sub> e	Electricity tonnes CO <sub>2</sub> e	Gas tonnes CO <sub>2</sub> e	Total tonnes CO <sub>2</sub> e	
0 - 5 years	418	336	754	395	302	696	-7.7 %
6 - 10 years	701	1,094	1,795	693	1,047	1,740	-3.1 %
11 - 15 years	696	1,163	1,859	310	593	903	-51.4 %
> 15 years	2,714	4,600	7,314	2,995	4,972	7,966	8.9 %
<b>TOTAL under operational control</b>	<b>4,529</b>	<b>7,192</b>	<b>11,722</b>	<b>4,392</b>	<b>6,913</b>	<b>11,305</b>	<b>-3.6 %</b>

- The analysis of buildings by age is carried out for buildings under operational control based on the consumption of the shared technical equipment of multi-tenant office buildings, excluding the head office.

## GHG-INT

### RELATIVE GREENHOUSE GAS EMISSIONS (KG CO<sub>2</sub>E/M<sup>2</sup>/YEAR)

#### Based on GRI CRE3

Total quantity of direct and indirect greenhouse gas emissions per m<sup>2</sup> per year.

The surface used as the denominator is the superstructure area.

	2016			2017			Δ
	Electricity kg CO <sub>2</sub> e/ m <sup>2</sup>	Gas kg CO <sub>2</sub> e/ m <sup>2</sup>	Total kg CO <sub>2</sub> e/ m <sup>2</sup>	Electricity kg CO <sub>2</sub> e/ m <sup>2</sup>	Gas kg CO <sub>2</sub> e/ m <sup>2</sup>	Total kg CO <sub>2</sub> e/ m <sup>2</sup>	
Coverage (number of buildings)	200	186		217	202		
Multi-tenant office buildings - Shared	12	18	30	11	18	29	-3.5 %
Head office	20	18	39	20	18	38	-0.6 %
<b>TOTAL under operational control</b>	<b>12</b>	<b>18</b>	<b>30</b>	<b>11</b>	<b>18</b>	<b>29</b>	<b>-3.5 %</b>
Like-for-like	12	18	30	11	18	29	-3.6 %
Multi-tenant office buildings - Private	9	-	9	9	-	9	-1.5 %
Single-tenant buildings	45	22	67	40	17	57	-14.6 %
Public-Private Partnerships	9	14	23	9	14	23	1.8 %
Healthcare real estate	14	24	38	15	25	40	5.5 %
Property of distribution networks	7	17	24	9	11	20	-19.3 %
<b>TOTAL without operational control</b>	<b>19</b>	<b>21</b>	<b>41</b>	<b>18</b>	<b>21</b>	<b>39</b>	<b>-3.0 %</b>
Like-for-like	23	22	44	27	20	42	-6.1 %
<b>TOTAL</b>	<b>17</b>	<b>20</b>	<b>38</b>	<b>17</b>	<b>20</b>	<b>37</b>	<b>-2.8 %</b>

- 1 The values indicated for the buildings under operational control are only for the consumption of the shared technical equipment of the buildings, except for the head office where all consumption is taken into account.
- 2 The values shown for buildings which are not under operational control are for the total consumption of the building, including the private and shared areas, except for multi-tenant office buildings where only the private consumption of tenants is shown.
- 3 Cofinimmo does not have any control over the private consumption of tenants in the buildings. It can only act on the consumption of the shared technical equipment of multi-tenant buildings for which Cofinimmo Services provides Property Management.
- 4 The like-for-like analysis for buildings under operational control is based on the consumption of the shared technical equipment of the multi-tenant office buildings, excluding the head office.
- 5 The like-for-like analysis of buildings which are not under operational control is carried out based on the total consumption of the buildings without distinction between the private and the shared areas, and excluding the private areas of multi-tenant buildings.
- 6 The CO<sub>2</sub> emissions factor is 225.8 g/kWh for electricity (source IEA 2015) and 205 g/kWh for gas (source ADEME).
- 7 The conversion coefficients used are based on location. Taking into account market conversion coefficients, total indirect emissions under operational control are zero as a result of the green electricity contracts that Cofinimmo Services has signed for all of its areas under operational control.

## WATER-ABS AND WATER-INT

### TOTAL WATER CONSUMPTION BY SUPPLY SOURCE (M<sup>3</sup>/YEAR)

Based on GRI 303-1 and CRE2

	Number of buildings	Coverage in m <sup>2</sup> per segment	Water consumption			Estimated water consumption	Relative consumption	
			2016 m <sup>3</sup>	2017 m <sup>3</sup>	Δ		2016 m <sup>3</sup> /m <sup>2</sup>	2017 m <sup>3</sup> /m <sup>2</sup>
Multi-tenant office buildings	57	100 %	120,603	99,647	-17.4 %	1.6 %	0.31	0.26
Head office	1	100 %	597	599	0.3 %	-	0.15	0.15
<b>TOTAL under operational control</b>	<b>58</b>	<b>100 %</b>	<b>121,200</b>	<b>100,246</b>	<b>-17.3 %</b>	<b>1.6 %</b>	<b>0.31</b>	<b>0.25</b>
Like-for-like Water-LfL	58	100 %	121,200	100,246	-17.3 %	-	0.31	0.25
Single-tenant buildings	25	73 %	60,369	42,132	-30.2 %	1.9 %	0.33	0.20
Public-Private Partnerships	4	30 %	34,396	36,929	7.4 %	1.5 %	0.77	0.85
Healthcare real estate	95	72 %	442,650	552,005	24.7 %	2.8 %	0.96	1.01
Property of distribution networks	-	-	-	-	-	-	-	-
<b>TOTAL without operational control</b>	<b>124</b>	<b>50 %</b>	<b>537,415</b>	<b>631,066</b>	<b>17.4 %</b>	<b>0.8 %</b>	<b>0.78</b>	<b>0.79</b>
Like-for-like Water-LfL	99	41 %	519,005	477,055	-8.1 %	-	0.79	0.72
<b>TOTAL</b>	<b>182</b>	<b>60 %</b>	<b>658,615</b>	<b>731,312</b>	<b>11.0 %</b>	<b>0.6 %</b>	<b>0.61</b>	<b>0.61</b>

1 The values shown are the total consumption for the building, without differentiating between the private and shared areas.

2 Cofinimmo does not have any control over the private consumption of tenants in the buildings. It can only act on the consumption of the shared technical equipment of multi-tenant office buildings for which Cofinimmo Services provides Property Management.

3 The like-for-like analysis is carried out on the basis of the total consumption of the building, without differentiating between the private and shared areas.

4 The sole supply source is city water.

5 The water consumed is used for air conditioning, sanitary facilities and the kitchenettes.

6 The surface used as the denominator is the superstructure area.

7 The increase consumption of the healthcare real estate segment is caused by the increase in coverage.

### TOTAL WATER CONSUMPTION BY SUPPLY SOURCE (M<sup>3</sup>/YEAR) BASED ON BUILDING AGE

	Number of buildings		Water consumption			Relative consumption	
	2016	2017	2016 m <sup>3</sup>	2017 m <sup>3</sup>	Δ	2016 m <sup>3</sup> /m <sup>2</sup>	2017 m <sup>3</sup> /m <sup>2</sup>
0 - 5 years	3	3	8,777	7,092	-19.2 %	0.26	0.21
6 - 10 years	10	10	25,439	20,012	-21.3 %	0.40	0.31
11 - 15 years	8	7	15,379	6,336	-58.8 %	0.26	0.20
> 15 years	37	38	71,605	66,805	-6.7 %	0.30	0.25
<b>TOTAL under operational control</b>	<b>58</b>	<b>58</b>	<b>121,200</b>	<b>100,246</b>	<b>-17.3 %</b>	<b>0.31</b>	<b>0.25</b>

1 The analysis by building age is done for the total under operational control.

2 The analysis by building age is done based on the total consumption of the building, without differentiating between the private and shared areas.

## WASTE-ABS

### TOTAL WEIGHT OF WASTE COLLECTED BY PROCESSING CHANNEL (TONNES/YEAR)

Based on GRI 306-2

Quantity of waste collected by processing channel : reuse, recycling, composting, incineration, burying, etc.

	Number of buildings	Coverage in m <sup>2</sup> per segment	2016 tonnes/year				2017 tonnes/year				Δ
			Recycled	Incinerated	Other	Total	Recycled	Incinerated	Other	Total	
Multi-tenant office buildings	57	100 %	679	633	-	1,312	680	654	-	1,334	1.7 %
Head office	1	100 %	12	5	-	17	14	5	-	19	7.7 %
<b>TOTAL under operational control</b>	<b>58</b>	<b>100 %</b>	<b>691</b>	<b>638</b>	<b>-</b>	<b>1,329</b>	<b>694</b>	<b>659</b>	<b>-</b>	<b>1,353</b>	<b>1.8 %</b>
Like-for-like Waste-LfL	57	99 %	691	638	-	1,329	685	650	-	1,335	0.5 %
Single-tenant buildings	21	47 %	121	209	-	330	150	209	-	359	8.7 %
Public-Private Partnerships	1	20 %	12	55	-	67	13	62	-	75	11.4 %
Healthcare real estate	2	1 %	-	-	-	-	10	27	-	36	-
Property of distribution networks	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL without operational control</b>	<b>24</b>	<b>11 %</b>	<b>133</b>	<b>264</b>	<b>-</b>	<b>397</b>	<b>173</b>	<b>297</b>	<b>-</b>	<b>470</b>	<b>18.3 %</b>
Like-for-like Waste-LfL	21	9 %	133	264	-	397	135	271	-	406	2.2 %
<b>TOTAL</b>	<b>82</b>	<b>28 %</b>	<b>825</b>	<b>902</b>	<b>-</b>	<b>1,726</b>	<b>867</b>	<b>956</b>	<b>-</b>	<b>1,822</b>	<b>5.6 %</b>

1 Waste is collected at source by type: general waste, paper, cardboard, plastic, cans, glass, etc.

2 The breakdown of waste according to processing channel depends on the type of waste.

3 The values shown are the total quantities for the buildings, without differentiating between the private and shared areas.

4 Cofinimmo does not have any control over the private quantities of waste of building tenants. It can only act on the quantities of multi-tenant buildings for which Cofinimmo Services provides Property Management.

5 The like-for-like analysis is carried out on the basis of the total quantities from the buildings, without differentiating between the private and shared areas.

6 Waste classified as hazardous is handled by tenants (not applicable).

7 Conversion factor depending on type: general waste 60 kg/m<sup>2</sup>, paper/cardboard 50 kg/m<sup>2</sup>, plastic/cans 30 kg/m<sup>2</sup> and glass 18.25 kg/m<sup>2</sup>.

### PERCENTAGE OF WASTE COLLECTED BY PROCESSING CHANNEL (% OF TOTAL WASTE)

Based on GRI 306-2

Proportion of waste collected by processing channel : reuse, recycling, composting, incineration, burying, etc.

	Number of buildings	Coverage in m <sup>2</sup> per segment	2016			2017		
			Recycled	Incinerated	Other	Recycled	Incinerated	Other
Multi-tenant office buildings	57	100 %	52 %	48 %	-	51 %	49 %	-
Head office	1	100 %	69 %	31 %	-	76 %	24 %	-
<b>TOTAL under operational control</b>	<b>58</b>	<b>100 %</b>	<b>52 %</b>	<b>48 %</b>	<b>-</b>	<b>51 %</b>	<b>49 %</b>	<b>-</b>
Like-for-like	57	99 %	52 %	48 %	-	51 %	49 %	-
Single-tenant buildings	21	47 %	37 %	63 %	-	42 %	58 %	-
Public-Private Partnerships	1	20 %	18 %	82 %	-	17 %	83 %	-
Healthcare real estate	2	1 %	-	-	-	26 %	74 %	-
Property of distribution networks	-	-	-	-	-	-	-	-
<b>TOTAL without operational control</b>	<b>24</b>	<b>11 %</b>	<b>34 %</b>	<b>66 %</b>	<b>-</b>	<b>37 %</b>	<b>63 %</b>	<b>-</b>
Like-for-like	21	9 %	34 %	66 %	-	33 %	67 %	-
<b>TOTAL</b>	<b>82</b>	<b>28 %</b>	<b>48 %</b>	<b>52 %</b>	<b>-</b>	<b>48 %</b>	<b>52 %</b>	<b>-</b>

## CERT-TOT

### TYPE AND NUMBER OF CERTIFICATIONS

#### Based on GRI CRE8

Total number of buildings receiving certification by type.

The table shows the number of buildings which have received at least one certification by type (PEB, ISO 14001:2015, BREEAM).

The energy performance level shown is the weighted average of the scores by segment.

	Country	Certification						
		PEB			ISO 14001:2015		BREEAM	
		Number of buildings	Coverage in m <sup>2</sup> per segment	Energy performance kWh/m <sup>2</sup>	Number of buildings	Coverage in m <sup>2</sup> per segment	Number of buildings	Coverage in m <sup>2</sup> per segment
Multi-tenant office buildings	Belgium	33	54 %	218	57	100 %	8	11 %
Head office	Belgium	1	100 %	238	1	100 %	1	100 %
<b>TOTAL under operational control</b>	<b>Belgium</b>	<b>34</b>	<b>54 %</b>	<b>218</b>	<b>58</b>	<b>100 %</b>	<b>9</b>	<b>12 %</b>
Like-for-like	Belgium	33	53 %	218	58	100 %	1	1 %
Single-tenant buildings	Belgium	15	43 %	280	30	100 %	2	11 %
Public-Private Partnerships	Belgium	4	53 %	190	-	-	1	20 %
Healthcare real estate	Belgium	8	4 %	168	11	8 %	-	-
Healthcare real estate	France	45	92 %	311	-	-	-	-
Healthcare real estate	The Netherlands	17	58 %	208	-	-	-	-
Healthcare real estate	Germany	5	36 %	186	-	-	-	-
Property of distribution networks	Belgium	28	9 %	389	-	-	-	-
Property of distribution networks	France	271	97 %	294	-	-	-	-
Property of distribution networks	The Netherlands	-	-	-	-	-	-	-
<b>TOTAL without operational control</b>		<b>393</b>	<b>35 %</b>	<b>266</b>	<b>41</b>	<b>22 %</b>	<b>3</b>	<b>4 %</b>
Like-for-like		355	27 %	273	12	8 %	2	3 %
<b>TOTAL</b>		<b>427</b>	<b>39 %</b>	<b>253</b>	<b>99</b>	<b>37 %</b>	<b>12</b>	<b>5 %</b>

1 PEB certification is regulated differently in each country and sector.

2 For some PEB certificates, the score is 0 kWh/m<sup>2</sup> due to lack of information. These certificates are not included in the average.

3 ISO 14001:2015 and BREEAM certifications are voluntary.

4 ISO 14001:2015 certification covers property management, development and project management activities.

5 The head office's BREEAM In-Use certificate is valid until 03.03.2017 and its renewal is in progress.

### DISTRIBUTION OF BREEAM CERTIFICATES BY LEVEL

	BREEAM In-Use		BREEAM
	Asset	Building Management	
Head office	Good	Very Good	
Leuze-en-Hainaut prison			Good
BELLIARD 40			Excellent
ARTS 19H			Excellent
GUIMARD 10-12			Very Good
PARK LANE C	Good	Good	
PARK LANE D	Good	Very Good	
PARK LANE E	Good	Very Good	
PARK LANE F	Good	Very Good	
PARK LANE G	Good	Very Good	
PARK LANE H	Good	Very Good	
PARK HILL 16	Good	Good	

1 The head office's BREEAM In-Use certificate is valid until 03.03.2017 and its renewal is in progress.

## ANNUAL COMPARISON OF THE NUMBER AND PERFORMANCE OF PEB CERTIFICATIONS BY SEGMENT

Total number of buildings with PEB certification.

The table shows the number of buildings which have received at least one PEB certification.

The energy performance level shown is the weighted average of the scores by segment.

	Country	PEB certification					
		Number of buildings		Coverage in m <sup>2</sup> per segment		Energy performance kWh/m <sup>2</sup>	
		2016	2017	2016	2017	2016	2017
Offices	Belgium	47	49	48 %	50 %	235	241
Public-Private Partnerships	Belgium	4	4	55 %	53 %	190	190
Healthcare real estate	Belgium	6	8	4 %	4 %	132	168
Healthcare real estate	France	39	45	82 %	92 %	304	311
Healthcare real estate	The Netherlands	2	17	9 %	58 %	123	208
Healthcare real estate	Germany	-	5	-	36 %	-	186
Property of distribution networks	Belgium	30	28	2 %	1 %	394	389
Property of distribution networks	France	273	271	97 %	97 %	293	294
Property of distribution networks	The Netherlands	4	-	2 %	-	487	-

<sup>1</sup> PEB certification is regulated differently in each country and sector.

## SOCIAL PERFORMANCE INDICATORS

### DIVERSITY-EMP

#### EMPLOYEE DIVERSITY (% OF EMPLOYEES)

Based on GRI 405-1

	2016		2017	
	Women	Men	Women	Men
Board of Directors members	31 %	69 %	42 %	58 %
Executive Committee	25 %	75 %	25 %	75 %
Managers	53 %	47 %	50 %	50 %
Employees	64 %	36 %	63 %	37 %

<sup>1</sup> In 2016, 28 % of women and 9 % of men worked part-time.

<sup>2</sup> In 2017, 19 % of women and 3 % of men worked part-time.

### DIVERSITY-PAY

#### REMUNERATION BY GENDER (% WOMEN/MEN)

Based on GRI 405-2

	2017	
	Women	Men
Board of Directors members	72 %	
Executive Committee	92 %	
Managers	82 %	
Employees	85 %	

<sup>1</sup> The difference at Managers' level can be explained by the fact that there are more male operational Managers.

<sup>2</sup> At employee level, there is a small difference by the fact that many female employees have a function of administrative assistant.

<sup>3</sup> In 2016 the calculation was not realised. The 2016 figures are therefore not available.

<sup>4</sup> The CEO and chairman are male, which explains the difference at Executive Committee and Board level.

## EMP-TRAINING

### EMPLOYEE TRAINING AND DEVELOPMENT (NUMBER OF HOURS)

Based on GRI 404-1

	2016				2017			
	Women h	Men h	Total h	Average h/employee	Women h	Men h	Total h	Average h/employee
Head office	2,424	1,622	4,046	31	3,159	1,808	4,967	36

<sup>1</sup> The denominator is 137 people (= number of employees, the Executive Committee included).

## EMP-DEV

### EMPLOYEE PERFORMANCE APPRAISALS (% OF EMPLOYEES)

Based on GRI 404-3

	2016	2017
Head office	100 %	100 %

## EMP-TURNOVER

### NEW HIRES AND DEPARTURES (NUMBER OF EMPLOYEES)

Based on GRI 401-1

	2016				2017			
	Departures		New hires		Departures		New hires	
	Total	% of employees	Total	% of employees	Total	% of employees	Total	% of employees
Head office	5	3.8 %	8	6.1 %	9	6.6 %	6	4.4 %

<sup>1</sup> The denominator is 137 people (= number of employees, the Executive Committee included).

## H&S-EMP

### EMPLOYEE HEALTH AND SAFETY

Based on GRI 403-2

	2016			2017		
	Rate of short-term absenteeism	Rate of long-term absenteeism	Workplace accidents	Rate of short-term absenteeism	Rate of long-term absenteeism	Workplace accidents
Head office	1.2 %	3.5 %	0	1.6 %	2.6 %	4

<sup>1</sup> The denominator is the total of working days, holidays following the Belgian legislation included.

<sup>2</sup> Short term means absenteeism of 20 days or less, long term means more than 20 days.

<sup>3</sup> There were no serious or fatal work-related accidents. The four cases mentioned concern only minor injuries.

## H&S-ASSET

### ASSET HEALTH AND SAFETY ASSESSMENTS (% OF BUILDINGS)

Based on GRI 416-1

	2016	2017
Multi-tenant office buildings	100 %	100 %
Head office	100 %	100 %
<b>TOTAL under operational control</b>	<b>100 %</b>	<b>100 %</b>

<sup>1</sup> Fire audit, asbestos monitoring.

## H&S-COMP

### ASSET HEALTH AND SAFETY COMPLIANCE (NUMBER OF INCIDENTS)

Based on GRI 416-2

	2016	2017
Multi-tenant office buildings	0	0
Head office	0	0
<b>TOTAL under operational control</b>	<b>0</b>	<b>0</b>

<sup>1</sup> In 2017 no infringement related to fire audit and asbestos monitoring with a financial or health impact on the occupant was noted.

## COMTY-ENG

### SOCIAL ENGAGEMENT, IMPACT ASSESSMENTS AND DEVELOPMENT PROGRAMMES (% OF BUILDINGS)

Based on GRI 413-1

	2016	2017
Multi-tenant office buildings	100 %	100 %
Head office	100 %	100 %
<b>TOTAL under operational control</b>	<b>100 %</b>	<b>100 %</b>

<sup>1</sup> Mobility impact has been evaluated (➔ see page 60 of the 2017 Sustainability Report). The strategy also includes individual actions by building such as the opening of the garden to the public (➔ see pages 56-59 of the 2017 Sustainability Report).

<sup>2</sup> The engagement related to the head office is described in the GRI reference table.

## GOVERNANCE PERFORMANCE INDICATORS

### GOV-BOARD

#### COMPOSITION OF THE HIGHEST GOVERNANCE BODY (TOTAL NUMBER)

Based on GRI 102-22

	Board of Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee
Independent members	8/12	-	3/3	4/4
Executive members	4/12	-	-	-
Average term in years	5	9	5	1
Members with CSR expertise	1	1	-	-

<sup>1</sup> Mr. Denis, Chief Operating Officer, is responsible for all operations linked to the company's real estate portfolio. This responsibility comprises sustainability skills based on his studies and experiences in the frame of several projects.

### GOV-SELEC

#### NOMINATION AND SELECTION PROCESS FOR THE HIGHEST GOVERNANCE BODY

Based on GRI 102-24

➔ See chapter Corporate governance statement on pages 90-117 of the 2017 Annual Financial Report on [www.cofinimmo.com](http://www.cofinimmo.com).

### GOV-COL

#### CONFLICT OF INTEREST MANAGEMENT PROCESS

Based on GRI 102-25

➔ See chapter Corporate governance statement on pages 90-117 of the 2017 Annual Financial Report on [www.cofinimmo.com](http://www.cofinimmo.com).

# DASHBOARD

		Commitments	Scope	2017 actions
	3.4	Gradually decontaminate buildings with remaining traces of asbestos	Overall portfolio	<ul style="list-style-type: none"> <li>Updated the inventory of buildings with remaining traces of asbestos;</li> <li>Improved the quality of data collected for healthcare real estate in France;</li> <li>Decontaminated buildings during refurbishment works (office buildings Belliard 40 and Quartz (formerly Arts/Kunst 19H));</li> <li>Informed and trained the employees involved on procedures to detect and remove asbestos in the various segments and territories.</li> </ul>
	4.4	Implement the framework necessary for employee career development	Head office	<ul style="list-style-type: none"> <li>4,967 training hours, of which 700 hours of coaching, followed by 117 of 137 employees, representing an average of 36 hours per employee.</li> </ul>
	6.4	Improve water consumption data collection	Overall portfolio	<ul style="list-style-type: none"> <li>100 % of data collected for water consumption in multi-tenant offices, 72 % in healthcare real estate, 73 % in single-tenant offices and 30 % for Public-Private Partnerships.</li> </ul>
	7.2	Increase renewable energy production	Overall portfolio	<ul style="list-style-type: none"> <li>Photovoltaic energy production is currently 1 GWh for the entire portfolio (Woluwe 58, Lucie Lambert, Termonde/Dendermonde, Leuze, Omega Court, Paepsem, Arcus, Paloke, Zonneweelde Rijmenam), which represents less than one percent of the portfolio's electricity consumption;</li> <li>Analysed the potential for photovoltaic energy production in the healthcare real estate portfolio in Belgium and the Netherlands.</li> </ul>
	7.3	Improve the portfolio's energy performance with a building refurbishment programme	Overall portfolio	<ul style="list-style-type: none"> <li>1.1 % of the real estate portfolio underwent redevelopment or large-scale refurbishment, which improved the energy performance (new constructions and acquisitions excluded).</li> </ul>
	7.3	Extend energy accounting to the healthcare real estate segment and the Pubstone sub-portfolio (distribution network)	Healthcare real estate Pubstone	<ul style="list-style-type: none"> <li>73 % consumption data of the healthcare real estate segment have been collected;</li> <li>Creation of a healthcare real estate benchmark;</li> <li>2 % consumption data of the Pubstone sub-portfolio have been collected.</li> </ul>
	7.3	Better measurement and management of the energy consumption of multi-tenant office buildings	Offices	<ul style="list-style-type: none"> <li>Four buildings have been equipped with remote meters, which brings the total number of connected buildings to 45;</li> <li>Monitored the 'smart' consumption management pilot project in the Bourget 42 building in Diegem, by using big data;</li> <li>Implemented quantified energy reduction objectives within the framework of energy audits for nine buildings since 2015;</li> <li>Extended the quantified energy reduction goals for four buildings, i.e. a total of 13 buildings for which an objective has been set;</li> <li>Assessed the energy reduction objectives of 45 office buildings in Brussels as part of the application of the local action plan for energy management (PLAGE: 'Plan Local d'Action pour la Gestion Energétique').</li> </ul>
	8.4	Mobilise employees	Cofinimmo Group	<ul style="list-style-type: none"> <li>Implemented the action plan developed by each Cofinimmo team to improve the application of the company values throughout its business activities;</li> <li>Set an objective related to the company's sustainable development strategy in the individual annual objectives of each employee for 2017.</li> </ul>
	9.1	Develop an innovation culture within the company.	Cofinimmo Group	<ul style="list-style-type: none"> <li>Continued the implementation of innovation projects:</li> <li>Opened new Flex Corners® in the buildings Park Hill and Bourget 42 in Diegem, Omega Court in Auderghem/Oudergem and Souverain/Vorst 36 in Watermael-Boitsfort/Watermaal-Bosvoorde and extended the existing Flex Corner® in Paepsem Business Park. Eight office buildings are now equipped with this type of spaces;</li> <li>Opened a second Lounge® in The Gradient building;</li> <li>Continued the internal use of 'big data';</li> <li>Converted the roof of Brand Whitlock into a rooftop terrace with furniture in the shape of the Cofinimmo logo;</li> <li>Used the roofs of three buildings as marketing media by the placement of the Cofinimmo logo;</li> <li>Temporary use as housing of six pubs in the Netherlands until their rental.</li> </ul>

	Objective measurement	2017 progress	Future actions	Deadline
	Number of buildings without traces of asbestos	59 %	<ul style="list-style-type: none"> <li>Improve the quality of data collected for the various segments.</li> </ul>	2018
	Average number of hours per employee	100 %	<ul style="list-style-type: none"> <li>Obtain the Gold level for the 2018 Investors in People label.</li> </ul>	2018
	% of data coverage	60 %	<ul style="list-style-type: none"> <li>Increase to a 75 % coverage of the building surfaces (100 % of multi-tenant office buildings, 90 % of single-tenant buildings and 75 % of healthcare real estate).</li> </ul>	2019
	Production in MWh	100 %	<ul style="list-style-type: none"> <li>Install a solar energy production system on the Amphia parking building in the Netherlands (production estimated at 381 MWh/year);</li> <li>Plan to install photovoltaic production units in the Brussels-Capital Region (estimated potential: 420 MWh/year) and the Netherlands (estimated potential, Amphia project excluded: 700 MWh/year);</li> <li>Raise tenant awareness about investing in renewable energy sources during construction/refurbishment/extension projects.</li> </ul>	2019
	% surface area	100 %	<ul style="list-style-type: none"> <li>Cofinimmo is planning to refurbish 6.05 % of its portfolio between 2018 and 2022 (new constructions and acquisitions excluded).</li> </ul>	2022
	% surface area	94 %	<ul style="list-style-type: none"> <li>Improve the healthcare real estate benchmark;</li> <li>By 2018, Cofinimmo intends to dispose 75 % of the consumption data in the healthcare real estate sector and 5 % in the Pubstone portfolio.</li> </ul>	2018
	Number of buildings	79 %	<ul style="list-style-type: none"> <li>Track energy consumption reduction results;</li> <li>Equip the remainder of the multi-tenant buildings with remote meters, i.e. nine buildings before the 2019 deadline set initially.</li> </ul>	2021
	Completion of the actions planned	100 %	<ul style="list-style-type: none"> <li>Set an objective related to the company's sustainable development strategy in the individual annual objectives of each employee for 2018.</li> </ul>	2018
	Completion of the actions planned	100 %	<ul style="list-style-type: none"> <li>Continue deployment of new Flex Corner® in the Arts/Kunst 46 building in Etterbeek. Expand the Flex Corners® in the buildings Park Hill in Diegem and Omega Court in Auderghem/Oudergem;</li> <li>Continue the promotion and marketing of the Lounges®;</li> <li>Implement the selected ideas from the second Innovation workgroup of 2017;</li> <li>Project Quartz (formerly Arts/Kunst 19H): creation of a rooftop terrace.</li> </ul>	2019

		Commitments	Scope	2017 actions
 10 REDUCED INEQUALITIES	10.2	Ensure sufficient diversity at all levels of the company	Head office	<ul style="list-style-type: none"> <li>Improved the equality at employee level: 64 % women and 36 % men;</li> <li>Equality at management level: 50 % women and 50 % men;</li> <li>Improved the equality at Board level: 42 % women and 58 % men.</li> </ul>
	10.2	Audit and research potential improvements in building accessibility for persons with reduced mobility (PRM)	Offices	<ul style="list-style-type: none"> <li>16 buildings have been audited since 2013;</li> <li>Improvement works on the Belliard 40 building.</li> </ul>
 11 SUSTAINABLE CITIES AND COMMUNITIES	11.3	Improve the aesthetics and urban space when redeveloping existing buildings	Offices	<ul style="list-style-type: none"> <li>Redevelopment of the Belliard 40 building, redesigned by renowned architects Marc Thill from Art &amp; Build and Pierre Lallemand;</li> <li>Started the redevelopment works of the Quartz (formerly Arts/Kunst 19H) building;</li> <li>Reconversion project of the Woluwe 106-108 building into the Vivalys nursing and care home.</li> </ul>
	11.6	Obtain BREEAM and BREEAM In-Use certificates	Offices	<ul style="list-style-type: none"> <li>Extended the BREEAM In-Use certificate for Woluwe 58, Cofinimmo's head office;</li> <li>BREEAM In-Use certificate for eight buildings;</li> <li>BREEAM 'Excellent' certificate (design stage) for the Quartz (formerly Arts/Kunst 19H) building and 'Very Good' for the Guimard 10-12 building.</li> </ul>
	11.6	Inform clients about building accessibility by alternative transport options.	Offices	<ul style="list-style-type: none"> <li>Participated in the initiative launched by Voka (Vlaams Netwerk van Ondernemingen) and Commu to extend the carpooling platform to all companies in Diegem/Zaventem to increase the number of carpoolers.</li> </ul>
	11.6	Promote the use of alternative transport modes to the car by improving infrastructure	Offices	<ul style="list-style-type: none"> <li>Added four charging stations for electric vehicles in the Guimard 10-12 building, bringing their total to 13 in seven buildings;</li> <li>Creation of 195 bicycle parking spaces in the office buildings;</li> <li>Installation of 22 new showers in seven buildings.</li> </ul>
	11.6	Improve the rate of use of car parks by pooling or by conversion into car parks for semi-public or public use	Offices	<ul style="list-style-type: none"> <li>Assessed the implementation of public car parks for four buildings as part of the renewal of the environmental permit;</li> <li>2.7 % available parking spaces in the office portfolio transformed into shared and public parking spaces (333 spaces in total).</li> </ul>
	11.6	Implement a mobility plan	Head office	<ul style="list-style-type: none"> <li>Implemented a bicycle plan and participated in European Mobility Week. Training on how to ride a bicycle in the city, supply of tools to cyclists and organised bicycle maintenance twice a year;</li> <li>Update the mobility plan by the three-year regulatory deadline. In progress;</li> <li>Increased facilities for people who are carpooling: provided taxi vouchers for urgent return at home. Is included in the mobility plan.</li> </ul>
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	11.7	Increase green zones in the office portfolio while respecting biodiversity	Offices	<ul style="list-style-type: none"> <li>Green zone project for the Brand Whitlock building;</li> <li>There are currently five beehives in our office portfolio.</li> </ul>
	12.2	Partially recycle materials during refurbishment projects	Offices	<ul style="list-style-type: none"> <li>Installed 100 % gerecycled carpeting for all refurbishments, except when explicitly requested otherwise by a new tenant. 15,355 m<sup>2</sup> of recycled carpet installed;</li> <li>In 2017, 15,14 tonnes of materials were recovered before demolition of the Quartz (formerly Arts/Kunst 19H) building;</li> <li>Recovery/recycling of Cofinimmo's computer equipment by the Out-of-Use company. Trees were planted to compensate the recovered equipment.</li> </ul>
	12.5	Digital invoicing from suppliers and to clients	Head office	<ul style="list-style-type: none"> <li>In 2017, 8,420 invoices were received in digital format, i.e. 40 % of all invoices received (12,675 invoices scanned and 8,420 invoices sent by e-mail);</li> <li>For 52 % of the tenants, all documents (rent bills, charge breakdowns, etc) were sent in digital format.</li> </ul>
	12.5	Improve waste sorting in multi-tenant office buildings via occupant awareness raising	Offices	<ul style="list-style-type: none"> <li>Improved waste sorting: 52 % of the collected waste was recycled.</li> </ul>

	Objective measurement	2017 progress	Future actions	Deadline
	% of women / % of men at Board level	72 %	<ul style="list-style-type: none"> <li>➤ Strive for better equality in the Board of Directors.</li> </ul>	2018
	Number of buildings audited	18 %	<ul style="list-style-type: none"> <li>➤ Audit of 50 % of multi-tenant buildings by 2018;</li> <li>➤ Gradually improve accessibility, based on audit comments;</li> <li>➤ Obtain a PRM accessibility label.</li> </ul>	2022
	Number of projects	100 %	<ul style="list-style-type: none"> <li>➤ Conversion project of the Souverain/Vorst 23 building into residential use;</li> <li>➤ Refurbishment project of the Bourget 40 building in Diegem.</li> </ul>	2019
	Number of buildings	100 %	<ul style="list-style-type: none"> <li>➤ Evaluate the opportunity to have the office portfolio BREEAM In-Use certified;</li> <li>➤ Confirm the BREEAM certificate for large-scale refurbishment once completed: <ul style="list-style-type: none"> <li>- Quartz (formerly Arts/Kunst 19H): BREEAM 'Excellent' certificate expected in 2019;</li> <li>- Belliard 40: BREEAM 'Excellent' certificate expected in 2018.</li> </ul> </li> </ul>	2019
	Number of buildings	100 %	<ul style="list-style-type: none"> <li>➤ Gradual preparation of multi-modal sheets for office buildings;</li> <li>➤ Voka-Commuty initiative to increase carpooling by opening up the platform for more companies (Boulevard de la Woluwe/Woluwelaan in Brussels).</li> </ul>	2019
	Number of buildings	100 %	<ul style="list-style-type: none"> <li>➤ Gradually improve cyclist infrastructure by: <ul style="list-style-type: none"> <li>- increasing bicycle parking;</li> <li>- improving the bicycle parking type;</li> <li>- increasing the number of showers;</li> </ul> </li> <li>➤ Equip three buildings with charging stations for electric vehicles by adding eight charging points.</li> </ul>	2019
	Number of shared or public parking spaces	100 %	<ul style="list-style-type: none"> <li>➤ Study for the gradual transformation of 2,500 parking spaces into public parking as permits are renewed.</li> </ul>	2030
	Number of actions	100 %	<ul style="list-style-type: none"> <li>➤ Raise the awareness of staff members using a company car about their average consumption;</li> <li>➤ Take part in 'The Bike Project', a Brussels Region initiative to promote alternatives to cars, including bicycles, by providing coaching to the companies that are joining the project.</li> </ul>	2018
	Number of beehives	100 %	<ul style="list-style-type: none"> <li>➤ Expand the collaboration with Beeodiversity to extend the geographical scope of the pollution and biodiversity study by installing new hives. Plan to add another beehive on the roof or in the garden of an office building.</li> </ul>	2018
	% of installed recycled carpet, compared to carpet purchases	100 %	<ul style="list-style-type: none"> <li>➤ Engagement to reuse materials for every new refurbishment projects;</li> <li>➤ Participation in the study of potential pooling of sanitary facilities in the framework of demolition works.</li> </ul>	2018
	Number of invoices received/sent in digital format	40 %	<ul style="list-style-type: none"> <li>➤ 50 % of invoices will be received in digital format.</li> <li>➤ 50 % of tenants will receive their rent reminders and charge breakdowns in digital format.</li> </ul>	2018
	% of recycled waste, compared to the 70 % objective	74 %	<ul style="list-style-type: none"> <li>➤ Improved waste sorting;</li> <li>➤ Thinking exercise regarding the waste performance indicator following the decrease in paper use (paperless offices).</li> </ul>	2020

		Commitments	Scope	2017 actions
	13.3	Update the head office's carbon balance sheet	Head office	<ul style="list-style-type: none"> <li>Update the current head office's carbon balance sheet based on 2014 data. Over the last five years, the company's carbon footprint increased from 592 tonnes CO<sub>2</sub>e in 2009 to 756 tonnes CO<sub>2</sub>e in 2014. This is the result of the portfolio's geographical diversification. The most significant source of emissions (55%) is travel (company cars, business travel, home/work travel, travel by our visitors).</li> </ul>
	13.3	Decrease the CO <sub>2</sub> emissions of leased cars	Head office	<ul style="list-style-type: none"> <li>Measured the impact of the mobility policy implemented in 2017, which provides mobility solutions and enables the combination of company cars with 'soft' mobility;</li> <li>The efforts made since 2010 have enabled a 27% decrease in the average CO<sub>2</sub> emissions (manufacturer data) of leased cars.</li> </ul>
	16.6	Maximise the transparency of the company's extra-financial information	Cofinimmo Group	<ul style="list-style-type: none"> <li>Received an EPRA<sup>1</sup> Sustainability sBPR Gold Award</li> <li>Received an outside validation for the Key Performance Indicators recommended by EPRA and published on the Cofinimmo website;</li> <li>Produced a sustainability report in line with GRI<sup>2</sup> Standards Core-level, and obtained its outside validation;</li> <li>Linked Cofinimmo's sustainable development policy with the 17 objectives of the United Nations (Sustainable Development Goals - SDG);</li> <li>Participated in the GRESB<sup>3</sup> survey with a significant score improvement from 53% to 66%.</li> </ul>
	16.6	Extend the Environment Management System's ISO 14001 certification in addition to the existing certification for the overall office portfolio under management and for Project Management	Overall portfolio	<ul style="list-style-type: none"> <li>Renewed the ISO 14001 certification based on the new 2015 version. It has been extended and now encompasses Property Management, Project Management and Development activities.</li> </ul>
	17.17	Annually review the materiality matrix for the company's sustainable challenges	Cofinimmo Group	<ul style="list-style-type: none"> <li>Continued the dialogue with external stakeholders via a survey in the property of distribution networks segment. We met one of the two main clients in this segment, AB InBev, to exchange our sustainable perspectives and best practices.</li> </ul>
	17.17	Promote the Green Charter, a cooperation agreement signed by Cofinimmo, Cofinimmo Services and tenants in order to actively promote sustainable development and encourage all parties to reduce the environmental impact of leased properties: sharing of consumption data, initiatives to reduce consumption, better waste sorting, etc.	Offices	<ul style="list-style-type: none"> <li>Promoted the Green Charter to new tenants at the time of the lease signature;</li> <li>Covered 20% of office spaces by a Green Charter;</li> <li>Studied the potential to implement a Green Lease, stricter than a Green Charter;</li> <li>Sent an automated consumption tracking report to tenants who signed a Green Charter.</li> </ul>
	17.17	Include a separate clause in contracts and calls for tenders regarding the adoption of sustainable practices by subcontractors as a selection criterion	Overall portfolio	<ul style="list-style-type: none"> <li>Provided the environmental policy to the main suppliers. Cofinimmo encourages its suppliers to adopt a respectful behaviour for the environment. 28 out of the 53 surveyed suppliers signed Cofinimmo's environmental policy.</li> </ul>

1 EPRA, European Public Real Estate Association, [www.epra.com](http://www.epra.com).

2 GRI, Global Reporting Initiative, [www.globalreporting.org](http://www.globalreporting.org).

3 GRESB, Global Real Estate Sustainability Benchmark, [www.gresb.com](http://www.gresb.com).

	Objective measurement	2017 progress	Future actions	Deadline
	Carbon footprint per employee, based on the spread of the real estate portfolio	0%	<ul style="list-style-type: none"> <li>➤ New assessment of Cofinimmo's carbon balance sheet</li> </ul>	2018
	% vehicles < 95 g CO <sub>2</sub> /km	2%	<ul style="list-style-type: none"> <li>➤ Cofinimmo has committed to aligning itself with the new European Commission objective of 95 g CO<sub>2</sub>/km by 2020.</li> </ul>	2020
	Scores obtained for the different surveys	100%	<ul style="list-style-type: none"> <li>➤ Improve Cofinimmo's scores on the GRESB surveys;</li> <li>➤ Publish EPRA performance indicators following the new Best Practices' version, including new social indicators;</li> <li>➤ Active participation in the Vigeo Eiris rating;</li> <li>➤ Produce the first report concerning the Green &amp; Social Bonds issued in December 2016 and included in the 2017 Sustainability Report - full version.</li> </ul>	2018
	Certification renewal/extension	100%	<ul style="list-style-type: none"> <li>➤ Continue the life cycle analysis for the properties managed by the company.</li> </ul>	2018
	Execution of the planned actions	100%	<ul style="list-style-type: none"> <li>➤ Organise round tables with different stakeholders to re-examine the materiality matrix.</li> </ul>	2018
	% surface area	68%	<ul style="list-style-type: none"> <li>➤ Cover 30% of all office spaces by a Green Charter by 2018.</li> </ul>	2018
	Number of companies	53%	<ul style="list-style-type: none"> <li>➤ Formalise a sustainable purchasing policy, starting with Cofinimmo's supplies;</li> <li>➤ Sign the UN Global Compact Charter and its ten fundamental company responsibilities in the areas of human rights, labour, environment and fight against corruption.</li> </ul>	2018

# GRI REFERENCE TABLE



ALL GRI STANDARDS ON PAGES 93 TO 97 HAVE BEEN REVIEWED BY THE AUDITOR, DELOITTE REVISEURS D'ENTREPRISES/ BEDRIJFSREVISOREN.

COFINIMMO IS NOT SUBJECT TO THE EUROPEAN LEGISLATION ON NON-FINANCIAL REPORTING (EU 2014/95 DIRECTIVE). THE SUSTAINABILITY REPORT IS A VOLUNTARY INITIATIVE COMPLIANT WITH THE LEGAL REQUIREMENTS OF THE TRANSPOSITION OF THIS DIRECTIVE INTO BELGIAN LAW.

# UNIVERSAL STANDARDS

SR (fv): Sustainability Report – full version

AFR: Annual Financial Report

<b>GRI 102: GENERAL DISCLOSURES 2017</b>			
<b>1. ORGANISATIONAL PROFILE</b>			
102-1	Name of the establishment		Cofinimmo SA
102-2	Activities, brands, products and services	SR (fv) 18-23, 27, 31 AFR 58-85	
102-3	Location of head office		Boulevard de la Woluwe/Woluwedal 58, 1200 Brussels, Belgium
102-4	Location of operations	SR (fv) 14	
102-5	Ownership and legal form	SR (fv) 0 AFR 238-253	
102-6	Markets served	SR (fv) 14, 28-29 AFR 58-85	
102-7	Scale of the organisation	SR (fv) 0 AFR 22	
102-8	Information on employees and other workers	SR (fv) 52-55, 73, 83 AFR 93	Cofinimmo does not work with external contractors. All employees are recruited for an indefinite term. Social data are consolidated by Securex, the social accounting secretariat. 
102-9	Supply chain	SR (fv) 26-29	
102-10	Significant changes to the organisation and its supply chain	AFR 38	
102-11	Precautionary principle or approach	AFR 2-5	
102-12	External initiatives	SR (fv) 15	Participation in GRESB and CDP surveys
102-13	Membership of associations		The Shift, Women on Board, UPSI, IIP, EPRA, RICS, ULI, Alter Forum, ONA
<b>2. STRATEGY</b>			
102-14	Statement from senior decision-maker	SR (fv) 2-3	
102-15	Key impacts, risks and opportunities	AFR 2-5	
<b>3. ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards and norms of behaviour	SR (fv) 18-23	<a href="http://www.cofinimmo.com/nous-connaître/gouvernance/chartes">http://www.cofinimmo.com/nous-connaître/gouvernance/chartes</a> <a href="http://www.cofinimmo.com/nous-connaître/gouvernance">http://www.cofinimmo.com/nous-connaître/gouvernance</a> 
<b>4. GOVERNANCE</b>			
102-18	Governance structure	SR (fv) 23 AFR 90-103	
102-21	Consulting stakeholders on economic, environmental, and social topics	SR (fv) 30-35	
102-22	Composition of the highest governance body and its committees	SR (fv) 23, 53 AFR 90-117	 
102-24	Nominating and selecting the highest governance body	AFR 90-117	 
102-25	Conflicts of interest	AFR 104	

## 5. STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	SR (fv) 64-65	
102-41	Collective bargaining agreements		There is no union representation within Cofinimmo due to a lack of candidates in the compulsory employee elections held every four years. Cofinimmo is part of the 218 Joint Employment Committee which governs the status of employees 
102-42	Identifying and selecting stakeholders	SR (fv) 30-32, 64-65	
102-43	Approach to stakeholder engagement	SR (fv) 32	
102-44	Key topics and concerns raised	SR (fv) 36-63	

## 6. REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	AFR 214-215	
102-46	Defining report content and topic boundaries	SR (fv) 36-37	
102-47	List of material topics	SR (fv) 36-37	
102-48	Restatements of information		No significant restatement of information compared to information communicated in the 2016 Sustainability Report
102-49	Changes in reporting		No substantial changes in the field of study and scope of aspects compared to information communicated in the 2016 Sustainability Report
102-50	Reporting period		Financial year from 01.01.2017 to 31.12.2017
102-51	Date of most recent report		The latest sustainability report covers the sustainable development strategy for 2016.
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		Danielle Scherens, Corporate Communication Officer Jean Van Buggenhout, Head of Property Services & Corporate Social Responsibility Hanna De Groote, Environmental Manager
102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI reference table	SR (fv) 93-97	
102-56	External assurance	SR (fv) 98-100	Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises BV o.v.v.c. CVBA/SC s.f.d. SCRL performed a limited assurance audit on the key performance indicators and the compliance of the Sustainability Report with the GRI Standards' 'Core' option, as well as the Green & Social Bonds portfolio.

## GRI 103: MANAGEMENT APPROACH 2017

### 1. CORPORATE PROFILE

103-1	Explanation of the material topic and its boundaries	SR (fv) 36-63	
103-2	Description of the managerial approach	SR (fv) 36-63	   
103-3	For each relevant aspect, indicate the scope of the aspect outside of the organisation	SR (fv) 36-63	

## TOPIC-SPECIFIC INFORMATION

<b>GRI 200: THE ECONOMY</b>			
	Net result from core activities per share	SR (fv) 46	
	NAV (in fair value) per share	SR (fv) 46	
	Dividend	SR (fv) 46	
	Average cost of debt	SR (fv) 46	
<b>GRI 201: ECONOMIC PERFORMANCE 2017</b>			
201-1	Direct economic value generated and distributed	SR (fv) 46	
<b>GRI 205: ANTI-CORRUPTION 2017</b>			
205-3	Proven cases of corruption and measures taken	SR (fv) 62	
<b>GRI 300: THE ENVIRONMENT</b>			
CRE1	Relative energy consumption	SR (fv) 77	
CRE2	Relative water consumption by supply source	SR (fv) 80	
CRE3	Relative greenhouse gas emissions	SR (fv) 79	
CRE8	Total number of buildings receiving certification by type and by level	SR (fv) 82 AFR 77	
<b>GRI 301: MATERIALS 2017</b>			
<b>Reason for the omission:</b> Given the number of refurbishment and/or redevelopment projects each year, the publication of these indicators is not material compared to the other impacts of our activities. However, Cofinimmo remains vigilant to contradictory actions for recycled materials.			
<b>GRI 302: ENERGY 2017</b>			
302-1	Energy consumption within the organisation	SR (fv) 74-76	
302-2	Energy consumption outside the organisation	SR (fv) 74-76	
302-3	Energy intensity	SR (fv) 77	
302-4	Reduction of energy consumption	SR (fv) 73	
<b>GRI 303: WATER 2017</b>			
303-1	Water withdrawal by source	SR (fv) 80	

### GRI 304: BIODIVERSITY 2017

**Reason for the omission:** Our activities do not impact protected areas and do not impact empty lots in urban areas. Biodiversity disclosure is, therefore, not material for our activities. However, Cofinimmo remains vigilant to contradictory actions.

### GRI 305: EMISSIONS 2017

305-1	Direct GHG emissions (Scope 1)	SR (fv) 78	    
305-2	Indirect GHG emissions (Scope 2)	SR (fv) 78	    
305-3	Other indirect GHG emissions (Scope 3)	SR (fv) 78	    
305-4	GHG emissions intensity	SR (fv) 79	  
305-5	GHG emissions reduction	SR (fv) 73	  

### GRI 306: EFFLUENTS AND WASTE 2017

306-2	Waste by type and disposal method	SR (fv) 81	     
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### GRI 400: SOCIAL TOPICS

	Operations with a significant real or potential negative impact on local communities	SR (fv) 48-51, 56-59	
	Deployment of the company strategy relating to active citizenship		<ul style="list-style-type: none"> <li>- participation in 'Mobility Week';</li> <li>- philanthropic initiative at year-end. In 2017, Cofinimmo devoted almost its entire sponsorship budget to a single philanthropic action. It provided financial support to Les Trois Pommiers, a non-profit association, which is sponsored by the Fondation Roi Baudouin, to install a terrace at the back of the building in Ixelles. The non-profit hosts a number of different vulnerable groups in an intergenerational setting. The elderly people in the nursing home are in contact with the mothers and children living in the residential care facility and the adults of the sheltered housing project in the same building.</li> </ul>

### GRI 401: EMPLOYMENT 2017

401-1	New employees hired and employee turnover	SR (fv) 14; 55	 
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### GRI 402: LABOR/MANAGEMENT RELATIONS 2017

402-1	Minimum notice periods regarding operational changes.		The minimum notice period for operational changes is six weeks. 
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### GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2017

403-2	Types of injury and rates of injury, occupational illnesses, lost days and absenteeism, and number of work-related fatalities	SR (fv) 38	 
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### GRI 404: TRAINING AND EDUCATION 2017

404-1	Average hours of training per year by employee	SR (fv) 40	  
404-3	Percentage of employees receiving regular performance and career development reviews	SR (fv) 84	 

<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2017</b>			
405-1	Diversity of governance bodies and employees	SR (fv) 52-55	 
405-2	Remuneration by gender	SR (fv) 43,83	  
<b>GRI 406: NON-DISCRIMINATION 2017</b>			
406-1	Incidents of discrimination and measures taken		No incidents of discrimination were reported in 2017.   
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2017</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		In 2017, no operations or suppliers in which the right to freedom of association and collective bargaining may be at risk were claimed. Respect for human rights is a red line in our collaboration with our partners. In addition, exposure is low given Cofinimmo's geography and business. 
<b>GRI 413: LOCAL COMMUNITIES 2017</b>			
413-1	Operations with local community engagement, impact assessments, and development programmes	SR (fv) 85	
<b>GRI 415: PUBLIC POLICY 2017</b>			
415-1	Political contributions		No monetary political contributions or political contributions in kind were made in 2017. 
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2017</b>			
416-1	Assessment of the health and safety impacts of product and service categories	SR (fv) 38-39	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR (fv) 85	

# STATUTORY AUDITOR'S REPORT

Statutory Auditor's report on the limited review performed on the Non-Financial Data, the GRI Reference Table and the Green and Social Bonds Data published in the document "Sustainability Report 2017" of Cofinimmo SA/NV for the year ended 31 December 2017

Pursuant to your request and in our capacity of Statutory Auditor of Cofinimmo SA/NV, we hereby present you our assurance report on:

- selected environmental, social and governance performance indicators ("the Non-Financial Data"),
- the GRI reference table ("the GRI Reference Table")
- selected key performance indicators of the green and social bonds of Cofinimmo SA/NV ("the Green and Social Bonds Data")

The Non-Financial Data, the corresponding GRI Reference Table and Green and Social Bonds Data ("the Data") are published in the document "Sustainability Report 2017" of Cofinimmo SA/NV for the year ended the 31st of December 2017 ("the Document").

The Data are selected by Cofinimmo SA/NV. The Non-Financial Data is published on the pages 74 until 85 of the Document, the GRI Reference Table is published on the pages 93 until 97 of the Document and the Green and Social Bonds Data is published on the pages 68 until 71 of the Document and marked with the symbol .

## Responsibility of the Company

This Data has been prepared under the responsibility of the Board of Directors from Cofinimmo SA/NV, in accordance with the following "Non-Financial Data Reporting Framework":

- Internal measurement and reporting principles
- Reporting guidelines of the « European Public Real Estate Association » (EPRA) on sustainable development reporting (EPRA sBPR on Sustainability Reporting, 3rd edition)
- Reporting guidelines of the Global Reporting Initiative Standards (GRI Standards) - option « Core », including additional content and performance indicators related to material aspects for Cofinimmo SA/NV included in the supplement «The Construction and Real Estate Sector Disclosures» of the GRI Standards, specific for the Construction and Real Estate sector ("GRI CRESO")

For the Green and Social Bonds Data, Cofinimmo SA/NV has been advised by the research and ESG (Environmental, Social and Governance) services agency Vigeo Eiris and Cofinimmo SA/NV has based the Green and Social Bonds Data on the "Green and social bonds" principles issued by the "International Capital market Association" (ICMA) ("Green and Social Bonds Reporting framework").

The responsibility includes the selection and application of appropriate methods for the preparation of the Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations (the "Reporting Framework"). Furthermore, the Board of Directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the Data.

### **Responsibility of the Statutory Auditor**

It is our responsibility, based on the procedures performed by us, to express:

- A limited assurance conclusion for the Non-Financial Data and the corresponding GRI Reference Table
- A limited assurance conclusions for the identified Green and Social Bonds Data, including the verification of the allocation of funds and the compliance of the selected projects with the eligibility criteria.

We conducted our procedures in accordance with the international standard as defined in ISAE (International Standard on Assurance Engagements) 3000 (Revised)<sup>1</sup>. With respect to independence rules, these are defined by the respective legal and regulatory texts as well as by the professional Code of Ethics, issued by the International Federation of Accountants ("IFAC").

### **Scope**

We have taken into account the following scope:

- The scope of our work has been limited to the Data covering the year 2017.
- The scope of the Non-Financial Data linked to environment is defined by Cofinimmo SA/NV. The reporting scope covers 1.941.863 m<sup>2</sup> of Cofinimmo SA/NV property portfolio including 96% of the segments "Offices", "PPP" and "Headquarters", 73% of the segment "Nursing Homes" and 2% of the segment "Distribution Network".
- The reporting scope of the Green and Social Bonds Data covers the 4 buildings financed by Cofinimmo's green and social bonds.

### **Nature and scope of procedures**

We have carried out the following procedures:

#### General procedures:

- We assessed the appropriateness of the reporting framework with respect to its relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector reporting practices.
- We have verified the set-up of the process to obtain, consolidate and check the selected Information with regard to its completeness and consistency. We have familiarized ourselves with the internal control and risk management procedures relating to the compilation of the information. We have conducted interviews with individuals responsible for environmental, social and other sustainable development reporting.

#### The Non-Financial Data:

- We have designed analytical procedures on the Non-Financial Data and verified, using sampling techniques, the calculations as well as the consolidation of the Non-Financial Data in order to obtain limited assurance that the selected Non-Financial Data does not contain any material errors that would question its preparation, in all material respects, in accordance with the Non-Financial Data Reporting Framework. A higher level of assurance would have required more extensive procedures.
- We have evaluated the compliance of the Document with the reporting guidelines of the "European Public Real Estate Association" (EPRA) on sustainable development (EPRA sBPR on Sustainability Reporting, 3rd edition).

#### The GRI Reference Table:

- We have evaluated the compliance of the Document with reporting guidelines of the Global Reporting Initiative Standards (GRI Standards) - option "Core", including additional content and performance indicators related to material aspects for Cofinimmo SA/NV included in the supplement "The Construction and Real Estate Sector Disclosures" of the GRI Standards, specific for the Construction and Real Estate sector ("GRI CRESO").

The Green and Social Bonds Data:

- We have designed analytical procedures on the Green and Social Bonds Data and verified, using sampling techniques, the calculations as well as the consolidation of the Green and Social Bonds Data in order to obtain limited assurance that the selected Green and Social Bonds Data does not contain any material errors that would question its preparation, in all material respects, in accordance with the Green and Social Bonds Reporting framework. A higher level of assurance would have required more extensive procedures.
- We have evaluated the allocations of funds and the compliance of the selected projects financed by the green and social bonds with the eligibility criteria.

**Conclusion**

The Non-Financial Data:

- Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the Non-Financial Data have not been prepared, in all material respects, in accordance with the Non-Financial Data Reporting Framework, the EPRA Best Practices Recommendations on Sustainability Reporting (3<sup>rd</sup> edition)

The GRI Reference Table:

- Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the GRI Reference Table have not been prepared, in all material respects, in accordance with the disclosure requirements of the GRI Standards for the option "Core", and whenever applicable with "GRI CRESO".

The Green and Social Bonds Data:

- Based on our limited review, as described in this report,
  - Nothing has come to our attention that causes us to believe that the Green and Social Bonds Data is not prepared, in all material aspects, in accordance with the Green and Social Bonds Reporting framework, and
  - We have not identified material errors regarding the allocation of the funds and the compliance of the selected projects financed by the green and social bonds with the eligibility criteria.

Zaventem, 22 March 2018

**The statutory auditor**



**DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises**

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Rik Neckebroek

Footnote:

(1) ISAE 3000 (Revised) - Assurance engagements other than audits or reviews of historical information

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### **DESIGN, INTERVIEW AND REALISATION**

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### **PICTURES**

Buildings : Art&Build, Yvan Glavie, Oilinwater Design Studio, Adriaan Van Dam Fotografie, Johan Huys, Christelle De Nil

Portraits : David Plas, Jean-Michel Byl

This report is also available in Dutch and French. The Dutch and English versions are translations made under Cofinimmo's responsibility. Only the French version constitutes legal evidence.

