

# SUSTAINABILITY REPORT 2023

# Welcome message



I am delighted to present our latest sustainability report. As a real estate company, we are aware of our impact on current climate issues. Our commitment is tangible and we strive to act transparently. Our efforts, described in this report, strictly comply with the legal obligations imposed by the European and Belgian authorities, while demonstrating our willingness to go beyond these frameworks. We firmly believe in technical advances and in our know-how, and we remain pragmatic in our approach. This is a long-term project that requires constant learning and immediate action.

Thank you for your interest and support. Together, we are shaping a more sustainable future.

**Serge Fautré**

CHIEF EXECUTIVE OFFICER



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See bey  
Make it

ond.  
happen.

We take action to help our cities  
grow.

# AG Real Estate



state



© Jad Sylla

A vision for  
sustainability

# Intro

*Decisive action on deeply held convictions. AG Real Estate has adopted a code of good business conduct and has implemented a sustainable development policy with precise objectives, a veritable backbone that guides its commitments.*

Our sustainable development policy is driven by the need to draw up a commitment and action statement to reshape the cities of tomorrow. These actions, tangible and measurable, are to be assessed on an annual basis and implemented by means of operational procedures.

We signed up to the **United Nations' Sustainable Development Goals**. This is a framework that offers guidelines backed up by ambitious measures. By committing to this framework, we aim to make a positive contribution to our environment by working actively on the following **SDGs** :

- **SDG 11** (Sustainable Cities and Communities)
- **SDG 12** (Responsible Consumption and Production)
- **SDG 13** (Climate Action)

Our sustainability strategy will enable us to make a positive contribution to our environment. This strategy is based on five fundamental principles :

- Governance
- Stakeholder of the city
- Team
- The environment and client
- Social commitment and sponsorship

Through these key areas, we are convinced that we can develop a sustainable approach to our business while acting for the good of our community.

As part of our commitment to sustainable development, we have set ourselves the ambitious target of **reducing our greenhouse gas emissions to zero by 2050**. We have also set interim targets for this long-term goal, based on CRREM decarbonisation trajectories.



# About AG Real Estate

**AG Real Estate**, a fully-owned subsidiary of AG Insurance, is an integrated real estate operator active in Belgium, France, Luxembourg and some select European markets, drawing on expertise in various areas of activity : asset & property management, development & construction management, PPP, and real estate financing. It is involved in car park management through its subsidiary Interparking. AG Real Estate also operates in the field of quality care for the elderly through Anima, a subsidiary of its parent company.

**AG Real Estate** has more than 250 employees from a variety of backgrounds and areas of expertise. It manages a portfolio worth more than €6.4 billion for both itself and third parties.

**Creation of Assurances Générales.** AG invests in real estate in order to diversify its portfolio and to support its actuarial reserves. These investments have always been managed by real estate specialists.

**AG becomes Fortis AG.** Fortis strengthens the Fortis AG Real Estate team by gathering all its in-house expertise in a single entity. The new entity is christened Fortis Real Estate.

AG and Amev/VSB join forces under the **Fortis** brand name.

2000

1990

1824

**Acquisition of the Bernheim-Comofi group.** This acquisition enables the organisation to diversify its investments in various activities, product segments and geographic areas.

Fortis AG and Fortis Banque Assurances merge to form **Fortis Insurance Belgium**, the parent company of Fortis Real Estate.

2002

2006

**Sale of Devimo Consult**, a shopping centre management company. **AG Real Estate** takes over the management of its own retail portfolio.

After the disappearance and dismantling of the Fortis group, Fortis Insurance Belgium changes its name to **AG Insurance**.

2009

**Fortis Real Estate** becomes **AG Real Estate**.

2017

2010

**APG**, a Dutch pension fund, takes over 39% of Interparking previously held by CPPIB. AG Real Estate remains the majority shareholder with 51%.

**Acquisition of Anima by AG Insurance.** AG Real Estate will manage this group, which is active in nursing homes and care for the elderly, on behalf of its parent company.

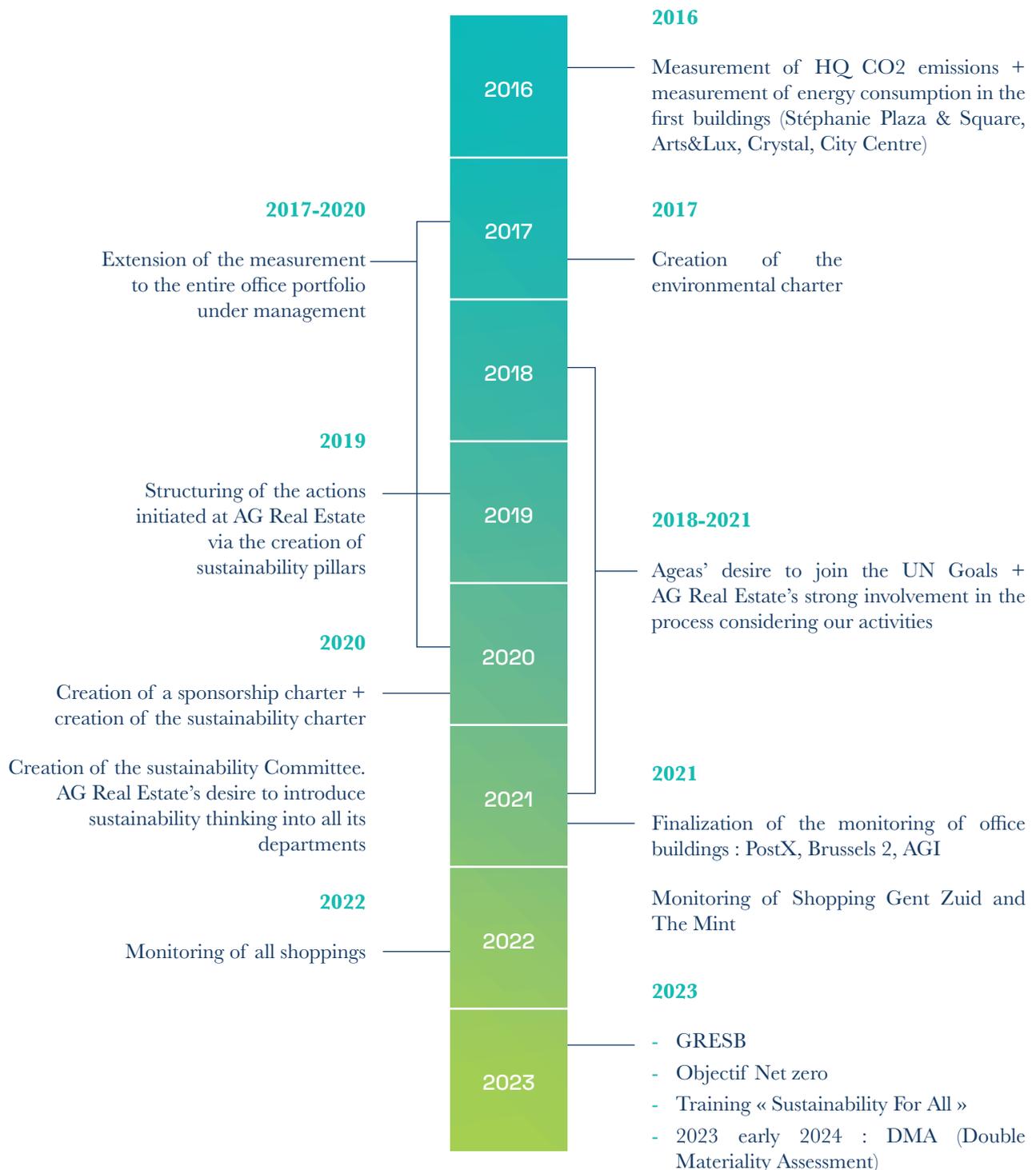
2019

2022

# Sustainability at the heart of our missions

**AG Real Estate** is firmly committed to sustainable development and is continuing on its path towards a zero-emissions portfolio by 2050 by integrating environmental, social and governance objectives into its corporate strategy.

## Timeline of our actions



## General principles for sustainability reporting

This sustainability review has been drawn up for all real estate activities owned or managed by AG Real Estate SA for AG Insurance SA. From 2025, AG Real Estate's sustainability performance will be integrated into AG Insurance's sustainability report (CSRD compliant). AG Real Estate's stand-alone sustainability report will contain the same information as that provided to AG Insurance but will focus solely on its real estate activities. As AG Real Estate SA does not publish consolidated financial statements, most financial data will not be included in this report.

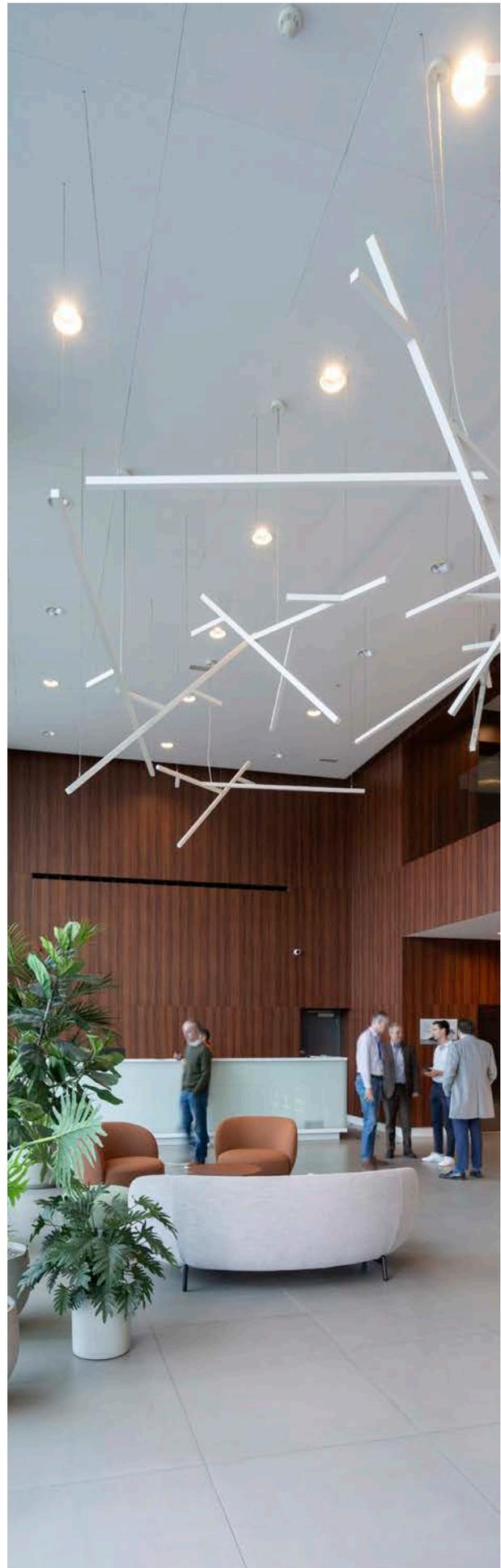
AG Real Estate's sustainability report was updated in 2023 to better align with existing reporting systems such as CSRD, EPRA sBPR and GRESB. No adjustments have been made to the definitions or calculations of our measures and targets.

This report will focus on carbon emissions from AG Real Estate's portfolio of stabilised property assets. It currently excludes PPP projects, our stake in Interparking, Anima's operational emissions (from running nursing homes), development projects as well as indirect investments such as funds and SIRs.

AG Real Estate's operational control policy is the organisational threshold for calculating our carbon footprint. Areas under operational control (either directly managed or controlled by AG Real Estate) include multi-tenant leases. The associated greenhouse gas (GHG) emissions are classified under scopes 1 and 2. Emissions from buildings over which AG Real Estate does not have control (such as single-tenant office buildings and nursing homes) are considered under scope 3.

A coverage rate is used to indicate the stage of data collection. Coverage is expressed in m<sup>2</sup> per segment or in number of buildings/total buildings per segment. No estimates are made for missing data points.

The report covers the period from 01/01/2023 to 31/12/2023. Data for 2023 is mapped against data for 2022. No adjustments have been made to the historical data for 2022.

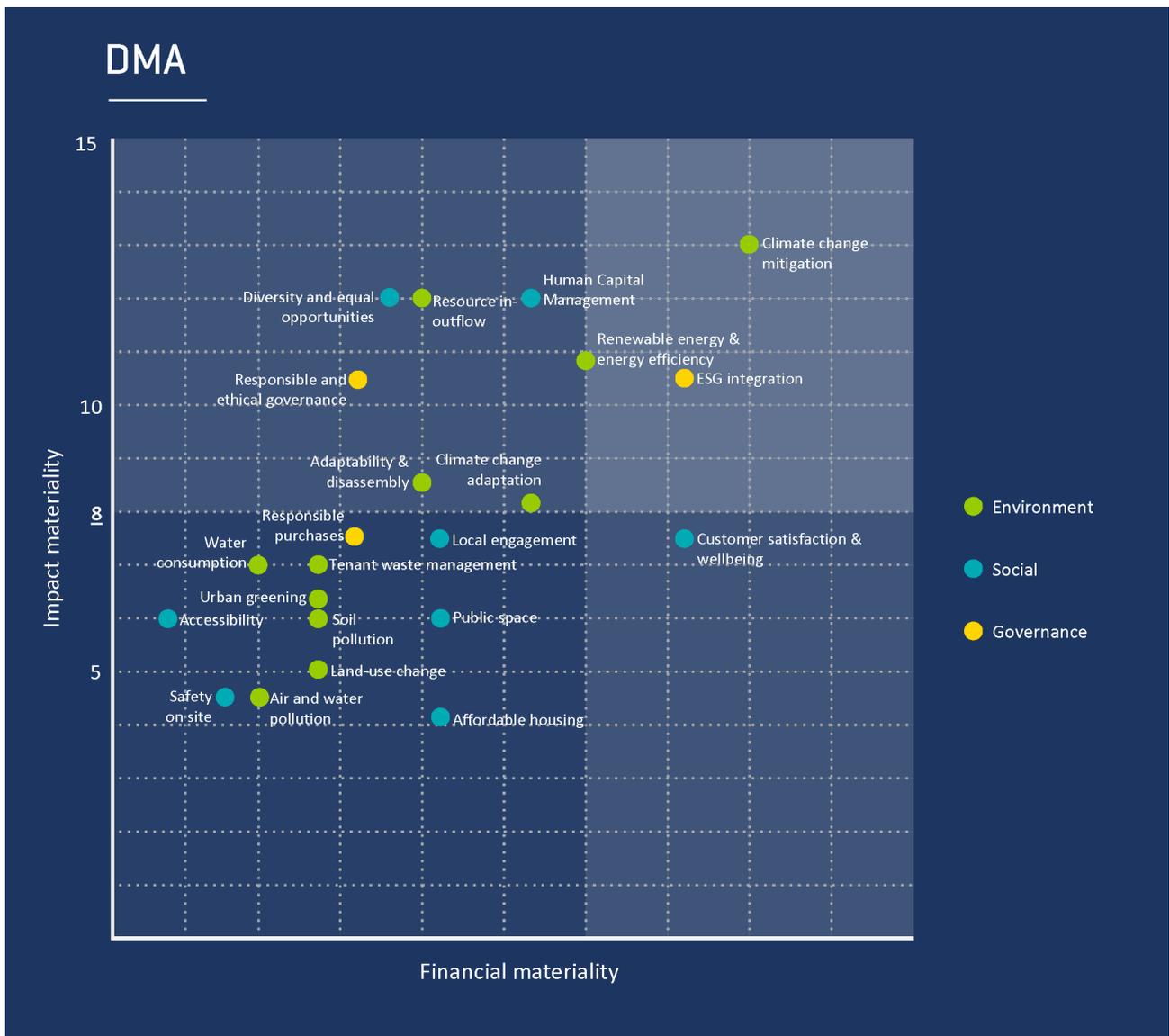


## Dual materiality analysis: opting for stringent measurement

Between September and December 2023, AG Real Estate carried out a Dual Materiality Analysis (DMA) in accordance with the guidelines provided by the European Financial Reporting Advisory Group (EFRAG).

A total of 45 impacts, risks and opportunities (IROs) emerged from the assessment, 14 of which were recognised as being of material importance. As a result, these significant IROs were used to identify 10 important ESG sub-topics (see figure below).

The assessment began with a detailed literature review to analyse existing sustainability frameworks for the real estate sector and the most significant topics within these frameworks. These sustainability frameworks include reporting systems (e.g. GRESB), materiality assessments (e.g. SASB) and certification schemes (e.g. BREEAM). A list of IROs was compiled with each IRO given a provisional rating. This provisional rating was then verified by means of interviews and through surveys with many internal stakeholders (employees, management and board of directors) and external stakeholders (tenants, suppliers, etc.). The results of the exercise were then endorsed by AG Real Estate's Executive Committee and documented accordingly.



# Adopting the UN Sustainable Development Goals framework

AG Real Estate has committed to the United Nations' Sustainable Development Goals - a framework that provides guidelines and outlines ambitious measures. In signing up to this framework, AG Real Estate aims to make a positive contribution to the environment by actively working towards the following goals :

- **SDG 11** (Sustainable Cities and Communities)
- **SDG 12** (Responsible Consumption and Production)
- **SDG 13** (Climate Action)

## A 5-pronged strategy

AG Real Estate's sustainability strategy, outlined in 2019, is now expanded with the results of the DMA. The material ESG sub-themes (see topics in the boxes) are included in the five axes : **Governance, Stakeholder of the City, Team, Environment and Client, and Social Commitment and Sponsorship**. Although some of the ESG areas in the original strategy are deemed not to be relevant financially or in terms of their impact, AG Real Estate will continue to report on them.

### Governance



Good corporate governance is about balancing the return expectations of our shareholder with sound control, risk management, ethical behavior, and outstanding leadership in the interest of all stakeholders.

Associated topics

- ESG integration
- Responsible & ethical governance
- GRESB

### Stakeholder of the city



A set of actions intended to anticipate new urban needs and to establish effective communication with public partners and stakeholders.

Associated topics:

- Events for citizens
- Participation in sector associations
- Stakeholder engagement
- Social and affordable housing

### Team



AG Real Estate leverages the skills, passions, and the enthusiasm of its employees to put sustainability at the heart of all its activities to drive positive impact at scale.

Associated topics:

- Human capital management
- Diversity and equal opportunities

### Environment & Client



We set up several initiatives relating to our core business (investment, asset management, development) to positively reshape the city of tomorrow while maintaining the interests of our clients and partners at heart.

Associated topics:

- Climate change mitigation
- Renewable energy & energy efficiency
- Climate change adaptation
- Resource inflow & outflow
- Adaptability & disassembly
- Customer satisfaction & wellbeing
- Water consumption
- Waste consumption
- Green building certifications

### Social Commitment & Sponsorship



AG Real Estate carries out a whole series of solidarity actions and supports the social fabric by engaging in socio-cultural activities.

Associated topics:

- Annual sponsorship of charities and community initiatives.

# Review 20



023



and perspectives

# Our actions in 2023



## Major events of the year



**2023**

The **solar panels** in the portfolio of warehouses (over 800,000 m<sup>2</sup>) have a capacity of 73.5 MWp, equivalent to the average annual consumption of around 20,500 households.

AG Real Estate achieves **Belgian Top Employer** status for the second time in a row, improving its score by almost 10% year-on-year.

**JAN. 2023**



**FEV. 2023**

**The new mural in the Canal Wharf residential project**, in collaboration with the City of Brussels, created by Ukrainian artists Sestry Feldman. A work of art symbolising diversity and cultural rapprochement. A new initiative with a positive impact and a desire to connect communities.

Creation of the « **Sustainability For All** » e-learning course for AG Real Estate employees to raise awareness and increase knowledge of sustainability.

**SEPT. 2023**



**OCT. 2023**

The « Scholen van Morgen » PPP programme was awarded the « **ULI Europe Award for Excellence 2023** » and the « **ULI Global Award for Excellence 2023** ».

## Building the cities of tomorrow

### Reducing carbon emissions and integrating renewable energies, while remaining customer-focused.

AG Real Estate aims to significantly reduce, and where possible eliminate, carbon emissions over time by renovating and retrofitting its existing portfolio of commercial, healthcare and other infrastructure premises. It aims to improve energy efficiency, and by integrating renewable energy sources into the portfolio, from solar panels to geothermal energy, to improve energy self-sufficiency.

Key performance indicators for energy and water consumption are monitored in real time.



#### Some initiatives :

- Extension of BREEAM In Use certification initiatives, which currently cover 29% of our managed portfolio;
- 75% of the office portfolio assessed for indoor air quality by 2023;
- Visual monitoring tools for energy and water consumption and energy monitoring;
- 43% of the current investment portfolio is already equipped with a water leak detection system;
- Continuing to install charging points for electric vehicles in all office building car parks.

#### And some internal initiatives :

In addition, in-house, we are limiting the choice of company cars to electric vehicles, extending the lifespan of IT equipment and raising employee awareness of the best ways to behave in an environmentally-friendly way in their daily lives.

## Contributing to the wider social fabric

AG Real Estate understands property development goes beyond simply constructing buildings. It is committed to developing the socio-cultural dimension of its projects to improve the well-being of the people who live in them. This ambition is best reflected in its solidarity initiatives, the revitalisation of public spaces and the development of urban artistic creations.

## Promoting mixed-use developments in multifunctional neighbourhoods

AG Real Estate designs projects where residents can live, play, work and shop. We pay particular attention to ensuring a mix of uses that fosters the creation of dynamic and inclusive neighbourhoods.

## Reducing the on-site footprint

By improving its on-site impact, AG Real Estate is working hard to reduce its environmental footprint, promote biodiversity and prevent pollution on its building sites by developing environmentally friendly designs and through recycling. In Paris, for example, the façade of one of our buildings will be rebuilt using recycled bricks.

In another project, a partnership has been set up with a company specialising in the recovery and reuse of raised floor slabs in offices. More broadly, AG Real Estate France is incorporating RE2020 environmental regulations on energy consumption into its new development projects.

As cities are increasingly affected by climate change, the search for ways to reduce urban heat islands and the loss of biodiversity is now automatically considered in all projects, through installing green roofs or façades for instance.

## Skysun, a Win-Win-Win model

Following a successful collaboration that began in 2018 on warehouses at 'Brussels 2' in Anderlecht, AG Real Estate and Brussels-based start-up Skysun extended their landmark partnership to AG Real Estate's office & retail activities in 2020.

At the end of 2021, AG Real Estate committed to supporting the growth of the solar start-up by providing it with €5 million in funding. Skysun's ambition is to use the funds provided by AG Real Estate to develop 100MW of photovoltaic capacity by 2026. This new step will also see AG Real Estate purchase the green energy produced by these installations, thereby advancing its sustainability ambition. This financial model, covering design, investment and maintenance, is a win-win-

win situation for the property owner, Skysun and the planet. Skysun goes beyond its financial relationship with AG Real Estate in that it also acts as an advisor to the company.

## Photovoltaic and geothermal energy at the heart of AG Real Estate France's strategy

AG Real Estate France firmly believes that cities of the future must be built in tandem with the people who make them up, and that the changes they entail must be managed in partnership with them. AG Real Estate France uses its projects to create a positive impact that meets social, environmental and societal challenges.

The development of photovoltaic and geothermal energy was already present in our Belgian Group and its French subsidiary even before the energy crisis and is now factored into all our team projects.

### Solar power on the one hand...

We are currently seeing a marked upturn in the use of photovoltaics, with the market set to grow unabated through 2024. For several years now, AG Real Estate has been committed to deploying this new green energy, harnessing the sun's rays to create energy at its buildings to reduce their carbon footprint and move towards self-use.

This is particularly the case in France with Havlog, built in July 2021, which is the largest logistics platform in France, covering 92,000 m<sup>2</sup> and boasting 37,000 m<sup>2</sup> of rooftop photovoltaic panels (the only one of its kind in Europe). The solar power plant is equipped with 18,500 panels and has an output of 7.35 MWp\*. The expected annual production of 7,050 MWh will supply 1,559 homes, or 3,430 residents. Green electricity is sold to the public grid. This large-scale project, carried out at Havlog with URBASOLAR, is the largest solar production surface area installed by AG Real Estate in France to date. Other systems are also being studied for office and commercial properties across the rest of the Group's portfolio. AG Real Estate's aim is to equip roofs and car parks with solar panels as soon as technically and administratively feasible.

*\*1 MWp corresponds to 1,000 kWp. Peak power represents the system's output (the amount of solar energy converted into electrical energy) in the best possible sunlight conditions. Currently, one kWp corresponds to around three standard panels' potential output (5 m<sup>2</sup> in size). As an indication, in France, one kWp produces between 1,000 and 1,700 kWh per year (under the best exposure conditions and subject to geographical location).*

AG Real Estate has also completed several projects in Belgium and the Netherlands, developing more than 342,000 m<sup>2</sup> of rooftop solar panels, notably at the Port of Antwerp (27,000 m<sup>2</sup>) and the Amelo logistics site (61,000 m<sup>2</sup>). By 2023, all AG Real Estate's installed solar panels will account for 73.5 MWp, producing around 60 MWh, enough to power 20,500 homes.

#### **...geothermal energy on the other**

Another hitherto little-used energy resource is geothermal energy. Given that geothermal energy uses the natural inertia of rock and water to store and release energy from one season to the next, it offers a constant-temperature resource, one that is available 24 hours a day with no seasonal variations.

AG Real Estate installs this clean energy solution using either an open-loop or closed-loop system, depending on the project. The most vivid example of this in France is the MyLittleNation project at Place de la Nation in Paris. This project involves the demolition/reconstruction of one of the buildings in the portfolio. Its aim is to develop 1,700 m<sup>2</sup> of shops at the foot of the building and almost 6,000 m<sup>2</sup> of offices, where user comfort is paramount. In Belgium, the closed-loop system has already been installed at the Westland Shopping Centre in Brussels. 196 boreholes were drilled at a depth of 78 m, covering around 70 to 75% of its energy needs.

Finally, AG Real Estate, in partnership with the French town of Colombes, is looking into the development of a new low-carbon residential area of around 1,500 homes, which will use geothermal energy for around 70% of their heating needs. The remainder being supplied by a biomass boiler.



## Two awards for PPP « Scholen van Morgen » and ULI Europe & Global Awards for Excellence 2023

« Scholen van Morgen » is a Flemish public-private partnership (PPP) programme in Belgium. Launched in 2010, it was born of a joint initiative by the Flemish government and private partners AG Real Estate and BNP Paribas Fortis. AG Real Estate took on the entire operational management of the programme and will remain active in the overall running and upkeep of the programme for a period of 30 years.

The main objective of the Scholen van Morgen programme involved building and renovating 182 school buildings with a total surface area of 710,000 m<sup>2</sup>, thus creating an enhanced learning environment for 133,000 pupils and their teachers. The emphasis was on creating schools that meet contemporary educational needs. Winning these two prestigious awards highlights the societal impact of our projects, made possible by the commitment of our teams.

Clarissa Alfrink, Managing Director Germany of UNStudio and member of the ULI jury, confirmed : « It was a privilege to get to know the AG Real Estate teams involved in the « Scholen van Morgen » programme and to see what an incredible impact they have had on the education system in Flanders. I left Antwerp inspired and hopeful that other public vehicles will be able to learn from their work in building more than 180 schools. Once again, congratulations on a job well done! A well-deserved award ».

### Collaboration focused squarely on sustainability

Public-private partnerships are essential to the growth of our company. Both our parent company AG and its main shareholder Ageas recognise how important active, interdisciplinary collaboration between public authorities and private players is for everyone's future : a prime example of how policyholders' pension savings can be invested in sustainable public infrastructure.

### Past awards

In addition to the « ULI Europe Award for Excellence 2023 » and the « ULI Global Award for Excellence 2023 », « Scholen van Morgen » has previously been honoured with a string of other accolades. These include the EPRA Outstanding Contribution to Society Award, the Publica Award in the Technology category and the PropTech Innovation Award for the most socially impactful project. It was also a finalist in the Best Alternative Project category at the 2023 MIPIM Awards. Last but not least, let's not forget all the nominations and awards for individual projects, including the ARC22 in the Netherlands and the RES Award 2023 in the Best (Semi-)Public Development category for the Campus Kunstkaai project in Antwerp.



# Looking ahead - Our ambitions for 2024



## Increasing initiatives to improve our performance

Acting with an entrepreneurial spirit, and by being both agile and responsive, our team takes on exciting challenges at the cutting edge of innovation. This is demonstrated by our projects for major international architectural players. Far from industrialised processes, we provide a contextual approach to each project, keeping in constant touch with the communities with which we work. The diversity of our projects and assets, and the natural emulation between our different departments, enable us to analyse and design our operations in such a way as to find the most innovative and sustainable solutions.

We are keenly aware of environmental issues, and we pursue a strategy of concrete, ambitious solutions, tailored to local needs on a case-by-case basis. A systematic labelling strategy is adopted for all our development projects.

## Ambitious 2024 targets

**1.** ● CSRD. The Corporate Sustainability Reporting Directive (CSRD) requires AG Real Estate to report on sustainability issues. This reporting will henceforth be an integral part of the AG and Ageas sustainability reports. The dual materiality analysis, which determines the material sustainability topics on which AG Real Estate will have to report, was finalised in early 2024 and is already included in this report (see page 12). The next step is to analyse the ESRS key areas. A gap assessment tells us what policies are missing and what type of data needs to be collated.

**2.** ● Transition plan for climate change mitigation. A transition plan is being launched for all assets, in line with the ESRS. An initial step to this end involves a classification of all our assets to determine the position of each in relation to its applicable CRREM target and an overview of the corresponding Capex that may be required. The second stage (which could extend beyond 2024) will require a detailed investment plan and a provisional timetable for carrying out the necessary work.

**3.** ● Second shot at GRESB reporting : we are determined to improve our score.



# Projects emblematic of our approach



## EQ – (Arlon53)

### Innovative offices for iconic buildings

#### Brussels

This project involves refurbishing a building renowned for its radical 70s architecture in the heart of the European quarter. Launched with BPI Real Estate, Arlon 53 builds on the existing structure to redesign flexible office spaces that focus on the well-being of their occupants. Featuring a wide range of services - coworking spaces, a conference room, a roof terrace, a garden and a modern bicycle garage - the project will also undergo major efforts to create a greener environment. It is aiming for BREEAM Outstanding and WELL Core Gold certification, the most ambitious levels possible.

## NOR.Brussels



### Redesigning the Northern Quarter

#### Brussels

NOR.BRUXSELS is part of a major redevelopment of the CCN (« North Communication Centre in French ») site next to Brussels North Station. A joint project by AG Real Estate and Atenor, it proposes a complete redevelopment of the site with offices, residential units, shops and facilities, rounded off by a mobility hub. A much-awaited connection to the public transport hub, as well as a key element in the renewal of the northern district.

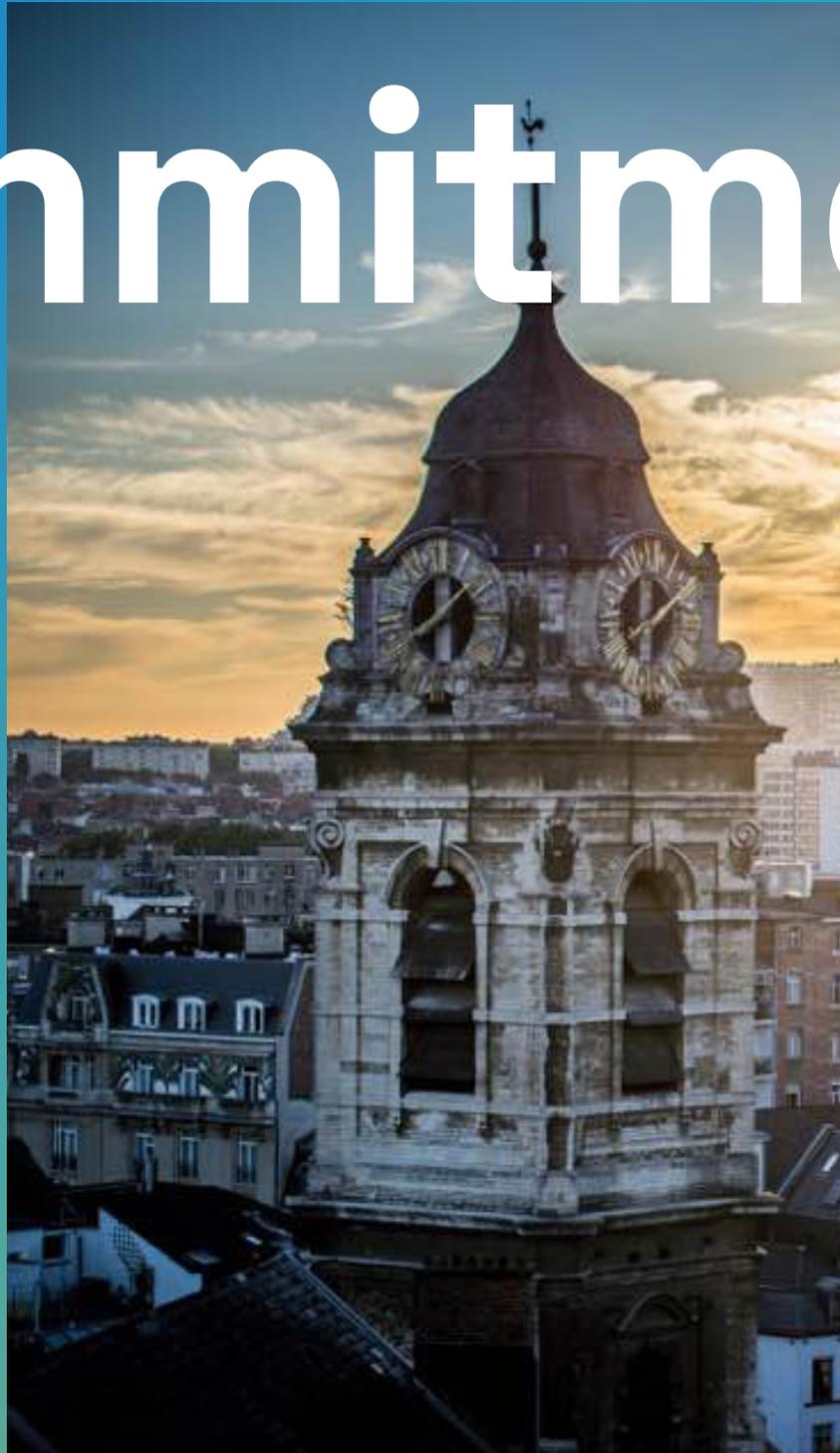
## Newto(w)n

### Combining comfort at work and fossil-free building

#### Brussels

The aim of the project is to create a unique place, seamlessly merged with its surroundings whilst maintaining a strong identity. The building benefits from an exceptional location in the heart of the European district, right next to a park. It boasts spacious office space with modern fittings and versatile layouts. The project has been designed with sustainability in mind, including a renovated building envelope. It aims to achieve excellent energy performance, with zero use of fossil fuels and some 900 m<sup>2</sup> of solar panels for electricity generation.

# Commitment



ent



5 lines of action

# GOVERNANCE

## Leadership and ethics

Our objective is to generate property returns for AG Insurance and to advise the Ageas Group on property investments. Good corporate governance is about balancing this objective with strong control, good risk management, ethical behaviour and exemplary leadership for stakeholders' benefit.

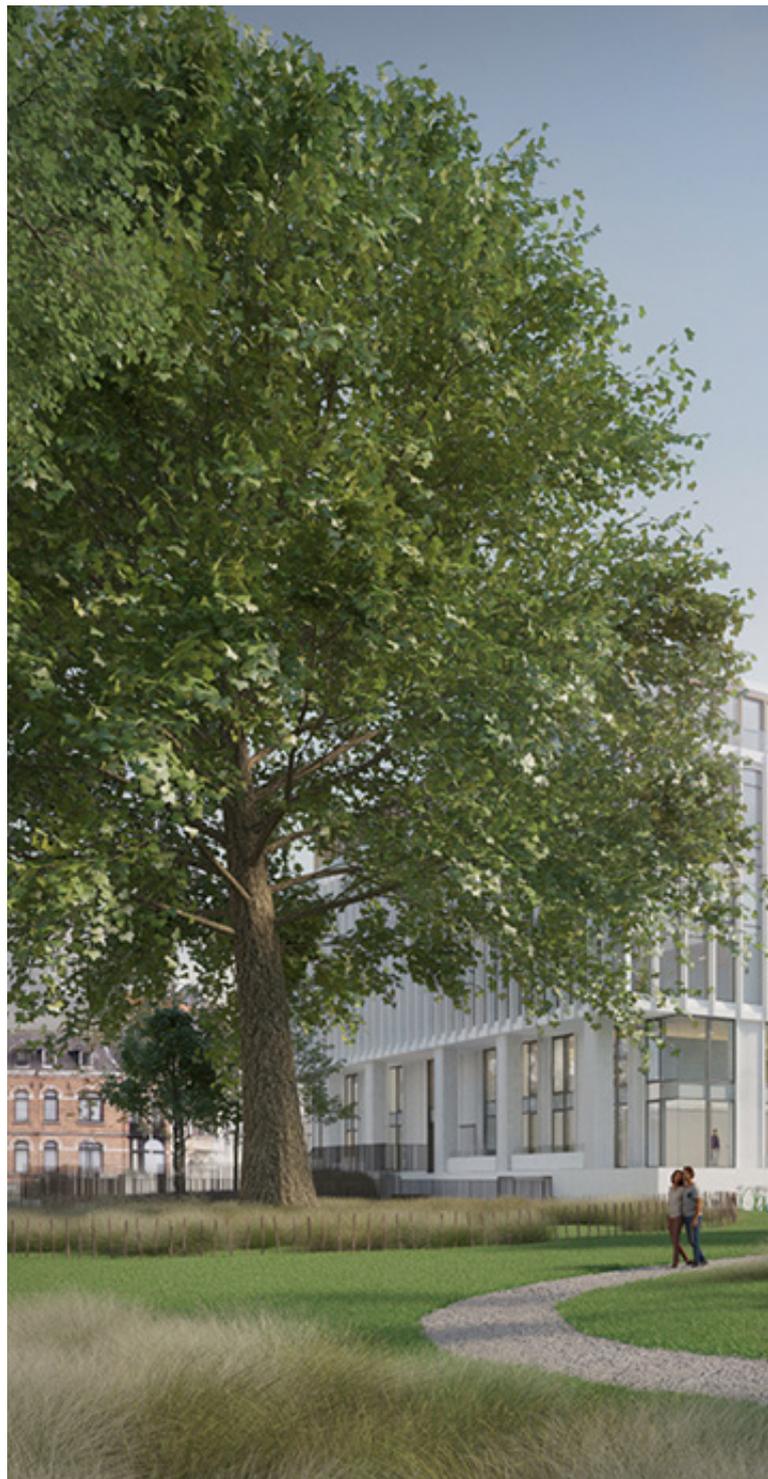
### Ethical and responsible governance

#### Code of Business Conduct and Corporate Culture

AG Real Estate's Code of Business Conduct provides direction and is presented as a set of principles based on guidelines detailing expected professional practice. The code covers many areas : conflicts of interest, honesty and transparency, internal knowledge management, respect for employees, environmental protection, the company's political neutrality, and compliance with laws and regulations. Complaints mechanisms are well established at AG Real Estate. If employees do not wish to report suspected violations directly to their line manager, they can use AG Real Estate's whistleblowing system. The whistleblowing system is accessible to all parties, including external parties such as suppliers and former employees. Detailed information on the whistleblowing system is available on the AG Real Estate intranet and website. The system complies with all the legal requirements laid down in the European Whistleblowers Directive.

AG Real Estate acts in a socially responsible manner within the framework of the legislation of the country in which it operates while pursuing legitimate business objectives. It does not fund political parties or organisations or make payments to their representatives. It is not involved in any political party.

However, AG Real Estate has the right and responsibility to communicate its views on any matter that may affect its business or its employees, customers or shareholders, while complying with the principle of political neutrality where such communication is public.





## Supplier relationship management

AG Real Estate is committed to its brand image as a trusted real estate services provider with a reputation for integrity. It expects its partners to reinforce this image and reputation by contractually committing to certain benchmarks in their professional conduct. They are expected to demonstrate honesty, integrity and fair treatment at all times.

We apply the Universal Declaration of Human Rights in our dealings with our partners. AG Real Estate does not accept child labour, forced labour or human trafficking. To date, environmental criteria are not part of our supplier selection process. AG Real Estate's whistleblowing policy states that suppliers can raise concerns by contacting us via the AG Real Estate website.

## Prevention and identification of corruption and bribery

AG Real Estate does not tolerate any form of corruption. Staff members must not offer or accept anything of value (including, but not limited to, money) for their personal benefit or that of their family members, friends, associates or acquaintances.

## KPI Ethical and responsible governance



**1.** ● Percentage of risk areas covered by training programmes

**2023 :** 0

**2022 :** Not applicable



**2.** ● Number of convictions for breaches of anti-corruption and anti-bribery laws

**2023 :** 0

**2022 :** Not applicable



**3.** ● Amount of fines for breaches of anti-corruption and anti-bribery laws

**2023 :** 0

**2022 :** Not applicable



**4.** ● Political financial contributions

**2023 :** 0

**2022 :** Not applicable



**5.** ● Political contributions in kind

**2023 :** 0

**2022 :** Not applicable

# ESG integration

## Introduction

Mindful of the environmental and social impact of the company's various activities, AG Real Estate's Executive Committee decided to create a « Sustainability Committee » in 2020. The Sustainability Committee is made up of various ambassadors, each representing the different activities of AG Real Estate. The Committee is responsible for implementing the Sustainability Policy. This policy describes AG Real Estate's five lines of action in terms of sustainability : governance, stakeholder of the city, team, environment and client, social commitment and sponsorship.

Regarding climate risk management, AG Real Estate carries out an annual assessment of the risk related to the transition of its direct portfolio in accordance with the CRREM trajectories. A physical risk and vulnerability assessment, covering both chronic and acute physical risks, is progressively being carried out across the portfolio. In addition, ESG has been integrated into the due diligence and investment decision-making process for all new investment and development projects.

## ESG integration - GRESB

In 2023, AG Real Estate participated in the Global Real Estate Sustainability Benchmark or GRESB for the first time. This enabled AG Real Estate to include ESG in all areas of the company's activity (policies, asset management, development, etc.). The results of this initial assessment of the current portfolio and projects under development are very promising.



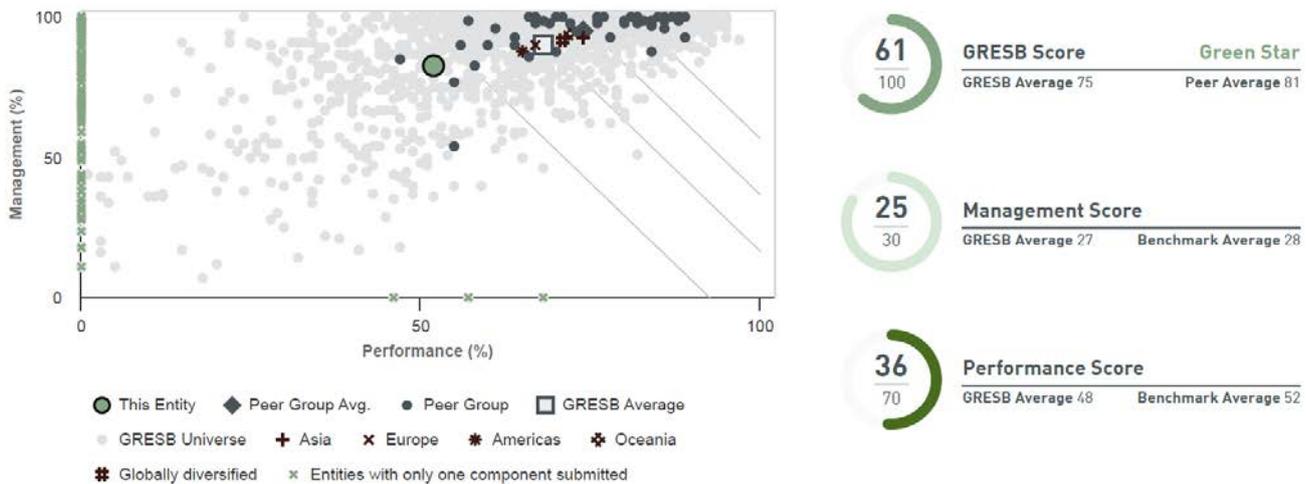
## Investment portfolio : increasing efforts

Our efforts to integrate rigorous ESG practices into the management of our existing portfolio apply, among other things, to our energy consumption, greenhouse gas emissions, water consumption and waste across our portfolio.

Improving this score is our priority. To this end, we plan to :

- continue to gather data and optimise the retrieval and storage of these indicators
- increase the assessment of the risks associated with the transition and physical factors in our portfolio

**Current portfolio : 61/100, including a green star.**

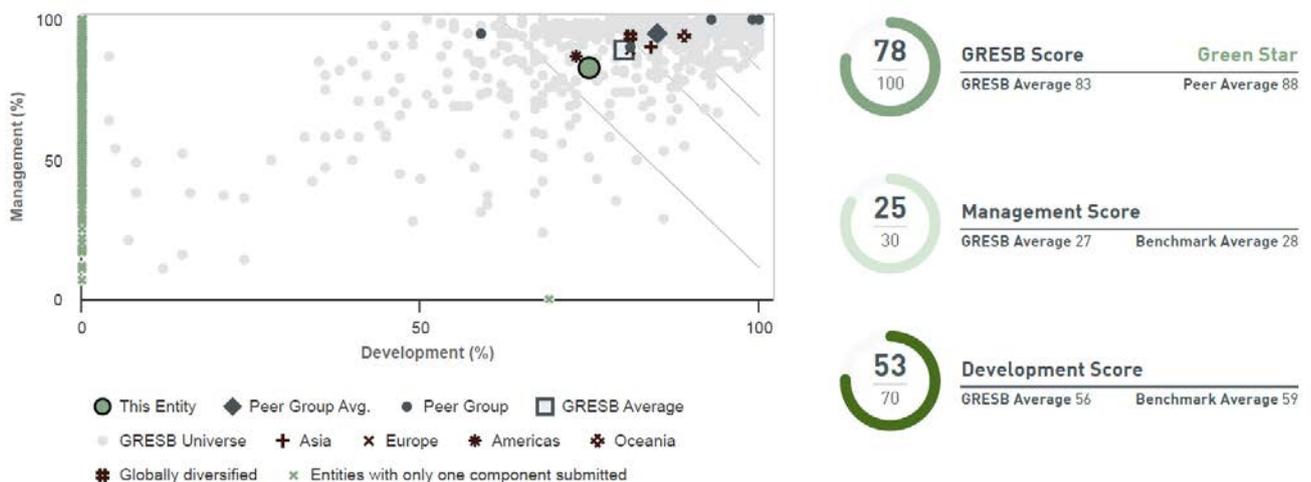


## Development projects : ongoing commitment building on an already high score

ESG criteria are systematically considered right from the design stage of new projects, this extends to BREEAM certification, construction waste management and the use of renewable energy.

To further improve our excellent score, we are actively working on a common framework for all development projects relating to water, materials, energy and greenhouse gas emissions. These criteria are based on the EU taxonomy regulation and BREEAM.

**Development projects : score of 78/100, with two green stars.**



## KPI ESG integration



**6.** ● Share of projects where ESG has been integrated into the due diligence and investment decision-making process (target : 100 %)

**2023 :** 100%

**2022 :** 100%



**7.** ● Type of assets under management that have been subject to a physical and transition risk assessment (target : 100 %)

**2023 :** 100% for transition and physical risk

**2022 :** 100% for transition risk



**8.** ● Annual ESG performance reporting through GRESB

**2023 :** Finished

**2022 :** Not completed



# STAKEHOLDER OF THE CITY

## Meeting future needs

A set of actions aimed at anticipating new urban needs and establishing effective communication with public partners and stakeholders. Our activities draw on the values (sustainability, inclusion and aesthetics) of the new European Bauhaus to guide the transformation of our society.



### Community development

Buildings are more than just bricks. They can be used as homes, offices, warehouses and much more. AG Real Estate actively supports community projects and socio-cultural activities to improve the well-being of the people who live and work in local communities. In addition, the company strives to integrate social elements into its projects.

For example, in the run-up to the redevelopment of the CCN, the aforementioned project in Brussels, the upgrading of public spaces in consultation with a wide range of players (social, cultural, municipal) is something that everyone can benefit from.

Or the new mural in the Canal Wharf residential project, in collaboration with the City of Brussels, created by the Ukrainian artists the Sestry Feldman. This work of art, which represents diversity and aims to strengthen our cultural links, has been well received by local residents. Initially apprehensive, they changed their minds after discovering the work and having the opportunity to talk to the artists.

## Commitment to stakeholders

As a player in the city's development, AG Real Estate is actively involved with all relevant stakeholders. Our close collaboration with the authorities is reflected in the public-private partnerships set up to build and finance high-quality social and public infrastructure. Residents are involved in the city's development programmes through citizen participation. When it comes to ESG criteria, we engage with our tenants through dialogue, raising awareness, sharing best practice and progressively including green clauses in lease contracts. We work closely with our shareholders AG Insurance and Ageas to optimise our ESG communications based on current reporting frameworks.

## Promoting mixed - use developments in multifunctional neighbourhoods

To foster the creation of dynamic and inclusive urban areas, AG Real Estate develops mixed-use projects that promote the creation of multifunctional neighbourhoods in which people live, shop, work and play.

Our involvement in the non-profit organisation Up4North is a good example of this. Aware of the district's strategic location and great accessibility, Up4North is going to roll out a major programme to enable the diversity of functions in the city. The aim is to meet the challenge of the « 5-minute city » : to propose projects with a human face, where residents can experience a daily life made easier by the proximity of essential services, « just 5 minutes away by foot ». This urban model encourages more sustainable and pleasant living.

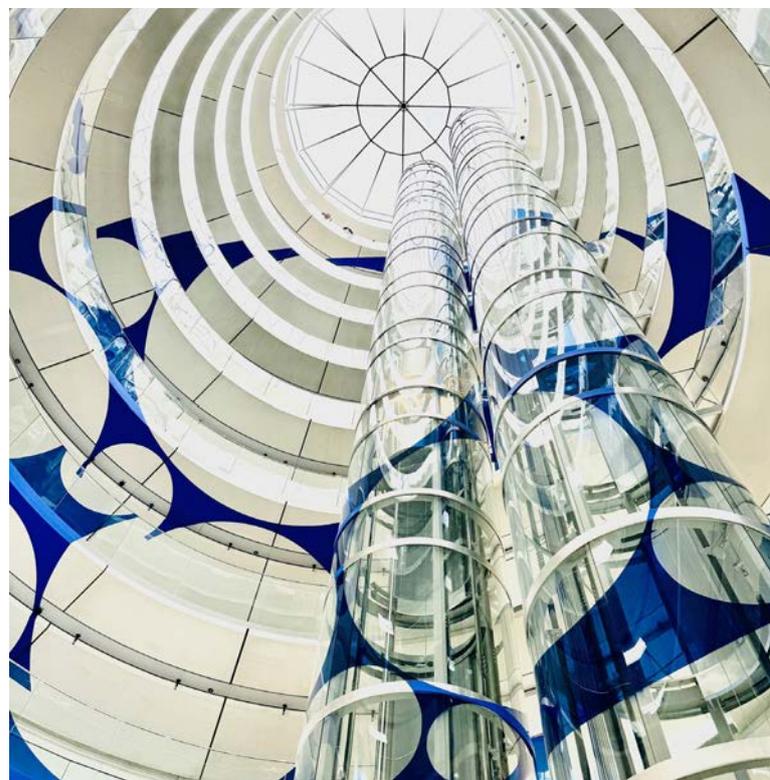
The programme aims to recreate diversity by gathering large companies and start-ups, cultural and non-profit organisations, residents and visitors, as well as local, national and international players. By bringing together all the real estate partners active in the north of the city, Up4North offers a comprehensive and complete vision

of what the area will look like in the future, in line with the needs of its new users.

## ULI Europe & Global Awards for Excellence 2023 : two awards for « Scholen van Morgen »

Through « Scholen van Morgen », the public-private partnership (PPP) programme to modernise Flemish school infrastructure, AG Real Estate is proud to have won the « ULI Europe Award for Excellence 2023 » and the « ULI Global Award for Excellence 2023 ». These prestigious awards, conferred by the Urban Land Institute (ULI), recognise outstanding real estate projects from around the world.

These two awards demonstrate the ongoing commitment to our customers and the significant social impact of the project led by the AG Real Estate teams. The fact that Scholen van Morgen has won both the « ULI Europe Award for Excellence 2023 » and the « ULI Global Award for Excellence 2023 » is not only recognition of the scale and effectiveness of this project, it also serves as a benchmark and source of inspiration for the entire real estate and urban planning industry in Europe and around the world. It highlights the ability of this public-private partnership to deliver, in record time, modern, sustainable and energy-efficient learning environments that contribute to improving education and the well-being of future generations.



## KPI Stakeholder of the city



**1** ● Citizen-focused events (e.g. Rooftop, Brussels City Dolls, Ground-Up). (Target over 2 years)

**2023** : Two events held

**2022** : No events organised

**Comment** : Artwork by the artist Momo on the Place de la République in France as well as the fresco on Canal Wharf by the Sestry Feldman.



**3** ● Systematic collaboration with all stakeholders regarding new projects

**2023** : Completed

**2022** : Completed

**Comment** : Engagement with stakeholders on projects including EQ (Arlon 53), Newto|w|n, Beaulieu.



**2** ● Participation in several short-term social initiatives (e.g. Up4North, Low Line, European Quarter Fund)

**2023** : Completed

**2022** : Completed

**Comment** : BXNord identity and Cosmo projects (public space soothing through the use of green spaces and green focused events).



**4** ● Share of social housing or affordable flats relative to the total number of flats under development and the number of social or affordable flats financed as part of PPP projects

**2023** : Not completed

**2022** : Not completed





# TEAM

## Cultivating enthusiasm and diversity

### Human resources management and diversity, equity and inclusion (DEI)

#### Policies relating to the internal workforce

AG Real Estate's work policy, code of good business conduct and sustainability code are communicated to its employees. These documents cover specific topics such as :

- Human rights. We apply the Universal Declaration of Human Rights in our dealings with our employees and other partners. AG Real Estate is opposed to child labour, forced labour or human trafficking;
- Employee remuneration;
- Personal health and well-being through training and a healthy work-life balance;
- Moral and sexual harassment, stress and psychosocial risks at work;
- Confidentiality of employee information;
- Diversity, equity and inclusion.

In keeping with the provisions of the law of 4 August 1996 on the well-being of employees at work, AG Real Estate prioritises all aspects of well-being at work. This includes ensuring safety, health and hygiene at work, promoting good ergonomic practices, maintaining a supportive environment, improving the aesthetics of workspaces and addressing psychosocial considerations. An annual and long-term prevention plan has been put in place to ensure well-being in the workplace.

AG Real Estate introduced its One AG Real Estate policy on diversity and inclusion in 2022. Equal opportunities exist for all employees, regardless of age, gender, race, creed, ability or any other relevant difference. More specifically, the policy addresses how AG Real Estate ensures diversity and inclusion in the recruitment process, in employee retention and training, and in employee appraisal and remuneration. AG Real Estate intends to

propose a Diversity and Inclusion Action Plan to further develop this matter.

### Procedures for dialogue with staff and employee representatives regarding impacts

An annual engagement survey is sent to all employees and contains questions on participation, diversity and inclusion, and health and well-being. In 2023, approximately 84% of AG Real Estate employees participated in this survey, a significant increase on the previous year (50% participation rate). An action plan is being drawn up with each department for 2024 arising from the results of the survey. AG Real Estate's Chief HR Officer is responsible for carrying out this annual survey.

In Belgium, AG Real Estate has a Works Council, a consultative body between the employer and its employees. The Council is made up of employee and employer representatives and meets every month. An additional meeting is possible under certain conditions at the request of the employer or employee representatives. These representatives are elected every 4 years as part of the staff election process.

### Measures to remedy negative impacts and ways for company staff to express their concerns

Employees who believe they are suffering psychological/physical harm as a result of psychosocial risks at work, including violence, moral or sexual harassment at work, may first contact their employer or line manager. They can also contact a support person directly to help them find a solution. If this does not achieve the desired result, or if the employee does not wish to use the company's usual social structures, a specific internal procedure may be applied. In such cases, the employee contacts the

prevention consultant for psychosocial aspects or a union representative.

## Acting on the material impact on its own staff, approaches to material risk management and the pursuit of material opportunities related to its own staff, and the effectiveness of these measures.

In 2023, AG Real Estate achieved the Belgian Top Employer certification for the second time in a row, improving its score by almost 10% year-on-year. The Top Employer Institute's programme assesses and certifies organisations based on participation in and the results of their human resources best practice survey. This assessment covers six major HR areas, divided into 20 themes such as human resources strategy, work environment, talent management, training, diversity, equity and inclusion, well-being and many others. AG Real Estate puts in place an annual action plan to improve its score to continue to ensure the best employee experience and corporate culture. In addition to its « Top Employer » programme, AG Real Estate has established an action plan to strengthen well-being at work and employee motivation.

AG Real Estate draws on the skills, passions and enthusiasm of its employees to put sustainability at the heart of everything we do. To achieve this, we encourage personal growth and development through

comprehensive training programmes. In 2023, we created the 'Sustainability for All' e-learning course for all AG Real Estate employees to increase their awareness and knowledge of sustainability. The training focused on the following topics :

- Demystifying sustainability
- The importance of sustainability to AG Real Estate
- How to make real estate more sustainable
- Sustainability reporting
- AG Real Estate's sustainability policy

This training will continue to be available to all current employees and will be part of the induction for new starters.



## AG Real Estate aims to be a benchmark employer in terms of parity and inclusion

<b>Workforce by gender and age</b>	<b>Male</b>	<b>Female</b>	<b>Other</b>
Number of employees under 30 years old	16	18	0
Number of employees between 30 and 50 years old	64	81	0
Number of employees over 50 years old	33	51	0
<b>Number of employees (workforce) - all ages</b>	<b>113</b>	<b>150</b>	<b>0</b>
Number of employees (workforce)	263		

<b>Fixed-term employees by gender and job type</b>	<b>Male</b>	<b>Female</b>	<b>Other</b>
Permanent employees (FTE)	109.60	143.20	0.00
Temporary employees (FTE)	0.68	1.96	0.00
Number of non-guaranteed hours (FTE)	0.00	0.00	0.00
<b>Number of full-time equivalents - all job types</b>	<b>110.28</b>	<b>145.16</b>	<b>0.00</b>
Number of full-time equivalents	252.80		

### Non staff

<b>Self-employed people</b>	<b>27</b>
People provided by undertakings primarily engaged in employment activities	8
Total number of Non-Employees	35

## AG Real Estate places the well-being and development of its talented staff at the top of its priorities

### Turnover



**Number of employees who have left the company** **21**

Turnover rate (%) 7.98%

### Top Management

	Male	Female	Other
Total number of top managers (FTE)	6.00	0.00	0.00
<b>Total number of top managers (FTE)</b>	<b>6</b>		
Top management % (FTE)	100.00%	0.00%	0.00%

### Training hours

	Male	Female	Other
Total number of training hours offered and completed (hours)	1925.00	2858.25	0.00
<b>Total number of training hours offered and completed (hours)</b>		<b>4783.25</b>	
<b>Average number of training hours offered and completed (hours)</b>		<b>18.19</b>	
Average number of training hours offered and completed (hours)	17,04	19,06	0,00

### Performance assessment

	Male	Female	Other
Total number of actual performance reviews*	113	148	0
Total number of agreed performance reviews	113	150	0
Participation in regular performance reviews	100,00%	98,67%	0,00%
Proportion of actual versus agreed performance reviews	100,00%	98,67%	0,00%

*\*One agreed performance review per employee per year*

<b>Family related leave</b>	<b>Male</b>	<b>Female</b>	<b>Other</b>
Percentage of employees is entitled to take family-related leave (%)	100	100	100
Number of employees that used family-related leave	2	9	0
Percentage of family-related leave used (%)	1,77	6,00	0,00
<b>Total number of employees taking family leave</b>		<b>11</b>	

<b>Incidents and complaints</b>	<b>Male</b>	<b>Female</b>	<b>Other</b>
<b>Number of fatalities as result of work-related injuries</b>	<b>0</b>	<b>0</b>	<b>0</b>
Number of fatalities as result of work-related injuries of other workers working on undertaking's sites	0	0	0
Number of recordable work-related accidents	1	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents	0	0	0

## **Coverage Collective Bargaining Agreements & Health and Safety Management Belgium**

Number of Employees covered by Collective Bargaining Agreements	263
Number of Employees that are covered by Workplace Representation (Social Dialogue)	263
Number of Employees covered by Health & Safety Management	263
Employees covered by Collective Bargaining Agreements (%)	100
Employees covered by Workplace Representation (%)	100
Employees covered by Health & Safety Management (%)	100
Number of incidents of discrimination, including harassment	0
Number of complaints filed through channels for people in own workforce to raise concerns	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0,00
Number of severe human rights issues and incidents connected to own workforce	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0,00

## KPI Team



**1.** ● Average annual number of hours of training (including ESG-related training) per employee

**2023 :** 18,2

**2022 :** 19,6

**Comment :** The average number of training hours per employee decreased slightly in 2023.



**2.** ● Number of mentors for new AG Real Estate employees

**2023 :** 1 mentor / 1 new employee

**2022 :** 1 mentor / 1 new employee

**Comment :** All new employees have a mentor.



**3.** ● Diversity and inclusion - Balance in senior management succession (excluding Executive Committee, male/female)

**2023 :** 55/45

**2022 :** 55/45

**Comment :** The make-up remained stable in 2022 and 2023.



**4.** ● CO2 emissions from AG Real Estate activities (expressed in tCO<sub>2e</sub>/employee)

**2023 :** 3,59 tCO<sub>2e</sub>/employee

**2022 :** 3 tCO<sub>2e</sub>/employee

**Commentaire :** AG Real Estate's operating activities emitted a total of 1007.2 tCO<sub>2e</sub> (financial year 2023), an increase of 13% compared with the financial year 2022 (892.2 tCO<sub>2e</sub>).



# ENVIRONMENT AND CLIENT

## Towards a net- zero portfolio

### Climate change

#### Integrating sustainability performance into incentive programmes

In 2023, AG Real Estate's Executive Committee established broader ESG performance targets. These include the company's first GRESB report, the creation of online sustainability training, the setting of net-zero targets (as part of the NZAOA), a review of our EU taxonomy regulation alignment for several of our properties, and the integration of renewable energy into our operations.

#### Transition plan for climate change mitigation

In December 2022, AG Real Estate committed to reducing greenhouse gas emissions from its permanent investment portfolio by 2030, with a longer-term commitment to a net-zero property portfolio by 2050. The company's intermediate decarbonisation targets are set by the CRREM 1.5°C curves. These curves are used to compare the actual carbon footprint of a building with what its maximum carbon footprint should be, in order to remain in line with the Paris Agreement.

## Definition of the property asset class

All properties directly owned by AG Real Estate have been included in the implementation of the net-zero target.

Directly owned real estate includes both fully owned buildings (i.e. buildings that are 100% owned by AG/ AG Real Estate) and buildings that are partially owned through a joint venture, joint operation or co-ownership. In addition, these assets may be managed directly by AG Real Estate or by a third party.

Our residential and retail buildings are included within this scope, with residential buildings referring to private dwellings such as flats and retail buildings referring to offices, shopping centres, hotels, warehouses and nursing homes (including Anima nursing homes).

AG Real Estate's development projects are excluded from the NZAOA target definition unless they are not sold after completion and form part of the permanent investment portfolio.

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The NZAOA net-zero targets apply to AG Real Estate's assets in Belgium, France, Luxembourg, the Netherlands, Germany, Spain and the United States. They therefore cover all the countries in which we are active.

## Scope

## Emissions scope

Our targets are set on the basis of a whole building and operations approach (i.e. energy-related emissions from both the base building/common areas and tenant spaces are included in the definition of the targets).

Intensity measure : kgCO<sub>2</sub>e/m<sup>2</sup>/year

## Key indicators

## Data availability and sources

AG Real Estate will aggregate data and set a target only for those assets in the portfolio for which reliable reported data (100% data coverage) can be retrieved. We will report on the proportion of the total portfolio that is covered by the target. No consumption data has been calculated.

CRREM global pathways at 1.5°C (v2 pathways).

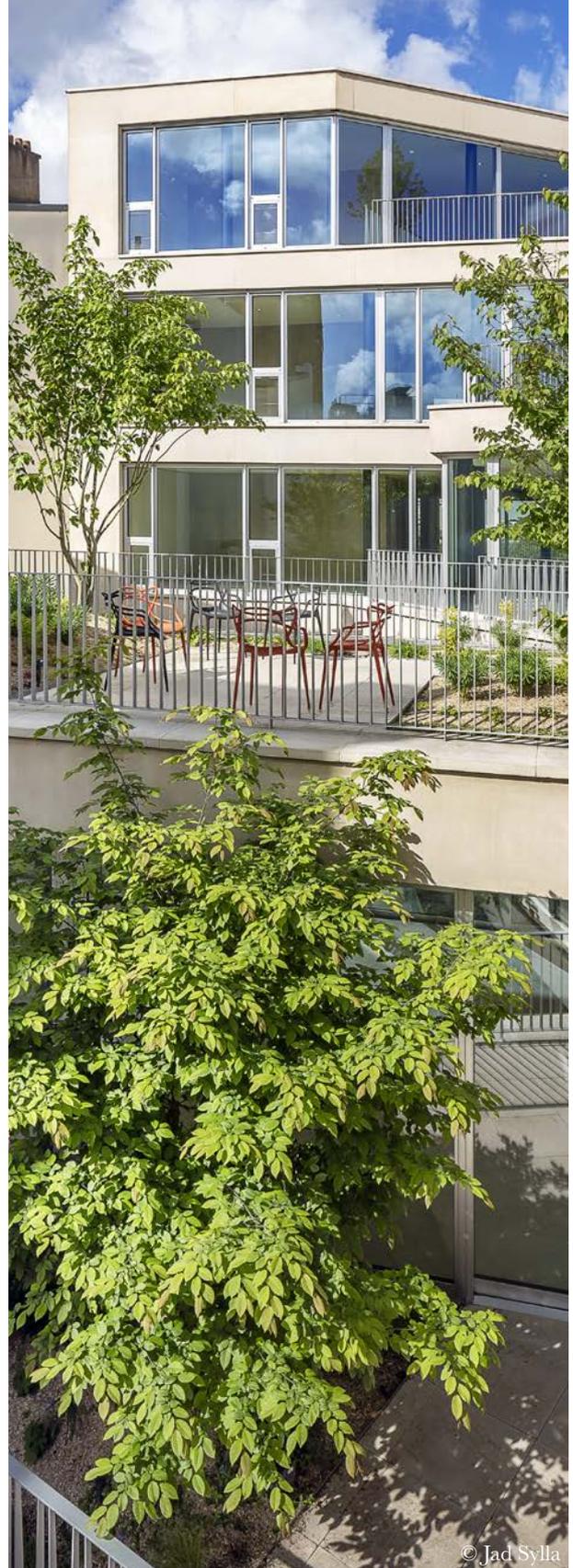
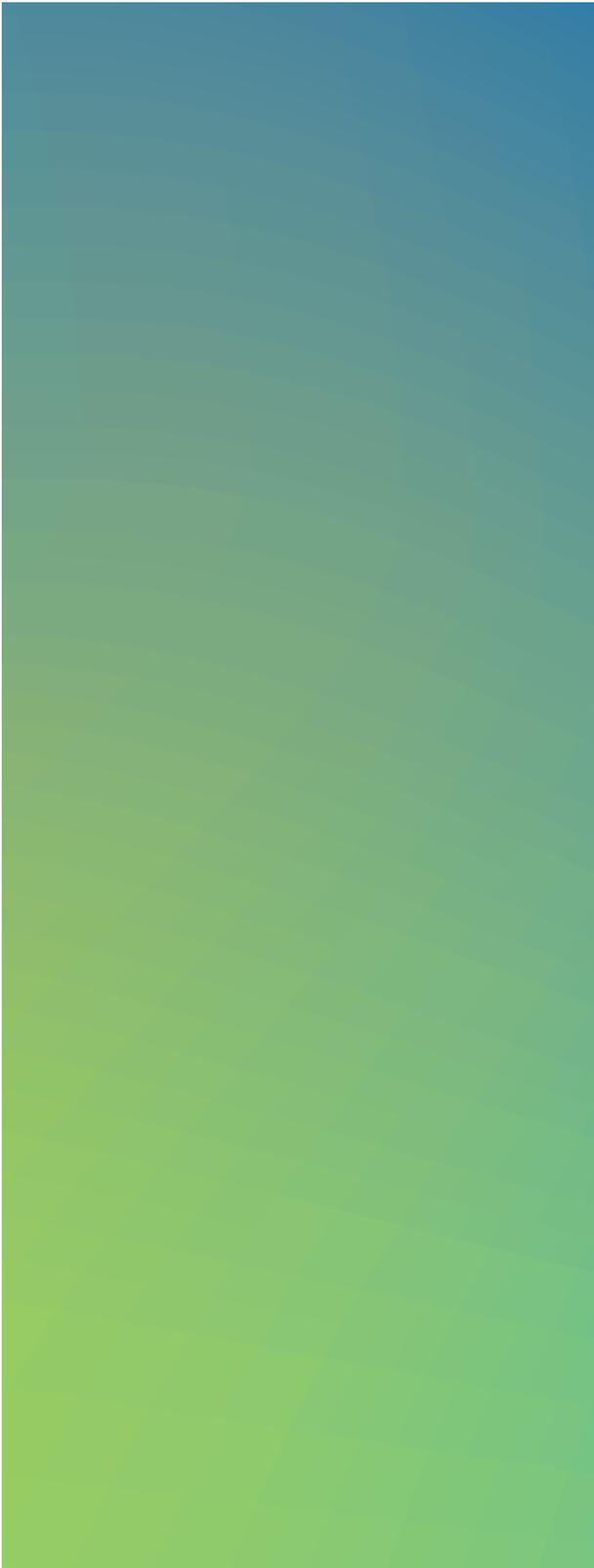
## Scientific path or reference sources

## Objective (with timetable)

The targets, based on the CRREM 1.5°C global pathways (v2 pathways), will differ according to asset class and country.

We have selected the following means of action to achieve the net-zero objective :

- Improving the energy performance and consumption of our buildings;
- Increasing on-site renewable energy production;
- Replacing fossil fuels for heating;
- Decarbonising the energy mix in the countries where we operate (impact on emission factors);
- Selling underperforming buildings and replacing them with newer, more sustainable buildings.



As part of the CSRD, AG Real Estate will continue to develop its transition plan. A first step to this end involves a classification of all our assets to determine the position of each with respect to their applicable CRREM target and a high-level view of the associated Capex that may be required. The second stage (which could extend beyond 2024) will require a detailed investment plan and a provisional timetable for carrying out the necessary work.

## European taxonomy : AG Real Estate portfolio

In 2023, we carried out an in-depth analysis of several buildings in our investment portfolio to ensure their compliance with European Union taxonomy requirements. This assessment identified five buildings (worth over €430m) that meet the criteria described in chapter 7.7 of the EU's taxonomy regulation for making a significant contribution to climate change mitigation. Buildings :

- Arts&Lux, Brussels
- Icone, Luxembourg
- Post-X, Antwerp
- Up-on, Paris and
- Heilbronn (nursing home)

As these buildings were constructed before 2020, we used their Energy Performance Certificates (EPCs) to compare them with the top 15% of buildings in their respective regions, so as to confirm their compliance with EU taxonomy standards. In addition, we carried out a full physical risk assessment, identifying solutions to be implemented over the coming years.

*(\*) We used Deepki's ESG Index to determine the top 15% of the best-performing buildings in their respective regions (<https://index-esg.com>).*

## Developments

We take ongoing steps to ensure that most office development projects under consideration are aligned with EU requirements. These measures are taken proactively at the design stage to ensure consistency with chapter 7.1 or 7.2 of the taxonomy regulation.

## Climate change mitigation and adaptation policies

AG Real Estate's Sustainability Strategy sets out our principles for responsible investment in climate change mitigation and adaptation :

- Our portfolio will reduce greenhouse gas emissions by 2030, with a longer-term commitment to a zero-emissions property portfolio by 2050;
- The energy performance of our properties is being optimised through investment in LED lighting, sensors, energy-efficient systems, insulation and façades;
- We intend to increase the proportion of energy generated from on-site or off-site renewable sources, both for permanent investments and for developments;
- Implementing a robust risk management system that includes an assessment of physical and transitional climate risks.

These principles will be translated into operational criteria in our ESG guides for development (renovation and new construction) and acquisition/ownership.

## Activities and resources linked to climate change policies

Each year, AG Real Estate takes further steps to reduce its carbon footprint by increasing the level of renewable energy in its portfolio :

- To date, 12 nursing homes have been fitted with solar panels by our subsidiary Anima. This represents a total capacity of 972 kWp (equivalent to more than 250 households);
- The solar panels in the warehouse portfolio (including the joint venture with Heylen) boast a capacity of 73.5 MWp (+2.84 Mwp);
- AG Real Estate is Skysun's financial partner for the development of solar panels in Belgium and France. To date, AG Real Estate's financing has contributed to the development of 8701 kWp (+3841 kWp compared with 2022).



## KPI Energy consumption and energy mix

Below is an overview of AG Real Estate's energy consumption and energy mix. Total energy use is calculated on the same basis as that used to report Scope 1 and 2 GHG emissions. Consumption is expressed in MWh. Energy consumption and energy mix Consumption is expressed in MWh.

<b>1.</b> Consumption of fuels derived from coal and coal products (MWh)	2023 : 0 2022 : 0	<b>7.</b> Energy consumption generated by nuclear power (MWh)	2023 : 0 2022 : 0
<b>2.</b> Fuel consumption derived from crude oil and petroleum products (MWh)	2023 : 1775 2022 : 1857	Share of consumption from nuclear sources in overall energy consumption (%)	2023 : 0 2022 : 0
<b>3.</b> Natural gas consumption	2023 : 33281 2022 : 42253	<b>8.</b> Consumption of fuels from renewable sources, including biomass (also including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (%)	2023 : 0 2022 : 0
<b>4.</b> Consumption of fuels from other fossil sources (MWh)	2023 : 0 2022 : 0	<b>9.</b> Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources (MWh)	2023 : 56689 2022 : 50501
<b>5.</b> Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources (MWh)	2023 : 0 2022 : 0	<b>10.</b> Self-generated non-combustible renewable energy consumption (MWh)	2023 : 485 2022 : 1348
<b>6.</b> Total fossil fuel energy consumption (MWh) (calculated as the sum of lines 1 to 5)	2023 : 35056 2022 : 44110	<b>11.</b> Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	2023 : 57174 2022 : 51849
Share of fossil fuels in overall energy consumption (%)	2023 : 38 2022 : 48	Share of renewable sources in total energy consumption	2023 : 62 2022 : 52
		Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)	2023 : 92230 2022 : 95959

## Total GHG emissions for scopes 1, 2, 3, and all combined

The information relating to AG Real Estate's reporting of greenhouse gas emissions has been prepared considering the principles, requirements and guidance provided by the GHG Protocol Corporate Standard (version 2004).

### Operational emissions

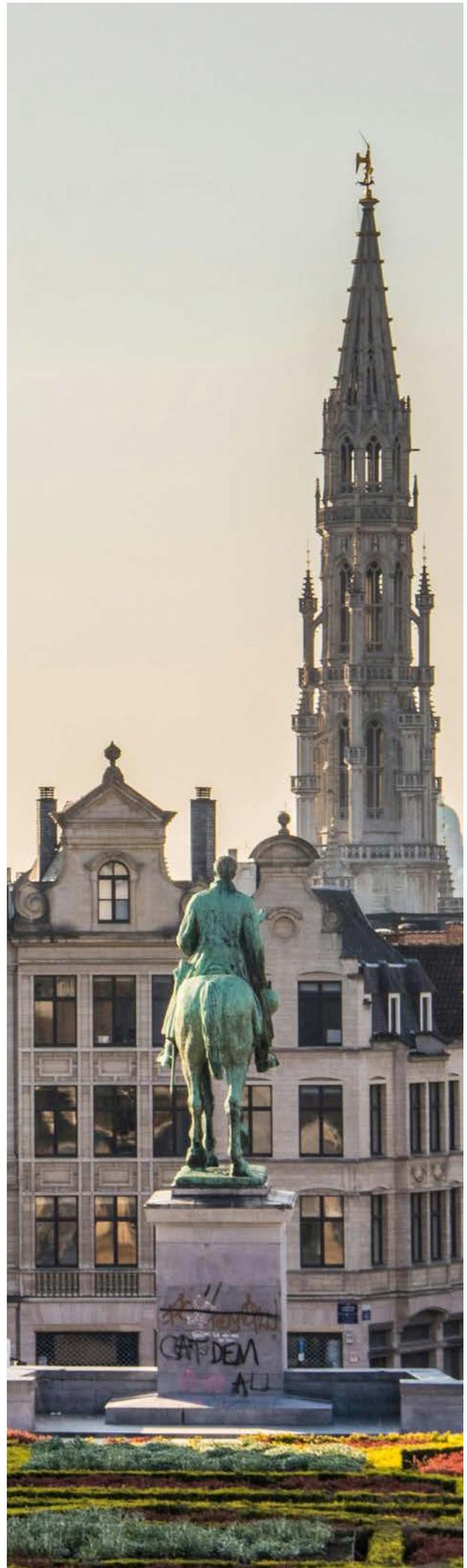
By operational corporate emissions we are referring to the carbon emissions associated with AG Real Estate's corporate activities (commuting, fleet, waste, business travel etc.) excluding the carbon footprint of its property portfolio, development projects and other investments (such as funds). To calculate operational emissions, AG Real Estate uses the services of a specialist consultancy, CO2logic.

The emission factors for calculating AG Real Estate's carbon footprint are derived from the Base Carbone database, DEFRA and IEA 2023.

In total, our corporate emissions in 2023 amounted to 1,007.2 tonnes. This was a 13% increase on 2022 (892.2 tCO<sub>2</sub>e).

### Investment portfolio

Carbon emissions for the Investment Portfolio have been calculated using the energy consumption data we submitted for the GRESB assessment and the CRREM emission factors for 2022 and 2023. The data has not been modified to reflect the fact that buildings are unoccupied. To date, cooling fluid leaks from the permanent investment portfolio have not been included. The investment portfolio now covers the carbon emissions from AG Real Estate's portfolio of stabilised property assets. We exclude PPP projects, our stake in Interparking, development projects and our indirect investments (funds and SIRs).



## Development projects portfolio

The carbon emissions (embodied carbon) of our development portfolio are not currently measured. This measurement will be carried out automatically for all new projects from 2024.

	2023	2022	% N/N-1
<b>Scope 1 GHG emissions</b>	<b>7842</b>	<b>9602</b>	<b>-18%</b>
Corporate	484	433	12%
Investment portfolio	7358	9170	-20%
<b>Scope 2 GHG emissions</b>	<b>6920</b>	<b>6665</b>	<b>4%</b>
Corporate	0	0	-
Investment portfolio	6920	6665	4%
<b>Scope 3 GHG emissions</b>	<b>14863</b>	<b>12236</b>	<b>21%</b>
Category 1 : Goods and services purchased	2	2	-5%
Corporate	2	2	-5%
Investment portfolio	-	-	-
Category 2 : Capital goods	21	2	1300%
Corporate	21	2	1300%
Investment portfolio	-	-	-
Category 3 : Fuel and energy activities (not included in scope 1 and 2)	302	223	35%
Category 5 : Waste generated by activities	12	24	-48%
Category 6 : Professional trips	47	43	11%
Category 7 : Commuting	85	99	-14%
Category 13 : Assets leased further down the line	14370	13274	8%
<b>TOTAL</b>	<b>29625</b>	<b>30368</b>	<b>-2%</b>





## Carbon offsetting

As part of Impact24, AG Real Estate is striving to achieve carbon neutrality in all its assessed operations. We aim to reduce our impact on the environment by reducing our carbon emissions and offsetting any remaining emissions. All corporate carbon emissions for 2022 have already been offset and those for 2023 are in the process of being offset. This will continue on an annual basis.

## Circularity

AG Real Estate's Sustainability Policy sets out our principles for responsible investment in climate change mitigation and adaptation :

- **Development and circularity.** Sustainability is taken into account right from the design stage of a property by carrying out a life-cycle analysis and integrating its adaptability. The intrinsic carbon footprint of projects is reduced by rigorous selection of products, materials and construction techniques. We are improving our construction materials management techniques to move towards a more circular economy. AG Real Estate will also play an important role in the redevelopment of environmentally underperforming assets by prioritising the renovation of existing buildings rather than simply demolishing them.

This principle will be put into practice in our ESG guides for development (renovation and new construction) and acquisition/ownership. Criteria to be covered in the guide will include reuse, recycling and recovery of other materials, non-hazardous construction and demolition waste, adaptability and dismantling, pre-demolition audit, materials passports and biogenic carbon storage.



## Clients

### Shopping centre satisfaction survey

AG Real Estate asked CFI Group Italia (the Italian branch of Claes Fornell International) to carry out a satisfaction survey of 5 of its shopping centres in Belgium (Anspach Shopping, City 2, Galeries St Lambert, The Mint and Westland Shopping).

The main objectives of the study were to :

- Assess the level of tenant satisfaction
- Measure tenants' assessment of key performance factors
- Identify priorities for action and investment

163 meaningful interviews were carried out with a total sample of 257 tenants, with a response rate of 63%.

**The conclusions of** the survey highlight that all the shopping centres have an overall satisfaction score equal to or above the « sufficient » level. The Mint and Westland even exceeded these scores, particularly on the themes of security and the centre's ability to be a successful commercial partner.

Brand image remains a point of attention for the Anspach Shopping Centre, unsurprisingly as it is due to undergo a renovation scheduled for Q4 2024, in a pedestrian area that has undergone major changes in recent years.



## Water, pollution and biodiversity

AG Real Estate's sustainable development strategy defines our principles for responsible investment in terms of water, pollution and biodiversity :

- **Water consumption.** We progressively measure the water consumption intensity of our direct portfolio. Guidelines are in place to limit the water consumption of appliances (in line with BREEAM certification requirements) when existing buildings are renovated and new buildings are constructed. A leak detection system is gradually being introduced in the Belgian office portfolio to limit water wastage. Total water consumption amounted to 393,747.6 m<sup>3</sup> in 2023, i.e. 0.22m<sup>3</sup>/m<sup>2</sup>, representing a reduction in intensity of 25%.
- **Pollution prevention.** New buildings located on (potentially) contaminated sites are always subject to a screening process for contaminants, followed by any necessary remediation to comply with legislative requirements. In addition, a number of measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance work. We carefully select products, materials and equipment to limit the negative impact on the people who use our buildings.
- **Protecting biodiversity.** Through site selection and environmentally responsible design, we will avoid or reduce the negative impact of our projects on biodiversity. In addition, we will restore and enhance biodiversity on site through concrete measures including, but not limited to, green roofs, green facades, beehives and indoor and outdoor plants. The creation of these green islands will also help to reduce urban heat island effects.



# SOCIAL COMMITMENT AND SPONSORSHIP

## Committed to the community

AG Real Estate undertakes a wide range of solidarity actions and supports local communities through its involvement in socio-cultural activities. We have drawn up a sponsorship and patronage charter, which sets out the guidelines to be followed by our teams so that we can target our actions and strengthen our impact.

### KPI Social commitment and sponsorship

Annual budget for social activities and sponsorship :

**2023** : 195K€

**2022** : 162K€



# Glossary

Technical terms specific to the field of sustainability and environmental assessment are listed in the glossary.

## Dual impact analysis

As part of CSRD sustainability reporting, the double impact analysis encourages companies to consider both the issues likely to have an impact on their financial performance and those - positive or negative - of the company on its economic, social and environmental environment.

## BEIS (Department for Business, Energy & Industrial Strategy)

The UK government publishes emissions conversion factors which are used by UK and international organisations - such as BEIS - to calculate greenhouse gas emissions.

## BREEAM (Building Research Establishment Environmental Assessment Method) - Certification Good/ Very good/ Excellent/ Outstanding

Introduced by the British BRE (Building Research Establishment) BREEAM certification assesses a building's environmental performance. It is based on the management of energy, water, materials, transport, comfort (air quality, thermal comfort, etc.) and so on. A total of ten criteria are used.

## Capex (Capital Expenditures)

Strategic investments designed to improve the company's future performance. This differs from Opex, which refers to operating expenditure.

## Climate change mitigation

Mitigating the effects of climate change, one of the two arms of the fight against climate change : reducing the effects.

## CRREM (Carbon Risk Real Estate Monitor)

A tool designed to help companies in the real estate sector define decarbonisation paths.

## CSRD (Corporate Sustainability Reporting Directive)

A European directive aimed at encouraging sustainable development in companies and identifying those that are compliant.

## DEI

Diversity, Equity and Inclusion

## Ecoinvent

International reference database on energy resources, raw materials and their life cycles. It has been set up by the Swiss research institutes ETH, EPFL, Empa, Agroscope and the Paul Scherrer Institute.

## EPC

Energy performance certificate : EPC in Flanders, PEB in Wallonia and Brussels. Indicator for estimating a building's theoretical energy consumption, in kg of CO<sub>2</sub>/m<sup>2</sup>/year.

## ESG

Environmental, social and governance criteria. These are the broad areas that encompass a company's activities that are likely to have an impact on society and the environment.

## ESRS (European Sustainability Reporting Standards)

Standards and indicators that provide a framework for the reporting required by the CSRD.

## GHG

Greenhouse gas emissions.

## GRESB (Global Real Estate Sustainability Benchmark)

Private international environmental labelling organisation specialising in the real estate sector. Created in 2009, GRESB is a benchmark organisation that assesses and compares the ESG performance of real estate assets using standardised data.

## KPI

Key Performance Indicator.

## MWp

One megawatt-peak corresponds to 1,000 kWp. The peak power represents the system's output (the amount of solar energy transformed into electrical energy) in the best possible sunlight conditions. Today, one kWp represents around three standard panels (5 m<sup>2</sup>). As an indication, in France, one kWp produces between 1,000 and 1,700 kWh per year (in the best exposure conditions and depending on geographical location).

## New European Bauhaus

In reference to the famous architectural movement, this project launched by the European Commission aims to define a new creative and interdisciplinary cultural, economic and environmental movement for Europe.

## NZAOA (Net-zero Asset Owner Alliance)

Collaborative initiative bringing together institutional investors who are committed to having zero-emission investment portfolios by 2050 and setting guidelines for the entire sector.

## SDG

Sustainable Development Goals.

## PPP

Public-Private Partnership

## RE2020

Energy and environmental regulations for all new buildings in France. One of its aims is to reduce the climatic impact of new buildings and improve their energy performance.

## Scope 1

Emissions released into the air by the company's direct production processes. These include the combustion of oil, coal and gas.

## Scope 2

Emissions released during the production of purchased energy (e.g. electricity for lighting).

## Scope 3

Emissions linked to electricity and transport that are not covered by Scope 2.

## European taxonomy

A classification of economic activities that have a favourable impact on the environment. Its aim is to encourage investment in sustainable activities.

## WELL

WELL is a standard that focuses on human well-being in buildings. Comprising 10 pillars, WELL is a roadmap for improving the quality of air, water, light and sound, among others, with inspired design decisions that also support mental health.

# Annexes





# Electricity

	Number/ total of buildings 2023	Coverage in m <sup>2</sup> (%) 2023	Absolute consumption 2023	Absolute consumption 2022	Like-for like consumption 2023	Like-for like consumption 2022	Δ
<b>Office</b>							
Belgium	30/31	99%	33.327.298	34.440.227	33.327.298	33.311.227	0%
France	6/8	56%	3.128.189	2.655.087	3.128.189	2.655.087	18%
Luxembourg	0/2	0%	-	-	-	-	-
<b>Retail, High Street</b>							
Belgium	0/1	0%	-	-	-	-	-
France	1/3	31%	667.441	970.646	667.441	970.646	-31%
<b>Retail, Shopping Center</b>							
Belgium	8/10	82%	27.629.307	21.733.858	27.629.307	21.733.858	27%
<b>Retail, Other</b>							
Belgium	1/1	100%	989.840	-	989.840	-	-
France	0/1	0%	-	-	-	-	-
<b>Industrial, Non-refrigerated Warehouse</b>							
Belgium	2/2	100%	4.926.813	3.645.124	4.926.813	3.645.124	35%
France	1/2	69%	796.724	1.389.596	796.724	1.389.596	-43%
Netherlands	6/6	100%	18.359.767	14.057.335	18.359.767	14.057.335	31%
<b>Industrial, Refrigerated Warehouse</b>							
France	0/1	0%	-	1.500.913	-	1.500.913	No data in 2023
<b>Hotel</b>							
Belgium	3/3	100%	1.794.162	1.478.686	1.794.162	1.478.686	21%
<b>Health Care, Senior Homes</b>							
Belgium	23/24	99%	7.493.256	8.132.101	7.253.590	7.020.197	3%
Germany	14/17	82%	5.207.593	5.904.985	5.207.593	5.904.985	-12%
Spain	1/1	100%	211.857	210.988	211.857	210.988	0%
<b>Residential, Mid-Rise Multi-Family</b>							
Belgium	1/2	92%	85.673	-	85.673	-	-
United States	0/2	0%	-	-	-	-	-
<b>Other, Parking (Indoors)</b>							
Belgium	1/2	55%	534.366	497.324	534.366	497.324	7%
<b>TOTAL</b>	<b>98/119</b>	<b>81%</b>	<b>105.152.286</b>	<b>96.616.870</b>	<b>104.912.620</b>	<b>94.375.966</b>	<b>11,2%</b>

# Fuels

	Number/ total of buildings 2023	Coverage in m <sup>2</sup> (%) 2023	Absolute consumption 2023	Absolute consumption 2022	Like-for like consumption 2023	Like-for like consumption 2022	Δ
<b>Office</b>							
Belgium	30/31	99%	20.732.227	22.090.387	20.732.227	21.191.387	-2%
France	2/8	17%	709.420	697.644	709.420	697.644	2%
Luxembourg	0/2	0%	-	-	-	-	-
<b>Retail, High Street</b>							
Belgium	0/1	0%	-	-	-	-	-
France	0/2	0%	-	-	-	-	-
<b>Retail, Shopping Center</b>							
Belgium	8/9	85%	6.263.077	8.530.130	6.263.077	8.530.130	-27%
<b>Retail, Other</b>							
Belgium	0/1	0%	-	-	-	-	-
France	0/1	0%	-	-	-	-	-
<b>Industrial, Non-refrigerated Warehouse</b>							
Belgium	2/2	100%	1.578.458	1.105.111	1.578.458	1.105.111	43%
France	1/2	69%	22.739	38.528	22.739	38.528	-41%
Netherlands	6/6	100%	1.852.297	1.615.647	1.852.297	1.615.647	15%
<b>Industrial, Refrigerated Warehouse</b>							
France	0/1	0%	-	-	-	-	-
<b>Hotel</b>							
Belgium	2/2	100%	1.373.056	1.395.374	1.373.056	1.395.374	-2%
<b>Health Care, Senior Homes</b>							
Belgium	23/24	99%	16.507.137	18.263.312	15.693.504	15.722.503	0%
Germany	13/16	82%	11.474.111	13.745.446	11.474.111	13.745.446	-17%
Spain	1/1	100%	314.058	348.375	314.058	348.375	-10%
<b>Residential, Mid-Rise Multi-Family</b>							
Belgium	1/2	92%	369.651	416.749	369.651	416.749	-11%
United States	0/2	0%	-	-	-	-	-
<b>TOTAL</b>	<b>89/113</b>	<b>81%</b>	<b>61.196.231</b>	<b>68.246.702</b>	<b>60.382.598</b>	<b>64.806.893</b>	<b>-6,8%</b>

# District heating & cooling

	Number/ total of buildings 2023	Coverage in m <sup>2</sup> (ab- solute)	Total	Coverage in m <sup>2</sup> (%) 2023	Absolute consump- tion 2023	Absolute consump- tion 2022	Like-for like con- sumption 2023	Like-for like con- sumption 2022	Δ
<b>Retail, High Street</b>									
France	1/1	3.118	3.118	100%	1.368.000	1.282.000	1.368.000	1.282.000	7%
<b>Retail, Shopping Center</b>									
Belgium	1/1	15.371	15.371	100%	114.201	86.249	114.201	86.249	32%
<b>Hotel</b>									
Belgium	1/1	10.000	10.000	100%	298.800	294.715	298.800	294.715	1%
<b>Health Care, Senior Homes</b>									
Germany	0/1	-	7.481	0%	-	726.693	-	726.693	No data in 2023
<b>TOTAL</b>	<b>3/4</b>	<b>28.489</b>	<b>35.970</b>	<b>79%</b>	<b>1.781.001</b>	<b>2.389.657</b>	<b>1.781.001</b>	<b>2.389.657</b>	<b>-25,5%</b>

## Total Energy- Energy mix

Energy consumption and mix		2023	2022
1	Fuel consumption from coal and coal products (MWh)	0	0
2	Fuel consumption from crude oil and petroleum products (MWh)	1775	1857
3	Fuel consumption from natural gas (MWh)	34089	42951
4	Fuel consumption from other fossil sources (MWh)	0	0
5	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	0	3873
<b>6</b>	<b>Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)</b>	<b>35864</b>	<b>48681</b>
	Share of fossil sources in total energy consumption (%)	39%	48%
7	Consumption from nuclear sources (MWh)	0	0
	Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
8	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
9	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	56394	50501
10	The consumption of self-generated non-fuel renewable energy (MWh)	485	1348
<b>11</b>	<b>Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b>	<b>56879</b>	<b>51848</b>
	Share of renewable sources in total energy consumption (%)	61%	52%
	<b>Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)</b>	<b>92744</b>	<b>100529</b>
	<b>Scope 1 &amp; 2 energy in total energy consumption</b>	<b>55,43%</b>	<b>61,37%</b>

# Energy Intensity

	Energy Intensity 2023	Energy Intensity 2022	Like-for like consumption 2023	Like-for like consumption 2022	Δ
<b>Office</b>					
Belgium	119	127	119	132	-10%
France	76	79	76	79	-4%
Luxembourg	-	-	-	-	-
<b>Retail, High Street</b>					
Belgium	-	-	-	-	-
France	653	290	653	290	125%
<b>Retail, Shopping Center</b>					
Belgium	90	82	90	82	10%
<b>Retail, Warehouse</b>					
Belgium	376	-	376	-	-
France	-	-	-	-	-
<b>Industrial, Non-refrigerated Warehouse</b>					
Belgium	39	32	39	32	23%
France	9	11	9	11	-17%
Netherlands	39	30	39	30	29%
<b>Industrial, Refrigerated Warehouse</b>					
France	-	23	-	23	No data in 2023
<b>Hotel</b>					
Belgium	121	111	121	111	9%
<b>Health Care, Senior Homes</b>					
Belgium	125	134	123	133	-7%
Germany	152	152	152	152	0%
Spain	141	150	141	150	-6%
<b>Residential, Mid-Rise Multi-Family</b>					
Belgium	91	83	91	83	9%
United States	-	-	-	-	-
<b>Other, Parking (Indoors)</b>					
Belgium	13	12	13	12	7%
<b>TOTAL</b>					

# Carbon

	GHG Dir - Scope 1 2023	GHG Dir - Scope 1 2022	GHG Dir - Scope 2 2023	GHG Dir - Scope 2 2022	GHG Dir - Scope 3 2023	GHG Dir - Scope 3 2022	GHG Dir - - Total 2023	GHG Dir - - Total 2022	GHG Dir - Total LfL 2023	GHG Dir - Total LfL 2022	Δ
<b>Office</b>											
Belgium	3.270	4.058	3.532	3.833	1.447	718	8.248	8.609	8.248	8.290	-1%
France	143	141	28	23	126	121	297	284	297	284	4%
Luxembourg	-	-	-	-	-	-	-	-	-	-	-
<b>Retail, High Street</b>											
Belgium	-	-	-	-	-	-	-	-	-	-	-
France	-	-	-	-	90	113	90	113	90	113	-20%
<b>Retail, Shopping Center</b>											
Belgium	662	1.251	2.359	1.788	1.371	1.021	4.392	4.059	4.392	4.059	8%
<b>Retail, Other</b>											
Belgium	-	-	-	-	121	-	121	-	121	-	-
France	-	-	-	-	-	-	-	-	-	-	-
<b>Industrial, Non-refrigerated Warehouse</b>											
Belgium	-	-	-	-	820	599	820	599	820	599	37%
France	-	-	-	-	44	83	44	83	44	83	-47%
Netherlands	-	-	-	-	5.295	4.487	5.295	4.487	5.295	4.487	18%
<b>Industrial, Refrigerated Warehouse</b>											
France	-	-	-	-	-	81	-	81	-	81	No data in 2023
<b>Hotel</b>											
Belgium	277	282	180	180	70	32	528	494	528	494	7%
<b>Health Care, Senior Homes</b>											
Belgium	2.931	3.354	745	781	648	628	4.324	4.763	4.131	4.114	0%
Germany	-	-	-	-	4.250	5.287	4.250	5.287	4.250	5.287	-20%
Spain	-	-	-	-	90	105	90	105	90	105	-15%
<b>Residential, Mid-Rise Multi-Family</b>											
Belgium	75	84	10	-	-	-	85	84	85	84	1%
United States	-	-	-	-	-	-	-	-	-	-	-
<b>Other, Parking (Indoors)</b>											
Belgium	-	-	65	61	-	-	65	61	65	61	7%
<b>TOTAL</b>	<b>7.358</b>	<b>9.170</b>	<b>6.920</b>	<b>6.665</b>	<b>14.370</b>	<b>13.274</b>	<b>28.649</b>	<b>29.109</b>	<b>28.455</b>	<b>28.141</b>	<b>1%</b>

# Carbon Intensity

	GHG Dir - Total 2023	GHG Dir - Total 2022	GHG Dir - To- tal LfL 2023	GHG Dir - Total LfL 2022	Δ
<b>Office</b>					
Belgium	18,2	19,4	18,2	20,1	-9%
France	5,9	6,7	5,9	6,7	-12%
Luxembourg	-	-	-	-	
<b>Retail, High Street</b>					
Belgium	-	-	-	-	
France	28,9	14,5	28,9	14,5	99%
<b>Retail, Shopping Center</b>					
Belgium	11,6	10,9	11,6	10,9	6%
<b>Retail, Warehouse</b>					
Belgium	45,9	-	45,9	-	
France	-	-	-	-	
<b>Industrial, Non-refrigerated Warehouse</b>					
Belgium	4,9	4,0	4,9	4,0	23%
France	0,5	0,6	0,5	0,6	-23%
Netherlands	10,2	8,6	10,2	8,6	18%
<b>Industrial, Refrigerated Warehouse</b>					
France	-	1,3	-	1,3	No data in 2023
<b>Hotel</b>					
Belgium	18,4	17,3	18,4	17,3	7%
<b>Health Care, Senior Homes</b>					
Belgium	22,5	24,2	22,1	24,0	-8%
Germany	38,67	39,3	38,7	39,3	-2%
Spain	24,0	28,1	24,0	28,1	-15%
<b>Residential, Mid-Rise Multi-Family</b>					
Belgium	16,9	16,8	16,9	16,8	1%
United States	-	-	-	-	
<b>Other, Parking (Indoors)</b>					
Belgium	1,6	1,5	1,6	1,5	7%
<b>TOTAL</b>					





