

ENGAGEMENT FACTSHEET

Befesa

ENGAGEMENT RATIONALE

While Befesa is a European leader in recycling services and the circular economy is at the heart of its business and earnings model, we identified room for improvement on ESG (reporting) at Befesa.

BACKGROUND

Since investing in Befesa in October 2019, we actively engaged with the company regarding ESG improvement potential. We prepared a gap analysis, showing where we identified room for improvement. Subsequently, Befesa initiated an externally managed materiality survey, which involved 35 stakeholders including Kempen. This survey confirmed key areas of importance. Based on those inputs, Befesa prepared and published a much improved sustainability report.

THEME FOR ENGAGEMENT

x Environment, Social, and Governance

E

S

G

ENGAGEMENT OBJECTIVES

- x Befesa to initiate a materiality survey to determine key areas of importance.
- x Befesa to improve on ESG reporting, to provide better historical data and include target setting on the most material topics.

MILESTONE



ENGAGEMENT DEVELOPMENT



ENGAGEMENT RESULTS

- x Befesa initiated a material survey, involving a wide range of stakeholders including Kempen, to determine the most material ESG areas.
- x Befesa published a much improved sustainability report, which included better historical emissions data, aligned disclosure with GRI standards and incorporated target setting on 5 specific SDGs.
- x The improved sustainability report was recognized and appreciated by Sustainalytics, resulting in an upgrade from Medium to Low ESG risk.

NEXT STEPS

- x Continue monitoring how Befesa is progressing towards reaching the targets.
- x Discussing further room for improvement.



COMPANY

Befesa

COUNTRY

Germany

SECTOR

Industrials

MARKET CAP

Small cap

ISSUE

Room for improvement on ESG reporting

MATERIALITY

Befesa was not sufficiently embedding ESG risks and opportunities

MSCI ESG RESEARCH

ESG Rating: BBB