



Report dd. 9 March 2022

# Future-Fit

## Statement of Progress Report 2022

**Ciril as a Future-Fit Benchmark user Level 2**

Extra-financial disclosure how Ciril is contributing to a flourishing future



**CIRIL**  
THE VALUE BUILDERS

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## 1. The Future-Fit Business Benchmark in a nutshell

The **Future-Fit Business Benchmark** is a management tool for self-assessment, based on the 30 years of scientific research on sustainability. It is one of the world's most ambitious and holistic sustainability frameworks for businesses. The distinguishing characteristics of this tool are the fact that all sustainability criteria are addressed (unlike tools that only focus on certain aspects, such as climate), and the proposal of a clear destination as a long-term goal to which progress can be measured and monitored. It is closely aligned with the United Nations SDGs, progress can be measured in a reliable and sector-independent manner, and there are opportunities for external validation and reporting of progress.

The Future-Fit Business Benchmark shows the way to a **Future-Fit Society** – a society which becomes ever more **economically inclusive**, **socially just** and **environmentally restorative**. This is a vision of a Future-Fit Society: one serviced by an economy of Future-Fit Businesses, each playing its part to create the conditions required for humanity to flourish within the carrying capacity of our finite planet.



*Above: a Future-Fit Society*

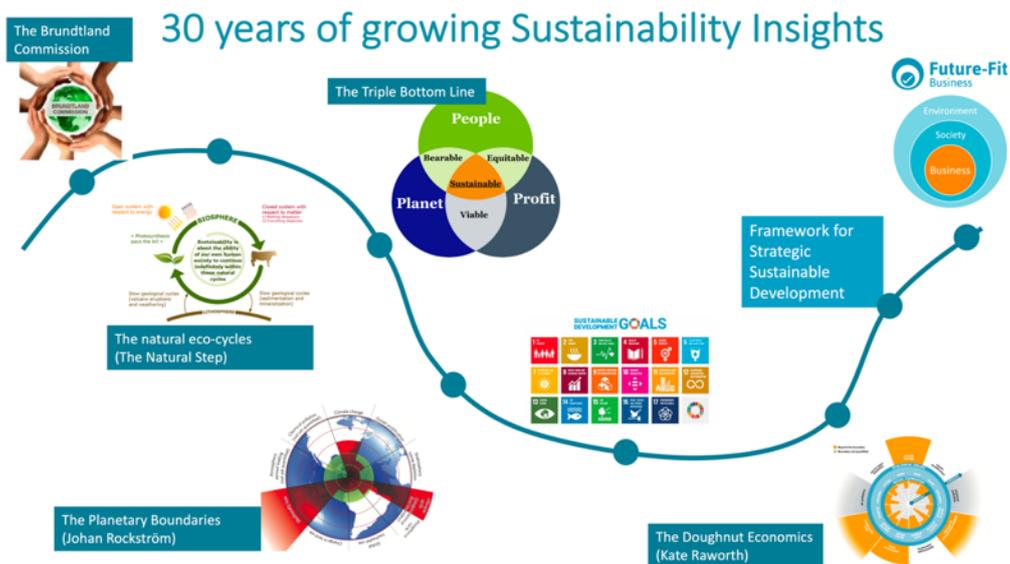
At the core of the Benchmark are **23 Break-Even Goals**, which together mark the line in the sand that all companies must strive to reach to ensure that they are in no way slowing down society's transition to future-fitness. A set of complementary indicators equips any Ciril to measure, manage and explain its progress towards each Break-Even Goal.

Many companies aspire to do more than cause no harm, by seeking to be a force for good in the world. The Benchmark supports such efforts, identifying **24 Positive Pursuits** which characterize all of the ways a business may act to speed up society's transition to future-fitness.



Above: 23 Break-Even Goals and 24 Positive Pursuits aligned with UN's SDG's

The Future-Fit Business Benchmark is based on the most up-to-date insights of Corporate Social Responsibility and Sustainability Strategizing and is a **Call to Action** to entrepreneurs and intrapreneurs to develop towards a so-called *embedded economy*: an economy that develops within planetary boundaries and respects social foundations.<sup>1</sup> In such an economy, growth is not synonymous with higher GDP but in the service of a community with increasing trust, greater equity, healthier lives and richer ecosystems. In their pursuit of growth, all companies strive to ensure that every person contributing to their success is afforded the opportunity to learn, grow and lead fulfilling lives.

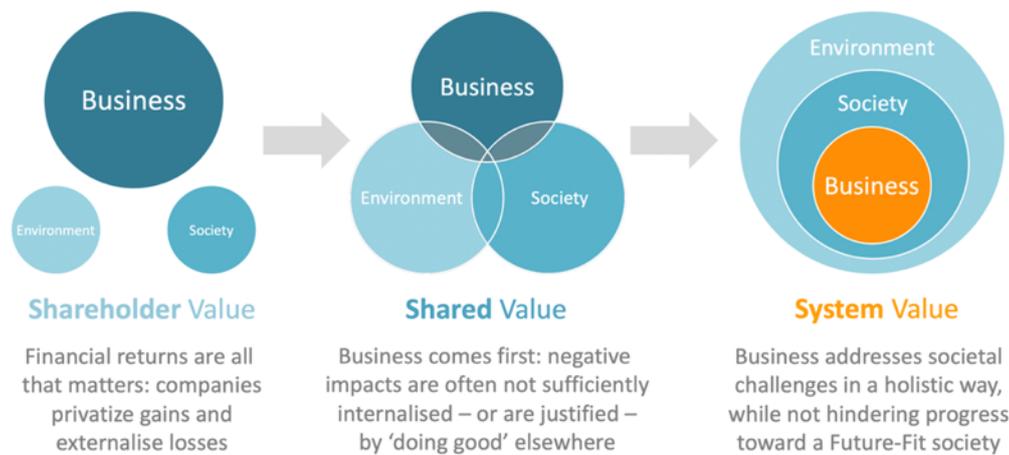


<sup>1</sup> This vision refers to the “Doughnut Economics” formulated by Kate Raworth (2017), where the “Doughnut” represents the safe operating space for humanity: a social foundation of wellbeing that no one should fall below, and an ecological ceiling of planetary pressure that we should not go beyond.

*Above: The Future-Fit Business Benchmark based on 30 years of leading Sustainability Insights*

### Why Shared Value is not enough?

The Future-Fit Business Benchmark relies on the idea that our economy should strive for system value.



*Above: Why we need to focus on System Value*

#### Shareholder value

- Since Adam Smith put forth his theory of economics, we have valued shareholder return as king.
- In this scenario businesses hold no responsibility for their impact beyond a return on investment and ultimately this focus on relentless growth has gotten us to where we are today.

#### Shared value

- While the rise of the sustainability movement and the triple bottom line highlighted some of these issues, the reality is by indicating that business only partially impacts environment and society it absolves business of its full responsibility to the environment and society.

#### System value

- Only by placing business radically in the center can we visualize the reality, that business is wholly dependent upon, not separate from the environment and society.

The destination we need to aim for – what we call a Future-Fit Society – can be described in 8 simple sentences. In a Future-Fit Society, everyone will have the capacity and opportunity to lead a fulfilling life, waste will not exist, renewable energy will be available to all, and so on. The 8 simple sentences, the 8 properties of the Future-Fit Society, are closely aligned with the Sustainable Development Goals, as defined by the United Nations.

Properties of a Future-Fit Society	Alignment with the Sustainable Development Goals
Energy is renewable and available to all	
Water is responsibly sourced and available to all	
Natural resources are managed to safeguard ecosystems, communities and animals	
The environment is free from pollution	
Waste does not exist	
Our physical presence protects the health of ecosystems and communities	
People have the capacity and opportunity to lead fulfilling lives	
Social norms, global governance and economic growth drive the pursuit of future-fitness	

Above: SDG's alignment of the 8 Properties of a Future-Fit Society

The tool is open source and available on [www.futurefitbusiness.org](http://www.futurefitbusiness.org).

While the Future-Fit Business Benchmark is a self-assessment management tool, the progress towards future-fitness can be reported to external stakeholders, such as investors, in a credible way, with data assured by a Future-Fit Accredited Advisor.

The information a company is willing to disclose typically depends on a range of factors: complexity of the organization, availability of data, ... Therefore, different levels of disclosure are defined. Level 0 is a simple and clear articulation of Ciril's intention to pursue future-fitness. Levels 1 to 3 demand successively greater degrees of transparency and the inclusion of richer, more quantitative data.

This present report is a Statement of Progress report Level 2.



*Above: The four possible levels of disclosure for a Future-Fit Statement of Progress*

## 2. Boundary setting - scope

We deal with the activities of CIRIL, based in (Belgium).

In scope:

- Real Estate development activities in Belgium
- Offices in Hasselt and Antwerpen (which are being rented)

Out of scope / not taken in scope:

- Activities abroad (Poland, Portugal) which take place in other companies

The data which is being used is for 2021 and 2022, with 2021 or 2022 selected as reference year for both Future-Fit progress and carbon accounting depending on availability of data and to filter the COVID 19-pandemic effect.

Ciril is publicly announced as developer of the Democo group. The shares are owned by the same family. The buildings housing Ciril's offices are also owned by the same family and are shared by Ciril and other companies belonging to the Democo group.

### 3. Commitment Statement at level 0 – September 2022

#### **Ciril on the road towards future-fitness Ciril's Commitment Statement**

“As a real estate developer, CIRIL develops what can be improved, where cities can grow and people feel at home. We talk to people and ask what could be better. We give streets and city districts new opportunities for the future. We add what is missing and take away what is too much for a livable, fun and sustainable city.

We recognize the crucial role every business must play in creating a Future-Fit Society – one that is environmentally restorative, socially just and economically inclusive – and we are committed to playing our part. We aspire to become a Future-Fit Business because we believe that our long-term success is tied to the value we provide to society. That means we must eliminate all of the potential negative impacts associated with what we buy, create, sell, ....

In the real estate construction and development business, most of the buildings developed today rely on activities that have a huge negative environmental impact in the upstream value chain. During the production of traditional construction materials large amounts of greenhouse gases are emitted, thus contributing to climate change. Also, many materials are responsible for an important abiotic depletion potential as non-renewable raw materials (minerals and fossil fuels) are extracted in order to be used in construction materials. Our industry also faces important challenges regarding to circular economy. Buildings will need to become circular: adaptable – versatile, convertible and expandable - to meet multiple purposes and designed for disassembly so that construction materials and components can be kept at their highest utility and value, at all times. These are industry-wide challenges and we commit to doing everything possible to tackle them.

In addition, we will seek to create positive impact wherever we can, to speed up society's transition to future-fitness through our own actions and by assisting others on the journey.

In particular, our real estate development projects aim to improve the sustainability of our cities and communities, in general, and the quality of life of our stakeholders, the residents of our projects and their direct and indirect neighbourhoods, in particular. We are building value to live, work and play. We develop what can be improved, where cities can grow and people feel at home.

We acknowledge that incremental improvement of the status quo isn't enough, so we intend to transform the way we do things. We will lead by example and encourage other businesses to do the same.”

## 4. Purpose – How are we helping to create a Future-Fit Society?

Related question:

*How are we striving to create a Future-Fit Society, and how are our revenue-generating goods and services and other key activities contributing to this ambition?*

As a real estate developer, CIRIL develops what can be improved, where cities can grow and people feel at home. We talk to people and ask what could be better. We give streets and city districts new opportunities for the future. We add what is missing and take away what is too much for a livable, fun and sustainable city.

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## 5. Priority: How significant is this for society, and why?

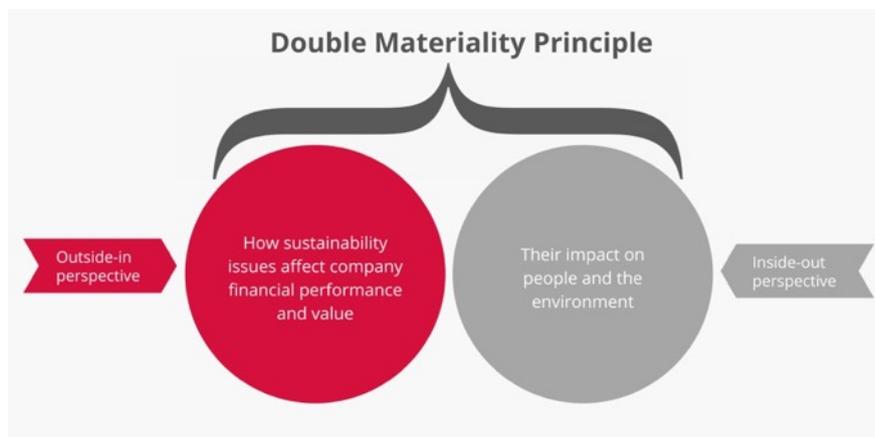
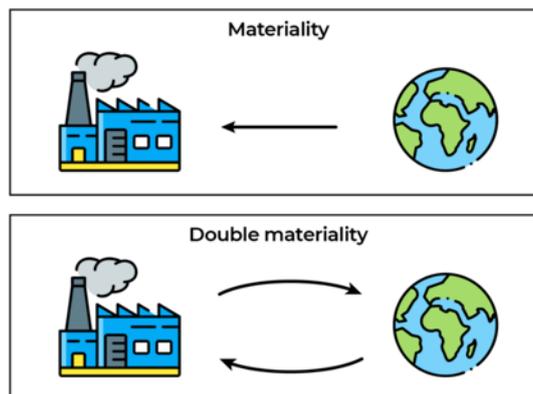
Related question:

*What level of attention do each of the Break-Even Goals demand, based on the potential risk of negative impacts if you do not adequately address the issue?*

### 5.1. Double Materiality Assessment – using the Sustainable Development Goals

#### Double Materiality

The double materiality principle refers to both the sustainability risks and opportunities to companies and the impact of companies on society and the environment. It recognizes that companies must manage and take responsibility for the actual and potential adverse impacts of their decisions on people, society and the environment.



The double materiality principle is one of the major shifts in the new upcoming European Corporate Sustainability Reporting Standards.

#### The importance of the Sustainable Development Goals for society and for Ciril

In 2015, the United Nations defined the roadmap for society towards 2030 and beyond, commonly known as the Sustainable Development Goals.

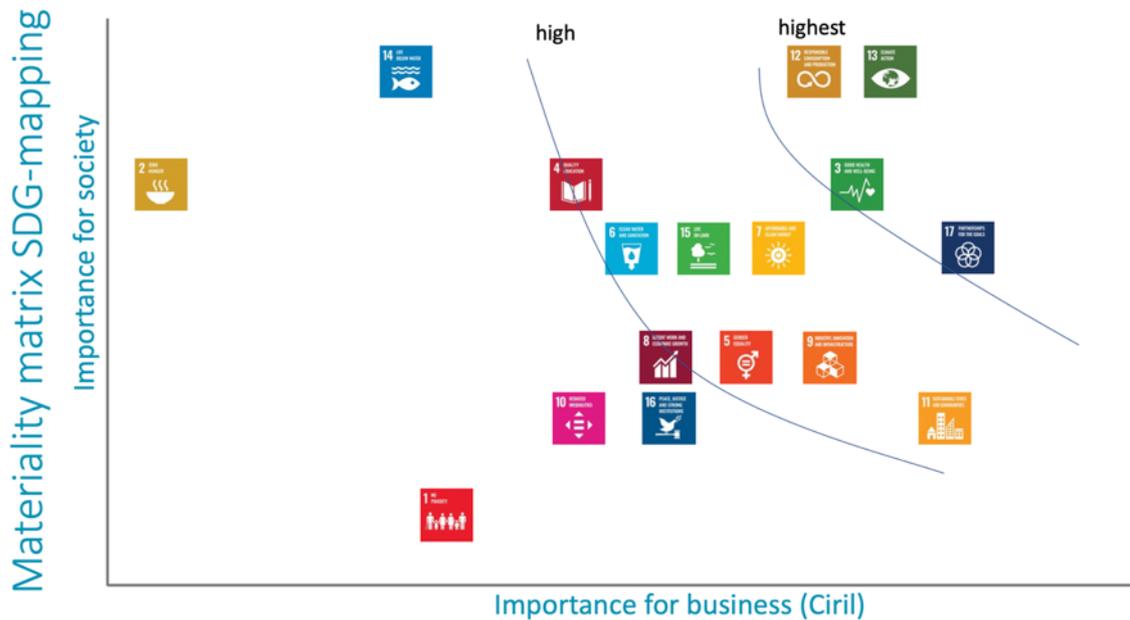
## SUSTAINABLE DEVELOPMENT GOALS



SDG	SDG Name	SDG Description
	<b>No Poverty</b>	End poverty in all its forms everywhere
	<b>Zero Hunger</b>	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
	<b>Good Health and Well-being</b>	Ensure healthy lives and promote well-being for all at all ages
	<b>Quality Education</b>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
	<b>Gender Equality</b>	Achieve gender equality and empower all women and girls
	<b>Clean Water and Sanitation</b>	Ensure availability and sustainable management of water and sanitation for all
	<b>Affordable and Clean Energy</b>	Ensure access to affordable, reliable, sustainable and modern energy for all
	<b>Decent Work and Economic Growth</b>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	<b>Industry, Innovation and Infrastructure</b>	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
	<b>Reduced Inequalities</b>	Reduce inequality within and among countries
	<b>Sustainable Cities and Communities</b>	Make cities and human settlements inclusive, safe, resilient and sustainable
	<b>Responsible Consumption and Production</b>	Ensure sustainable consumption and production patterns
	<b>Climate Action</b>	Take urgent action to combat climate change and its impacts
	<b>Life Below Water</b>	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	<b>Life on Land</b>	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	<b>Peace, Justice and Strong Institutions</b>	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	<b>Partnerships for the Goals</b>	Strengthen the means of implementation and revitalize the global partnership for sustainable development

The Ciril has set up an SDG-mapping with

- on the vertical axis: the importance of the SDG's for the Belgian society, derived from the Sustainable Development Report 2022<sup>2</sup> and the Belgian Performance, the challenges that exist in the Belgian society (where Ciril's headquarters are based);
- on the horizontal axis: the importance the SDG's play for Ciril and its direct stakeholders.



*Above: materiality matrix of Ciril (using the SDG's)*

Consequently, the following SDGs seem of paramount importance for both society and Ciril:

- SDG 13: Climate Action
- SDG 12: Responsible Consumption and Production (Circular Economy)
- SDG 3: Health and well-being
- SDG 17: Partnerships for the goals

Secondly, also high importance is dedicated to the following SDG's:

- SDG 11: Sustainable Cities
- SDG 7: Clean and affordable energy
- SDG 15: Life on land
- SDG 9: Innovation and infrastructure
- SDG 6: Clean water and sanitation
- SDG 5: Gender equality

<sup>2</sup> <https://ec.europa.eu/eurostat/documents/3217494/14665254/KS-09-22-019-EN-N.pdf/2edccd6a-c90d-e2ed-ccda-7e3419c7c271?t=1654253664613>

## 5.2. Risk levels overview – using the Future-Fit Risk Profiler

A Break-Even Goal is at risk if the company has a negative impact on society, if the goal is not pursued or/and if there is a disruption risk to the business if insufficient action is taken.

The Future-Fit Risk Profiler offers a holistic assessment of the potential for negative impacts across all issue areas covered by the Future-Fit Business Benchmark. It establishes the extra-financial materiality of the 23 Break-Even Goals. This is a measure of each goal's relative importance for society and/or the environment, based on the degree of negative impact which the activities of a typical company are likely to cause.

What the Future-Fit Risk Profiler does:

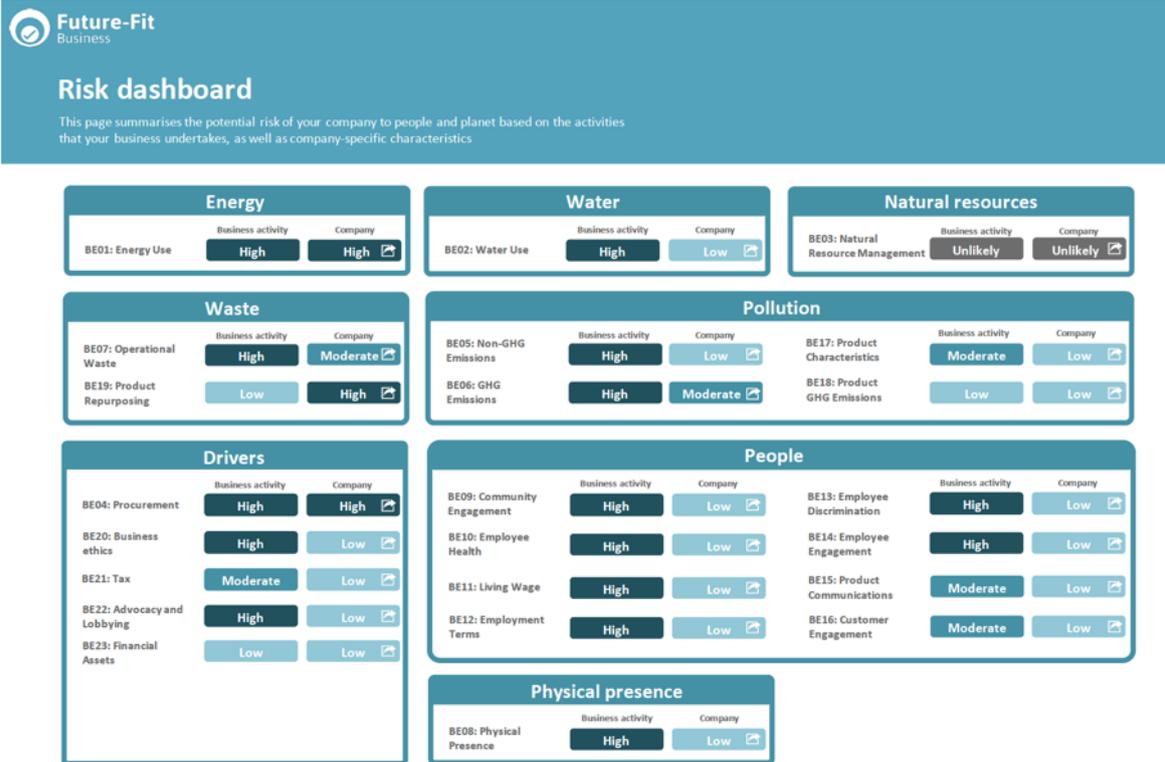
- Identify the most and least severe impact risks for different types of business activity
- Help companies prioritise action to minimise their negative extra-financial impacts.

Companies should focus on the highest risk goals first to mitigate their worst impacts, rather than simply responding to stakeholder opinions and/or the media, as encouraged by traditional materiality assessments. Highest risk goals are likely to present some of the biggest challenges for companies, potentially requiring a fundamental rethink of business models, or significant investment in R&D.

What the Future-Fit Risk Profiler doesn't do:

- It does not indicate the financial materiality of the goals.
- It does not prioritise the goals according to what will affect the company's success. Success will depend on other factors, such as how much regulatory risk a company might be exposed to if more progressive legislation on the issue were introduced, or how much an NGO campaign on the issue might undermine a company's reputation.
- It does not prioritise which of the highest impact goals should be tackled first. Again, this issue will depend on other factors, such as where the company has the greatest opportunity to neutralise the issue, or where the risk of inaction is greatest.
- It does not enable like-for-like comparisons across different business types. It enables comparison across business types between the risk levels, but what each risk level means might differ greatly between two risk profiles. For example, the impact of a particular goal might be labelled as high on profiles A and B, but the actual negative impact caused by a business of type A could be much higher than a business of type B, or vice versa.

Ciril and GRUUND assessed the risks that the Ciril's activities and value chain have on the planet and society. The conclusions of this assessment are visualized in the beneath mentioned overview.



Above: Future-Fit Risk Dashboard for Ciril

In the risk dashboard, the risk level is mentioned as “high”, “moderate”, “low” or “unlikely”, both for business activity – the construction sector in general - and the company itself. Note that the construction sector as a whole is used as business activity, including the construction activity itself as well as the real estate development. Most Break-Even Goals are highlighted as high risk due to the risks that are related to the construction activity, while CIRIL is a real estate developer. This is the reason why the business activity risks – the left-hand boxes - differ a lot from the company risks – the right-hand boxes.

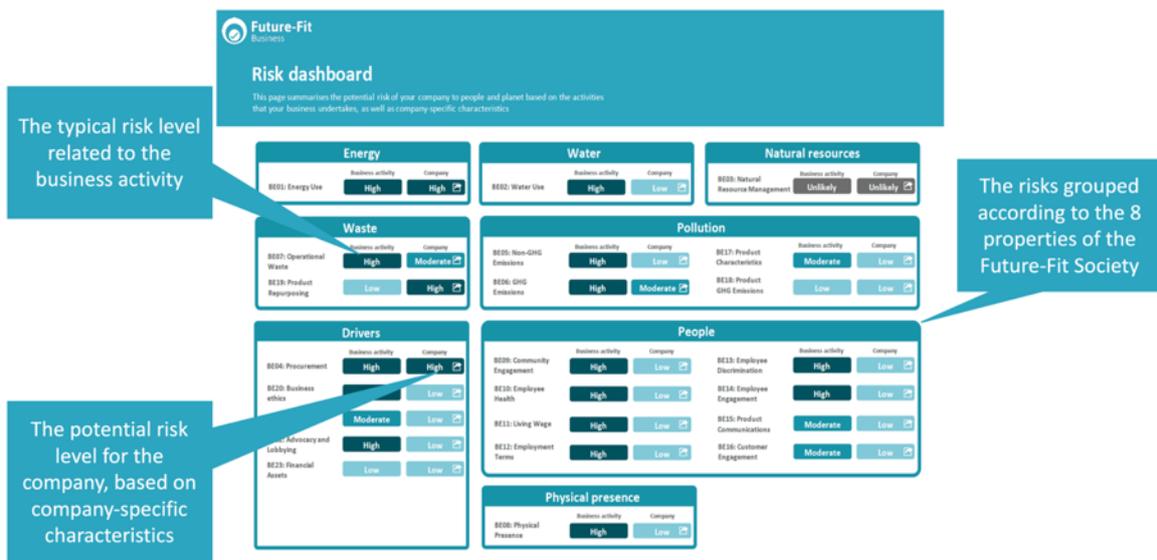
Level of risk	Definition
High	There is a high risk that a typical company's activities will cause significant harm in this issue area
Moderate	There is a moderate risk that a typical company's activities will cause significant harm in this issue area
Low	There is a low risk that a typical company's activities will cause significant harm in this issue area
Unlikely	A typical company's activities are unlikely to cause any harm in this issue area

Above: Level of Risk definitions

### Business Activity Classification:

The Future-Fit team has created an *activity-based* classification, grounded in the UN’s International Industrial Classification of all Economic Activities (ISIC). ISIC has been used since 1948 by nation states as the basis to classify data for economic statistics, such as national income and employment levels. It is based around the concept of activities – defined as “the use of inputs (e.g. capital, labour, energy and materials) to produce outputs”.

The Future-Fit team grouped the most granular ISIC 'classes' into business activities. A business activity should reflect the most significant thing a company is doing - this can be the production of the company's products, delivery of services or other activities a company undertakes in its day-to-day operations that are core to its business model. The business activity does not try to reflect *everything* the company is doing, just the activities which are integral to the business.



Above: How to read the dashboard?

### Conclusions:

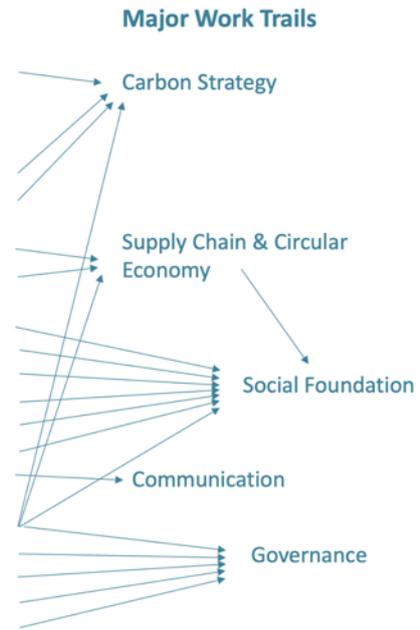
Mentioned as Break-Even Goals where CIRIL is at “High Risk for society”:

- BE01: Energy Use
- BE04: Procurement, upstream supply chain sustainability
- BE19: Product Repurposing

As a result of this Materiality Assessment, Ciril has set up several Major Work Trails as Sustainability Trajectories. Those work trails received a kick-start and will lead to specific Company goals and Key Performance Indicators within a reasonable period of time.

## Future-Fit Break-Even Goals

Energy	BE01	Energy is from renewable sources
Water	BE02	Water use is environmentally responsible and socially equitable
Natural Resources	BE03	Natural resources are managed to respect the welfare of ecosystems, people and animals
Pollution	BE05	Operational emissions do not harm people or the environment
	BE06	Operations emit no greenhouse gases
	BE18	Products emit no greenhouse gases
Waste	BE17	Products do not harm people or the environment
	BE07	Operational waste is eliminated
Presence	BE19	Products can be repurposed
	BE08	Operations do not encroach on ecosystems or communities
People	BE09	Community health is safeguarded
	BE10	Employee health is safeguarded
	BE11	Employees are paid at least a living wage
	BE12	Employees are subject to fair employment terms
	BE13	Employees are not subject to discrimination
	BE14	Employee concerns are actively solicited, impartially judged and transparently addressed
	BE15	Product communications are honest, ethical, and promote responsible use
	BE16	Product concerns are actively solicited, impartially judged and transparently addressed
Drivers	BE04	Procurement safeguards the pursuit of future-fitness
	BE23	Financial assets safeguard the pursuit of future-fitness
	BE22	Lobbying and corporate influence safeguard the pursuit of future-fitness
	BE21	The right tax is paid in the right place at the right time
	BE20	Business is conducted ethically



Above: The Major Work Trails in relation to the Future-Fit Break-Even Goals

The relation between the Break-Even Goals and the SDG's can be found at:

<https://futurefitbusiness.org/sdgs/>

A stakeholder survey will be organised during 2023 to get a picture of what those stakeholders consider important and how they perceive CIRIL is dealing with these aspects.

## 6. Progress and Pathway: an overview

For each Break-Even Goals we give an overview of

- What the risk level is, resulting from the Risk Profiling (as mentioned above),
- How we gather data and how complete it is - “How systematically and comprehensive does our business gather data relating to each Break-Even Goal?” - ,
- What Progress we make – “Where are we now?”-, and
- What Pathway we have defined or still need to define – “Where are we planning to get to, and by when?”-.

BE01	Energy is from renewable sources																					
Where to go?	<b>A Future-Fit Business ensures that all energy consumed – as electricity, heat or fuel – is derived from renewable energy sources: solar, wind, ocean, hydropower, geothermal resources, and biomass.</b>																					
Risk level	<b>High</b>																					
Data Gathering																						
Progress	<p>Electricity</p> <ul style="list-style-type: none"> <li>- Ciril does not own any building, thus no solar energy can be harvested at the roofs of own facilities.</li> <li>- Purchased energy: grey electricity from the Belgian grid (55 015 kWh in 2021)</li> </ul> <p>Heat</p> <p>Space heating in Office Hasselt is provided by the combustion of natural gas. (=41 894 kWh in 2021)</p> <p>Space heating of the offices in Antwerp is provided using (air-to-air) heat pumps (=5 315 kWh in 2021).</p> <p>Cooling of the offices is provided using (air-to-air) heat pumps. The heat pumps run on electricity.</p> <p>Energy for Mobility Purposes is provided by combustion of fossil fuels (gasoil). (8506 litres gasoil) (87 697kWh)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>2021</th> <th>Total energy used</th> <th>Of which Renewable</th> </tr> </thead> <tbody> <tr> <td>Hasselt: natural gas</td> <td>41 894 kWh</td> <td>0 kWh</td> </tr> <tr> <td>Hasselt: electricity (Belgian mix)</td> <td>49 700 kWh</td> <td>49 700 x 18,9% = 9 393 kWh (1)</td> </tr> <tr> <td>Antwerp Electricity other than for heat pumps</td> <td>24 161 – 15 000 = 9 161 kWh</td> <td>9 161 x 18,9% (1) = 1 731 kWh</td> </tr> <tr> <td>Antwerp: heat from heat pumps, using electricity (Belgian mix)</td> <td>2,5 x 15 000 kWh = 37 500 kWh</td> <td>Approx. 15 000 kWh x 18,90% = 2 835 kWh (1)</td> </tr> <tr> <td>Antwerp: heat pumps, heat from the air, assuming COP=2,5</td> <td></td> <td>1,5 x 15 000 kWh = 22 500 kWh</td> </tr> <tr> <td>Mobility (diesel)</td> <td>87 697 kWh</td> <td>0 kWh</td> </tr> </tbody> </table>	2021	Total energy used	Of which Renewable	Hasselt: natural gas	41 894 kWh	0 kWh	Hasselt: electricity (Belgian mix)	49 700 kWh	49 700 x 18,9% = 9 393 kWh (1)	Antwerp Electricity other than for heat pumps	24 161 – 15 000 = 9 161 kWh	9 161 x 18,9% (1) = 1 731 kWh	Antwerp: heat from heat pumps, using electricity (Belgian mix)	2,5 x 15 000 kWh = 37 500 kWh	Approx. 15 000 kWh x 18,90% = 2 835 kWh (1)	Antwerp: heat pumps, heat from the air, assuming COP=2,5		1,5 x 15 000 kWh = 22 500 kWh	Mobility (diesel)	87 697 kWh	0 kWh
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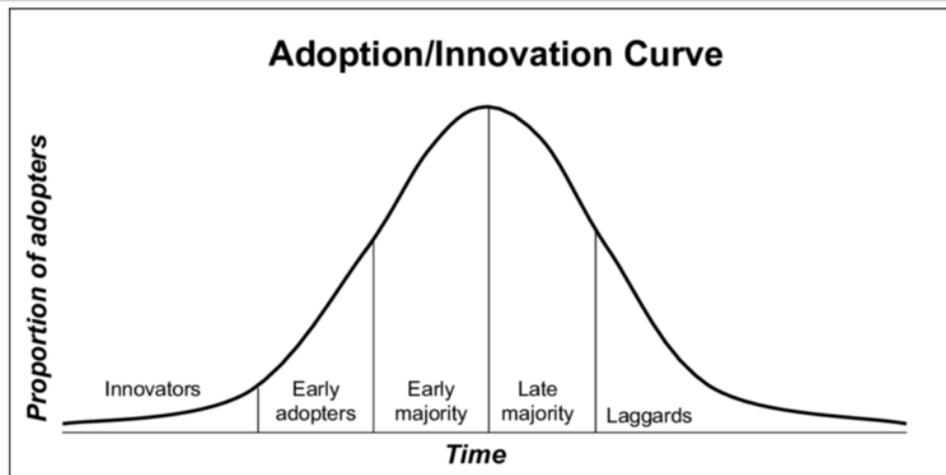
	Total:	225 952 kWh	36 460 kWh
	(1) 18,9 % of the Belgian Energy Mix during 2021 is from renewable sources. Source: Elia		
	<b>Fitness 2021:</b> <b>Amount renewable energy / Total energy = 36 460 / 225 952 = 16,1 %</b>		
	Values for 2022:		
	2022	Total energy used	Of which Renewable
	Hasselt: natural gas	36 967 kWh	0 kWh
	Hasselt: electricity (Belgian mix)	42 877 kWh	9 519 kWh (2)
	Hasselt: EV-charging	14 427 kWh	14 427 kWh * 22,2 % = 3 203 kWh
	Antwerp: electricity (other than for heat pumps)	25 196 – 15 000 = 10 196 kWh	10 196 * 22,2 % = 2 264 kWh (2)
	Antwerp: heat from heat pumps, using electricity (Belgian mix)	2,5 x 15 000 kWh = 37 500 kWh	15 000 x 22,2% = 3 330 kWh (2)
	Antwerp: heat pumps, heat from the air, assuming COP=2,5		1,5 * 15 000 kWh = 22 500 kWh
	Mobility (diesel)	104 183 kWh	0 kWh
	Total:	221 527 kWh	40 815 kWh
	<b>Fitness 2022:</b> <b>Amount renewable energy / Total energy = 40 815 / 246 150 = 16,6 %</b>		
	(2) 22,2 % of the Belgian Energy Mix during 2022 is from renewable sources. Source: Elia		
Pathway	To be implemented: Convert space heating Office Hasselt to heat pumps (Attention: Ciril does not own the building itself). Purchase of green electricity, preferably with bundled REC's. Phase-out cars running on diesel and introduce electric vehicles.		

BE02	Water use is environmentally responsible and socially equitable
Where to go?	<b>A Future-Fit Business protects freshwater resources by minimizing water consumption in its commercial and industrial activities, and by ensuring its discharges do not degrade the water quality of receiving watersheds</b>
Risk Level	Low
Data Gathering	No Data gathered Ciril does not own the buildings where its offices are located, neither in Hasselt or Antwerp.
Progress	<p><b>Waste water treatment</b> All the discharge from domestic waste water from toilets, washbasins and showers is collected in public sewers, leading to appropriate (inter)communal/regional treatment plants.</p> <p><b>Water Stewardship</b> The region where the offices are located is increasingly subject to water stress as water resources are being overexploited, long periods without precipitation are becoming more frequent and a gradual reduction of groundwater resources is occurring. It is therefore important to collect rainwater locally as much as possible and use it for purposes where drinking water quality is not required. This way, less drinking water is needed to be purchased and less pressure is put on water resources. Working in this way is contributing to water stewardship.</p> <p>In CIRIL's offices, drinking water is used for toilet flushing. So a high-value product is used for a low-value application.</p> <p>CIRIL does not own the buildings where its offices are located, neither in Hasselt or Antwerp. As a result, the impact CIRIL has on the water management is low.</p>
Pathway	Not applicable

BE03	Natural resources are managed to respect the welfare of ecosystems, people and animals
Where to go?	<b>A Future-Fit Business preserves the health of all natural resources it owns or manages, as well as that of all ecosystems and communities impacted by sourcing activities it conducts itself.</b>
Risk level	Unlikely
Data gathering	Not applicable
Progress	Ciril does not manage or is involved in the sourcing of natural resources. This is an issue for the upstream value chain and thus covered by BE04 Procurement.
Pathway	Not applicable

BE04	Procurement safeguards the pursuit of future-fitness (upstream supply chain)
Where to go?	<b>A Future-Fit Business seeks to reduce – and eventually eliminate – any negative environmental and social impact caused by the goods and services it depends upon, by continuously striving to anticipate, avoid and address issue-specific hotspots in its supply chains.</b>
Risk level	High
Data gathering	<p>In progress</p> <p>To anticipate the negative impacts that its procured goods and services could be contributing to, a company should develop a clear understanding of the size, nature and complexity of its supply chains. A hotspot assessment is a way to determine possible negative impacts which could undermine progress toward a Future-Fit Society. Such a hotspot assessment is being undertaken at Ciril, not yet covering all areas of the Future-Fit Society. First focus is on the emission of greenhouse gases in the upstream value chain, upstream scope 3 emissions.</p>
Progress	<p>In general, the following steps are undertaken / to be undertaken:</p> <ul style="list-style-type: none"> <li>- Supply Chain Mapping</li> <li>- Potential hotspot assessment               <ul style="list-style-type: none"> <li>o Identification of the potential hotspot for each issue area</li> <li>o Assessment of the potential hotspot intensity</li> <li>o Informed prioritisation of which impacts to address first</li> </ul> </li> <li>- Address hotspots in line with No use, no excuse, commit to reduce approach.</li> </ul> <p><b>The 8 properties, in short:</b></p> <p><b>Energy</b> Most energy that is used in the upstream value chain is non-renewable and emits greenhouse gases. Assessed provisionally with generic data, most often not specific data.</p> <p><b>Water</b> Not yet assessed</p> <p><b>Natural Resources</b> Potential hotspots occur in the mining of metals and minerals that are being used in the buildings.</p> <p><b>Pollution – other than greenhouse gases</b> Not yet assessed</p> <p><b>Pollution by greenhouse gases - Upstream Scope 3 Greenhouse Gas Emissions</b> The upstream scope 3 emissions are subject to inventory, with mostly 2022 as a reference year, sometimes 2021 according to the availability of date. See Carbon Accounting Scope 1, 2 and 3.</p> <p><b>Waste</b> An assessment to see whether waste is generated in the upstream value chain, has not yet been undertaken.</p> <p><b>Physical Presence</b></p>

	<p>Not yet assessed</p> <p><b>People</b> An assessment to see whether human rights are violated in the upstream value chain, has not yet been undertaken.</p> <p><b>Drivers</b> Not yet assessed</p> <p><b>Fitness Scores:</b></p> <table border="1" data-bbox="435 548 1331 1016"> <thead> <tr> <th>Domain</th> <th>Fitness 2022</th> <th></th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>0%</td> <td>No assessment undertaken, yet</td> </tr> <tr> <td>Water</td> <td>0%</td> <td>No assessment undertaken, yet</td> </tr> <tr> <td>Natural Resources</td> <td>0%</td> <td>No assessment undertaken, yet</td> </tr> <tr> <td>Pollution other than GHG</td> <td>0%</td> <td>No assessment undertaken, yet</td> </tr> <tr> <td>Pollution GHG</td> <td>50%</td> <td>Hotspot assessment conducted (Scope 3 emissions), actual hotspots confirmed, strategy developed to address them</td> </tr> <tr> <td>Waste</td> <td>0%</td> <td>No assessment undertaken, yet</td> </tr> <tr> <td>Physical presence</td> <td>0%</td> <td>No assessment undertaken, yet</td> </tr> <tr> <td>People</td> <td>0%</td> <td>No assessment undertaken, yet</td> </tr> <tr> <td>Drivers</td> <td>0%</td> <td>No assessment undertaken, yet</td> </tr> </tbody> </table>	Domain	Fitness 2022		Energy	0%	No assessment undertaken, yet	Water	0%	No assessment undertaken, yet	Natural Resources	0%	No assessment undertaken, yet	Pollution other than GHG	0%	No assessment undertaken, yet	Pollution GHG	50%	Hotspot assessment conducted (Scope 3 emissions), actual hotspots confirmed, strategy developed to address them	Waste	0%	No assessment undertaken, yet	Physical presence	0%	No assessment undertaken, yet	People	0%	No assessment undertaken, yet	Drivers	0%	No assessment undertaken, yet
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Pathway	<p><b>In general</b> We will engage our suppliers, create awareness, detect and address hotspots in order to continually improve the value chain where we are part of and gradually pull suppliers and other stakeholders along in our wake.</p> <p><b>Pollution by greenhouse gases was detected as high-risk hotspot. Therefore, an Upstream Scope 3 Greenhouse Gas Emission Inventory has been made and a Reduction Strategy is in place, in line with Science Based Targets.</b> See Carbon Strategy Scope 1, 2 &amp; 3</p> <p><b>Life-cycle impact of materials</b> (natural resources) In order to have a better idea on the environment impact of materials that are being used in buildings, (LCA) Life Cycle Analysis can be done.</p> <p>In addressing the potentially negative impact in the upstream value chain, CIRIL will act as an <i>early adopter</i> (see exhibit below). In the coming years, there will be an increasingly explicit focus on the following aspects, among others:</p> <ul style="list-style-type: none"> <li>- Human Rights in the upstream value chain</li> <li>- Circularity and circular building: reuse of materials, recycling of materials, circular inflow</li> <li>- Waste management at the construction sites</li> <li>- Sustainable procurement (2023)</li> <li>- Partnerships</li> </ul>																														



Adoption Innovation Curve (Adapted from Rogers, 1995)

*Above: CIRIL as early adopter*

<b>BE05</b>	<b>Operational emissions (other than GHG) do not harm people or the environment</b>
Where to go?	<b>A Future-Fit Business eliminates all forms of harmful emissions from its operations – gaseous, liquid and solid</b>
Risk level	Low
Data gathering	Not applicable
Progress	The company’s operational activities do not have any harmful emissions (other than greenhouse gases) – gaseous, liquid and solid.
Pathway	Not applicable

BE06 Operations emit no GHGs	
Where to go?	<b>A Future-Fit Business emits net zero GHGs as a result of its own operational activities, including energy it consumes.</b>
Risk level	<b>Moderate</b>
Data gathering	The GHG inventory for 2021 and 2022 (as reference year) is available
Progress	<p>See detailed inventory Scope 1 &amp; 2 emissions, available.</p> <p><b>Scope 1 – stationary combustion</b>            Direct emissions of greenhouse gases occur at the offices, (Belgium). The accommodation in Hasselt is provided with heat that is generated by burning fossil fuels.            (8 tCO<sub>2</sub>e in 2021)            (7 tCO<sub>2</sub>e in 2022)</p> <p><b>Scope 1 – mobile combustion</b>            The mobility fleet is responsible for direct emissions due to the burning of diesel driven vehicles.            (21 tCO<sub>2</sub>e in 2021)            (25 tCO<sub>2</sub>e in 2022)</p> <p><b>Scope 1 - Unintended releases, fugitive emissions</b>            No refrigerant leakages (unintended releases) occur.            (0 tCO<sub>2</sub>e in 2021)            (0 tCO<sub>2</sub>e in 2022)</p> <p><b>Scope 2</b>            The purchased electricity is grey, responsible for carbon emissions in line with the typical Belgian mix            (15 tCO<sub>2</sub>e in 2021)            (14 tCO<sub>2</sub>e in 2022)</p> <p><b>Totals:</b>            Scope 1 + 2 in 2021: 44 tCO<sub>2</sub>e            Scope 1 + 2 in 2022: 46 tCO<sub>2</sub>e            Fitness: 0 % (=reference year as a starting point)</p> <p><b>Note:</b>            In scope for BE06: Scope 1 + 2            Out of scope for BE06: upstream scope 3 emissions (which are included in BE04)</p>
Pathway	<p>Ciril has developed a Carbon Strategy, based upon the Carbon Accounting for Scope 1, 2 and 3, and following the methodology of the Net-Zero Carbon Standard of Science-Based Targets Initiative (published in Oct 2021). The Carbon Strategy will include short-term targets to half the emissions by 2030 and long-term targets to reach Net-Zero by 2050 or earlier.</p> <p>General targets, in line with the Net-Zero Standard:</p> <ul style="list-style-type: none"> <li>- Reduction with 50% by 2030 for Scope 1, 2 and 3</li> <li>- Reduction with 95% (Scope 1 &amp; 2) and 90% (Scope 3) by 2050</li> </ul> <p>See further on in this report.</p>



BE07	Operational waste is eliminated																																								
Where to go?	<b>A Future-Fit Business seeks to eliminate operational waste completely, and ensures that all by-products are repurposed. Organic waste may be composted and returned to the soil, and materials that can be reused must be reclaimed</b>																																								
Risk level	<b>Moderate</b>																																								
Data gathering	Limited data available for 2021. Better but still imprecise data available for 2022.																																								
Progress	<p>Waste generation at the offices is in the scope.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Waste</th> <th>site</th> <th>Total amount waste (kg)</th> <th>Recyclable amount (kg)</th> <th></th> </tr> </thead> <tbody> <tr> <td>Regular office waste for incineration</td> <td>Antwerpen</td> <td>572</td> <td></td> <td></td> </tr> <tr> <td>Regular office waste for incineration</td> <td>Hasselt</td> <td>382</td> <td></td> <td></td> </tr> <tr> <td>Industrial waste</td> <td>Hasselt</td> <td>448</td> <td></td> <td></td> </tr> <tr> <td>PMD</td> <td>Hasselt</td> <td>10</td> <td>10</td> <td></td> </tr> <tr> <td>Paper</td> <td>Hasselt</td> <td></td> <td></td> <td>unknown</td> </tr> <tr> <td>Paper and cardboard</td> <td>Antwerpen</td> <td></td> <td></td> <td>unknown</td> </tr> <tr> <td></td> <td></td> <td>1412</td> <td>10</td> <td></td> </tr> </tbody> </table> <p>Amount of waste non-recyclable: 1402 kg (imprecise) in reference year 2022</p>	Waste	site	Total amount waste (kg)	Recyclable amount (kg)		Regular office waste for incineration	Antwerpen	572			Regular office waste for incineration	Hasselt	382			Industrial waste	Hasselt	448			PMD	Hasselt	10	10		Paper	Hasselt			unknown	Paper and cardboard	Antwerpen			unknown			1412	10	
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Pathway	More refined data is needed.																																								

BE08	Operations do not encroach on ecosystems or communities
Where to go?	<b>A Future-Fit Business preserves the health of all areas of high biological, ecological, social or cultural value – both by protecting them where the company is already active, and by avoiding further expansion into new areas if degradation is possible.</b>
Potential risk level	Low
Data gathering	
Progress	<p>The offices (and real estate projects) are situated in dedicated areas for residential purpose, office and mixed-use activities in the cities.</p> <p>No activities have an effect on pristine ecosystems, such as wetlands or forests, or on high cultural or ecological value.</p> <p>No local communities are negatively affected by the Ciril's activities or presence.</p>
Pathway	<p>Gardens and (unpaved) spaces surrounding buildings might be developed to stimulate bio-diversity and to protect against urban heat island effect.</p> <p>Projects are subject to <b>Project Sustainability Assessments</b>. See BE23</p> <p>Target indicators are subject of evaluation.</p>

BE09	Community health is safeguarded
Where to go?	<b>A Future-Fit Business seeks to anticipate, avoid and address the concerns of all local communities whose wellbeing may be affected by its operational activities</b>
Potential risk level	Low
Data gathering	appropriate
Progress	<p>People living in the neighbourhood of where the projects are developed may be affected by CIRIL's activities. There might be a potential of negative impact during the construction phase. Therefore, appropriate measures are in place.</p> <p>Minimal Nuisance Plan          Neighbours can be impacted by the projects while they are in the construction phase. Therefore, long before the construction works start, CIRIL opens dialogue with the neighbourhood and listens to their wishes and concerns. Then, a customized minimal nuisance plan is developed, tailored to unique neighbourhoods and projects. Prevention, management and adjustment is set up in partnership with the contractors. During the entire building process, CIRIL serves as a mediator between contractor(s) and the local residents, as an appropriate point of contact for the neighbourhood. CIRIL keeps an eye on the effects of the measures during each step of the process. Quick changes can be made when a planned approach might not have the desired outcome. A customized approach is designed, based on 5 potential nuisance topics: noise, dust and mud, safety, traffic mobility and communication.</p> <p>Fitness criteria:</p> <ul style="list-style-type: none"> <li>- Ensure legitimacy: fulfilled</li> <li>- Ensure positive outcomes: fulfilled</li> <li>- Ensure accessibility: fulfilled</li> <li>- Reduce uncertainty: fulfilled</li> <li>- Ensure fairness: fulfilled</li> <li>- Ensure transparency: fulfilled</li> <li>- Improve continuously: fulfilled</li> <li>- Engage actively: fulfilled</li> </ul> <p>Fitness: 100%</p>
Pathway	Projects are also subject to <b>Project Sustainability Assessments</b> . Target indicators are subject of evaluation.

BE10	Employee health is safeguarded
Where to go?	<b>A Future-Fit Business safeguards the health of its employees by ensuring physically safe work environment, having zero tolerance for harassment and bullying, and by nurturing emotional and mental wellbeing</b>
Potential risk level	Low
Data gathering	Not yet subject to evaluation
Progress	Fitness criteria for Ciril: <ul style="list-style-type: none"> <li>- Physical safety: fulfilled</li> <li>- Mental wellbeing: fulfilled</li> <li>- Physical activity: fulfilled</li> <li>- Nutrition: fulfilled</li> <li>- Smoking: Communal areas, inside, are smoke-free. Outside areas are not smoke-free</li> <li>- Support for lost time: fulfilled</li> </ul> Fitness score: 90%  CIRIL, as part of DEMOCO Group, is a Great Place to Work. Surveys are undertaken to measure wellbeing.
Number of employees:	<20 employees
Pathway	Continuous attention is needed regarding to mental health (stress, potential work overload, burn-out prevention).

BE11	Employees are paid at least a living wage
Where to go?	<b>A Future-Fit Business pays all workers in all regions enough to meet their basic needs and secure essential services for themselves and their families</b>
Risk level	Low
Data Gathering	Belgium
Progress	All employees live in Belgium All employees are paid at least a living wage. Fulfilled Fitness score: 100%
Pathway	Not applicable

BE12	Employees are subject to fair employment terms
Where to go?	<b>A Future-Fit Business ensures that all its workers are treated fairly. Contracts between employer and employee afford individuals the basic protection, freedoms and rights expected in a prosperous and just society.</b>
Potential risk level	Low
Data gathering	Good
Progress	Fitness criteria: <ul style="list-style-type: none"> <li>- Child labour: fulfilled</li> <li>- Fair employment status: fulfilled</li> <li>- Freedom of association: fulfilled</li> <li>- Fair working hours: fulfilled</li> <li>- Holiday: fulfilled</li> <li>- Maternity, paternity and parental leave: partially fulfilled, not all conditions cover all genders, yet Paternity leave (“vaderschaps-geboorteverlof” in dutch) is limited to fifteen days (until end 2022) and twenty days as of January 2023.</li> </ul> Fitness score: 80%
Pathway	There is no intention to change the current policy for paternity leave, which is common use in Belgium.

BE13	Employees are not subject to discrimination
Where to go?	<b>A Future-Fit Business proactively investigates and monitors key practices – such as recruitment, pay structures, hiring, performance assessment and promotions – to ensure that no discrimination occurs, however unintentional it may be.</b>
Potential risk level	Low
Data gathering	
Progress	Both direct and indirect discrimination The company actively and explicitly addresses this issue through many voluntary initiatives, not only towards employees. Fitness criteria: <ul style="list-style-type: none"> <li>- Adoption of an anti-discrimination policy: fulfilled</li> <li>- Directive and preventive measures: fulfilled</li> <li>- Corrective measures: fulfilled</li> <li>- Monitoring: fulfilled</li> </ul> Fitness score: 100%
Pathway	Remain vigilant on applying the policy

<b>BE14</b>	<b>Employee concerns are actively solicited, impartially judged and transparently addressed</b>
Where to go?	<b>A Future-Fit Business takes steps to minimize employee concerns, and implements internal controls to identify and deal fairly with any issues that do arise.</b>
Risk level	Low
Data gathering	
Progress	<p>Fitness criteria fulfilled:</p> <ul style="list-style-type: none"> <li>- Ensure legitimacy: ok</li> <li>- Ensure positive outcomes: ok</li> <li>- Ensure accessibility: ok</li> <li>- Reduce uncertainty: ok</li> <li>- Ensure fairness: ok</li> <li>- Transparency: ok</li> <li>- Engage actively: ok</li> <li>- Improve continuously: ok</li> </ul> <p>Fitness score: 100%</p>
Pathway	Remain vigilant on applying the policy

<b>BE15</b>	<b>Product communications are honest, ethical and promote responsible use</b>
Where to go?	<b>A Future-Fit Business does everything it can to help customers make responsible decisions regarding the purchase, use and (in the case of physical goods) post-use processing of its products. In addition, it markets its products honestly and ethically to appropriate audiences.</b>
Risk level	low
Data gathering	To be gathered
Progress	<p>The buyers of the property developed by CIRIL are the main target group where communication is the subject of this study.</p> <p>Communication to this target group is provided, prior to a purchase agreement, through the sales charge book, sales plans and general commercial and marketing information. In Belgium, strict regulations already apply via the Breyne Act. Upon delivery of a real estate object, an extensive as-built dossier and a post-intervention dossier are made available in which a lot of information is made available.</p> <p>All major user groups are identified: fulfilled          Communication plans are in place: fulfilled          Communications support informed purchase decisions: fulfilled          Communications support the proper use of products: fulfilled          Communications support the proper post-use treatment of goods: not fulfilled</p> <p>Fitness score: 75%</p>
Pathway	As part of the circular buildings work train, communication will be provided regarding post-use treatment of building parts, materials and components.

BE16	Product Concerns are actively solicited, impartially judged and transparently addressed
Where to go?	<b>A Future-Fit Business gives voice to its customers by actively soliciting any concerns they have, impartially investigating them, and fairly and transparently acting to address legitimate grievances.</b>
Risk level	Low
Data gathering	To be gathered
Progress	CIRIL puts in place control structures to ensure that its customer concerns mechanisms satisfy all of the following criteria: <ul style="list-style-type: none"> <li>- Major user groups of products are identified: fulfilled</li> <li>- Concern mechanisms meet minimum requirements               <ul style="list-style-type: none"> <li>o Ensure legitimacy: fulfilled</li> <li>o Ensure positive outcomes: fulfilled</li> <li>o Ensure accessibility: fulfilled</li> <li>o Reduce uncertainty: fulfilled</li> <li>o Ensure fairness: fulfilled</li> <li>o Ensure transparency: fulfilled</li> <li>o Engage actively: fulfilled</li> <li>o Improve continuously: fulfilled</li> </ul> </li> </ul> <p>Fitness: 100%</p>
Pathway	

BE17	Products do not harm people or the environment
Where to go?	<b>A Future-Fit Business ensures all of the goods and services it offers are completely benign to people and nature, both as a result of their use and (in case of physical goods) at their end of life.</b>
Risk level	Low
Progress	<p>The company ensures that any goods and services it provides do not lead to environmental degradation, ecosystem disruption, or negative impacts on people’s physical and mental wellbeing.</p> <p>Supplementary goods: packaging, marketing materials and giveaways, ...</p> <p>The question here is whether buildings, building parts, building components might induce any harm to people or the environment.</p> <p>A fully worked-through analysis would be conducting Life Cycle Assessments of the buildings, where all building elements are assessed for harmful substances anywhere during the lifecycle and where appropriate alternatives can be suggested.</p> <p>Although no Life Cycle Assessments are conducted, materials used in the buildings that CIRIL develops comply with the strict regulatory framework which exists in Belgium and Europe. However, for some building components, the use of certain materials that might be substances of concern (e.g. blown polyurethane insulation in floors in end-of-life stage) are still allowed by the regulator. Therefore, further assessment is useful to determine which materials might be harmful although they are still allowed to be used.</p> <p>Fitness sold goods – use phase: 0%            Fitness sold goods – end of life: 0%            Fitness supplementary goods – use phase: 100%            Fitness supplementary goods – end of life: 100 %            Due to incomplete assessment, the fitness score for sold goods remains 0%.</p>
Pathway	A further study will be carried out in 2023 on which typical building materials might be the subject of concern. The aim is then to exclude these through provisions in specifications.

BE18	Products emit no greenhouse gases
Where to go?	<b>A Future-Fit Business sells no goods or services that emit greenhouse gases as a direct consequence of their use.</b>
Risk level	Low The risk level was graded as “low”, because the current policy already foresees the development of all-electric buildings.
Data gathering	2021 and 2022 See Scope 3 downstream emissions, “use of sold products”, in the carbon accounting
Progress	The projects that were delivered in 2021 and 2022, generally, have gas boilers for room heating and domestic hot water. New projects, that are in design phase, are designed to run all-electric.  Fitness: 0% (as the buildings sold in 2021 and 2022 still make use of fossil fuels)
Pathway	All future buildings will be “all-electric” buildings, that do no longer use fossil fuel, that run on (preferably) renewable energy. See carbon strategy Fitness score will increase as soon as all-electric projects reach delivery status.

BE19	Products can be repurposed
Where to go?	<b>A Future-Fit Business does all it can to ensure that the physical goods it provides to others can be repurposed at the end of their useful life.</b>
Risk level	High
Data gathering	
Progress	<p>In scope are:</p> <ul style="list-style-type: none"> <li>- Sold goods: (with all of its components)</li> <li>- Supplementary goods: such as packaging, marketing materials, giveaways, ...</li> </ul> <p>Fitness criteria: A post-use component is fit for repurposing if <u>all</u> of the following are true:</p> <ul style="list-style-type: none"> <li>- It can be separated from other components</li> <li>- The user has access to Recovery services or Take-back services</li> <li>- Reuse or recycle: the provider of the recovery service can recover the components as a new raw material without the release of harmful substances</li> </ul> <p>Not OK is, if it can only be taken in a waste incinerator (with or without heat recovery).</p> <p>The challenge here is to bring real estate to the market from which the building components can be repurposed or at least be recycled when it reaches the end-of-life stage. Bringing into practice the principles of Circular Buildings is in the center of this challenge. CIRIL is aware of this challenge, will gradually improve circular performance of the buildings but has not yet circular measurement in place.</p> <p>Design Principles for Adaptability</p> <ul style="list-style-type: none"> <li>- <b>Versatility:</b> the ability to accommodate different functions with minor system changes (e.g. Parking space can be used as farmers market or public plaza for events)</li> <li>- <b>Convertibility:</b> the ability to accommodate substantial changes in user needs by making modifications (e.g. Offices designed and constructed to enable conversion to residential occupancy)</li> <li>- <b>Expandability:</b> the ability of a design or the characteristics of a system to accommodate a substantial change that supports or facilitates the addition of new space, features, capabilities and capacities (e.g. Additional floor level on top of existing structure)</li> </ul> <p>Design Principles for Disassembly</p> <ul style="list-style-type: none"> <li>- <b>Ease of access</b> to components and services (connections should be visible and exposed wherever possible)</li> <li>- <b>Independence</b> (building systems or “layers” stand independently, especially if their design life is different)</li> <li>- <b>Avoidance</b> of unnecessary <b>treatments</b> and <b>finishes</b></li> <li>- Supporting re-use (circular economy) <b>business models</b></li> <li>- <b>Simplicity</b></li> <li>- <b>Standardization</b></li> <li>- <b>Safety</b> of disassembly</li> </ul>

	<p>Incomplete assessment as <u>no measurement of circularity</u> of the buildings is in place, yet.</p> <p>Fitness score: 0 % (cannot be measured, yet)          Although certain aspects of circularity are already put into practice, no measurement of circularity is in place, yet.</p>
Pathway	Gradually, more and more principles of circular economy in general and circular buildings will be applied.

BE20 Business is conducted ethically	
Where to go?	<b>A Future-Fit Business actively seeks to anticipate, avoid and address ethical breaches that may arise as a result of its activities.</b>
Risk level	Low
Data gathering	Good
Progress	<p>The company has performed a hotspot assessment            An ethics policy is in place in line with the fitness criteria, which applies to and had been communicated to the employee(s).            Appropriate control processes are in place to ensure that employee(s) are equipped to anticipate, avoid and spot ethical breaches, and raise concerns when they occur.</p> <p>Fitness: 100%</p>
Pathway	

BE21 The right tax is paid in the right place at the right time	
Where to go?	<b>A Future-Fit Business commits publicly to a responsible tax policy, and works continuously to ensure that it lives up to this policy, across all its areas of business.</b>
Risk level	Low
Data gathering	
Progress	<p>There is a simple and therefore transparent business structure with activity only in Belgium. The spirit of the conditions covered by this objective is <b>implicit</b>. In the near future, a more explicit formulation will also be made in the form of a tax policy.</p> <p>Tax policy, implementation and compliance: ... /8 (single-country company)            Transparency: ... / 4            Tax rate and disclosure: ... / 4            Total: ... / 16</p> <p>Fitness: % (measurement will be applicable from next report on)</p>
Pathway	

BE22	Lobbying and advocacy safeguard the pursuit of future-fitness
Where to go?	<b>A Future-Fit Business never seeks to influence market dynamics in ways that may contribute to hindering society’s progress toward future-fitness</b>
Risk level	Low
Data gathering	
Progress	<p>The influence includes efforts to shape the public discourse through activities such as advertising, public relations, social media, and participation in influential forums, including trade associations and advocacy groups.</p> <p>The company actively advocates opinions that contribute to society’s progress towards future-fitness, both regarding social and environmental issues.</p> <p>Requirements:</p> <ul style="list-style-type: none"> <li>- Lobbying and advocacy policy requirements</li> <li>- Control processes for contributions</li> <li>- Disclosure requirements for third-party contributions/influencers.</li> </ul> <p>A lobbying and advocacy policy is being drafted that gives attention to all aspects that belong here. This lobbying and advocacy policy will be integrated in the general Code of Conduct.</p> <p>Progress: % (will be applicable from next report on)</p> <p>Memberships with third-party contributions / influencers:</p> <ul style="list-style-type: none"> <li>- VOKA (Chamber of Commerce)</li> <li>- UPSI/BVS (Real Estate industry association representing the interests of the industry)</li> <li>- The Shift: Belgian sustainability platform</li> <li>- BACA: Belgian Alliance for Climate Action</li> </ul>
Pathway	

BE23	Financial Assets safeguard the pursuit of future-fitness
Where to go?	<b>A Future-Fit Business implements investment policies and related internal controls that continuously seek to improve the future-fitness of both the financial assets it owns, and any that it manages or controls on behalf of third-party asset owners</b>
Risk level	Low
Data gathering	In process
Progress	<p>All the projects that are currently planned, in construction or in delivery stage are subject to an assessment with the <b>Project Sustainability Assessment</b> tool that is particularly developed to assess real estate development project through the lens of the 8 properties of the Future-Fit Society.</p> <p>The assessment gives the answer to the question whether and to what extent the projects safeguard the pursuit of future-fitness.</p> <p>The company already formulated ambitions for the grades at the different domains, applicable for projects that are in an early development stage.</p> <p>Progress: An appropriate hotspot assessment has been undertaken. The assessment identifies that potential hotspots may exist. A detailed analysis of all potential hotspots has been undertaken. The analysis confirms that actual hotspots do exist. Steps are being taken to address identified hotspots.</p> <p>Fitness score = 50%</p> <p>See further on in this report.</p>
Context Indicators	Total value of financial assets
Pathway	<p>Conduct the assessment for all the projects in development, construction or in delivery stage.</p> <p>Level up the ambitions, step by step, in the next years.</p>

## 7. Our Major Work Trails: Pathways to True Sustainability

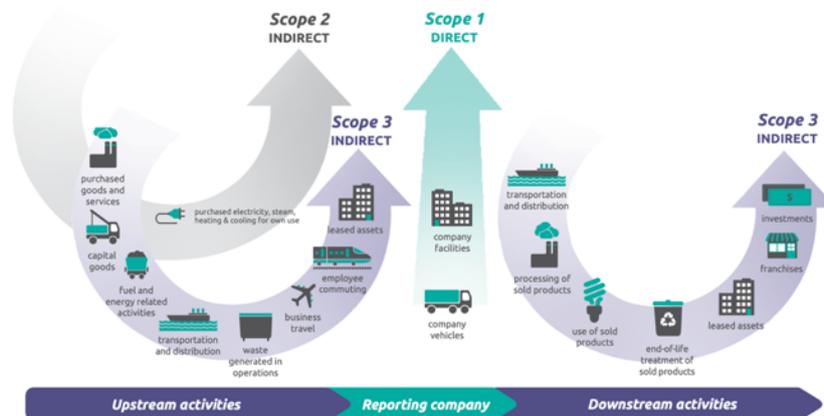
### 7.1. Carbon Strategy

#### 7.1.1. Carbon Accounting – the emissions inventory

This pathway is in relation to BE06 (Scope 1 & 2), BE04 (Scope 3 upstream) and BE18-19 (Scope 3 downstream).

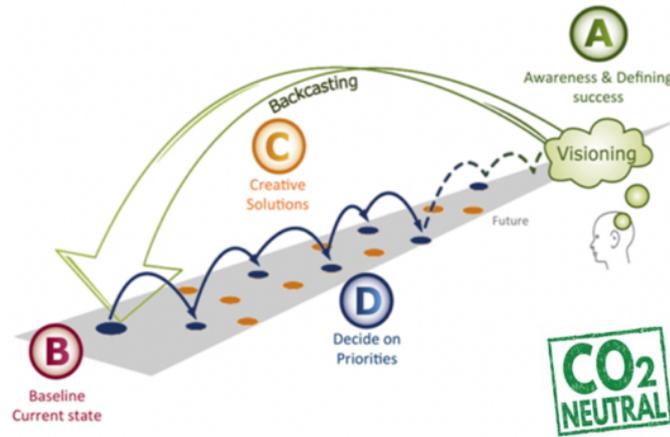
We make a Climate Action Commitment to reach Net Zero by 2050.

A Carbon Accounting for Scope 1, 2 and 3 is set up to provide a clear view on where Ciril’s impact on climate change can be situated, in the company’s own operations and in both the upstream and downstream value chain. This clear view is the basis to build the Carbon Strategy upon.



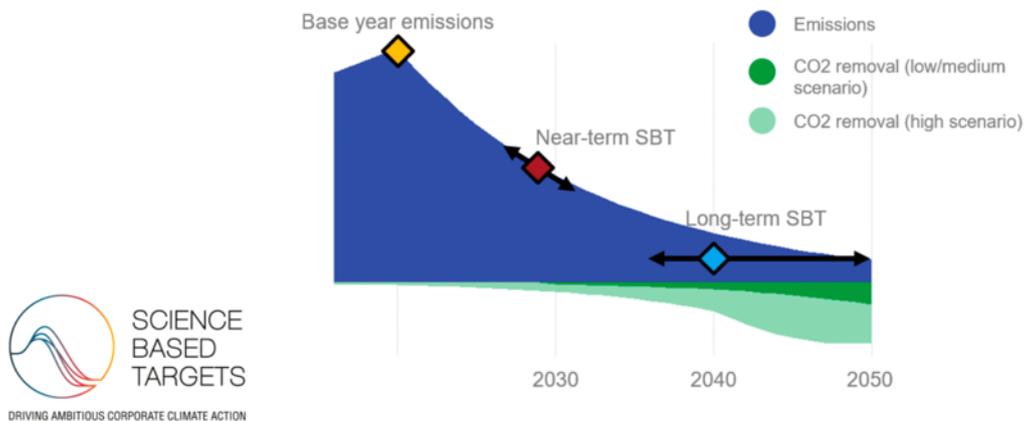
Above: Carbon Accounting across Scope 1, 2 and 3

The Carbon (reduction) Strategy needs to be aligned with the Paris Agreement. There is no science-based alternative. Therefore, the translation of the Paris Agreement into emission reduction targets has to be made. Carbon Neutrality is the ultimate destination. A back-casting strategy, having the ultimate destination in mind, is the strategy which is being implemented by Ciril.



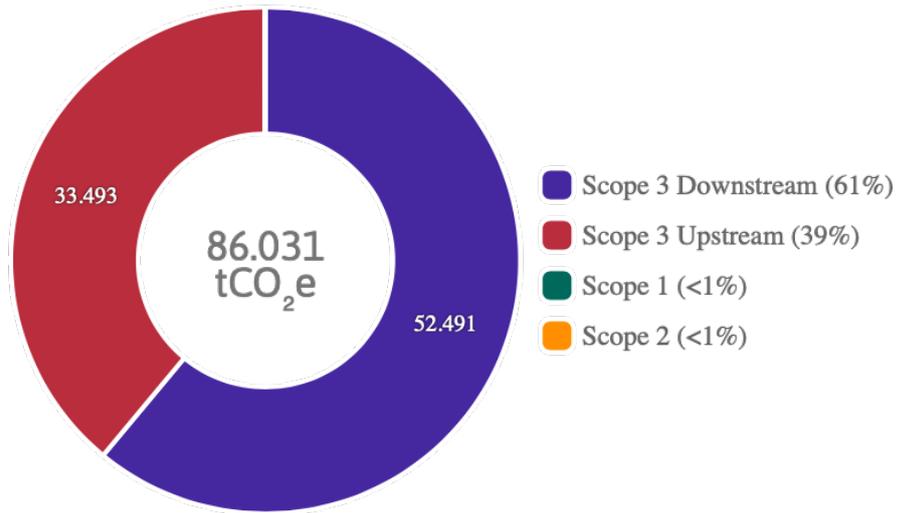
*Above: The back-casting strategy towards carbon neutrality*

Ciril developed a Carbon Strategy, based upon the Carbon Accounting for Scope 1, 2 and 3, and following the methodology of the Net-Zero Carbon Standard of Science-Based Targets Initiative (Oct 2021). The Carbon Strategy includes short-term targets to halve the emissions by 2030 and long-term targets to reach Net-Zero by 2050 or earlier.

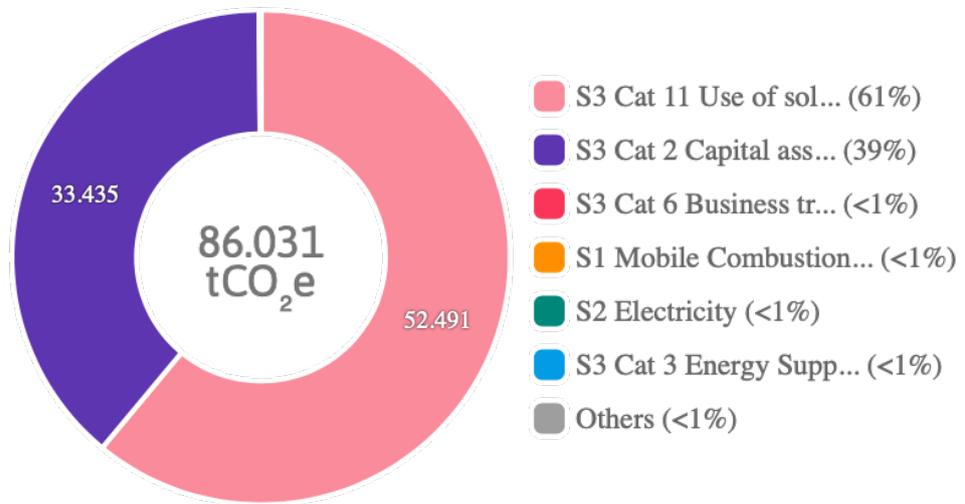


*Above: The Carbon Strategy towards carbon neutrality, following the Net-Zero Carbon Standard, formulated by Science-Based Targets Initiative*

CIRIL joined the **Belgian Alliance for Climate Action** to demonstrate its commitment and strengthen credibility. Specific Science-Based Targets are in preparation.



Above: Scope 1-2-3 (reference year 2022)

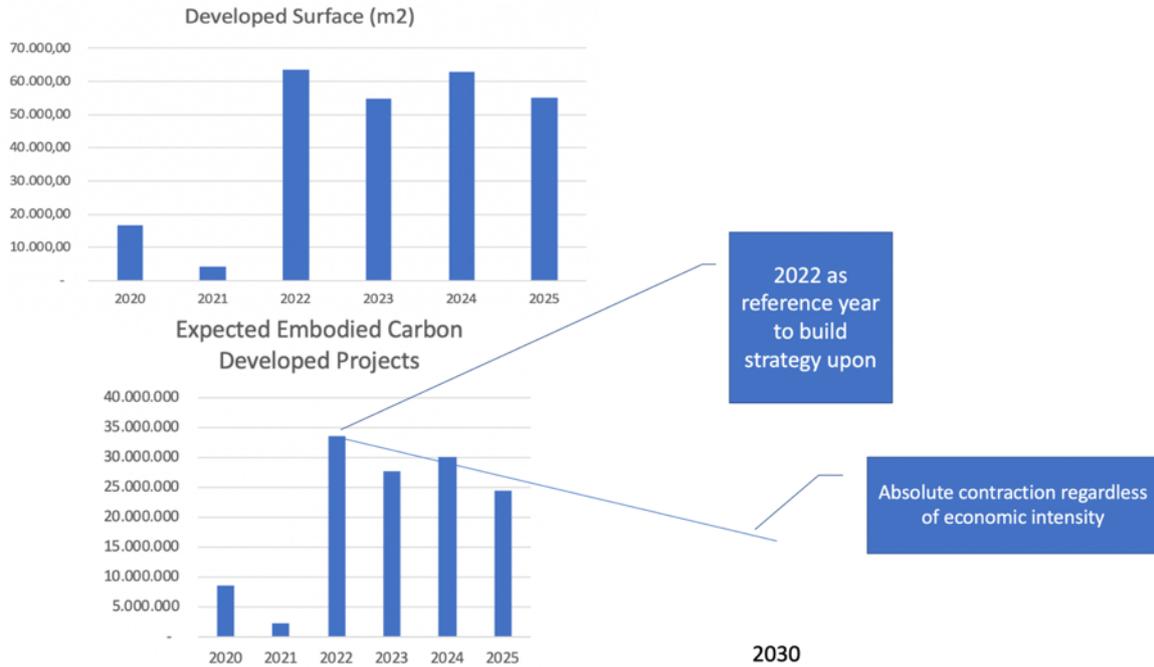


Above: Carbon Footprint along the Categories (reference year 2022)

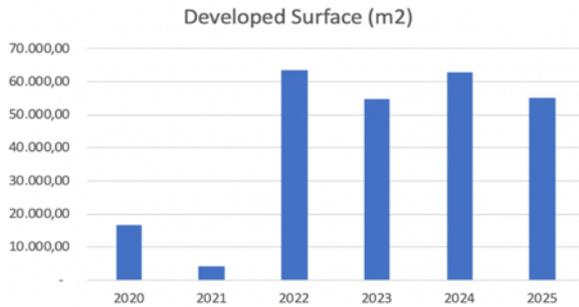
We developed a strategy for the categories that are of paramount importance for the Scope 3 emissions (Cat 2 - upstream and Cat 11 - downstream) and for Scope 1&2.

7.1.2. Reduction Strategy for Scope 3 Category 2: (upstream) embodied carbon of the buildings that are being developed

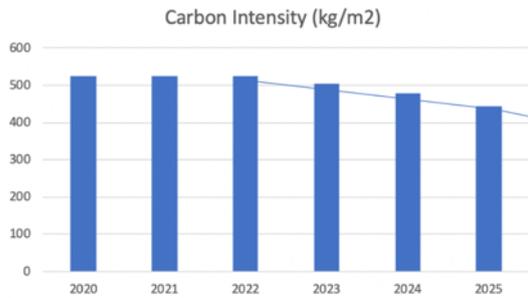
The materials used for construction projects have a significant carbon footprint during their production (A1-A3). This footprint is reflected in the Scope 3 Category 2 emissions in the year where the projects are delivered.



Above: Expected to be developed surfaces and embodied carbon (Scope 3 Cat 2)



At constant economic activity (in area of property development), carbon intensity per m<sup>2</sup> is the main determinant. With increasing economic activity, **carbon intensity** will have to fall faster.



$$525 / 2 = 262 \text{ kgCO}_2\text{e} / \text{m}^2$$

Target intensity < 250  
2030

*Above: Surfaces to be developed and Carbon Intensity*

As a result of the nature of the business, the developed surface varies from year to year, with a direct impact on the embodied carbon and Scope 3 Category 2 emissions, because those emissions are allocated to the year where the projects are delivered. We therefore introduce the concept of **Carbon Intensity** (kg CO<sub>2</sub>e/m<sup>2</sup>).

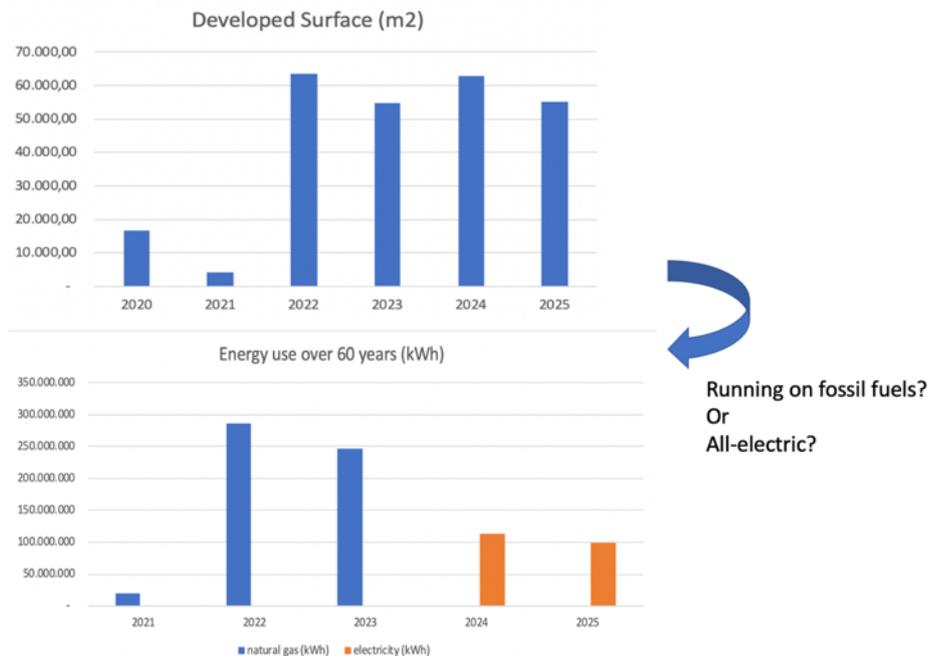
Reduction strategy principles:

It will be important to manage the (mean) Carbon Intensity per square meter closely, year by year. At constant economic activity (in area of property development), the carbon intensity per m<sup>2</sup> will need to halve by 2030. With growing economic activity (in area of property development), the carbon intensity will have to fall faster.

A simple tool will be developed in the near future to estimate the **upfront embodied carbon of the buildings** (A1-A3) without having to carry out a full Life Cycle Assessment.

7.1.3. Reduction Strategy for Scope 3 Category 11: (downstream) Use of Sold Products

Delivered Real Estate projects that have energy systems that runs on fossil fuels are subject to downstream emissions, reflected in Scope 3 Category 11. We count for a life-cycle of 60 years (in line with EU Level(s)). Projects delivered in 2022 run on gas boilers for space heating and domestic hot water.



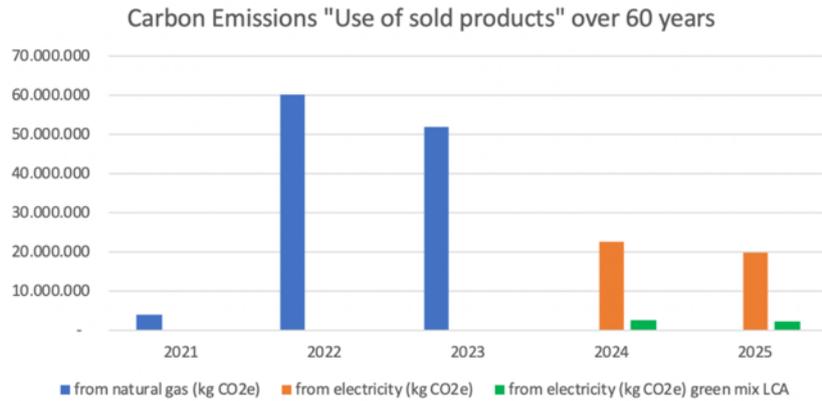
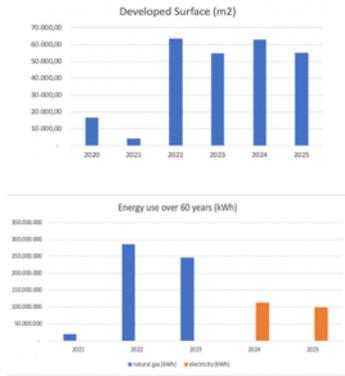
Above: Developed Surface and Energy use (either natural gas or electricity)

Energy demand for buildings deals with both room heating (and cooling) and domestic hot water. For this first estimate, we make use of the following numbers:

- Energy demand for room heating 50 kWh<sub>thermal</sub>/m<sup>2</sup>
- Energy demand for domestic hot water 25 kWh<sub>thermal</sub>/m<sup>2</sup>
- When natural gas is the energy source we assume 100% efficiency and derive the demand for gas at 75 kWh<sub>gas</sub>/m<sup>2</sup>
- With an all-electric installation, running on heat pumps, we assume the COP (Coefficient of Performance) to be 2,5. So, the electricity demand is 30 kWh<sub>electric</sub>/m<sup>2</sup>

As projects have a higher efficiency, needing less energy per square meter, the numbers may go down.

The next step is converting the energy demand, either with natural gas or electricity, to carbon emissions. For electricity we use two variants: the Belgian Electricity Mix and a projected value for purely carbon free renewable energy. For the last one, we use the mixed green LCA-value (considering also the embodied carbon of the PV-panels and wind turbines).



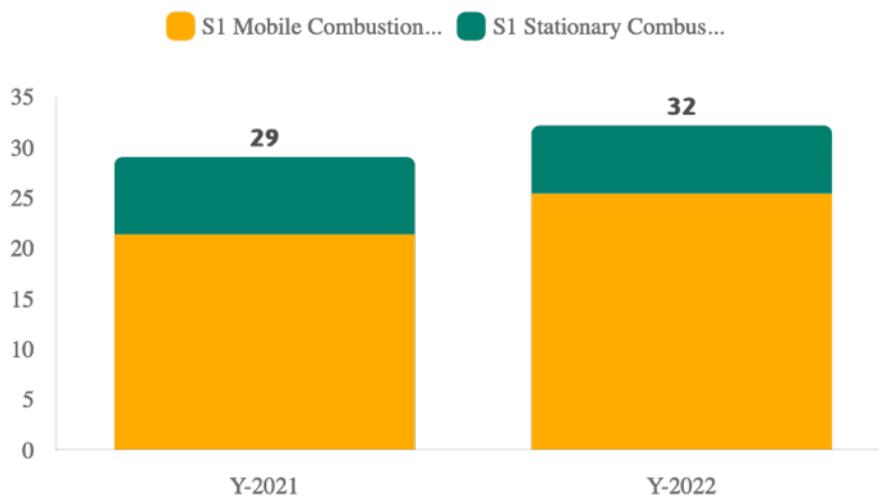
Above: Carbon Emissions “Use of sold products” over 60 years, from using gas (blue), from using electricity (from the Belgian grid Mix in orange) and from using renewable electricity (in green).

Reduction strategy principles:

It is clear that we can halve the emissions for “use of sold products”, just by providing energy systems that run all-electric. We can go further if we improve the energy efficiency of the buildings (less energy demand per m<sup>2</sup>) and if the origin of the electricity becomes less carbon-intensive.

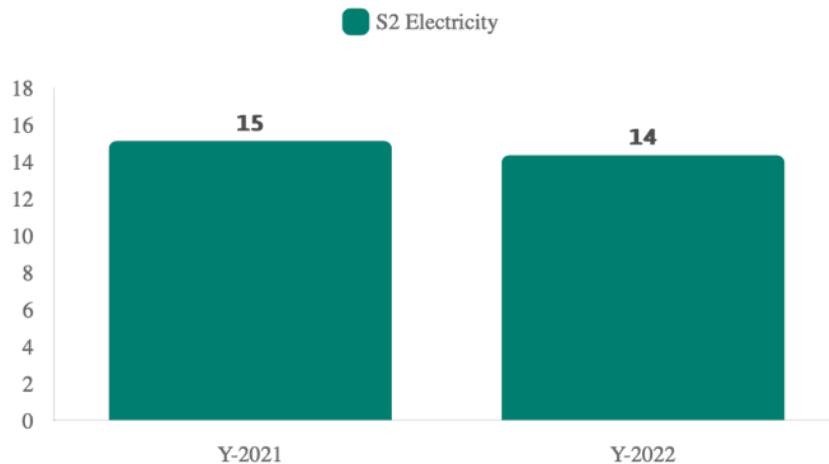
7.1.4. Scope 1 and 2 emissions

Scope 1 emissions are generally dominated by the mobile combustion of the company fleet. A decarbonization program to phase out fossil fuels used by company cars is rolled out. Newly purchased cars will be all-electric (or hybrid). This program will make it possible to cut scope 1 emissions at a rapid pace as soon as this decision program begins to take effect.



*Above: Scope 1 emissions in 2021 and 2022*

The stationary combustion emissions are related to the use of natural gas at the offices in Hasselt. As Ciril is not the owner of the building, the emissions might as well be classified under Scope 3 Category 8 (leased assets).



*Above: Scope 2 emissions in 2021 and 2022*

#### 7.1.5. General conclusion

As a general conclusion, we can say that the principles of the United Nations' Triple Strategy provide the right guidance.

“The real estate and construction sector will need to completely decarbonise by 2050 in order to realise its contribution to the achievement of the Paris Agreement. Building emissions will need to be addressed along their lifecycle through a **Triple Strategy**:

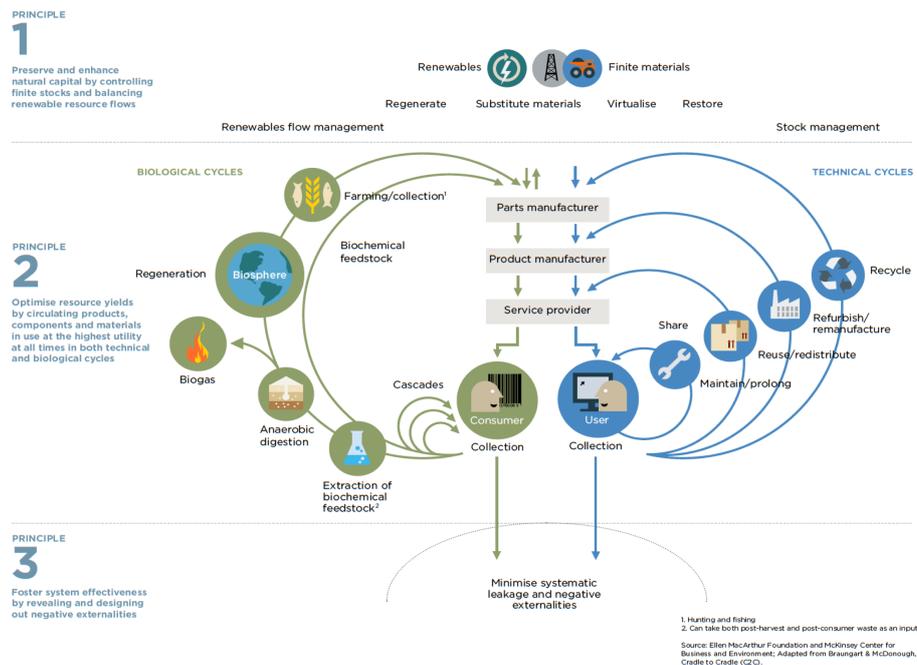
- **reducing energy demand** of buildings during the **operational phase** (through behaviour change and increased energy efficiency),
- **decarbonising the power supply** (electrification through use of zero-carbon heating and cooling technologies, renewable sources), and
- **addressing embodied carbon** (through reducing the upfront carbon emissions at production stage of building materials, maximizing the refurbishment of existing buildings, maximise potential for renovation and reuse at end-of-life stage, future adaptation and circularity).”

## 7.2. Supply Chain Sustainability and Circular Economy

This pathway is in relation to BE04 (upstream), BE07 (operational waste) and BE19 (products repurposing, downstream).

We intend to transition to a fully Circular Economy by 2050.

Besides Climate Action, the transition to a fully circular economy is the other biggest specific challenge for Ciril. Controlling finite material stocks and balancing renewable resource flows is the first principle of circular economy. Optimising resource yields by circulating products, components and materials in us at the highest utility at all times, is the second principle. Fostering system effectiveness by revealing and designing out negative externalities, is the third one. Ciril focusses on all three of the major principles of circular economy.



Above: the principles of Circular Economy

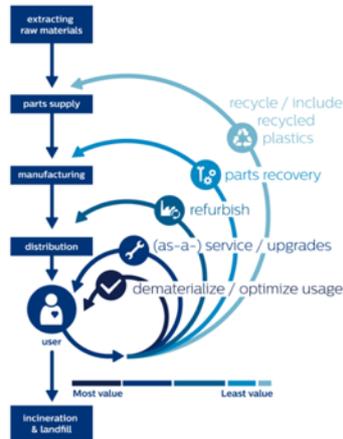
### First principle

Preserve and enhance natural capital by controlling finite stocks and balancing renewable resource flows.

Resource efficiency is a main challenge. Also, mapping the complete upstream value chain, investigating where hotspots might occur and addressing them, is at the heart of this challenge. Hotspots occur if planetary boundaries are overstepped or when the social foundation shows gaps. The 8 properties of the Future-Fit Society are the north star for this environmental and social due diligence.

### Second principle

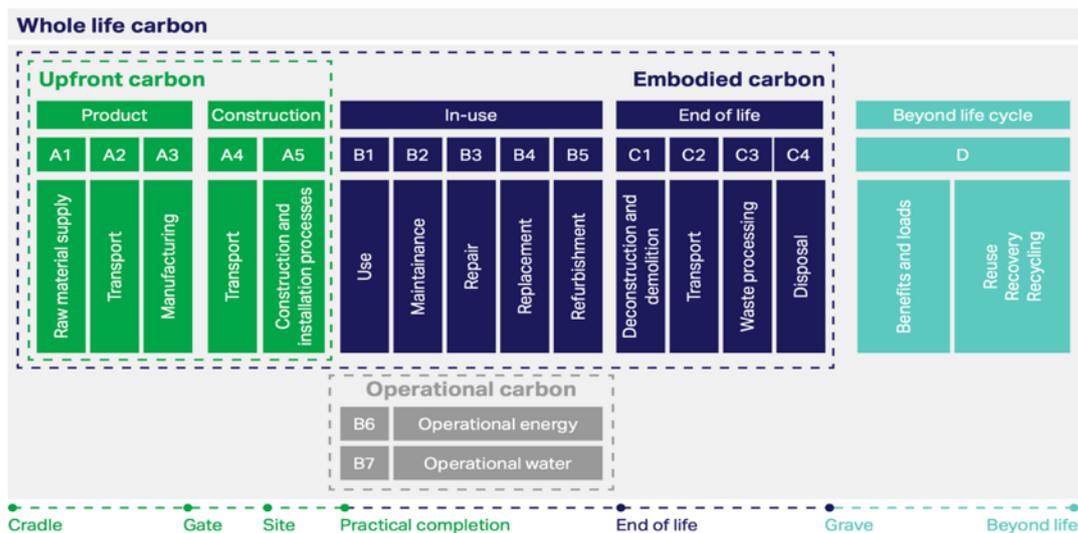
Optimise resource yields by circulating products, components and materials in use at the highest utility, at all times in both technical and biological cycles.



Above: ways to keep materials in the circular economy, at the highest value, as long as possible

*Third principle*

Fostering system effectiveness by revealing and designing out negative externalities in the whole life-cycle of our products, that is what we pursue. From the cradle, where raw materials are extracted from the finite natural resources, through the production and use of the products, repair, reuse and recycling, to when components are in danger of falling out of the circular economy, negative externalities must be avoided along the entire route.



Above: Environmental Assessment across the whole life-cycle, and beyond

In the coming years, the principles of circular economy, in general, and circular building, in particular, will be put in practice, step by step.

### 7.3. Project Sustainability Assessment

The sustainability policy at a property developer is reflected in the projects that are being realised. This works transversally across multiple break-even goals.

A tool is being used to evaluate projects through the lens of the 8 properties of a Future-Fit Society. For each domain, ambitions are set that result in scores. The scores are then in turn scaled by a certain grade. Objectives are pre-set and should be approached with some flexibility, partly because each project context presents specific challenges.

## Project Sustainability Assessment Dashboard "PSA2023"

Inspired by the Future-Fit Methodology [www.futurefitbusiness.org](http://www.futurefitbusiness.org)  
 Implemented by [www.GRUUND.be](http://www.GRUUND.be), Future-Fit Accredited Advisor

**Project Name** Project Name  
**Developer** CIRIL

**Name Responsible Developer**  
 "To what extent does the project contribute to the transition to a Future-Fit Society?"  
 Therefore, a project is assessed through the lens of the 8 properties of a Future-Fit Society.

Can be used stand-alone or as part of BE23 hotspot assessment if assets are sold as share in a property owning company  
 Implementation by [www.GRUUND.be](http://www.GRUUND.be)  
 Date assessment dd/mm/yyyy  
 Project Phase pre-design



Version 2023.0.1



Property	Score	Grade	Weight in overall
Energy	82%	Excellent	12%
Water	71%	Very Good	10%
Resources	76%	Very Good	10%
Pollution	70%	Very Good	15%
Waste	58%	Rather poor	15%
Physical Presence	89%	Excellent	10%
People	77%	Very Good	20%
Drivers	85%	Excellent	8%
Overall mean	75%	Very Good	100%

Grades	Score Range	Grade	Color
Outstanding	>90%	>90%	
Excellent	80 - 89%	80 - 89%	
Very good	70 - 79%	70 - 79%	
Good	60 - 69%	60 - 69%	
Rather poor	50 - 59%	50 - 59%	
Poor	<50%	<50%	

Energy	Water	Natural Resources	Pollution	Waste	Physical Presence	People	Drivers	Overall mean
82%	71%	76%	70%	58%	89%	77%	85%	75%
								
Excellent	Very Good	Very Good	Very Good	Rather poor	Excellent	Very Good	Excellent	Very Good

Above: the template for a Project Sustainability Assessment Dashboard

Year after year, objectives must be evaluated, adjusted and put higher to follow an intelligent and pragmatic path with maximum impact to affordable effort. Team members are being inspired and stimulated to search for creative solutions.

The following objectives are pre-set for new-developed project as off 2023 and should be approached with flexibility.

Domain	Minimum score	Comments
Energy	80 % (new buildings)	Energy demand for heating and cooling is suggested to be lower than 30 kWh/m <sup>2</sup> New buildings are always all-electric (except for emergency power) Building renovation: search for a pragmatic path for energy demand
Water	70%	Provide more storage capacity for rain water For buildings with more than 4 floor, consider treatment of grey waste water for reuse in toilet flushing. Maximum softening of non-built areas
Natural Resources	70%	Assess the applicability of bio-based materials
Pollution	70%	Make an indicative approximation of embodied carbon. Avoid steel and concrete wherever possible
Waste	Not yet specified	Apply the principles of circular building, where it is possible: adaptability (versatility, convertibility, expandability) and design for disassembly (ease of access, independence (7 layers), avoidance of unnecessary treatments, simplicity, standardization, safety of disassembly)
Physical Presence	80%	Contribute to nature-inclusive viable, walkable and bikeable cities
People	75%	Stimulate social interaction
Drivers	80%	Implement a Supplier Code of Conduct for Tier 1 and 2 Search for partnerships for the goals to improve leverage and impact across the upstream value chain Communicate on sustainability
Overall score	75%	With not more than one domain with a score that is lower than "very good"

#### 7.4. Social Foundation

This pathway is in relation to Break-Even Goals BE10-14 (employees), BE04 (people in upstream value chain), BE09 (community health) and Positive Pursuits PP17 (people's capabilities are strengthened) and PP20 (social cohesion is strengthened).

Good health and well-being, covering both physical and mental issues, is also of paramount importance for Ciril. Ciril wants to respect the development opportunities of every human being who contributes to the development and makes use of its high-quality projects.

Step by step, the social conditions will be subject to due diligence. Respecting human rights at all stages in the upstream value chain is what we pursue.

Continuous training is necessary to meet the high ambitions for innovation.

#### 7.5. Governance in our value chains

This pathway is in relation to BE04 (procurement), BE20-23 (Drivers).

We are aware of the influence we have on our upstream and downstream value chains.

The actual achievement of the above-mentioned paths towards Net Zero and Circular buildings will largely depend on the effectiveness of our influence on upstream and downstream value chains.

We will not hesitate to also influence the wider sector by investing in and improving upstream value chain businesses that match with our envisioned future.

### Partnerships for the Goals

Establishing partnerships at different levels is an important aspect of achieving goals. This can range from supporting initiatives set up by staff, collaboration with training centers to working together towards goals with suppliers and other stakeholders.

## 8. Certification of Progress by GRUUND

GRUUND provides advisory services to CIRIL on a regular basis. The advisory is based on the Future-Fit methodology.

GRUUND offers coaching for deep transformation and uses the Future-Fit methodology as a pole star. The services overarch all sustainability areas supporting UN's Sustainable Development Goals. The process towards future-fitness includes gaining insight and raising awareness, generating dynamics, setting out the pathway to go, making and measuring impact and telling the story.

GRUUND hereby certifies the progress, as described in this report.

Confirmed by



Wouter Demuynck, Change Driver  
Future-Fit Certified Professional  
GRUUND, Future-Fit Accredited Advisor

Ghent, 9 March 2023

GRUUND is a brand by Sustainable Urban Development BV  
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[www.GRUUND.be](http://www.GRUUND.be)

Reference:

[www.futurefitbusiness.org](http://www.futurefitbusiness.org)

<https://futurefitbusiness.org/partners/gruund/>

<https://futurefitbusiness.org/development-council/ciril/>

