BEST MANAGED COMPANIES BELGIUM

alides

2022

First Sustainability Report

ABOUT THIS REPORT

This first sustainability report includes financial and non-financial information of Alides Real Estate Investment and Management.

The company's registered head office is located at Foreestelaan 86/201, 9000 Ghent, Belgium.

In this report, the term 'Alides' refers to the consolidated numbers on the level of the holding Alides REIM NV, including the activities of its subsidiaries except were specifically stated otherwise.

Publication date: 26 June 2023
Reporting period: 1 January 2022 – 31 December 2022
We will continue to publish reports on an annual basis.

CSR-expertise and guidance @slidingdoors.be

Special thanks to Liana, Marie-Sophie, Olympia, Kelly and Thomas

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MESSAGE FROM THE CEO

Dear reader,

With great honor, we present our first sustainability report, showcasing our unwavering commitment to creating a more sustainable and transparent future for all stakeholders involved.

The year 2022 brought forth unprecedented challenges for both businesses and society as a whole. The conflict in Ukraine not only presented unexpected hurdles but also underscored the urgency of addressing climate change. In the face of these trials, Alides, as a resilient family business, emerged with healthy financial results and a clear strategy to confront the upcoming challenges.

We take immense pride in reflecting on the steps we took as part of our ongoing journey towards sustainability and transparency. Guided by our core sustainability pillars—Enhancing Real Estate, Embracing Real People, and Triggering Real Ideas—we recognize the vital role we play in enhancing the sustainability of existing real estate. At the heart of our strategic approach lies Real Estate Upcycling, where we invest in end-of-life properties and transform them into more sustainable operating cycles. By doing so, we surpass the sustainability impact of new-build projects and optimize their carbon footprint throughout their entire lifespan.

"We accept the challenge to play a vital role in enhancing the sustainability of existing real estate."

Our Real Estate Upcycling strategy is aimed at bridging the gap for assets in transition and pioneering sustainability in the existing real estate sector. It not only drives positive environmental impact but also creates economic value through open dialogue with all stakeholders. This approach perfectly aligns with our long-term vision for a more sustainable world, as well as our deeply rooted core values of quality, sustainability, and human-orientation.

In January 2023, we announced our commitment to a higher level of transparency, integrating sustainability engagements into our business strategy. As a demonstration of our dedication, we have commenced reporting on the performance of our portfolio, sustainability initiatives, and future ambitions.

We firmly believe that sustainable business practices are not only essential for our professional responsibility but also integral to our long-term resilience and success. And we welcome you to join us on this journey.

Rikkert Leeman

Real Estate

DEVELOPMENT

19
Ongoing projects

±480.000m²
Under development

TOTAL SALES VOLUME CURRENT DEVELOPMENTPIPELINE

685 Mio €
Belgium

250 Mio €
Poland

PORTFOLIO

±40
Buildings

±198.000m²
Portfolio

95,93%
Occupancy ratio (calculated on m²)

Environmental

28% Real Estate Upcycling

Projects in preparation / Building permit / Construction works / Potential in portfolio

172 kWh/m²
Energy intensity Alides-controlled buildings

B-rating
Average EPC-rating of portfolio

195 tonnes of CO2e per Mio € net revenue
Carbon intensity portfolio

Financial

63 Mio €
Consolidated net sales

30 Mio €
Consolidated EBITDA

21 Mio €
Earnings after taxes

33 %
of net sales

36%
LTV-ratio

379 Mio €
Equity

Social

33 hours
Average hours training for teammembers

→ 31% ESG related

44
Team members

50%
Men

50%
Woman

Alides group consists of multiple companies of which Alides Reim is the top holding with 44 teammembers. All the social indicators mentioned are related to Alides REIM. All other 44 workers are employed in 5 subsidiaries in Belgium and Poland

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CHAPTER 1

ABOUT ALIDES

OUR MISSION

Alides, an established company in the real estate sector for generations, has been a longstanding actor due to our **hybrid profile** as **investor and developer.** Our origins can be traced back to the Maes family group's contracting firm, established in Ghent in 1892. Throughout generations, the family business has grown organically while maintaining a long-term vision, ultimately evolving into a comprehensive real estate investor and developer. We remain committed to our heritage by utilizing the expertise and resources accumulated over time to create sustainable properties that align with our core values.

As part of our expansion strategy, we focus on thriving locations in Belgium, Luxembourg, and Poland. With our extensive knowledge in both **office** and **residential** markets, our goal is to solidify and enhance our position as a reference player in the real estate industry. We aspire to be the go-to partner for all your real estate needs. At Alides, we are dedicated to being **Your Partner in Real Estate.**

OUR VISION

Alides is committed to promoting **futureproof spatial planning** and a more **efficient real estate market**. We recognize that real estate encompasses various societal aspects, such as affordable housing, well-designed and healthy workplaces, energy efficiency, the use of materials, sustainability, and the preservation of scarce open spaces. By consciously approaching real estate, Alides actively **addresses these societal challenges**.

To achieve this, we create and invest in sustainable urban office developments and residential real estate in Belgium, Luxembourg, and Poland in strong and strategic locations.

We strive to collaborate closely with our partners and stakeholders to realize thriving real estate projects that benefit the community at large.

OUR VALUES

As a family business, we place significant emphasis on our valued history, but our utmost focus lies on shaping the future. Our **core values** determine how we think and act, both in daily activities and in long-term decisions.

Being **people-oriented** is all about building long-term relationships of trust, both inside and outside the company. We deal with our clients, partners, employees and all our stakeholders in a people-oriented manner. We value solution-oriented thinking, transparency and ethics. Through a continuous dialogue, we listen to and involve our stakeholders in what we do and care for their needs.

We carry the value of **quality** in everything we do. We take ownership of the company's goals and are committed to delivering an outstanding performance. That is why we strongly belief in insourcing knowledge and expertise and why we invest in enhancing the potential of our employees. We are engaged and passionate to go for the highest quality.

Having chosen 'Real Estate Upcycling' as our strategic focus, **sustainability** is at the very core of what we do. Reducing carbon by upcycling obsolete inefficient real estate into futureproof buildings which integrate sustainable techniques is the most efficient way to attain the globally set sustainability goals. By promoting a sustainable attitude towards life, we realize our mission to create value for future generations.

OUR STRATEGY

We want to realize our ambitions by consistently focussing on our three key pillars: **Real Estate, Real People, Real Ideas.**

- **Real Estate:** We enhance the built environment by revitalizing old buildings and underused sites and giving them a renewed purpose through the concept of Real Estate Upcycling. We strive to optimize the use of undervalued land by redeveloping to unlock its highest potential. By revitalizing and repositioning underutilized or aging properties, we unlock their untapped potential, breathing new life into these spaces and buildings and realize sustainable developments in line with the societal needs.

- **Real People:** We focus on people-oriented entrepreneurship, prioritizing open and long-term collaboration with all stakeholders. We firmly uphold our core values as we engage with individuals and organizations, fostering meaningful relationships based on trust and mutual benefit. By cultivating a culture of collaboration and inclusivity, we strive to create lasting partnerships that drive positive outcomes for everyone involved.

- **Real Ideas:** We actively embrace innovative solutions and leverage digitalization to stay at the forefront of the industry. Furthermore, we foster a resilient culture of entrepreneurship, promoting a dynamic and adaptive approach to our projects.

These pillars are embedded in everything we do as a company. We apply a healthy balance between entrepreneurship and stewardship, with attention to our operating result as a base for **sustainable business across generations.**

OUR HISTORY

1892

Alides' history starts with **Petrus Maes**, who began working as a contractor in 1892. The company was handed down from father to son while it continued to grow organically. Under the second and third generation of the **Maes family**, the number of projects grew and the construction firm became an **important reference in Ghent** and its surroundings.

1975

During the 70s, the company kept growing, and activities were expanded to Brussels. The organization worked on a large variety of projects in the subsequent decades, such as 1,800 school pavilions across Belgium, the commercialization of an industrial zone of 160 ha in Evergem, the purchase of buildings in the Wetstraat, and many more.

2019

In 2019, Sophie Maes was succeeded by Rikkert Leeman as CEO and Chairman of the Executive Committee. Rikkert Leeman also became a member of the Board of Directors. Sophie Maes remains actively involved in the strategic development of Group Maes as a non-executive director in the Board of Directors, along with two additional non-executive family directors, Antoine and Christophe Maes and four independent directors. Since 2019, the company has strengthened its position in the European District office market in Brussels and abroad with properties in Luxembourg, Gdansk and Warschau.






1968

In 1968, the fourth generation – Roland and Roger Maes – founded Bouw en Immobiliën Maes (BIM) in order to manage and profit from a portfolio of buildings constructed by the contractor.

2009

In 2009, the commercial names BIM and FIP (Financiële Immobiliaire Promotie) were left behind and the investment and development activities were given a new name: Alides. Some key milestone events in the story of our organization followed: the purchase and realization of excellently located buildings in Brussels and Ghent.

2020

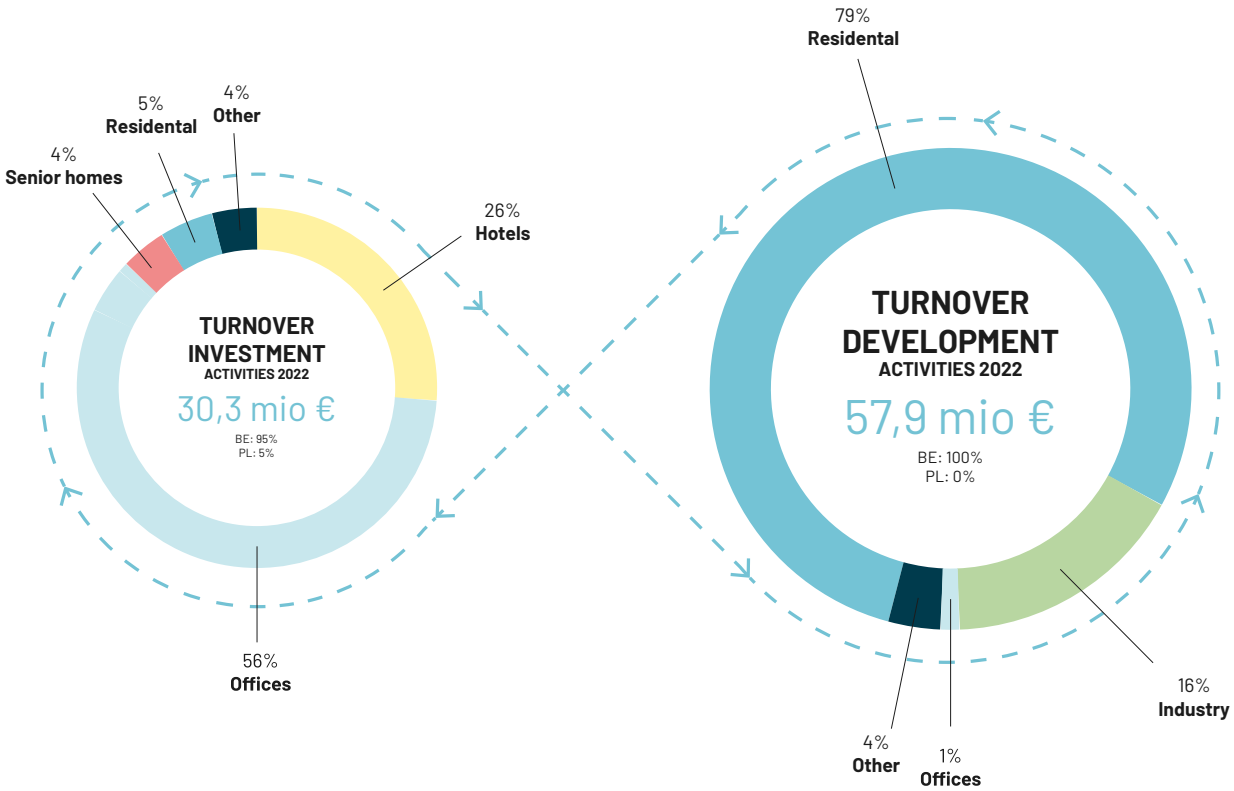
Alides moved its headquarters to a state-of-the-art building it developed on its office site Forum in Ghent. Alides remains as ambitious as ever to become 'your partner in real estate'.

OUR BUSINESS MODEL

Alides targets two particular segments, the **commercial (office) and residential (living) sector,** in four regions, **Flanders, Brussels, Luxembourg, and Poland.**

Our **hybrid model** is what differentiates us from others. We act both as **investor** (long-term horizon) and **project developer** (shorter-term horizon).

Office investments are viewed from a **Real Estate Upcycling** perspective and are mainly focused on the Value Add segment. This segment includes well-located offices with a surface area of 3,000 up to 50,000 sqm at the last period of their life cycle and with redevelopment potential. In the counties where we operate, we look for buildings in the CBD

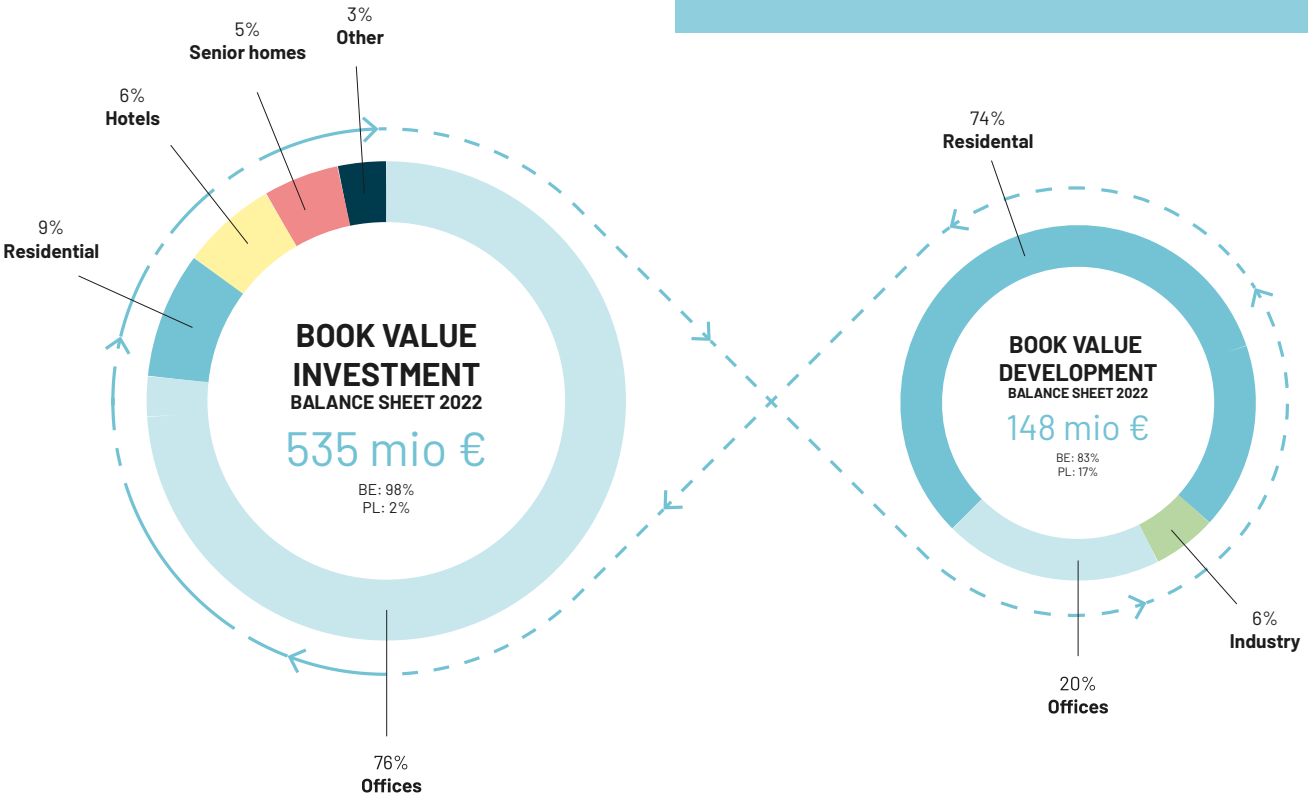


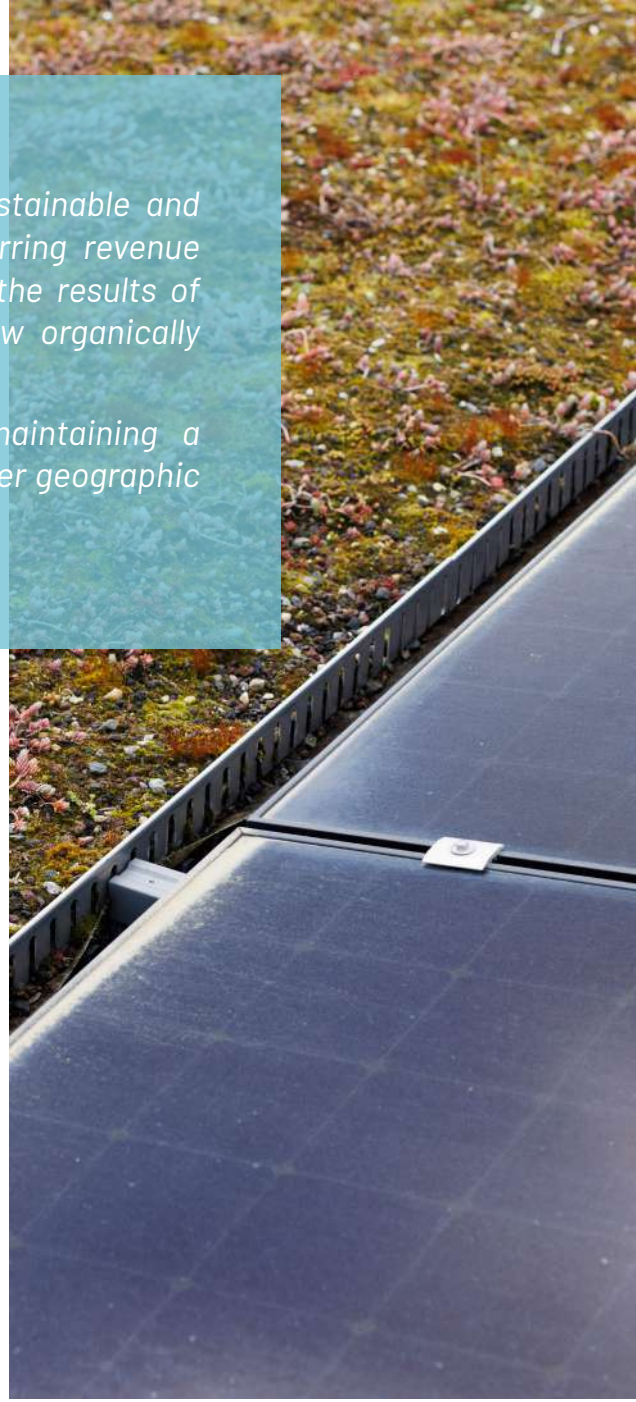
of the main office cities that can be renovated into high-end and sustainable offices, mixed-use projects or, when situated in well-located residential districts, into sustainable residential real estate.

In the residential sector, we develop larger qualitative multi-family housing projects, which are offered for sale upon completion. We also develop and operate a portfolio of student housing in the largest university towns of the countries where we operate.

We achieve our medium-term growth in a sustainable and organic manner by structurally securing recurring revenue from the company's portfolio, adding thereto the results of development activities. This allows us to grow organically without the need for external equity.

In the long term, we secure growth by maintaining a strategic pipeline of projects and through further geographic diversification.





OUR BUSINESS ENVIRONMENT – THE BUILT ENVIRONMENT

Worldwide, buildings account for 39% of energy- and process-related CO2 emissions, 50% of all extracted materials, 33% of water consumption, and 35% of generated waste. Other environmental impacts include resource depletion, air, water and soil pollution, and biodiversity loss.

By 2050, the global population will increase by 27% to 9.8 billion, and by 2060 the floor area of buildings worldwide is expected to double, increasing the need to better control all the environmental, social and economic impacts associated with the built environment.

With such a significant impact, it is crucial that the built environment plays its part in bringing the transformative change needed to decarbonize our global economy. Sustainable built environments are not only a crucial solution to climate change, they also help create resilient, thriving communities and drive economic growth.

In 2020, the European Commission published its Renovation Wave strategy as part of the European Green Deal to improve the energy performance of buildings in the EU. The Commission aimed to at least double the renovation rate by 2030 (potentially renovating 35 million buildings) and ensure that renovations lead to higher energy and resource efficiency.

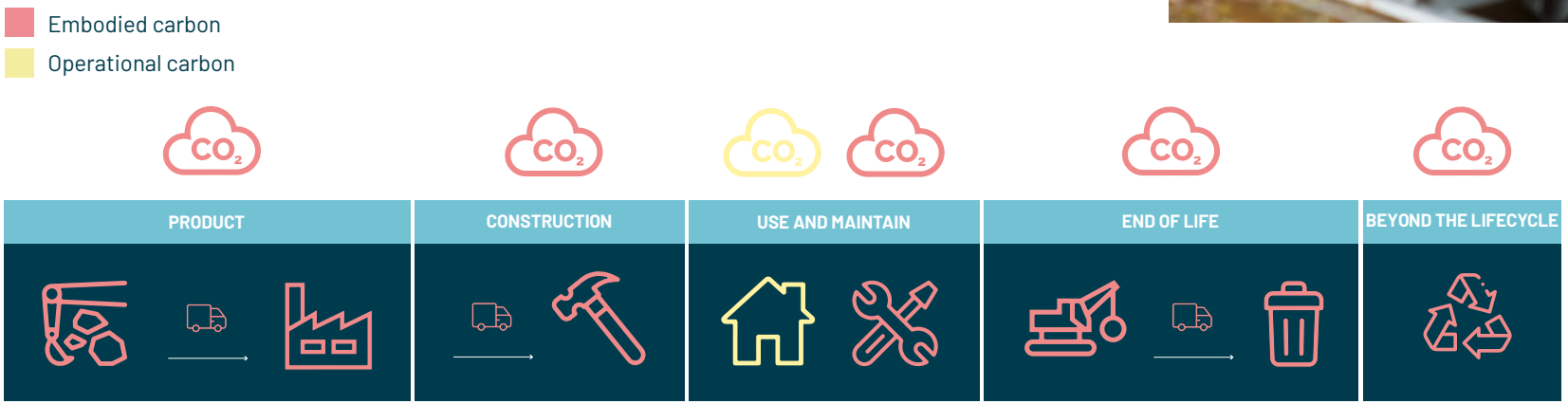
On 14 March 2023, the European Parliament approved a revision to the Energy Performance of Buildings Directive (EPBD), including the Commission's proposal to introduce mandatory Minimum Energy Performance Standards (MEPS) for the entire building sector. While the new guidelines still need final approval from the European Council, the direction is clear. The Parliament's vision for the EPBD has the potential to eradicate leaky buildings and increase the efficiency of the European energy system, while increasing energy resilience and improving quality of life for the most vulnerable. The new legislation will provide clarity on the pace and sequence of full decarbonization of the building stock, allowing investors and industry to scale up and plan accordingly.

The climate impact of buildings is spanned over their entire lifecycle, from the extraction of raw materials to demolishing and disposing the building. In this context, two kinds of carbon are defined:

- **Embodied carbon** englobes all emissions created by the production of materials and the construction process, set out over the building's lifetime. **'Upfront carbon'** is the most important kind of embodied carbon and refers to the emissions caused by the production of materials and the construction process needed to build and put the building to use (as opposed to the carbon caused by the use of materials and by construction activities needed to maintain or demolish the building). Upfront carbon "will be responsible for half of the entire carbon footprint of new construction between now and 2050, threatening to consume a large part of our remaining carbon budget." (Source: World Green Building Council's Bringing embodied carbon upfront report)
- **Operational carbon** is identified as the emissions caused by energy usage when operating the building. Today, operational carbon is responsible for ±23% of the total emissions during a building's lifecycle.

The real estate and construction sector can generate the biggest impact by tackling embodied carbon, and more specifically upfront carbon.

In Chapter 2 we explain what is our position in this built environment and how we can contribute in reducing Upfront Carbon, while in Chapter 3 we explain our past and current initiatives as well as our ambitions to contribute to a sustainable world.



CHAPTER 2

OUR REAL ESTATE UPCYCLING STRATEGY

What is Real Estate Upcycling?

Real estate upcycling is the strategy of revitalizing the existing, aging building stock to align with end-user needs, all while considering the boundaries of our planet.

*It's the **investment** in undervalued, well-located properties that have reached the end of their life cycle and are functionally or energetically obsolete. This process involves gradually phasing out the properties **through low-impact management** until their designated **end date**.*

*Subsequently, the properties undergo extensive **low-carbon redevelopment**, taking into account sustainable practices and technologies. This redevelopment process often includes a reassessment of the property's purpose, potentially shifting its use to align with current market demands and trends.*

*Once the properties have been renewed and transformed, they can be retained in the company's portfolio as **long-term assets**. Alternatively, the properties can be sold to investors or end users who recognize their value and appreciate their sustainable features.*

Through **Real Estate Upcycling**, we aim to provide a solution to the obsolete real estate stock. We do this based on a step-by-step approach.

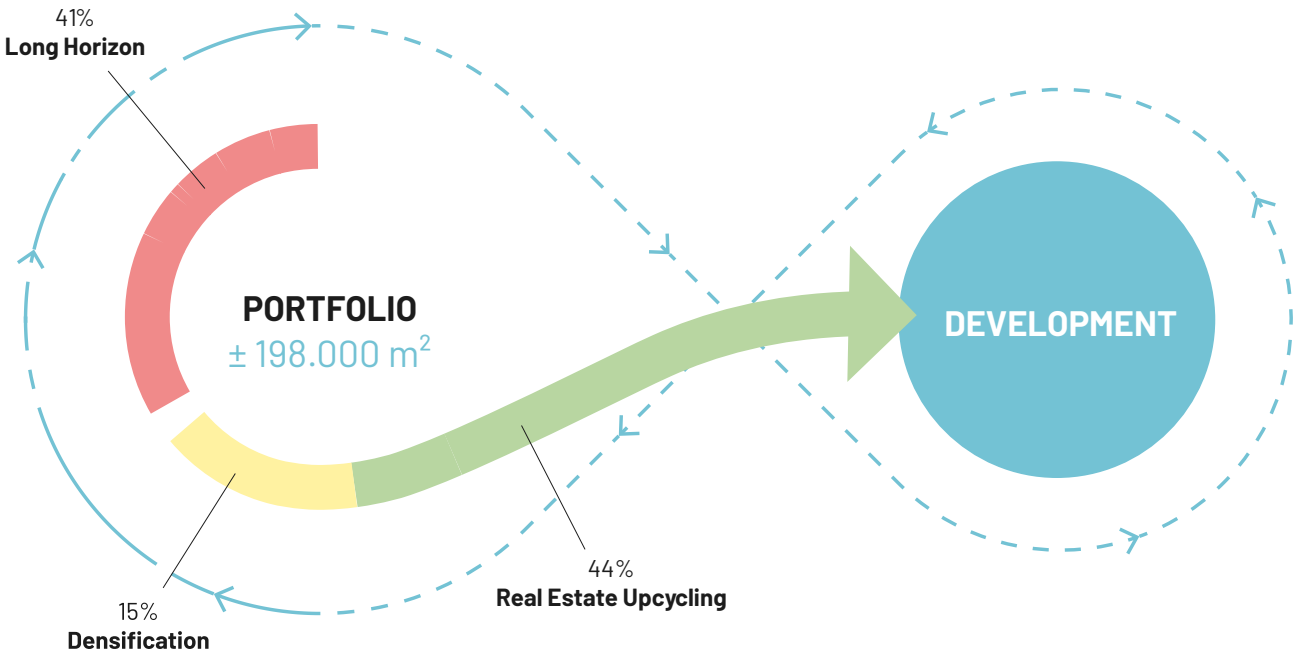
We look for real estate with a sustainable location, meaning located in more densely populated areas, well connected to all kinds of transport means and located close to all services and amenities which are important for the end users of the real estate, such as jobs, schools, shops, parks, hospitals and civic buildings. We give preference to structures that can be renovated and reused or at least rebuilt on existing foundation or footprints. After investment and until the end of the building's lifecycle, we operate the building in a responsible **low-impact** way, trying to avoid and reduce use-stage embodied carbon (caused by materials and construction activities to maintain the building) and operational carbon (caused by the energy use when operating the building):

- Upon the investment, we perform an energy audit. The energy audit provides an overview of all actions that may reduce the property's carbon impact, with an insight in terms of cost, impact, and payback time.
- Improvements with an economic lifespan inferior to the end of the building's lifecycle or which can be reused in redevelopment phase, are implemented.
- To decrease operational carbon, the electricity needs are fulfilled through green power contracts and where energy consumption is not controlled by us, by encouraging the end-user to shift to such green power supply.

Real Estate Upcycling, bridging the gap to Net Zero

When the asset's lifecycle end approaches, the redevelopment process is initiated. We take on a holistic approach to design and construction that comprises applying environmentally friendly practices and attaining environmental goals. Broadly defined, a development "that meets the needs of the present without compromising the ability of future generations to meet their own needs," in the words of the Brundtland Commission. At Alides, this includes:

- Assessment of the carbon footprint including a reuse inventory to identify the amount of embodied and operational carbon of the project.
- Creative and sustainable architecture and engineering to ensure maximum reuse of the existing building structure with the addition of up to date sustainable installations to achieve today's comfort requirements.
- Applying low-carbon construction materials and construction processes.
- Managing the asset through predictive maintenance that is focused on the lowest possible environmental impact.



By applying this Real Estate Upcycling strategy, we bridge the gap for underperforming real estate that doesn't meet today's high standards anymore, but is also "too good to waste" , by rationally phasing out such real estate, improving their performance until the end of their lifespan and upcycling these assets into sustainable high-standard assets.

In the next chapters we will further elaborate on our past trajectory towards sustainability, the current status of our efforts, as well as our future ambitions.

PRODUCT	CONSTRUCTION	USE AND MAINTAIN	END OF LIFE	BEYOND THE LIFECYCLE
Low Carbon Design reduces usage of new materials and focuses on bio-sourced, geo-sourced, circular or local materials.	By maximizing on-site reuse and local materials, transportation is decreased.	Energy efficient design and the maximization of renewable energy, reduce the need for on-site and off-site energy consumption.	By using on-site, recycled and sustainable materials, and continuing this proces, the volume waste is reduced.	Disassembly and recycling are considered during the design stage.

Real Estate Upcycling positive impact compared to new construction.

Embodied carbon
Operational carbon

CHAPTER 3

HOW WE CREATE VALUE

In 2021, the foundations of the company's ambitions were laid down in the following ambition statement, integrating ESG factors and Sustainable Development Goals in each of our three key pillars:

1

ENHANCING REAL ESTATE

Our unwavering commitment is to **enhance the carbon impact** of real estate and create future-proof cities and communities, leading the way towards **Net Zero GHG 2040***.

(*) Our target for scope 1 and 2, our ambition for scope 3

2

EMBRACING REAL PEOPLE

By prioritizing the **well-being** and **development of our employees**, we foster a culture of **dialogue** and collaboration that drives us towards impactful, sustainable solutions for the benefit of all our stakeholders.

3

TRIGGER REAL IDEAS

Through a resilient culture built on **awareness, partnership, and transparency**, we empower teams to collaborate and co-create, sparking a multitude of real ideas that drive breakthrough solutions for even the most complex challenges.

ENHANCING REAL ESTATE

	REAL ESTATE UPCYCLING	ENERGY-EFFICIENT DESIGN AND OPERATIONS	GREEN ENERGY	BIODIVERSITY, WATER, AND COMMUNITY
CURRENT STATUS	DEVELOPER 28% of development projects are Real Estate Upcycling projects (in terms of m^2) Pilot project: Montoyer as ambitious Real Estate Upcycling project	DEVELOPER All new projects (construction to start in 2023) in Belgium are fossil-free during operations INVESTOR Energy intensity of landlord-controlled buildings of 172kWh/m^2 Kick-off energy management platform for portfolio Wave action plan in place to improve energy efficiency	INVESTOR 164 kWp of solar panels in portfolio Feasability study for expanding solar panels 100% green energy purchased for portfolio from 01/01/2023 (managed by Alides)	DEVELOPER A biodiversity audit is performed for all new developments Where possible, vacant buildings are made available to be used by the community
2025	DEVELOPER Min 35% of development projects are Real Estate Upcycling (in terms of m^2)	DEVELOPER All new B2B projects will have BREEAM Excellent or better All new projects doing 10% better than national NZEB standards and will be fossil-free during operations INVESTOR Energy audits and reduction plan for all new acquisitions	INVESTOR Increase the share of renewable energy by 550 kWp All new lease agreements will integrate optional green lease provisions	DEVELOPER *Future ambition to be defined*
2030	DEVELOPER Min 50% of development projects are Real Estate Upcycling (in terms of m^2)	DEVELOPER Further ambition to be defined focusing on circular principles based on a recognized holistic approach INVESTOR Reduction of the carbon intensity portfolio landlord-controlled with 30% compared to baseline 2022	INVESTOR All lease agreements will integrate mandatory green lease criteria	DEVELOPER New developments will have a net positive contribution with respect to biodiversity, water and community

REAL ESTATE UPCYCLING

Our development projects are classified into three categories: expansion, densification, and upcycling.

'Real Estate Upcycling' is the reuse of functionally or energetically obsolete real estate at the end of their life cycle into energy efficient and sustainable real estate following an extensive and sustainable renovation. It is our way to create the lowest environmental impact and the highest societal impact at the same time.

We aim to intensify our Real Estate Upcycling activities.

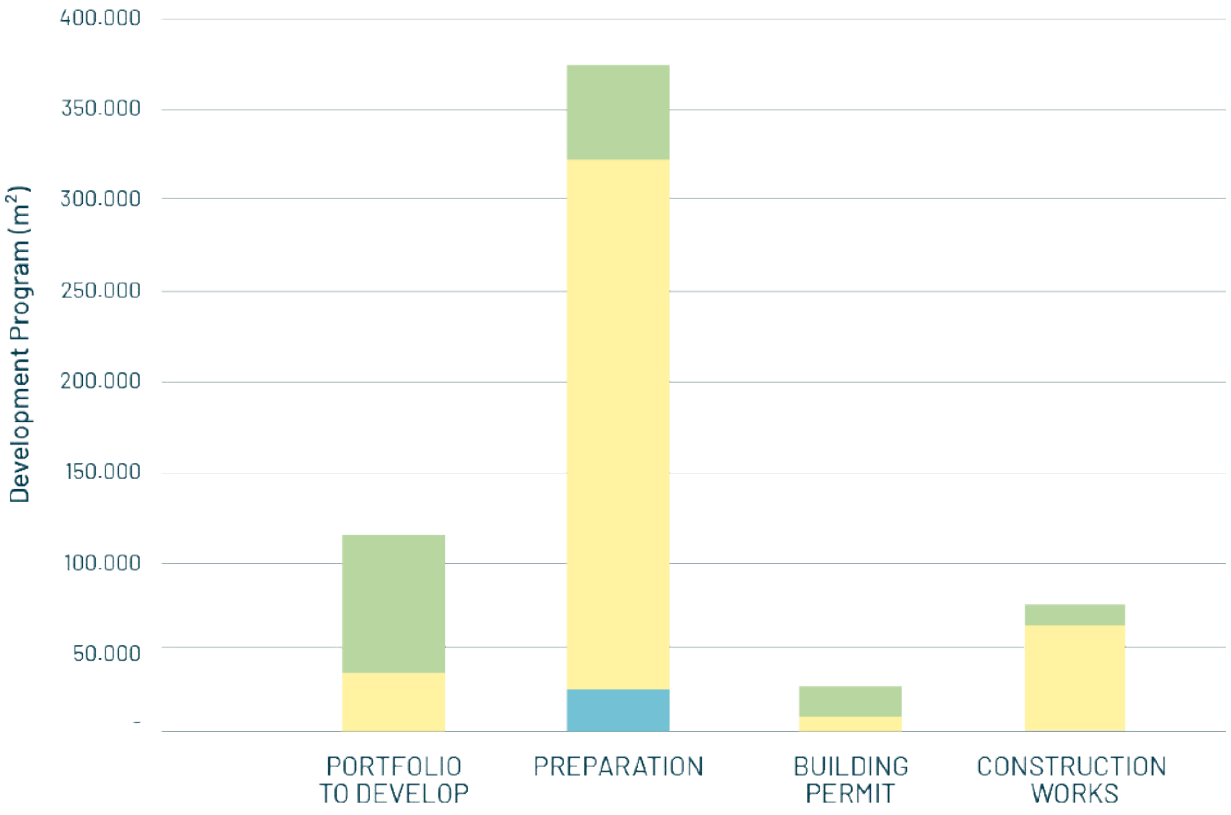
Free space is becoming increasingly scarce, but materials can often be recycled indefinitely.

REAL ESTATE EXPANSION	REAL ESTATE DENSIFICATION	REAL ESTATE UPCYLING
The use of unbuilt green fields to develop new buildings as an expansion of the urban tissue.	The replacement of suboptimal real estate or infill projects with new constructions, densifying the existing urban tissue.	Circular renovation of existing buildings when these become energetically or functionally obsolete into energy efficient and sustainable real estate with optimized use.

As shown in following figure, the majority of our development projects (expressed in m^2) as per the end of year 2022 were Real Estate Densification projects (68%), while 28% were Real Estate Upcycling projects. This percentage encompasses projects at various stages, such as those in construction phase or undergoing permit preparation. The assets in the portfolio with potential for redevelopment are also presented. In line with our intention to intensify our Real Estate Upcycling activities we have committed ourselves no longer to pursue expansion projects and give preference to Real Estate Upcycling over Real Estate Densification projects.

This shift towards Real Estate Upcycling projects is leveraged by our investment strategy with which it is closely intertwined, whereby following criteria have become an integral part of every new investment decision:

- Is the asset suitable for Real Estate Upcycling in the short or medium term?
- What is the sustainability score of het location (population, mobility, amenities, but also environmental criteria such as flooding risk...)?
- What is the carbon risk of a building in-use (using the CRREM tool) ?
- Are there possibilities to optimize the energy performance of the building during the remainder of its lifecycle (based on energy audits)?



	PORTFOLIO TO DEVELOP	PREPARATION	BUILDING PERMIT	CONSTRUCTION WORKS
UPCYCLING - 28%	84.194	56.866	14.033	6.219
DENSIFICATION - 68%	28.929	294.160	6.304	61.605
EXPANSION - 4%	-	22.836	-	-

Classification development projects 12/2022

REAL ESTATE UPCYCLING PROJECTS

PORTFOLIO TO UPCYCLE	PREPARATION	BUILDING PERMIT	CONSTRUCTION WORKS
> 80.000 M² TO DEVELOP	#4	#2	#3


STOCZNIA CESARSKA


STOCZNIA CESARSKA


STOCZNIA CESARSKA


COMMERCE 44


MONTOYER 34


LEIEPARK


EVERE GARAGE


JOSEPH II


TIENSE SUIKER

Currently nine upcycling development projects are ongoing. We will also apply our Real Estate Upcycling strategy in the redevelopment of important assets in our existing portfolio. New ones will be added the coming years as more and more buildings in the portfolio will come to the end of their lifecycle. These 10 current future projects represent more than 80.000 m² of upcycling potential.

In line with our intention to intensify our Real Estate Upcycling activities we have committed ourselves no longer to pursue expansion projects and give preference to Real Estate Upcycling over Real Estate Densification projects.

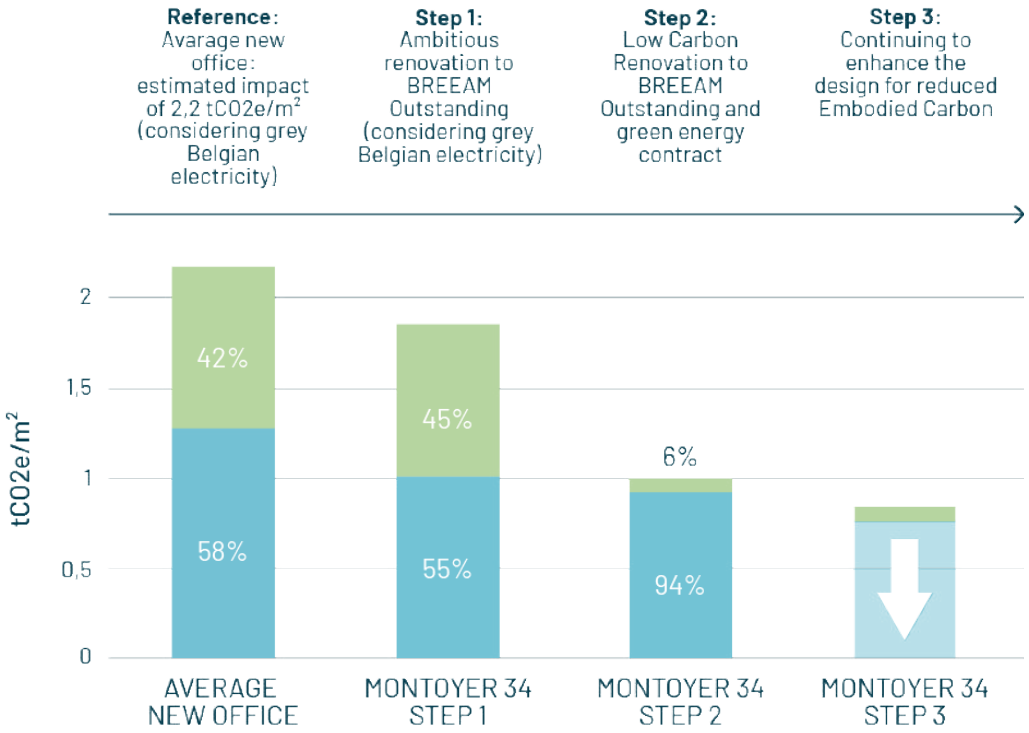
CASE

MONTOYER 34

Our upcycling ambitions are reflected clearly in our Montoyer 34 project. We have acquired this sizeable office building in the heart of Brussels' European office quarter with the intent to significantly reduce both its operational carbon with minimal upfront embodied carbon as from the moment it would become vacant.

More specifically, we reused as much elements as possible from the existing structure and added low-carbon materials f.e. carbstone (building blocks produced with captured CO2) instead of concrete blocks, sustainable Derbigum roofing, CEMIII/A concrete (which has a carbon footprint that is 24% lower than that of CEMI), and circular materials (circular recycling of façade stone as terrace floor, and recycled cradle 2 cradle carpet tiles).

For the technologies, we integrated heat pumps and solar panels for a carbon free heat and power supply. We strive to achieve an PED of 66,24 kwh/m²Y. Moreover, we will replace the cooling product with R454B refrigerant, which reduces both the building's operational and embodied carbon. As a result of our efforts, we will obtain an EPC label A- and BREEAM outstanding certification.



ENERGY EFFICIENT DESIGN AND OPERATIONS

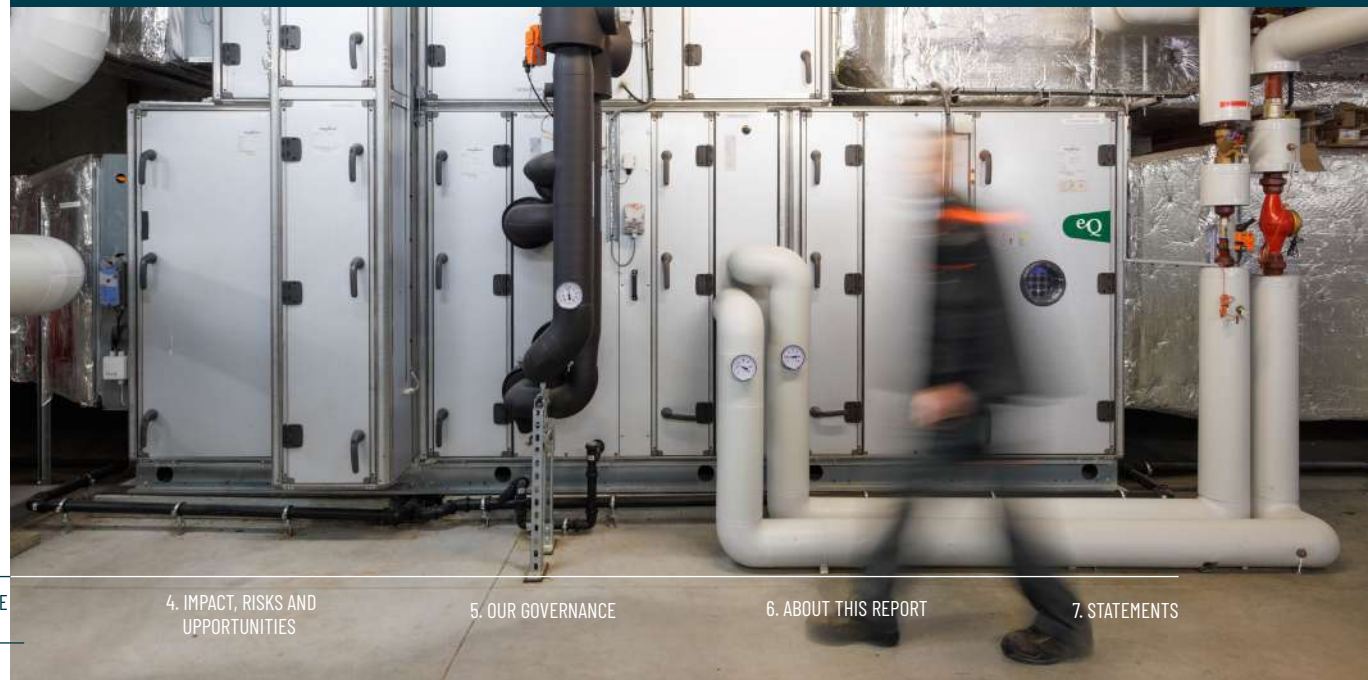
Design during the development phase

We strive in all projects to align with the EU Taxonomy by performing 10% better than NZEB standard. For office projects, we additionally aim to obtain a BREEAM certification level of Excellent or better (cf. p. 53 certification). Our residential projects are evaluated on their national energy performance level (EPC) and the extent to which they outperform legal requirements. Additional investments are budgeted for all development projects to address climate change mitigation, energy efficiency, and renewable energy deployment measures.

We further sharpened our development policy in 2023, setting ambitions for the different asset classes (office, residential, and student housing). Subsequently, our Alides design standards have been aligned accordingly.

	OFFICES	RESIDENTIAL
DEVELOPMENT	Minimum standard of BREEAM Excellent	10% better than NZEB standard
PORTFOLIO	STEP 1: Reduce energy emissons via carbon reduction plan STEP 2: Use green electricity (own production and if not possible, green contracts) STEP 3: Stop using fossil fuels if possible	

Energy efficient design ambitions and operations



Energy management during operational phase

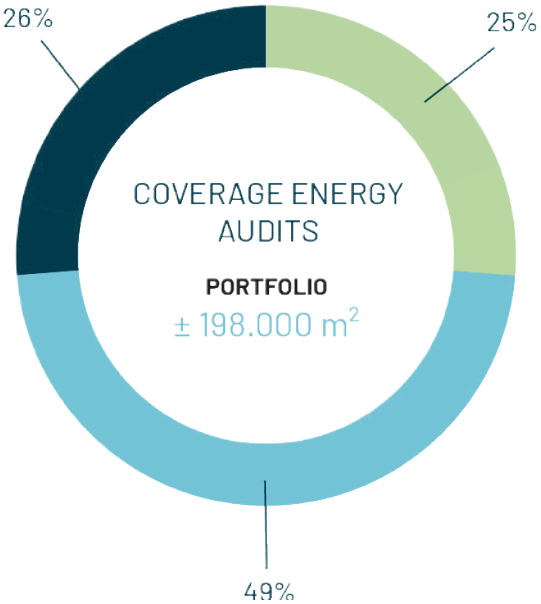
Our portfolio encompasses a diverse range of buildings in terms of typology, age, scale, and level of sustainability. The older buildings in our portfolio still comply with European climate legislation, but can strand in the upcoming years. To effectively manage our portfolio and align it with our long-term vision, we conducted a thorough portfolio analysis. Simultaneously, we have developed a new property management policy. This includes assessing assets based on their carbon emissions during the use phase. This proactive approach allows us to actively monitor and mitigate the environmental impact of our portfolio, and making sustainability a key consideration in our decision-making process.

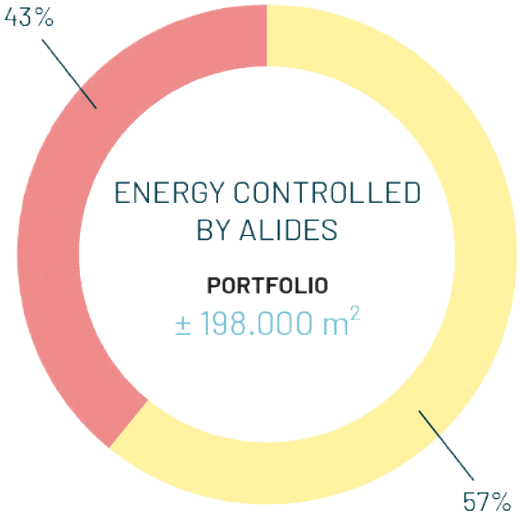
To gain a comprehensive understanding of our potential for improvement, we have conducted energy efficiency audits for all assets in our portfolio that have a surface area larger than 1.000m^2 and are fully owned by Alides. This includes 73% of our portfolio.

We have implemented an energy management platform to effectively manage and benchmark all energy data for our buildings in portfolio. This platform will enable us to monitor energy consumption both at the asset and at the tenant level. Our goal is to reduce the carbon intensity of the Alides-managed portfolio by 30% by 2030, compared to a baseline established in 2022 and to provide our tenants with relevant advice, benchmark figures and to generate alarms to promptly detect and address any anomalies that may arise. By empowering our tenants with this data, we aim to promote transparency, awareness, and collaboration in achieving our shared sustainability goals. In a next step we will use these data to include green lease provisions in our lease contracts, which will allow us to more effectively exploit energy reduction or efficiency investment opportunities in our buildings.

Coverage of Energy audits conducted in 2022

"We have conducted 6 energy audits in 2022"





"± 57% of the energy consumption of the portfolio is controlled by Alides"

PORTFOLIO CONTROLLED BY ALIDES (OPERATIONAL ASSETS)

PORTFOLIO CONTROLLED BY TENANT (LEASED ASSETS)

Bridging the gap before upcycling

Real Estate Upcycling projects come with a unique set of challenges, especially during the transitional phase between the purchase and the redevelopment. To bridge this gap, we deploy a low-impact management approach that incorporates the following essential steps:

1. **Analysis**: We conduct a thorough energy audit to assess the current energy performance and identify areas for improvement in the project.
2. **Improvement**: Based on the findings of the energy audit and in alignment with our property management policy, we implement all necessary improvements to enhance the energy efficiency and sustainability of the property in dialogue with our tenants.
3. **Contracting 100% green electricity**: For assets under the control of Alides, we ensure that they are supplied with 100% green electricity as of 2023.

GREEN ENERGY

A large number of assets within our portfolio have already been equipped with heat pumps and/or solar panels. As most buildings within our portfolio are located in city centers, the possibility to increase our solar panel capacity is limited. Currently our installed solar power capacity amounts to 164kWp. In order to further increase our renewable energy generation, we are exploring options to optimally use the available possibilities which would allow us to increase solar panel capacity by 2025 (target + 550 kWp).

To make an immediate impact on reducing our carbon footprint, starting from 2023, we have made the decision to exclusively purchase 100% green electricity. This commitment applies specifically to assets controlled by Alides and located in Belgium.

Moving forward, our commitment lies in fostering sustainability among our tenants. It is our goal is to inspire tenants to embrace green lease agreements that encompass provisions in line with sustainable practices. All new lease agreements will seamlessly integrate these optional green lease provisions. Furthermore, by 2030, our aim is to ensure that all our ongoing lease agreements incorporate green lease criteria.

BIODIVERSITY, WATER, AND COMMUNITY

Biodiversity

Biodiversity loss has been increasing at an alarming rate in recent years. This increase is mainly caused by human activities, such as changes in land use, pollution, and climate change.

At Alides, we have made the decision to no longer develop green fields. Before initiating any development, an independent specialist conducts a thorough biodiversity analysis of multiple factors, including the location of the site. Furthermore, the specialist creates an inventory of ecologically significant elements that require protection. A comprehensive study is also carried out to propose suggestions for enhancing the ecological value of the site while assessing the long-term impact on biodiversity.

We recognize the urgency regarding biodiversity loss. As a result, we are fully committed to developing a comprehensive policy to avoid harming and even enhancing biodiversity in our portfolio assets and future development projects.

Water

As drought conditions escalate, water is increasingly becoming a scarce resource, emphasizing the significance of clean water and the reduction of water consumption in any sustainability strategy. To address this concern, Alides incorporates low-water consumption appliances in their new B2B development projects. Moreover, in residential developments, we aim to raise awareness among our customers and guide them towards making conscious choices regarding sustainable appliances.

In order to enhance sustainable water management within our portfolio, we are committed to further developing this aspect within our property management policy.

#development projects

	2020	2021	2022
ECOLOGY / BIODIVERSITY STUDIES	2	1	2
TREE EXPERTISE	1	-	3
TOTAL	**3**	**1**	**5**

Community

Community buildings play a crucial role in creating sustainable cities, and Alides actively contributes to this by opening its vacant properties to those in need. For instance, since the second half of 2022, one of our buildings has provided a temporary community center for 250 Ukrainian refugees. Thanks to the dedicated efforts of numerous volunteers, a wide range of activities takes place daily, including administrative support, education, employment assistance, healthcare services, language courses, children's programs, cultural and sports events, and psychological support.

"At Alides, we prioritize people and their well-being, and this commitment is reflected in all our initiatives. Offering one of our buildings as a temporary community center for Ukrainian refugees perfectly aligns with our core values."

EMBRACING REAL PEOPLE

	PERSONAL GROWTH AND DEVELOPMENT	WELL-BEING PROGRAM	ENGAGEMENT
CURRENT STATUS	Implementation of the Personal Development Plan for all workers on a non-compulsory basis 100% of workers follows at least two online training courses annually addressing individual learning needs Average of 33h training per teammember including 31% ESG related	Implementation of the Alides4You program with four pilars: mental, physical, teamspirit and community building	Ad hoc cultural surveys and employee satisfaction surveys have been organized, which have led to improvement actions
2025	30% of workers have an tailored Personal Development Plan in place At least 70% of workers has followed a non-compulsory Alides Academy training 100% of workers follow at least three online training courses annually addressing individual learning needs	Continuing the program and set-up survey on program satisfaction and encourage broad worker participation Adding quantitive targets	Implementation of standardized satisfaction survey each three to five years, starting 2023 Roll-out of annual pulse measurements: 80% participation and target setting
2030	50% of workers have a tailored Personal Development Plan in place. At least 90% of workers follows one or more non-compulsory Alides Academy training	Striving for an optimal and continuous well-being program	Pulse measurements: 85% participation and improvement of score

Real people work at Alides. People with enthusiasm, with drive, with focus on the goals and who take ownership of their work and who are willing to go the extra mile. Not only in their job, but also, and especially, for each other. At Alides, being a team player and a reliable colleague is highly valued. This was evident in the 2022 well-being survey, which identified collaboration with enthusiastic and dynamic colleagues as one of the three most significant strengths of working at Alides.

We strive to uphold and enhance this distinctive DNA of our workers at Alides. To achieve this, we have implemented a targeted HR policy built upon three pillars: Development, Well-being, and Engagement. Through these pillars, we aim to support the growth and advancement of our workers, prioritize their well-being, and foster a culture of active participation and dedication.

Insourcing: Alides thrives on its proficient and resolute organizational structure. We boast a team of experts in various knowledge domains such as finance, sales, design and construction, IT, and management, who support our diverse range of real estate activities. By insourcing relevant expertise and assembling multidisciplinary teams, we are able to provide our clients with a comprehensive and fully integrated service. Moreover, our flat organizational structure, coupled with a culture of autonomy and a high level of competence among team members, empowers us to respond swiftly to market trends and seize opportunities in an agile manner.

DEVELOPMENT

Personal development is an important motivator. Hence, Alides actively pursues a diversified, pragmatic, and goal-oriented development program that is tailored to each teammember.

Onboarding

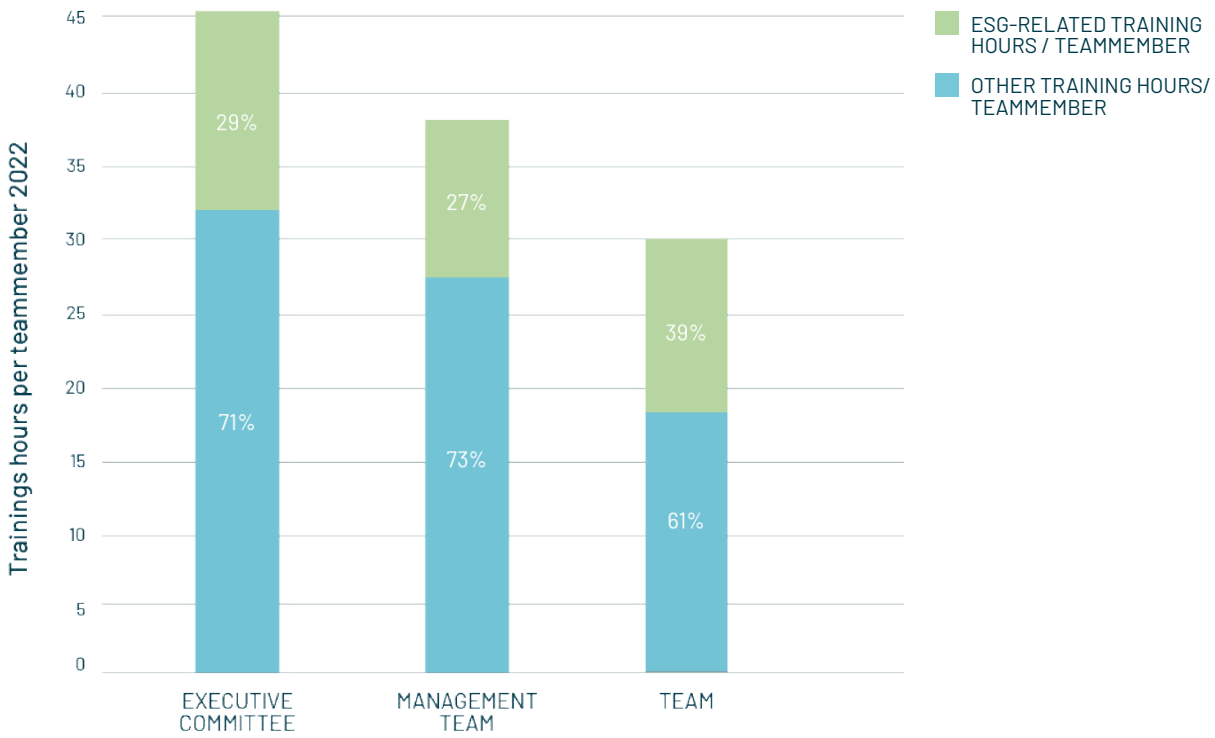
The development of a worker starts at the very beginning, namely during the onboarding. We have, therefore, designed a detailed onboarding process, allowing new workers not only to learn the ropes, but also to integrate smoothly into the team.

Talent cultivation

We offer our team with learning possibilities to encourage our workers to keep their minds open, strengthen their skills and knowledge, and maximize their talent and impact. We do so by offering our people access to high-quality training in different ways:

- On the one hand, we have our internal training program, Alides Academy, which includes lectures by both internal and external trainers on a variety of topics. Examples are market trends, deep dive into technical items or sustainability, internal procedures, best practices or the use of specific software tools.
- Every worker has access to an online learning platform, where one can train hard and soft skills, such as resilience, digital transformation, leadership, etc.
- Where relevant specific external training programs can be considered.

The idea of allowing talent to flourish is extended at an individual level, by giving people the opportunity to manage trainees, work conceptually, offer the possibility of long-term training, involvement in strategic projects, and allow cross-team working. In 2023, Alides has committed to offer at least two online training courses to each teammember.



"In an ever-evolving sector embracing the VUCA world, curiosity and adaptability are crucial future skills. Continuous transformation is essential to meet the demands of this changing landscape. Lifelong learning fosters growth, connectivity, and resilience, and with Alides, you have the opportunity to embark on this transformative journey."

Elke
Talent Manager

Personal Development Plan

The personal development plan was implemented on a non-compulsory basis. In this plan, not only learning needs are included, but personal ambition and annual targets are also concretised into development actions.

Working groups

Thirdly, workers are open to join working groups where they are challenged to work on certain relevant themes, which can go beyond their own area of expertise.

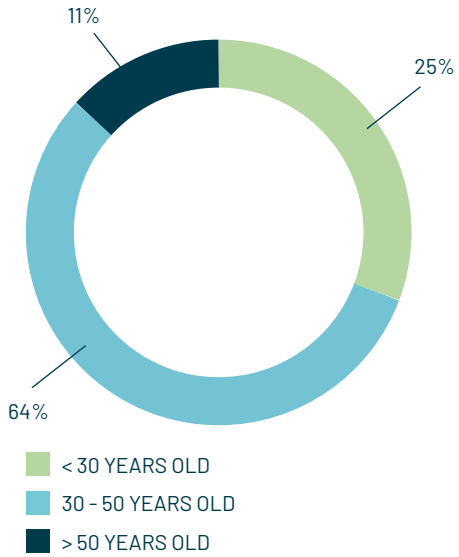
Inclusion

At Alides, we strive to get the best person for the job on the job, regardless of their gender, education, age, or origin. As a result, we have a wide variety of workers. This diversity within a fairly small team is a source of value for the company. Engaging in collaborative efforts across diverse teams with individuals from various backgrounds fosters cross-fertilization of ideas and generates fresh insights.

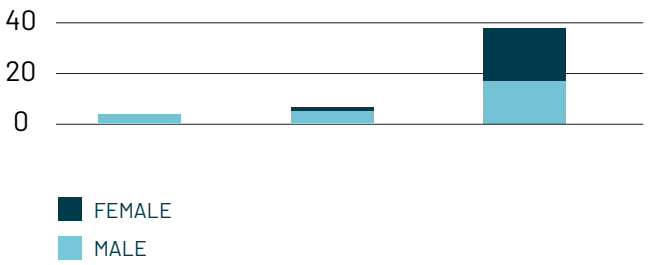
Champion's breakfast

Feedback is the breakfast of champions, but it also contributes to a good and healthy working atmosphere without hidden friction. That is why an open feedback culture is encouraged among our teams. Next to annual evaluation interviews, we implement personal development interviews, focusing specifically on individual talents, energizers, and goals.

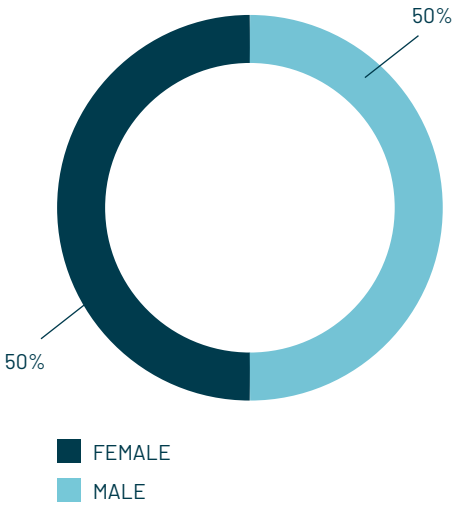
Diversity - Age Alides REIM



Diversity - Gender Alides REIM



Gender Alides REIM



"I feel like I effortlessly joined a swiftly-moving train. The careful planning, clear expectations, and balanced mix of support and independent learning have taken my learning experience to new levels. Additionally, the buddy system has created a friendly atmosphere where I can freely ask questions, giving me a safe place to seek knowledge whenever I need it."

Olympia
Junior Project Developer

WELL-BEING

The well-being of our people, both physical and mental, always comes first. Therefore, Alides has taken many initiatives to maintain the well-being of its workers.

Alides4You

At the end of 2021, the Alides4You well-being program was created. This program provides a framework for organizing events and awareness-raising activities aimed at bringing teammembers together and nurturing the Alides team spirit on the one hand, and giving space to "being human" as an Alides worker on the other. In 2022, for example, a resilience workshop, a boxing and pilates workshop, and a compliment day among colleagues were organized.

Work-life balance

In 2022, Alides switched to a 40-hour working week, resulting in 12 catch-up leave days instead of six. By making this decision, we actively prioritize the well-being and work-life balance of our workers, reinforcing our commitment to our core values of people-orientation and sustainability. In addition, Alides enables young parents to find a better match between working and caring for their families. This open-minded culture towards work-life balance is reflected in the number of part-timers and the number of workers on parental leave.

alides4you

Comfortable and safe working environment

In 2020 , Alides moved into its new headquarters. As an office developer, we wanted to make our own head office an example of a pleasant working environment. To achieve this, our workers were quizzed on what the new office should have and what it should look like. Among other things, this has led to a variety of workspaces that answer our workers' needs throughout their working day: fully equipped and ergonomically sound workstations, isolated quiet rooms, informal lounge areas, meeting rooms and so on.

Next to that, in 2022 we implemented the TakeAir bio-tech treatment, which largely increases the indoor air quality for our workers, while reducing our energy consumption.

ENGAGEMENT

Fostering Employee Engagement and Communication

Engaged workers are motivated people. And so we try to keep our people involved with and informed about the ins and outs of our organization. At departmental level, there are formal **meeting moments**, varying in frequency from weekly to monthly, depending on the team. At company level, on the other hand, strategy plays an essential role in internal communication. This is reflected in the organization of quarterly meetings, where the status of ongoing projects is discussed.

Another initiative is the Coffee Corner display and online SharePoint page, where weekly updates are posted on project achievements, business, HR, and more.

To keep track of our workers' engagement, we organized a first **pulse measurement** in May 2022. In this survey, we polled our colleagues about Alides' main strengths and opportunities for improvement. The output served as input for the various working groups. In the coming years, we aim to organize these types of surveys on an annual basis, concerning different themes such as engagement and well-being.

On top of that, we will implement a more thorough satisfaction / wellbeing survey, which will be held every three to five years. The goal of this survey is to monitor the evolution of our workers' general and personal satisfaction and to improve it.

Building a strong Alides-team spirit

Alides workers are both ambitious and collegial. These characteristics become clear and are strengthened by the enthusiastic participation during informal activities. Each department organizes its own team day once a year, next to our multi-day team building with all workers. Other informal moments include the annual New Year's dinner and the participation in external events such as the Immorun. Winning the gold medal in 2022, proves our cohesive and supporting group atmosphere.

Making time for spontaneous moments

Alides' enthusiastic workers are a breeding ground for a spontaneous culture. The latter is a catalyst for bottom-up organized, spontaneous moments, such as the celebration of major purchases, achievements, and sales. The monthly 'thirstday' is another example of a bottom-up organized moment after work. Furthermore, in winter there is a soup moment every day, where we jointly take a break to enjoy a colleague's freshly made soup.

TRIGGERING REAL IDEAS

	RESILIENT CULTURE	AWARENESS	PARTNERSHIPS	TRANSPARENCY
CURRENT STATUS	Working group program focussed on 4 crucial topics such as innovation, sustainability, digitalization and well-being Risk management mapping in place	INTERNAL Most workers have individual ESG targets Introduction 'My-ESG-KPI' EXTERNAL Active dialogue with clients and stakeholders	Membership of ProptechLab Exploratory discussions with 21 potential partners (start-ups, scale-ups, etc.)	10 newsletters published Publication of first Sustainability report
2025	ESG policies: code of conduct and purchasing policy	INTERNAL 100% workers have individual ESG targets	Membership of a network that focuses on organizational sustainability Implemented a management tool for tracking and managing contacts and interactions with potential partners	Benchmarking via GRESB-rating including target setting CSRD-ready to start reporting in 2026
2030	Maintain various initatives to continously foster a resilient culture	Continuously enhance awareness regarding the significance of sustainability	Establish partnerships that allow us to stay abreast of industry advancements at a minimum and drive growth through collaborative innovation	Improved GRESB-rating in line with target CSRD-reporting in place External recognition (label) by an international organization on organizational sustainability

RESILIENT CULTURE

Working groups

In our organization, we have established working groups as a platform for our committed and motivated workers to explore topics beyond their individual functional areas. This not only challenges them to expand their knowledge into new domains but also encourages critical thinking about our company's current context.

We have defined four distinct working groups: innovation, digitalization, sustainability, and well-being. Within these groups, workers have the opportunity to conduct research on their chosen theme and propose initiatives. However, before initiatives are implemented, they go through a thorough process. They are proposed, challenged, budgeted, and ultimately approved by management, ensuring alignment with our company's goals and resources.

By following this approach, Alides stays up to date with important market evolutions and innovations, effectively holding a mirror up to ourselves. These working groups facilitate knowledge exchange and cross-pollination of ideas among workers from different teams. This diversity of perspectives enables a holistic approach to problem-solving and enhances our understanding of the challenges we face.

Twice a year, each working groups presents their findings and proposed initiatives to the management team. This reporting mechanism ensures that management remains informed and can provide guidance and support where necessary. Furthermore, the outcomes of the working groups' efforts are shared with all workers during quarterly meetings and other team gatherings. This transparency and communication foster a culture of shared learning and enable everyone in the organization to benefit from the insights and progress made by the working groups.

Risk management

The company encounters various risks, which are diligently monitored and managed by the governing bodies and executive management. Necessary measures are taken to mitigate, avoid, or minimize their impact. This will involve implementing ESG policies, such as a code of conduct and a purchasing policy that aligns with our sustainability goals.

For a detailed description of the risks and opportunities relevant to our organization, please refer to Chapter 4.

Several initiatives, such as working groups and risk management, are implemented to support our ambition of fostering a resilient culture within our organization. This will equip our business to thrive and remain relevant in an ever-evolving future. By cultivating a culture of adaptability, innovation, and continuous learning, we aim to future-proof our organization, ensuring its long-term sustainability and success.

Sustainability target

2022	
Company level	Yes
Team level	No
Individual level	20%
Workers	14%
Management	20%
Executive committee	100%

"I strongly believe that sustainable business is good business. That is why we will continue to prioritize the holistic integration of sustainability throughout our organization. This commitment ensures that sustainability guides our mindset, from casual chats at the coffee machine to high-stakes decisions in boardroom meetings."

Kelly
Sustainability Manager

AWARENESS

Sustainability as part of payroll policy

Sustainability is deeply integrated into our evaluation and compensation policies, operating at both the company and individual levels. Moving forward, our objective is to expand the implementation of these policies to encompass not only the company and individual levels but also team levels, while continuously expanding coverage across the organization.

Presently, several colleagues have personal sustainability targets incorporated into their evaluation process, reflecting our commitment to sustainable practices. However, our ambition extends beyond this, as we aspire to ensure that every employee, regardless of their role or level of responsibility, is assigned a sustainability target within the scope of their job.

By 2025 at the latest, our aim is to establish annual personal sustainability targets for each team member, further solidifying our dedication to fostering a sustainable culture within our organization. This inclusive approach will enable us to collectively contribute to our sustainability goals and drive positive change across our entire workforce.

My ESG KPIs

In 2022, Alides launched a company-wide general awareness campaign focused on sustainability. As part of this initiative, each department was given the opportunity to set its own sustainability Key Performance Indicators (KPIs) for the upcoming year. The goal is to ensure that every worker contributes to sustainability in their personal capacity, beyond project or work-related tasks.

The range of individual sustainability objectives includes actions such as opting for sustainable travel methods like biking or taking the train, choosing vegetarian meals, participating in blood donations, and organizing collections for charitable causes. By allowing teams to define their own targets, we aim to foster a sense of ownership and encourage sustainability awareness throughout the organization.

Regular communication will be maintained to keep everyone informed about the progress and achievements related to these sustainability objectives. Additionally, we hope that teams will motivate and support one another in their sustainability efforts, creating a culture of collaboration and shared responsibility.

Stakeholders' satisfaction

As an organization focused on customer satisfaction, our goal is to meet the evolving needs of our customers. We have observed a significant rise in the importance of environmental, social, and governance (ESG) considerations. Customers now seek to provide their workers with healthy and sustainable buildings.

	2021	2022
B2B customer interviews incl. ESG topics	0	9
B2C customer interviews incl. ESG topics	0	0
Online survey: number of external respondents	49	0
Other stakeholder interviews on ESG topics	0	2
TOTAAL	**49**	**11**

In order to effectively address our customers' needs, we employ various methods to gather feedback. One approach involves establishing personal contact with our key customers to gather qualitative feedback. In the past, we have conducted online surveys to ensure a comprehensive understanding of our customers' expectations and satisfaction.

proptechlab
CONNECTED TO LUXPROPTECH

UPSI–BVS

PARTNERSHIP

In our ongoing commitment to staying at the forefront of industry evolutions, Alides actively engages in various networks. One notable network we participate in is Proptechlab, which serves as the leading community of real estate value chain innovators in Belgium. Proptechlab is dedicated to fostering innovation in the construction and real estate sectors, with a particular focus on facilitating the digital transformation of the industry.

Being a member of Proptechlab allows us to connect with like-minded individuals and organizations, including start-ups, scale-ups, and industry peers who share our vision for addressing today's challenges through innovation. Through this network, we have the valuable opportunity to collaborate, exchange ideas, and explore cutting-edge solutions that drive positive change within our industry.

Alides is an active member in UPSI-BVS which represents Belgium's leading property developers, land developers and real estate investors. The purpose of the BVS is to promote and support legislative and administrative measures that are favorable for the real estate sector. Alides employees participate in events and committee meetings such as the committee of residential real estate, offices, retail, logistics, fiscal matters, sustainability and law. The CEO of Alides, Rikkert Leeman holds the position of Vicepresident at BVS and is responsible for the Brussels Region.

TRANSPARENCY

At Alides, we firmly believe that transparency is key to fostering a resilient, engaged, and innovative culture. It is for this reason that we have decided to voluntarily report on our achievements and ambitions regarding sustainability.

The journey towards our first sustainability report has been a collaborative effort, involving a diverse team of individuals within Alides. Together, we have worked on defining our vision, setting targets, collecting data, and designing the layout of the report. Although significant challenges still lie ahead, we are confident that by engaging the entire organization, we can make substantial progress.

To ensure that our sustainability efforts are measurable and aligned with industry standards, we have made the decision to join GRESB in the future. GRESB is an industry-led organization with a mission to provide actionable and transparent environmental, social, and governance (ESG) data to financial markets.

GRESB collects, validates, scores, and independently benchmarks ESG data, offering valuable business intelligence, engagement tools, and regulatory reporting solutions for investors, asset managers, and the wider industry. By becoming a part of GRESB, we will be able to measure our progress and growth through their rating system, further enhancing our commitment to sustainability.

We combine the spirit of a family business with the performance of a listed company.

2022 CARBON FOOTPRINT RESULT

Our carbon footprint

In 2022, a third party was entrusted with the calculation of Alides REIM's carbon footprint, i.e. the company's annual greenhouse gas emissions. These emissions can be divided into three categories:

- **Scope 1**: direct emissions from sources owned, or controlled, by the company (e.g., fuel combustion)
- **Scope 2**: indirect emissions linked to energy consumption (e.g., purchase of electricity)
- **Scope 3**: indirect emissions (e.g., purchase of materials, waste disposal, transport, etc.)

The carbon footprint of Alides REIM was calculated in accordance with the Greenhouse Gas Protocol - Corporate standard and was executed based on data representative of the period 31/12/2021 to 31/12/2022.

When considering our own corporate carbon footprint (Scope 1 and 2), this only represents about 10% of the emitted carbon. The other 90% of our carbon footprint stems from our development and investment activities, due to the embodied and operational carbon of the buildings. Consequently, the calculations made it clear that the vast majority of Alides REIM's carbon footprint is caused by Scope 3 emissions.

- **Scope 1: 111,20 tonnes CO2e**
- **Scope 2: 4,20 tonnes CO2e**
- **Scope 3: 29.532,98 tonnes CO2e**

Electricity

The Scope 2 emissions are specifically linked to the electricity that is purchased to power the printers, lighting, and other technical equipment of Alides REIM. The purchased electricity is predominantly grey electricity which represents carbon emissions of 4,19 tonnes of CO_2e which has an impact of 3,64% on Alides REIM's total Scope 1 and 2 emissions.

4,19 tonnes CO_2e

Gas emissions

Stationary emissions are caused by the consumption of fossil fuels in the process operations. For Alides REIM this mainly concerns the emissions related to the natural gas consumption of the heating processes of the buildings in Gdansk and Ghent. The natural gas consumption of the two buildings combined is responsible for 16,43 tonnes CO_2e.

16,43 tonnes CO_2e

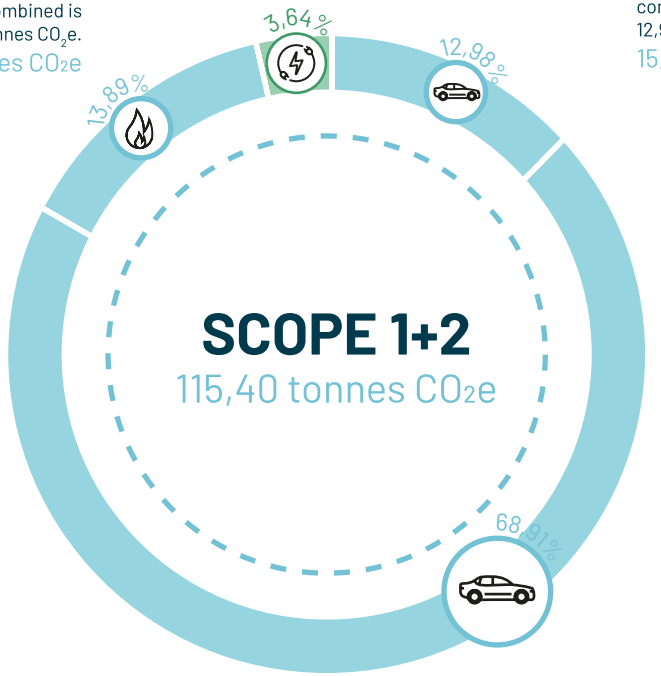
Delivery trucks + freelancers

The emissions that arise from the combustion of fossil fuels by delivery trucks and the vehicles operated by freelancers with different types of combustion engines combine for 15,25 CO_2e, or 12,98% of Alides REIM's Scope 1 and 2 emissions.

15,25 tonnes CO_2e

Scope 1 and 2 emissions

Scope 1 and 2 emissions represent the emissions released by sources present within the boundaries of Alides REIM's sites. For each of these sites, energy and fuel consumption data was provided by the local site manager. Based on these data, the footprint analysis resulted in a Scope 1 impact of 111,20 tonnes CO2e, while Scope 2 has an impact of 4,19 tonnes CO2e. The main impact contributors are broken down in following figure.



Company cars

The carbon footprint analysis also included the commute of Alides REIM personnel with company-owned vehicles. The use of these vehicles represents 79,52 tonnes of CO_2e. Note that electric company cars are not considered here; they have been taken into account in the calculation of Scope 2 emissions (purchased electricity).

79,52 tonnes CO_2e

Scope 3 emissions

Scope 3 emissions include all emissions in the up- and downstream of Alides REIM's value chain, which consists of different phases and end-uses of the real estate projects under construction or management.

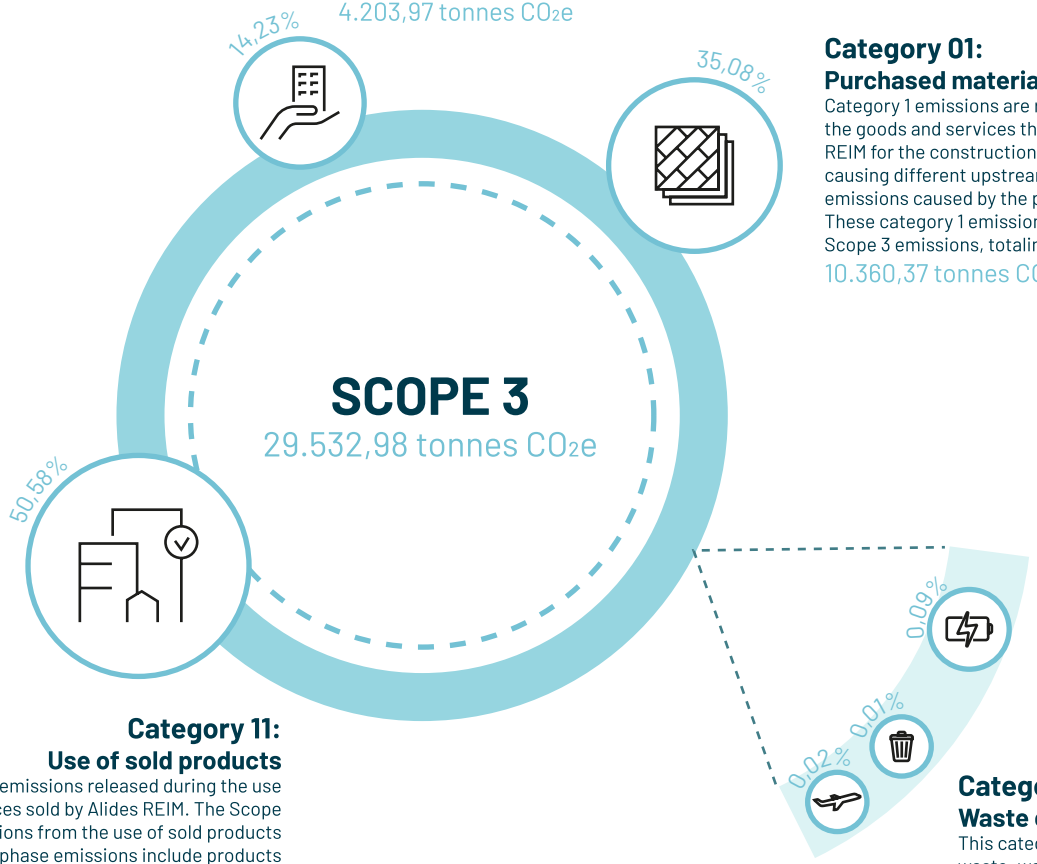
Of the 15 different Scope 3 emission categories, six categories have been included in the carbon footprint calculations. It is estimated that more than 67% of the total Scope 3 impact was included in the calculation.

The calculations revealed that Alides REIM's Scope 3 emissions amount to 29.532,98 tonnes CO2e. The most significant contributors are Use of sold products (50,58%), Purchased materials and services (35,08%), and Downstream leased assets (14,23%).

Category 13:
Downstream leased assets

The emissions released during the rental of certain assets such as buildings, land, or other premises. This considers the annual consumption of electricity and fossil fuels for heating purposes, or the fuel consumption for operating various machines or technical installations. The rental of all assets causes an emission of 4.203,97 tonnes CO_2e, corresponding to 14,23% of total Scope 3 emissions.

4.203,97 tonnes CO_2e



Category 01:
Purchased materials and services

Category 1 emissions are related to the production of the goods and services that have been bought by Alides REIM for the construction of its real estate projects, causing different upstream emissions, such as the emissions caused by the production of raw materials. These category 1 emissions represent 35,08% of all Scope 3 emissions, totaling 10.360,37 tonnes CO_2e.

10.360,37 tonnes CO_2e

Category 03:
Energy and fuel related upstream emmissions

This Scope 3 emission category includes the upstream emissions from the production of fuel or energy. Emissions that are created during the extraction of crude oil and the processes that take place in the refinery to eventually produce gasoline, diesel, and other fossil fuels. The same applies to the production of electricity. In case of green electricity, emissions originate from building the solar and wind farms, biomass and hydro plants. This category accounts for 0,09% of the Scope 3 emissions, or 26,81 tonnes CO_2e.

26,81 tonnes CO_2e

Category 11:
Use of sold products

This category includes the emissions released during the use of the products and services sold by Alides REIM. The Scope 3 Standard divides emissions from the use of sold products into two types. Direct use-phase emissions include products that directly consume energy (fuels or electricity), fuels and feedstocks, as well as greenhouse gases and products that contain or form greenhouse gases that are emitted during use. Indirect use-phase emissions include products that indirectly consume energy (fuels or electricity) during use. This category causes an emission of 14.936,50 tonnes CO_2e which results in an impact of 50,58% on Scope 3 emissions.

14.936,50 tonnes CO_2e

Category 05:
Waste generated in operations

This category includes the external treatment of waste; waste transport was not taken into consideration in the analysis. According to calculations, 1.927,50 kg of waste were processed, leading to a total emission of 0,49 tonnes CO_2e. Consequently, waste does not have a significant impact on Alides REIM's Scope 3 emissions.

0,49 tonnes CO_2e

Category 06:
Business travel

Category 6 represents all emissions due to business travel with vehicles over which Alides REIM has no operational control. This means that this category only considers trips made by airplane, train, taxi, or other vehicles that are not found within Alides REIM's operational boundaries. This category has a carbon footprint of 4,85 tonnes CO_2e, or 0,02% of all Scope 3 emissions.

4,85 tonnes CO_2e

Carbon Reduction plan

In the coming years, we are committed to developing a comprehensive carbon reduction plan to effectively reduce our Scope 1 and 2 emissions by 50% and our Scope 3 emissions by 30% between 2022 and 2030. Alides commits to set science-based targets when sector-specific methodologies are published. To initiate this transition, we have already identified and implemented the following actions for scopes 1, 2, and 3:

Scope 1:

- **Transitioning to a 100% electric fleet** for all newly acquired vehicles. This switch to electric vehicles aligns with our commitment to reducing greenhouse gas emissions and promoting sustainable transportation solutions.

  - Alides will cut the carbon intensity of transport by 50% by 2028, compared to the 2022 baseline.

  - We also pursue a zero-emission strategy and strive to stimulate freelancers to respect this strategy. We will only order cars with zero-emission technology from 2022 onwards (100% zero-emission as of 2028).

  - We will actively support initiatives to motivate the use of alternative means of transport (bicycle, public transport, etc.)

- Conducting a comprehensive energy audit at our headquarters in Ghent. This audit will enable us to identify **energy efficiency** opportunities, optimize resource utilization, and further minimize our energy consumption and associated environmental impacts.

Scope 2:

- Committing to a **100% green power contract**, ensuring that the electricity powering our operations is sourced from renewable energy sources. By prioritizing green power, we actively contribute to decarbonizing the energy sector and reducing our environmental footprint.

- Today we have a share of 18% of renewable sources in total energy consumption. We strive for the office building in Belgium to have an energy mix of 50/50 renewable/nonrenewable sources by the end of 2023.

Scope 3: Portfolio impact:

Category 01: Purchased materials and services: Starting from 2023, every project with a permit will be required to incorporate a minimum of two low-impact materials to reduce embodied carbon.

Category 05: Waste generation in operations: Starting from 2024, every contractor will be required to report the waste generated on-site and provide evidence that 90% (by weight) of the waste is recycled.

Category 06: Business travel: For distances under 1,000 km, car or public transport will be utilized for travel purposes. Starting from 2023, all carbon emissions resulting from air travel will be offset.

Category 13: Downstream leased assets.

This category includes the emissions released through the rental of certain assets such as buildings, land, or other premises. It considers the annual consumption of electricity, fossil fuels for building heating, or fuels needed to power various machines or technical installations.

For Alides REIM, two different leasing strategies exist for buildings:

- Finance or capital lease: Alides REIM has no financial or operational control over the building but the lessee controls everything related to operation.
- Operating lease: Alides REIM controls the asset financially, but not operation-wise.

As Alides REIM has no operational control over their leased assets, these assets are reported in Category 13. To provide a more detailed breakdown, the assets are further classified into financial and operating leases.

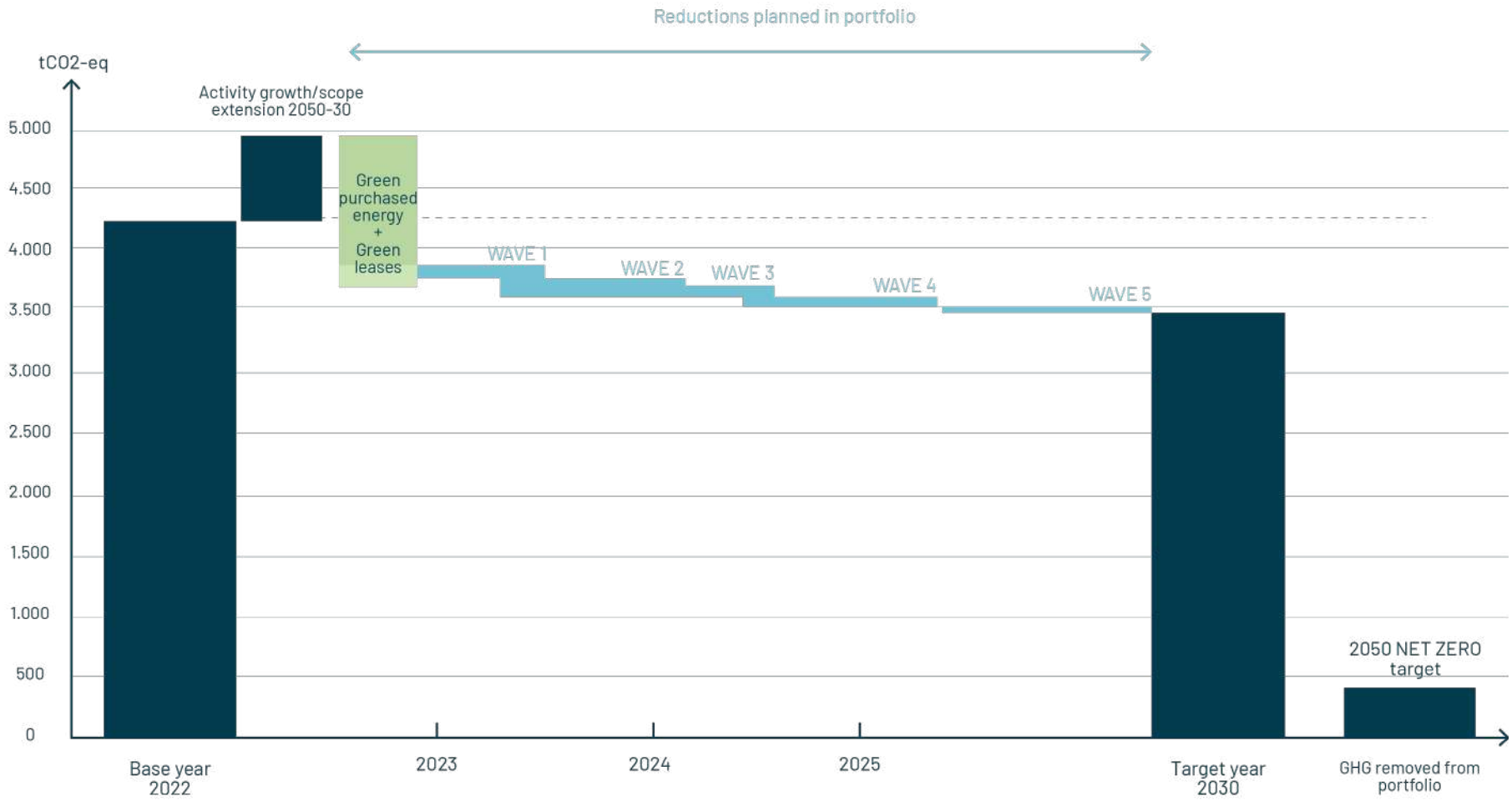
The consumption data for natural gas and electricity were available for about 65% of the leased assets (65% coverage of surface portfolio). The data of some finance/capital leased assets were more difficult to obtain in the case the user is in control of the energy contracts. In the upcoming years, we will stimulate our occupiers to share their energy consumption data so that we can include these data in the reporting. However, to estimate the impact of the missing leased assets, data was extrapolated based on the assets' surface area. This results in an estimate for the total consumption of natural gas and electricity, as well as the CO2e emissions for all finance/capital leased assets.

Alides is committed to actively promoting and encouraging new lease contracts, inspiring tenants to embrace complete transparency in energy consumption and the adoption of 100% renewable electricity.

Based on this baseline calculation, a reduction plan has been drafted. The plan consists of various action waves, tackling our entire portfolio.

- **Wave 1:** Quick-win action phase: instant impact with low investment
- **Wave 2:** Phase-in of own green electricity production
- **Wave 3:** Enhancement efforts on high-impact assets
- **Wave 4:** Mid to long-term investments in all assets
- **Wave 5:** Study phase for achieving fossil-free excellence in our premier assets

We are hopeful that the impact of our quick-win action phase will be evident in next year's reporting.



ESG PERFORMANCE CERTIFICATIONS

AT COMPANY LEVEL

Alides has applied to the certification process of Best Managed Companies. This evaluation process consistently set direction for the company and for their teams, thinking about what they want to achieve. Alides has started this journey in 2022 and will be evaluated in 2023.

AT PORTFOLIO LEVEL

Certificates serve as a valuable tool for quantifying and assessing sustainability. Within our portfolio, we have utilized BREEAM certification for new construction or refurbishment projects for guiding and managing general sustainability. To gain a comprehensive understanding of overall sustainability of operational assets, we employ the BREEAM In-Use scheme. Additionally, we assess energy efficiency by conducting Energy Performance Certificates (EPCs) to map and evaluate energy efficiency.

Targeting BREEAM certification

Alides attaches great importance to validating its sustainability efforts through external certification. Therefore, Alides aims to obtain BREEAM certification for its most strategic projects. BREEAM is the world's leading science-based suite of validation and certification systems for the sustainable built environment. Its holistic approach leads to achieving ESG, health, and net-zero goals.

Through this commitment, Quantum was the first building in Belgium to be certified BREEAM Excellent. Earlier, the Copernicus building also obtained the design-stage certificate. The final certificate is still pending.

In addition, our portfolio also includes an asset with a BREEAM In-Use certification rating Very Good. The BREEAM In-Use certification process is ongoing for the Quantum building.

	In preparation	Design Stage certificate	Final certificate	Surface (m^2)
BREEAM Excellent	-	1	1	22.945
BREEAM In-Use Part I	1	-	1	30.389
Total	**1**	**1**	**2**	**53.343**

Development

Improving energy performance and intensity

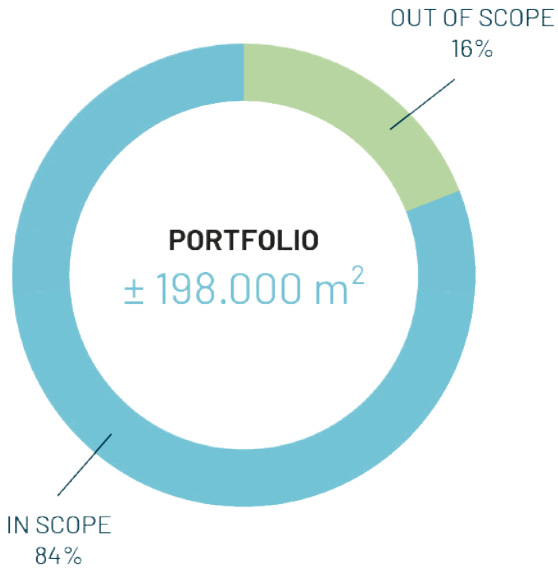
Alides is committed to enhancing the overall energy performance of its portfolio by focusing on two key aspects: energy performance certification (EPC) ratings and energy intensity. Currently, 84% of our portfolio falls within the scope of our efforts. The assets not included in the scope are those with usufruct, assets where permits are being prepared or applied for, and private homes.

Within the scope of our efforts, we have achieved a coverage of 94% for assets that possess an EPC score. The EPC score serves as a document that indicates the energy efficiency of a building or building unit. It takes into consideration various factors such as insulation levels, type of glass used, effectiveness of heating and hot water systems, among others. Typically, an EPC is a legally required document when leasing or selling a property, but it also enables us to assess the overall quality of our portfolio.

While our portfolio has achieved an impressive average EPC rating of B, demonstrating our commitment and success in enhancing energy efficiency across our properties, there is still room for further improvement. We recognize the need to continue striving towards a portfolio that is well-prepared for the energy challenges and goals of the future, particularly those set for the years 2030 and 2050. By identifying and implementing additional enhancements, we aim to ensure our portfolio aligns with long-term sustainability objectives.

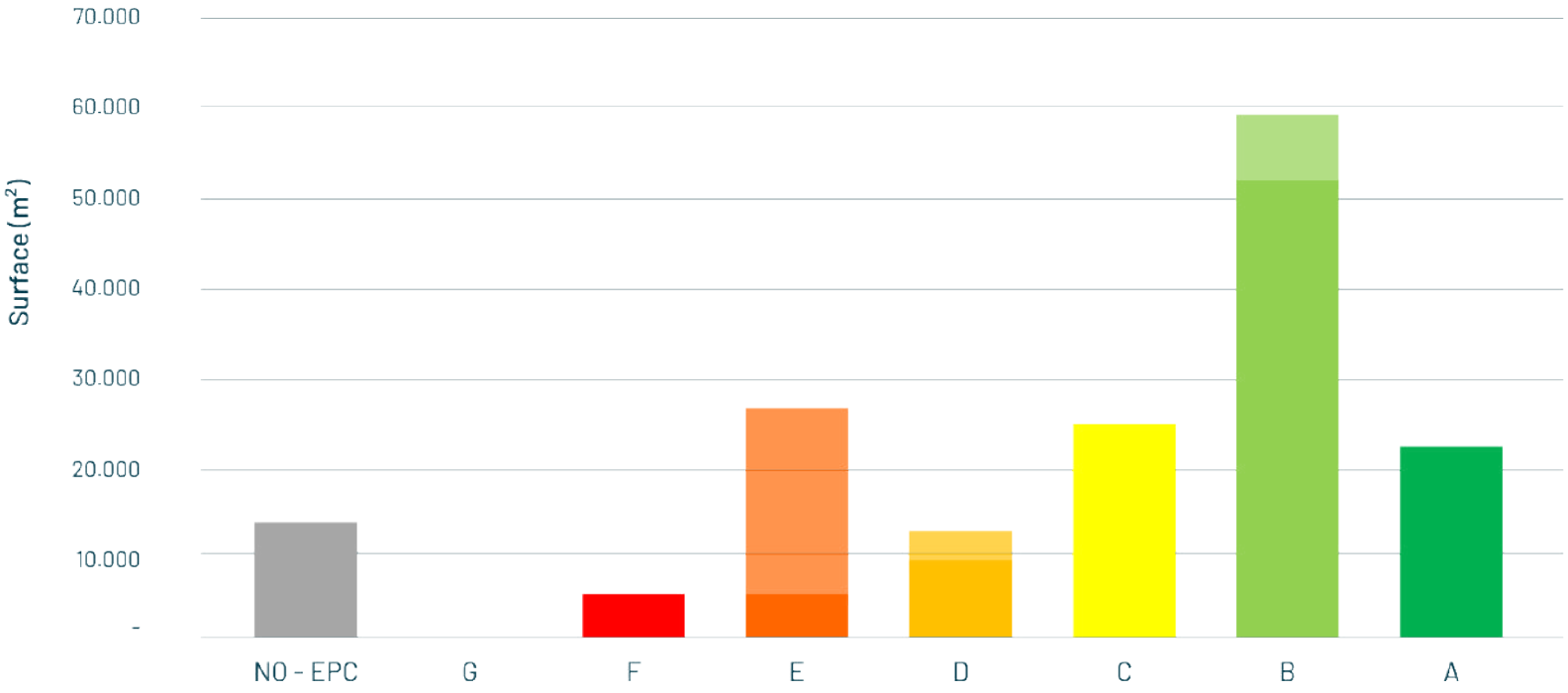
94% OF THE IN-SCOPE PORTFOLIO IS COVERED BY AN ENERGY PERFORMANCE CERTIFICATE

B THE AVERAGE EPC-RATING OF THE PORTFOLIO



Energy intensity enables the evaluation of effective energy consumption per square meter across our entire portfolio. In 2022, we made the strategic choice to implement a comprehensive energy management system that integrates all meters, sub-meters, and virtual meters throughout our portfolio. This system incorporates built-in alarms, a chargeback system, and a tool for comparing energy performance at the portfolio level.

By the end of 2023, we anticipate the full functionality and operation of this system. It will provide us with improved precision in energy management and enable more accurate comparisons within our portfolio.



	NO - EPC	G	F	E	D	C	B	A
BRUSSELS (m^2)	1.225	-	-	21.552	3.022	21.384	6.635	-
FLANDERS (m^2)	-	-	5.414	5.011	9.212	3.349	52.418	22.877
POLAND (m^2)	13.517	-	-	-	-	-	-	-

AT DEVELOPMENT LEVEL

Offices

Alides insists that all office projects achieve at least BREEAM certification level Excellent as from 2022. There are currently four projects in Belgium that are at the stage of preparation, permit, or execution. A BREEAM process is ongoing for all these projects.

Residential

No appropriate certificate has currently been found for developments in the residential sector. In the past, the City of Ghent's sustainability tool was used for development projects in this area. To use a more supported assessment framework, the EU Taxonomy requirements will be included in the design standards. In the first phase, the focus will be on meeting the required climate mitigation conditions.

Development - In preparation

	#buildings	Surface (m^2)
BREEAM Outstanding	2	29.000
BREEAM Excellent	2	8.600
Total	**4**	**37.600**

100% OF ONGOING OFFICE PROJECTS IN BELGIUM ARE REGISTERED FOR BREEAM CERTIFICATION

2022 FINANCIAL RESULTS

Consolidated balance sheet (in K EUR)

BALANCE SHEET	31/12/2022	31/12/2021
FIXED ASSETS	**576.884**	**468.758**
II. Intangible Assets	105	179
III. Goodwills	0	0
IV. Tangible assets	576.738	468.514
V. Financial fixed assets	42	65
CURRENT ASSETS	**218.828**	**186.186**
VI. Amounts receivable after one year	6.774	10.495
VII. Stocks and contracts in progress	121.362	85.714
VIII. Amounts receivable within one year	34.835	19.031
IX. Investments	8.000	15.198
X. Cash at bank and in hand	37.429	48.740
XI. Deferred charges and accrued income	10.429	7.008
TOTAL ASSETS	**795.713**	**654.945**

BALANCE SHEET	31/12/2022	31/12/2021
EQUITIES	**378.842**	**349.609**
I. Capital	114.900	114.900
IV. Reserves	261.550	232.259
V. Badwill	1.549	1.549
VI. Cumulative translation adjustments	-254	-188
VII. Grants	1.096	1.088
VIII. Third Parties interests	6.337	0
GROUP EQUITIES AND MINORITY INTERESTS	**385.179**	**349.609**
IX. Provisions and deferred taxes	44.469	42.438
DEBTS	**366.065**	**262.898**
X. Amounts payable after one year	304.329	217.640
XI. Amounts payable within one year	49.679	36.305
XII. Deferred income and accrued charges	12.058	8.954
TOTAL LIABILITIES	**795.713**	**654.945**

Consolidated P&L statement (in K EUR)

P&L STATEMENT	Conso 31/12/2022	Conso 31/12/2021
I. Operating income	100.565	106.152
A. Turnover	63.051	103.135
B. Inc./Dec.(+/-) in stocks of fin. Goods & contracts in prog.	31.229	-3.712
C. Capitalised production	0	0
D. Other operating income	6.277	5.418
E. Non-recurring operating income	8	1.311
II. Operating expenses	71.325	67.330
A. Raw materials, consumables and goods for resale	45.541	48.127
B. Services and other goods	16.220	11.670
C. Wages, social security costs and pensions	4.168	3.738
D. Depreciation of and other amounts written off	862	725
E. Inc./Dec.(+/-) in amounts written off on stocks	34	0
F. Increase (+); Decrease (-) in provisions	36	-150
G. Other operating expenses	4.337	3.195
H. Capitalized charges	0	0
I. Depreciation of goodwill	0	0
J. Non-recurring operating expenses	127	26
III. Operating result	**29.240**	**38.822**
EBITDA	**30.172**	**39.397**
IV. Financial income	1.833	777
V. Financial expenses	5.267	4.907
VI. Current result (current loss) before income tax	**25.807**	**34.692**
IX. Result (loss) for the period before taxes	**25.807**	**34.692**
X. Transfers to/from deferred taxes	-1.221	1.321
XI. Income taxes	6.154	6.473
XII. Profit (loss) for the financial year	**20.873**	**26.898**
XIII. Result of cies consolidated by the equity method	**0**	**0**
A. Profit	**0**	**0**
B. Loss	**0**	**0**
XIV. Consolidated profit (loss)	**20.873**	**26.898**
XV. Result of Third Parties	**-17**	**0**
XVI. Result of the Group	**20.890**	**26.898**

Consolidated turnover decreased by 40.085 KEUR in comparison with the previous year. **Operating income also decreased.** Rental income increased by about 4% compared to last year, mainly due to new leases, lower year-on-year vacancy, and indexation. Development income decreased 59% year-on-year. The 2022 development income mainly related to our Zenpark, Lux, Elysiapark, and Joseph II projects. Finally, there was a significant increase in hotel revenues in 2022, thanks to the fading impact of the Covid-19 crisis.

Operating expenses increased slightly from 67.330 KEUR to 71.325 KEUR, mostly due to an increase in services and other goods, wages, and other operating expenses.

Operating result dropped by 9.582 KEUR due to lower operating income and higher operating expenses, resulting in a total of 29.240 KEUR and **EBITDA** of 30.172 KEUR.

Financial income and expenses increased by 1.056 KEUR and 360 KEUR, respectively.

Taxes declined compared to the previous year.

The consolidated P&L statement closed at 31/12/2022 with a consolidated profit of 20.873 KEUR.

Summary of consolidated financial statements (in KEUR)

This table breaks down our turnover across our various activities.

Summary	31/12/2022	31/12/2021
Turnover	63.051	103.135
EBITDA	30.172	39.397
Profit	20.873	26.898
Equity	385.179	349.609
Total balance sheet	795.713	654.945
Solvency ratio	47.61%	53.38%
Liquidity ratio	4.40	5.13

TURNOVER (in 000 EUR)	31/12/2022	31/12/2021
Rental income Belgium	€ 20.872,05	€ 20.019,47
Rental income Poland	€ 1.483,78	€ 2.057,90
Development income	€ 31.389,32	€ 76.302,67
Hotels	€ 7.959,01	€ 3.209,03
Project- en managementfees	€ 944,20	€ 1.147,98
Services	€ 402,41	€ 398,37
TOTAL CONSOLIDATED TURNOVER	**€ 63.050,76**	**€ 103.135,42**
Development income by third parties	€ 25.149,28	€ 22.492,38
TOTAL TURNOVER	**€ 88.200,04**	**€ 125.627,79**

Growth ambitions

Alides has set itself some ambitious goals for the upcoming years. Alides has become a market reference thanks to its core strategy. We were the first in the **hybrid segment** and have consistently applied this strategy over the years. Consequently, we are also a first mover within the **Real Estate Upcycling** segment. Our principle of fully-integrated services also differentiates us from others. Our ambition is to become and remain the market leader. This was clearly aligned with the board and shareholders during our most recent annual strategic board meeting. These ambitions and the growth trajectory towards this ambition (both in the short and medium term) have been validated by the board and shareholders.

To get there, we have set corporate objectives for both the 2023 operating year (short term) and the 2023-2027 business plan period (medium term). These targets have been formulated as SMART KPIs and are split into quantitative and qualitative KPIs. There are quantitative short-term and medium-term targets.

The short-term targets mainly concern business development, new acquisitions, and the reinforcement of the development pipeline, with the ambition to increase acquisitions in 2023 and growing the number of Real Estate Upcycling projects. These short-term targets are reviewed and adjusted on a monthly basis during the Management Team Meeting.

Medium-term targets are based on organic growth (without additional equity). These targets are bound by the net profit generated by the company and the bank financing that can be obtained. This growth is only realized when eligible projects or sites can be acquired. The business plan is actualized annually in light of market conditions (such as the annual net profit forecasts, interest rate on bank debt and loan terms, and expected sales) and environmental issues (Real Estate Upcycling activity and stranding date).

CHAPTER 4

IMPACT, RISKS AND OPPORTUNITIES

As a responsible and forward-thinking organization, we recognize the significance of understanding and managing the risks and opportunities we are facing in our operations. Additionally, we acknowledge the importance of identifying and managing aspects of our operations which may have a material impact on the environment, and such is an essential part of our sustainability journey.

One of the primary steps in defining our sustainability strategy was to determine the most significant impact themes. In this regard, we considered the consultation of our stakeholders of crucial importance in developing a successful strategy. Hence, we conducted a materiality survey in 2021, aiming to identify the most important themes for both our internal and external stakeholders.

In the upcoming period, we will further enhance this materiality exercise and incorporate a dual materiality analysis in our strategy and in our reporting, in alignment with the CSRD (Corporate Sustainability Reporting Directive) reporting standards. We will thus assess the materiality of both 'outside-in' (risks and opportunities affecting the organization) and 'inside-out' aspects (impact of our activities on the environment, society and stakeholders) within the next two years.

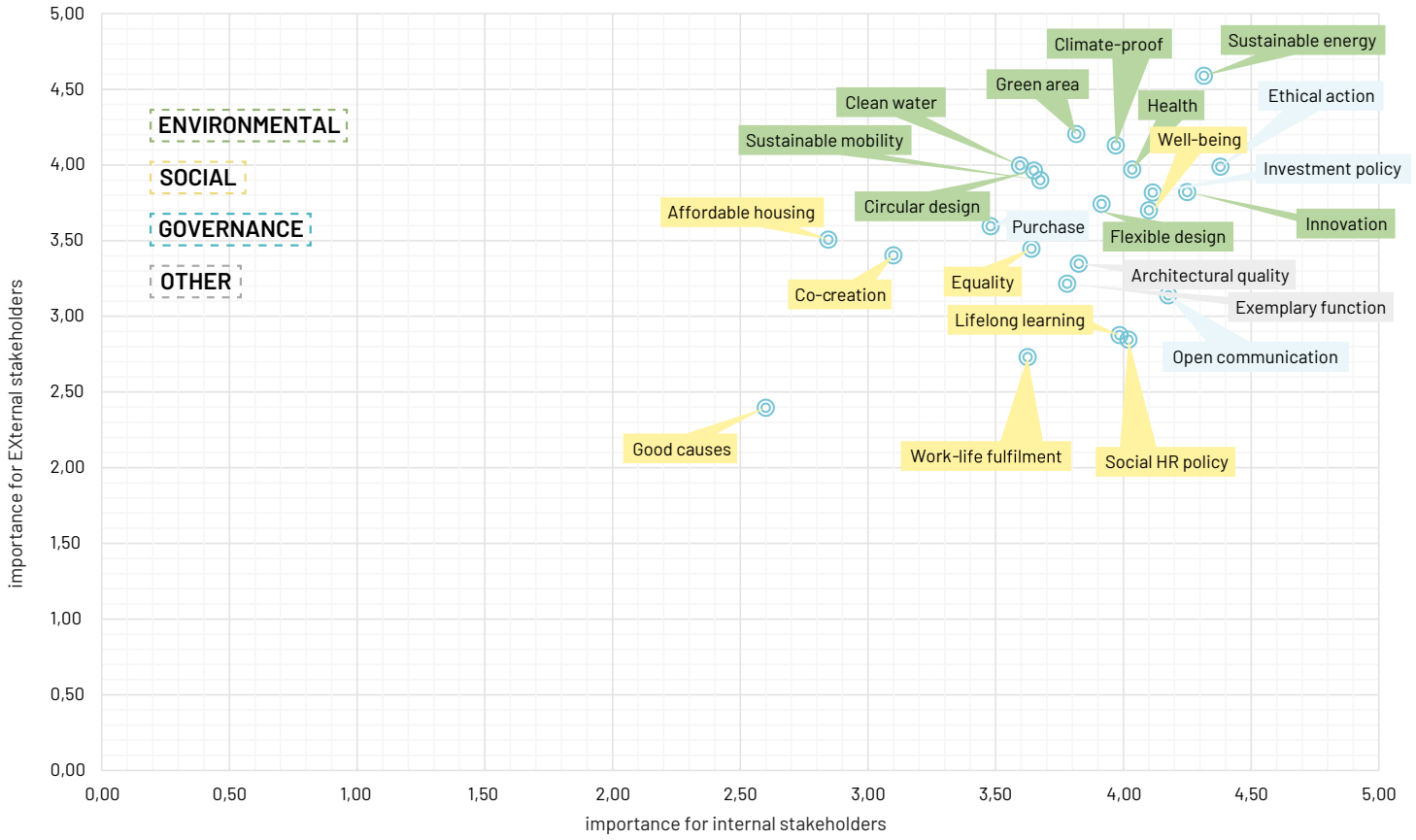
MATERIALITY ASSESSMENT

It is of key importance to implement a sustainability strategy which focuses on themes that are important to all stakeholders, both internal and external, and which allow us to create the biggest impact. To identify those themes, the following process was followed.

Firstly, we organized interviews with **key internal stakeholders** (including employees, members of the board, shareholders). These interviews were conducted by an external consultant and aimed to gain insight into the motivation and vision of those key internal stakeholders.

Secondly, we also wanted to learn the views of our **external stakeholders**, which group included customers, suppliers, financial institutions, real estate agents, business partners, members of sectoral associations and NGO's. A survey was conducted by Route 2030 in September 2021, which made reference to the framework of the United Nations Sustainable Development Goals (SDG's). Out of 179 questionnaires that were sent out, we received 96 responses, representing a 54% response rate.

The result of the survey in both groups is shown below.



All the identified material themes were subsequently connected to the Sustainable Development Goals (SDGs), leading to the identification of ten specific SDGs that are of utmost importance to us and to our stakeholders.

To further strengthen our approach, we conducted a comprehensive market analysis of the Belgian real estate sector, benchmarking the selected SDGs against industry standards and practices.

As a result of this analysis, we integrated the ten identified SDGs into our strategic model, as illustrated in the figure. These SDGs serve as a guiding framework for our sustainability initiatives and align our actions with global sustainable development targets.

STAKEHOLDER DIALOGUES

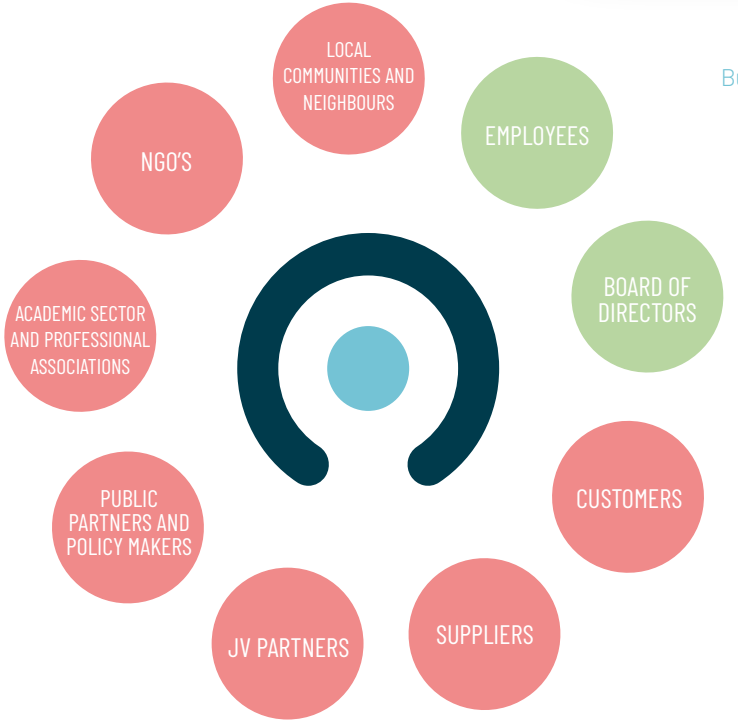
The views and expectations of both internal and external stakeholders were examined and analyzed during the materiality assessment process.

To ensure that our stakeholders remain well-informed and actively engaged in our ongoing sustainability journey, we have devised a comprehensive plan of action, which includes to:

- establish and maintain effective communication channels to regularly update our stakeholders about our sustainability initiative.
- provide transparent and comprehensive sustainability reports that highlight our progress, achievements, and areas for improvement.
- organize and participate in discussion sessions with our stakeholders, peers and sectors organizations.
- address stakeholders' specific needs by conducting surveys, organizing workshops and engaging in information sessions and one-on-one meetings.
- actively seek collaborations and partnerships with stakeholders who share our sustainability goals and integrating feedback in our strategy.

"There's no getting around it: sustainability has become a paramount criterion for our clients. Companies envision a greener future: this is reflected in their expectations for EPC values, charging stations and proximity to mobility hubs. They seek a partner who shares their vision and that's what we are."

Alexandra
Business Development Manager



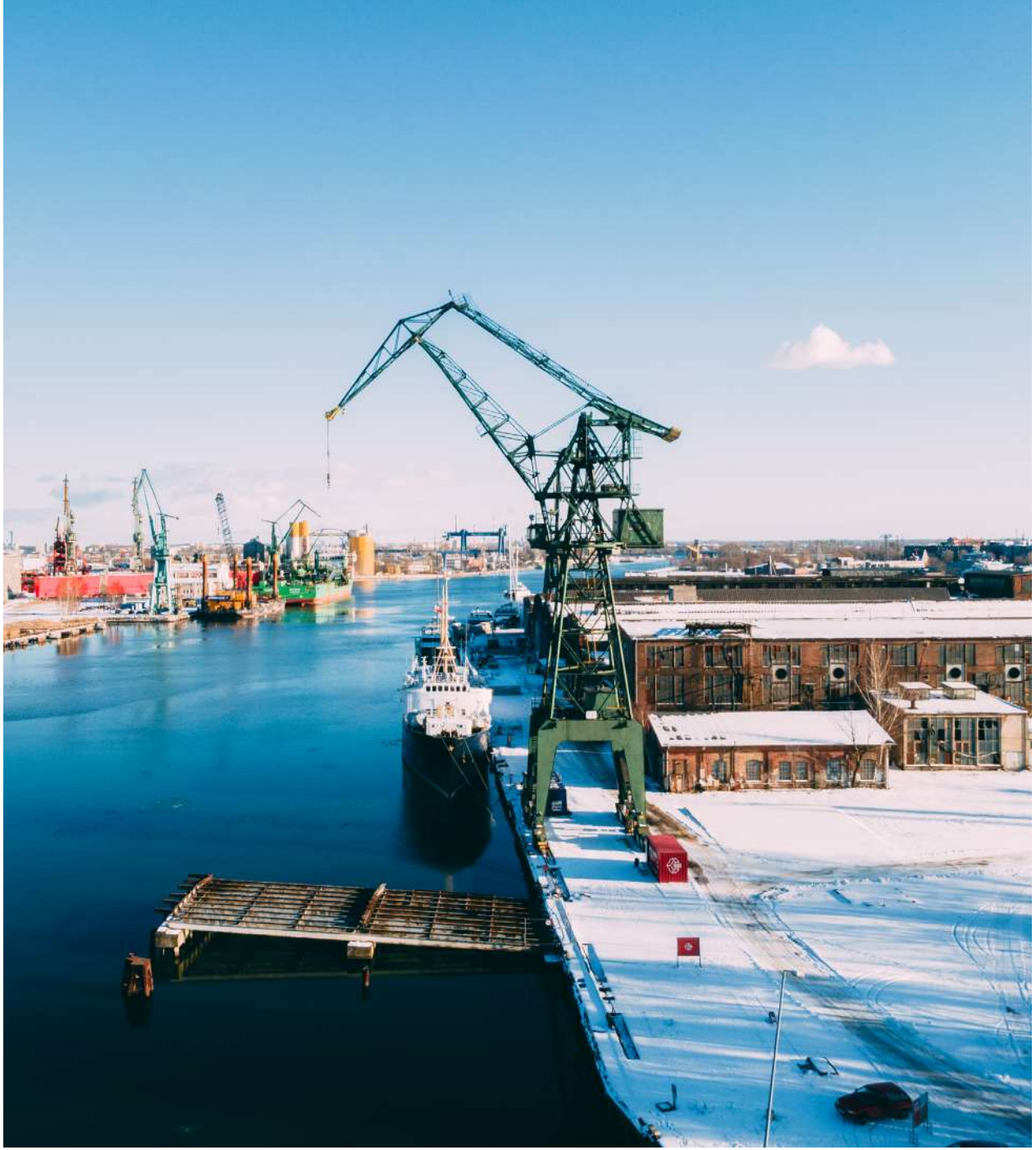
INTERNAL STAKEHOLDER
EXTERNAL STAKEHOLDER

FOLLOWING ACTIONS RELATING TO STAKEHOLDER DIALOGUE HAVEN BEEN IMPLEMENTED TODAY:

	EXPECTATIONS	ACTIONS
EMPLOYEES	• fair compensation and benefits • a safe and supportive work environment • opportunlties for professional development and career growth • open communication and feedback from management, • recognition for their contributions to the organization.	• regular team meetings • one-on-one meetings with manager: performance meetings and Personal Development Plan • company-wide newsletters or memo's (monthly)/ HR updates and 30 Reasons to love Alides • intranet or online portal for information sharing. (weekly): Microsoft Sharepoint
BOARD OF DIRECTORS	• effective governance and oversight of the organization's activities • alignment of the organization's strategy (including sustainability) with its mission and values • sound financial and risk management • compliance with legal and ethical standards	• regular board meetings (10 times a year, including 2 strategic meetings) • written reports and presentations on key performance indicators, financial statements and strategic plans or acquisitions, all including ESG-topics • email or phone updates on urgent matters
CUSTOMERS B2B AND B2C	• qualitative products or services that meet their needs and expectations • fair pricing • responsive customer service • clear and accurate communication about products or services • protection of their personal information and privacy	• social media channels (weekly) • email newsletters (occasionally) • personalized emails or phone calls (occasionally): Client follow up platform Ziggu, in-house reception and property 24/7 hotline • in-person meetings or events (occasionally or on demand of the client) • customer feedback surveys (occasionally): via Ziggu
SUPPLIERS	• fair and transparent procurement processes • timely payments • clear and open communication • collaboration to improve quality and efficiency • adherence to ethical and sustainable business practices	• email or phone communication (regularly) • in-person meetings or events (regularly)

JV PARTNERS	• effective collaboration and communication • alignment of goals and objectives • shared risk and reward • clear and transparent decision-making processes	• regular meetings • email updates • video conferencing: Microsoft Teams • collaborative online platforms or project management software: Microsoft OneDrive / Sharepoint • joint presentations to third-parties
PUBLIC PARTNERS AND POLICY MAKERS	• compliance with laws and regulations • transparent and open communication • collaboration to achieve shared goals and objectives • contribution to the economic and social development of the community	• in-person meetings or events • formal letters or reports • participation in public consultations or hearings • email or phone communication • social media channels • website blogs or articles on the company's community development initiatives
ACADEMIC SECTOR AND PROFESSIONAL ASSOCIATIONS	• collaboration on research and development • participation and membership in industry related organizations • participation in educational and training programs	• participation in industry conferences or events: ex. classes about property management (HoGent) • social media channels • online forums or discussion boards: UPSI-BVS, MIPIM, ... • in-person meetings or events with academic or professional stakeholders.
NGO'S	• participation in community development initiatives • transparency and accountability in business practices • support for social and environmental causes	• participation in community development initiatives • social media channels • website blogs or articles on the company's social and environmental initiatives • in-person meetings or events with NGO representatives
LOCAL COMMUNITIES AND NEIGHBOURS	• participation in community development initiatives • engagement and dialogue to address concerns and issues • responsible management of environmental impacts	• participation in community development initiatives, • community meetings or events: e.g. neighborhood consultation tours of (future) development projects • website news and blog posts, personalized letters or emails to neighbors or community leaders: e.g. neighborhood website

By implementing this comprehensive plan of action, we aim to foster a strong and mutually beneficial relationship with our stakeholders.



RISKS AND OPPORTUNITIES

The company faces a range of risks, which are monitored and controlled by the governing bodies and executive management. Necessary actions are implemented to mitigate, avoid, or minimize their impact. Regular evaluations are conducted to ensure proactive risk management. By adopting a proactive approach, the company strives to identify and address risks effectively to safeguard its operations, financial well-being as well as the environment.

The risks and opportunities that are relevant for our organization are described below.

MARKET

Global market context

In 2022, a confluence of factors gave rise to a very challenging and competitive global market context.

To begin with, the year 2022 witnessed a significant rise in interest rates. Moreover, the ongoing war in Ukraine has had a profound impact on construction costs, further exacerbating the challenges already posed by the COVID-19 pandemic. Escalating prices of raw materials and disrupted supply chains have severely disrupted the entire ecosystem, leaving the return of an economic equilibrium uncertain. The combination of these factors, coupled with the energy crisis, has led to a sharp increase in inflation and exerting a substantial impact on costs.

In the realm of energy, the repercussions extend beyond mere price fluctuations, as climate change introduces a host of additional challenges for the real estate sector. This overarching context impacts the risks that are inherent to our industry, which are outlined below.

New ways of working

The office market has evolved significantly over the past years, as working has become more flexible, mobile and remote. This shift was supported by digitalisation and fastened by the COVID-19 pandemic. While these new ways of working also present opportunities, they do create risks for the real estate sector, amongst which:

- Companies downsizing their office footprint and opting for (more) flexible and shared office spaces;
- A faster need to invest in renovations or convert office buildings into residential or mixed-use properties to adapt to market needs;
- Urban revitalization challenges: when businesses shift away from city centres, it can negatively impact local economies, retail businesses, and overall urban development plans.

We mitigate this risk by

closely monitoring market trends and adapting our products accordingly. Our Real Estate Upcycling strategy enables us to timely prepare to adapt our properties to the evolving landscape and to meet the changing demands of the market.

Increased cost of materials

The Covid-19 pandemic and the conflict in the Ukraine have had a significant impact on the prices of construction materials. The pandemic disrupted global supply chains, leading to shortages and increased costs of raw materials such as lumber, steel, and cement. The substantial increase in construction material prices made construction projects more expensive and impacts the overall cost of real estate developments.

We mitigate this risk by

closely monitoring price volatility, giving attention to cost effectiveness as from the design process, contracting at fixed prices and implementing performant project and budget monitoring tools.

Inflation & deflation

The year 2022 was marked by a rapidly increasing inflation. This led to increased costs of labour, materials and other expenses, whereby the increase in sales prices of real estate developments did not rise along with the inflation at the same rate. As high inflation can erode purchase power and influences mortgage interest rates, it poses a risk on affordability of housing, leading to slower market activity or reduced demand. In the investment portfolio, inflation has led to higher costs of maintenance and operation of the portfolio.

We mitigate this risk by

Construction costs are controlled by carefully monitoring budgets, implementing intelligent and cost-efficient design and through fixed price construction contracts. Costs associated with the maintenance and operation of the portfolio are controlled by optimizing the management of building installations and services and by investing in new and more efficient installations.

Evolutions in sales prices and rent are carefully monitored. Inflation is could largely be absorbed by the possibility of increasing rents according to the evolutions of the health index.

In view of current market conditions, the risk of deflation is estimated low. Moreover, all office lease agreements provide that rent amounts cannot be adjusted downwards following negative index evolutions.

PORTFOLIO

Vacancy rate

Vacancy risk refers to the risk of properties remaining unoccupied for an extended period of time, which can have financial implications for property owners, investors, and the real estate market as a whole. Increase in vacancy rates can be caused by several factors such as general economic recession leading to reduced demand for office spaces, oversupply in a specific segment or location, districts becoming less desirable due to low accessibility with public transport or access to other amenities, or end-users giving preference to buildings that demonstrate outstanding environmental performance.

We mitigate this risk by

strategically investing in prime locations that boast high-quality attributes. These locations offer convenient accessibility through various transportation modes and are in close proximity to a wide range of desirable amenities. Furthermore, these areas consistently exhibit strong and stable demand. Our real estate developments take into account end-user expectations in terms of lay-out, services and performance. Aligned with our Real Estate Upcycling strategy, we revitalize inefficient and obsolete buildings that have reached the end of their lifecycle into high-quality buildings that showcase outstanding environmental performance.

Concentration risk

A potential vulnerability may arise when a significant portion of activities is concentrated in a limited number of property types, locations or end-user groups. A lack of diversification can increase the risk of financial loss if adverse events or market conditions affect a specific segment.

We mitigate this risk by

diversifying our activities on three levels. We spread our activities geographically and are currently active in Belgium, Luxembourg and Poland. We have diversified our activities by applying our hybrid profile as investor and developer to our two main product segments, residential real estate and the office market. Finally, we target different end-user groups, depending on the location and the product. Our tenant base is composed of tenants operating in a diverse range of sectors.

Insurance risks

Changing environmental conditions may lead to insurers imposing a higher premium or requesting additional security or other measures to be taken upon providing coverage. Changes in regulations may lead to new or additional insurance obligations for project developers, constructors or designers leading to higher building costs.

We mitigate this risk by

To mitigate risks in our portfolio, we proactively manage insurance coverage by securing multi-year coverage periods. Annually, we conduct thorough reviews of all insurance policies to ensure they align with the most up-to-date property values, risks, legal requirements, and market conditions. For our development projects, we engage in detailed discussions with brokers to determine appropriate insurance coverage on a project-specific basis. We carefully evaluate competitive proposals, considering coverage limits and other relevant factors, to ensure we have adequate protection throughout the development process.

DEVELOPMENT

Changing urban planning rules

Modifications in zoning regulations, building codes, land use policies, or other urban planning rules or in the interpretation thereof may complicate or prolong permitting procedures or lead to additional conditions or restrictions to develop or renovate real estate, all of which having a financial impact.

We mitigate this risk by

employing a comprehensive approach. Before making any investments or initiating projects, we conduct thorough examinations of applicable zoning regulations, ensuring compliance and minimizing potential issues. Additionally, we actively engage in dialogue with administrations to foster a collaborative relationship and address concerns or inquiries. To stay well-informed on upcoming urban planning regulations and proposed changes, we actively engage with local authorities and industry associations.

Delays and other difficulties

Each development project is subjected to risks which may cause adverse effects on the timing of completion, financing or budgets. These include amongst others delays caused by weather conditions, material shortages, insolvency of contractors, or appeals against building permits.

We mitigate this risk by

effective project management, by engaging experienced staff, contractors and experts and by proper financial planning and risk management strategies.

CLIMATE & ENVIRONMENT

Changes to environmental regulations

In line with the European Green Deal, all European countries have set regulations that require buildings to meet minimum standards in energy performance. Additionally, certain countries have established regulations relating to the use of materials and adaptability to climate change. Furthermore, environmental regulations such as those related to pollution and hazardous materials, may become more strict, impacting real estate developments and management. New regulations increase compliance risks, may cause delays and may lead to increased costs due to additional investments in technologies and remediation measures.

We mitigate this risk by

Before acquiring real estate for our investment portfolio, we carefully assess its environmental conditions and risks. Any remediation works which would be required are reflected in the acquisition price and are budgeted and performed after acquisition. Real estate located in areas which present important environmental risks, such as flooding, is not eligible for acquisition. As part of the environmental due diligence, an audit is performed of the energy performance of a real estate and measures are identified to improve such performance during the building's lifecycle in line with our sustainability strategy.

Our Real Estate Upcycling strategy focuses on reducing embodied carbon by revitalizing obsolete and inefficient buildings into buildings that comply with the most up-to-date standards on energy performance and other environmental features.

ESG transparency and reporting

Insufficient transparency and reporting on ESG data, due to the unavailability or inaccuracy of data, could lead to non-compliance with the upcoming CSRD obligations as well as failure to meet stakeholder expectations. In turn, this could make access to capital markets more difficult and decrease the level of trust of our stakeholders.

We mitigate this risk by

the publication of our first sustainability report in 2023, closely adhering to the framework imposed by the EU's CSRD reporting standards and which is published well before the date of the entry into force of the directive. We will continue to invest in data collection that monitors ESG metrics thus improving our reporting in the coming years.

Scarcity of materials

The limited availability of resources, such as energy, building materials and technologies, increase the overall costs and make the careful management of resources of utmost importance.

We mitigate this risk by

Although we have limited control over these risks, we are committed to diligently managing them. We achieve this by closely monitoring new technological advancements and embracing circularity principles. Through the re-use of existing structures and materials, we become less reliant on scarce resources.

HUMAN RESOURCES

Our company's success is inherently tied to the capabilities and dedication of our employees. Failing to attract and retain individuals with the right skills and qualities could significantly impact our overall performance. This risk is influenced by various factors, including a competitive job market, lack of availability of employees with the required specialized skills and experience, and changing work preferences and expectations of employees prioritizing on flexible working arrangements.

We mitigate this risk by

To address these risks, we have invested in our employer branding as well as in effective strategies that attract and retain top talent. We have developed a clear view on business critical skills and competencies and have consistently insourced employees with such talents over the past years. We offer attractive compensation packages and employee benefits and foster a supportive and inclusive work environment through various initiatives such as an onboarding program, personal development opportunities and numerous activities increasing well-being and cohesion amongst colleagues.

FINANCIAL

Currency risks

As a result of our presence in the Polish market, we are exposed to currency exchange risks, which encompass both foreign currency transaction risks and foreign currency translation risks.

We mitigate this risk by

striving to conduct operations and transactions outside of the Eurozone in Euro whenever feasible. This approach helps minimize the potential impact of fluctuations in exchange rates and provides greater stability and consistency in our financial activities. In instances where operations or transactions necessitate the use of foreign currency, we actively consider currency hedging.

Interest rates

Throughout 2022 and during the first months of 2023 fluctuations in interest rates within the financial markets have been observed, largely driven by a context of rising inflation. This risk has multiple implications on our business. As interest rates play a crucial role in determining the cost of financing for acquisitions and development projects, significant fluctuations can potentially undermine the profitability of our activities. Increasing interest rates also affect the purchasing power of potential buyers, as mortgages become more costly and harder to secure. This, in turn, can impede demand and exert downward pressure on the sales prices of our developed projects.

We mitigate this risk by

employing rigorous financial analysis and stress testing to assess the potential impact of interest rate fluctuations on investment returns and cash flows, and thus on our financial performance. Furthermore, in order to manage financial charges, we maintain a well-balanced mix of hedging and floating interest rates.

Financial covenants

Financial covenants may be included in loan or debt agreements, outlining specific financial metrics or ratios that the company must maintain throughout the term of the loan, such as in relation to debt ratios, liquidity ratios, interest coverage ratios, or other financial performance indicators. Failure to comply with such covenants may trigger an event of default, allowing the lender to demand immediate repayment or take other actions as specified in the loan agreement.

We mitigate this risk by

Financial covenants are carefully reviewed and negotiated before entering into loan arrangements to ensure these covenants are realistic, achievable and aligned with our operations and investment strategy. We regularly monitor our compliance with the financial covenants through an established reporting system and timely provide this information to our lenders. Moreover, we uphold an open and transparent communication with our lenders.

Liquidity & solvency

Failure to secure the necessary financing or obtain additional funding could lead to liquidity constraints, making it more difficult to cover operating expenses, repay debts, or fulfil other financial commitments in a timely manner. This, in turn, may impact the company's financial stability and solvency.

We mitigate this risk by

employing prudent financial management practices, whereby both liquidity and solvency ratios are continuously monitored. By actively monitoring and managing liquidity requirements, as well as exploring alternative funding options, we aim to reduce the exposure to liquidity and solvency risks. A moderated debt-ratio is maintained, in line with the criteria established by the Board of Directors. Finally, to diversify its financing sources and mitigate concentration risks, we have strategically spread our financing across multiple financial institutions.

INFORMATION SECURITY & DATA PROTECTION

Digitization

In this era of increasing digitization, businesses need to keep pace with technological advancements, implementing robust IT strategies. IT infrastructure and systems are crucial for communication, data management, and operational processes, whereby any disruption or downtime can have significant repercussions on daily operations.

We mitigate this risk by

We have heavily invested over the past years in reliable IT infrastructure and tools, implementing appropriate backup and disaster recovery mechanisms, and ensuring regular maintenance and updates to minimize vulnerabilities. Operations take place in a secured cloud environment, including customer services, project management and energy monitoring. We have set up a "Digitalization" workgroup which meets on a regular basis to actively monitor the efficiency of our infrastructure and tools and to proactively identify opportunities for innovation and improvement.

Cybersecurity

Maintaining a robust cybersecurity framework is paramount, as any disruption to our services can have far reaching consequences for our operations. A breach in our cybersecurity defenses could compromise the confidentiality, integrity and availability of critical systems and data.

We mitigate this risk by

implementing robust cybersecurity measures, including advanced firewalls, intrusion detection systems, encryption protocols and regular security assessments to identify and address vulnerabilities. We also foster a culture of cybersecurity awareness among our employees through training programs and access controls. Our Digitalization workgroup has prepared a cybersecurity strategy, which includes incident handling and recovery procedures.

Data protection

The protection of personal data is key to maintain the trust of stakeholders and incidents may lead to corrupted data and reputational damages. Failure to meet the requirements set by data protection regulations, such as the General Data Protection Regulation (GDPR) and nationals laws implementing the GDPR, may lead to penalties, fines, and other legal consequences.

We mitigate this risk by

We have implemented data protection regulations in our operations and have developed data protection policies and procedures . In line with and in addition to our cybersecurity strategy, we have implemented measures such as encryption of data, access controls and incident management.

LEGAL & REGULATORY RISKS

Changes in regulations

The company is subjected to a complex regulatory landscape, including fiscal, environmental, urban planning and civil law regulations. Changes in regulations may impact the activities or their timing. Non-compliance with these regulations can have adverse effects on the business and profitability.

We mitigate this risk by

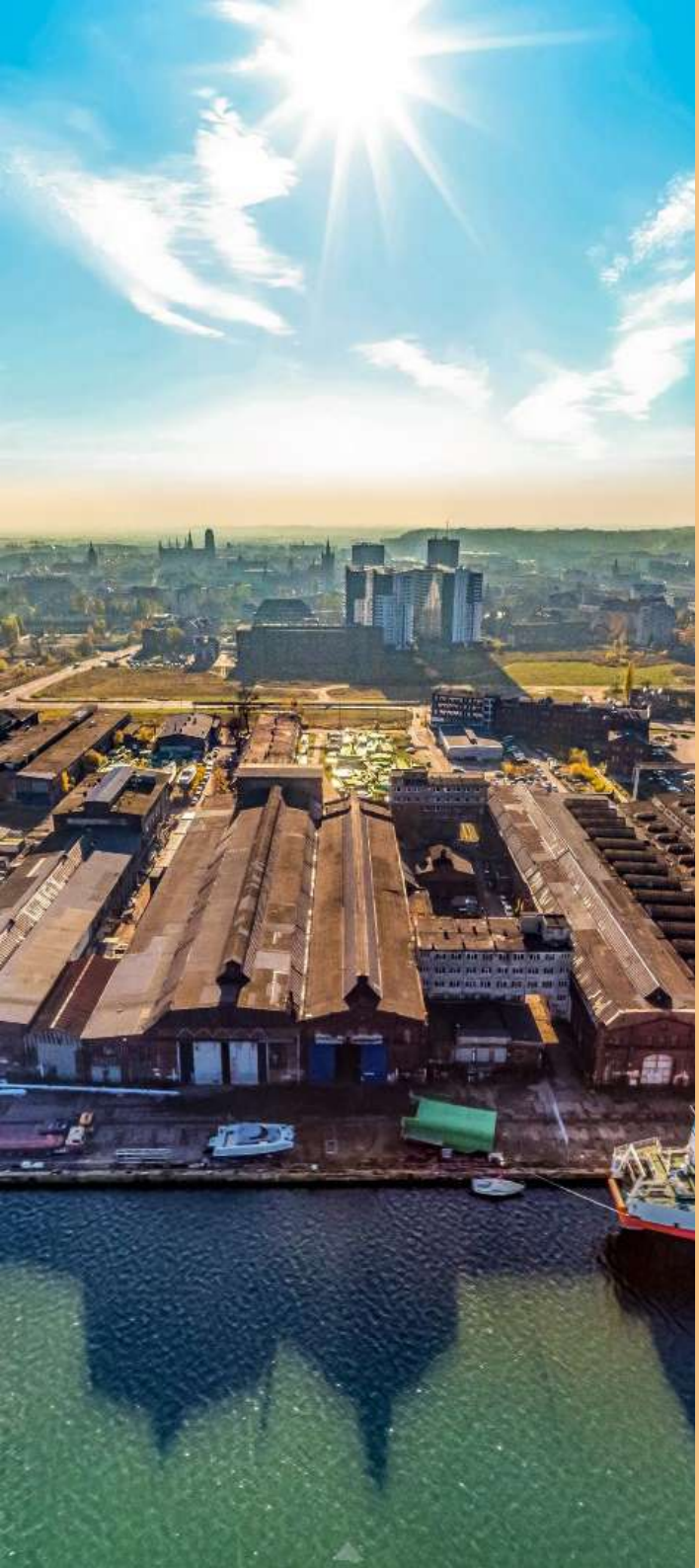
closely monitoring existing regulations and staying alert to potential changes or new laws. In-house legal counsels attend to seminars and courses on a regular basis and where required assistance of external expert advisors is sought.

Litigation

Legal disputes and lawsuits may arise in various aspects of real estate transactions, development, and management, including contract disputes, construction related disputes, civil and other liability claims and debt recovery, leading to substantial costs, time delays, reputational damage and diversion of resources.

We mitigate this risk by

performing thorough due diligence examinations when acquiring property, negotiating contracts on the basis of qualitative standards, proactive risk and debt management practices, keeping an open communication in case of disputes and by seeking appropriate insurance coverage where required.



CHAPTER 5

OUR GOVERNANCE

CORPORATE GOVERNANCE FRAMEWORK

Applicable rules and reference code

The holding company Alides REIM and its Belgian subsidiaries are submitted to the Belgian Code of Companies and Associations. Unlike listed companies, the group is not submitted to the Belgian Corporate Governance Code 2020. However, we find guidance in the specific recommendations on good governance for non-listed companies as included in the Buysse Code.

In consequence, we have established a modern governance structure with different governing bodies and have crafted comprehensive charters outlining our corporate governance principles. These charters delineate the roles, responsibilities, and powers of the different governing bodies within the organization, namely the **Board of Directors**, the **Audit and Risk Committee**, the **Remuneration and Nomination Committee**, and the **Executive Committee**.

Internal control and risk management

Various best practices for internal control have been implemented organization-wide, including segregation of duties, approval schemes, and the four eyes principle. These and other practices are included in policies and procedures which have been established for all main business processes. Internal training sessions are provided to ensure due implementation of these policies and procedures. These training sessions are supplemented with internal training sessions in relation to cybersecurity risks, fraud, ethical behavior and various other topics.

For the year 2023, we plan to implement a Code of Conduct with clear rules on compliance and ethical behavior, as well as a Supplier Code establishing6+ rules we accept our suppliers adhere to.

The effectiveness and adequacy of our internal control procedures is verified on a regular basis by the Audit and Risk Committee.

External audit

We have chosen to appoint an external auditor, both at the level of the holding company Alides REIM NV as at the level of its subsidiaries. Deloitte Belgium has been appointed as our auditor until the end of fiscal year 2025.

The consolidated and statutory financial statements as at 31 December 2022 of Alides Reim NV (and its subsidiaries) have been prepared in accordance with accounting standards generally accepted in Belgium (BEGAAP). The corresponding audit was carried out in accordance with International Standards on Auditing (ISA) and auditing standards generally accepted in Belgium, as imposed by the Belgian Institute of Company Auditors. Appropriate materiality levels are used to define the scope of the external auditor's audit activities.

BOARD OF DIRECTORS

The Board is our highest governing body and approves the company's overall strategy and policies in line with our company's mission and vision. The Board supervises the Executive Committee and several board members are also member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

The three non-executive family directors are:

Sophie Maes (former CEO Alides)

Antoine Maes

Christophe Maes (CEO Messiaen NV)

The four non-executive non-family directors are:

Paul Depuydt (COO and CFO Ravago NV)

Jan De Nys (CEO Retail Estates NV)

Joost Callens (CEO Caminogroup)

Nicolas Bearelle (Executive Chairman Re-Vive NV)

Finally, our CEO **Rikkert Leeman** is member of the board as an executive non-family director.

The Board meets at least ten times a year. Next to the strategic review meetings in January and September, this frequency enables to review the quarterly and annual accounts and yearly budgets, as well as discuss and take decisions on key topics such as important investment and divestment projects, evolutions in the main risks and opportunities, the company's financing and organization.








EXECUTIVE MANAGEMENT

The Board has entrusted the operational management to the **Executive Committee**, constituted in accordance with Article 7:107 of the Belgian Code on Companies and Association.

The Executive Committee is chaired by Chief Executive Officer Rikkert Leeman and is further composed by Chief Financial Officer Henk Cardon, Chief Legal Officer Thomas Osselaer and Chief Operating Officer Sven De Bondt.

Our **Management team** consists of the four members of the Executive Committee, together with the Head of Development, the Head of Property, the Head of B2B & Business Development and the Head of B2C & MarCom.

Both the Executive Committee and the Management Team meets on a weekly basis.

***Rikkert Leeman* /CEO**

CTO and Director at Befimmo for ten years

COO at Alides from 2014-2019

CEO at Alides since 2019

***Henk Cardon* /CFO**

Audit Manager at Grant Thornton for seven years

Financial Director at brick manufacturer Vande Moortel for two years

Financial Manager at Group Maes for eight years

CFO at Alides since 2015

***Thomas Osselaer* /CLO**

Legal Counsel at Orange Belgium for five years

Legal Counsel at Kinepolis Group for eight years

CLO at Alides since 2018

***Sven De Bondt* /COO**

Operations Manager at Bopro for six years

Development Manager at Nextensa for four years

Head of Development at Alides from 2019-2022

COO at Alides since 2023

CORPORATE BODIES

The Board of Directors has set up an **Audit and Risk Committee**, which meets bimonthly, and a **Remuneration and Nomination Committee**, which meets at least two times per year. Both committees have been set up and are operating in accordance with the provisions of the Belgian Code on Companies and Associations.

The **Audit and Risk Committee**, which was set up in 2019, consists of three non-executive board members, the majority whereof are independent directors. Its members are Paul Depuydt, Jan De Nys and Sophie Maes.

The Audit and Risk Committee has a recurring agenda based on the annual and quarterly financial reporting cycle. The agenda is supplemented by specific topics directly related to the group's main risks and uncertainties. Topics include internal control procedures, reporting (including ESG reporting), macro-economic developments including interest and inflation rates, IT and data security, etc. The Audit and Risk Committee advises and reports to the Board of Directors.

The Audit and Risk Committee also monitors and evaluates the effectiveness of the internal control procedures and makes any recommendations it deems necessary in this regard. This has led to the implementation of several internal control best practices such as segregation of duties and approval schemes.

The Remuneration and Nomination Committee consists of three non-executive board members, the majority whereof are independent directors. Its members are Jan De Nys, Paul Depuydt and Christophe Maes.

The **Remuneration and Nomination Committee** has a recurring agenda based on the annual budgeting and evaluation cycle. The agenda is supplemented by specific topics related to the organisation's structure, remuneration guidelines and the corporate governance of the group. Topics include advising on the composition of corporate bodies, the selection process for new members of the corporate bodies, incentive schemes and human resources policies.

SUSTAINABILITY GOVERNANCE

Living up to our ambition statement requires that we integrate sustainability throughout the whole organization.

At the level of the Board of Directors, ESG matters and sustainability ambitions are considered an integral part of the strategic plan for the group and are discussed during the Strategic Review sessions held in January and September.

The Audit and Risk Committee monitors the group's main risk and opportunities, including sustainability risks, reporting and data collection, and its advises the Board on a regular basis.

The Remuneration and Nomination Committee advises on the incentive schemes of the Executive Committee, which include specific objectives associated with the sustainability ambitions.

The company has appointed Kelly Moerman as Sustainability Manager. She is the driving force behind the sustainability working group, represents Alides in sustainability panels, and closely monitors the implementation and realization of the established objectives. She reports on a monthly basis to the Executive Committee.

Furthermore, sustainability targets are and have been set both at company level, working group level and several personal goals of Alides' workers.

Targets which are formulated at company level are translated into specific team objectives and individual objectives, so that each employee needs to contribute in achieving our sustainability ambitions. The progress towards the targets is monitored monthly in the Management Team meetings and reported on a quarterly basis to the Audit and Risk Committee.

Finally, a dedicated Sustainability Working Group has been created, with representatives of all departments, chaired by the sustainability manager and with Executive Committee buy-in. The Sustainability Working Group closely cooperates with the Innovation Working Group, the Digitalization Working Group and the Well-being Working Group.

CHAPTER 6

ABOUT THIS REPORT

OUR SUSTAINABILITY REPORT

The structure and topics covered in this first sustainability report are based on a selection of the most relevant elements of the chosen reporting framework (as explained in the following section). They have been selected carefully, based on currently available data and extensive discussions within our internal governance bodies and the insights of our stakeholders. As the strategic focus of our activities is directly related to our sustainability journey, we believe it is important not to delay in communicating this to our stakeholders. We want to include our stakeholders in our ongoing journey, provide insight into where we stand today and what our ambitions are for the future , and actively involve them by listening to them and understanding their needs.

2021

Short sustainability journey

Materiality Analysis

SDG Framework

Foundation Workinggroups (Sustainability, Innovation, Digitisation, Wellbeing)

2022

First carbon footprint

2023

First ESG-report

GRESBFirst rating

2024

Double Materiality Assessment

2025

Preparation limited assurance

2026

Compl. with CSRD Rep

REPORTING FRAMEWORK

Forward looking: CSRD and ESRS

On 21 April 2021, the European Commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD). This new regulation, which will be rolled out in a phased approach from 2024, radically expands reporting requirements to increase the transparency of companies' sustainability progress. Its overall aim is to harness the potential and position Europe as a forerunner in the transition to a fully sustainable and inclusive economic and financial system, in accordance with the European Green Deal and the UN Sustainable Development Goals. The CSRD will go into effect for financial years starting on 1 January 2025, and that for all large European companies, including Alides, with the first report expected in 2026.

On 15 November 2022, the first set of draft European Sustainability Reporting Standards (ESRS) was submitted to the European Commission. Publication of the final standards is expected mid-2023.

We are closely monitoring the further development of the ESRS by the European Financial Reporting Advisory Group (EFRAG), as it provides us with guidance on the structure and content of this reporting.

Awaiting the adaption of these standards by the European Commission, we have used the currently available draft standards as inspiration for the current report.

As the materiality assessment has shown, the material themes are divided between Environmental, Social and Governance. Therefore, this report is based on the following statements: ESRS E1, S1 and G1.

Alides believes that sustainability is a continuous process, where we, as a family-owned company, have a moral obligation to take care of the planet we live on for future generations. We have established an ambitious plan that we will implement over the course of 2022 - 2025. This plan aims to increasingly embed sustainability considerations and actions in the core activities of our activities. This is an iterative process and we will continue to measure and report our progress each year from now on. This first sustainability report is our moment to go public: the first step in making our impact and further actions transparent.

EU TAXONOMY

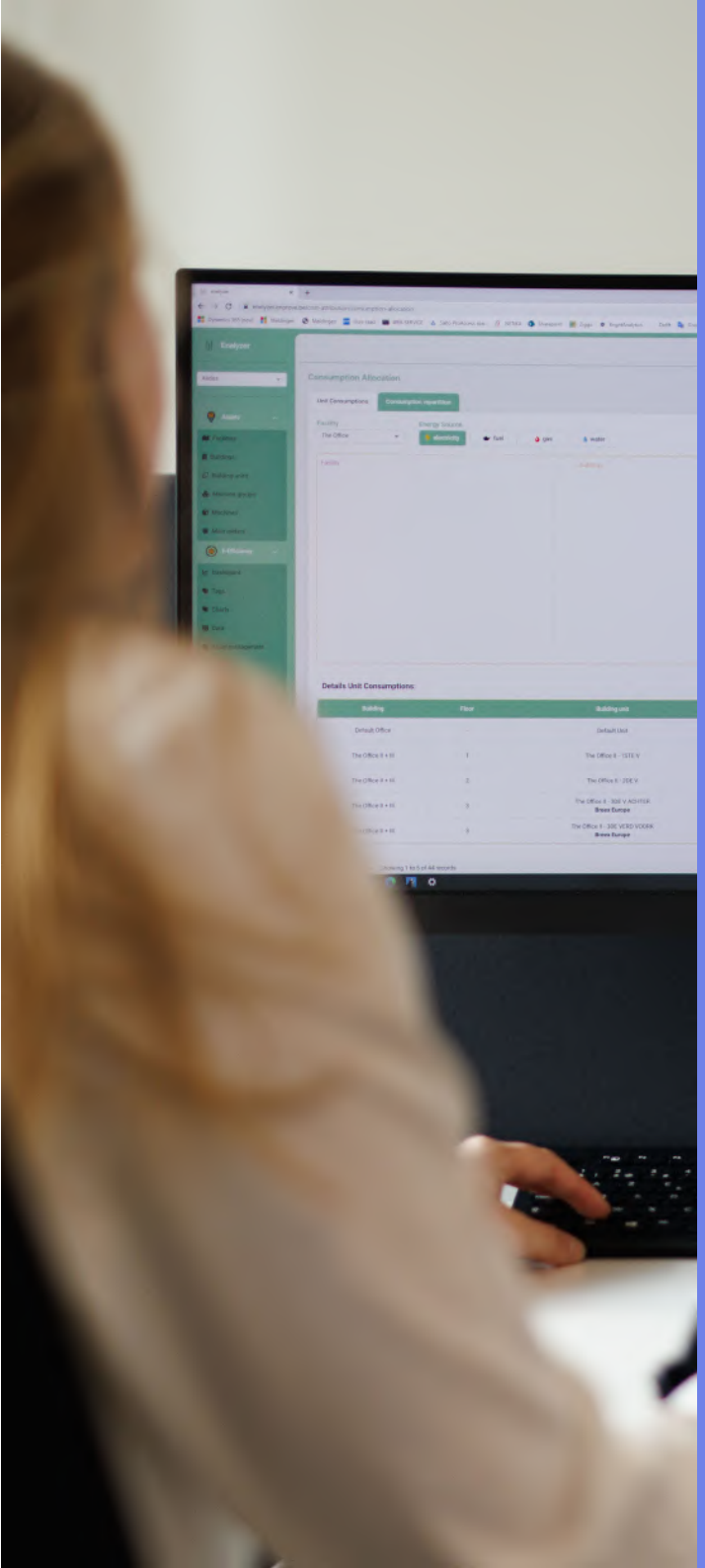
As part of its European Green Deal aiming to prevent greenwashing, the European Parliament and Council have developed a uniform classification system for sustainable economic activities with certain sectors of the economy, called Taxonomy. The Taxonomy regulation (EU 2020/852) sets out the high-level technical criteria for determining whether an economic activity substantially contributes to or does not significantly harm the environmental objectives. So far, six environmental objectives have been identified:

- Climate Change Mitigation.
- Climate Change Adaptation.
- Sustainable Use and Protection of Water and Marine Resources.
- Transition to a Circular Economy.
- Pollution Prevention and Control.
- Protection and Restoration of Biodiversity.

The real estate sector is one of the sectors included in the Taxonomy, as buildings account for 40% of energy consumption and 36% of carbon emissions across all typologies in the EU. Buildings can therefore play an important role in mitigating climate change. Technical screening criteria are therefore established for the construction of new buildings, the renovation of buildings, the acquisition and ownership of buildings, as well as the installation of energy efficiency equipment, the implementation of on-site renewables and the provision of energy services. Those technical screening criteria indicate the levels of energy performance, greenhouse gas emissions, and embedded carbon at which a building can substantially contribute to one of the objectives, without significantly harming any of the other objectives. With its hybrid profile of a real estate investor and developer, Alides has the ambition to align its activities with the EU Taxonomy. An initial set of technical screening criteria has been developed for each of the company's activities, i.e. construction of new buildings, renovation of existing buildings, and the acquisition and ownership of buildings.

This year's report should be evaluated as a best effort based on available data in the context of the above-mentioned evolving reporting landscape.

Furthermore, the reporting will evolve according to future publications on the technical screening criteria for the Taxonomy's environmental and social objectives.



CHAPTER 7

STATEMENTS

DISCLOSURE REQUIREMENTS

The European Sustainability Reporting Standards (ESRS) require transparent reporting on the following aspects:

ESRS TOPIC (ESRS2)	EXPLANATION AND MEASURING POINTS
BP-1 General basis for preparation of the sustainability statements	The sustainability statements are consolidated as shown in the following table. Some entities are not fully integrated into the sustainability statements in terms of social and governance aspects.

	Finance	Environmental	Social	Governance
Alides REIM	x	x	x	x
Properties	x	x	(x)	x
BHM	x	x	(x)	x
ACS	x	x	x	x
Alides Polska	x	x	(x)	x
Stocznia Cezarska (50%	x	x	(x)	(x)

BP-2 Disclosures in relation to specific circumstances	No specific circumstances to disclose
GOV-1 The role of the administrative, management and supervisory bodies	

5. OUR GOVERNANCE

Board of Directors

The Board consists of 8 members of which three internal non-executive directors, four external non-executive directors and one external executive director.

In terms of diversity, the Board has a 12.5% female-to-male ratio.

The members of the Board have the ability, experience, and knowledge required to carry out their task, through years of experience in managing and investing in the types of real estate in which Alides is active. Our external, independent directors were carefully chosen.

- Chairman Paul Depuydt is known as the former CEO of Alcatel-Lucent and the current COO and CFO at plastics

manufacturer Ravago.

- Joost Callens, CEO of family company Durabrik and the Camino Group. The latter is a group of 15 companies related to innovative housing solutions (construction, renovation, etc.). As a consequence, he has in-depth knowledge of the real estate market. Sustainability is high on the agenda of Camino Group. Durabrik is B-Corp certified.
- Nicolas Bearelle's input adds another dimension to this market knowledge, as founder and Executive Chairman of developer-investor Re-vive. He has great knowledge of the social and environmental impact of a company, as the latter is a B-Corp certified company. Within the sector, he is known as a sustainability ambassador and often invited in panels. Furthermore, he is a board member of RecAp. RecAp creates communities through meaningful connections between companies who strive for resilient and sustainable cities.
- Jan De Nys, who is the former Director of Expansion Management at Mitiska, and currently founder and CEO at Retail Estates, a Belgian REIT specialized in out-of-town retail investments in the Benelux.
- Sophie Maes knows Alides better than anyone, as she was our CEO from 2003 until 2019.
- Christophe Maes is also active in the construction sector, as CEO of Messiaen for 9 years. Messiaen specializes in renovation, metalworking, logistic support, constructional maintenance, and total project supervision.
- Antoine Maes was also active within Alides for many years and has a great technical background in addition to market knowledge.
- Our CEO Rikkert Leeman has built up extensive technical and market knowledge as the CTO and Director of Befimmo for ten years and as COO and CEO of Alides. He obtained the European Board diploma by ecoDa in 2022, with a specialization in sustainability.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The board of directors meets 10 times a year. Twice a year, a strategic board of directors is organized. During these sessions, he sustainability manager presents all strategic topics and ambitions on sustainability.

If, in addition to the strategic meetings, interim consultation is necessary, sustainability will be placed on the agenda.

GOV-3 Integration of sustainability-related performance in incentive schemes

Incentive schemes are offered to management and executive committee. These incentives are set on a yearly basis and include specific environmental topics.

GOV-4 Statement on sustainability due diligence

4. IMPACT, RISKS AND OPPORTUNITIES

GOV-5 Risk management and internal controls over sustainability reporting

Risks are monitored and controlled by the governing bodies and executive management. The risks are identified by the executive management and validated by the Audit and Risk Committee. In the upcoming years, a more detailed risk assessment will be carried out. The risks and opportunities that are relevant for our organization are described in Chapter 4. **Impact, risks and opportunities.**

SBM-1 Market position, strategy, business model(s) and value chain

1. ABOUT ALIDES

2. OUR REAL ESTATE UPCYCLING STRATEGY

SBM-2 Interests and views of stakeholders

4. IMPACT, RISKS AND OPPORTUNITIES

Stakeholder dialogues

The stakeholders are identified, and a clear overview of their expectations and our interactions is provided. All stakeholders were invited to a questionnaire to determine the material topics of Alides. Several stakeholders are invited to one-on-one meetings to discuss sustainability topics.

The conclusions from the above engagements are reported to the management and executive committee.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)

4. IMPACT, RISKS AND OPPORTUNITIES

Following risks are identified, monitored and controlled: risks on level of market, portfolio, development, climate & environment, human resources, financial, information security & data protection, regulatory & legal context.

ALIDES TARGET

A more detailed risk analysis will be carried out in the coming year. This will allow the highest material risks to be monitored and a risk management plan to be established and implemented.

Alides has already incorporated climate risk into the agenda of the Risk Committee, and moving forward, we will enhance its integration with a more focused and detailed approach.

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Alides has a risk committee that meets on a bi-monthly basis to discuss business risks. However, a resilience analysis has not yet been conducted (as described in ESRS 2 IRO-1).

The current risk assessment is based on investigating sector-specific risks. In the upcoming years, a more detailed risk analysis will be conducted to determine whether this analysis is sufficient comprehensive and to categorize the risks as high, medium, and low.

IRO-2 Disclosure Content on policies and actions

3. HOW WE CREATE VALUE

At present, we are not under any obligation to disclose information. Our reporting is done on a voluntary basis. In 2026, Alides will disclose all required information in accordance with the CSRD legislation.

DP-C Policies adopted to manage material sustainability matters

Property management policy
This policy includes all steps that are part of sustainable property management and our real estate upcycling strategy (operational phase), including how to reduce our impact during the phase before real estate upcycling. This policy will be further detailed and revised based on ongoing studies (such as BREEAM In-Use assessment) and new insights and best practices. Through continuous learning, the policy will be reviewed on an annual basis.

Development policy
The Development policy is currently still under development. The strategic outlines and ambitions have been established and are clear. The further implementation will be carried out in the coming year.

Procurement policy
The procurement policy is currently being developed and will be fully operational in 2024.

DC-A Actions and resources in relation to material sustainability matters

3. HOW WE CREATE VALUE

The majority of the material topics are related to the environment. The property management team has a dedicated technical profile responsible for managing all energy-related matters, specifically focusing on reducing the environmental impact during operations. A comprehensive reduction plan has been developed to decrease the carbon footprint of the portfolio. This plan is divided into multiple phases that address specific topics and buildings. It encompasses capital expenditure (capex) and operational expenditure (opex) budgets, which will be further refined in the coming year.

The sustainability manager holds overall responsibility for sustainability across the company, development projects, and properties, including oversight of all related budgets.

DC-M Metrics in relation to material sustainability matters

3. HOW WE CREATE VALUE

Metrics included in the report are not (yet) validated by an external body.

DC-T Tracking effectiveness of policies and actions through targets

3. HOW WE CREATE VALUE

The report includes targets along with the basis of their calculation.

ENVIRONMENTAL STATEMENTS

The European Sustainability Reporting Standards (ESRS) require organizations to disclose their environmental impacts more comprehensively and transparently so that stakeholders can better understand a company's efforts to promote sustainability. The Environment section of the ESRS covers a range of topics, including:

- ESRS E1 - Climate change
- ESRS E2 - Pollution
- ESRS E3 - Water and marine resources
- ESRS E4 - Biodiversity and ecosystems
- ESRS E5 - Resource use and circular economy

In this sustainability report, we provide information on the ESRS E1 (climate change). In our future reporting for financial years 2023-2025, we will provide further, detailed information on the other environment-related topics defined in our dual materiality assessment as having a significant material impact

Climate change

TOPIC	EXPLANATION AND MEASURING POINTS	UNIT	REFERENCE
Transition plan for climate change mitigation	2. OUR REAL ESTATE UPCYCLING STRATEGY 3. HOW WE CREATE VALUE **2022 Our carbon footprint results > Carbon reduction plan** Alides is convinced that its strategy will contribute to decarbonizing the real estate sector.		ESRS E1-1
	The transition plan of Alides consists of three levels. In terms of the environment, we focus on the following topics: 1) Company level (Scopes 1 and 2 GHG emissions):		ESRS E1-1 GRI 305 SDG 13

We reduce our Scope 1 emissions by focusing on sustainable transport and reducing the energy intensity of our office buildings.

In 2023 an energy audit of the office building in Ghent will be conducted to ensure that our technical installations are well managed, that the installation set points are smart, and that actions can be taken, if necessary.

2) Portfolio level (Scope 3 GHG emissions):

Alides uses Energy Performance Certificates and the CRREM tool (path 1,5°C) to manage the energy performance and stranding risk of the existing portfolio.

3) Development projects (Scope 3 GHG emissions):

Development projects will mainly consist of densification projects and real estate upcycling projects. With regard to the densification projects (new construction), Alides strives to meet the EU Taxonomy requirements for substantial contribution to climate change mitigation by doing 10% better than national standards NZEB. The real estate upcycling projects (renovation of existing buildings) will lead to at least 30% reduction in primary energy demand (PED).

SBTi:

SBTi is developing science-based target setting methodologies, tools and guidance for companies in the real estate sector. This will be released by the fourth quarter of 2023 and aims to achieve three objectives:

- Establish a global pathway for buildings' in-use emissions aligned with 1.5°C
- Establish a global pathway for buildings' embodied emissions aligned with 1.5°C
- Issue guidance on emissions accounting and reporting as well as target setting and validation

ESRS E1-1

	Alides commits to set a science-based target (Belgium) and will evaluate the sector-specific methodologies when published. ALIDES TARGET		
Material impacts, risks and opportunity management	2. OUR REAL ESTATE UPCYCLING STRATEGY 4. IMPACT, RISKS AND OPPORTUNITIES It is clear that our Real Estate Upcycling strategy has a positive environmental impact, which means that sustainability is integrated into the business strategy of Alides. However, an external resilience strategy with scenario analysis is not conducted.		ESRS 2 SBM-3
Policies related to climate change mitigation and adaptation	3. HOW WE CREATE VALUE **2022 Our carbon footprint results > Carbon reduction plan** 6. ABOUT THIS REPORT **EU Taxonomy** The EU Taxonomy aims to guide private investments towards activities that are needed to achieve climate neutrality by 2050. Alides uses the EU Taxonomy Compass to guide decisions in our scope of work: construction of new buildings, renovation of existing buildings, acquisition and ownership of buildings. Alides uses the technical screening criteria as the most important criteria to determine to what extent the activities contribute substantially to climate change mitigation.		ESRS E1-1

Climate change mitigation measures and management are already integrated into Alides' operational policies at a high level. This will be further developed over the next year. Several topics included in our internal procedures contribute to alignment with the EU Taxonomy criteria for climate change mitigation.

Property management policy

The policy describes that existing and new assets in the portfolio are assessed for their carbon emissions during the use phase. This data is managed by a tool that monitors energy consumption. This tool will be extended so that data on refrigerant leaks can be easily monitored and managed as well.

Depending on the maturity date of the asset, the policy describes different pathways.

An energy audit will be carried out for all assets with surface > 1000m^2 and in full ownership of Alides. These energy audits include actions to improve energy efficiency.

The CapEx and OpEx plans already include actions leading to a more sustainable and future-proof portfolio. These will be further updated as more energy audits are carried out.

ALIDES TARGET

In 2023, a pilot project BREEAM-In-Use Part I and II will be carried out. The portfolio management policy will be reviewed by implementing BREEAM best practices in daily portfolio and property management.

The CapEx and OpEx amounts required to implement the above-mentioned actions will be reported by 2026 at the latest.

ESRS E1-2
GRI 2-23
GRI 305
SDG 13
SASB IF-RE-130a.5
SASB IF-RE-450a.2

Development policy

The policy broadly describes the ambition for the different asset classes (offices, residential and student housing) and refers to the Alides design standards.

In general, Alides aims to do 10% better than national NZEB standards. For office projects, this is endorsed by obtaining a BREEAM certification level Excellent or better. Residential projects are assessed on their national energy performance level (EPC) and the extent to which they do better than the legal requirements. The measures cover the following areas: climate change mitigation, energy efficiency and deployment of renewable energy.

ALIDES TARGET

The CapEx amounts required to implement the above-mentioned actions will be reported by 2026 at the latest.

Procurement policy

The procurement policy is currently being developed and will be fully operational in 2024. However, the outlines are clear. There are several categories of procurement process and requirements, depending on the size of the contract. As the size of the contract increases, it will be more aligned with EU Taxonomy and BREEAM, and compliance will be monitored more closely.

Tender phase: Alides is developing an ESG assessment that will be part of the tender phase, when the works budget exceeds €1 million. The aim is to include ESG aspects, in addition to price, when assessing a party at company level.

	Contract phase: Each contract will include ESG requirements, and a supplier charter will be published on our website. Execution phase: Requirements regarding sustainable construction management will be included for the following topics: energy and water use, waste management, pollution and biodiversity Implementation of the procurement policy and additional standards and procedures in 2024. ALIDES TARGET		
Actions and resources in relation to climate change policies	3. HOW WE CREATE VALUE **Enhancing real estate** Allocation of resources: Efforts are made to widely integrate sustainability into the corporate culture. Every colleague working within team Property or team Development contributes to this through their projects. This is complemented by the transversal working groups that meet regularly and work on four themes. At company level, ½ FTE is allocated exclusively to ESG objectives and reporting.		ESRS E1-3
Targets related to climate change mitigation and adaptation	3. HOW WE CREATE VALUE **2022 Our carbon footprint results > Carbon reduction plan** The calculation of the Carbon Footprint is conducted by a third party (Encon) in accordance with the following criteria: - Footprint calculation according to following standard: Greenhouse Gas Protocol - Corporate standard		ESRS E1-2 GRI 305 SDG 13

- Chosen consolidation approach: Operational control: This means that a company considers 100% of the emissions released by its activities over which it has control. A company is assumed to have operational control over an activity if the company has full authority to set and implement its operational policies for the activity.
- Analysed period: 31/12/2021 - 31/12/2022

A reduction plan is being drafted for scope 1,2 and the main categories in scope 3. A reduction plan for controlled assets is already in place. Our goal is to ensure that all reduction plans align with science base targets as soon as sector standards are made available.

3. HOW WE CREATE VALUE

Enhancing real estate

Alides has a general contract with an energy supplier for its own offices and several buildings in its portfolio (coverage of +/-60%). The consumption and energy mix shown in the diagram below, are based on the same perimeter applied in the reporting of GHG Scope 1 and 2 emissions.

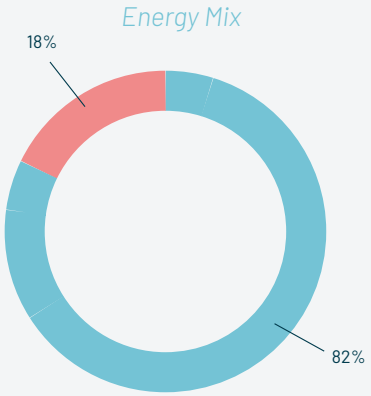
Belgium:

The Alides office building in Ghent had the following energy mix and consumption in 2022:

ENERGY CONSUMPTION AND MIX	YEAR 2022
1. fuel consumption from natural gas (kWh)	66.641
2. Consumption of purchased electricity from non-renewable sources (kWh)	42.016
3. Total non-renewable energy consumption (kWh) calculated as the sum of lines (1) (2)	108.657
Share of non-renewable sources in total energy consumption (%)	82%
4. Consumption of purchased electricity form renewable sources (kWh)	-
5. Consumption of self-generated non-fuel renewable energy (kWh)	24.480
6. Total non-renewable energy consumption (kWh) calculated as the sum of lines (4) (5)	24.480
Share of renewable sources in total energy consumption (%)	18%
Total energy consumption (kWh) calculated as the sum of lines (3) (6)	133.137

Total energy consumption of 133MWh
18% renewable energy

ESRS E1-5
GRI 302-1
SDG 13



SHARE OF RENEWABLE SOURCES IN TOTAL ENERGY CONSUMPTION (%)

SHARE OF NON-RENEWABLE SOURCES IN TOTAL ENERGY CONSUMPTION (%)

ALIDES TARGET

As of 2023, Alides will change the existing energy contract to a contract with 100% renewable electricity. Alides strives for the office building in Belgium to have an energy mix of 50/50 renewable/non-renewable sources by the end of 2023.

Poland:

A target will be defined

Energy intensity based on net-revenue

As the construction sector is defined as a sector with a high climate impact, energy intensity is reported in relation to our net income.

The net revenue of 2022 is 21,5mio€ and the energy consumption of the total portfolio is estimated on 25,5 GWh.

Total energy consumption per net revenue: 1,19kWh/€

ESRS E1-5
GRI 302-3
SDG 13

Gross Scopes 1, 2, 3 and Total GHG emissions

3. HOW WE CREATE VALUE

2022 Our carbon footprint results

In 2022, Alides calculated the company's carbon footprint for the first time. The scope of the calculation is Alides REIM, including Alides Properties, BHM, ACS, Alides Polska and Stocznia Cesarska.

ESRS E1-6

Alides supports the Paris Agreement to reduce GHG emissions and global warming. Alides will contribute to the achievement of SDG 13 to combat climate change and its impacts, by reducing GHG emissions.		
Scope 1: GHG emissions Gross global Scope 1 GHG emissions to the atmosphere are reported in accordance with the GHG Protocol. Scope 1 emissions are direct greenhouse gas (GHG) emissions from sources managed or owned by an organization (e.g., emissions associated with fuel combustion). Transport (company cars, freelancers, and delivery trucks) represents 81% of our total Scope 1 and 2 emissions. **Alides climate targets** Alides will cut the carbon intensity of transport by 50% by 2028, compared to the 2022 baseline. We also pursue a zero-emission strategy and strive to stimulate freelancers to respect this strategy. We will only order cars with zero-emission technology from 2022 onwards (100% zero-emission as of 2028). We will actively support initiatives to motivate the use of alternative means of transport (bicycle, public transport, etc.)	111,20 tonnes CO2eq in 2022	ESRS E1-6 GRI 305-1 SDG 13
Scope 2: GHG emissions Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, heat, or cooling. Alides has an energy contract with an emission factor for electricity of 50,21 g CO2eq/kWh and for gas of 188,8 g CO2eq/kWh. **Alides climate targets** As of 1st January 2023, Alides has switched to a 100% renewable electricity contract in Belgium.	4,19 tonnes CO2eq in 2022	ESRS E1-6 GRI 305-2 SDG 13

	Scope 3: GHG emissions We have identified our largest upstream and downstream activities and initiated a program to set up, monitor, and measure value chain emissions (Scope 3). 2022 is considered a test phase for data collection. Based on our first calculation, Category 11 – Use of sold products – represents the largest impact with 50,58% of our total scope 3 emissions. **Alides climate targets** Capital goods: set up one testcase (upcycling) to calculate the life cycle impact. As of 2023, each project with permit will implement at least two low-impact materials to reduce the embodied carbon. Waste generated from activities: as of 2024, each contractor will be asked to report waste generated on site and demonstrate that 90% (by weight) is recycled. Business travel: travels of less than 1,000 km will be made by car or public transport. All carbon impact due to plane travel will be offset as of 2023. Use of sold products: Alides commits to be more ambitious than current legislation and strives to do 10% better than NZEB. Downstream leased assets: Alides will encourage all new lease contracts tenants to commits them to full transparency in energy consumption and the use of 100% renewable electricity. Alides will add 550kWp to its solar panel capacity in its portfolio by 2025, compared to the 2022 baseline (164kWp). As of 2023, Alides will monitor energy performance, use an energy management system (2023), and set energy intensity reduction targets to achieve our reduction ambitions towards 2030.	29.532,98 tonnes CO2eq in 2022	ESRS E1-6 GRI 305-3 SDG 12 SDG 13 SDG 17 EU Tax/ Construction new buildings/ Contributing to climate mitigation (1.) EU Tax/ownership of buildings/ Contributing to climate mitigation (3.)

	GHG Intensity based on net revenue. Taking into account net revenue as mentioned in the financial statements and the GHG's of category 13 – Downstream Leased assets.	195,53 tonnes CO2eq / moi € net revenue in 2022	ESRS E1-6 GRI 305-4

SOCIAL STATEMENTS

The Social section of the ESRS covers a range of topics, including:

- ESRS S1 - Own employees
- ESRS S2 - Employees in the supply chain
- ESRS S3 - Impacted communities
- ESRS S4 - Consumers and users

In this sustainability report, we provide information on the ESRS S1 (own employees). In our future reporting for financial years 2023-2025, we will provide further, detailed information on the other social topics defined in our dual materiality assessment as having a significant material impact.

Own workforce

TOPIC	EXPLANATION AND MEASURING POINTS	REFERENCE
Policies related to own workforce	3. HOW WE CREATE VALUE **Embracing real people** **Employer Brand, Recruitment and Selection** **Talent attraction** • Marketing works on Employer branding, resulting in increased job inflows and a strong cultural match between candidates and Alides.	ESRS S1-1 GRI 2-23 SDG 8

Recruitment and Selection

- Annual development of recruitment plan and budget, based on ins, outs and strategic objectives.
- The recruitment process follows seven well-considered steps, allowing us to identify the right matches.
- Clear vacancy, job descriptions and competence profiles to increase the hit-ratio in terms of recruitment.
- A well-thought-out wage policy, based on a remuneration exercise
- Preference for internal candidates over external ones, if both fit the profile of the vacancy.
- When recruiting for a leadership position, an external assessor is involved for additional testing of leadership competences.
- Values are a decisive criterion and are measured in a competency-based interview and, depending on the position, also via a personality questionnaire.
- Transparency towards candidates: every application is answered and candidates are informed of the status of the application within a reasonable time.

Onboarding

Clear onboarding process, onboarding plan and follow-up by HR in the first six months.

The above-mentioned initiatives have resulted in a fierce growth of 37,5% over the past four years and an average retention of 93%.

Year	Workers	Recruitment	Departure
2019	32	8	2
2020	35	4	1
2021	36	2	1
2022	44	8	5

Talent Development policy
Competence profile

- The use of competency profiles is put in place to ensure that not only is it clear what is expected of someone, but also what attitudes and skills are needed. This promotes equal opportunities and fosters diversity and inclusion.
- Three competence profiles have been created within the organization (director – manager – employee), based on three pillars: knowledge, skills, and attitude.

In the future, the competence profiles will be extended to four roles, with room for the concretization of career paths other than managerial, such as the validation of very strong expertise or validation of co-conceptual, cross-team work.

ALIDES TARGET

Continuity / Talent Pipeline

- A 'deputy' is put in place for several management positions and at least one person per team can take over the manager's duties if that person is absent for a short or longer period of time.
- Managers ensure that each function or task can be performed by at least two employees within their team.
- Processes were written down to ensure retention of knowledge within the company.

Develop a talent pipeline so that all teams have a 'deputy' ready to take over, when necessary.

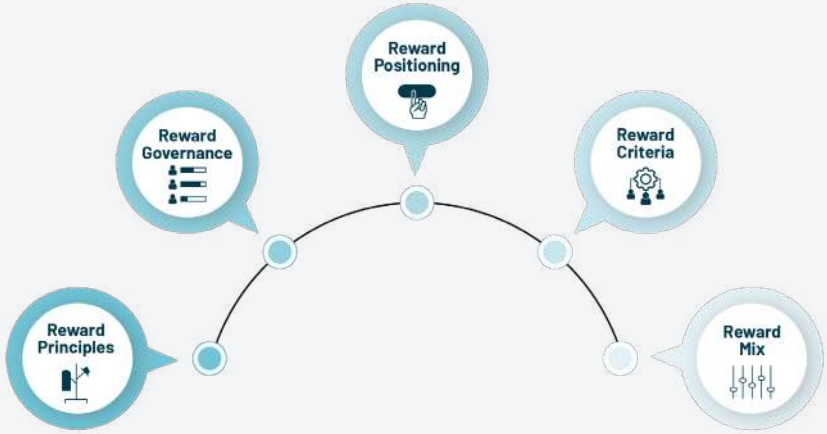
ALIDES TARGET

ESRS S1-1
GRI 2-23
SDG 8
SDG 10

Remuneration policy

The total remuneration is organized according to the scheme below:

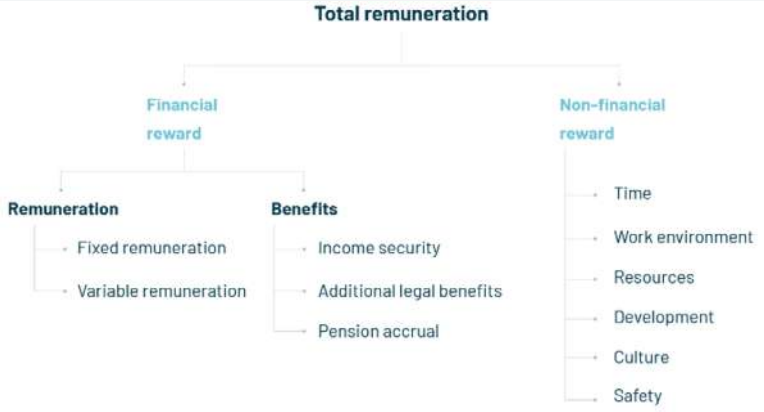
ESRS S1-1
GRI 2-23



The policy is built on five fundamentals, which are aligned with our culture and strategy, and with legislation:

- Remuneration principles: Performance-based differentiation, simplicity in implementation, consideration of tax treatment and market realities.
- Remuneration governance: Transparent classification, clear future prospects, line management input, committee oversight, and annual remuneration meeting.
- Remuneration positioning: Continuous benchmarking updates, attention to diverse roles, specialization guidance.
- Remuneration criteria: Starting salary based on job weight, market value, and expertise. Salary evolution tied to expertise, dedication, customer focus, loyalty, and teamwork. Variable rewards based on predetermined objectives and company, team, and individual performance.

- Remuneration mix: Fixed and variable remuneration, collective and/or individual. Includes elements and factors like job security, professional training, working environment, and vitality. Tailored careers for exceptional employees, offering additional training, conceptual work, domain responsibility, buddy roles, etc.



In addition, our employment regulations stipulate that Alides REIM respects the principle of equal pay for male and female employees, according to CLA 25.

3. HOW WE CREATE VALUE

ESRS S1-1
GRI 2-23
SDG 3

Embracing real people > Well-being

Workplace accident prevention policy:

In addition to our external prevention advisor, we have at least one level 2 prevention advisor internally. Also, all employees within the property team are level 3 prevention advisors.

Evacuation drills are organized once a year.

Within our activities, safety is guarded through the following measures:

Processes for engaging with own workers about impacts	- Within our portfolio each building is inspected and monitored according to legal obligations. - Within our portfolio, fire audits are carried out for the largest buildings. - On construction sites, safety is monitored by the safety coordinator. ALIDES TARGET In 2023, a certified organization will conduct a fire risk analysis. In 2023, a training on safety in buildings and on construction sites will be organized for the real estate and development team. 3. HOW WE CREATE VALUE **Embracing real people > Engagement** 4. IMPACT, RISKS AND OPPORTUNITIES **stakeholder dialogues** Working groups: - In working groups, committed and motivated employees are given the opportunity to work on certain topics that go beyond their own functional area. - Four working groups have been defined: innovation, digitalization, sustainability, and well-being. - All employees were able to apply to join one of the working groups, provided they would commit for at least one year to research a chosen theme and take initiatives. - Each group consists of a number of employees from different teams. To ensure that there is sufficient support, an operational lead is assigned within each working group. In addition, there is at least one management buy-in, except for the well-being working group, which has an HR buy-in. - Each working group meets monthly to bi-monthly.	ESRS S1-2

- Initiatives are proposed, challenged, budgeted, and subsequently approved by management before becoming operational.
- Each working group reports to the management team twice a year. Their findings and initiatives are shared with all employees during quarterly meetings and other team meetings.

ALIDES TARGET

Each working group creates its own KPIs on an annual basis, which have to be validated by executive management.

Facilitating team member involvement

ESRS S1-2

2019: An Organizational Cultural Audit (OCATM) was conducted and led by external consultants, providing leadership and strategy support to Alides. This audit provided a comprehensive diagnosis of the current corporate culture, as well as a thorough understanding of the culture Alides wants to achieve, by looking at what employees think of current organizational practices and what values they value.

2020: A workplace survey was conducted during the design phase of the new office building, before and after moving in, providing insight into the desired look and feel, employee perceptions of the office layout and initial feedback.

2020 - 2021: A mobility survey was organized by Spits to determine the mobility profile of the organization. In 2021 a mobility test week was organized where employees could use different kinds of bicycles (e-bike, speedelec, cargo bike, etc.). A second mobility survey was organized to get new insights and feedback on the test experiment.

May 2022: An initial 'pulse measurement' or well-being survey on Alides' assets and areas for improvement was held. The results were presented to Executives and Managers and communicated to employees through a newsletter. It also served as input for the various working groups.

ALIDES TARGET

In 2023, a psychosocial risk survey will be held.

In the coming years, Alides plans to organize annual 'pulse measurements'. The latter is a low-threshold survey in which well-being is measured, among other themes.

Communication
In addition to informal communication moments, structural, formal moments of communication and information sharing are set up. The intention is to promote not only top-down but also bottom-up lines of communication as much as possible.

ESRS S1-2
SDG 8

Processes to remediate negative impacts and channels for own workers to raise concerns

3. HOW WE CREATE VALUE

ESRS S1-2
SDG 8

Embracing real people
As mentioned in the workplace accident prevention policy, we have at least one level 2 internal prevention advisor. There is also an external prevention service, which includes a PA doctor and a psychosocial risks prevention advisor.

As stipulated by Belgian legislation, companies with fewer than 50 employees must use an external prevention advisor for psychosocial risks. As described in the labor regulations, employees can turn to this external channel in case of psychosocial risks at work.

In addition, there are some informal channels through which concerns can be remedied:

ESRS S1-3
SDG 8

Onboarding process:
Follow-up interviews with HR are scheduled after one month, three months, and six months. This creates a certain level of trust between the employee and HR, which lowers the threshold for the employee to contact HR when needed.

Buddy system:
Buddies are appointed for the new employees. Buddies receive a document detailing what is expected

	when taking up this role, what the new employee's succession process is, and what is in it for the buddy. Both HR and buddies provide feedback to the manager. Thanks to this approach, there are frequent feedback moments, allowing Alides to quickly respond to situations if needed. Based on our Competence Policy, managers should have empowering leadership skills, in addition to steering and influencing. This skill entails the ability to create a safe environment for employees.	
Mitigation of risks and pursuing opportunities related to own workforce	Decy & Ryan's self-determination theory provides a framework within which HR initiatives can be developed. To strengthen employee motivation, Decy & Ryan recommend that an organization should focus on autonomy (A), involvement (I) and competence (C). Research shows that this generates a series of positive consequences for the organization. Therefore, this AIC framework is always kept in mind when improving existing Alides HR processes and setting up new initiatives, aimed at mitigating negative impacts and implementing positive initiatives. Within this framework and based on the vision that investing in growth and development contributes to promoting intrinsic motivation, Alides actively pursues different development initiatives tailored to the employee. Development initiatives are based on Alides' strategic objectives and are identified on an annual basis.	ESRS S1-4 SDG 8
	Onboarding program: The onboarding program aims to create social cohesion and engagement on the one hand, but also frequent feedback moments on the other hand. The latter allows quick response to situations if needed. - Managers receive a template requesting them to develop a concrete agenda planning for the starter for at least the first two weeks. - A buddy is appointed for the starter (cf. supra). - Follow-up interviews with HR are scheduled after one month, three months, and six months. Managers receive feedback after the interview. Each employee should be followed up according to the onboarding process.	ESRS S1-4 SDG 8

Work-life balance:
In line with our remuneration principles, in which Alides positions itself as a caring employer, management and the Remuneration Committee decided to switch to a 40-hour working week from August 2022. This will offer employees 12 days of catch-up leave, compared to six days in a 39-hour week. This decision complements the existing flexibility in working hours and supports employees in experiencing a healthy work-life balance. It therefore endorses the importance we attach to the values of people-orientation and sustainability.

ESRS S1-4
SDG 8

ALIDES TARGET

- Right to disconnect policy
- Homework policy
- Privacy policy

Alides4You:
As part of its commitment to employee well-being in a broad sense, Alides created the Alides4You well-being program at the end of 2021. It provides a framework for organizing events and awareness-raising activities, aimed at bringing employees together and nurturing the Alides team spirit on the one hand, and giving space to "being human" as an Alides employee on the other.

ESRS S1-4
SDG 8

A few items on the agenda in 2022 were mental well-being, physical well-being, team-orientation, and community building. These were promoted through a resilience workshop, various sports activities, team buildings and meetings and so on.

This well-being program is compiled and implemented by the well-being working group, which consists of seven colleagues from various departments in the organization.

A well-being agenda with new activities is created each year.

Training:
Alides provides employees with ample training opportunities to their skills and knowledge.

ESRS S1-4
GRI 404-2
SDG 8

Our internal training program, called Alides Academy, offers employees a mixture of mandatory and

voluntary training by internal or external trainers. Each year, a new educational plan is created for the upcoming period.

In 2023, the following points will be covered: feasibility, taxation, ESG reporting, office market trends, Office 365, ethics, negotiation, and safe working practices. A short evaluation form follows this training program.

Additionally, our employees have access to an online learning platform, where they have the opportunity to follow a wide variety of courses.

Target:

- As required by the Belgian labor deal, each employee must receive at least four days of training per year as of 2023, and five days per year from 2024.
- In 2023 100% of employees follows at least two online training courses on an annual basis, which will mount up to three courses in 2025.
- In 2025 a t least 70% of employees has followed a non-compulsory Alides Academy training, which increases to 90% in 2030.

Personal Development Plan

The personal development plan was implemented on a non-compulsory basis. In this plan, not only learning needs are included, but personal ambition and annual targets are also concretised into development actions.

ESRS S1-4
SDG 8

ALIDES TARGET

Roll-out of the Personal Development Plan in 2023. By 2025 30% of our employees should have a tailored Personal Development Plan in place.

Working groups

The working groups (cf. supra) are a bottom-up initiative, matching and reinforcing the AIC needs of employees: autonomy (A), involvement (I), and competence (C). It also stimulates innovative thinking and challenges the status quo.

Working groups put their own KPIs forward each year.

ESRS S1-4
SDG 8

Feedback

Feedback plays a crucial role in the development of employees and is therefore encouraged to increase self-awareness. In addition, feedback contributes to a good and healthy working atmosphere. Cooperation between teams also runs more smoothly in an open feedback culture and goals are achieved faster.

Alides wants to anchor feedback in its culture both formally and informally:

ESRS S1-4
SDG 8

Formal feedback

The evaluation interview between employee and manager takes place in January and focuses on personal goals and self-assessment. In 2023, the development interview will be added. This is shown in the outer circle of the diagram.

Informal feedback

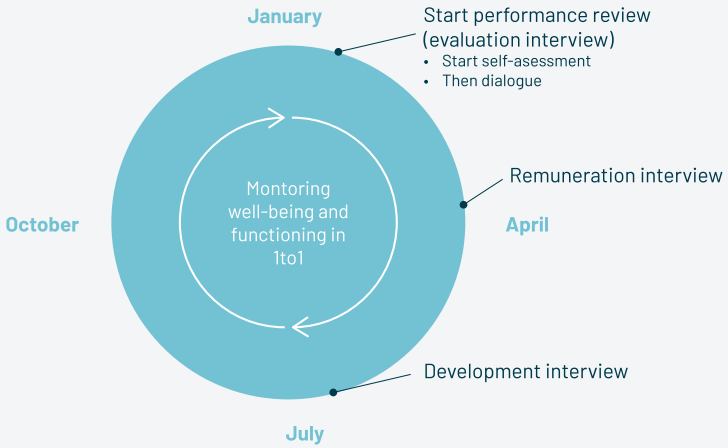
The inner circle of the diagram represents informal feedback. Now, this contains the informal 1-to-1 feedback moments between manager and employee, on operational matters and the employee's general well-being. Alides will install more informal ways of feedback in 2023.

ALIDES TARGET

- Formal: The development interview will be organized as of July 2023. During this interview, the employee's talents, energizers, and well-being will be discussed.

- Informal: A Feedback Note is exchanged between colleagues after completing a project together. This encourages regular feedback between colleagues.

Characteristics of the undertaking's employees

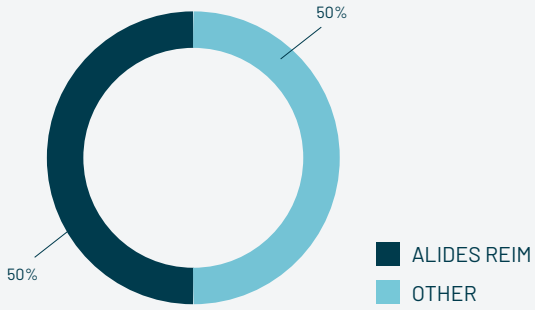


3. HOW WE CREATE VALUE

The employee data are divided between data from Alides REIM and data from the subsidiaries (defined as "Other"), namely ACS, Alides Properties, BHM, Alides Polska (Poland), and Stocznia Cesarzka (Poland). Below is the number of workers of all five companies

Alides REIM		
Female	**Male**	**Total**
Number of workers		
22	22	44
Number of permanent workers		
21	21	42
Number of temporary workers		
1	1	2
Number of non-guaranteed hours workers		
n.a.	n.a.	
Number of full-time workers		
20	22	42
Number of part-time workers (50-80%)		
2	0	2

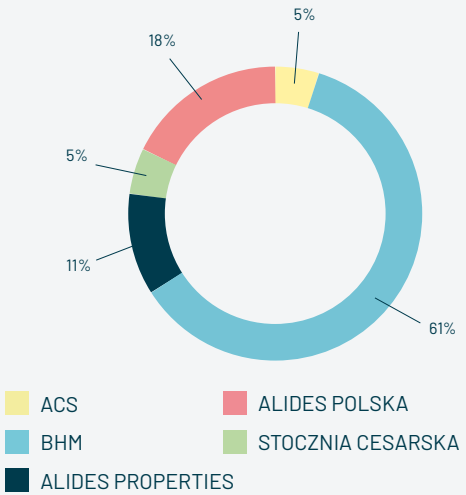
Division number of employees Alides REIM - other



ESRS S1-6
GRI 2-7
SDG 8

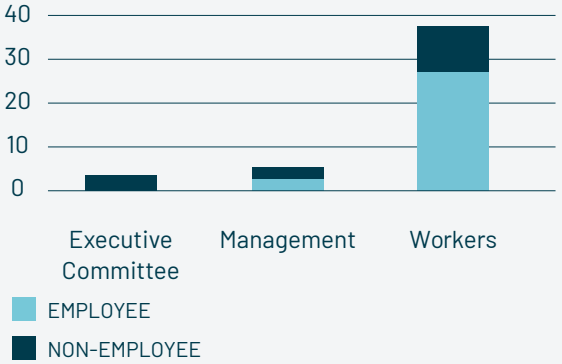
Characteristics of non-employee workers in the undertaking's own workforce

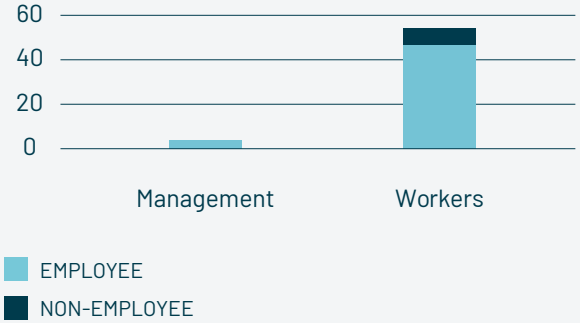
Other		
Female	**Male**	**Total**
Number of Employees		
22	22	44
Number of permanent employees		
20	19	39
Number of temporary employees		
2	3	5
Number of non-guaranteed hours employees		
n.a.	n.a.	
Number of full-time employees		
22	22	44
Number of part-time employees (50-80%)		
0	0	0



Alides Reim's workers include employees and non-employees. The latter refers to self-employed workers representing their own company by offering expertise requiring services to Alides Reim. These self-employed workers are part of different teams such as legal, sales, development and HR and are management jobs as well as non-management jobs. Exact figures are reported here.

Although here the division is made between employees and non-employees, in all the other data reported, "workers" refers to both groups.





ESRS S1-7
GRI 2-8
SDG 8

Collective bargaining coverage and social dialogue

All Alides REIM employees are covered by PC 200 "supplementary PC for the employees". Multiple collective employment agreements are included in our labour regulations.

ESRS S1-8
GRI 2-30
SDG 8

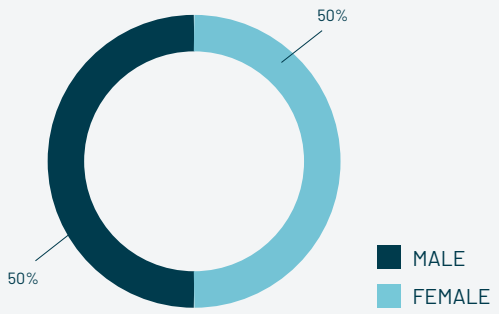
Diversity indicators

Labor regulations
Alides REIM's labor regulations include an employment plan for older employees (CAO 104 of 27/06/2012). This employment plan contains several company-specific measures to increase the employment rate of employees aged 45 and over, either by retaining them or by increasing their numbers through age-related hiring.

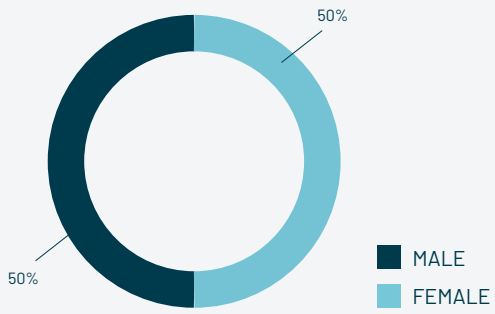
Diversity indicator - Gender

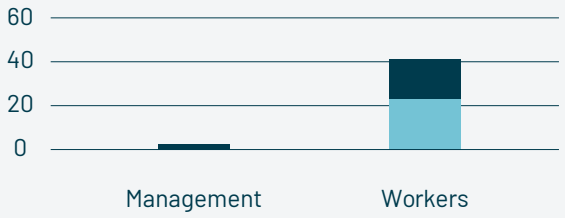
ESRS S1-9
GRI 405
SDG 5
SDG 10

Diversity - Gender Alides REIM



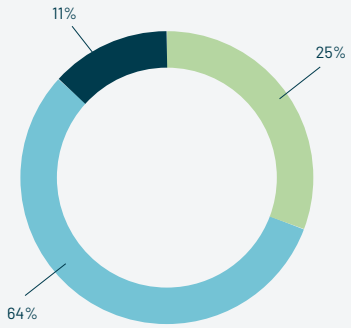
Diversity - Gender Other



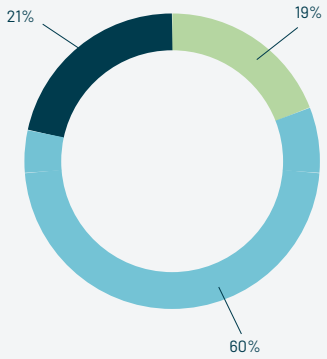


Training and skills development indicators

Diversity - Age Alides REIM



Diversity - Age Other



> 50 YEARS OLD
30 - 50 YEARS OLD
< 30 YEARS OLD

3. HOW WE CREATE VALUE

Embracing real people

The tables below show the average number of training hours per employee, employee category, and gender. Board training hours are not disclosed in this report. Data for internal and external training is reported separately. The average number of training hours dedicated to ESG is also reported explicitly.

Internal training

AVERAGE TRAINING HOURS	FEMALE	MALE
Executive committee	0,00	4,33
Management	26,00	16,00
Employees	20,32	18,56
AVERAGE	15,44	12,96
		14,40

ESRS S1-13
GRI 404
SDG 8

Exernal training

AVERAGE TRAINING HOURS	FEMALE	MALE
Executive committee	0,00	41,25
Management	29,75	17,81
Employees	11,50	10,40
AVERAGE	13,75	23,15
		18,45

Internal training ESG

AVERAGE TRAINING HOURS	FEMALE	MALE
Executive committee	0,00	1,67
Management	10,50	4,38
Employees	9,76	7,40
AVERAGE	6,75	4,48
		5,62

External training ESG

AVERAGE TRAINING HOURS	FEMALE	MALE
Executive committee	0,00	11,33
Management	5,00	4,88
Employees	2,80	3,60
AVERAGE	2,60	6,60
		4,60

Health and safety indicators

3. HOW WE CREATE VALUE

Embracing real people
Well-being

ESRS S1-14
GRI 403
SDG 3
SDG 8

	ALIDES REIM	OTHER
Number of fatalities	0	0
Number of work releated accidents	0	4
Number of working days lost to work-related injuries and accidents	0	117

Compensation indicators (pay gap and total compensation)

The labor regulations state that Alides REIM respects the principle of equal pay for male and female employees, according to CLA 25.

ESRS S1-16

GOVERNANCE STATEMENTS

In this sustainability report, we provide information on the ESRS G1 (business conduct). In our future reporting for financial years 2023-2025, we will provide further, detailed information on this matter.

Business conduct

TOPIC	EXPLANATION AND MEASURING POINTS	REFERENCE
Corporate culture and business conduct policies	Currently, Alides has not yet drafted a Code of Conduct. However, we have the ambition to do so by 2025. Alides does not have an anti-corruption or anti-bribery policy consistent with the United Nations Convention against Corruption or on the protection of whistle-blowers.	ESRS G1-1
Management of relationships with suppliers	As for our suppliers , we often work with framework agreements, which offer the best value for money with minimum guarantees that are included in the contracts. In addition, regular meetings are held with our main suppliers to follow up on open issues and ensure quality maintenance performance.	ESRS G1-2
Payment practices	Alides strives to meet the payment term in B2B contracts of 30 days, and not to exceed 60 days. This applies to contracts with all companies.	ESRS G1-6

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