

## SOCIAL

# Responsible supply chain management.



## Why is this relevant

Befimmo has a role to play to promote sustainable and ethical behaviour throughout its entire value chain. In order to establish strong partnerships with its stakeholders, they need to be onboarded in Befimmo's 2030 Action Plan.

### 2030 ACTION PLAN

#### TO BE STARTED

Part of the significant<sup>1</sup> suppliers who signed the new code of conduct

**TARGET** → 100% BY END 2024

#### TO BE STARTED

Part of the significant<sup>1</sup> suppliers assessed

**TARGET** → 25% BY END 2024

### MATERIALITY ASSESSMENT

#### Impact Materiality

IMPORTANT

#### Financial Materiality

IMPORTANT

1. Significant suppliers are suppliers having a potential risk on ESG aspects.

Befimmo tries as much as possible to **work with locally based suppliers**.

# 87%

of all 2023 suppliers are based in Belgium

# 2%

are located outside Europe

## Description and approach

### Upstream and midstream: Suppliers

Befimmo is putting a lot of effort in defining the best strategy to include its entire supply chain into its ESG mindset. The primary aim of this exercise is to generate an overall positive ESG impact within the entire value chain and by doing so, embark more and more stakeholders into this journey. Therefore, the Company defined the major steps to undertake in order to onboard all significant suppliers.

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All decisions regarding the selection and/or potential actions needed will be taken in consultation with the Executive Committee, the Leaders and the Managers of the relevant departments.

The risk profile of the Company's upstream supply chain is structurally low since Befimmo is a local player, acting in Belgium, which directly sets its suppliers under Belgian law. Befimmo tries as much as possible to work with locally based suppliers. 87% of all 2023 suppliers are based in Belgium, and only 2% are located outside Europe.

On the other hand, Befimmo has an ethical role to play towards its suppliers as well. When stipulated in the supplier contract, or if necessary, the Company accelerates the payment of the invoice to respect delays in order to prevent late payments.

Moreover, Befimmo also participated in the EcoVadis certification and received the Platinum Medal, the highest award, which distinguishes the top 1% of companies active in the same industry sector as evaluated by the rating agency.

### Downstream: Tenants and occupants

As the final link of the supply chain, tenants and occupants of the buildings must also be taken into consideration. In order to understand the importance of ESG for each tenant, Befimmo has developed and implemented prevention measures against the risk of anti-money laundering and terrorism financing, with a view to the prior assessment of potential tenants and occupants before entering any business relationship with them. Each tenant "at risk" can be excluded if deemed necessary.

GOVERNANCE: BUSINESS ETHICS AND COMPLIANCE, P.114

## Looking ahead

As mentioned above, the Company will implement a supplier assessment process for all suppliers "at risk" in 2024, according to its due diligence procedure. The whole process will be implemented during 2024, starting with the signing of the Code of Conduct and then the assessment process by EcoVadis for all significant suppliers. All new suppliers will be subject to the process from 2024.



Befimmo also participated in the EcoVadis certification and received the Platinum Medal.

## MAJOR STEPS TO UNDERTAKE IN ORDER TO ONBOARD ALL SIGNIFICANT SUPPLIERS

Step	Definition	Actions from Befimmo	Implementation
<b>Strategy definition</b>	Identification of the key suppliers having the largest impact within our supply chain	Befimmo has established a list of significant suppliers, based on the invoice amount paid over the year as well as their environmental and social risk.	→ 2023
<b>Supplier Code of Conduct</b>	Creation of an adapted Code of Conduct for all suppliers, based on the Ten Principles of the UN Global Compact in order to cover all three ESG dimensions	Befimmo sends the reviewed Code of Conduct to all its significant suppliers in order to be read and signed. This is a first step towards the onboarding of our suppliers in the Company's ESG mindset.	→ Q1-Q2 2024
<b>Assessment</b>	Selection of an ESG questionnaire to assess the performance of the significant suppliers	Befimmo selected EcoVadis to assess the significant suppliers on all three ESG dimensions. The assessment is greatly inspired by the Ten Principles of the UN Global Compact. Each invited supplier who participated in the assessment will obtain a rating according to their ESG performance. Through the EcoVadis platform, Befimmo will be able to request actions to improve certain ratings if necessary.	→ Q2-Q3 2024
<b>Selection and retention</b>	Definition of requirements to be met by suppliers to be selected / onboarded	Befimmo will have to decide what requirements will be put into place after EcoVadis results will be available. The discussion will have to be established according to the various situations: - The suppliers that do meet ESG requirements; - The suppliers that do not meet ESG requirements but are willing to make an effort to improve their own footprint; - Suppliers that do not want to improve their footprint or refuse to participate.	→ Q4 2024
<b>Performance monitoring</b>	Management of the supplier assessment process in the long-run, ensuring continuous review of their performance and tracking of the progress overtime	Befimmo will add all new significant suppliers to the EcoVadis exercise in order to be assessed within the year. Existing suppliers will be monitored and their EcoVadis participation will have to be renewed every year.	→ 2024
<b>Reporting</b>	Disclosure of the information with suppliers	Befimmo will keep a regular dialogue with its significant suppliers in order to keep them onboarded in its ESG journey.	→ 2024 and onwards