

JUNE 2023

# SUSTAINABILITY REPORT

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Aligned with EPRA  
Sustainability Best Practice  
Recommendations

# A — INTRODUCTION

## PURPOSE OF THE DOCUMENT

This document reports on Ascencio's environmental, social and corporate governance performance, based on the EPRA sustainability best practice recommendations.

It provides a solid baseline to measure further progress. It has also led Ascencio to strengthen its collaboration with its tenants on sustainability stakes. Structural data exchange between tenants and landlords on the building environmental and energy performance is key to improve awareness and agree on common objectives. These exchanges require many efforts and time. As of today, it has not yet been possible to recover data from all tenants. Nevertheless, Ascencio has succeeded in significantly increasing the number of data collected and reported, compared to last year. This second sustainability report is a new milestone in Ascencio's endeavors to better understand and manage the energy and environmental challenges raised by its activity. These efforts will be pursued and intensified in the future.

Finally, this report is one out of the many steps from a wider sustainability strategy (see Ascencio's Annual Report 2022 pages 121 to 140). Besides reporting, others important initiatives have been undertaken to follow-up the energy impact of the portfolio and orientate investments.

## ABOUT ASCENCIO

Ascencio, is a real estate investor specialising in out-of-town retail with a focus on supermarkets and retail parks. The Company is present in Belgium, France and Spain, respectively under the status of SIR, SIIC, SOCIMI. With its multidisciplinary team, it manages its assets and its relations with its tenants-retailers in a responsible manner, particularly with regard to sustainability.

Its portfolio, valued at 738,9 million at 30/09/2022, consists of approximately one hundred properties, with a total surface area of 450,037 m<sup>2</sup> and over 240 tenants. Ascencio SA is listed on Euronext Brussels. Its stock market capitalization amounted to €334 million at 30/09/2022.

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



# B — ENVIRONMENT

## GENERAL BOUNDARIES, SEGMENTATION & COVERAGE

**General Boundaries.** All assets are owned by Ascencio. However, some assets can be part of a co-ownership.

**Segmentation.** 40% of Ascencio's portfolio is dedicated to food-related businesses. The food sector has specific pattern and needs of utilities usage, which are quite different from other retailers. To maximize the relevance of this report, a difference will be made between food and non-food tenants. A specific view per country will also be provided.

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

**Coverage.** Most data on environmental performance are tenant-obtained data. Their collection requires intense and concerted efforts with the 240+ tenants. Specific coverage ambitions have been defined for this second reporting:

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

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



## ENERGY

Given the nature of its portfolio and as utilities are mostly managed by the retailers themselves, Ascencio has little landlord energy consumption to report.

To give an accurate view of its portfolio performance, Ascencio has decided to also report tenant-obtained data.

Therefore, Ascencio has launched a massive exercise to collect and analyse consumption data from its tenants.

Landlord data have been collected directly from energy suppliers or from independent asset managers in charge of some assets.

Tenant data have been collected either directly from energy suppliers, if the tenant granted Ascencio a mandate to do so, or from exchange of information directly with the tenant. Regarding the French assets, data have also been retrieved from the governmental platform OPERAT, which stores consumption data of all landlords and tenants.

The collection and management of tenants' data depend on their willingness to share their data with Ascencio. Consequently, the data coverage is strongly influenced by this dependency.

## ENERGY CONSUMPTION OF COMMERCIAL ASSETS

### GLOBAL

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like <sup>2</sup>	
						2022	2021	2022	2021
Energy	4.1. Elec - Abs 4.2. Elect Lfl	Electricity consumption	kWh	Food	Tenant	31.123.564	32.015.113	30.272.879	31.710.290
					Landlord	860.813	780.334	822.668	780.334
				Non-food	Tenant	8.840.701	9.271.582	8.468.257	8.560.297
					Landlord	1.805.609	1.251.522	1.483.392	1.217.197
				<b>Total electricity</b>		<b>42.630.688</b>	<b>43.318.551</b>	<b>41.047.197</b>	<b>42.268.118</b>
	% Renewables sources		3%	1%	1%	1%			
	4.5. Fuel- Abs 4.6. Fuels- Lfl	Fuel consumption	kWh	Food	Tenant	1.611.247	1.626.770	1.611.247	1.626.770
					Landlord	172.114	0	0	0
				Non-food	Tenant	199.451	1.839.926	0	0
					Landlord	493.538	278.952	328.845	278.952
				<b>Total fuel consumption</b>		<b>2.476.349</b>	<b>3.745.648</b>	<b>1.940.092</b>	<b>1.905.722</b>
	% Renewables sources		0%	0%	0%	0%			
	4.3 DH & C- Abs	District heating & cooling	kWh	na					
4.7 Energy -int	Building Energy	kWh/sqm/year	Food	279	331	318	332		
			Non-food	52	77	94	93		
Coverage (sqm)		%	Food	Tenant	62%	60%	60%	60%	
				Landlord	94%	29%	29%	29%	
			Non-food	Tenant	37%	39%	34%	34%	
				Landlord	90%	26%	25%	25%	

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

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

- Only a small percentage of energy is currently renewable. Ascencio has, however, initiated a study to evaluate how it could install a significant number of photovoltaic panels and how energy could then be distributed to its tenants or local communities. On the basis of preliminary results, Ascencio is currently busy defining the most appropriate assets to be equipped. In Belgium, Ascencio analyses the possibility to install photovoltaic panels on the roofs of its buildings. In France, given the new regulations requiring the installation of shading systems on the parking lots, Ascencio has decided to focus on this type of installation.
- The food sector, and more specifically bakeries, are major consumers of fuel energy. Accordingly, the energy intensity is extremely high. These activities strongly impact Ascencio's overall performance, as the fuel consumption of food retailers account for 3% of the global energy consumption (reported) in 2022. They represent 58,9% of the global fuel consumption (reported) in 2022. Bakeries have an energy intensity of 391,8 kWh/sqm.
- Spanish assets are included to measure the coverage on the entire portfolio.
- Compared to last year, Ascencio has reinforced its exchange of information with its asset managers, to better document landlord consumption data. Data are currently missing for only one asset.

## BELGIUM

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like	
						2022	2021	2022	2021
Energy	4.1. Elec - Abs 4.2. Elect Lfl	Electricity consumption	kWh	Food	Tenant	11.229.489	10.818.234	10.378.804	10.818.234
					Landlord	850.223	775.383	818.924	775.383
				Non-food	Tenant	2.872.912	2.936.133	2.726.499	2.825.724
					Landlord	1.538.760	1.197.419	1.433.196	1.163.094
				<b>Total electricity</b>		<b>16.491.384</b>	<b>15.727.170</b>	<b>15.357.423</b>	<b>15.582.436</b>
	% Renewables sources		7%	3%	3%	3%			
	4.5. Fuel- Abs 4.6. Fuels- Lfl	Fuel consumption	kWh	Food	Tenant	0	0	0	0
					Landlord	172.114	0	0	0
				Non-food	Tenant	199.451	1.839.926	0	0
					Landlord	493.538	278.952	328.845	278.952
				<b>Total fuel consumption</b>		<b>865.103</b>	<b>2.118.878</b>	<b>328.845</b>	<b>278.952</b>
	% Renewables sources		0%	0%	0%	0%			
	4.3 DH & C- Abs	District heating & cooling	kWh	na					
4.7 Energy-int	Building Energy	kWh/sqm/year	Food	219	295	285	295		
			Non-food	39	99	76	72		
Coverage (sqm)		%	Food	Tenant	41%	33%	33%	33%	
				Landlord	100%	26%	26%	26%	
			Non-food	Tenant	24%	23%	22%	22%	
				Landlord	95%	20%	18%	18%	

## FRANCE

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like	
						2022	2021	2022	2021
Energy	4.1. Elec - Abs 4.2. Elect LfI	Electricity consumption	kWh	Food	Tenant	19.894.075	21.196.878	19.894.075	20.892.056
					Landlord	10.591	4.951	3.744	4.951
				Non-food	Tenant	5.967.790	6.335.449	5.741.759	5.734.573
					Landlord	266.848	54.103	50.196	54.103
				<b>Total electricity</b>		<b>26.139.304</b>	<b>27.591.381</b>	<b>25.689.774</b>	<b>26.685.682</b>
				% Renewables sources		0%	0%	0%	0%
	4.5. Fuel- Abs 4.6. Fuels- LfL	Fuel consumption	kWh	Food	Tenant	1.611.247	1.626.770	1.611.247	1.626.770
					Landlord	0	0	0	0
				Non-food	Tenant	0	0	0	0
					Landlord	0	0	0	0
				<b>Total fuel consumption</b>		<b>1.611.246,86</b>	<b>1.626.770,08</b>	<b>1.611.246,86</b>	<b>1.626.770,08</b>
				% Renewables sources		0%	0%	0%	0%
	4.3 DH & C- Abs	District heating & cooling	kWh	Food	Tenant	na	na	na	na
					Landlord	na	na	na	na
				Non-food	Tenant	na	na	na	na
Landlord					na	na	na	na	
<b>Total consumption</b>		<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>				
4.7 Energy -int	Building Energy	kWh/sqm/year	Food		337	355	340	357	
			Non-food		85	87	126	126	
Coverage (sqm)		%	Food	Tenant	94%	95%	94%	94%	
				Landlord	56%	46%	46%	46%	
			Non-food	Tenant	68%*	75%	64%	64%	
				Landlord	100%	43%	43%	43%	

\* The lower coverage for the year 2022 is due to the fact that Ascencio didn't receive the expected data from the French utilities company ENEDIS on time.

## ENERGY PERFORMANCE OF ASCENCIO HEADQUARTERS

Impact Area	EPRA Code	Description	Units of measure	Absolute		Like for like	
				2022	2021	2022	2021
Energy	4.1. Elec – Abs 4.2. Elec-LfL	Electricity consumption - headquarters	kWh	144.054	182.776	144.054	182.776
	4.5. Fuel-Abs 4.6. Fuel- LFL			n.a.	n.a.	n.a.	n.a.
	4.7. Elec-Int	kWh/sqm	146	185	146	185	
	Coverage (sqm)	%	100%	100%	100%	100%	

There was higher energy consumption in 2021 compared to 2022 due to the weather conditions (<https://www.synergid.be/fr/centre-de-documentation/statistiques-et-donnees/degres-jours>).



## GREENHOUSE GAS EMISSIONS (GHC)

The reporting on the Greenhouse gas emissions has been segmented in two indicators:

— Direct GHG emissions generated by fuels burned on-site, as reported under section 2.2. “Energy consumption”. To calculate it, the following formula is: Annual consumption (MWh)\*181 kg CO<sub>2</sub>/MWh<sup>3</sup>

Under the recommendation of the third party reviewing this report, fuels burned by Ascencio company cars have also been included in the calculation of the total Direct GHG emissions, in addition to GHG emissions relating to the assets’ energy performance described earlier.

— Indirect emissions: emissions generated off-site to produce the energy purchased by Ascencio and its tenants. Given the nature of Ascencio’s activities, a significant share of GHG emissions is emitted by its tenants.

In line with the approach taken for Direct GHG emissions, electricity consumed by company cars has also been added to the total Indirect GHG emissions.

The following formula is used: Annual consumption in electricity (MWh)\* A kg CO<sub>2</sub>/MWh<sup>4</sup>

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

- Belgium: 149.19 kg CO<sub>2</sub>/MWh
- France: 48.57 kg CO<sub>2</sub>/MWh
- Spain 295,83 kg CO<sub>2</sub>/MWh

These values consider the electricity generation mix of each country.

## A. GREENHOUSE GAS EMISSION OF COMMERCIAL ASSETS

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

### FRANCE

Impact Area	EPRA Code	Unit of measure	Indicator	Sub-category	Absolute		Like for like		
					2022	2021	2022	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	291.636	294.445	291.636	294.445	
				Non-Food	0	0	0	0	
	4.9 GHG-Indir-Abs		Indirect	Food	966.770	1.029.773	966.437	1.014.968	
				Non-Food	302.816	310.341	281.315	281.156	
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	Food	21	22	21	22
					Non-Food	4	4	6	6

<sup>3</sup> EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, April 1, 2022.

<sup>4</sup> AIB, European Residual Mixes 2021, (2022).



## BELGIUM

Impact Area	EPRA Code	Units of measure	Indicator	Sub-category	Absolute		Like for like		
					2022	2021	2022	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	31.153	0	0	0	
				Non-Food	125.431	383.517	59.521	50.490	
	4.9 GHG-Indir-Abs		Indirect	Food	1.802.172	1.729.652	1.670.589	1.729.652	
				Non-Food	658.177	616.685	620.585	595.092	
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	Food	33	44	43	44
					Non-Food	6	16	11	11

## B. GREENHOUSE GAS EMISSION OF ASCENCIO HEADQUARTERS

As already mentioned, emissions emitted directly or indirectly from company cars have been added to the assets' emissions.

Hybrid and electric vehicles can be charged at Ascencio's headquarters. This specific consumption of electricity has not been specifically added to the assets' emissions, as it is included in the headquarters electricity consumption.

Impact Area	EPRA Code	Units of measure	Indicator	Absolute		Like for like	
				2022	2021	2022	2021
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	30.338	28.249	30.338	28.249
				21.492	27.270	21.492	27.270
	4.9 GHG-Indir-Abs		Indirect				
4.10 GHG-Int	kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	53	56	53	56	

## WATER CONSUMPTION

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

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

## COMMERCIAL ASSETS

Impact Area	EPRA Code	Description	Unit of measure	Category	Absolute		Like for like	
					2022	2021	2022	2021
Water	4.11. Water-Abs 4.12. Water-LfL	Water consumption - commercial assets	Cubic meter	Belgium	30.684	15.904	18.718	15.815
				France	46.451	23.400	20.055	23.400
	4.13 Water-Int	Cubic meter/sqm	Belgium	0,5	0,7	0,9	0,8	
			France	0,5	0,7	0,6	0,7	
	Coverage (sqm)	%	Belgium	22%	7,4%	6,9%	6,9%	
			France	59%	21%	21%	21%	

Retailers from the food sector (i.e. supermarkets) do consume more water than retailers from the non food sector. For France, most of the data collected come from the food sector.

## HEADQUARTERS

Impact Area	EPRA Code	Description	Unit of measure	Absolute		Like for like	
				2022	2021	2022	2021
Water	4.11. Water-Abs 4.12. Water-LfL	Water consumption - commercial assets	Cubic meter	67,8	58,0	67,8	58,0
			Cubic meter/sqm	0,07	0,06	0,07	0,06
	Coverage (sqm)	%	100%	100%	100%	100%	

## WASTE

Exception made for the headquarters and few exceptions (9 assets in total, 5 in Belgium and 4 in France), waste is directly managed by the tenants. At this stage, only limited data have been obtained regarding Ascencio's tenants.

### COMMERCIAL ASSETS

Impact Area	EPRA Code	Description	Unit of measure	Disposal route	Absolute		Like for like	
					2022	2021	2022	2021
Wastes	4.14. Waste-Abs 4.15. Waste-LfL	Waste by disposal route - Assets	Tons	Reuse	n.a.	n.a.	n.a.	n.a.
				Recycling	42.877,4	1.982,3	1.708,8	1.982,3
				Composting	n.a.	n.a.	n.a.	n.a.
				Material recovery facility	n.a.	n.a.	n.a.	n.a.
				Other (mainly incineration)	15.568,8	3.924,9	3.461,8	3.924,9
				Methanation	409,7	518,1	409,7	518,1
				<b>TOTAL</b>	<b>58.855,9</b>	<b>6.425,4</b>	<b>5.580,3</b>	<b>6.425,4</b>
	<b>% of hazardous waste</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>			
	Coverage (sqm)	%	Landlord-obtained	72%	15%	15%	15%	
			Tenant-obtained	11%	9%	9%	9%	

Recycled waste is composed of paper and cardboard.

The organic waste of an important food retailer is disposed through methanation.

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

### HEADQUARTERS

Data have been estimated on the basis of the different container's sizes and the emptying frequency.

Impact Area	EPRA Code	Description	Unit of measure	Disposal route	Absolute		Like for like	
					2022	2021	2022	2021
Wastes	4.14. Waste-Abs 4.15. Waste-LfL	Waste by disposal route - Headquarters	na	Reuse	n.a.	n.a.	n.a.	n.a.
			m <sup>3</sup>	Recycling	1,6	1,5	1,6	1,5
			m <sup>3</sup>	Composting	0,03	0,03	0,03	0,03
			na	Material recovery facility	n.a.	n.a.	n.a.	n.a.
			m <sup>3</sup>	Other (mainly incineration)	3,0	2,7	3,0	2,7
			m <sup>3</sup>	<b>TOTAL</b>	<b>4,6</b>	<b>4,2</b>	<b>4,6</b>	<b>4,2</b>
				<b>% of hazardous waste</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
Coverage (sqm)	%	Landlord-obtained	100%	100%	100%	100%		

## CERTIFICATION

Currently, there are no certified assets within Ascencio's portfolio. However, 3 retail parks (1 in France and 2 in Belgium) have been pre-assessed using the BREEAM process. The scores awarded ranged from "satisfactory" to "good". These preliminary evaluations include

a total of 95 cells, i.e. 54.896 m<sup>2</sup>, which represents a **coverage of 12,1%** of Ascencio's total portfolio. A large number of actions have been put in place to improve these scores and achieve certification.

# C — SOCIAL

## SOCIAL PERFORMANCE MEASURES

### GENERAL ASSUMPTIONS

The considered periods for the data regarding the social performance measures are the following:

- For the Executive Management: from 01/10/2021 to 30/09/2022, which corresponds to the financial year of the Company. This enables a perfect data reconciliation with the data published in Ascencio's Annual Report 2022.
- For the other team members: from 01/01/2022 to 31/12/2022, consistently with the other data reported in this sustainability report. The arrival of a Director Operations & ESG on 03/10/2022 amongst the executive management, in place of another member who has been reintegrated amongst the employees team members, has not been taken into account in the figures of this report.

### EMPLOYEE GENDER DIVERSITY (5.1)

	Gender	2021	2022	Delta 2022/2021
Board of Directors Members	Female	30%	30%	0%
	Male	70%	70%	
Executive Management	Female	20%	20%	0%
	Male	80%	80%	
Managers	Female	/	100%	/
	Male	/	80%	
All employees	Female	44%	79%	+35% female
	Male	56%	21%	

- Board of directors: number of female and number of male regarding the total number of directors (including the managing director who has been taken into account within the board of directors and within the members of the executive management).
- Executive management: number of female and number of male regarding the total number of executive managers, including the managing director (also taken into account as a board member).

- Managers: the only employee based in France (already employed by the Company last year but taken into account in the “all employees” section).
- All employees: all persons working for the Company, managers, executive management and board of directors excluded (which was not the case for last year’s report).
- For the year 2022, 23% of female and 0% of male (executive management, managers and employees) have worked part time.

## GENDER PAY RATIO (5.2)

	2021	2022	Delta 2022/2021
Board of Directors Members	/	80,0%	/
Executive Management	/	76,1%	/
Managers	/	N/A	/
All employees	/	88,4%	/

- Board of directors: Director’s base compensation is the same for male and female. However, the role of Chairman of the Board of Directors is held by a man, who perceives, because of his position, a higher base compensation. For the sake of clarity, the remuneration of the managing director has not been included in the diversity pay ratio of the board of directors since his remuneration is not based on his presence at the board (as it is the case for the other directors) but on his operational contributions as for the other members of the executive management.
- Executive management: the remuneration of the members of the executive management depends on experience and not on gender. However, the role of Managing Director is held by a male. This position tra-

ditionally has the highest salary amongst an executive committee. This explains why the reported ratio is more favourable to male.

- Managers: no ratio can be calculated since the category only includes one female member.
- All employees: within Ascencio, each profile is different and each function is specific (exception made for the Customer Services department). The remuneration is determined on a case-by-case basis regardless of gender. The criteria taken into account are the skills, experience, position held within the Company and level of seniority and responsibilities.

### TRAINING AND DEVELOPMENT (5.3)

	2021	2022	Delta 2022/2021
Female	/	4,58 hours per female	/
Male	/	82,67 hours per male	/
All employees	14,00 hours per employee	20,20 hours per employee	+6,20 hours per employee

— The Company enables its team members to attend seminars and training classes based on the requests of the team, de needs of the Company and the allocated budgets.

— For the year 2022, the average number of training hours is 20,20 per employee. The highest number reported for male is due to a long term training granted to a male employee as part of its personal development.

— The denominator is the number of training hours per year divided by the number of persons occupied by the Company. Members of the executive management have been excluded for this specific section.

— Followed webinars have not been taken into account.

### EMPLOYEE PERFORMANCE APPRAISALS (5.4)

	2021	2022	Delta 2022/2021
Female	/	100,0%	/
Male	/	100,0%	/
All employees	100,0%	100,0%	0,0%

Each employee receives annual feedback from his or her manager during which the work done and the personal skills developed are assessed. This assessment is used as basis for the granting or not of a variable compensation as well as for the setting of the next year's targets.



## EMPLOYEE TURNOVER AND RETENTION (5.5)

		2021	2022	Delta 2022/2021
New hires	Total number new employees	3	1	-2
	Proportion new employees	16,7%	5,3%	- 6 6,7 %
Departures - Turnover	Total number of departed employees	2	0	-2
	Proportion of departed employees	11,1%	0,0%	- 1 0 0,0 %
Total employee number		19	20	1

— New hires: One person was hired in 2022, joining the existing team of 19 members (compared to 3 appointments in 2021).

— Departures: In 2022, no departure was recorded (2 voluntary departures were recorded on year 2021, amongst which one retirement).

— Total employee number: includes the members of the Belgian and French teams, the persons under the status of self-employee and the members of the executive management (including the CEO). As mentioned above, it does not take into account the arrival of the Operations & ESG Director on 03.10.2022, which will be taken into account in the next Sustainability Report.

## EMPLOYEE TURNOVER AND RETENTION (5.5)

			2021	2022	Delta 2022/2021	
H&S- Emp	Per 100,000 hours worked	Injury rate (IR)	Direct employees	0,0%	0,0%	0,0%
	Per 100,000 hours worked	Lost day rate (LDR)	Direct employees	0,0%	0,0%	0,0%
	Days per employee	Absentee rate (AR)	Direct employees	2,6%	2,1%	-0,5%
	Total number	Fatalities	Direct employees	0,0%	0,0%	0,0%

— Injury Rate: for all Belgian employees, the reporting is based on the data provided by the social secretariat which does not mention any absence due to injury in 2022.

For the unique French employee, the reporting is based on the data provided by the monthly pay slips. No absence due to injury was reported in 2022.

For the team members under the status of self-employee, no absence was reported due to injury in 2022.

— Lost Day Rate: according to the information provided in the “injury rate” section here above, there were no lost days in 2022.

— Absentee rate: for all Belgian employees, the reporting is based on the data provided by the social secretariat.

For the unique French team member, the reporting is based on the service data sheets filled in by her and validated by her manager. These data sheets are stored on the Company’s internal server. No absentee rate was reported for year 2022 for this French team member.

For the team members under the status of self-employee, no absence was reported in 2022.

— Fatalities: There were no fatalities amongst the Company's team members in 2022.



### **ASSET HEALTH AND SAFETY ASSESSMENTS (5.7)**

Considering that health and safety for all assets of Ascencio fall under the responsibility of the occupiers, this measure is excluded from this report.

### **COMPANY ASSET HEALTH AND SAFETY COMPLIANCE (5.8)**

Ascencio reports no incidents of non-compliance with regulations codes concerning the health and safety impacts of assets assessed during the reporting period.

### **COMMUNITY ENGAGEMENT (5.9)**

Ascencio has formalized and published its ESG strategy in its Annual Report 2022. At local level, the Company decided that a series of initiatives would be taken to continuously improve the legitimacy of its assets (retail parks).

Even if the Company decided to orient its social and philanthropic initiatives around the axes of well-being (with a particular focus on sport) on the one hand and fighting against hunger on the other hand, the content of the programs and initiatives implemented varies according to local needs.

Percentage of retail parks in which a program in favor of the local communities has been implemented in 2022: 17%.<sup>5</sup>

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<sup>5</sup> Percentage calculate on the same retail parks taken into account for the labelling strategy. See page 124 of Ascencio's Annual Report 2022.



# D — GOVERNANCE

## CORPORATE GOVERNANCE

			2021	2022
<b>Gov-Board</b>	Total number	Composition of the highest governance body	10	10
		Executive	1	1
		Non executive	9	9
	Tenure of the governance body		AR 2021/2022 p. 47	
<b>Gov-Selec</b>	Narrative on process	Process for nominating and selecting the highest governance body		See below
<b>Gov-Col</b>	Narrative on process	Process for managing conflicts of interest		RA 2021/2022 Pages 72 -75

For all nominations of directors, the following procedure applies:

### Determination of the required expertise and knowledge

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

The Board as a whole must have the following characteristics:

- wide experience and in-depth knowledge of the real estate business and market;
- experience of management acquired in a Management Committee or other equivalent decision-making body of a major business, in terms of business management and organisation;
- leadership skills and ability to adopt and implement a strategic view, including ESG topics<sup>6</sup>;

- experience in managing business in an international context;
- familiarity with accounting and financial standards, procedures and techniques and their application in the real estate sector;
- In-depth knowledge of the legal and regulatory framework applicable to the real estate sector and to REITs in particular;
- competence in managing remuneration;
- irreproachable reputation and impeccable adherence to business ethics;
- diversified socio-economic representation of the world of business;
- entrepreneurial spirit;
- diversity in general and in the broadest sense.

<sup>6</sup> ESG competencies

ESG (Environmental, Social and Governance) competencies refer to the knowledge, and / or the abilities needed to assess, integrate and manage environmental, social and governance aspects in the decision-making and management of companies.

— Environmental competencies (E): refers to the ability to understand and assess environmental issues such as sustainability, climate change, natural resource management, waste management, greenhouse gas emissions, etc.

— Social competencies (S): concerns the ability to understand and manage the social aspects of an organization, such as stakeholder relations, diversity and inclusion, human rights, health and safety, the social impact of corporate activities, etc.

— Governance competencies (G): This refers to the understanding and implementation of responsible corporate governance practices, such as business ethics, transparency, accountability, risk management, regulatory compliance, etc.

### Competencies grid

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

### Gap analysis

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

### Search for candidates with the right profile

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

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

### Interviews

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

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

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

## EXTERNAL VERIFICATION OF REPORTING

For its second sustainability report, Ascencio has made the choice to assure it by an independent and objective third party. The Company believes it increases the credibility of the sustainability data it provides.



## E — CONCLUSIONS

This second sustainability report is a milestone of Ascencio's important efforts to deploy a sustainability agenda. Intense data collection efforts and concertation with Ascencio's tenants have resulted in a first set of quantitative indicators on the Company's environmental impact.

The obtained data constitute a solid basis to further monitor Ascencio's performance regarding ESG. Furthermore, the data collection enables Ascencio to report unusual consumption patterns to its tenants.

Looking forward, the sustainability agenda of Ascencio will be driven by the following challenges:

- Improving the coverage of the indicators documented in this report
- Producing and purchasing more renewable energy
- Automating the monitoring of different utilities consumptions
- Engaging with tenants to raise awareness, especially on unusual consumption patterns
- Developing a tool to plan investments in order to anticipate and maximize the reduction of its building energy intensity, focusing on the building envelopes.

# INDEPENDENT LIMITED ASSURANCE REPORT ON THE EPRA SUSTAINABILITY BEST PRACTICES RECOMMENDATIONS (sBPR) 2022 OF ASCENCIO SA

This report has been prepared in accordance with the terms of our engagement contract dated 4<sup>th</sup> of May 2023 (the “Agreement”), whereby we have been engaged to issue an independent limited assurance report in connection with the 2022 EPRA Sustainability Indicators (cfr. EPRA sBPR) and in accordance with International Standard on Assurance Engagements (ISAE) 3000: “*Assurance Engagements other than Audits or Reviews of Historical Financial Information*”, issued by the International Auditing and Assurance Standards Board (IAASB).

## LIMITED ASSURANCE

Limited assurance engagement - An assurance engagement in which the practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the auditor's attention to cause the auditor to believe the subject matter information is materially misstated.

The limited assurance audit report is intended to enhance the degree of confidence that intended users can place on the subject matter, but not to the degree of a reasonable assurance. The procedures performed in a limited assurance engagement and consequently, the level of assurance obtained in a limited assurance

engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## ASCENCIO'S RESPONSIBILITIES

Ascencio is responsible for:

1. Selecting, preparing and presenting the selected indicators and for ensuring that the reporting criteria in support of the selected indicators subject to assurance are made available to the users of the Report.
2. Determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected indicators and for ensuring that those criteria are publicly available to the Report users.
3. Designing, implementing and maintaining internal processes and controls relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.
4. Confirming, through a representation letter, the acknowledgement of management's responsibility regarding the preparation and presentation of the selected indicators in accordance with reporting criteria and confirming certain representations made to us during our assurance engagement.

## BDO'S RESPONSIBILITIES

BDO is responsible for:

1. Performing our limited assurance engagement so that we are able to express our limited assurance conclusion on whether anything has come to our attention that causes us to believe that the selected indicators are not prepared, in all material respects, in accordance with Concrete Sustainability Council's reporting criteria.
2. Assessing the suitability in the circumstances of the use of the reporting criteria as the basis of preparation for the selected indicators.
3. Assessing the risks of material misstatement of the selected indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected indicators.

Our work was performed on the data and Selected Information gathered and reported by Ascencio in its 2022 "Sustainability Report Aligned with EPRA Sustainability Best Practice Recommendations" and not all information included in Ascencio's ESG Report.

Our works covers therefore only the selected information. Specifically for Environmental indicators, we refer to the boundaries and coverage stated in the report which also limit the audit coverage and scope.

## OUR INDEPENDENCE AND QUALITY CONTROL

Our work consisted of making inquiries, primarily of persons responsible for the preparation of the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. The procedures included, among others:

- Obtaining an understanding of the processes, systems and internal controls relevant to the limited assurance engagement in order to design limited assurance procedures that are appropriate in the circumstances;
- Considering risk of material misstatement of the Selected Information;
- Identifying and inspecting the Selected Information where material misstatements, whether due to fraud or error, are likely to arise;
- Obtaining evidences supporting the Selected Information reported and assessing whether these are sufficient and appropriate to provide a basis for our conclusion;
- Confirming the appropriateness of the reporting Criteria used and their consistent application;
- Performing recalculation of the data collected and reported in this report;
- Performing analytical procedures and inquiry to confirm our understanding of evolutions in the Selected Information;
- Assessing management’s assumptions and estimates;
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of the Selected Information.

BDO applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## CONCLUSION AND INHERENT LIMITATIONS

We have obtained limited assurance on the preparation and reporting of the Selected Information in accordance with the applicable criteria. Based on the procedures we have performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Information within Ascencio’s 2022 “*Sustainability Report Aligned with EPRA Sustainability Best Practice Recommendations*” has not been prepared in accordance with the Criteria.

Inherent limitations exist in all assurance engagements. Any internal control structure, however effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and go undetected, and as we use selective testing in our management, we cannot guarantee that errors or irregularities, if they exist, will be detected.

The measurement methods adopted may have an impact on the comparability of selected information reported by different organizations and from one year to the next within the same organization. These differences should decrease as measurement methods develop.

## USE OF THE REPORT

This report is made solely to the Board of Directors of Ascencio SA in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Without assuming or accepting any responsibility or liability in respect of this report to any party other than Ascencio SA and its Board of Directors, we acknowledge that the Board of Directors may choose to make this report public for others wishing to have access to it, which does not and will not extend our responsibilities for any purpose and on any basis. To the fullest extent permitted by law, we

do not accept or assume responsibility to anyone other than Ascencio SA and its Board of Directors as a body, for our work, for this report, or for the conclusions we have formed.

La Hulpe, 30 June 2023

Pierre Poncelet – Partner – BDO Advisory

**Pierre  
Poncelet**

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