

UN
environment
programme



finance
initiative

Principles for
Responsible Banking

Belfius

Responsible Banking Progress Statement for PRB Signatories



<h2>Principle 1: Alignment</h2>	<h2>Principle 2: Impact & Target Setting</h2>	<h2>Principle 3: Clients & Customers</h2>
<p>Belfius is a Belgian banking and insurance group wholly owned by the Belgian Federal State. Belfius Bank, which has signed the UNEP FI PRB is the parent company of the Belfius Group. As part of its core purpose: “Meaningful & Inspiring for Belgian Society. Together”, Belfius aims at creating long-lasting value for all its stakeholders.</p> <p>With this vision as guiding principle, Belfius has defined a clear sustainability strategy. Sustainability is indeed woven into its 2020-2025 “Inspire” strategy and is articulated around two pillars:</p> <ul style="list-style-type: none"> • <i>Walk the talk</i>: doing what the bank says in the area of sustainable business and aiming for maximum positive contribution in everything done. • <i>Customers in the driver's seat</i>: putting the customers in the driving seat of their sustainability ambition and support them with an adapted range of products and services <p>Belfius is currently in the midst of developing its next strategy for the period of 2025-2030.</p> <p>Belfius is aware of the large-scale climate impact linked to its financial and insurance activities, and the impact it can make through its financing. In alignment with the Sustainable Development Goals (SDGs) and the Paris Climate Agreement, Belfius emphasizes key areas such as affordable and clean energy, decent work, and sustainable cities. The Bank actively contributes to these goals through its product offerings and has strong history of financing core infrastructure products that promote and inclusive and prosperous society.</p> <p>Belfius is committed to transparency and accountability in its operations. Since 2022, it has been measuring and reporting its Scope 1, 2, and 3 emissions, including financed emissions, to manage its environmental footprint effectively.</p> <p>Belfius is also involved in the trial for enhanced Communication on Progress under the UN Global Compact, integrating its principles into the Transition Acceleration Policy and Human Rights Policy, which encompass various international guidelines and recommendations for responsible business conduct in the financial sector.</p>	<p>Belfius Bank conducted in 2023 a comprehensive impact analysis using the UNEP FI Portfolio Impact Analysis Tool. This analysis prioritized the Belgian context, confirming its chosen impacts areas: climate change and affordable energy-efficient housing.</p> <ul style="list-style-type: none"> • Climate Change: Given the concentration of Belfius' portfolio in construction, real estate, and electricity sectors, climate change has emerged as a critical focus. The Bank has developed climate targets for operational emissions, starting with areas where it has full control and the most leverage to enforce decarbonization. Additionally, it is working on its Transition Plan which will describe the actions it takes to align its business with ambitious climate targets. As Belfius is currently busy with its 2025-2030 strategy exercise, it is embedding its sustainability ambition within the core of its business. • Affordable Energy-Efficient Housing: Recognizing the pressing need for affordable energy-efficient housing in Belgium, Belfius aims to combat energy poverty and support the renovation of energy-inefficient homes. This initiative aligns with Belgium's National Energy and Climate Action Plan (NECP) and reflects Belfius' commitment to enhancing the welfare of the Belgian population. As part of the 2025-2030 strategy and Transition plan exercise, the social and energetic concerns will need to be deeply embedded and become a key success factor towards a fair transition. <p>In 2024, Belfius performed its first Double Materiality Assessment (DMA) in accordance with the EU's CSRD to evaluate both financial materiality and impact materiality, deepening its understanding of the risks and opportunities relevant to its stakeholders. This assessment will guide the Bank in aligning its strategies with stakeholder expectations and enhancing its positive contributions to society and the environment.</p>	<p>Customers are the focal point of Belfius' business strategy, and engaging with them responsibly and transparently is fundamental to fostering long-term relationships. Belfius' approach to encouraging sustainable practices among its clients and customers is currently in progress, underpinned by robust policies and a commitment to support their transition towards sustainable economic activities.</p> <p>Central to this approach are the Belfius Customer Acceptance Policy and the Transition Acceleration Policy (TAP), which guide responsible interactions with clients and safeguards Belfius' organization from unsustainable practices. The TAP aims to exclude controversial activities, such as tobacco production, while supporting clients' transitions to a low-carbon economy. This policy encompasses all processes, including client onboarding and loan origination, and will evolve to address emerging societal trends and legislative requirements.</p> <p>Belfius identifies strategic business opportunities to enhance positive impacts and reduce negative ones through innovative sustainable financial products and services. These initiatives align with the European Green Deal and various Sustainable Development Goals (SDGs), including SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action).</p> <p>Belfius primarily manages funds through its subsidiary, Belfius Asset Management, and preferred partners like Candriam, Blackrock, and JP Morgan, integrating ESG criteria in investment selections. The Bank actively participates in sustainable lending programs from European institutions, supporting projects related to smart cities, climate actions, and circular economy.</p> <p>Belfius engages clients through tailored sustainable financial products, encouraging corporate clients to adopt ESG strategies via the Corporate ESG Ambition Contract, which rewards high-impact environmental goals. Retail solutions include Energy-Efficient Housing Rebates and a 30-Year Housing Credit, facilitating sustainable home financing. Additionally, it provides loans for energy-efficient vehicles and incentives for customers reducing their ecological footprint.</p>
<h3>Links & references</h3> <p>Sustainability Statement :</p> <p>1.3.2. Strategy</p> <p>2.4. Integration of ESG into business activities</p>	<h3>Links & references</h3> <p>Sustainability Statement :</p> <p>1.6. Material impacts, risks and opportunities: Double Materiality Assessment</p> <p>2.2. GHG Emissions</p> <p>2.4. Integration of ESG into business activities</p>	<h3>Links & references</h3> <p>Sustainability Statement :</p> <p>2.4. Integration of ESG into business activities</p> <p>2.4.1. Meaningful Financing</p> <p>2.4.2. Meaningful Investing</p>

Principle 4: Stakeholders	Principle 5: Governance & Culture	Principle 6: Transparency & Accountability
<p>Belfius is committed to enhancing its stakeholder engagement process, leveraging insights from an updated impact assessment to deepen dialogue with various stakeholders. These include customers, regulators and prudential supervisors, employees and their representatives, independent networks, strategic partners and suppliers, shareholders, investors and rating agencies, as well as civil society and sectoral organizations and (supra)national sustainability organizations. Stakeholders are identified based on those impacted by Belfius' operations and those who influence the Bank.</p> <p>Regular interactions through diverse channels enable Belfius to understand stakeholder expectations regarding environmental and social impacts while informing them about its sustainability strategy. In 2024, Belfius conducted a double materiality assessment, which has deepened the understanding of matters previously identified as material by its key stakeholders.</p> <p>Belfius recognizes the importance of partnerships to amplify positive impacts. It actively engages in sustainability initiatives, being a signatory to the UN Global Compact and other principles. The Bank also contributes to sustainability workgroups organized by Febelfin, its sectoral organization.</p> <p>Locally, Belfius is part of the sustainability community the Shift and the Belgian Institute for Sustainable IT, focusing on reducing the environmental footprint of IT services. Additionally, it supports gender equality through the Women in Finance Diversity Charter and promotes diversity and inclusion by partnering with Open@Work for the LGBTQIA+ community. These engagements inform Belfius' action planning process, ensuring alignment with stakeholder expectations and sustainability goals.</p>	<p>Belfius integrates ESG-related themes, including the Principles of Responsible Banking, into its governance structures. The Board of Directors, guided by the Management Board, defines and oversees the implementation of the bank's strategy, which includes setting objectives and analyzing financial reports. Regular meetings ensure effective communication on sustainability topics.</p> <p>To embed sustainability into operations, the Management Board relies on the Sustainability Manager to track the ESG strategy and reporting requirements. Belfius is incorporating climate-related Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs) into its reporting tools, providing the Board with insights to manage climate-related risks. The Management Board reviews and approves any changes to the Transition Acceleration Policy and carbon reduction targets.</p> <p>Belfius fosters a culture of responsible banking through initiatives that include capacity building and leadership communication. The Belfius Inspire 2025 Strategy emphasizes sustainability across operations and is shared with employees. ESG-related objectives are integrated into senior staff remuneration, promoting alignment with sustainability goals.</p> <p>Learning opportunities, such as webinars and training for climate facilitators, enhance employee understanding of sustainability practices. Belfius' core values—customer orientation, authenticity, fairness, and entrepreneurial spirit—support an inclusive work environment essential for responsible banking.</p> <p>Leadership communication is vital, with industry experts invited to share insights on sustainability, reinforcing the Bank's commitment. Belfius manages non-financial risks through a comprehensive ESG framework, which includes policies on customer acceptance, human rights, and climate.</p>	<p>Belfius is committed to transparent and responsible sustainability reporting. Belfius' approach to sustainability reporting is informed by recognized external standards and frameworks, including the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Belfius continuously assess and adapts the sustainability disclosures to align with evolving frameworks and stakeholder expectations.</p> <p>KPMG provided limited assurance to the Sustainability Statement, which is prepared in accordance with the CSRD.</p>
<p>Links & references</p> <p>Sustainability Statement :</p> <p>1.4. Value chain and Stakeholder engagement</p> <p>1.6. Material impacts, risks and opportunities: DMA</p>	<p>Links & references</p> <p>Sustainability Statement :</p> <p>1.5. Integration of sustainability matters into corporate governance</p>	<p>Links & references</p> <p>Sustainability Statement</p>

