



Report dd. 16 september 2024

# Future-Fit

## Progress Report 2023

**Ciril as a Future-Fit System Changer**

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

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# 1. CSRD and Future-Fit Progress Reporting

## 1.1. CSRD, ESRS and Future-Fit

On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force, requiring companies in scope to provide non-financial disclosures on environmental matters, social and employee issues, diversity, good governance practice and respect for human rights. On 31 July 2023, the European Commission adopted the European Sustainability Reporting Standards (ESRS<sup>1</sup>), including sector-agnostic regulations.

The present report covers information relating to 2023 and therefore does not have to formally comply with the form and content requirements of the ESRS either. Nevertheless, the report was prepared with the intention of converging as much as possible to the provisions of the ESRS. The present report paves the way for future reporting fully in line with the guidelines. A first important part of this report covers the so-called double materiality assessment. This analysis was made according to a methodology that is as close as possible to the guidelines proposed by EFRAG. EFRAG not only elaborated the ESRS on behalf of the European Commission. It also issues additional non-mandatory guidance.

CIRIL uses the Future-Fit methodology. This methodology offers interesting added value on several levels in terms of thinking in terms of impact, knowing where we are and where we are going. Moreover, Future-Fit's Break-Even Goals also indicate how negative impact can be mitigated. The methodology is also valuable in terms of strategy development. For this reason, the present report interweaves elements from the Future-Fit methodology with ESRS-oriented information. More information about the Future-Fit methodology can be found in annex.

## 1.2. Boundary setting – scope

Company / companies:  
**CIRIL**

Company activities/roles:  
**Real Estate Development in Belgium** with offices in Hasselt and Antwerp.

Out of scope, not considered in this report:  
Real estate development abroad (Poland, Portugal)

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<sup>1</sup> [https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31\\_en](https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31_en)

### 1.3. CIRIL's Value chain mapping

The value chain of CIRIL as a real estate developer involves multiple stages and activities aimed at creating value from raw land or existing properties. Here's a general overview of the key components:

**Land Acquisition and Sourcing:** This is the initial stage where CIRIL identifies and acquires suitable land or existing property for development. This involves scouting for vacant land, negotiating with landowners, obtaining necessary permits, and conducting feasibility studies to assess the potential for development.

**Market Analysis and Planning:** CIRIL conducts a thorough analysis of the market to determine the demand for various types of properties (residential, commercial, industrial, etc.). Based on this analysis, CIRIL devises a strategic plan for the development project, including the type of properties to be built, their size, features, and pricing strategy.

**Design and Development:** In this stage, CIRIL works with architects, engineers, and other professionals to design the project. This includes creating blueprints, obtaining necessary approvals and permits from local authorities, and ensuring compliance with building codes and regulations. CIRIL also oversees the construction process, which involves hiring contractors and managing construction timelines and budgets.

**Sales and Marketing:** Before and during the construction phase, CIRIL begins marketing the properties to potential buyers or tenants. This may involve advertising through various channels, hosting open houses or showroom events, and working with real estate agents to attract buyers.

**Exit Strategy:** Finally, CIRIL exits the project by selling the entire development to an investor or a real estate investment trust (REIT), or by selling individual units to buyers.

Throughout each stage of the value chain, CIRIL aims to maximize the value of the project by efficiently managing resources, controlling costs, and meeting the needs of the market and stakeholders.

### 1.4. Stakeholder mapping

The activities of CIRIL as a real estate developer typically involve a wide range of stakeholders who are related to and affected by the development process. These stakeholders include:

**Landowners:** Landowners are directly involved in the initial stage of the development process, as they sell their land for construction projects.

**Local Communities:** Local communities are impacted by real estate development projects, as new construction can affect property values, traffic patterns, noise levels, and access to amenities. Community members may also have concerns about the environmental impact of development and its effects on neighborhood character.

**Government Authorities and Regulatory Bodies:** Government authorities and regulatory bodies play a significant role in the real estate development process by issuing permits, zoning approvals, and building codes. Developers must comply with various regulations and obtain approvals from local, regional and federal agencies.

**Financial Institutions and Investors:** Real estate development projects often require significant financial investment, and CIRIL relies on financial institutions and investors to provide funding.

**Construction Contractors and Suppliers:** Construction contractors and suppliers are essential partners in the development process, providing labor, materials, and equipment for construction projects. CIRIL works closely with these stakeholders to ensure that construction projects are completed on time and within budget.

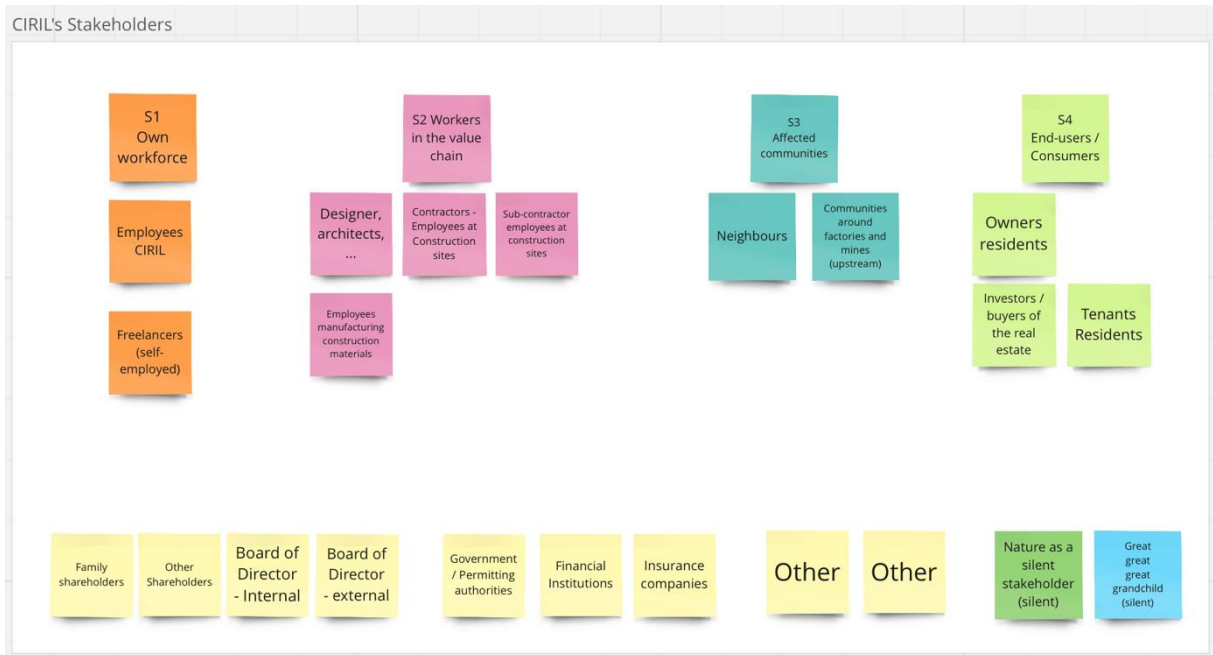
**Architects, Engineers, and Design Professionals:** Architects, engineers, and design professionals are responsible for creating the blueprints and designs for real estate development projects. CIRIL collaborates with these stakeholders to ensure that designs meet the project's requirements and comply with building codes and regulations.

**Real Estate Agents and Brokers:** Real estate agents and brokers play a role in marketing and selling or leasing properties developed by CIRIL. They help CIRIL attract buyers or tenants and facilitate transactions.

**Tenants and Occupants:** Tenants and occupants are the end-users of real estate developments, whether they are residential, commercial, or industrial properties. CIRIL considers the needs and preferences of tenants and occupants to ensure that properties are attractive and functional.

**Environmental and Community Advocates:** Environmental and community advocacy groups may be stakeholders in real estate development projects, particularly if there are concerns about environmental sustainability, social equity, or neighborhood impacts. CIRIL may engage with these stakeholders to address concerns and gain community support for its projects.

Overall, CIRIL must navigate a complex network of external stakeholders throughout the development process, balancing competing interests and priorities to successfully bring projects to fruition. Effective communication, collaboration, and stakeholder engagement are essential for achieving successful outcomes in real estate development.



Above: CIRIL's stakeholders



## 1.5. Commitment statement – towards future-fitness

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.”



## 2. Double Materiality Assessment - CIRIL

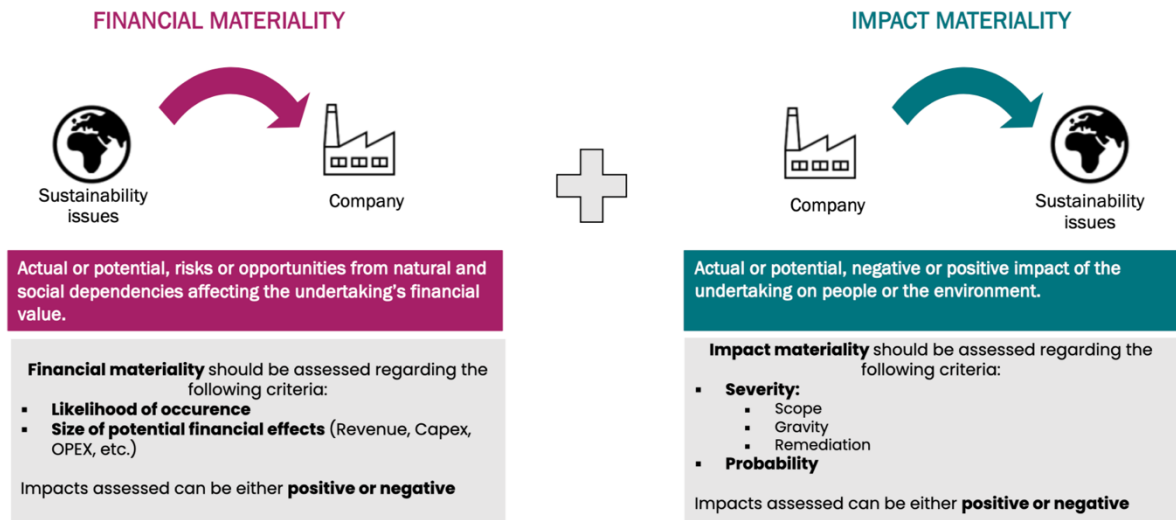
### 2.1. Double Materiality Methodology

Double materiality has two dimensions, namely **impact materiality** and **financial materiality**.

A sustainability matter is material from an **impact** perspective when it pertains to the undertaking’s material actual or potential, positive or negative impacts on people or the environment over the short-, medium- or long-term. Impacts include those connected with the undertaking’s own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. Business relationships include those in the undertaking’s upstream and downstream value chain and are not limited to direct contractual relationships.

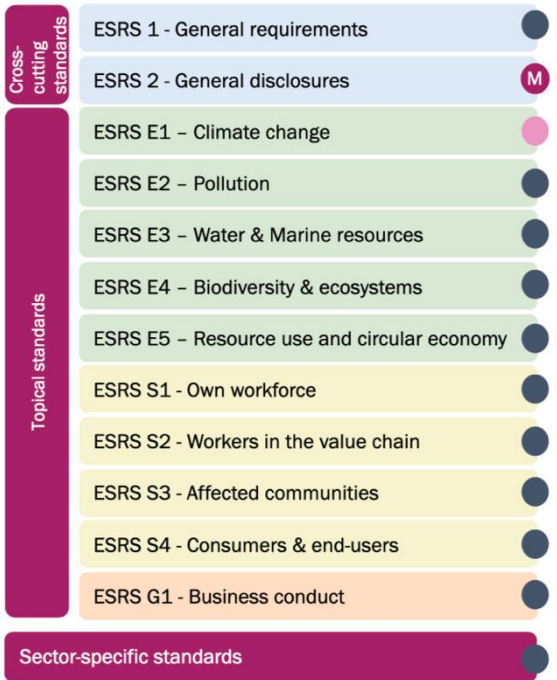
A sustainability matter is material from a **financial** perspective if it triggers or could reasonably be expected to trigger material financial effects on the undertaking. This is the case when a sustainability matter generates risks or opportunities that have a material influence, or could reasonably be expected to have a material influence, on the undertaking’s development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term. Risks and opportunities may derive from past events or future events. The financial materiality of a sustainability matter is not constrained to matters that are within the control of the undertaking but includes information on material risks and opportunities attributable to business relationships beyond the scope of consolidation used in the preparation of financial statements.

#### What is the double materiality concept?



Above: Double Materiality

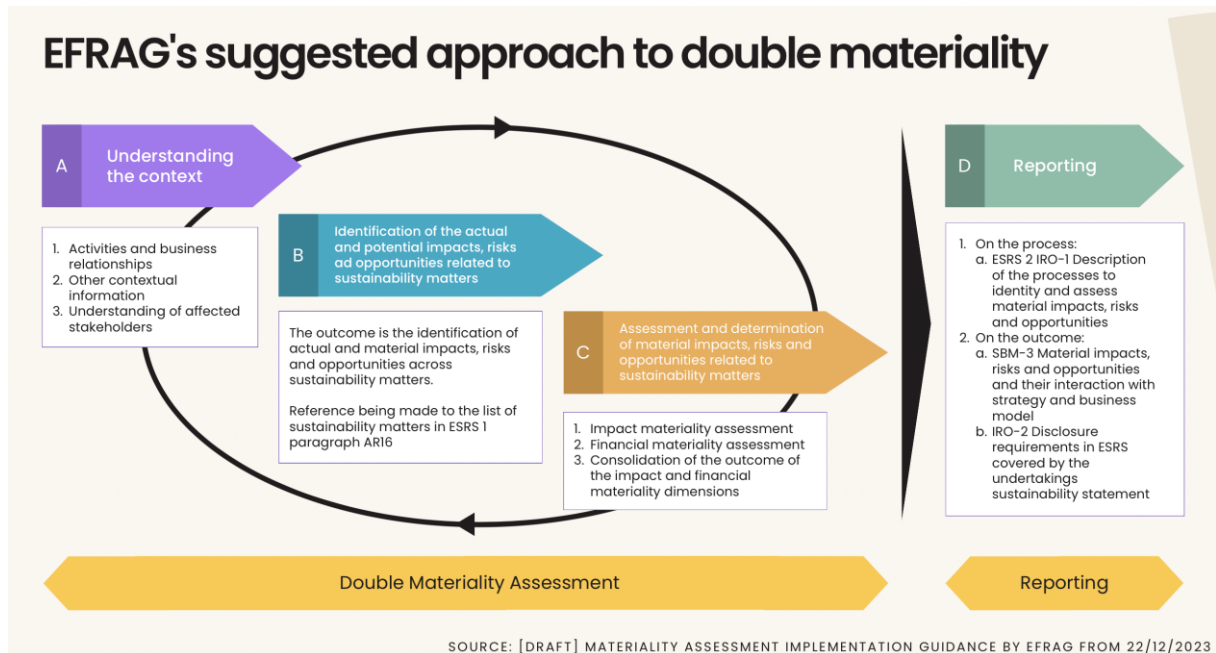
The structure of the ESRS sustainability statement is mentioned in the visual below, covering environmental issues (E1 to E5), social issues (S1 to S4) and governance (G1).



Above: the ESRS-topics

In assessing impact materiality and determining the material matters to be reported, the undertaking shall consider three steps:

- Understanding the context (A)
- Identification of actual and potential impacts (negative and positive) (B)
- Assessment of the materiality (C)



Above: EFRAG's suggested approach to double materiality

## 2.2. Negative Impact Materiality

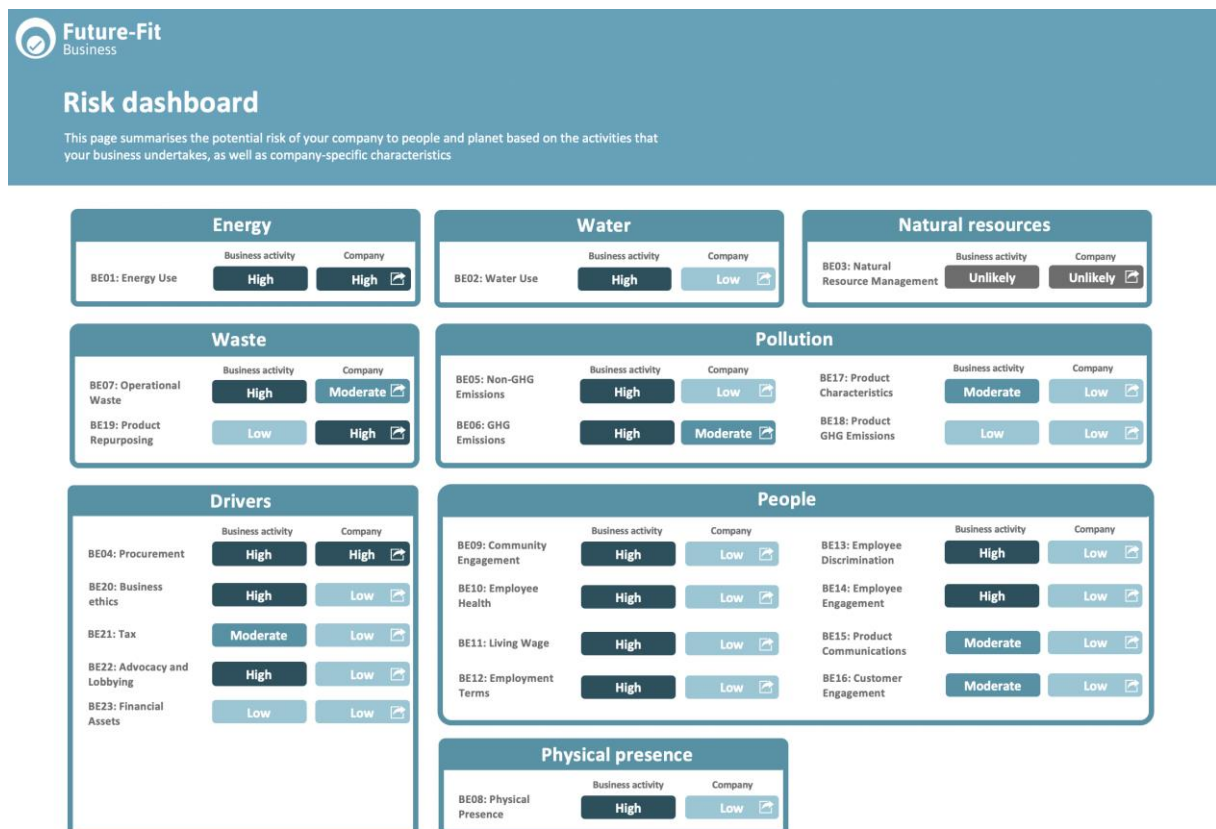
### 2.2.1. Assessing negative impact with the Future-Fit Risk Profiler

In practice, to identify where the company's negative impact can be located, it is useful to bring in the Future-Fit methodology, more specifically the Future-Fit Risk Profiler. Ciril already used the Profiler, earlier, to give a first important approximation of the company's negative impact.

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. The Risk Profiler assesses negative impact materiality. More information about the Future-Fit Risk Profiler can be found in annex.

Ciril's Future-Fit Risk Profiler dashboard:



Above: Ciril's Future-Fit Risk Profiler dashboard

Based on this earlier assessment with the Risk Profiler, we concluded that important attention is needed for the upstream value chain (material use, climate impact materials, human and labour rights, etc.), energy and greenhouse gas emissions in the value chain (including in the use phase of buildings) and circular economy (all aspects of circular construction).

Since ESRS asks to report on the 10 topics, it is necessary to convert the conclusions from this assessment (oriented on the Break-Even Goals) to impact materiality on these 10 topics.

				Correlation Future-Fit Break-Even Goals with ESRS-topics											
				Environmental					Social				Governance		
				E1	E2	E3	E4	E5	S1	S2	S3	S4	G1		
				Climate Change	Pollution	Water & Marine Resources	Biodiversity & Ecosystems	Resource use Circular Economy	Own workforce	Workers in value chain	Communities	Consumers End-users	Business Conduct		
Risk Profiling for	CIRIL			Risk level											
Energy	BE01	Energy is from renewable sources	BE01	High	Low										
Water	BE02	Water use is environmentally responsible and socially equitable	BE02	Low	Low										
Natural Resources	BE03	Natural Resources are managed to safeguard ecosystems, communities and animals	BE03	Low	Low										
	BE05	Operational Emissions do not harm people or the environment (other than GHG)	BE05	Low	Low										
Pollution	BE18	Products emit no greenhouse gases (Downstream Scope 3)	BE18	Moderate	Low										
	BE17	Products do not harm people or the environment	BE17	Moderate	Low										
Waste	BE07	Operational Waste is eliminated	BE07	Moderate	Low										
	BE19	Products can be repurposed	BE19	High	Low										
Physical Presence	BE08	Operations do not encroach on ecosystems or communities	BE08	Low	Low										
	BE09	Community health is safeguarded	BE09	Low	Low										
	BE10	Employee health is safeguarded	BE10	Low	Low										
	BE11	Employees are paid at least a living wage	BE11	Low	Low										
People	BE12	Employees are subject to fair employment terms	BE12	Low	Low										
	BE13	Employees are not subject to discrimination	BE13	Low	Low										
	BE14	Employee concerns are actively solicited, impartially judged and transparently addressed	BE14	Low	Low										
	BE15	Product communications are honest, ethical and promote responsible use	BE15	Low	Low										
	BE16	Product concerns are actively solicited, impartially judged and transparently addressed	BE16	Low	Low										
Drivers	BE04	Procurement safeguards the pursuit of future-fitness	BE04	High	Low										
	BE23	Financial assets safeguard the pursuit of future-fitness	BE23	Low	Low										
	BE22	Lobbying and corporate influence safeguard the pursuit of future-fitness	BE22	Low	Low										
	BE21	The right tax is paid in the right place at the right time	BE21	Low	Low										
	BE20	Business is conducted ethically	BE20	Low	Low										

Above: Ciril's Future-Fit Risk Profiler dashboard with correlation to the ESRS-topics.

The conclusion is as follows:

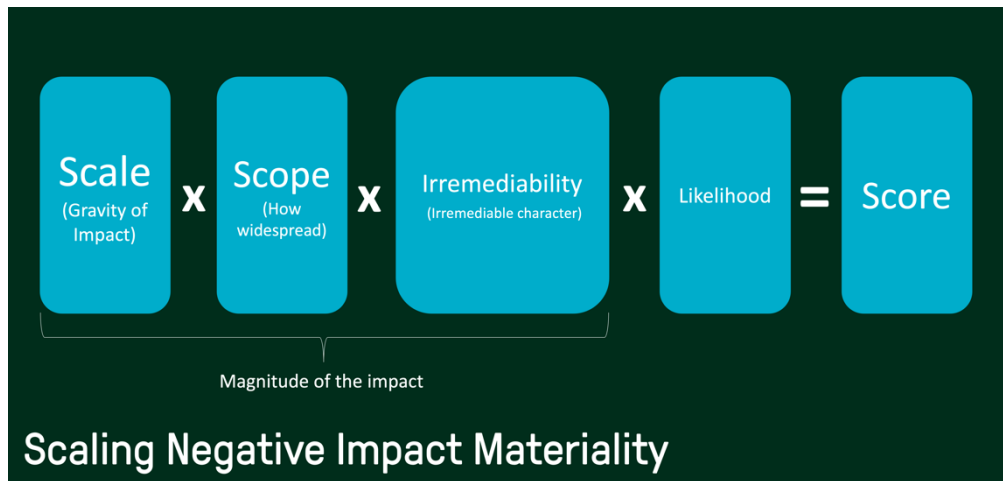
	ESRS-topic	Impact materiality according to the Future-Fit Risk Profiler	Explanation
E1	Climate change and Energy	Very high	Energy-use and carbon emissions of developed buildings, embodied carbon of construction materials (Scope 3), ...
E2	Pollution	High	Life-cycle impact of construction materials
E3	Water and marine resources	Moderate	Water stewardship in buildings, in construction phase and in use-phase, ...
E4	Biodiversity and ecosystems	Moderate	Impact of construction materials (life-cycle), biodiversity in the built environment, ...
E5	Resource use and circular economy	Very high	Resource intensity (virgin materials) of buildings, limited life-time, mono-functionality of buildings, ...
S1	Own workforce	Low	High standards
S2	Workers in the value chain	High	Human and labour rights in the upstream value chain (raw materials sourcing, manufacturing of construction materials, sub-contractors and contractors at the construction site)
S3	Affected communities	Moderate	Neighbours of construction sites can experience inconvenience; Neighbours of construction materials manufacturing companies and mining of raw materials can experience disturbance.

S4	End-users and consumers	Low	End-users generally experience the positive impact of the projects (better living conditions, quality of life, ...)
G1	Business conduct	Moderate	In upstream value chain

### 2.2.2. Additional assessment: analysis and scaling of impact

Complementary to Future-Fit's Risk Profiler, CIRIL also analysed and scaled the different aspects in more detail.

Scaling of the impact happened as formulated in the beneath mentioned equation with scaling the gravity of potential impact (varying between 0 and 5), assessing how widespread the impact (=scope) is (varying between 0 and 5) and assessing the irremediable character of the impact (between 0 and 5). Likelihood of occurrence varies between 0% (certainly not possible) and 100% (actual impact occurs). As a result the Score of an item gets a value between 0 and 125.



Above: How we scale the negative impact

Hereunder, the most important identified aspects of negative impact materiality are mentioned, structured along the ESRS-topics.

Negative Impact Materiality	Material issues
E1 – Climate change	<p>The real estate value chain is responsible for a very significant share of global greenhouse gas emissions.</p> <p>If a developer sells properties where heating systems still operate with fossil fuels, there is a significant impact in the use phase of the buildings. CIRIL decided to no longer develop new projects with fossil fuel heating systems.</p> <p>The second most important category of greenhouse gas emissions is found in the production of the materials used in constructions. So-called embodied carbon is an important aspect of negative impacts related to climate change. CIRIL calculates the life-cycle impact of buildings, including embodied carbon, initiated try-outs with bio-based</p>

	<p>materials (e.g. Cross-laminated timber) in a step-by-step approach the lower the embodied carbon of its developments.</p> <p>We explicitly refer to the carbon accounting mapped for CIRIL and the mitigation strategy that is being developed.</p>
E2 – Pollution	<p>Pollution, other than greenhouse gas emissions, occurs mainly in the upstream value chain. Raw materials are mined in large quantities, materials are produced with high contents of primary raw materials, ... These activities often take place in regions where regulations are less stringent than ours, resulting in environmental pollution. Today, there are many unknowns regarding this pollution, all the way up the value chain. The High Impact Commodity List (Science-base Targets network for nature, see below) shows material negative impact.</p> <p>The task will be to be able to obtain more information about the life-cycle of materials, year after year, and be able to manage the pollution that takes place there. CIRIL will carry out LCA's (life-cycle assessments), ask for EPD's (environmental product declarations) and so on.</p>
E3 – Water and marine resources	<p>Awareness around prudent use of water is rapidly increasing as we see the impact of climate change more and more clearly.</p> <p>Water stewardship across the entire value chain of real estate and construction means efficient management of water flows, avoiding water pollution, avoiding water withdrawals in areas with drought problems or water stressed areas.</p> <p>CIRIL can act as a good steward in the developed projects.</p> <p>However, the biggest potential negative impact is in the upstream value chain, namely in the extraction of raw materials and manufacture of products and materials used in the buildings.</p>
E4 – Biodiversity and ecosystems	<p>Negative impacts on biodiversity and ecosystems occur mainly in the upstream value chain of property development: in the extraction of raw materials and production of materials. There is insufficient transparency about this today. Focusing on the use of materials with a lower ecological footprint and building with bio-based materials (sourced in sustainably managed forests) are important focal points for the future.</p> <p>The High Impact Commodity List (Science-base Targets network for nature, see below) shows material negative impact.</p>
E5 – Resource use and circular economy	<p>The real estate sector faces several significant challenges related to resource use and the transition to a circular economy:</p> <p>Resource Depletion: The real estate sector is a major consumer of natural resources, including materials such as minerals, steel, concrete, and energy for heating, cooling, and lighting buildings. As global demand for resources continues to rise, the real estate sector faces the risk of resource scarcity and price volatility, which can impact construction costs and project viability.</p> <p>Waste Generation: Mining of resources, production of materials, construction and demolition activities generate vast amounts of waste, including construction debris, demolition rubble, and discarded building materials. The disposal of construction waste contributes to environmental pollution and greenhouse gas emissions, while also representing a missed opportunity for resource recovery and reuse.</p> <p>The transition to a circular economy presents challenges for CIRIL to minimize resource use, reduce waste, and promote resource efficiency throughout the lifecycle of buildings. This includes adopting principles such as designing for disassembly and reuse, incorporating</p>



	recycled and renewable materials into construction projects, and implementing strategies for waste reduction and recycling.
S1 – Own workforce	The negative impact in relation to own employees is undoubtedly limited, given good social and working conditions, etc. Still, there are some challenges related to work-life balance.
S2 – Workers in the value chain	Labour conditions in the upward value chain are undoubtedly an important material issue. Due diligence of the upward value chain is therefore in order. This is an exercise that will be tackled step by step. A significant group of people in the upstream value chain are the workers at the construction sites of CIRIL's projects, engaged by contractors and subcontractors. Secondly, workers at construction materials manufacturing companies are considered, here. For those workers, we generally have no information available.
S3 – Affected Communities	Negative impact on communities is mainly present in the upstream value chain, in mining operations, in materials production (within and especially outside Europe), in factories making materials and appliances for the construction industry. We distinguish two main stakeholder groups among affected communities, namely: <ul style="list-style-type: none"> <li>- Communities affected by activities of companies in the upstream value chain, especially for mining activities, production of steel, aluminium, glass, ceramics, ... and other technical materials that are used in the construction sector;</li> <li>- Communities in the neighbourhood of the real estate projects that the company develops.</li> </ul>
S4 – End-users and consumers	End-users are an extremely important target group for CIRIL. They are directly affected by the way CIRIL develops real estate projects. S4 is therefore a material topic anyway, even if there only seems to be potentially a negative impact on most fronts. CIRIL aims to improve the quality of life of the end-users, not to hinder it... (see positive impact)
G1 – Business conduct	Unethical business practices in the value chain of the entire real estate sector can have several potential negative impacts on society: <ul style="list-style-type: none"> <li>- Displacement and Gentrification potentially disrupting social cohesion, cultural identity, and local economies, exacerbating inequalities and creating social tensions.</li> <li>- Housing Affordability Crisis: Speculative real estate practices, collusion among developers, or market manipulation can contribute to skyrocketing housing prices and exacerbate the housing affordability crisis.</li> <li>- Exploitation of Workers: Unethical labor practices, such as worker exploitation, unsafe working conditions, can harm construction workers and laborers in the real estate sector.</li> <li>- Environmental Degradation: Unethical development practices, such as deforestation, habitat destruction, or pollution of air and water resources, can degrade the environment and harm ecosystems. Irresponsible land use planning, unsustainable construction practices, and lack of environmental safeguards can lead to habitat loss, biodiversity decline, and ecosystem degradation, impacting natural resources and ecological resilience.</li> <li>- Corruption and Bribery: Corruption and bribery in the real estate sector can undermine transparency, accountability, and the rule of law, fostering a culture of impunity and eroding public trust in institutions.</li> </ul> By being aware of this, CIRIL prevent negative impacts that may occur in the upstream value chain through its procurement policy.



The below-mentioned High Impact Commodity List<sup>2</sup> indicates material pressures, on a general level, for common materials that are used in construction materials: cement, steel, aluminium, minerals (sand, ...), timber, ... with impact on land-use and land-use-change (E1 and E4), climate change (E1), water use (E3), non-GHG air pollution (E2), soil and freshwater pollution (E2), ecosystems (E4), ...

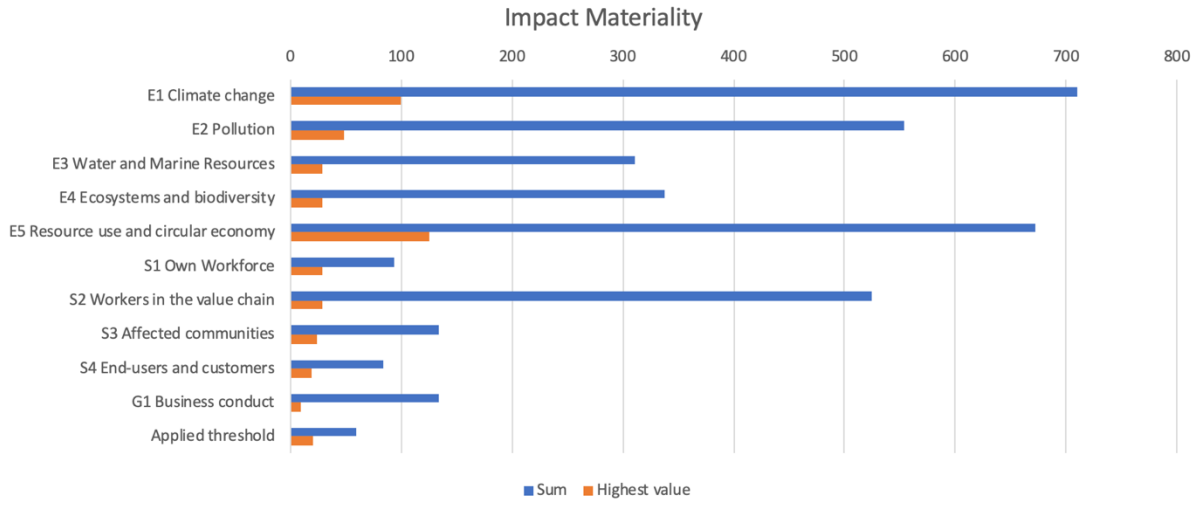
**High Impact Commodity List v1 (Used in Step 1a of the SBTN methodologies)**

Commodity name	Categorical information			Pressure details	
	Classification	Socioeconomic system	ISIC Rev4 Code(s)	Material pressures - from SBTN literature review	Additional material pressures - from ENCORE
<b>Cement</b>	Commodity	Built environment and infrastructure	C_23_239	Land use and land change; other resource use; water use; climate change; soil pollution; freshwater pollution	Freshwater ecosystem use; marine ecosystem use
<b>Iron</b>	Commodity	Energy and extractives	B_07_071_0710	Land use and land use change; other resource use; water use; climate change, solid waste	<i>Nothing additional</i>
<b>Lead</b>	Commodity	Energy and extractives	B_07_072_0729	Land use and land use change; soil pollution; water pollution	Freshwater ecosystem use; marine ecosystem use; other resource use; water use; climate change
<b>Sand (Construction-grade)</b>	Commodity	Energy and extractives; Built environment and infrastructure	B_08_081_0810	Freshwater ecosystem use change; marine ecosystem use change; soil pollution; freshwater pollution	Land use and use change; other resource use; water use; climate change
<b>Zinc</b>	Commodity	Energy and extractives	B_07_072_0729	Land use and land use change; freshwater pollution	Freshwater ecosystem use; marine ecosystem use; other resource use; water use; climate change; soil pollution
<b>Timber / roundwood</b>	Commodity	Food system / Food land and ocean use	A_02_021_0210 A_02_022_0220	Land use and land use change; other resource use; water use; climate change; soil pollution; freshwater pollution	<i>Nothing additional</i>
<b>Bauxite / Aluminum</b>	Commodity / Value added commodity	Energy and extractives	B_07_072_0729	Land use and land use change; other resource use; water use; climate change; soil pollution; water pollution	Freshwater ecosystem use; marine ecosystem use
<b>Steel</b>	Value added commodity (derived from Iron, Limestone, Coal, and other metals)	Built environment and infrastructure	C_24_241_2410	Climate change; soil pollution; freshwater pollution; non-GHG air pollution	Water use

Above: the High Impact Commodity list from Science-based Targets for Nature

The outcome of the detailed assessment can be found, hereunder.

<sup>2</sup> <https://sciencebasedtargetsnetwork.org/how-it-works/assess/>



### 2.3. Positive Impact Materiality – speeding up society’s progress towards future-fitness

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?*

When we refer to the positive impact CIRIL has on society, we can also use the Future-Fit methodology. The Positive Pursuits generally identify 24 ways for companies to speed up society’s transition to a Future-Fit Society.

Energy	Others <b>depend less on non-renewable energy</b>
	More people have <b>access to energy</b>
Water	Others <b>contribute less to water stress</b>
	More people have <b>access to clean water</b>
Natural Resources	Others <b>depend less on inadequately-managed natural resources</b>
Pollution	Others generate <b>fewer greenhouse gas emissions</b>
	<b>Greenhouse gases are removed</b> from the atmosphere
	Others generate <b>fewer harmful emissions</b>
	<b>Harmful emissions are removed</b> from the environment
Waste	Others generate <b>less waste</b>
	<b>Waste is reclaimed</b> and repurposed
Presence	Others cause <b>less damage to areas of high social or cultural value</b>
	<b>Areas of high social or cultural value are restored</b>
	Others cause <b>less ecosystem degradation</b>
	<b>Ecosystems are regenerated</b>
People	More people are <b>healthy and safe from harm</b>
	<b>People's capabilities</b> are strengthened
	More people have <b>access to economic opportunity</b>
	<b>Individual freedoms are upheld</b> for more people
Drivers	<b>Social cohesion</b> is strengthened
	<b>Governance</b> is strengthened in pursuit of future-fitness
	<b>Infrastructure</b> is strengthened in pursuit of future-fitness
	<b>Market mechanisms</b> are strengthened in pursuit of future-fitness
	<b>Social norms</b> increasingly support the pursuit of future-fitness

*Above: Future-Fit’s Positive Pursuits*

In turn, positive pursuits can also be related to ESRS topics. This is shown in the beneath mentioned exhibit.

		Correlation Future-Fit Positive Pursuits with ESRS-topics										
		Environmental					Social				Governance	
		E1	E2	E3	E4	E5	S1	S2	S3	S4	G1	
		Climate Change	Pollution	Water & Marine Res	Biodiversity & Ecosystems	Resource use & Circular Economy	Own workforce	Workers in value chain	Communities	Consumers End-users	Business Conduct	
<b>Company Name here</b>												
Energy	PP01	Others depend less on non-renewable energy										
	PP02	More people have access to energy										
Water	PP03	Others contribute less to water stress										
	PP04	More people have access to clean water										
Natural Resources	PP05	Others depend less on inadequately-managed natural resources										
	PP06	Others generate fewer greenhouse gas emissions										
Pollution	PP07	Greenhouse gases are removed from the atmosphere										
	PP08	Others generate fewer harmful emissions										
	PP09	Harmful emissions are removed from the environment										
Waste	PP10	Others generate less waste										
	PP11	Waste is reclaimed and repurposed										
	PP12	Others cause less ecosystem degradation										
Presence	PP13	Ecosystems are restored, regenerated										
	PP14	Others cause less damage to areas of high social or cultural value										
	PP15	Areas of high social or cultural value are restored										
People	PP16	More people are healthy and safe from harm										
	PP17	People's capabilities are strengthened										
	PP18	More people have access to economic opportunity										
	PP19	Individual freedoms are upheld for more people										
	PP20	Social cohesion is strengthened										
Drivers	PP21	Infrastructure is strengthened in pursuit of future-fitness										
	PP22	Governance is strengthened in pursuit of future-fitness										
	PP23	Market mechanisms are strengthened in pursuit of future-fitness										
	PP24	Social norms increasingly support the pursuit of future-fitness										

Above: correlation between Positive Pursuits and the ESRS topics

CIRIL aims to make cities and communities more sustainable. CIRIL implemented ways in which it can speed up the progress of cities towards Future-Fit Cities.

Here is the overview of Ciril's positive impact on society:

CIRIL		Positive Impact	
Energy	PP01	Others depend less on non-renewable energy	No impact
	PP02	More people have access to energy	No impact
Water	PP03	Others contribute less to water stress	No impact
	PP04	More people have access to clean water	No impact
Natural Resources	PP05	Others depend less on inadequately-managed natural resources	No impact
	PP06	Others generate fewer greenhouse gas emissions	No impact
Pollution	PP07	Greenhouse gases are removed from the atmosphere	No impact
	PP08	Others generate fewer harmful emissions	No impact
	PP09	Harmful emissions are removed from the environment	No impact
Waste	PP10	Others generate less waste	No impact
	PP11	Waste is reclaimed and repurposed	Positive impact
Presence	PP12	Others cause less ecosystem degradation	No impact
	PP13	Ecosystems are restored, regenerated	Positive impact
	PP14	Others cause less damage to areas of high social or cultural value	No impact
	PP15	Areas of high social or cultural value are restored	Positive impact
People	PP16	More people are healthy and safe from harm	No impact
	PP17	People's capabilities are strengthened	No impact
	PP18	More people have access to economic opportunity	No impact
	PP19	Individual freedoms are upheld for more people	No impact
	PP20	Social cohesion is strengthened	Positive impact
Drivers	PP21	Infrastructure is strengthened in pursuit of future-fitness	Positive impact
	PP22	Governance is strengthened in pursuit of future-fitness	No impact
	PP23	Market mechanisms are strengthened in pursuit of future-fitness	No impact
	PP24	Social norms increasingly support the pursuit of future-fitness	No impact

Major positive impact CIRIL aims for:

PP11	Waste is reclaimed and repurposed	In the case of demolition or renovation of buildings, materials are recovered to be used again.
PP13	Ecosystems are restored and regenerated	Projects include measures to enhance biodiversity in the cities.
PP15	Areas of high social or cultural value are restored	Reconversion projects can restore cultural and historical value of sites and buildings
PP20	Social cohesion is strengthened	Projects include measure to enhance social interaction among residents and neighbourhoods
PP21	Infrastructure is strengthened in pursuit of future-fitness	Projects aim to contribute to the progress towards Future-Fit Cities.

			Correlation Future-Fit Positive Pursuits with ESRS-topics										
			Environmental					Social				Governance	
			E1	E2	E3	E4	E5	S1	S2	S3	S4	G1	
			Climate Change	Pollution	Water & Marine Res	Biodiversity & Ecosystems	Resource use & Circular Economy	Own workforce	Workers in value chain	Communities	Consumers End-users	Business Conduct	
CIRIL		Positive Impact											
Energy	PP01	Others depend less on non-renewable energy	No impact										
	PP02	More people have access to energy	No impact										
Water	PP03	Others contribute less to water stress	No impact										
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Natural Resources	PP05	Others depend less on inadequately-managed natural resources	No impact										
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Pollution	PP07	Greenhouse gases are removed from the atmosphere	No impact										
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	PP19	Individual freedoms are upheld for more people	No impact										
	PP20	Social cohesion is strengthened	Positive impact										
Drivers	PP21	Infrastructure is strengthened in pursuit of future-fitness	Positive impact										
	PP22	Governance is strengthened in pursuit of future-fitness	No impact										
	PP23	Market mechanisms are strengthened in pursuit of future-fitness	No impact										
	PP24	Social norms increasingly support the pursuit of future-fitness	No impact										

CIRIL's positive impact along the ESRS-topics:

Positive Materiality	Impact	Material issues
E1	Climate change	Through the realisation of its projects, the company aims to adapt the environment to the changing climate with more extreme weather events, longer droughts, more severe storms, increasingly frequent heat waves, and so on. CIRIL makes the urban environment more resilient to climate change and support the comfort of residents. These aspects of climate adaptation are ways to bring positive impact.
E2	Pollution	<p>CIRIL can have a positive impact on society in relation to pollution in the upstream value chain by implementing various strategies aimed at reducing environmental degradation, improving public health, and promoting social equity. Here are several areas where real estate developers can make a positive difference:</p> <ul style="list-style-type: none"> <li>- Environmental Conservation and Restoration, such as brownfield redevelopment. By rehabilitating degraded land and ecosystems, CIRIL can mitigate pollution and contribute to biodiversity conservation, soil stabilization, and carbon sequestration.</li> <li>- Promotion of Sustainable Transportation: CIRIL can prioritize projects that support sustainable transportation options, such as mixed-use developments with pedestrian-friendly amenities and bike-friendly infrastructure. By reducing reliance on private vehicles and promoting walking, cycling, and public transit, CIRIL can help reduce air pollution, traffic congestion, and greenhouse gas emissions.</li> <li>- Green Building and Healthy Living: CIRIL can design and construct buildings that prioritize occupant health and well-being, such as energy-efficient, healthy, and environmentally friendly buildings. By incorporating features like daylighting, natural ventilation, low-toxicity materials, and indoor air quality monitoring systems, CIRIL can create healthier indoor environments that reduce pollution exposure and enhance quality of life for residents and occupants.</li> </ul> <p>By focusing on these areas, CIRIL leverages its influence to not only mitigate pollution in the upstream value chain but also contribute to broader societal goals related to environmental sustainability, public health, and social equity.</p>



E3 – Water and marine resources	The positive impact CIRIL can have with regard to water is to make developed areas more rainwater-robust and climate-adaptive than they were before. There is clearly also an interface here with strengthening biodiversity and ecosystems and with climate resilience.
E4 – Biodiversity and ecosystems	Redevelopment of urban areas offer opportunity to strengthen ecosystems and biodiversity. This is actively addressed from the start of project design and development.
E5 – Resource use and circular economy	When CIRIL designs fully circular buildings with a low carbon footprint - possibly bio-based – with the ability to demount, repurpose, reuse, ... it increases the long-term value of that property.
S1 – Own workforce	Providing good working conditions, taking care of social welfare, investing in training, encouraging mutual cooperation, etc. enhances the development and development opportunities of employees. This also benefits CIRIL as a company.
S2 – Workers in the value chain	<p>Attention to human and labour rights in the upstream value chain can ensure that many more people earn adequate wages and have access to social services. CIRIL can thereby strengthen the social foundation of more people.</p> <p>CIRIL promotes fair labor practices and prioritizes the well-being of workers in their supply chains. Employees are more likely to be engaged and motivated when they work for companies that demonstrate a commitment to ethical business practices and employee welfare, which can contribute to higher productivity and organizational success.</p> <p>Social Impact and Community Development: Improving labor and human rights in the upstream value chain can have positive social impacts on workers and communities.</p>
S3 – Affected Communities	<p>When CIRIL succeeds in contributing to sustainable cities and communities (Future-Fit Cities) through project development, many stakeholders benefit, especially residents and people living in that neighbourhood. Projects are therefore a lever for developers to have positive impact.</p> <p>We distinguish two main stakeholder groups among affected communities, namely:</p> <ul style="list-style-type: none"> <li>- Communities affected by activities of companies in the upstream value chain, especially for mining activities, production of steel, aluminium, glass, ceramics, ... and other technical materials that are used in the construction sector;</li> <li>- Communities in the neighbourhood of the real estate projects that CIRIL develops.</li> </ul> <p>Ciril's real estate development projects aim to improve the sustainability of cities and communities, in general, and the quality of life of stakeholders, the residents of the projects and their direct and indirect neighbourhoods, in particular. CIRIL aims to add value to live, work and play. CIRIL develops what can be improved, where cities can grow and people feel at home. "That is how we, at CIRIL, <i>build value</i>".</p>
S4 – End-users and consumers	CIRIL's objective is mainly to have a positive impact on the end user's living, working and living conditions.



<p>G1 – Business conduct</p>	<p>Ethical business practices by CIRIL contributes to several positive impacts on society:</p> <p>Ethical business practices contribute to positive societal outcomes by addressing housing needs, providing affordable housing, empowering communities, creating economic opportunities, protecting the environment, promoting social equity, and enhancing quality of life. By embracing ethical principles and values, CIRIL can align its business interests with the broader interests of society, driving sustainable development and shared prosperity for all.</p>
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## 2.4. Financial Risks – Negative Financial Materiality

Financial materiality covers both negative and positive materiality.

The term “risks and opportunities” refers to the undertaking’s sustainability-related financial risks and opportunities, including those deriving from dependencies on natural, human and social resources, as identified through a financial materiality assessment.

The following are examples of how impacts and **dependencies** are sources of risks or opportunities:

- when the undertaking’s business model depends on a natural resource – for example water – it is likely to be affected by changes in the quality, availability and pricing of that resource;
- when the undertaking’s activities result in negative impacts, e.g., on local communities, the activities could become subject to stricter government regulation and/or the impact could trigger consequences of a reputational nature. These might have negative effects on the undertaking’s brand and higher recruitment costs might arise; and
- when the undertaking’s business partners face material sustainability-related risks, the undertaking could be exposed to related consequences as well.

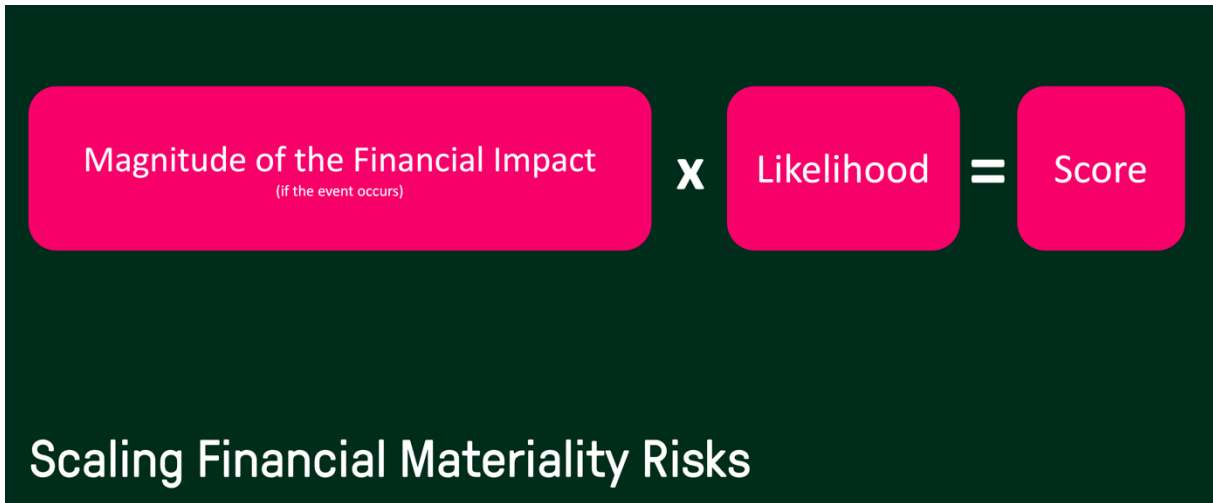
The identification of **risks** and **opportunities** that affect or could reasonably be expected to affect the undertaking’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term is the starting point for financial materiality assessment. In this context, the undertaking shall consider:

- the existence of dependencies on natural and social resources as sources of financial effects;
- their classification as sources of:
  - o **risks** (contributing to negative deviation in future expected cash inflows or increase in deviation in future expected cash outflows and/or negative deviation from an expected change in capitals not recognised in the financial statements); or
  - o **opportunities** (contributing to positive deviation in future expected cash inflows or decrease in deviation in future cash outflows and/or positive deviation from expected change in capitals not recognised in financial statements).



*Above: Risks and Opportunities reflecting negative and positive financial impact*

Once the undertaking had identified the risks, it shall determine which of them are material for reporting. This shall be based on a combination of the likelihood of occurrence and the potential magnitude of financial effects.



*Above: the way we scale risks, negative financial materiality*

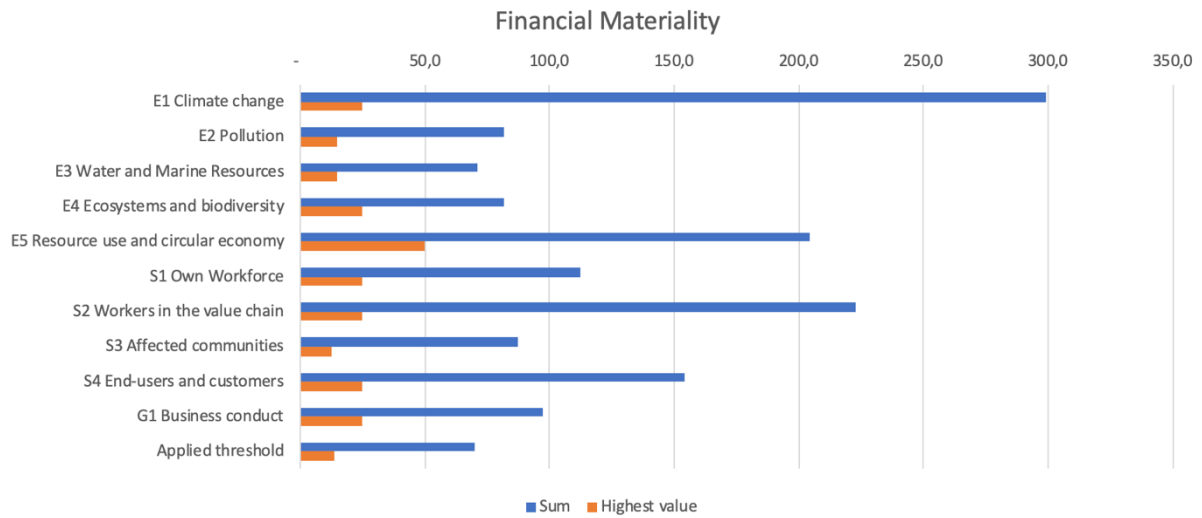
The most important aspects in relation to financial materiality are mentioned below.

Risks – negative financial materiality	Financially material issues
E1 – Climate change	There are a whole range of aspects that are potentially financially material for the CIRIL in relation to climate change. The main risks here are those relating to the transition and derivative effects such as rising materials prices due to carbon taxes that will be passed on (directly or indirectly), inability to adapt to changing regulations in time, loss of market share if necessary changes are not made in time, and so on.
E2 – Pollution	When contamination occurs in the upstream value chain, a lot of potential risks arise, ranging from reputational damage, liabilities to supply chain disruptions and increased costs for remediation and investigations.
E3 – Water and marine resources	Governments are imposing more and more regulations regarding water management in real estate projects. This involves higher development costs.
E4 – Biodiversity and ecosystems	When there is insufficient commitment to ecosystems and biodiversity in the city, there is also insufficient adaptation to climate change, making life in the city less pleasant (cf. urban heat island effect). Adapting infrastructure to be more climate resilient, e.g. by providing intensive green roofs, planting gardens with biodiversity, etc., may entail higher investment costs.
E5 – Resource use and circular economy	As global demand for resources continues to rise, the real estate sector faces the risk of resource scarcity and price volatility (including carbon taxes), which can impact construction costs and project viability. Regulatory requirements, market demands, and investor expectations are increasingly driving the adoption of sustainable and circular practices within the real estate sector. Governments are implementing regulations and standards to promote resource efficiency, waste reduction, and sustainable building practices,

	while investors and tenants are prioritizing sustainability criteria in their investment decisions and leasing preferences. Failing to adopt circular economy principles might result in higher costs and negatively impact market position.
S1 – Own workforce	Failure to provide proper facilities for employees might lead to high turnover, loss of human capital and ultimately affect the company's capabilities.
S2 – Workers in the value chain	<p>Failure to meet good core labour and human rights standards in the upstream value chain can have significant financial implications, e.g. in terms of reputation (also for other parties in the value chain), resilience and stability of the supply chain, productivity losses, ...</p> <p>Addressing labor and human rights issues in the upstream value chain can help mitigate risks associated with supply chain disruptions, reputational damage, and legal liabilities. By proactively identifying and addressing labor violations, such as forced labor, child labor, and unsafe working conditions, CIRIL can reduce the likelihood of negative impacts on project timelines, costs, and stakeholder relationships.</p>
S3 – Affected Communities	<p>If there is negative impact on affected communities, it can lead to permitting delays, reputational damage, reduced market position and so on more.</p> <p>We distinguish two main stakeholder groups among affected communities, namely:</p> <ul style="list-style-type: none"> <li>- Communities affected by activities of companies in the upstream value chain, especially for mining activities, production of steel, aluminium, glass, ceramics, ... and other technical materials that are used in the construction sector;</li> <li>- Communities in the neighbourhood of the real estate projects that CIRIL develops.</li> </ul>
S4 – End-users and consumers	<p>Real estate developers face several financial risks in relation to customers and end-users regarding sustainability matters:</p> <ul style="list-style-type: none"> <li>- Market Demand and Property Value: Failure to meet sustainability expectations of customers and end-users can lead to reduced market demand for properties and decreased property values. As awareness of environmental and social issues grows, customers and end-users may prioritize properties that demonstrate strong sustainability credentials, such as energy efficiency, green certifications, and healthy indoor environments. Developers who fail to incorporate sustainable features into their projects may face challenges in attracting buyers or tenants and may experience decreased property values compared to more sustainable developments.</li> <li>- Regulatory Compliance and Penalties: Non-compliance with sustainability regulations and standards can result in financial penalties, fines, and legal liabilities. Governments at the local, national, and international levels are increasingly implementing regulations and building codes aimed at improving energy efficiency, reducing carbon emissions, and promoting sustainable building practices. Developers who fail to adhere to these regulations may face fines or enforcement actions, as well as delays and additional costs associated with retrofitting or remediation efforts to achieve compliance.</li> <li>- Operational Costs and Efficiency: Sustainable buildings often have lower operating costs compared to conventional buildings due to reduced energy and water consumption, lower maintenance requirements, and improved occupant productivity and satisfaction. Developers who overlook sustainability considerations may face higher long-term</li> </ul>

	<p>operating costs and reduced profitability compared to competitors who prioritize energy efficiency and sustainability in their projects.</p> <ul style="list-style-type: none"> <li>- Tenant and Occupant Satisfaction: Tenant and occupant satisfaction is essential for maintaining sales and market share. Failure to provide a healthy, comfortable, and sustainable built environment may lead to tenant dissatisfaction, increased turnover rates, and difficulties in attracting and retaining quality tenants. Developers who prioritize sustainability and occupant well-being can enhance end-user satisfaction, reduce vacancies, and increase rental income.</li> <li>- Reputation and Brand Image: Sustainability performance can significantly impact a developer's reputation and brand image in the market. Negative publicity related to environmental or social issues, such as poor energy performance, indoor air quality problems, or labor rights violations in the supply chain, can damage a developer's reputation and undermine customer trust and confidence. Rebuilding trust and repairing a damaged reputation can be costly and time-consuming, impacting future business opportunities and investor confidence.</li> <li>- Access to Capital and Financing: Financial institutions, investors, and lenders are increasingly considering environmental, social, and governance (ESG) factors when evaluating real estate investments. Developers who fail to demonstrate strong sustainability performance may face difficulties accessing capital and securing financing for their projects. Conversely, developers who prioritize sustainability and ESG considerations may benefit from access to a broader range of financing options, lower borrowing costs, and increased investor interest.</li> </ul> <p>By proactively addressing sustainability challenges and incorporating sustainable practices into their projects, CIRIL can mitigate these risks, enhance its competitive position, and create long-term value for its stakeholders.</p>
G1 – Business conduct	<p>Negative financial materiality for real estate developers regarding ethical business encompasses a range of risks and consequences, including reputational damage, legal and regulatory risks, financial losses, loss of stakeholder trust, operational disruptions, and diminished access to capital. By prioritizing ethical conduct, transparency, and accountability in their business practices, real estate developers can mitigate these risks and build resilience, trust, and long-term value for their stakeholders.</p>

The visual below shows the financial materiality of the ESRS-topics.



Above: financial materiality overview

## 2.5. Opportunities – Positive Financial Materiality

Opportunities contribute to positive deviation in future expected cash inflows or decrease in deviation in future cash outflows and/or positive deviation from expected change in capitals not recognised in financial statements.

Opportunities – positive financial materiality	Material issues
E1 – Climate change	There are opportunities for CIRIL in relation to climate change. For instance, CIRIL can benefit from anticipating changing regulations, market demand shift, innovation in low embodied carbon construction methods (such as bio-based construction), etc.
E2 – Pollution	<p>CIRIL has various opportunities to address pollution in the upstream value chain, particularly in the sourcing of materials and construction processes. Some examples are:</p> <ul style="list-style-type: none"> <li>- Sustainable Material Sourcing: CIRIL prioritizes sourcing materials from suppliers that adhere to environmentally friendly practices. This includes using recycled or reclaimed materials, selecting products with low embodied carbon, and choosing materials certified by sustainable sourcing standards such as Forest Stewardship Council (FSC) for wood or Cradle to Cradle for various construction materials.</li> <li>- Waste Reduction and Recycling: Implementing waste reduction and recycling programs during construction significantly reduces pollution in the upstream value chain. CIRIL prioritizes waste minimization strategies such as modular construction techniques, prefabrication, and off-site manufacturing to reduce construction waste. Additionally, CIRIL cooperates with waste management companies to ensure proper disposal and recycling of construction debris.</li> <li>- Collaboration with Suppliers and Contractors: CIRIL collaborates with suppliers and contractors to promote sustainable practices throughout the supply chain. This involves setting sustainability criteria for suppliers,</li> </ul>

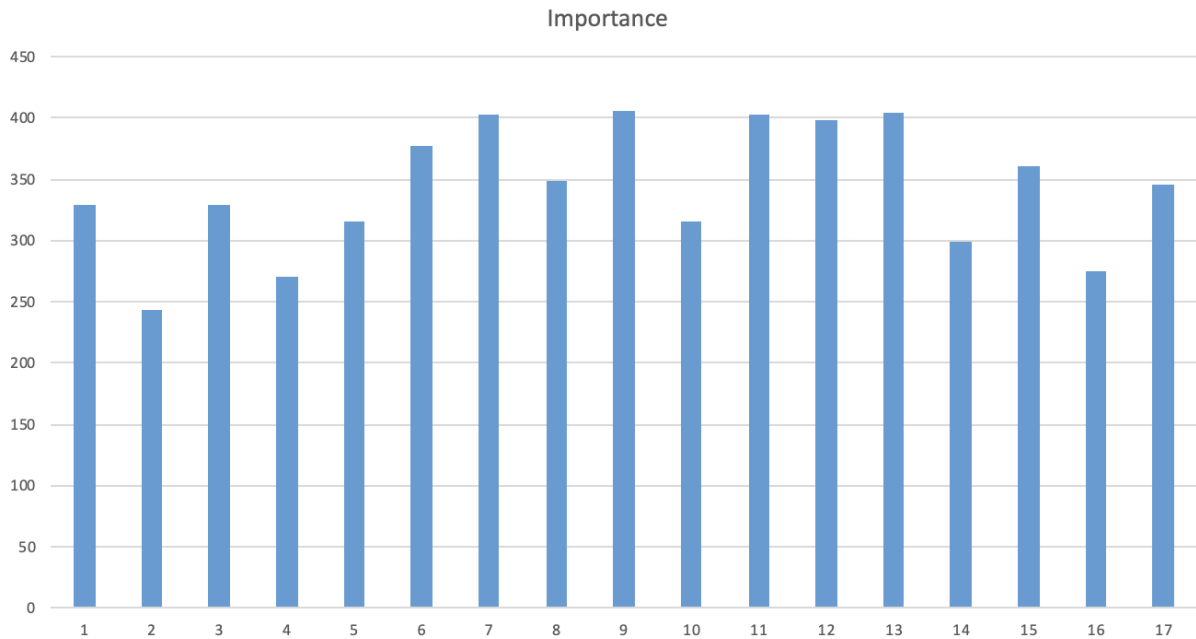
	<p>providing training on sustainable construction techniques, and incentivizing environmentally responsible behavior through contract agreements and procurement policies.</p> <p>By integrating these strategies into its operations, CIRIL mitigates pollution in the upstream value chain and contributes to a more sustainable built environment. Additionally, adopting sustainable practices enhances the marketability and long-term value of the developed properties while demonstrating corporate social responsibility.</p>
E3 – Water and marine resources	<p>CIRIL has several opportunities to address water-related challenges and incorporate sustainable water management practices into its projects. Here are some opportunities: water-efficient design, green infrastructure integration (in buildings and landscapes, rain and drought-tolerant landscaping, rainwater harvesting systems, reuse rainwater for non-potable uses, green roofs, permeable pavements, rain gardens, bioswales, water recycling and reuse, reduce dependence on freshwater sources and minimize wastewater discharge). This may also involve treating greywater from sinks, showers, and laundry facilities for reuse in irrigation and toilet flushing.</p> <p>By embracing these opportunities and integrating sustainable water management practices into its projects, CIRIL enhances the resilience, efficiency, and environmental performance of its developments while contributing to water conservation, water quality protection, and overall sustainability goals.</p>
E4 – Biodiversity and ecosystems	<p>Enhancing urban biodiversity has direct implications for the livability and health of residents. It increases the quality and hence the property value of real estate. Communicating about this also enhances commercial value.</p>
E5 – Resource use and circular economy	<p>The transition to a circular economy presents opportunities for CIRIL to minimize resource use, reduce waste, and promote resource efficiency throughout the lifecycle of buildings. This includes adopting principles such as designing for disassembly and reuse, incorporating recycled and renewable materials into construction projects, and implementing strategies for waste reduction and recycling.</p> <p>Innovation and Technology Adoption: Advancements in technology and innovation offer new opportunities for CIRIL to improve resource efficiency and embrace circular economy principles. This includes the development of innovative building materials, construction techniques, and digital tools for materials tracking, recycling, and reuse. Embracing circular economy principles can provide CIRIL, owners, and operators with a competitive advantage and market differentiation. Buildings designed and operated with sustainability and circularity in mind can attract tenants, investors, and buyers who value environmental performance, resilience, and long-term value.</p>
S1 – Own workforce	<p>Caring for staff in all facets contributes to development and creativity. Motivated employees can take CIRIL to the next level and help generate new opportunities for the company from challenges as well. People want to be able to commit to a company that has a higher purpose.</p>
S2 – Workers in the value chain	<p>Improving labor and human rights in the upstream value chain can present several opportunities for CIRIL:</p>



	<p>Enhanced Reputation and Brand Image: CIRIL can build a positive reputation and enhance its brand image. By demonstrating a commitment to ethical business practices and responsible sourcing, CIRIL can attract socially conscious investors, tenants, and customers who value ethical considerations in their decision-making.</p> <p>Access to Financing and Investment: CIRIL may have greater access to financing and investment opportunities. Institutional investors, lenders, and financial institutions are increasingly incorporating environmental, social, and governance (ESG) criteria into their investment decisions and may favor projects with strong social responsibility credentials.</p> <p>Supply Chain Efficiency and Resilience: Promoting labor and human rights in the upstream value chain can contribute to supply chain efficiency and resilience. By fostering strong relationships with suppliers and subcontractors, CIRIL can build trust and collaboration, leading to improved communication, transparency, and risk management throughout the supply chain.</p> <p>Overall, improving labor and human rights in the upstream value chain presents CIRIL with opportunities to strengthen its businesses, enhance its reputations, and create positive social and economic impacts for workers, communities, and stakeholders.</p>
S3 – Affected Communities	Improving city life, having a positive impact on the quality and sustainability of the built environment, provides opportunities for CIRIL to strengthen its brand and increase market share. This also leads to a more attractive profile for attracting and retaining suitable staff.
S4 – End-users and consumers	CIRIL can leverage improvements in environmental and social sustainability to create opportunities for end-users. By fostering trust, promoting well-being, and contributing to inclusive and sustainable development, CIRIL can attract and retain tenants, buyers, and occupants while driving positive social impact. It can enhance brand reputation and trust for CIRIL as well as a better market position.
G1 – Business conduct	CIRIL has numerous opportunities to integrate ethical business practices into its operations and create value for investors, tenants, communities, and society as a whole. By embracing ethical principles and values, CIRILs build resilience, fosters trust, and drives sustainable development for the benefit of present and future generations.

## 2.6. Stakeholder survey

A brief and general stakeholder survey was carried out, in 2023. The survey gauged the views of different stakeholder groups on the attention CIRIL should pay to different sustainability domains, based on the Sustainable Development Goals (SDG's).



The survey showed that stakeholders from different stakeholder groups want CIRIL to pay attention at the highest level for:

SDG number	SDG description	Related ESRS-topic
7	Affordable and clean energy for all	E1
9	Industry, innovation and infrastructure	All E-topics in general, including E1 and E5
11	Sustainable cities and communities	Especially E1, (E3,) E4, S3 and S4 in focus
12	Responsible consumption and production	E5
13	Climate action	E1

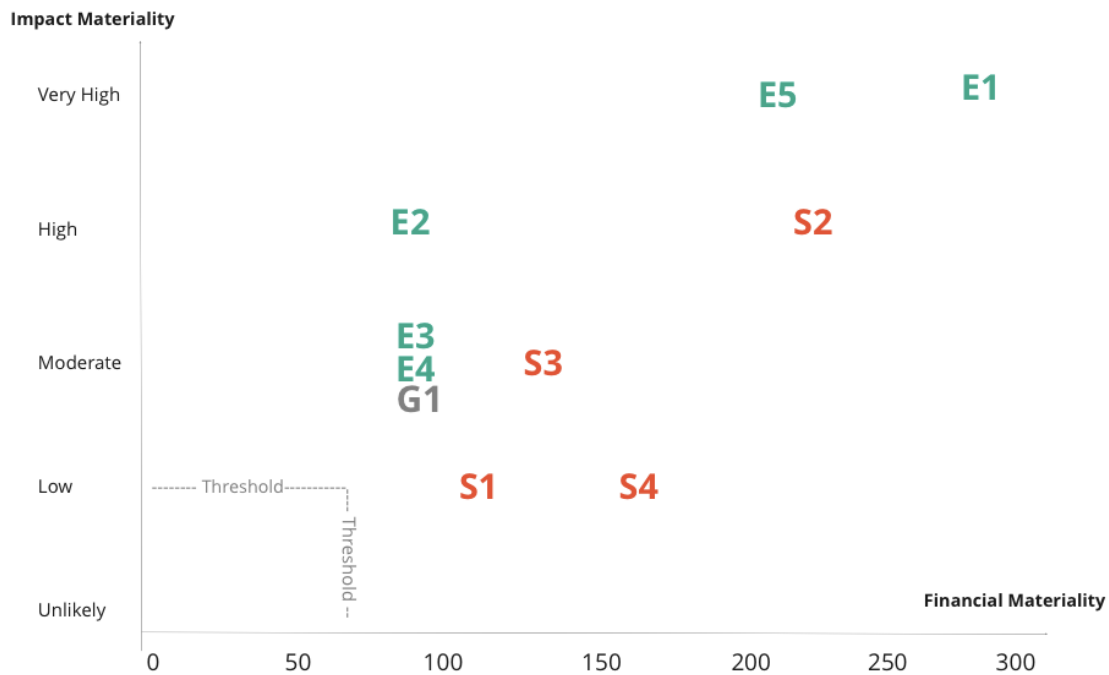
In fact, other SDG's (except for SDG 2 (no hunger)) also have high scores, which means that the stakeholders want CIRIL to pay attention to all aspects of sustainability. This confirms the results of the detailed assessment that was carried out.

More well-focused surveys will to be developed for special target groups, in the future.

## 2.7. Double Materiality Assessment – concluding matrix

The thorough assessment of the impacts, risks and opportunities in the value chain of CIRIL, results in the following conclusions:

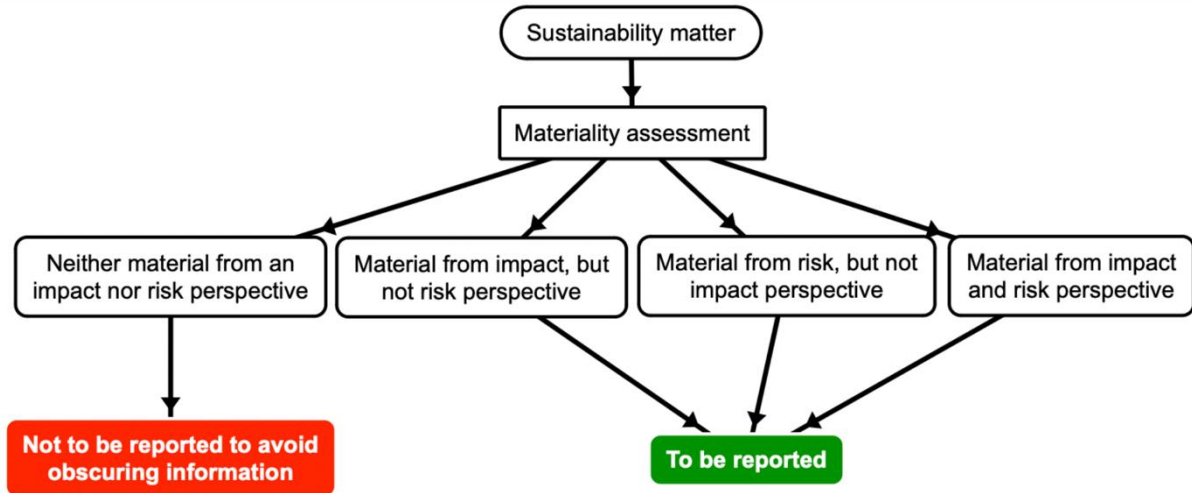
- All ESRS-topics are material for CIRIL
- Some topics are more material or at risk than others. The scaling of the IRO's is visualised in the materiality matrix below.



With:

- E1: Climate change and energy
- E2: Pollution
- E3: Water and marine resources
- E4: Ecosystems and biodiversity
- E5: Resource use and circular economy
- S1: Own workforce
- S2: Workers in the value chain
- S3: Affected communities
- S4: End-users and customers
- G1: Governance

According to the ESRS, sustainability matters that are not material from a financial and impact perspective, must not be reported. The assessment that has been carried out, shows that all topics are material for CIRIL and, thus, will be subject to reporting.



### 3. Measuring Progress using the Future-Fit Business Benchmark

For each Break-Even Goals we give an overview of

- What ESRS-topic this BE is related to,
- 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?	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.					
Risk level	High					
ESRS Reference	E 1					
Data Gathering	Good					
Progress	Electricity, heating, mobility					
	2021		2022		2023	
	total (kWh)	renewable	total (kWh)	renewable	total (kWh)	renewable
Natural Gas	41.894	-	36.967		28871	
Elect Hasselt	49.700	9.393	42.877	9.519	27161	6029,742
Antwerp heat	37.500	2.835	37.500	3.330	37500	8325
Antwerp elekt (excl H	9.161	1.731	10.196	2.264	10691	2373,402
Antwp heat from air		22.500		22.500		22500
EV charging			14427	3202,794	1998	443,556
mobility (diesel)	87696,86		104182,55		79799,4	
	225.952	36.460	246.150	40.815	186020,4	39671,7
		16,1%		16,6%		21,3%
	<b>Fitness 2023:</b> <b>Amount renewable energy / Total energy = 21,3 %</b>					
Pathway	To be implemented: 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
ESRS Reference	E3
Data Gathering	No Data gathered
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 the company's offices, drinking water is used for toilet flushing. So, a high-value product is used for a low-value application.</p> <p><b>Water Stewardship in projects being developed</b> Water stewardship in the projects that are being developed is very relevant. See Project Sustainability Assessment (PSA) (PAT's).</p>
Pathway	Not applicable

<b>BE03</b>	<b>Natural resources are managed to respect the welfare of ecosystems, people and animals</b>
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
ESRS Reference	E1, E2, E3, E4, E5, S3
Data gathering	Not applicable
Progress	The company 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?	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.
Risk level	High
ESRS Reference	E1, E2, E3, E4, E5, S2, S3
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.</p> <p>Such a hotspot assessment is being undertaken, 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> 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="411 1137 1307 1659"> <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> The company will engage its 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 its 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, the company will act as an <i>early adopter</i>. 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</li> <li>- Partnerships</li> </ul>
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<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
ESRS Reference	S2
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

<b>BE06</b>	<b>Operations emit no GHGs</b>
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>
ESRS Reference	E 1
Data gathering	The GHG inventories for 2022 (as reference year) and 2023 are available
Progress	

	<p><b>Totals:</b></p> <p>Scope 1 + 2 in 2021: 40 tCO<sub>2</sub>e          Scope 1 + 2 in 2022: 43 tCO<sub>2</sub>e (=reference)          Scope 1 + 2 in 2022: 33 tCO<sub>2</sub>e</p> <p>Fitness: 23 % (=reference year as a starting point)</p> <p>Note:          In scope for BE06: Scope 1 + 2          Out of scope for BE06: upstream scope 3 emissions (which are included in BE04)</p>
Pathway	<p>The company 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 reduce the emissions with 42% 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 42% 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 PAT's in this report.</p>

BE07	Operational waste is eliminated																																																																			
Where to go?	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																																																																			
Risk level	Moderate																																																																			
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Data gathering	Imprecise data is available																																																																			
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	Amount of waste non-recyclable: 1402 kg (imprecise) in reference year 2022 Fitness= - 56 %
Pathway	More refined data is needed.

<b>BE08</b>	<b>Operations do not encroach on ecosystems or communities</b>
Where to go?	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.
Potential risk level	Low
ESRS Reference	E4, S3
Data gathering	
Progress	The offices (and real estate projects) are situated in dedicated areas for residential purpose, office and mixed-use activities in the cities. No activities have an effect on pristine ecosystems, such as wetlands or forests, or on high cultural or ecological value. No local communities are negatively affected by the company’s activities or presence.
Pathway	Gardens and (unpaved) spaces surrounding buildings might be developed to stimulate bio-diversity and to protect against urban heat island effect.  Projects are subject to <b>Project Sustainability Assessments</b> . See BE23 Target indicators are subject of evaluation.

<b>BE09</b>	<b>Community health is safeguarded</b>
Where to go?	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
Potential risk level	Low
ESRS Reference	S3
Data gathering	appropriate
Progress	People living in the neighbourhood of where the projects are developed may be affected by the company’s activities. There might be a potential of negative impact during the construction phase. Therefore, appropriate measures are in place.

	<p><b>Minimal Nuisance Plan</b></p> <p>Neighbours can be impacted by the projects while they are in the construction phase. Therefore, long before the construction works start, the company 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.</p> <p>During the entire building process, the company serves as a mediator between contractor(s) and the local residents, as an appropriate point of contact for the neighbourhood. The company 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.</p> <p>A customized approach is designed, based on 5 potential nuisance topics: noise, dust and mud, safety, traffic mobility and communication.</p> <p><b>Fitness criteria:</b></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	<p>Projects are also subject to <b>Project Sustainability Assessments</b>. Target indicators are subject of evaluation.</p>

<b>BE10 Employee health is safeguarded</b>	
Where to go?	<p><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></p>
Potential risk level	Low
ESRS Reference	S1
Data gathering	
Progress	<p>Fitness criteria for reporting company:</p> <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> </ul>

	<ul style="list-style-type: none"> <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%
Number of employees:	<20 employees
Pathway	Continuous attention is needed regarding to mental health (stress, potential work overload, burn-out prevention).

BE 11	Employees are paid at least a living wage
Where to go?	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
Risk level	Low
ESRS Reference	S1
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

BE 12	Employees are subject to fair employment terms
Where to go?	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.
Potential risk level	Low
Reference	S1
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.
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BE13	Employees are not subject to discrimination
Where to go?	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.
Potential risk level	Low
ESRS Reference	S1
Data gathering	
Progress	<p>Both direct and indirect discrimination</p> <p>The company actively and explicitly addresses this issue through many voluntary initiatives, not only towards employees.</p> <p>Fitness criteria:</p> <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> <p>Fitness score: 100%</p>
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?	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.
Risk level	Low
ESRS Reference	S1
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?	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.
Risk level	low
ESRS Reference	S4
Data gathering	To be gathered
Progress	<p>The buyers of the property developed by the company 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</p>



	<p>Communications support the proper use of products: fulfilled</p> <p>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.

<b>BE16</b>	<b>Product Concerns are actively solicited, impartially judged and transparently addressed</b>
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
ESRS Reference	S4
Data gathering	To be gathered
Progress	<p>The company puts in place control structures to ensure that its customer concerns mechanisms satisfy all of the following criteria:</p> <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	

<b>BE17</b>	<b>Products do not harm people or the environment</b>
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
ESRS Reference	E1, E2, E3, E4, E5, S1, S2, S3, S4
Data	

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 the company 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 poly-urethane 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	<p>A further study will be carried out in 2025 on which typical building materials might be the subject of concern. The aim is then to exclude these through provisions in specifications.</p>

BE 18	Products emit no greenhouse gases
Where to go?	<p><b>A Future-Fit Business sells no goods or services that emit greenhouse gases as a direct consequence of their use.</b></p>
Risk level	<p>Low</p> <p>The risk level was graded as “low”, because the current policy already foresees the development of all-electric buildings.</p>
ESRS Reference	<p>E1</p>
Data gathering	<p>See Scope 3 downstream emissions, “use of sold products”, in the carbon accounting</p>
Progress	<p>The projects that were delivered in 2023, generally, have gas boilers for room heating and domestic hot water.</p>

	New projects, that are in design phase, are designed to run all-electric.  Fitness: 0% (as the buildings sold in 2023 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.

<b>BE 19</b>	<b>Products can be repurposed</b>
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	<b>High</b>
ESRS Reference	E5
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. The company 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> </ul>

	<ul style="list-style-type: none"> <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?	A Future-Fit Business actively seeks to anticipate, avoid and address ethical breaches that may arise as a result of its activities.
Risk level	Low
ESRS Reference	G1
Data gathering	Good
Progress	<p>The company has performed a hotspot assessment</p> <p>An ethics policy is in place in line with the fitness criteria, which applies to and had been communicated to the employee(s).</p> <p>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?	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.
Risk level	Low
ESRS Reference	G1
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?	A Future-Fit Business never seeks to influence market dynamics in ways that may contribute to hindering society's progress toward future-fitness
Risk level	Low
ESRS Reference	G1
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> </ul>

	<ul style="list-style-type: none"> <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> </ul>
Pathway	

BE23	Financial Assets safeguard the pursuit of future-fitness
Where to go?	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
Risk level	Low
ESRS reference	G1
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:</p> <p>An appropriate hotspot assessment has been undertaken. The assessment identifies that potential hotspots may exist.</p> <p>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>

	See PAT's on in this report.
Context Indicators	Total value of financial assets
Pathway	Conduct the assessment for all the projects in development, construction or in delivery stage. Level up the ambitions, step by step, in the next years.



## 4. PAT's – Policies, Actions and Targets – Work Trails towards true sustainability

### 4.1. General overview

The Double Materiality Assessment (DMA) identifies and scales the sustainability issues that matter. The Policies, Actions and Targets are the response to the DMA.

ESRS topic		CIRIL's Policies, actions and targets (PAT's)
E1	Climate change and Energy	Carbon Strategy towards Net-Zero by 2050
E2	Pollution	Project Sustainability Assessment (PSA)
E3	Water and marine resources	Project Sustainability Assessment (PSA)
E4	Eco-systems and Biodiversity	Project Sustainability Assessment (PSA)
E5	Resource use and circular economy	Circular Economy Program
S1	Own workforce	Social Foundation Program
S2	Workers in the value chain	Social Foundation Program
S3	Affected communities	Social Foundation & Project Sustainability Assessment (PSA)
S4	End-users and consumers	Social Foundation & Project Sustainability Assessment (PSA)
G1	Business conduct	Good governance in the value chain

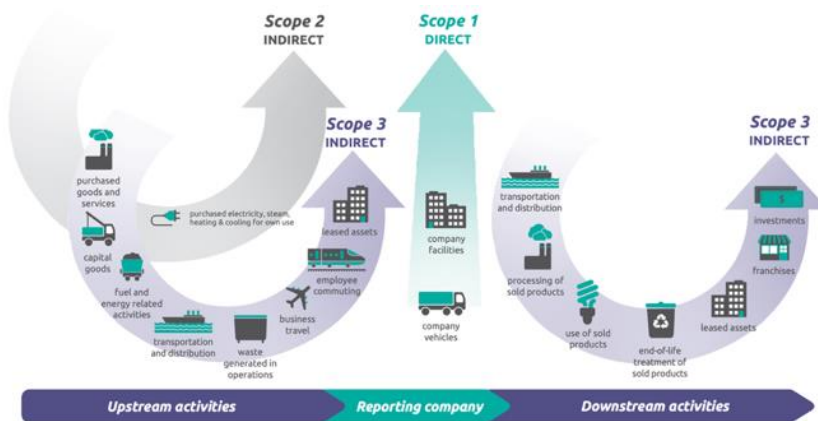
### 4.2. Carbon Strategy – Greenhouse Gas Emission Impact Mitigation towards Net-Zero by 2050.

#### 4.2.1. General

This pathway / work trail is in relation to ESRS topic E1, Future-Fit BE06 (Scope 1 & 2), BE04 (Scope 3 upstream) and BE18-19 (Scope 3 downstream).

CIRIL made a Climate Action Commitment to reach Net Zero by 2050.

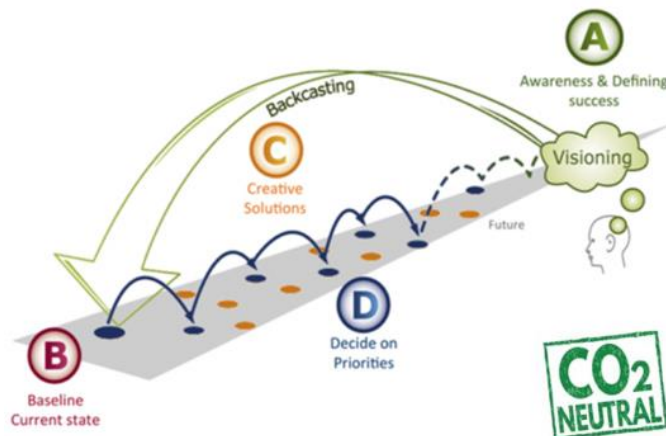
A Greenhouse Gas Accounting for Scope 1, 2 and 3 is set up to provide a clear view on where the company's impact on climate change can be situated, in the company's own operations and in both the upstream and downstream value chain. This clear view is the basis to build the Carbon Strategy upon.



Above: Carbon Accounting across Scope 1, 2 and 3

The Carbon (reduction) Strategy needs to be aligned with the Paris Agreement, which is also the ambition formulated in EU's Green Deal. The CSRD/ESRS also stipulates that the 1,5°C global warming scenario is to be aimed for.

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, here.



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 about halve the emissions by 2030 (or at least reduce with 42%) 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.

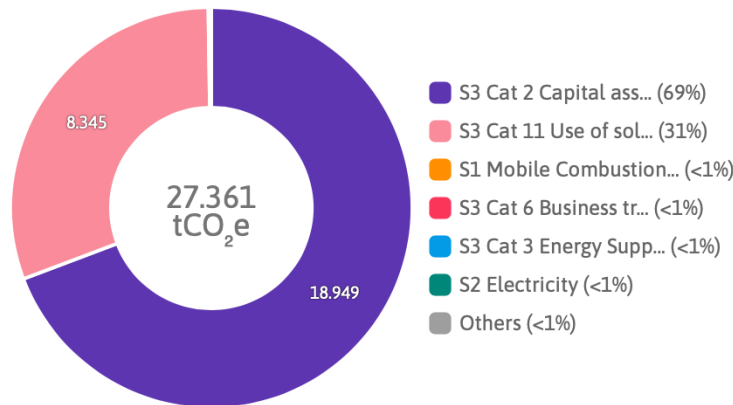
#### 4.2.2. Scope 1, 2 and 3 emissions

Some improvements have been made to the carbon emissions inventory of the reference year. In this updated 2022 inventory, we have taken into account the equity share of the projects, whereas in the previous inventory it was still 100% (including for projects where CIRIL does not have full ownership).

Equity share:

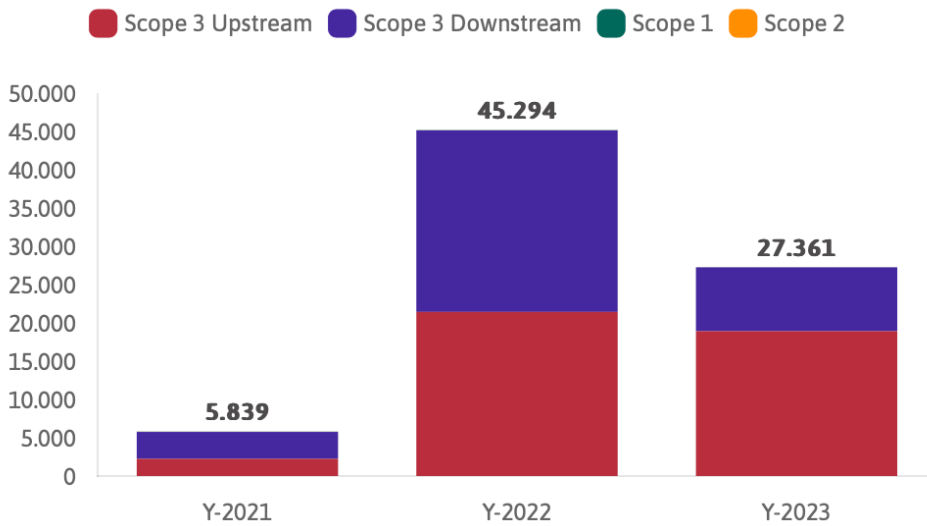
- Hasselt Hastrid 50%
- Hasselt Bonnefant 50%
- Mechelen Tinelsite 50%
- Diest Demerwoningen 80%
- Diest Ezelsdijk 80%

Carbon footprint over Scope 1, 2 and 3 for 2023 is mentioned beneath.

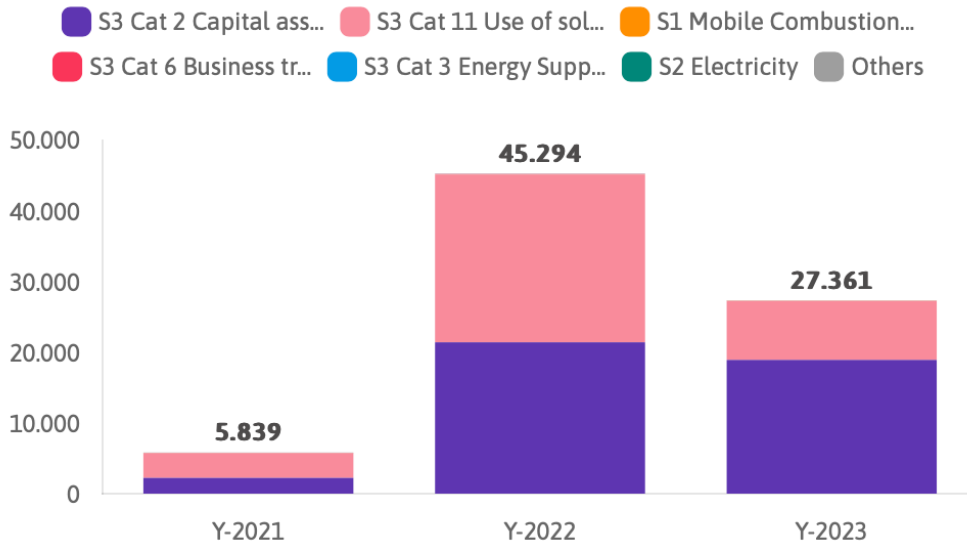


Above: Carbon emissions in 2023 over Scope 1, 2 and 3

If we compare this with previous years, we see an important reduction compared to the reference year (=2022). This reduction is completely on the account of the category 11 in downstream scope 3, related to “use of sold products”.

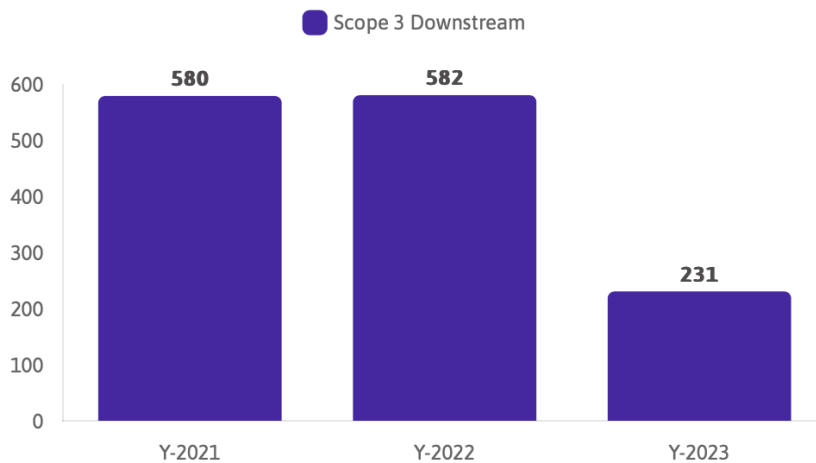


Above: Carbon emissions over 2021, 2022 (=Reference year) and 2023



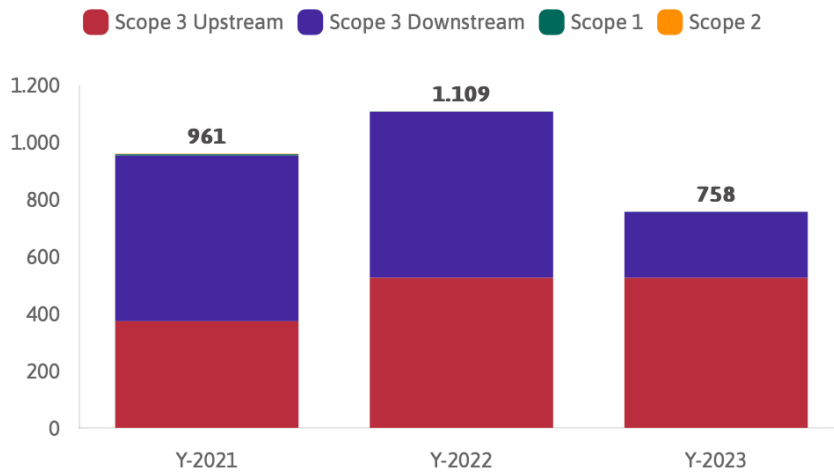
Above: Carbon emissions over 2021, 2022 (=Reference year) and 2023

The reason for the reduction is related to the number of delivered apartments with energy systems that do not run on fossil fuels. This can be seen in the exhibit below where the carbon intensity for downstream emissions are visualized.



Above: carbon intensity for downstream emissions per 1000 m<sup>2</sup> delivered surface.

Due to that effect the total carbon intensity has also decreased.

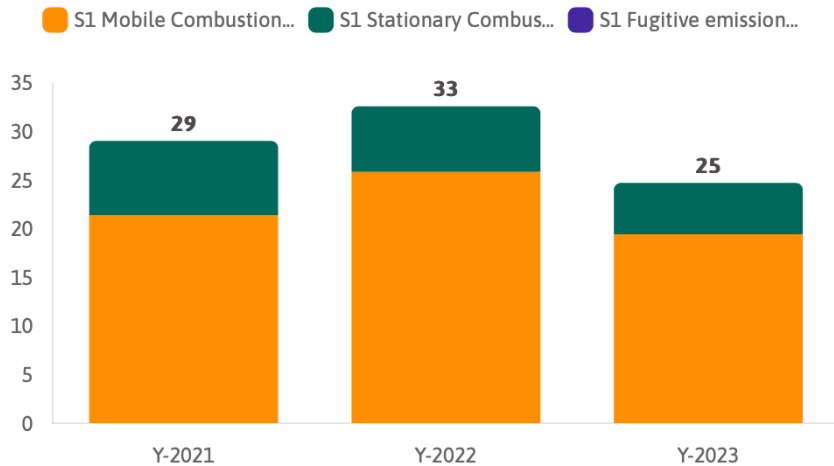


Above: Carbon intensity per 1000 m2 delivered surface.

CIRIL 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. The strategy for category 11 already had its effect.

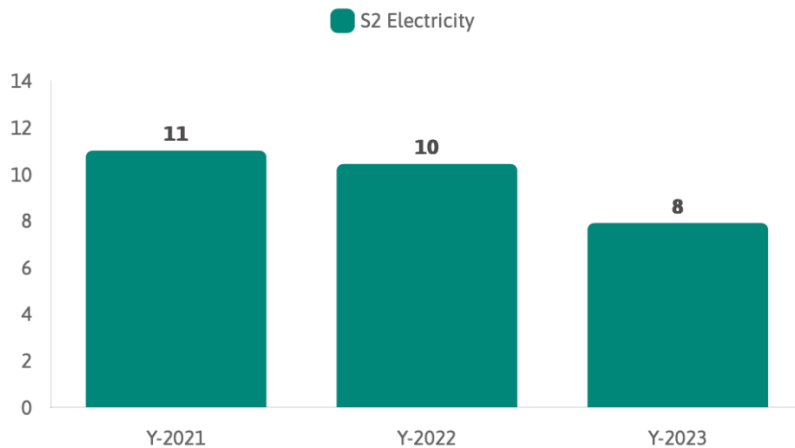
### 4.2.3. Scope 1 & 2

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 are all-electric. 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 (ton CO<sub>2</sub>e) in 2021, 2022 and 2023

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 (ton CO<sub>2</sub>e) in 2021, 2022 and 2023

#### 4.2.4. Scope 3 upstream

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.

CIRIL will reduce the embodied carbon of real estate projects on two aspects:

- More renovations and less demolitions
- Reduce the embodied carbon of the materials: use concrete with a lower carbon emission factor or use bio-based materials in structure, skin, etc.

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 introduced the concept of **Carbon Intensity** (kg CO<sub>2</sub>e/m<sup>2</sup>).

Due to the time between decisions during design process and delivery, we expect the results of the strategy to be visible from 2027 on.

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.

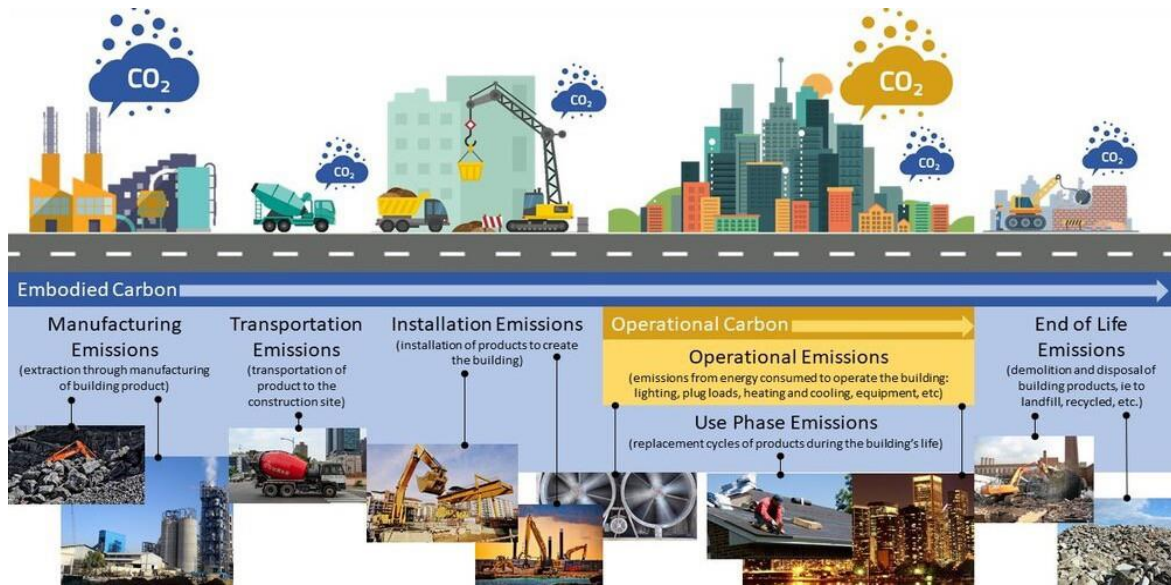
#### 4.2.5. Scope 3 downstream

Delivered Real Estate projects that have energy systems that run 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)). All projects delivered by CIRIL in 2022 run on gas boilers for space heating and domestic hot water. In 2023, the delivered projects partly use gas boilers and heat pumps, which already makes a huge difference in the carbon intensity as well as in the total emissions.

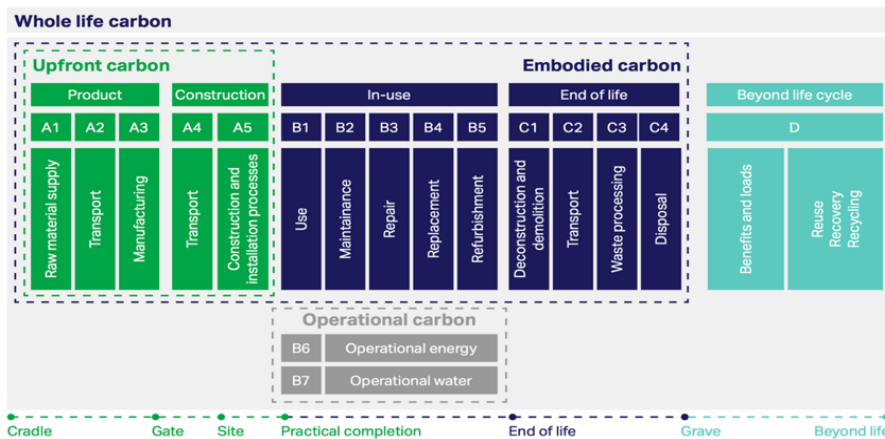


### 4.3. The Life Cycle Carbon Calculator (LCCC) as a tool to measure on a project level

In order to have a better view on the Life Cycle Carbon impact of a building, CIRIL uses the approximate calculation method, developed by GRUUND. The calculation covers the whole life cycle as mentioned in the visuals below.



Above: carbon emissions through the life cycle of buildings



Above: whole life cycle stages, EN15978

The calculation is done for the separate elements or layers of a building, according to the visual below.



Above: the 7 layers of buildings: site, structure, skin, services, space plan, stuff, social

The calculation refers to the building system framework, also used by the World Business Council for Sustainable Development.

		BUILDING STAGES						
		PRODUCTS	CONSTRUCTION	USE		END OF LIFE	EMISSIONS	BEYOND LIFE
		A1-A3	A4-A5	B1-B5	B6-B7	C	kgCO <sub>2</sub> /m <sup>2</sup>	D
<b>BUILDING LAYERS</b>	<b>Structure</b> Foundation, load-bearing							
	<b>Skin</b> Windows, roof, insulations							
	<b>Space plan</b> Interior finishes							
	<b>Services</b> Mechanical, electrical, plumbing							
	<b>Stuff (optional)</b> Furniture and appliances							
	<b>Building carbon emissions</b>							
	<b>Carbon compensation</b> Removals and offset							

● Embodied carbon    ● Operational carbon    ● Partial and total sums

Above: Building system carbon framework, used by the WBCSD (2020)

### Reference values

The calculation methodology uses building reference values based on documents issued by the World Business Council for Sustainable Development "Net-Zero buildings - Where do we stand?" (July 2021) (prepared by ARUP and WBCSD) insofar as the tool user indicates working according to the methodology of building "as-usual", i.e. mainly using classical building materials and methods with steel and concrete. The tool used allows specific parts of the building to be entered separately, but a full list of materials must be available and substantiated emission factors must be used, either generic values or specific values substantiated by EPD's (Environmental Product Declarations).

### Benchmarking

The values for embodied carbon are benchmarked against the reference values:

- for values A1 to A3 with the values from "Decarbonizing Construction, Guidance for investors and developers to reduce the embodied carbon" of the World Business Council for Sustainable Business (WBCSD);
- for values A1 to A5 with the "1.5°C pathway for the global buildings sector's embodied emissions" (draft document May 2023) from Science Based Targets.

## Dashboarding

The exhibits below show the dashboarding of the second phase of Mortsel, Stadsterras, as an example.

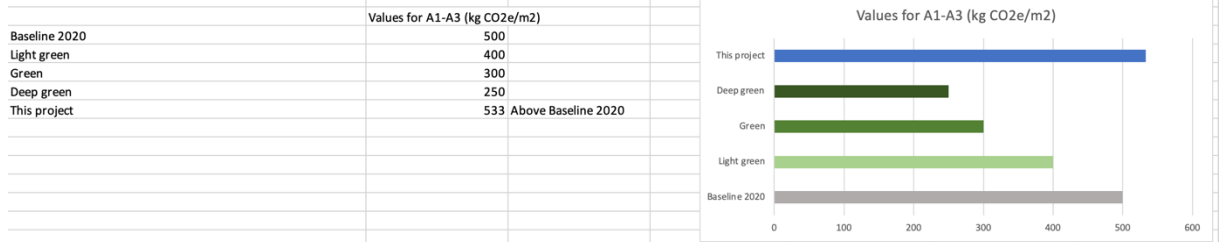
# Life Cycle Carbon Emissions calculation



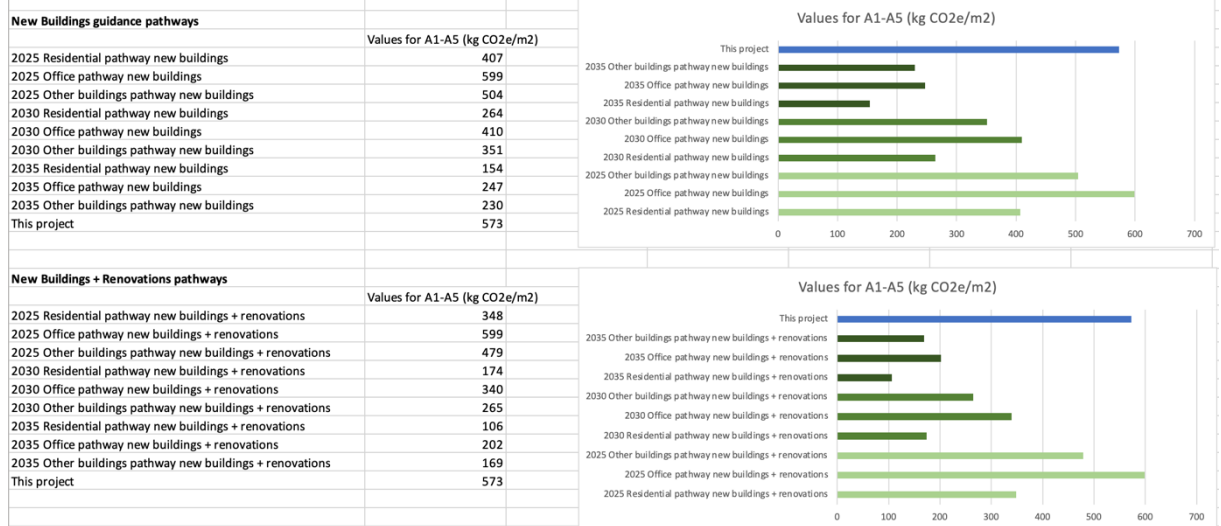
Approximate calculation methode based on generic values and references.  
Prepared by GRUUND www.GRUUND.be

Template version	2023.1.0						
Developer (Company)	CIRIL (authorised)						
Developer (Person)	Gert Voets						
Project name	Stadsterras fase 2 nieuwbouw						
Project location	Mortsel						
Date calculation	45149						
Main function	Multifunctional building for mixed use						
Gross underground surface area (m2)	0						
Gross surface area (m2) (above-ground)	13262						
Total gross surfact area	13262						
Carbon Intensity (kg CO2e per m2)	Products	Construction	In use		End-of-life	Beyond life	
	A1-A2-A3	A4-A5	B1-B5	B6	C	D	
Structure	280	8	0		3	0	
Skin plan	100	1	25		2	0	
Space plan	42	0	42		1	0	
Services	97	1	97	65	2	-80	
Stuff	14		72		0	0	
Site emissions		30					
Total (CO2e/m2)	533	40	236	65	8	-80	
Total (CO2e/m2)	573						882
Total A-B-C (CO2e/m2)							
Biogenic Carbon Storage per m2	0						
Avoided emissions per m2 compared to natural gas (PV generation)	-80						
Circularity, avoided emissions per m2	0						

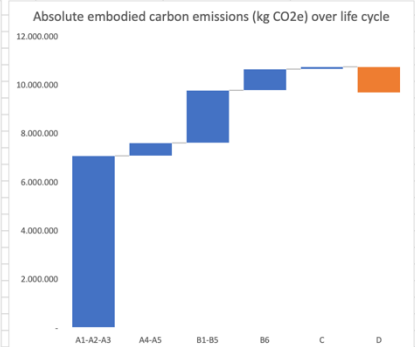
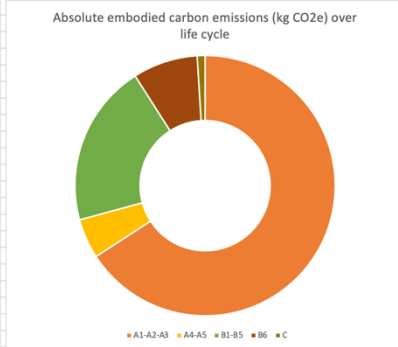
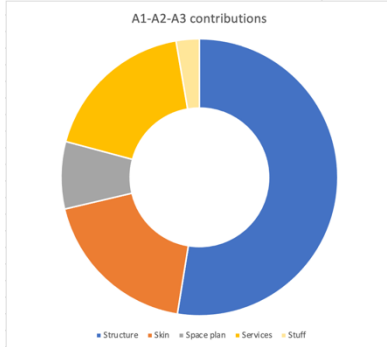
Carbon Intensity A1-A3 compared to references, mentioned in "Decarbonizing Construction, Guidance for investors and developers to reduce embodied carbon", WBCSD



Carbon Intensity A1-A5 compared to the Science-based targets buildings sector, decarbonization pathway (draft guidance, May 2023)



	Products	Construction	In use		End-of-life	Beyond life	
Absolute embodied carbon emissions (kg CO2e) over life cycle	A1-A2-A3	A4-A5	B1-B5	B6	C	D	
Structure	3.713.360	106.096	-		37.134	0	
Skin	1.326.200	13.262	331.550		26.524	0	
Space plan	554.930	-	554.930		11.099	0	
Services	1.280.747	13.262	1.280.747	865.810	25.615	-1.062.432	
Stuff	191.300				3.826	0	
Site emissions		397.860					
Total (CO2e/m2) including beyond life (D)	7.066.537	530.480	2.167.227	865.810	104.197	-1.062.432	9.671.819
Total (CO2e/m2)		7.597.017		865.810	104.197		
Total A-B-C (CO2e/m2)					10.734.251		10.734.251
Biogenic Carbon Storage						0	
Avoided emissions compared to natural gas						-1.062.432	
Circularity, avoided emissions						0	
Pavements outside building envelope	592		1.184		59,2		1.835
Total life cycle impact (kg CO2e) over whole life cycle (without beyond life (D))							10.736.086



Monetisation of carbon impact							
Reference value for carbon impact EURO per ton							
		120					
	A1-A2-A3	A4-A5	B1-B5	B6	C	D	
Building	€ 847.984,45	€ 63.657,60	€ 260.067,25	€ 103.897,16	€ 12.503,66		€ 1.288.110,12
Pavements outside the building envelope							€ 220,22
Total impact							€ 1.288.330,34
Beyond life impact						€ (127.491,84)	
Disclaimer: This estimation is meant for self-assessment purposes.							
This approximate model is prepared by: <a href="http://www.GRUJUND.be">www.GRUJUND.be</a>							

### 4.3.1. Internal carbon pricing - Monetisation of carbon impact (ESRS E1-8)

CIRIL uses internal carbon pricing to support decision making and incentivise the implementation of climate-related policies and targets. The carbon price which is being used as a shadow price is € 120 / ton CO<sub>2</sub>e for scope 1, 2 and 3 emissions.

The carbon pricing is used for both carbon impact on project level and corporate level.

### 4.3.2. General conclusion

As a general conclusion, the principles of the United Nations' Triple Strategy provide the right guidance. CIRIL's strategy is in line with these principles.

"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**:

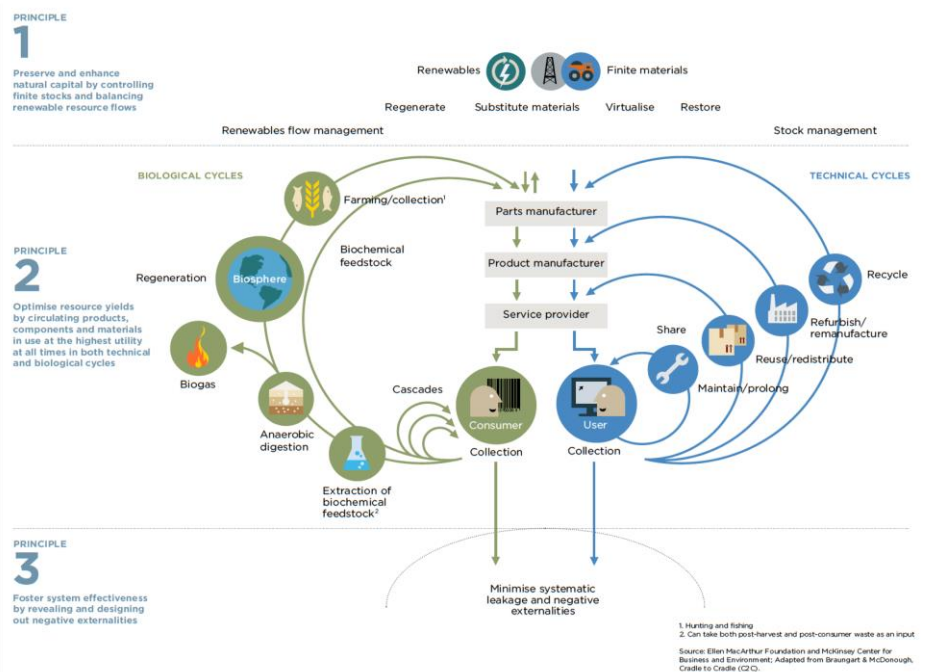
- **reducing energy demand** of buildings during the **operational phase** (through behaviour change and increased energy efficiency),
- **decarbonising the power supply** (electrification through use of zero-carbon heating and cooling technologies, renewable sources), and
- **addressing embodied carbon** (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)."

## 4.4. Circular Economy in the building sector

This pathway is in relation to ESRS E5, Future-Fit BE04 (upstream), BE07 (operational waste) and BE19 (products repurposing, downstream).

CIRIL intends to transition to a fully Circular Economy by 2050, which is also the target in EU's Green Deal.

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 use 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.



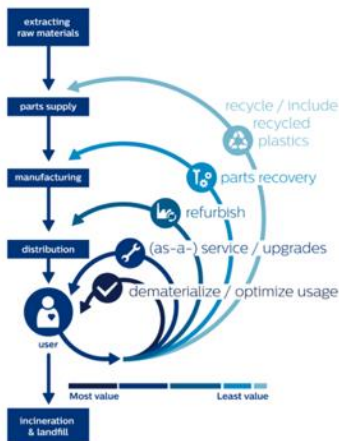
Above: the principles of Circular Economy

### 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

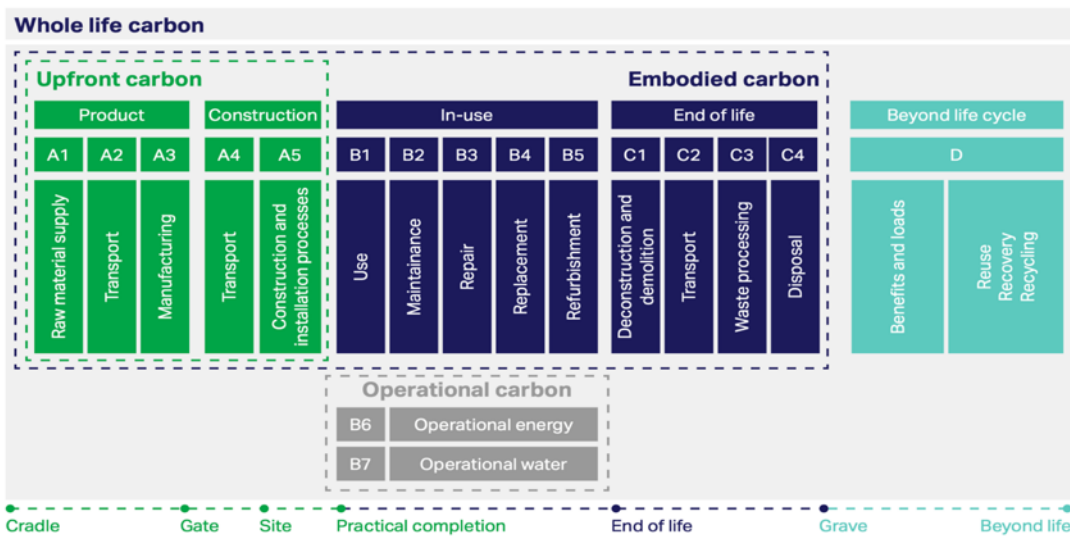
Optimise resource yields by circulating products, components and materials in use at the highest utility, at all times in both technical and biological cycles.



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, CIRIL will put the principles of circular economy, in general, and circular building, in particular, in practice, step by step.

CIRIL develops the concept of service economy – new business models for higher resource efficiency – for energy in several project that are in preparation (Energy as a Service).




## 4.5. Project Sustainability Assessment (PSA) a tool to measure sustainability at a project level, through the lens of the Future-Fit Society

The sustainability policy as a real estate 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.

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.







### Project Sustainability Assessment Dashboard "PSA2023"

Inspired by the Future-Fit Methodology <a href="http://www.futurefitbusiness.org">www.futurefitbusiness.org</a>		Implemented by <a href="http://www.GRUUND.be">www.GRUUND.be</a> , Future-Fit Accredited Advisor			
<b>Project Name</b>	Bollard - Gent Kleindokkaai			Version	2023.0.1
<b>Developer</b>	Ciril				
	Robert Kurvers PM				
	"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.				
<small>Can be used stand-alone or as part of BE23 hotspot assessment if assets are sold as share in a property owning company</small>					
Implementation by	<a href="http://www.GRUUND.be">www.GRUUND.be</a>				
Date assessment	23/03/2023				
<b>Project Phase</b>	design				
Main function	Residential				









  

Project	Bollard - Gent Kleindokkaai		
Project phase	design		
	Score	Grade	Weight in overall
Energy	73%	Very Good	12%
Water	61%	Good	10%
Resources	64%	Good	10%
Pollution	54%	Rather poor	15%
Waste	51%	Rather poor	10%
Physical Presence	80%	Excellent	15%
People	73%	Very Good	20%
Drivers	67%	Good	8%
<b>Overall mean</b>	<b>66%</b>	<b>Good</b>	<b>100%</b>

Grades								
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%						

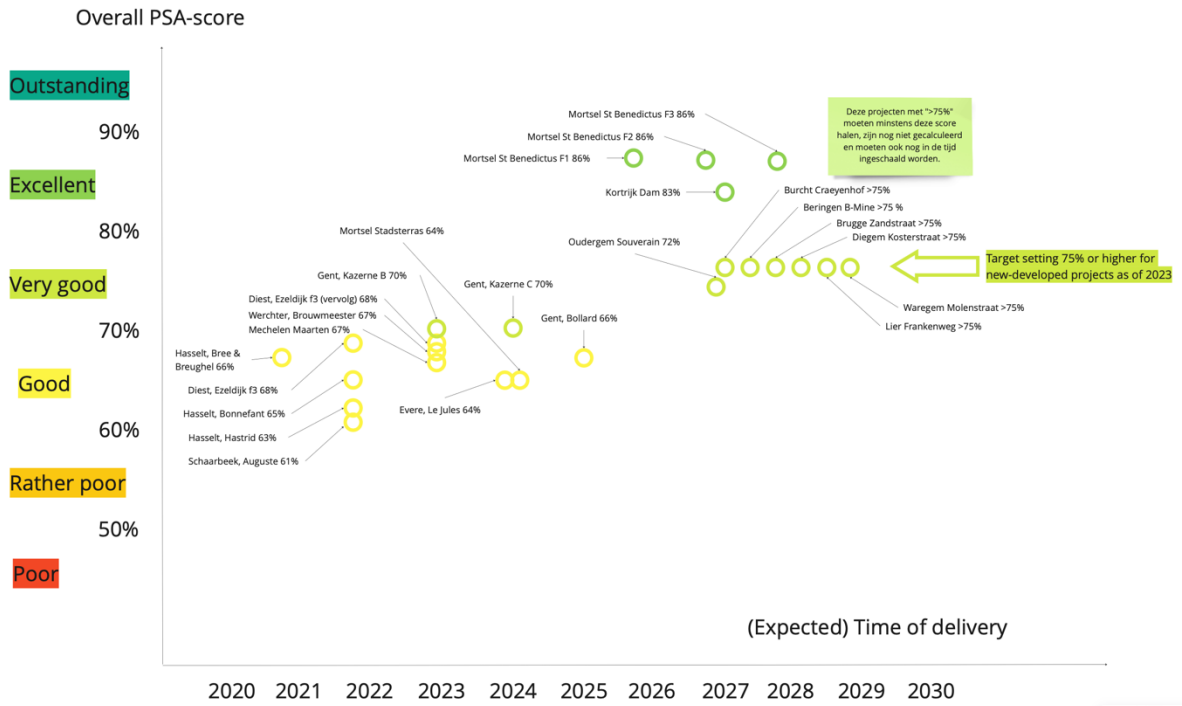
								
	Very Good	Good	Good	Rather poor	Rather poor	Excellent	Very Good	Good

Above: the PSA-dashboard of Gent, Kleindokkaai, as an example

The following objectives are pre-set for CIRIL's new-developed project as of 2023 and will 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 floors, 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"

The projects that are being developed are mapped in order to get an overview over the development of the scores over time.



Above: PSA-mapping

## 4.6. **A Social Foundation for all**

This pathway is in relation to ESRS S1 to S4, Future-Fit 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 are subject to due diligence and implemented actions. Respecting human and labour rights at all stages in the upstream value chain is what CIRIL pursues.

## 4.7. **Good governance in our value chains – Drivers towards future-fitness**

This pathway is in relation to ESRS G1, Future-Fit 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.

Existing partnerships:

- VOKA, Flemish Chamber of Commerce: participation in the VOKA Charter Duurzaam Ondernemen
- UCLL: contribution to an event in relation to sustainability frameworks where CIRIL witnessed the use of the Future-Fit methodology.
- POM Limburg (a regional development authority)

## 5. Certification of Progress by GRUUND, Future-Fit Accredited Advisor

GRUUND provides advisory services to CIRIL on a regular basis. The advisory is based on the Future-Fit methodology and directed towards CSRD-ESRS-terminology and reporting requirements.

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 towards a Future-Fit Business, making and measuring impact and telling the story.

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

Confirmed by

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

Ghent, 30/04/2024

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)



## 6. Annexes

### 6.1. Future-Fit Methodology 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.

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 company 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>3</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.

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<sup>3</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.

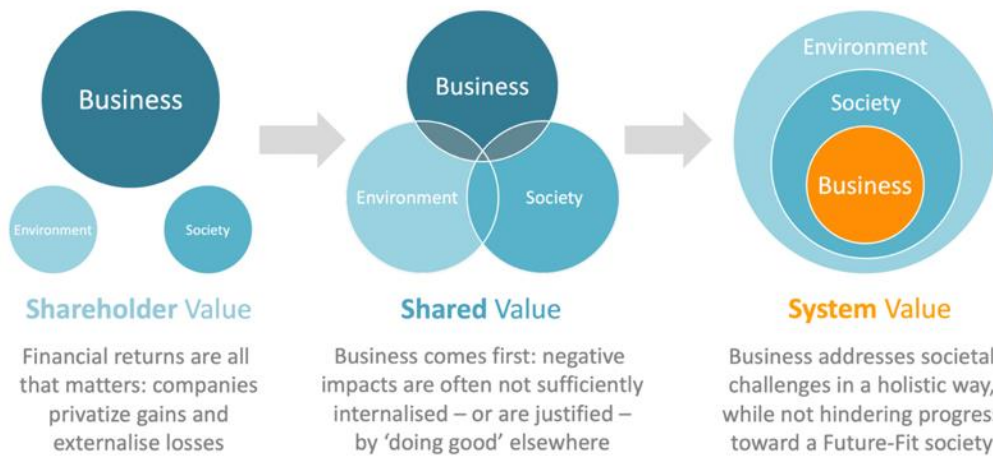




Above: The Future-Fit Business Benchmark based on 30 years of leading Sustainability Insights

### 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).

The relation between the Break-Even Goals and the SDG's can be found at: <https://futurefitbusiness.org/sdgs/>

## 6.2. The Future-Fit Risk Profiler

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.

The conclusions of the assessment done with the Future-Fit Risk Profiler are visualised in a dashboard. If the company plays different roles, it can be interesting to run the assessment for each role, in order to have a precise image of the risks in relation to the roles.

In the risk dashboard, the risk level is mentioned as "high", "moderate", "low" or "unlikely", both for business activity and the company itself.

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

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

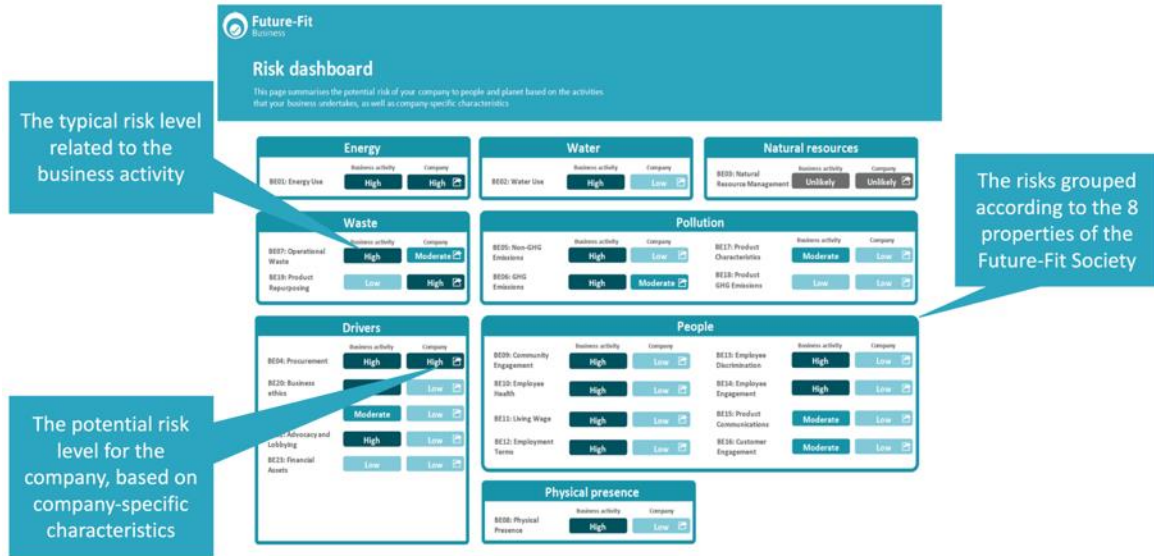
data for economic statistics, such as national income and employment levels. It is based around the concept of activities – defined as “the use of inputs (e.g. capital, labour, energy and materials) to produce outputs”. The Future-Fit team grouped the most granular ISIC ‘classes’ into business activities. 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.

## Future-Fit Break-Even Goals

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

Above: Future-Fit’s Break-Even Goals





Above: How to read the dashboard? (example)

So, the Future-Fit Risk Profiler provides us the first important insights on the negative impact the company has. The dashboard is oriented towards the Break-Even Goals. In order to map the impact risks towards the ESRS-topics, we can use the beneath mentioned conversion.

		Correlation Future-Fit Break-Even Goals with ESRS-topics										
		Environmental					Social				Governance	
		E1	E2	E3	E4	E5	S1	S2	S3	S4	G1	
		Climate Change	Pollution	Water & Marine Res	Biodiversity & Ecosystems	Resource use & Circular Economy	Own workforce	Workers in value chain	Communities	Consumers End-users	Business Conduct	
Risk Profiling for	Company Name here											
Energy	BE01: Energy Use											
Water	BE02: Water Use											
Natural Resources	BE03: Natural Resource Management											
Pollution	BE05: Operational Emissions											
	BE06: Non-GHG Emissions											
	BE18: GHG Emissions											
	BE17: Product Characteristics											
	BE19: Product Repurposing											
	BE07: Operational Waste											
	BE19: Product Repurposing											
Physical Presence	BE08: Physical Presence											
	BE09: Community Engagement											
	BE10: Business Ethics											
	BE11: Employee Health											
	BE12: Living Wage											
	BE13: Employee Health											
	BE14: Employee Engagement											
	BE15: Employee Health											
	BE16: Financial Assets											
	BE16: Financial Assets											
People	BE04: Procurement											
	BE23: Business Ethics											
	BE22: Lobbying and Corporate Influence											
	BE21: Financial Assets											
	BE20: Financial Assets											
Drivers	BE04: Procurement											
	BE23: Business Ethics											
	BE22: Lobbying and Corporate Influence											
	BE21: Financial Assets											
	BE20: Financial Assets											

Above: converting Break-Even Goals towards ESRS-topics