

06.2022



**EPRA SUSTAINABILITY REPORT**  
**Aligned with EPRA Sustainability**  
**Best Practice Recommendations**

# Introduction

## PURPOSE OF THE DOCUMENT

This report reflects the firm intention of Ascencio to manage and improve the sustainability of its real estate portfolio functioning and activities. Building on EPRA's recognized Guidelines<sup>1</sup> to measure sustainability performance, it thoroughly describes Ascencio performance on three key pillars (environment, social & governance). Each of them has been documented through a comprehensive set of performance indicators, in accordance with EPRA's recommendations.

Ascencio's sustainability report takes stock on its portfolio current performance. It provides a solid baseline to measure further progress. It has also led Ascencio to initiate a strong collaboration with its tenants on sustainability stakes. Structural data exchange between tenants and landlords on the building environmental and energy performance is key to improve awareness and agree on common objectives. These exchanges require many efforts and time. For the sake of this first sustainability report, it has not been possible to recover data from all tenants (as of today, about 25% of the total information has been collected). In this spirit, this report is a first milestone and is meant to be continuously improved and enriched.

Finally, this report is one out of the many steps from a wider sustainability strategy. Besides reporting, others important initiatives are currently being taken to follow-up digitally the energy impact of the portfolio and orientate investments towards the environmentally most impactful transformation.

## ABOUT ASCENCIO

Ascencio, a "Société Immobilière Réglementée" (Regulated property company or "BelgianREIT"), is a real estate investor specialising in supermarkets and retail parks. More particularly, the Company has a hybrid portfolio consisting mainly of retail parks and food stand-alones in excellent locations. Resolutely forward-looking, Ascencio invests in assets that meet the expectations of retailers and consumers of today and tomorrow, paying particular attention to the retail mix, flexibility of spaces, their ability to respond to the increasingly omnichannel nature of retail and offering easy access and parking. The Company is active in Belgium, France and Spain.

Its portfolio, valued at €727 million at 31/03/2022, consists of approximately one hundred properties, with a total surface area of about 450,000 m<sup>2</sup> and over 240 tenants. Ascencio's stock has been listed on Euronext Brussels since 2007. Its stock market capitalisation amounted to €340 million at 31/03/2022. In France, Ascencio has opted for the SIIC regime, while in Spain Ascencio S.C.A. has established a subsidiary in respect of which it has opted for the SOCIMI regime.

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<sup>1</sup> <https://www.epra.com/sustainability/sustainability-reporting/guidelines>

# Environment

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## GENERAL BOUNDARIES, SEGMENTATION & COVERAGE

**Legal Corporate Structure.** In terms of legal corporate structure, Ascencio's portfolio is held by Ascencio SCA itself (and its branch) or through different fully owned subsidiaries.

**Segmentation.** 40% of Ascencio's portfolio is dedicated to food-related businesses (i.e. supermarkets). The food sector has specific patterns since, in terms of energy consumption, the intensity of consumption is quite different from other retailers. To maximize the relevance of this report, a difference will be made between food and non-food tenants. A specific view per country will also be provided.

**Performance of Ascencio's headquarters.** The environmental performance of Ascencio's corporate headquarters in Gosselies (BE) will be reported separately from the commercial assets.

**Coverage.** Most data on environmental performance are tenant-obtained data (regarding their own energy consumption). Their collection requires intense and concerted efforts with the 240+ tenants. Specific coverage ambitions have been defined for this first reporting:

- Belgium: one major food tenant and two important non-food tenants have been targeted and provided data.
- France: a large majority of tenants have been contacted and requested to exchange data. A more active collaboration has been set up with a major food tenant.
- Spain: Spanish assets will be included in the next sustainability reporting.

The coverage is always measured as a percentage of the portfolio total surface (sqm). As mentioned above, most of the required data are tenant-obtained data. For many assets, Ascencio does not purchase utilities nor has a view on their consumption. Hence, the effective coverage varies according to the different metrics. It will be indicated specifically for each of the indicators documented above.

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## ENERGY

Data have been collected from energy suppliers. No extrapolations have been made. None of the assets use district heating or cooling systems.

### Energy consumption of commercial assets —

#### GLOBAL

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like <sup>2</sup>	
						2020	2021	2020	2021
Energy	4.2 Elec - Abs Elect Lfl	Electricity consumption	kWh	Food	Tenant	20.873.030	23.589.836	20.873.030	21.709.532
					Landlord	1.231.729	1.501.048	1.231.729	1.501.048
				Non-food	Tenant	978.854	1.897.756	978.854	1.115.036
					Landlord	1.492.969	8.825.937	1.492.969	6.567.020
				<b>Total electricity</b>		<b>24.576.582</b>	<b>30.468.476</b>	<b>24.576.582</b>	<b>25.546.535</b>
				% Renewables sources		3%	1,5%	3%	1.7%
	4.5 & 4.6 Fuel- Abs Fuels- Lfl	Fuel consumption	kWh	Food	Tenant	1.573.860	1.462.885	1.573.860	1.462.885
					Landlord	0	169.627	0	0
				Non-food	Tenant	0	155.210	0	0
					Landlord	612.006	785.245	612.006	776.812
				<b>Total fuel consumption</b>		<b>2.185.866</b>	<b>2.572.967</b>	<b>2.185.866</b>	<b>2.239.697</b>
				% Renewables sources		0%	0%	0%	0%
	4.3 DH & C- Abs	District heating & cooling	kWh	na					
	4.7 Energy -int	Building Energy	kWh/sqm/year	Food	310	351	310	326	
				Non-food	66	84	66	67	
Coverage (sqm)		%	Food	Tenant	43%	43%	43%	43%	
				Landlord	3%	3%	3%	3%	
			Non-food	Tenant	6%	7%	6%	6%	
				Landlord	9%	16%	9%	9%	

This table, as well as its breakdown per country below, requires certain observations:

- Only a small percentage of energy is currently renewable. Ascencio has, however, initiated a study to evaluate how it could install a significant number of solar panels on its rooftops and how energy could then be distributed to its tenants or local communities.
- The limited coverage of landlord-obtained data can be explained by the fact that data on common infrastructures are still to be collected from co-ownership structure or property manager. While these data cover an important number of assets, they represent a limited number of energy consumption compared to the energy consumption of the tenants.

<sup>2</sup> The Like for like indicator compares a consistent portfolio and scope for two reporting years.

## BELGIUM

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like	
						2020	2021	2020	2021
Energy	4.2 Elec - Abs Elect Lfl	Electricity consumption	kWh	Food	Tenant	12.026.749	11.755.896	12.026.749	11.755.896
					Landlord	1.231.729	1.501.048	1.231.729	1.501.048
				Non-food <sup>3</sup>	Tenant	441.611	566.807	441.611	566.807
					Landlord	5.183.566	8.825.937	5.183.566	6.567.020
				<b>Total electricity</b>		<b>15.193.058</b>	<b>18.883.655</b>	<b>22.649.688</b>	<b>18.883.655</b>
				% Renewables sources		3,2%	2,4%	3,2%	2,7%
	4.5 & 4.6 Fuel- Abs Fuels- LfL	Fuel consumption	kWh	Food	Tenant	0	0	0	0
					Landlord	0	169.627	0	0
				Non-food	Tenant	0	0	0	0
					Landlord	612.006	785.245	612.006	776.812
				<b>Total fuel consumption</b>		<b>612.006</b>	<b>954.872</b>	<b>612.006</b>	<b>776.812</b>
				% Renewables sources					
4.3 DH & C- Abs	District heating & cooling	kWh	na						
4.7 Energy -int	Building Energy	kWh/sqm/year	Food	365	369	365	365		
Coverage (sqm)		%	Food	Tenant	34%	34%	34%	34%	
				Landlord	5%	5%	5%	5%	
			Non-food	Tenant	5%	5%	5%	5%	
				Landlord	15%	26%	15%	15%	

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<sup>3</sup> At this stage, data have been collected for 2 large tenants of Ascencio's belgian portfolio. Regarding the landlord data, the information regarding a large number of stores have been collected through the information provided by the high voltage cabins

## FRANCE

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like	
						2020	2021	2020	2021
Energy	4.2 Elec - Abs Elect Lfl	Electricity consumption	kWh	Food	Tenant	8.846.281	11.833.940	8.846.281	9.953.636
					Landlord	na	na	na	na
				Non-food	Tenant	537.243	1.330.949	537.243	548.229
					Landlord	na	na	na	na
				<b>Total electricity</b>		<b>9.383.524</b>	<b>13.164.889</b>	<b>9.383.524</b>	<b>10.501.865</b>
	% Renewables sources		<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>			
	4.5 & 4.6 Fuel- Abs Fuels- LfL	Fuel consumption	kWh	Food	Tenant	1.573.860	1.462.885	1.573.860	1.462.885
					Landlord	na	na	na	na
				Non-food	Tenant	na	na	na	na
					Landlord	na	na	na	na
				<b>Total fuel consumption</b>		<b>1.573.860</b>	<b>1.462.885</b>	<b>1.573.860</b>	<b>1.462.885</b>
	% Renewables sources		<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>			
	4.3 DH & C- Abs	District heating & cooling	kWh	Food	Tenant	na	na	na	na
					Landlord	na	na	na	na
				Non-food	Tenant	na	na	na	na
Landlord					na	na	na	na	
<b>Total consumption</b>		<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>				
4.7 Energy -int	Building Energy	kWh/ sqm/ year	Food		310	351	310	326	
			Non-food		64	101	64	65	
Coverage (sqm)		%	Food	Tenant	52%	56%	52%	52%	
				Landlord	0%	0%	0%	0%	
			Non-food	Tenant	13%	21%	13%	13%	
				Landlord	0%	0%	0%	0%	

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As mentioned, Ascencio has requested its tenants to exchange data regarding their energy consumptions.

For some of them, Ascencio has been able to already obtain, through their electricity network operator, a mandate for the period from mai 2020 to mai 2022. Therefore, only the year 2021 can be considered as a full year of reporting.

## SPAIN

Spanish assets will be reported next year.

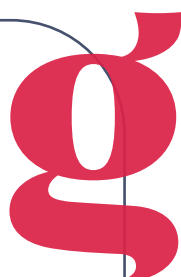
## Energy performance of Ascencio headquarters —

Impact Area	EPRA Code	Description	Units of measure	Absolute		Like for like	
				2020	2021	2020	2021
Energy	Elec – Abs Elect Lfl	Electricity consumption - headquarters	kWh	129.288	193.292	129.288	193.292
	Fuel- Abs Fuels- LfL			na	na	na	na
	Elec-Int	kWh/sqm	131	196	131	196	
	Coverage (sqm)	%	100 %	100 %	100 %	100 %	

The evolution of the consumption between 2020 and 2021 can be explained by two different factors:

- after the peak of the pandemic, workers have progressively started to go back to the office
- the installation of charging stations for electric vehicles in 2021, generating a higher demand for electricity

No reporting can be made regarding fuel consumption since Ascencio does not use any fossil energy at its headquarters.



## GREENHOUSE GAS EMISSIONS (GHC)

The reporting on the Greenhouse gas emission has been segmented in three indicators:

- Scope 1 includes direct GHG emissions generated by fuels burned on-site, as reported under section 2.2. “Energy consumption”. To calculate it, the following formula will be used : Annual consumption (MWh)\*181 kg CO<sub>2</sub>/MWh<sup>4</sup>
- Scope 2 includes indirect emissions (i.e. emissions generated off-site to produce the energy purchased by Ascencio and its tenants).

The used formula to get those indirect emissions will be the following one: Annual consumption in electricity (MWh)\* A kg CO<sub>2</sub>/MWh<sup>5</sup>

Where A is defined by Association of Issuing Bodies (AIB) for all European countries:

— Belgium: 178.63 kg CO<sub>2</sub>/MWh

— France: 51.23 kg CO<sub>2</sub>/MWh

— Spain 448.29 kg CO<sub>2</sub>/MWh

These values consider the electricity generation mix of each country

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### A. Greenhouse gas emission of commercial assets —

Given the nature of Ascencio’s activity, landlord-obtained consumptions are limited compared to tenant-obtained data. Ascencio wishes, however, to have a representative view on the GHG emissions generated by its

activity. Consequently, it has been decided to report on both tenant-obtained and landlord-obtained data (scope 1, 2 and 3).

#### FRANCE

Impact Area	EPRA Code	Unit of measure	Indicator	Sub-category	Absolute		Like for like		
					2020	2021	2020	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	284.869	264.782	284.869	264.782	
				Non-Food	0	0	0	0	
	4.9 GHG-Indir-Abs		Indirect	Food	453.195	606.253	453.195	509.925	
				Non-Food	27.523	68.185	27.523	28.086	
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	Food	21	24	21	22
					Non-Food	3	8	3	3

<sup>4</sup> EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018.

<sup>5</sup> AIB, European Residual Mixes 2018, (2019).



## BELGIUM

Impact Area	EPRA Code	Units of measure	Indicator	Sub-category	Absolute		Like for like		
					2020	2021	2020	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	0	30.702	0	0	
				Non-Food	110.773	142.129	110.773	140.603	
	4.9 GHG-Indir-Abs		Indirect	Food	2.368.362	2.368.088	2.368.362	2.368.088	
				Non-Food	1.004.825	1.677.826	1.004.825	1.274.316	
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	Food	65	66	65	65
					Non-Food	30	30	30	38

### B. Greenhouse gas emission of Ascencio headquarters —

Impact Area	EPRA Code	Units of measure	Indicator	Absolute		Like for like	
				2020	2021	2020	2021
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	na	na	na	na
				4.9 GHG-Indir-Abs	Indirect	23.095	34.528
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity		23	35

## WATER CONSUMPTION

All assets are connected to public or semi-public water networks. A large-scale data collection exercise has been launched with the different water suppliers. Some data could not be retrieved soon enough and will be included in the next sustainability report.

For some assets where several tenants share the same meter, it has not always been possible to distribute the water consumption amongst them. Hence, it is not yet possible to differentiate food from non-food activity. Consequently, water consumption will be - this year - segmented per country.

### Commercial assets —

Impact Area	EPRA Code	Description	Unit of measure	Category	Absolute		Like for like		
					2020	2021	2020	2021	
Water	4.11 & 4.12 Water-Abs Water-LfL	Water consumption	Cubic meter	Belgium	66.080	62.889	64.574	62.885	
				France	23.400	23.400	23.400	23.400	
	4.13 Water-Int	commercial assets	Cubic meter/sqm	Belgium	5,3	5,2	5,4	5,2	
				France	0,73	0,73	0,73	0,73	
	Coverage (sqm)			%	Belgium	4,2%	4,15%	4,15%	4,15%
					France	15%	15%	15%	15%

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For France, all data displayed have been estimated on the basis of a yearly average consumption per asset, together with an important tenant.

The report shows an important consumption of water for some of the Belgian tenants which could be documented. This overconsumption will be further investigated in collaboration with the tenants.

### Headquarters —

Impact Area	EPRA Code	Description	Unit of measure	Absolute		Like for like	
				2020	2021	2020	2021
Water	4.11 & 4.12 Water-Abs Water-LfL	Water consumption	Cubic meter	69	58	69	58
				4.13 Water-Int	commercial assets	Cubic meter/sqm	0,16
	Coverage (sqm)			%	100%	100%	100%



## WASTES

Except for the headquarters and few exceptions (6 assets, 3 in Belgium and 3 in France, 2 of them being managed only as of 2022), wastes are managed di-

rectly by tenants. Therefore, only limited data could be obtained at this stage on waste management.

### Commercial assets —

Impact Area	EPRA Code	Description	Unit of measure	Disposal route	Absolute		Like for like	
					2020	2021	2020	2021
Wastes	4.14 & 4.15 Waste-Abs Waste-LfL	Waste by disposal route - Assets	Tons	Reuse	na	na	na	na
				Recycling	5.163	7.047	5.163	7.047
				Composting	na	na	na	na
				Material recovery facility	na	na	na	na
				Incineration/Landfill	15.736	21.566	15.736	21.566
				Methanation	562	518	562	518
				<b>TOTAL</b>	21.461	29.131	21.461	29.131
				<b>% of hazardous waste</b>	0	0	0	0
	Coverage (sqm)	%	Landlord-obtained	40,5%	40,5%	40,5%	40,5%	
			Tenant-obtained	7%	7%	7%	7%	

Recycled wastes are composed of paper and carton. The organic waste of an important tenant active in the food sector are disposed through methanation.

The coverage of landlord obtained data is defined with regards to the number of assets for which wastes were managed by Ascencio during the reporting period.

### Headquarters —

Data have been estimated on the basis of the different container size and the dump frequency.

Impact Area	EPRA Code	Description	Unit of measure	Disposal route	Absolute		Like for like	
					2020	2021	2020	2021
Wastes	4.14 & 4.15 Waste-Abs Waste-LfL	Waste by disposal route - Headquarters	na	Reuse	na	na	na	Na
			m <sup>3</sup>	Recycling	30	30	30	30
			m <sup>3</sup>	Composting	0,3	0,3	0,3	0,3
			na	Material recovery facility	na	na	na	na
			m <sup>3</sup>	Incineration/Landfill	30	30	30	30
			m <sup>3</sup>	<b>TOTAL</b>	30,3	30,3	30,3	30,3
				<b>% of hazardous waste</b>	0	0	0	0
	Coverage (sqm)	%	Landlord-obtained	100%	100%	100%	100%	

## CERTIFICATION

At this point in time, there are no green certified assets within Ascencio's portfolio. The executive committee has, however, decided to initiate a certification journey

(BREEAM) for two assets in 2022. Depending on the evaluation of these two test-cases, more certification journeys will be launched in 2023.

## SOCIAL

### SOCIAL PERFORMANCE MEASURE

	Gender	Year ended 30 september 2020	Year ended 30 september 2021	Percentage change%
<b>DIRECT EMPLOYEE GENDER DIVERSITY Diversity-Emp 5.1</b>				
Board of Directors Members percentage	Female	30%	30%	0%
	Male	70%	70%	0%
Executive Management <sup>6</sup>	Female	40%	20%	-50%
	Male	60%	80%	33,3
All employees	Female		56%	
	Male		44%	
<b>EMPLOYEE TRAINING AND DEVELOPMENT Emp-Training 5.3</b>				
All Employees	average number of hours training <sup>7</sup>		14	
<b>EMPLOYEE PERFORMANCE APPRAISAL Emp-Dev 5.4</b>				
Total employees receiving performance review percentage		100%	100%	0%
<b>EMPLOYEE TURNOVER AND RETENTION<sup>8</sup> Emp-Turnover 5.5</b>				
Total number of employees at year end		19	19	0%
Rate of new employee hires		5,26%	10,53%	100,19%
Total employee turnover		1	2	100%
Rate of employee turnover		5,26%	10,53%	100,19%
<b>EMPLOYEE HEALTH AND SAFETY (DIRECT EMPLOYEES)<sup>9</sup> H&amp;S-Emp 5.6</b>				
Injury Rate <sup>10</sup>		0	0	
Lost day rate <sup>11</sup>		0	0	
Absentee rate <sup>12</sup>		35	105	
Work related fatalities		0	0	

<sup>6</sup> The definition of Executive Management is the members of the executive committee, who have a strategic role but, besides the CEO Vincent H. Querton, are not Board Directors. The drop in the percentage of females amongst the Executive Management is due to the departure, in June 2021, of the CFO, Michèle Delvaux. Her function has been taken over by Cédric Biquet in August 2021.

<sup>7</sup> 14h/employee/year (executive management and employees. No information is reported regarding the Board of Directors).

<sup>8</sup> Social performance trend commentary : the x% increase in employee headcounts reflects the arrival of x new employees following the same amount of departures.

<sup>9</sup> Health and Safety performance trend commentary.

<sup>10</sup> Number of injuries per multiple of hours worked.

<sup>11</sup> Total lost days relative to the total number of hours worked.

<sup>12</sup> Total days lost relative to the total number of days scheduled to be worked by employees<sup>11</sup>. The rise of the absentee rate in 2021 is explained by a maternity leave.

# GOVERNANCE

## CORPORATE GOVERNANCE

	Year ended 30 september 2020	Year ended 30 september 2021
<b>COMPOSITION OF THE HIGHEST GOVERNANCE BODY</b>		
<b>Gov-Board 6.1</b>		
Number of executive board members	1	1
Number of independent, non executive board members	10	10
Average tenure on the governance body years	10	10
<b>Selection process 6.2</b>		

For all nominations of directors, the following procedure applies:

### Determination of the required expertise and knowledge

The nomination and remuneration committee determines, in consultation with the Chairman of the Board, the expertise and knowledge that is considered essential for members of the Board and its Committees in order to have a proper understanding of Ascencio's business and to perform their respective offices correctly.

The Board as a whole must have the following characteristics:

- wide experience and in-depth knowledge of the real estate business and market;
- experience of management acquired in a Management Committee or other equivalent decision-making body of a major business, in terms of business management and organisation;
- leadership skills and ability to adopt and implement a strategic view;
- experience in managing business in an international context;
- familiarity with accounting and financial standards, procedures and techniques and their application in the real estate sector;
- In-depth knowledge of the legal and regulatory framework applicable to the real estate sector and to REITs in particular;
- competence in managing remuneration;
- irreproachable reputation and impeccable adherence to business ethics;
- diversified socio-economic representation of the world of business;
- entrepreneurial spirit;
- diversity in general and in the broadest sense.

### Skills grid

The Chairman of the Board, in consultation with the nomination and remuneration committee, draws up a skills grid presenting the areas of knowledge and types of expertise on one axis and a list of Board members on the other.

### Gap analysis

Depending on the results of the most recent evaluation of the directors on both the Board and the Committees, the nomination and remuneration committee determines, with the aid of the skills grid, the improvements needed in expertise and knowledge.

### Search for candidates with the right profile

Depending on the necessary improvements, determined by the nomination and remuneration committee, and taking account of the Board's admissibility criteria, the nomination and remuneration committee searches for candidates with the required skills. The nomination and remuneration committee examines the CVs and references of the candidates proposed for election or re-election to the Board.

When drawing up the list of candidates, account is taken of the pertinence of their references and, for candidates who are already directors, of an evaluation of their performance.

### Interviews

Once the candidates have been identified, the Chairman of the Board and all the members of the nomination and remuneration committee meet them individually in order to evaluate them. The nomination and remuneration committee discusses the results of these interviews.

Following the above process and depending on the recommendations of the nomination and remuneration committee, the Chairman of the Board presents a list of candidate directors of Ascencio to the Board for examination and approval.

Following the resolution of the Board of Directors, the candidacy or candidacies approved is or are submitted to the next General Shareholders' Meeting for ratification.





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Year ended  
30 september 2021

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**COMPOSITION OF THE HIGHEST GOVERNANCE BODY**  
Gov-Col 6.3

See our Annual Report for the year ended  
30 September 2021, pages 118-121

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## Conclusion

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Remplacer le texte par "This report is Ascencio's first EPRA sBPR reporting. The Company intends improving the coverage in its next report.

This initiative intervenes in the broader scope of defining a global ESG strategy which the Company will develop in its next Annual Report.



**ASCENCIO.BE**