

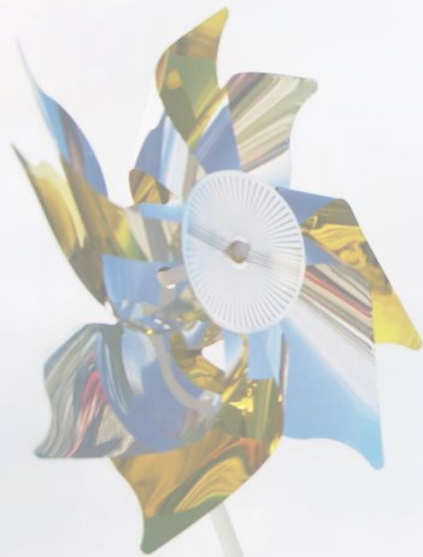


Sustainability at Belfius

Financial Year 2021



1



ESG fully embedded in the
Belfius strategy

=

ESG is in our DNA and purpose

“Meaningful and inspiring for Belgian Society. Together.”

Focus on a selected number of commitments



Set emissions reductions targets in line with the Paris Climate Agreement*



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

Inputs

Financial Capital

Belfius customers can be assured that their savings will be reinvested almost entirely in Belgian society and economy.

Human & Educational Capital

As people are Belfius' most valuable asset, we continuously invest in the training and development of talents in Belgium. Whenever possible, we favour working with local partners and suppliers, thereby also enabling the development of their talents in Belgium.

Digital & Intellectual Capital

Belfius offers innovative digital solutions beyond traditional banking and insurance products, leveraging an ecosystem of local, strategic partners. To guarantee a safe and secure service, we increasingly invest in our information security capabilities.

Relationship Capital

Human-focused services lie at the heart of our interactions with all segments of Belgian society.

Social Capital

Social commitment has been part of Belfius' DNA since its origin and is fully embedded in our values driven strategy and purpose to be Meaningful & Inspiring for Belgian society.

Natural Capital

We manage our impact on natural resources resulting from our operations and financing activities. On top of offering green solutions, we also collaborate with external stakeholders to advise our customers on decreasing their impact on the environment.



Outputs

Financial Capital

Net result EUR 935 million
 CET1 ratio of 16.4%
 Solvency II ratio of 190%
 Outstanding commercial Loans EUR 102.2 billion

Human & Educational Capital

6531 employees
 EUR 641 million Salaries and benefits of employees
 6 Average days of training received per FTE
 36,7% Women in management or senior / key positions
 85% of suppliers that are Belgium-based

Digital & Intellectual Capital

1,8 million Active mobile users
 Top 5 Most valuable brands in Belgium (by Brand Finance)
 #2 Mobile banking & insurance app in the world (by Sia Partners)

Relationship Capital

Customer satisfaction score 94,5%
 #1 in financing of municipalities, cities, hospitals & care sector
 17,4% and 18,5% market share Business & Corporate
 EUR 22,3 billion gross production in long term loans
 EUR 179,5 billion outstanding Savings & Investments
 180,000 social products

Social Capital

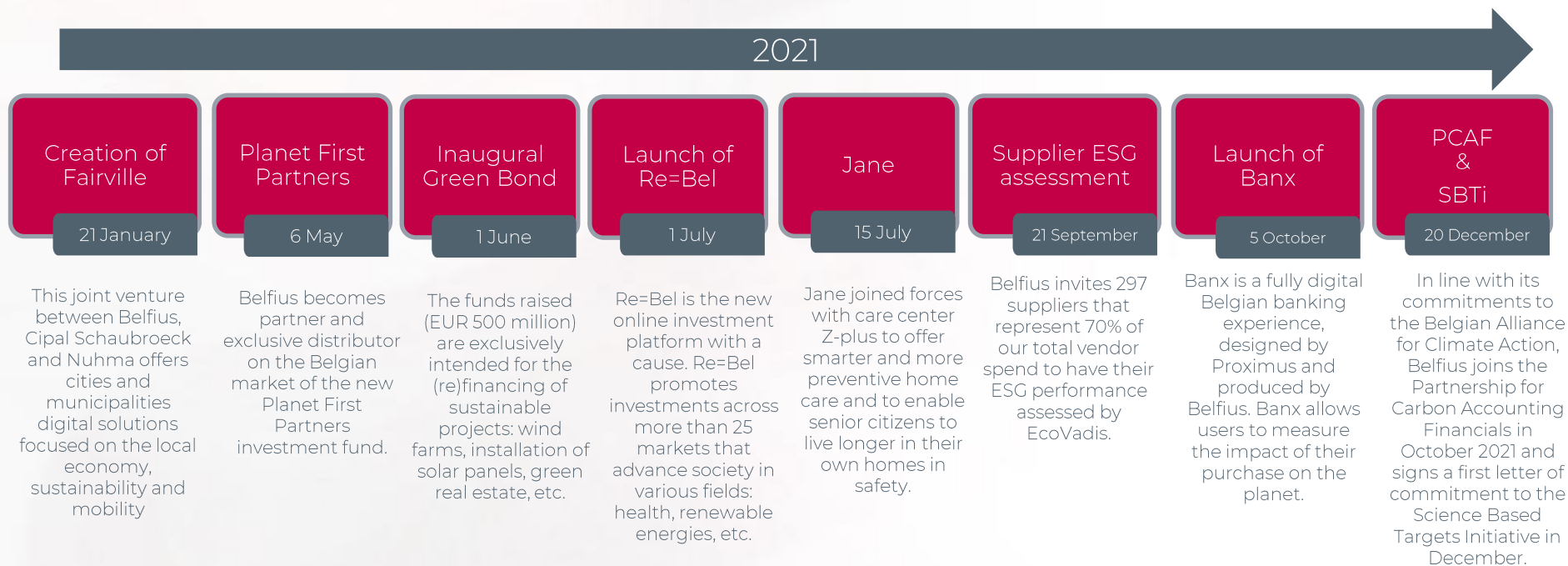
Total cash taxes & contributions of EUR 727 million
 Claims paid due to natural catastrophes EUR 201 million
 0,6 million customers building up fiscal pensions to face the pension gap

Natural Capital

First Green bond issue of EUR 500 million
 Carbon neutrality for own operations, on a scope of 18 k tons of CO2
 Over EUR 4 billion green or sustainable bonds issued
 by corporate clients with the support of Belfius
 14% share of electric or hybrid vehicles in Belfius Autolease fleet
 Over 80% gross production of funds in art. 9 SFDR



| A selection of sustainable realisations during 2021



2



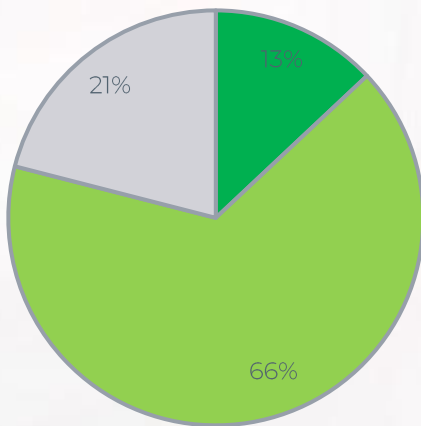
Meaningful growth
& Impact



| Meaningful investing

79 % of outstanding active investment offer subject to SFDR is art. 8 & 9

Art. 8: financial instruments that promote environmental and / or social characteristics in addition to other characteristics



■ Art. 9 ■ Art. 8 ■ Other

Art. 9: financial instruments with an explicitly sustainable objective (that is measured and reported on) and aim to have a positive impact



In 2021, 73% of the share transactions through ReBel were in line with Belfius' sustainability criteria

In 2021, 83% of Belfius' new production in funds or B21/B23 was meaningful (art. 8 & 9)

Our commitment

Going for 100% meaningful investment offer

We aim to exclude activities from our range of funds by using a combination of different methods:

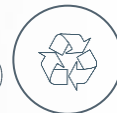
- Exclusions
- Incorporation of ESG criteria
- The incorporation of a specific sustainable objective
- Thematic approach
- Active shareholdership



Sustainable financing solutions

Recirculating into the Belgian economy and community

Savings are mainly reinvested in mortgage (33%), public sector (21%), corporate (17%) and business loans (13%)



Meeting Belgium's sustainable buildings' challenge head on

Includes Smart Building and Renovation Solution, Belfius Energy Efficiency package (EIB), European Local Energy Assistance (EIB/European Commission), Smart Cities (EIB) & green renovation loans

Investing in renewable energy

Total cumulative investment in renewable energy is EUR 1.7 billion by the end of 2021



Structuring sustainable bonds for our customers

In 2021, Belfius supported its clients in issuing green and sustainability bonds for over EUR 4 billion

Encouraging circular economy through vendor leasing

In 2021, the production figure in vendor lease amounted to EUR 138 million



Enabling low carbon mobility

Belfius auto lease is committed to **reduce average CO2 emissions** per vehicle in its fleet **by 50%** by (1) more green cars with less or zero emissions and (2) less kilometers travelled by offering alternatives



Our commitment

Giving absolute priority to future-proof infrastructure for Belgian society

Only Belgian bank-insurer that has financed all **eight** offshore wind farms in Belgium



In 2021, half of Belfius Auto Lease's newly produced fleet consisted of electric and hybrid vehicles



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



| Sustainable insurance solutions



Fiscal pension solutions to face the pension gap

Both second pillar occupational pensions and third pillar individual supplementary pension capital

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
 - Home insurance/m³ of Corona direct rewards frugal living



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
 - Per-Kilometer insurance of Corona Direct



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 tradesman (e.g. a plumber or a handyman) via its digital network

Banx

(Slow)banking app that encourages customers to evaluate their impact on the environment by, for instance, an CO2-dashboard

Going green in our own operations

Greenhouse gas emissions are computed using the GHG protocol standard and are converted into a CO2 equivalent measure

Scope 1 includes direct emissions related to the gas and oil heating of the BT, regional headquarters and salaried agencies, as well as fuel related to service vehicles, company cars and business trips made with private vehicles.

Scope 2 covers emissions related to electricity consumed in central and regional buildings and employee branches. This electricity is fully "green".

Emissions of CO₂ by source (in tonnes of CO₂)

	2019	2020	2021	Evolution from 2019 to 2021
SCOPE 1	8,581	6,831	5,491	-36.0%
Gas consumed	3,158	2,644	2,634	-16.6%
Heating oil	64	68	119	87.0%
Vehicles owned (company car, Flex business travel refunds)	4,259	3,020	2,554	-40.0%
Refrigerants	1,100	1,100	184	-83.3%
SCOPE 2	-	-	-	-
Electricity consumed (market-based method)	-	-	-	-
Electricity consumed (location-based method)	3,663	3,113	2,407	-34.3%
SCOPE 3	7,289	4,509	12,930	77.4%
ICT services	-	-	133	-
Paper consumed	776	665	621	-20.0%
Water	25	10	4	-83.3%
IT material	-	-	2,112	-
Waste (paper, cardboard, PMT, unsorted)	120	50	59	-50.6%
Home-work-home travel (impact of homework included)	5,615	1,774	2,312	-58.8%
Business travel	609	116	248	-59.3%
Transporting mail & valuables	145	108	90	-38.0%
Branches independent network Belfius (heating, electricity, refrigerants)	-	-	6,104	-
Indirect emissions related to scope 1 & 2	-	1,787	1,246	-
TOTAL EMISSIONS ACCORDING TO MARKET-BASED METHOD	15,870	11,340	18,421	16.1%

Scope 3 includes indirect emissions, primarily related to commuting, and, to a lesser extent, paper consumables. Scope 3 also includes water consumption, waste and business travel. From 2021 onwards, scope 3 also includes the carbon footprint of outsourced IT and the emissions of the independent Belfius branch network

Action levers

Reduce waste

Invest in energy saving measures

Green & reduce commuting

Reduce paper

Reduce water consumption

Our commitment

Be and remain carbon neutral, with an ever-shrinking footprint



In 2021, we have offset 18.4 thousand tonnes of CO₂ by financing two climate projects: drinking water in Rwanda and wind farms in India

| 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)

Through **Funds of the Future**, EUR 2 million has been already donated to the respective good causes since their creation in 2019

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

Belfius has delivered around 180,000 social products developed to help the government's Social Services organisations

Basic Banking Service & Universal account – cf. Belgian legislation

Belfius Art Collection

Largest private collection of Belgian art with a loan service to museums 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



Red nose day, to help young people become more resilient



Special Olympics, to support the disabled through sport



Ecole 19, to support second chance education

| Human Capital is the backbone of Belfius



Sustainable 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)



86.5%

Of employees are **“engaged”**

(Belfius bank & Insurance combined)



An active diversity & inclusion approach

Beyond gender identity

With a dedicated **diversity manager** and **diversity steering**



ESG criteria

Are included in **managers' variable remuneration**

Our commitment

Giving women every opportunity and guaranteeing equal pay

36.7

% of women in a managerial position



Sound corporate governance

Data privacy (GDPR)

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

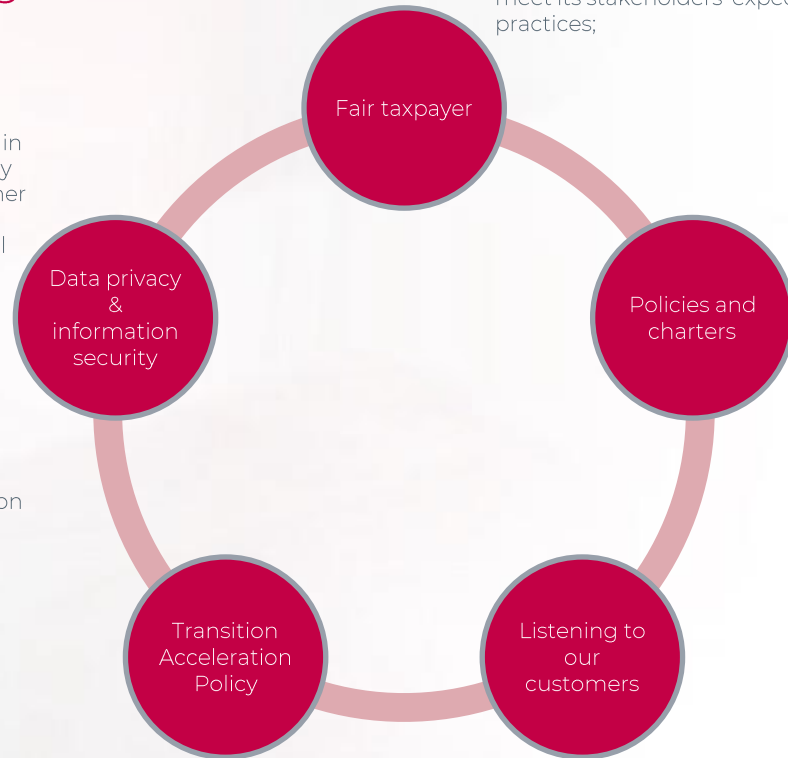
- In 2021, Belfius received 13,927 customer requests to access their personal data which were all treated within the legal deadline of 1 month
- No significant data breaches were identified in 2021

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 good 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

See next slide

- Belfius attaches great importance to customer satisfaction, which it measures regularly. For 2021, Belfius obtained a satisfaction score of 94.5%
- Belfius systematically monitors and analyses customer complaints to improve services, products and processes.



| A firm Transition Acceleration Policy setting the bar for all activities

...applied to **all Belfius' activities**,
with a **double objective**:

Encourage and support
businesses in their shift towards
more sustainable activities

Reduce negative impact of our
activities by discontinuing or
limiting support of non-sustainable
activities

...taking a **differentiated approach**
for

Existing clients : phase-out
New clients : immediately
applicable

UN Global Compact

(10 principles) offenders are excluded

Exclusions or limitations for **controversial & sensitive sectors**

Tobacco

Gambling

Weapons

Energy:

Thermal coal & unconventional gas extraction;
Conventional oil & gas extraction;
Electricity production;
Nuclear power plants

Mining

Palm oil

Soy

Agriculture commodities
(only stock market trading)



3



Belfius' Green Bond Framework

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



Belfius Green Bond Framework













Use of proceeds

Process for green asset evaluation and selection

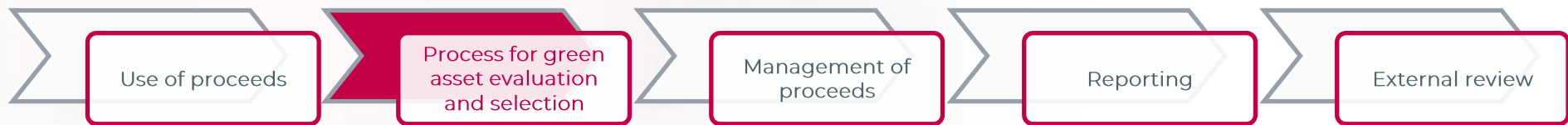
Management of proceeds

Reporting

External review

Eligible Category	Eligibility Criteria	Contribution to SDGs
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	<ul style="list-style-type: none"> 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	  

| Belfius Green Bond Framework



STANDARD CREDIT PROCESS	
Involved departments: → Commercial Business lines → Risk Department	Reference documents: → Credit Policies → CSR Policies
DETERMINATION AND REVIEW OF ELIGIBLE GREEN ASSETS AND ALLOCATION OF GREEN BOND PROCEEDS	
Responsible Committee: → Green Bond Committee	Reference documents: → Green Bond Framework

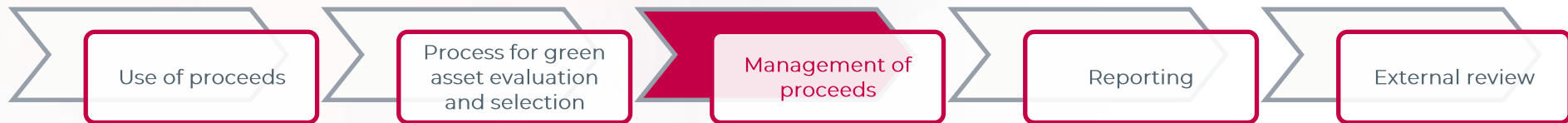
- Potential Eligible Green Assets are assessed against Belfius' regular credit policies.
- The commercial business lines and/or Structured Finance are in charge of selecting the public, social and corporate assets, in compliance with the Eligibility Criteria.
- The process for evaluation and selection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

Green Bond Committee

The Green Bond Committee is composed of the Head of the ESG Department, representatives from the commercial business lines, Head of Long Term Funding and Head of Structured Finance. The Green Bond Committee meets on a quarterly basis.



| Belfius Green Bond Framework

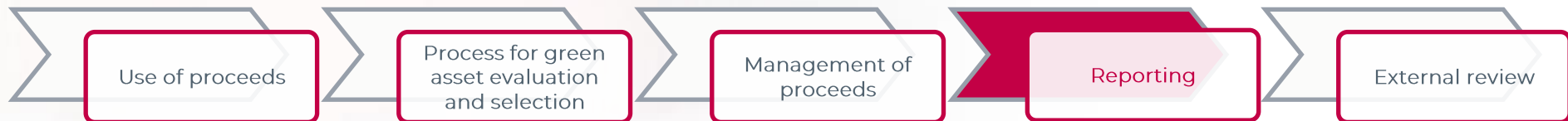


- Constitution of a “**Green Portfolio**” in line with both the Eligibility Criteria and evaluation and selection process, reviewed and actively managed by the Green Bond Committee.
- Loans that have matured, redeemed or no longer meet the Eligibility Criteria will be replaced on a best effort basis.
- Verification of sufficient eligible green assets
- Balance of unallocated net proceeds will be invested within the treasury portfolios in money market products, cash and/or cash equivalent.



Belfius will strive for the availability of sufficient eligible green assets in line with issued green bonds

| Belfius Green Bond Framework



- 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.
- These reports are available on the Green Bond Section of the Belfius website and will be published on an annual basis.

Allocation of proceeds report

This report provides information about:

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

Impact reporting

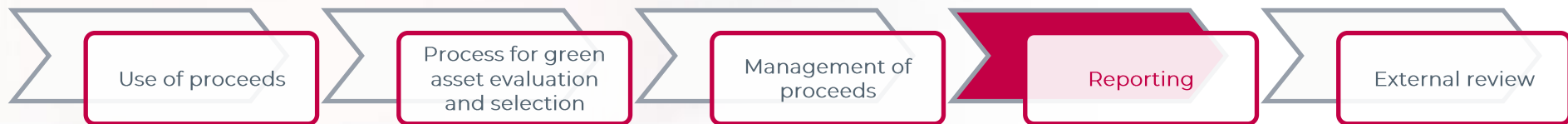
- Environmental impact of the Green Portfolio at an aggregated level per Eligible Category
- Report on potential environmental output and impact indicators.



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



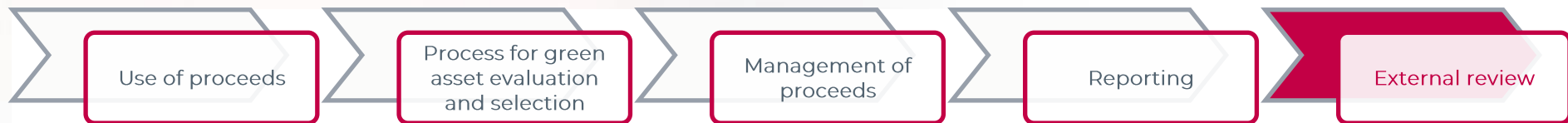
| Belfius Green Bond Framework



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)



| Belfius Green Bond Framework



Second Opinion

- Belfius has mandated Sustainalytics to provide a second opinion for its Green Bond Framework.
- Sustainalytics has reviewed Belfius Green Bond Framework and issued a second opinion confirming the alignment of it with the Green Bond Principles.
- *Extract of the opinion* : ‘Sustainalytics is confident that Belfius is well-positioned to issue green bonds and that the Belfius Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.’



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 Green Bond section of Belfius’ website

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

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		



Belfius

Belfius Inaugural Green Senior
Non Preferred

500 million benchmark
Maturity of 6 year
Midwap + 60 bps
Final book with 100 investors



27 wind turbines on the right bank of the Antwerp Harbour

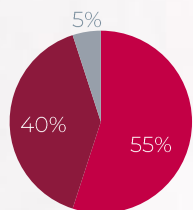


Comprises the world's most powerful solar panel roof situated in Venlo



The first green bond issue was used to finance an equal mix of renewable energy projects and green residential mortgage loans

Energy type renewable energy



■ Offshore wind ■ Onshore wind ■ Solar



Annex: commitments



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Belfius

