

Meaningful
and inspiring for
Belgian society.
Together.

20
23



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Belfius' ESG Strategy

1



ESG is inherent to our mission

“Meaningful and inspiring for Belgian Society. Together.”

COMMITMENTS

- 1 Going for a 100% meaningful investment offer
- 2 Opting for 100% renewable electricity
- 3 Supporting Belgian society year after year through Belgian charities
- 4 Giving women every opportunity and guaranteeing equal pay
- 5 Continuously reducing footprint of our own operations and purchasing carbon credits for the remainder
- 6 Giving absolute priority to future-proof infrastructure for Belgian society

RESULTS

Belfius ESC dashboard

		2020	2021	2022	2023	Target 2025
CARBON FOOTPRINT (OWN OPERATIONS)	% decrease of carbon footprint (tons of CO ₂ e) of Belfius' internal operations (initial 2019 baseline)	-	-30%	-30%	-31%	-25% vs 2019
GREEN ELECTRICITY (OWN OPERATIONS)	% of electricity consumption from renewable sources for own operations ⁽¹⁾	100%	100%	94% ⁽¹⁾	95%	100%
GOOD CAUSES	Cumulative Mio EUR support to Belgian good causes since 2015 (pure & commercial charity)	22	25	30	37	50
(GENDER) DIVERSITY	% of women in management position	34%	36.7%	40.3%	40.9%	44%
MEANINGFUL INVESTMENTS	% of production in investments in scope ⁽²⁾ that is meaningful (SFDR art 8 & 9)	-	83%	87%	92%	100%
MEANINGFUL FINANCING INFRASTRUCTURE	Bn EUR cumulative loan production in meaningful infrastructure projects since 2020	1.7	2.7	3.8	5.2	5.8

(1) Inclusion of co-owned / co-used buildings.

(2) Excluding Scomm operated branches, for which a 100% target in 2025 has been set in 2022.

(3) Scope limited to mutual funds, My portfolio, pension funds and Investment - Insurance.

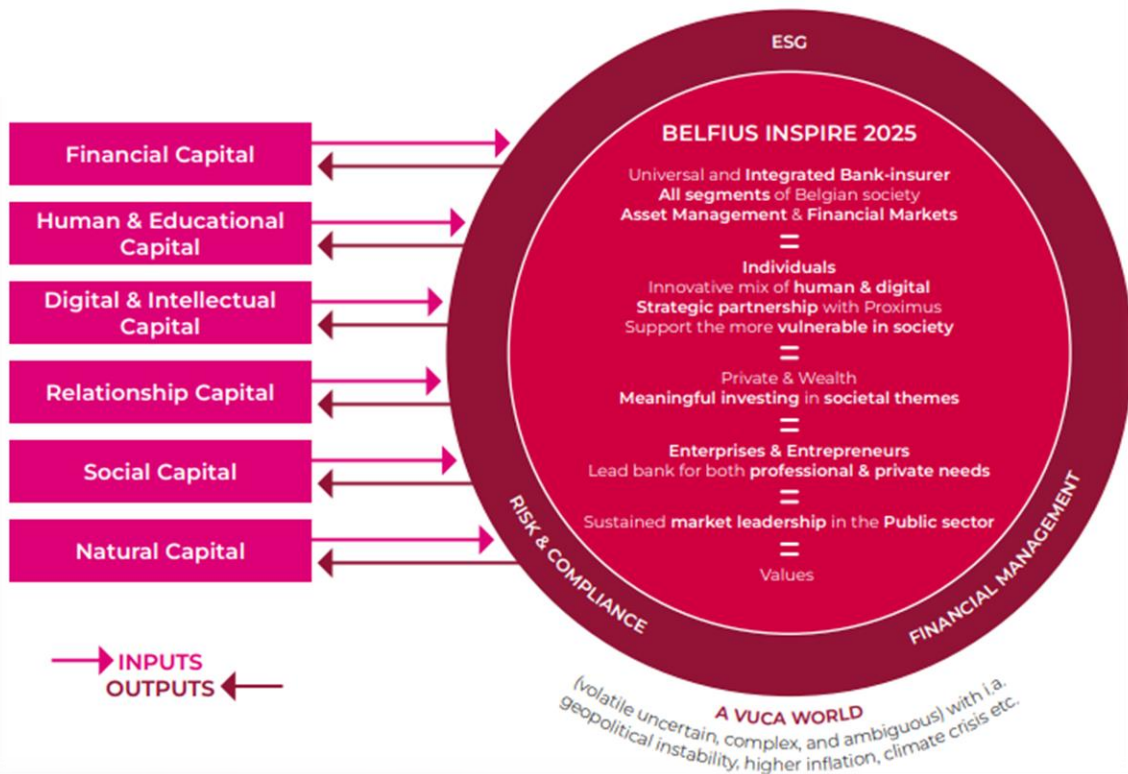


Belfius' value creation model: Meaningful & inspiring for Belgian Society. Together

Financial Capital
 Net result EUR 1,115 million
 CET 1 ratio of 16%
 Solvency II ratio of 195%
 Outstanding commercial Loans
 EUR 113.7 billion

Human & Educational Capital
 6,939 employees
 Employee Engagement score of 85.9%
 EUR 772 million salaries and benefits of employees
 5 average days of training received per FTE
 40.9% women in manager or senior / key positions

Digital & Intellectual Capital
 1.98 million active mobile users
 Best financial brand (Kantar)
 Leading Mobile banking & insurance app in the world (by Sia Partners)

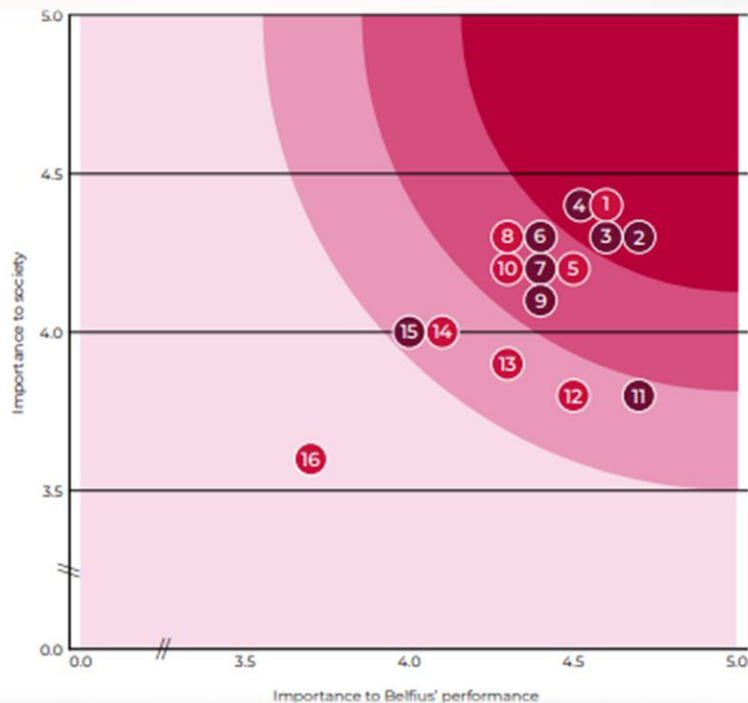


Relationship Capital
 #1 in financing of municipalities, cities, hospitals & care sector
 21.1% market share in (mid) corporate EUR 23.4 billion gross production in long term loans
 EUR 186.8 billion outstanding Savings & Investments
 163,000 social accounts
 Customer satisfaction score of 94%

Social Capital
 Total cash taxes & contributions of EUR 873.9 million
 Claims paid due to natural catastrophes EUR 29 million
 0.6 million customers building up fiscal pensions to face the pension gap
 76% of suppliers are Belgian based

Natural Capital
 EUR 2.5 billion green or social bonds issued by E&E&P clients, with the support of Belfius, ESG Bond Finance House of the year
 35% share of electric or plug-in hybrid vehicles in Belfius Autolease fleet
 92% gross production of funds and investment-insurance in art. 8 SFDR

Materiality matrix



Topic

- 1 Information security
- 2 Talent management
- 3 Customer experience & satisfaction
- 4 Privacy & data protection
- 5 Climate & environmental risks
- 6 Compliance & business ethics
- 7 Resilience & long-term oriented financial performance
- 8 Human rights
- 9 Community involvement
- 10 Supporting & accelerating the sustainability transition
- 11 Diversity, equitable opportunities & inclusion
- 12 Financial inclusion & access to financial services
- 13 Future-proof, inclusive & relevant infrastructure
- 14 Transparent communication on products & services
- 15 Local innovation & digitalization
- 16 Managing direct & indirect environmental impact of Belfius group

In 2021, we performed a materiality assessment with a twofold objective:

- 1) What is the impact of the topic on Belfius;
- 2) What is the impact Belfius has on the topic today

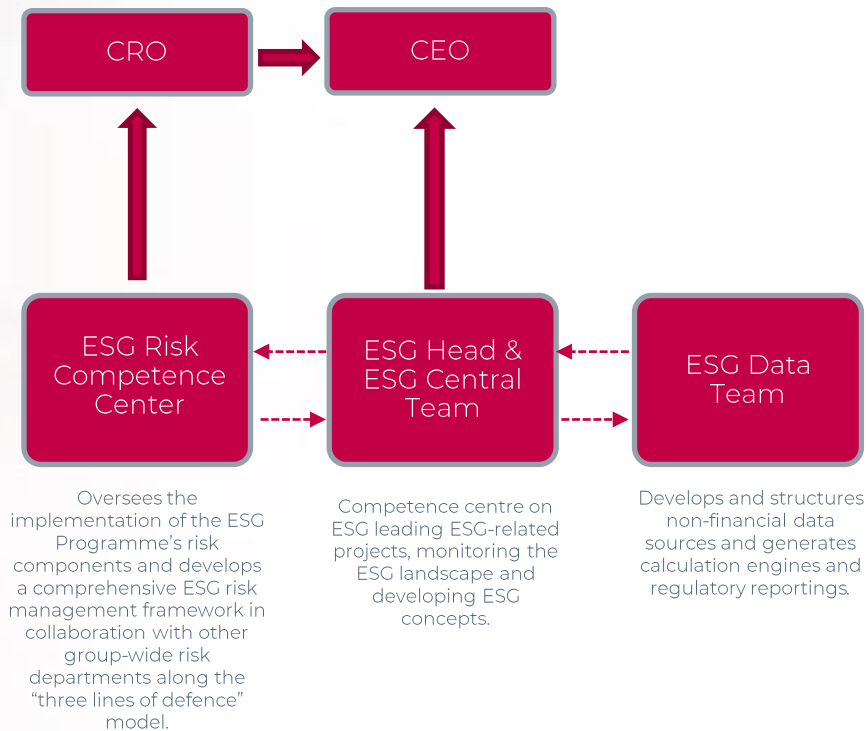
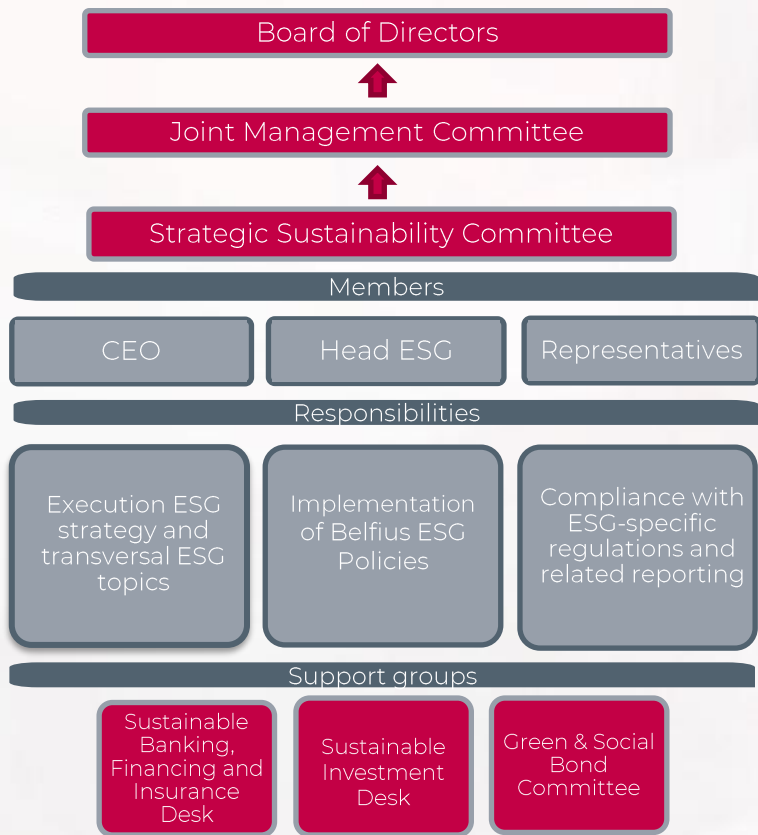
In 2022, we reviewed internally our material topics which led to the explicit inclusion of two additional material topics: climate and environmental risk and respect for human rights. No changes have been made in 2023

A new materiality assessment has been started and will be continued in 2024 to ensure compliance with the CSRD and ESRS.

Recent developments (particularly, in regulatory matters) will certainly lead to a different positioning of certain topics on the materiality matrix in the future



ESG Governance of risk and business lines at Belfius Bank in 2023



Meaningful
growth

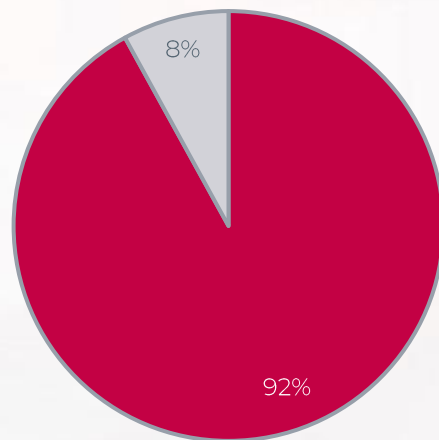
2

Mind/Attitude/Wild
ight/Attractive/Lovely
Brave/Nic/Quiet
erfect/Original/Pretty
Talented/Glamour



| Meaningful investing

92% of mutual fund production* subject to SFDR qualified as art. 8 in 2023



Art. 8: financial instruments that promote environmental and / or social characteristics among other characteristics



■ Art. 8

■ Other

As of 2 August 2022, clients can define their sustainability preferences (MIFID II)

Belfius aligns its actively advised offering of investment products with its **Transition Acceleration Policy**

Our commitment

Going for 100% meaningful investment offer

To build an offering for investors that is meaningful for society, we use a combination of the following methods:

- Active ownership
 - Exclusions
- ESG Integration
- Promotion of ESG characteristics
- Sustainable Investment
- Thematic Investing



Financing solutions promoting a sustainable economy



Meeting Belgium's buildings' energy efficiency challenge head on

Includes Smart Building and Renovation Solution, Belfius Energy Efficiency package (EIB), European Local Energy Assistance (EIB/European Commission)

Energy-efficient housing product range

- Interest discount for the financing of low energy houses (EPC below or equal to 150 kWh/m² per year)
 - Interest discount for new constructions
- Immediate interest rate discount for energy efficient renovations if the energy performance of the dwelling is improved by at least 30%
- A delayed interest rate discount if the energy score of a house drops below or becomes equal to 150 kWh/m²/year within the first seven years of the loan



Investing in renewable energy

Total cumulative investment in renewable energy is **EUR 1.9 billion by the end of 2023.**

Helping enterprises along their sustainability journey

In 2023, Belfius has initiated a unique offering in the Belgian market known as Corporate ESG Ambition, designed to accompany our corporate clients in defining and advancing their ESG strategies and actions in an ever-evolving economic and geo-political landscape, particularly for those entities with limited ESG capabilities. Once their objectives are fulfilled, clients earn a cash reward upon success, or they may elect to contribute their reward to a Belfius Philanthropic fund (People, Health, Planet). **In 2023, Belfius held corporate ESG ambition meetings with as many as 1,592 corporate clients, of which 58 firms committed to achieve a designated set of ESG ambitions within a year.**



In addition, Belfius supported its clients in issuing green and social bonds for **EUR 2.5 billion**

Our commitment

Giving absolute priority to future-proof infrastructure for Belgian society

Sole Belgian bank that has co-financed all **eight** offshore wind farms in Belgium, boasting a combined capacity of 2,262 Mw.



Financing partner of Aster, a cooperative with the ambition to install 395,000 solar panels on 52,500 council homes over a span of 5 years in Flanders



Leasing solutions

Encouraging circular economy through vendor leasing

Keeping things such as production equipment, furniture, batteries, lightning systems or bicycles in circulation for as long as possible.

In 2023, the production figure in vendor lease amounted to **EUR 217 million** (compared to 173 million EUR in 2022)



Ambition leasing for funding of projects (of corporate and public clients) with a positive environmental ambition (equivalent to Ambition Loans)

Projects must be related to specific areas: (i) real estate, (ii) mobility, (iii) energy and (iv) water and waste management. Borrowers who demonstrate that their project fits into one of the predefined use of proceeds defined by Belfius, can enjoy preferential rates in return. **There are currently 36 predefined uses of proceeds set for Ambition loans and 35 for Ambition leasing.** Belfius plans to expand the number of possible uses of proceeds, in line with sectors and activities covered by the EU taxonomy.



Enabling low carbon mobility

Belfius Auto Lease is committed to **reduce average CO2 emissions per vehicle in its fleet by 50% towards 2025 (versus 2019)**

In 2023 electric or hybrid vehicles accounted for 34.8% of Belfius Auto Lease's car fleet. Belfius bike lease currently manages 46,000 leasing contracts for electric bikes (+33% versus 2022)



Our commitment

Giving absolute priority to future-proof infrastructure for Belgian society



Partnership with Airscan for better air quality in and around Belgian schools

Airscan places measuring equipment that monitors many air quality parameters in real time in and around schools with the intention of drawing up an action plan to improve air quality both outside and inside.

| Insurance solutions

Income Protection

- In 2023, we helped 439 families repay a mortgage at a difficult time for a total of EUR 23.3 million
- Belfius covers both physical and mental health conditions, underpinned by a fair and properly motivated medical underwriting policy



Pension solutions to face the pension gap

- Belfius manages the occupational pensions of approximately 277,000 customers (second pillar)
- 303,000 Belgians rely on us to invest their supplementary pension capital (third pillar)
- 13,863 customers received their supplementary pension capital in 2023



Home insurance promoting energy-efficiency

- Coverage of devices that improve the energy efficiency of buildings at no extra cost : solar panels, heat pumps, batteries, charging stations
- Reconstruction after a disaster taking into account current building standards at no extra cost



Insuring new forms of mobility

- Pricing that rewards low mileage per car and transition to vehicles with lower emissions
 - All risks bicycle insurance, for all vehicles travelling at less than 25km/h. In 2023, this insurance got once again rewarded with the DECAVI award.
- Car-insurance of which the premium is linked to the usage of the car, to which 111,000 customers already have subscribed



Investing in innovative solutions beyond banking and insurance

Hoplr

Neighbourhood connection platform where local residents can get in touch to organise activities, exchange goods, find a babysitter, ...

Jaimy

Jaimy helps private persons to reach the best Belgian craftsman (e.g. a plumber or a handyman) via its digital network

In 2023, Jaimy went international by the creation of fixxer, a cooperation with Dutch insurer ASR

Fairville

Combination of 5 initiatives (Onze stad App, Cirklo, MyWaste, Buck-e and City Lovers) in one single online urban platform to support digital acceleration in cities and municipalities

Going green in our own operations

+1%

The increase in capital goods emissions associated with vehicles purchased by Belfius Auto Lease due to the supply chain disruptions in 2021 and 2022 cancelled out temporarily the emission reductions we achieved for our own and leased buildings, franchises, employee commuting and business travel.

Belfius carbon footprint by source (in metric tonnes of CO ₂ equivalent) ⁽¹⁾	2022 Restated ⁽²⁾	2023
TOTAL SCOPE 1 - DIRECT OWN OPERATIONS	5,609	5,343
TOTAL SCOPE 2 (market based) - INDIRECT - OWN OPERATIONS	104	79
TOTAL SCOPE 3 - INDIRECT OWN OPERATIONS	173,130	174,644
Total upstream scope 3 emissions	80,619	99,921
Total downstream scope 3 emissions (excluding financed emissions)	92,511	74,723
TOTAL OWN EMISSIONS (market based)	178,843	180,066
TOTAL OWN EMISSIONS (location based)	181,344	184,103
Total category 15 – financed emissions ⁽³⁾	20,253,657	19,540,288
GRAND TOTAL EMISSIONS (market based)	20,432,500	19,720,354

(1) The calculations presented in this table do not include any carbon removals, purchase/sell/transfer of carbon-credits or avoided emissions. The inventory takes the obligatory mixing of biofuels and follows the same method as used in appendix V C of the European directive on renewable energies for direct emissions. The indirect emissions are estimated using the LCA of biofuels (BIOIS) made available by the ADEME. The net-balance of biogenic sequestration and combustion is calculated in a separate biogenic inventory.

(2) For both our own and financed emissions, improvements were applied on the 2022 baseline leading to a restatement on that year for better comparability with 2023.

(3) Total category 15 emissions includes financed scope 1, 2 and 3 emissions. Sovereign emissions are not included in the total sum of category 15 emissions to avoid double counting.

Scope 2 emissions relate to our electricity consumption and the emissions occurring on the site of our electricity provider and are considered indirect.

Our commitment

Continuously reducing the footprint of our own operations and purchasing carbon credits for the remainder

Action levers

Reduce waste

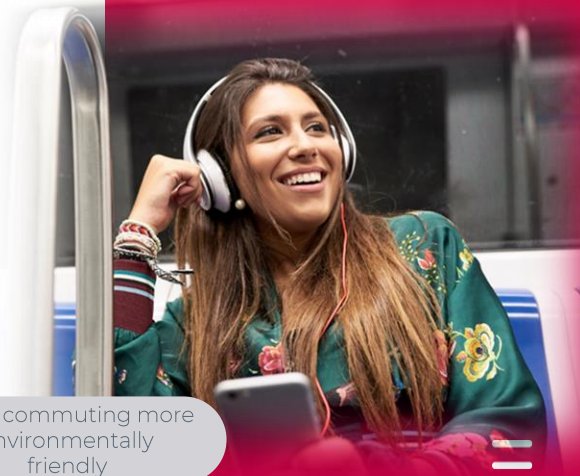
Reduce paper

Invest in energy saving measures

Reduce water consumption

Renewable electricity

Make commuting more environmentally friendly



Financed emissions

Our financed emissions* are estimated at 19,540 ktCO₂e,
which represents 99% of our total carbon footprint

Financed Emissions

Belfius' footprint is mainly linked to the manufacturing sector (27.6% of the total financed emissions) while this sector only represents 4% of the outstanding amount covered by the PCAF regime.

The second most important sector in terms of absolute financed emissions in 2023 is the wholesale and retail trade sector, with total financed emissions of 3,292 kt CO₂e

Belfius has a substantial real estate portfolio (mostly mortgage loans), determining 59% of the total financial exposure in scope of the carbon accounting system

Asset classes ⁽¹⁾		Outstanding amount (in M€)	Financed emissions - scope 1 & 2 (kt CO ₂ e)	Financed emissions - scope 3 (kt CO ₂ e)	Economic scope 1 & 2 emission intensity (tCO ₂ e/M€)	PCAF Data Quality score ⁽⁸⁾ (high quality = 1; low quality = 5)
Mortgages ⁽²⁾	2022	39,647	1,175	-	30	5.00
	2023	40,783	1,208	-	30	5.00
Business & corporate loans	2022	26,412	1,985	13,083	75	4.51
	2023	27,768	2,231	12,661	80	4.90
Commercial real estate loans ⁽²⁾	2022	5,763	605	-	105	5.00
	2023	6,513	647	-	99	5.00
Equity and bonds	2022	3,609	1,404	1,569	389	4.06
	2023	3,607	1,157	1,196	321	4.11
Financial lease ⁽³⁾	2022	2,054	157	-	76	5.00
	2023	2,358	171	-	73	5.00
Motor vehicle loans ⁽⁴⁾	2022	1,420	276	-	194	5.00
	2023	1,492	269	-	180	4.99
Project finance ⁽⁵⁾	2022	639	0	-	0	3.52
	2023	586	0	-	0	2.95
GRAND TOTAL IN SCOPE⁽⁶⁾⁽⁷⁾	2022	79,543	5,601	14,652	70	4.79
	2023	83,106	5,683	13,857	68	4.91

(1) Improvements were applied to our 2022 equity and bonds, and mortgage asset classes, to allow a better comparison with 2023

(2) Both construction and renovation loans are omitted from the emissions calculations for mortgages and commercial real estate due to the absence of a dedicated methodology in the PCAF 2022 standard. We are planning to include embodied emissions (i.e. financed scope 3 emissions of the mortgage asset class associated with materials and construction processes throughout the whole lifecycle of a building) in the near future to expand our understanding about the climate impact of our mortgage portfolio.

(3) Not part of the PCAF methodology. Nevertheless, PCAF methodologies in real estate, energy-related and transport assets were applied to the financial leasing assets, to align to financial accounting practices.

(4) This asset class includes vehicle loans to both retail customers and corporate clients.

(5) The methodology for project finance covers power generation projects exclusively, all of them being renewable energy projects at Belfius.

(6) The total amount of emissions related to the asset classes for which a financed emissions methodology exists.

(7) In 2023, we determined for the first time our sovereign emissions, i.e. emissions associated with sovereign debt. However, since it would lead to the double counting of emissions, it is not accounted for in the grand total sum of our emissions.

(8) The highest score, score 1, represents the highest data quality corresponding to actual company or asset emissions, while the lowest score, score 5, represents the broadest estimations based on the sectoral average of the financed activity.

For the first time, we calculated and reported our emissions associated with sovereign debt.

This action increased the balance sheet covered by emissions calculations by 6% up to 57%.

| Community involvement

Philanthropy through our product offer

Through **Beats**, clients can support projects that are meaningful to them : Planet (clean air), Health (fight against cancer) or People (mental wellbeing of young people or fighting child poverty)

Since 2019, EUR 8.1 **million** has been donated to good causes through partnerships with local entities, charities or similar initiatives (e.g. thematic funds managed by Belfius AM)

Through the **Belfius philanthropy programme** Belfius offers its wealthier clients a specific framework for including charitable donations as a structural element of their estate planning

Social Products

At the end of 2023, 163,000 social accounts were active through the government's Public Centres for Social Action

To benefit our digitally vulnerable customers, Belfius offers a phone banking solutions service that does not require access to a smartphone, the Internet or any digital skills. Although the number of users of this service is limited, we observe up to 10 calls per month from this group. This solution was granted an award from the OKRA senior citizen organization in 2022

Basic Banking Service & Universal account – cf. Belgian legislation

Belfius Art Collection

Largest private collection of Belgian art with a loan service to museums, a yearly exhibition in the Belfius Art Gallery and virtual tours of past and present Belfius exhibitions

Our commitment

Supporting our society year after year through Belgian charities



Viva for Life, to fight child poverty



JEZ!, to put young people back in society's spotlight



Special Olympics, to support the disabled through sport



Ecole 19, to support second chance education

| Human Capital is the backbone of Belfius



Employment and long term prospects

Multiple opportunities to **learn and train**

Active career management
(e.g. continuous feedback, talent pipelines)

Strong focus on **health & wellbeing**
(e.g. Employee Assistance Program)



85.9%

Of employees are “**engaged**”
(average of bank & insurance)



An active diversity, equitable opportunities & inclusion approach

Through a dedicated **diversity manager** and **diversity steering group**

Belfius Equal & Allies and Origin



ESG criteria

Are included in **managers' variable remuneration**

Our commitment

Giving women every opportunity and guaranteeing equal pay

40.9

% of women in a managerial position

| Sound business conduct

- **The Belfius ESG Framework**, established in 2022, casts Belfius' overall ESG approach: ambitions, strategy, commitments and governance.
- The framework also provides access to all of Belfius' underlying policies linked to ESG, and thus serves as a reference document to direct the reader to all of the essential public information that forms the formal foundation of Belfius' commitment to promoting sustainable and inclusive economic growth.

Data privacy (GDPR)

Belfius commits not to sell personal data and continuously works on transparency in case data is exchanged for service delivery

- In 2023, Belfius received 9,280 customer requests to access their personal data, of which 98.87% was processed the next working day;
- No major data breaches were identified in 2023

Information Security:

Belfius wants to guarantee high performance in terms of information security to ensure customer's trust

- Red team assessments, penetration tests, vulnerability scans and configuration reviews are performed on an annual basis



- Belfius tax strategy is fully aligned with legislation and meet its stakeholders' expectations on commendable tax practices;

High standards in integrity, loyalty, transparency, professionalism and mutual respect is expected of Belfius employees

This is reinforced by:

- Human Rights Policy
- Health & Safety Policy
- Code of conduct
- Anti-Discrimination policy
- Whistleblowing policy
- Anti-Fraud and -Bribery policy
- Anti-Money Laundering policy

- Belfius attaches great importance to customer satisfaction, which it measures regularly. For 2023, Belfius obtained a satisfaction score of 94%
- Belfius systematically monitors and analyses customer complaints to improve services, products and processes.

- Exclusion of offenders of UN Global Compact 10 principles
- Exclusions or limitations for controversial & sensitive sectors : Tobacco, Gambling, Weapons, Mining, Palm oil, Soy, Agriculture commodities (only stock market trading). On Energy, distinctions between : Thermal coal, unconventional oil & gas extraction; Conventional oil & gas extraction; Electricity production; Nuclear power plants.

Belfius' Green Asset Ratio ("GAR")

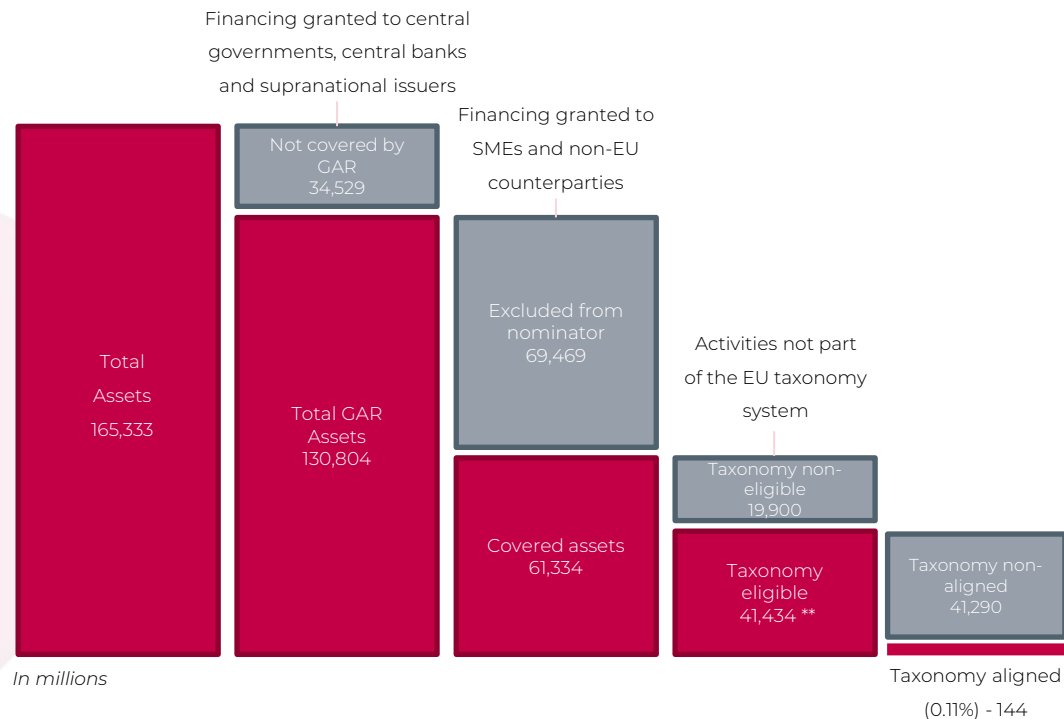


Belfius' Coverage Ratio*
amounts to 37.10%

Belfius' GAR* amounts to
0.11%

Caveats:

- Financing granted to **governments, central banks, supranational issuers** as well as **trading book activities** are **excluded** (21% of total assets)
- 34% of total assets are attributed to **non-EU counterparties, non-listed large companies and SME's** which **cannot be accounted as sustainable** in our GAR
- 15%** of the activities in the numerator are **not eligible under the EU Taxonomy**, i.e. do not have sustainability criteria described in the Taxonomy system



* Both stock based

** Please note that a refinement of the methodology with regards to the taxonomy eligible assets occurred in 2024. This implicates a difference with the published FY 2023 figure.

Climate risk mitigation

Next to the Transition Acceleration Policy,
Belfius has also other instruments in place to mitigate climate risk

Risk Appetite Framework

As from 2023, limits have been put in place

To fossil fuel exposures

To proportion of Belfius Bank's mortgage loan production collateralised by real estate assets with poor energy performance certificates

Insurance

Belfius insurance has integrated ESG related criteria in several processes such as in the investment risk framework

Climate event risk is materially mitigated thanks to reinsurance

Climate related risk is integrated in pricing and conditions for home and motor insurance. E.g. Flood risk maps are used to determine the Natural Catastrophe premium level in home insurance

Belfius Asset Management

Consideration of sustainability risks in the financial analysis of individual investment instruments

Application of sector/industry limits at portfolio level

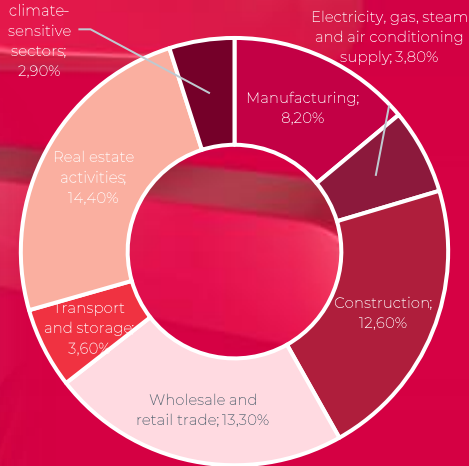
Voting rights

Engaging with investee companies to better understand the sustainability risks they are exposed to and how they mitigate them, but also to stimulate the company to take action in case an unmanaged risk is identified

Internal KPI's

Commercial KPI's

Belfius exposure (*) to climate-sensitive sectors (**) amounts to
EUR 25.8 bio as of 31/12/2023



At the end of 2023, Belfius' exposure to fossil fuel projects and companies amounted to EUR 983 mio (EUR 722 mio linked to the legacy run-off ptf)

(*) loans and advances

(**) The definition of climate-sensitive sectors used by Belfius is derived from the definitions provided by CPRS, the list of carbon intensive industries provided by the ECB and the pillar III ESG standards.

Belfius' Green and Social Bond Framework

<https://www.belfius.be/about-us/en/investors/debt-issuance/green-social-bonds>



Governance

The Belfius **Green** Bond Framework is structured in compliance with the core components of the ICMA Green Bond Principles, 2018 edition, presented through the following pillars:

- 1 Use of proceeds
- 2 Process for **green** asset evaluation and selection
- 3 Management of proceeds
- 4 Reporting
- 5 External review

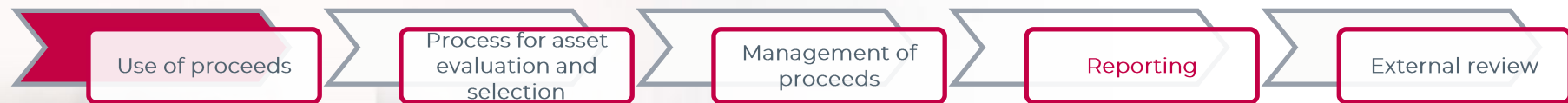


The Belfius **Social** Bond Framework is structured in compliance with the core components of the ICMA Social Bond Principles, 2023 edition, presented through the following pillars:

- 1 Use of proceeds
- 2 Process for **social** asset evaluation and selection
- 3 Management of proceeds
- 4 Reporting
- 5 External review



| Use of proceeds – Green Bonds



Eligible green assets

Renewable Energy

Loans or investments to finance/refinance the equipment, development, construction, operation, distribution, infrastructure and maintenance of renewable energy projects

Energy Efficiency

Loans or investments to finance/refinance energy efficiency projects

Clean Transportation

Loans or investments to finance/refinance public land transport (e.g. subways, trains, trams, buses, cycleways) and clean transportation

Green Real Estate

- **Commercial:** loans or investments to finance/refinance new and existing commercial real estate belonging to the top 15% most efficient buildings or complying with a recognised external certification
- **Residential:** mortgage loans or residential dwellings in a certain region belonging to the top 15% most efficient buildings in that region based on the local building code, building year or EPC certificate
- Loans or investments to renovate existing residential and commercial buildings achieving an energy use reduction of at least 30%

Waste & Water Management

Loans or investments to finance/refinance the equipment, development, construction, operation and maintenance of water distribution systems to improve water use efficiency and/or water quality, water recycling and wastewater treatment plants, waste recycling and treatment plants



| Use of proceeds – Social Bonds

Use of proceeds

Process for asset
evaluation and
selection

Management of
proceeds

Reporting

External review

Eligible social assets

Access to essential
services - Education

- (Re)financing of activities for state/public schools and free private schools, including colleges and universities
- Construction, extension or refurbishment of equipment and infrastructures



Access to essential
services - Healthcare

- (Re)financing the construction, extension or refurbishment and general corporate purposes of hospitals and healthcare facilities
- (Re)financing the construction, extension or refurbishment and general corporate purposes of elderly care centers, supporting housing for people with disabilities



Affordable housing

(Re)financing of social housing (both for rental and/or purchase): development, construction, renovation and maintenance of social housing projects

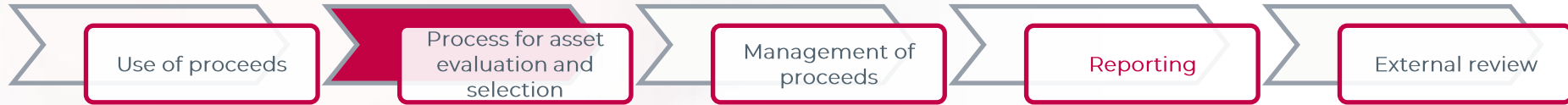


Socioeconomic
advancement &
empowerment

(Re)financing of loans granted to or guaranteed by CPAS ('Centre Public d'Action Sociale')/OCMW ('Openbaar Centrum voor Maatschappelijk Welzijn')



|Process for green and social asset evaluation and selection



STANDARD CREDIT PROCESS

Involved departments:
Commercial Business lines
Risk Department

Reference documents:
Credit Policies
ESG Policies

DETERMINATION AND REVIEW OF ELIGIBLE GREEN AND SOCIAL ASSETS AND ALLOCATION OF GREEN AND SOCIAL BOND PROCEEDS

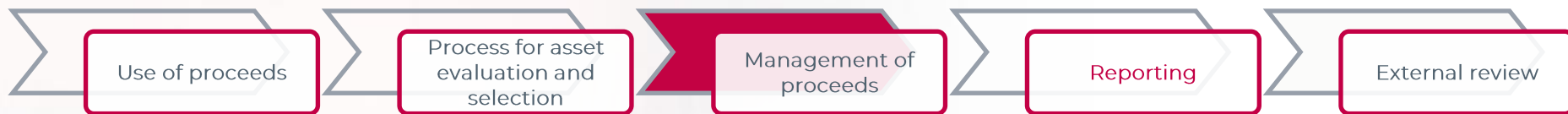
Responsible Committee:
Green & Social Bond Committee

Reference documents:
Green Bond Framework
Social Bond Framework

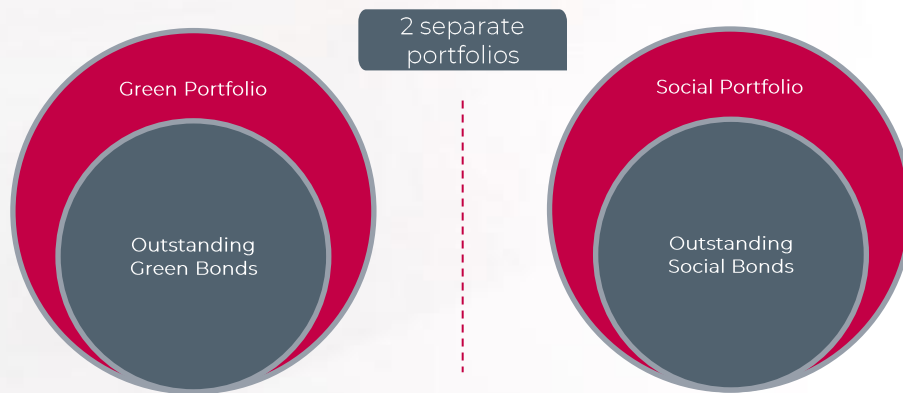
- Potential Eligible Green and Social Assets are assessed against Belfius' regular credit policies.
- The commercial business lines and/or Structured Finance are in charge of selecting the social and green assets, in compliance with the Eligibility Criteria.
- The process for evaluation and selection of green retail mortgage loans is fully automated, based on the Eligibility Criteria.
- The selected green and social assets are submitted to the Green & Social Bond Committee, for compliance verification with the Eligibility Criteria and final approval on their inclusion in the Green or Social Portfolio, respectively.

Green & Social Bond Committee

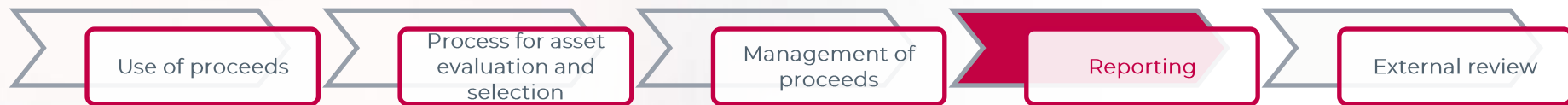
| Management of proceeds



- Constitution of a “**Green Portfolio**” and a “**Social Portfolio**” in line with both the Eligibility Criteria and evaluation and selection process, reviewed and actively managed by the Green & Social Bond Committee.
- Loans that have matured, redeemed or no longer meet the Eligibility Criteria will be replaced on a best effort basis.
- Verification of sufficient eligible green and social assets
- Balance of unallocated net proceeds will be invested within the treasury portfolios in money market products, cash and/or cash equivalent, in accordance with Belfius’ general internal policies (including the TAP – transition acceleration policy)



| Reporting



- Belfius has published for the first time in June 2022 a report detailing information on both the allocation of proceeds of Green Bonds and the environmental impact of the selected eligible green assets included in the Green Portfolio.
- Reports detailing on both the allocation of proceeds of Social Bonds and the positive social impact will be available at the latest one year after the issuance of Belfius' first Social Bond.
- These reports are available on the Green & Social Bond Section of the Belfius website and will be published on an annual basis.



<https://www.belfius.be/about-us/en/investors/debt-issuance>

Allocation of proceeds report

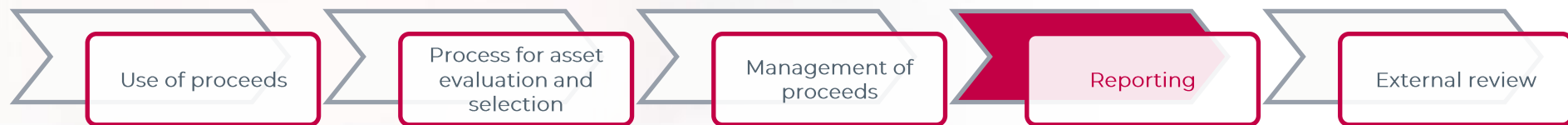
This report provides information about:

- The total amount of green and social bonds issued;
- The Green Portfolio and the Social Portfolio including a breakdown per Eligible Category;
- The balance of unallocated proceeds, if any.

Impact reporting

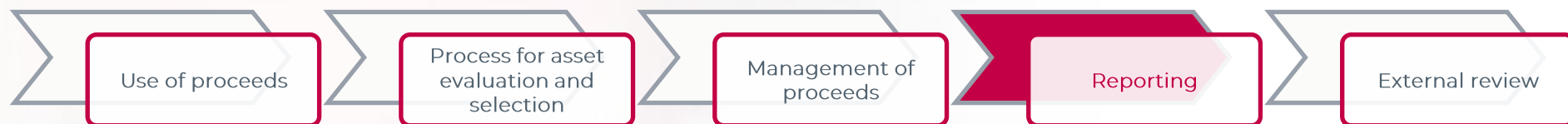
- Environmental impact of the Green Portfolio and social impact of the Social Portfolio at an aggregated level per Eligible Category
- Report on potential outputs and impact indicators.

| Impact reporting – Green Bonds



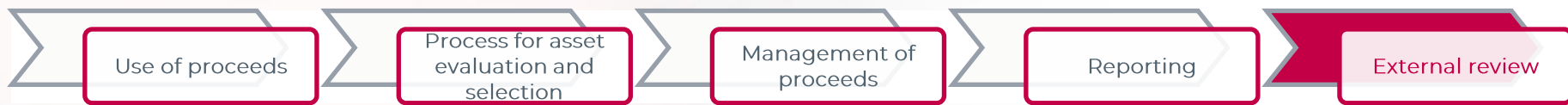
Eligible Category	Potential Output indicators	Potential Impact indicators
Renewable Energy	<ul style="list-style-type: none"> Installed capacity (MW) Expected energy production (MWh/year) 	<ul style="list-style-type: none"> Avoided CO₂ emissions (tCO₂/year)
Energy Efficiency	<ul style="list-style-type: none"> Energy savings (MWh/year) Breakdown of energy efficiency projects by types of technology (%) 	<ul style="list-style-type: none"> Avoided CO₂ emissions (tCO₂/year)
Clean Transportation	<ul style="list-style-type: none"> Number of passengers carried annually Tons of freight transported annually Numbers of electric vehicles financed Number of built or renovated kilometers 	<ul style="list-style-type: none"> Avoided CO₂ emissions (tCO₂/year)
Green Real Estate	<ul style="list-style-type: none"> Breakdown of commercial green Buildings financed by type of certification (%) Average age/EPC level of dwellings financed 	<ul style="list-style-type: none"> Avoided CO₂ emissions (tCO₂/year)
Waste & Water Management	<ul style="list-style-type: none"> Breakdown of waste & water management projects by types of technology (%) 	<ul style="list-style-type: none"> Treated wastewater (m³/year) Treated waste (m³/year)

| Impact reporting – Social Bonds



Eligible Category	Potential Impact indicators
Access to essential services - Education	<ul style="list-style-type: none">▪ Number of students served▪ Number of education facilities benefiting from a loan
Access to essential services - Healthcare	<ul style="list-style-type: none">▪ Number of hospital beds▪ Number of consultations▪ Number of hospitalisation and day hospitalisations▪ Number of FTEs
Affordable housing	<ul style="list-style-type: none">▪ Number of dwellings▪ Number of beneficiaries
Socioeconomic advancement & empowerment	<ul style="list-style-type: none">▪ Number of municipalities' inhabitants

| External review



Second Opinion

- Belfius has mandated Sustainalytics to provide a second opinion for its Green Bond Framework and Social Bond Framework.
- Sustainalytics confirmed that Belfius' Green Bond Framework is aligned with the 2018 Green Bond Principles and that Belfius' Social Bond Framework is aligned with the 2023 Social Bond Principles.
- The second party opinions are available on the Green and Social Bond section of the Belfius website: <https://www.belfius.be/about-us/en/investors/debt-issuance>



Verification

Belfius requests on an annual basis, starting one year after the issuance of its inaugural green bond and as long as green bonds are outstanding, a limited assurance report of the allocation of the green bond proceeds to its Green Portfolio, provided by an independent external auditor.

The limited assurance report has been made available for the first time in June 2022 on the Social & Green Bond section of Belfius' website

- <https://www.belfius.be/about-us/en/investors/debt-issuance>

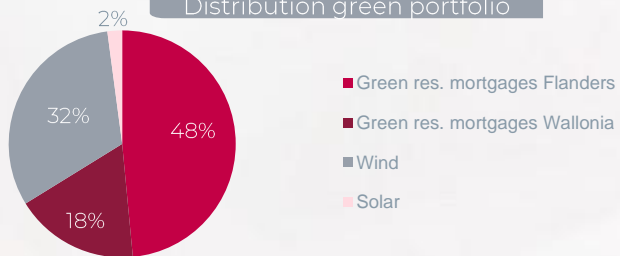
In a similar way, a limited assurance report will be provided for the allocation of the social bond proceeds, starting one year after the issuance of the inaugural social bond.

| Belfius Green Bond Portfolio

Belfius' Green Bond Framework permits to include 5 categories of assets in the Green Portfolio:

Eligible Category	Eligibility Criteria	Included for the inaugural issuance
Renewable Energy	Offshore and onshore wind, solar photovoltaic power	✓
Energy Efficiency		
Clean Transportation		
Green Real Estate	Residential mortgage loans financing the top 15% most efficient buildings in Flanders and Wallonia	✓
Waste & Water Management		

Distribution green portfolio



Belfius Inaugural Green
Senior Non Preferred

500 million benchmark

Maturity of 6 year

Midswap + 60 bps

Final book with 100 investors



Green Senior Preferred

750 million benchmark

Maturity of 5 year

Midswap + 90 bps

Final book with 120 investors

Zoom on two eligible
renewable energy projects



27 wind turbines on the right
bank of the Antwerp Harbour



Comprises the world's most
powerful solar panel roof situated
in Venlo

Annex

4



Annex: commitments



Disclaimer

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Belfius

