

CSR Policy



Abstract

The CSR Policy will guide AG Real Estate's CSR activities and ambitions, and is structured around its 5 pillars: Governance, Stakeholder of the City, Team, Environment & client and Social commitment & sponsorship.

Table of content

1. CSR Policy	2
About AG Real Estate	2
Our Values	2
Our long-term CSR goal in line with SDGs	3
Our long-term CSR goal	3
2. CSR Strategy: Our Lines of Action	4
Governance	4
Stakeholder of the city	5
Team	6
Environment & Client	7
Social Commitment and Sponsorship	7
3. Responsible Investment and Development Framework	8
Our Responsible Investment Principles	8
4. Our CSR Committee	10
5. Governance	11
6. KPI'S	12

1. CSR Policy

About AG Real Estate



AG Real Estate, a subsidiary of AG Insurance, is an integrated property operator active in Belgium, France, Luxembourg and on a certain selection of European markets with expertise in different lines of business: Asset & Property Management, Development & Construction Management, PPP and Real Estate Financing, as well as in Car Park Management through its subsidiary Interparking. As a company active in urban real estate, AG Real Estate has more than 250 employees with varied profiles and areas of expertise.

With a portfolio of more than €6.5 billion under management for its own account and on behalf of third parties, AG Real Estate is endeavoring to provide a responsible answer to new urban needs by implementing some tangible and measurable actions [through the establishment of a CSR policy including a Responsible Investment Framework].

Our Values

- We **CARE** by respecting and helping those around us, whilst staying true to who we are.
- We **SHARE** by learning, inspiring and sharing what we know and experience, in a culture that thrives on the concept of continuous learning.
- We **DELIVER** on our promises, and we make things happen by staying focused on our priorities and keeping things simple.
- We **DARE** by pushing boundaries and by daring to take a chance.

Our long-term CSR goal in line with SDGs

AG Real Estate has taken the initiative to subscribe to the [UN Sustainable Development Goals](#) – a framework that provides stringent guidelines accompanied by ambitious measures. We decided to select 11 of the 17 goals set in this agenda to respond more effectively to the challenges we face. In view of our activities, more attention is paid to SDG 11, 12 and 13.



Our long-term CSR goals

AG Real Estate ambitions to deliver a significant and positive contribution to its environment by actively working on the following UN Sustainable Development Goals: SDG 11 [Sustainable cities and Communities], SDG 12 [Responsible consumption and production] and SDG 13 [Climate action]. AG Real Estate targets a net-zero real estate portfolio by 2050 at the latest.

2. CSR Strategy: Our Lines of Action



Governance

Governance

Our goal is to generate real estate returns for [AG Insurance](#) and advising the [Ageas Group](#) on real estate investments. Good corporate governance is about balancing this objective with sound control, risk management, ethical behavior, and outstanding leadership in the interest of all stakeholders. Our real estate activities are organized to achieve long-term and sustainable growth. We have adopted a code of business conduct and implemented a governance system to adopt an ethical behavior, prevent conflicts of interest, bolster transparency in governance and ensure compliance with legislation. AG RE is a subsidiary wholly owned by AG Insurance and, like its parent company, AG RE complies with all applicable regulations for financial insurance institutions.

- **Anti-fraud stance at AG Real Estate.** AG Real Estate will apply the principle of "zero tolerance" towards any form of fraud, whether the source is external or internal. Fraud is defined as any reprehensible act committed with the intent to secure unfair or unlawful gain for oneself, for a third party or for AG Real Estate. The concept of fraud has been extended to include acts of malice committed to bring harm to the company [i.e., sabotaging computer systems, deliberately causing damage to firm's properties, or spreading false or inaccurate information for the purpose of tarnishing the firm's reputation].
- **Bribery and corruption.** AG Real Estate will not tolerate any form of corruption or bribery. Staff members may not offer or accept anything of value (including but not limited to money) for their own personal benefit, or for the benefit of their family members, friends, associates, or acquaintances.
- **Cybersecurity.** Information security management is formalized through an Information Security Framework which is a suitable set of controls, including non-technical [e.g., policies, processes, procedures, etc.] and technical controls [e.g., perimeter control, secure coding etc.].

The main objective of Information Security Management is to protect information assets from a wide range of threats such as malware, computer hacking, denial-of-service attacks, computer fraud, phishing, social engineering as well as the loss, theft, or disclosure of confidential information (including – sensitive – personal data).

- **Executive compensation.** AG Real Estate intends to reward the management committee fairly and competitively ensuring the organization's ability to attract, motivate and retain key talent. The structure of the remuneration is based on a competitive frame of reference, which comprises European real estate companies, and which are competitors of AG Real Estate both for business and for executive talent. Remuneration includes an adequate fixed [base salary + benefits], and variable component which is based on achieving corporate and individual [financial and non-financial] objectives.
- **Data Protection.** AG Real Estate considers privacy to be a fundamental value and recognizes the importance of protecting the privacy and the rights of individuals in relation to their personal data. Consequently, it treats information about employees, owners, lessors, tenants, and other Customers with the utmost discretion. AG Real Estate respects both privacy laws and regulations [GDPR].
- **Political position.** AG Real Estate follows the legislation of the country where it operates. It does not finance any political party or organization and does not make any payments to their representatives. It is not a member of any political party.

Stakeholder of the city



Stakeholder of the city

A set of actions intended to anticipate new urban needs and to establish effective communication with public partners and stakeholders. Through our activities we reflect the values [sustainability, inclusion, and aesthetics] of the New European Bauhaus to steer the transformation of our society.

- **Community Development.** AG Real Estate is an integral part of the community where it is established. The AG Real Estate Code of Conduct describes the company's approach towards community development.
- **Stakeholder engagement.** As a participant in the development of the community, AG Real Estates actively engages with all relevant stakeholders. The close collaboration with authorities is reflected in the private-public partnerships which are set up to construct and finance high quality social and public infrastructure. The residents are involved through citizen participation in the plans for the development of the city. We engage with our tenants on ESG through dialogue, though awareness-raising, by sharing good practices and by gradually including green clauses in lease agreements. We closely collaborate with our shareholders AG Insurance and Ageas to optimize our ESG disclosures based on existing reporting frameworks.

Team



Team

AG Real Estate's company culture is based on the values Care, Share, Deliver and Dare. AG Real Estate, which was elected Top Employer 2023, 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.

This is achieved through:

- **Human rights.** We apply the Universal Declaration of Human Rights in our relationship with our employees and other partners. AG Real Estate doesn't accept child labor, forced labor or human trafficking.
- **Employee remuneration.** The performance of its employees matters to AG Real Estate. So, in addition to a basic salary package, AG Real Estate provides other advantages including a pension, healthcare, and cafeteria plan. The sustainable mobility of teams is facilitated by its Green Mobility Policy.
- **Health and wellbeing.** AG Real Estate promotes the personal development of each staff member through training and a healthy work-life balance (through teleworking for example). AG Real Estate recognizes that worker safety and health is central to its mission and has established a safe and healthy working environment. An employee assistance program (for support regarding personal or professional challenges) is offered to all employees.
- **Diversity, Equity & Inclusion.** AG Real Estate does not tolerate any form of harassment or discrimination whatsoever, whether direct or indirect, based on personal attributes such as gender, race, religious belief, political conviction, sexual orientation, or physical disability. AG Real Estate's principles on diversity and inclusion are further elaborated in the Diversity and Inclusion Policy.



Environment & Client

Environment & Client

The real estate sector consumes around 40% of the total energy consumption, while simultaneously emitting 36% of energy-related direct and indirect greenhouse gas emissions. Consequently, we acknowledge our role to play in the decarbonization of the built environment. 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 (elaborated in more detail in our Responsible Investment and Development Framework):

- We are fully committed to the goals set by the Paris Agreement to limit global warming to well below 2°C, and preferably to 1.5 °C, compared to pre-industrial levels. Consequently, we target a net-zero real estate portfolio by 2050 at the latest. This will be achieved through the principles elaborated in our Responsible Investment and Development Framework (see section 3.5).

Social Commitment and Sponsorship

Social Commitment and Sponsorship

AG Real Estate carries out a whole series of solidarity actions and supports the social fabric by engaging in socio-cultural activities. To focus our actions and enhance our impact, we have drawn up a sponsorship and patronage charter, setting out the guidelines to be followed by our teams.



3. Responsible Investment and Development Framework

Due to its activity as investor, owner and developer, AG Real Estate has an environmental and social impact on cities and their inhabitants. We are convinced that the integration of ESG factors and sustainability in our activities will lead to long-term and sustainable returns for our shareholders AG Insurance and Ageas while simultaneously positively impacting the cities of tomorrow. We participate to the [PRI](#) reporting (through our shareholders who are both signatories), which is the largest global reporting project on responsible investment.

To support the ambitions of AG Real Estate's CSR strategy and the associated actions, we have adopted a Responsible Investment and Development Framework, which covers all asset classes, countries and investment products as defined by the AG Real Estate's Investment Mandate. The framework is centered around AG Real Estate's three core business activities:

- Investment
- Development
- Property & Asset Management

Our Responsible Investment Principles

- **We will reduce the greenhouse gas emissions of our portfolio by 2030 with the longer-term commitment for a zero-emission real estate portfolio by 2050.** We have decided to use the Net Zero Asset Owner Alliance ([NZAOA](#)) framework to set intermediary decarbonization targets which will be based on the CRREM 1.5°C pathways. We will achieve this by diligently screening new acquisition opportunities, by rebalancing our portfolio, and by renovating existing buildings.



regulatory requirements.

- **Energy consumption optimization.** Our buildings are efficiently operated through energy performance monitoring and assessment. The energy performance of the buildings is optimized through investments in for example LED lighting, sensors, efficient energy systems, insulation, and the facades. For development projects we target a primary energy demand in line or below regulatory requirements.
- **Renewable energy.** We intend to increase the share of energy generated from on-site or off-site renewable sources for both standing investments and developments. For several years now, AG Real Estate has been committed to installing solar panels on the roofs of its buildings to reduce their carbon footprint and to increase their self-sufficiency in electricity. With geothermal energy, the inertia of rock and water is exploited to store and withdraw energy from one season to another. AG Real Estate implements this clean-energy solution, using an open-loop or closed-loop system, depending on the project concerned.
- **Compliance with legislation.** We will meet and where possible exceed regulatory requirements.
- **ESG Integration in the due diligence process.** We consider ESG factors during the entire investment due diligence and decision-making process for all asset classes and countries where AG Real Estate operates.

This approach ensures we acquire either buildings with outstanding environmental qualities or environmentally underperforming buildings which can then be improved. ESG opportunities and risks are assessed by the project teams and risk management at acquisition.

- **Implementation of a sound risk management system which includes a transition and physical climate risk assessment.**

AG Real Estate will perform an annual transition risk assessment of its direct portfolio in line with the CRREM pathways. A physical risk and vulnerability assessment, covering both chronic and acute physical risks, will be gradually done for the entire portfolio.

- **Development and circularity.** We draw on our long experience in property development to offer our clients and partners advice and guidance to meet their expectations. Sustainability is integrated as of the conception of a property by performing a life-cycle analysis and integrating adaptability. The developments' embodied carbon footprint is lowered by carefully selecting products, materials, and construction techniques. To move towards a more circular economy, we improve our construction waste management techniques. AG Real Estate will also play an important role in the redevelopment of environmentally underperforming assets.

- **Green building certifications.** Several of our directly managed assets have undergone a BREEAM or equivalent pre-assessment. We intend to increase the number of certified assets of both our existing portfolio and developments.

- **Pollution prevention.** New constructions that are located on [potentially] contaminated site are always subject to an investigation for potential contaminants followed by a depollution in line with legislative requirements. Furthermore, several measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. We carefully select products, materials, and equipment to limit the negative impact on our buildings' users.

- **Water consumption.** We gradually measure the water consumption intensity of our direct portfolio. Guidelines are put in place to limit the water use of water appliances [in line with BREEAM requirements] when renovating existing buildings and constructing new ones. A leak detection system is gradually implemented in the Belgian office portfolio to limit wasting water.

- **Providing waste management and recycling possibilities.** This is achieved by foreseeing enough space for waste storage, with at least 5 types of waste for recycling. The collection of waste is done by a recognized company which delivers us a certificate of transport and treatment.

- **Protection of biodiversity.** We will avoid or reduce the negative biodiversity impact of our developments by site selection and eco-friendly design. In addition, we will restore and improve the on-site biodiversity through several practical approaches including but not limited to green roofs, green walls, beehives, and indoor/outdoor planting. The creation of these green islands will contribute to reduction of the urban heat island effect.

- **Minimum social safeguards.** AG Real Estate implements procedures to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

CSR Committee

4. Our CSR Committee

Concerned about the environmental and social impact of AG Real Estate's various activities, the AG Real Estate Management Committee has decided to create a "CSR Committee".

The CSR committee consists of different ambassadors, each representing the different activities of AG Real Estate. Each at their own level will aim to improve our investment, development, property management and corporate activities to better reflect AG Real Estate's CSR policy and its principles.



Mission / scope

The CSR committee is responsible for AG Real Estate's CSR policy and its implementation, the CSR strategy, encouraging the teams and for supervising the resulting actions. In addition, investment, or development projects with a high or non-documented ESG risk profile must be examined, discussed, and validated by the CSR Committee.

Responsibilities

- Recommending updates regarding AG Real Estate's CSR Strategy and Policy to the Management Committee.
- Defining and monitoring the CSR targets and KPIs.
- Overseeing compliance with the governance rules set out in the CSR policy.
- Implication in the investment process (see below).
- Coordinating the process of collecting and screening of portfolio data by the different business lines.
- Helping, encouraging, and supporting the different business units with the integration of sustainability in their activity.
- Monitoring and reporting (internally) on relevant updates of the ESG regulation framework.
- Proposing sustainability actions that can be implemented in the different departments.
- Promoting principles that ensure acquisitions and new developments are in line with the sustainability strategy.
- Encouraging the use of sustainable materials in the construction process and promoting circular economy.
- Reporting on actions.

Implication in the Investment process

The ESG Manager is responsible for the Carbon & ESG risk assessment of the proposed investment and development projects. He/she will participate in the different prep meetings and will be supported by the Innovation and Quality Technical Advisor within Design & Build and Innovation department to write the Carbon and ESG section of the Support Function Advice.

The ESG governance at OC and Manco level will be monitored by the Chief Alternative Investments and Sustainability Officer.

Investment or development projects, which are deemed to have a high or non-documented ESG risk profile must be examined, discussed, and validated by a select¹ CSR Committee. The select Committee will formulate an opinion (incl. recommendations) to the project team and IC/Board to adjust/abandon the proposed project. The Chief Alternative Investments and Sustainability Officer must give his/her approval before an investment or development project is flagged as a project with a high or non-documented ESG risk profile.

Membership

- Chief Alternative Investments and Sustainability Officer
- Senior Fund Manager
- ESG Manager
- Strategic Marketing, External Communication & PR Manager
- Communication and PR Manager
- Transaction Legal Manager
- Chief Human Resources & Communication Officer [together with the HR Business Partner]
- Head of Project & Property Management
- Investment & Asset Manager FR
- Environmental Project Manager
- Technical Advisor
- Project Manager Development
- Development and Design & Build Manager- FR
- Senior Investment Risk Analyst
- Head of Financial Control [together with the Business Controller]
- Head of IT & Organization [together with the IT Business Analyst]

Frequency

Every 2 months

5. Governance

The CSR policy will be reviewed annually by the CSR Committee whereby modifications will be approved by the Management Committee.

¹ Whereby the members of the select CSR Committee will be chosen based on the required expertise for assessing the project with a high or non-documented ESG profile.

6. KPI'S

Governance KPIs



1.	Share of projects for which ESG has been integrated into the investment due diligence and decision-making process.	<u>Target:</u> ESG integration in 100% of the new projects. <u>Target date:</u> 2023
2.	Share of AUM for which a physical and transition risk assessment has been performed.	<u>Target:</u> Physical and transition risk assessment for all our AUM. <u>Target date:</u> 2023
3.	ESG Performance reporting through GRESB.	<u>Target:</u> Annual GRESB reporting. <u>Target date:</u> 2023

Team KPIs



1.	Average annual education hours (including CSR-related education) per employee.	<u>Target:</u> 5 working days <u>Target date:</u> 2024
2.	The number of mentors for AG Real Estate's new employees.	<u>Target:</u> 1 mentor / 1 new employee. <u>Target date:</u> Continuous
3.	Diversity and inclusion – Balanced succession pipeline senior management (excl. executive committee, male / female).	<u>Target:</u> 50-50. <u>Target date:</u> 2024
4.	The carbon emissions of AG Real Estate's own operations (expressed in tCO2/employee).	<u>Target:</u> Carbon neutral by first reducing the own operation emissions to 4,5 tCO2/employee followed by offsetting. <u>Target date:</u> 2023
5.	Share of hybrid and electric cars in AG RE's car fleet.	<u>Target:</u> 100% of the car fleet is either hybrid or electric. <u>Target date:</u> 2027

Stakeholder of the city KPIs

1.	Events to the benefit of the citizens (ex. Rooftop, Brussels City Dolls, Ground-Up).	<u>Target:</u> Organize event every two years. <u>Target date:</u> Continuous
----	--	--



2.	Participation to multiple societal actions in the short term (ex. Up for North, Low line, Quartier du Fonds Européens).	<u>Target:</u> Continuous participation. <u>Target date:</u> Continuous
3.	Systematic engagement with all stakeholders for new developments.	<u>Target:</u> Systematic engagement for all new developments. <u>Target date:</u> Continuous
4.	Share of social housing or affordable apartments compared to the total amount of apartments in development and the amount of social or affordable housing financed through PPP projects.	<u>Target:</u> TBD

Social commitment and sponsorship KPIs



1.	Annual sponsorship of charities and community initiatives.	<u>Target:</u> N.A. <u>Target date:</u> N.A.
----	--	---

Environment & client KPIs



1.	GHG emissions (scope 1,2,3 and total) generated by AG Real Estate's assets (in absolute amounts and kgCO ₂ eq/m ²).	<u>Target:</u> Alignment with CRREM global pathways. <u>Target date:</u> 2030
2.	Lifecycle Global Warming Potential [GWP] of development projects with a surface > 5000m ² (expressed as kgCO ₂ e/m ²).	<u>Target:</u> Target in line with RE 2020 for France and target to be determined for Belgium. <u>Target date:</u> Continuous
3.	Share of development projects which are fossil-fuel free.	<u>Target:</u> All new office development projects in Belgium are fossil-fuel free. <u>Target date:</u> 2024
4.	Energy consumption intensity including the on- or off-site produced renewable energy of all portfolio assets (expressed as kWh/m ²).	<u>Target:</u> TBD
5.	Exposure to Taxonomy-aligned economic activities (in percentage terms relative to 'total investments' and in absolute monetary units).	<u>Target:</u> TBD
6.	Share of investments in energy-inefficient real estate assets.	<u>Target:</u> TBD

7.	Water consumption intensity of all portfolio asset (expressed in liters of water per m ²).	<u>Target:</u> TBD
8.	Waste generated by our real estate assets (in tons).	<u>Target:</u> TBD
9.	Share of standing investments that obtained a valid operational green building certificate.	<u>Target:</u> TBD
10.	Share of developments committed to at least a BREEAM Very Good (or equivalent) certification.	<u>Target:</u> All new office, retail and warehouse developments have such certification. <u>Target date:</u> 2024
11.	Share of recovered, recycled and bio sourced raw building materials compared to the total weight of building materials used in new construction and major renovations.	<u>Target:</u> TBD
12.	Share of investments in real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels.	<u>Target:</u> No investment in real estate assets are involved in the extraction, storage or transport or manufacture of fossil fuels. <u>Target date:</u> 2023