# Belfius Social Bond Framework

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Belfius

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# I. Corporate Sustainability @ Belfius

Due to its unique position as a bank-insurer fully dedicated to the Belgian economy, Belfius has a key role to play as an actor of change in the Belgian society. The crucial part of its mission is to reinvest the saving deposits entrusted to it in loans supporting the Belgian society.

However, Belfius is determined to go beyond that. Well aware of the crucial role played by the financial sector in ensuring a more sustainable future, Belfius aims to be meaningful and inspiring through its core businesses – not only for its customers, but also for the Belgian society as a whole. Together with its customers, employees and long-term partners, Belfius commits to making the difference on societal challenges and fostering solutions that contribute to a more sustainable society.

## 1. Strategy, vision and ambitions

To Belfius, all three components of sustainability (E,S,G) are equally important and at the core of Belfius' mission: "Being Meaningful and Inspiring for Belgian Society. Together."

Using this mission as a compass, we have woven sustainability into our 2025 Inspire strategy and articulated it around two guiding principles: "Walk the talk" and "Customers in the driver's seat" (of their sustainability ambition with an adapted range of meaningful solutions, products and services).

As such, our goal is to inspire our customers to accomplish their sustainability ambitions and, in doing so, to create, together with our customers, the greatest possible impact. Belfius' overarching goal is twofold. We want to manage ESG-related risks in order to ensure our resilience and profitability. And we want to maximize our positive impact on society while limiting our potentially negative impact to the very minimum.

In order to accomplish this strategy, we have defined a number of commitments in recent years which turn our sustainability ambitions into concrete actions. The strong evolution in the field of regulations and stakeholder expectations has resulted in a stricter focus on a number of these commitments since 2021:

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

The progress and achievement of these commitments is monitored via the following dashboard:

### Belfius ESG dashboard

| | | 2020 | 2021 | 2022 | 2023 | Target 2025 |
|---|---|---|---|---|---|---|
| CARBON FOOTPRINT (OWN OPERATIONS) | % decrease of carbon footprint (tons of $CO_2e$) 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[2] | 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[3] 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.

## 2. Commitments, principles and standards

To underline its commitment to society, Belfius has joined, as a signatory, a number of voluntary but leading (inter)national initiatives and conventions in the area of responsible business conduct and sustainable banking and insurance:

- By signing the **United Nations Global Compact**, Belfius agreed to apply its principles in the areas of human rights, labour rights, respect for the environment and the fight against corruption;
- As a signatory to the **United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking** and the **UNEP FI Principles for Sustainable Insurance**, Belfius undertakes to align its strategy and activities with the vision of society as expressed in the United Nations' Sustainable Development Goals (SDG) and the Paris Climate Agreement;
- Belfius Asset Management, the Belfius Group's subsidiary for asset management signed the **UN Principles for Responsible Investment (UNPRI)**, thereby making a formal and external commitment to embed sustainability principles in its policy and to strengthen them over time.

WE SUPPORT UN GLOBAL COMPACT

UN environment programme finance initiative Principles for Responsible Banking

UN environment programme finance initiative Principles for Sustainable Insurance

*Signatory of:* PRI Principles for Responsible Investment

To fulfill its climate ambitions:

- Belfius joined the **Partnership for Carbon Accounting Financials (PCAF)** thus having access to supplementary tools for measuring its carbon emissions financed by loans and investments and for further reducing its carbon footprint;
- Belfius endorsed the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)** and integrates climate-related information in its disclosures about its core activities.

In other domains:

- Belfius is a signatory to the **Women in Finance Charter**, an initiative to promote gender equality in the financial sector. Belfius has also signed the Inclusive Panels Charter, aimed at promoting diversity in the involvement of external speakers;
- As a member of the **Belgian Institute for Sustainable IT (ISIT-BE)**, Belfius has signed the **Responsible Digital Charter** to support the transition to sustainable computing;
- Belfius is a signatory to the **Belgian SDG Charter for International Development**, a federal ministerial initiative conducted in conjunction with The Shift, Belgium's major sustainable development network. This Charter is part of the United Nations Sustainable Development Goals (SDG) and concerns the role of citizens and the private and public sectors in international cooperation and development.

# 3. ESG governance and responsibilities

An ESG governance within Belfius defines clearly the decision bodies and responsibilities with regards to ESG on all levels of the organization.

As we believe that solid governance and the involvement of all levels of our company are key for the robustness of our ESG risk management approach, the terms of reference of our decision bodies have been adapted to explicitly integrate the recent evolutions in ESG responsibilities:

- **Belfius Bank and Belfius Insurance Boards of Directors** define and oversee implementation of the (ESG) strategy, objectives, general policy, risk appetite and risk approach at the proposal or recommendation of the Management Board.
  - Twice a year the Boards of Directors provide guidance on ESG and review progress on sustainability-related projects and targets to ascertain that sustainability is fully and consistently embedded in all value propositions that deliver our strategy.
  - The individual competences of each Board Member on each of the environmental, social and governance aspects are explicitly documented in the Board's "Competences Grid". The competences grid, as well as the increasing importance of ESG, feeds into the considerations of the Nomination Committee around succession policy.
- **The Risk Committees at Board of Directors level** have advisory powers and responsibilities with regards to the Boards of Directors on setting current and future risk appetite and strategy (including ESG and climate risk), as well as the monitoring of their implementation. As sustainability risks are a top risk at Belfius, the Risk Committees ensure effective oversight of ESG risks on a quarterly basis and monitor progress on the ECB ESG action plan.
- Belfius' **Joint Management Committee**, composed of all Management Board members of Belfius Bank and Belfius Insurance, manages group strategic matters, including the sustainability strategy and its implementation for the banking and insurance group. It is responsible for the implementation of mandatory ESG regulations and voluntary ESG commitments and ESG topics are discussed there on a quarterly basis.
- The **Strategic Sustainability Committee (SSC)** was established by the Joint Management Committee as a central hub for (operational) ESG Governance to support its ESG endeavours and responsibilities. The SSC drives the execution of our ESG strategy and monitors the execution of transversal ESG topics, compliance with ESG-specific regulations and voluntary ESG commitment requirements, as well as the implementation of Belfius' own ESG policies (e.g. the Transition Acceleration Policy). The SSC meets every two months. The SSC can further rely on **expert desks** with an advisory role, in which all important stakeholders for the respective domains are represented:
  - The **Sustainable Banking, Finance and Insurance Desk** tackles the implementation of ESG policies in banking, financing and insurance processes with: control offices, risk, CORM credits, legal, compliance and Belfius Bank and Belfius Insurance sustainability managers. Meetings of this desk are held on a monthly basis.
  - The **Sustainable Investment Desk** focuses on Investments (policies & mandatory regulations), with: product management investments, Belfius Asset Management, Belfius Insurance investments, risk, legal, compliance and Belfius Bank and Belfius Insurance sustainability managers. Meetings of this desk are held on a monthly basis.
  - A dedicated **Green & Social Bond Committee** focusses on Belfius **Green & Social Bond** issuances, regrouping treasury and financial markets, business lines and the Head of ESG of Belfius Bank. It meets on a quarterly basis.
- The **Head of ESG** heads the **ESG Central Team** and is in charge of the overall daily coordination of the groupwide ESG strategy. The Head works in close collaboration with Belfius Insurance's Sustainability Manager. Both parties conduct a systematic dialogue on sustainability matters with key internal and external stakeholders. The Head of ESG is accountable to the CEO.
- The **ESG Central team** is Belfius' competence center on ESG, monitoring the ESG landscape and developing ESG concepts (such as PRB[1] or CSRD[2]), with the exception of risk-specific items.
- A dedicated **ESG Risk Competence Centre** within the Strategic Risk Management Department oversees the implementation of the ESG Programme's risk components. This specialized team reports regularly to the Chief Risk Officer (CRO) and is in charge of developing a comprehensive ESG risk management framework in collaboration with other group-wide risk departments along the "three lines of defense" model.
- The **ESG Data Team** develops and structures non-financial data sources and generates calculation engines, as well as regulatory reportings.

Finally, ESG is also increasingly permeating the responsibilities of existing decision-making structures, such as intake or credit committees for instance where climate and environmental credentials, as well as reputational risks are under increasing scrutiny.

(1) Principles for Responsible Banking
(2) Corporate Sustainability Reporting Directive

## 4. Belfius, partner number 1 for social profit sectors

Belfius is committed to everyone, including the most vulnerable groups. "There is Love for Everyone" is a commitment that Belfius also converts into action. From the youngest to the oldest, from start-ups to large corporates, from local authorities to individuals, from the strongest to the most vulnerable. Moreover, Belfius remains the only bank to offer a wide range of social products to the most vulnerable groups in our society, via nearly 163,000 social accounts[1]. In addition, Belfius accounts for over 45%[1] of the basic banking services for the most disadvantaged on the Belgian market. Continuing to focus on digital innovation does not mean that less digitally-minded customers will be left behind. For example, Belfius Phone Banking, a free service, enables non-digital or less mobile customers to manage their daily banking business independently. Customers over the age of 70 pay no fees if they wish to make paper transfers or receive their monthly account statements by post.

Belfius has a strong tradition and track record in providing concrete solutions for infrastructure challenges in Belgium, for hospitals or care homes, schools, utilities (such as renewable energy), or municipal infrastructures. Notably, Belfius has an in-depth knowledge of the Belgian hospital sector. Each year, Belfius publishes the MAHA report (*Model for Automatic Hospital Analyses*), on the strategic and financial situation of the healthcare sector in Belgium. With a total outstanding of EUR 23.7 billion[1] in loans to the public and social sector, Belfius continues to contribute to the development of the society by supporting the construction of bike paths, swimming pools and hospitals. As the banker of around 50 universities and colleges in Belgium, Belfius supports the education and well-being of young talents.

On the asset management side, Belfius, through its subsidiary Belfius Asset Management, has also engaged itself to offer clients investment products with social positive impacts on the society, in particular through the launch of society-related thematic funds, addressing such topics as oncology, gender equality, sustainable food production, healthy longevity, development of children, etc.

In addition to projects with a positive impact on society, Belfius is now leveraging its financing capacity towards providing maximum support to all its customers in the transition towards a more sustainable economy.

## 5. Belfius and social finance

Belfius has established this Social Bond Framework to issue Social Bonds that finance or refinance loans and investments which aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes, especially but not exclusively for a target population.

The issuance of Social Bonds by Belfius is a natural extension of its societal implication and further enhances Belfius strategy to be "Meaningful & Inspiring for Belgian Society. Together".

By issuing Social Bonds, Belfius will provide additional transparency around funded projects and assets that achieve social benefits and wants to promote further investments into socially sustainable assets. With the publication of its Social Bond Framework, Belfius will also support the further development of a social bond market in Belgium and in Europe.

More comprehensive information on Belfius & sustainability can be found on the Belfius website, including our Belfius' overall ESG framework, an overview of all ESG-related policies, as well as the annual Belfius Sustainability Report.

(1) Figures as of 31/12/2023

# II. Belfius Social Bond Framework

Belfius' Social Bond Framework ("the **Framework**") is structured in compliance with the ICMA Social Bond Principles[1] (**"SBP"**) 2023 edition.

Belfius monitors closely regulatory developments related to social bonds for selecting Eligible Social Assets (see Section 1 Use of Proceeds). Belfius follows up on these potential changes and when deemed necessary by Belfius, the criteria in the Framework may be updated to further harmonise with evolving regulations.

The Framework will be presented along the four core components of the SBP and includes commitments regarding external review. The document covers:

1. Use of proceeds
2. Process for Social Assets evaluation and selection
3. Management of proceeds
4. Reporting
5. External review

Recognizing that social bond guidelines and best practices are evolving, Belfius will seek to align its Framework with market practices and consider the appropriate selection criteria at the time of any Social Bond issuance.

## 1. Use of Proceeds

An amount equivalent to the proceeds of Social Bond issuances (**"Use of Proceeds"**) is exclusively used to finance and/or refinance, in whole or in part, loans and investments realised by Belfius[2] to projects and/or assets (**"Eligible Social Assets"**) in the following categories (**"Eligible Categories"**):

1. Access to essential services – Education;
2. Access to essential services – Healthcare;
3. Affordable Housing;
4. Socioeconomic advancement & Empowerment

In alignment with Belfius' sustainability strategy, the eligibility criteria (**"Eligibility Criteria"**) contemplated under this Framework directly contribute to the achievement of specific SDGs and related sub-targets[3].

(1) International Capital Market Association and Social Bond Principles: https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/
(2) Belfius and its consolidated subsidiaries are referred to as 'Belfius'
(3) Based on mapping between ICMA Eligible Categories and UN SDGs

Eligible Social Assets are required to meet the following Eligibility Criteria:

| Eligible Category | Eligibility Criteria | Target Group | Social Benefit | SDGs |
|---|---|---|---|---|
| ACCESS TO ESSENTIAL SERVICES - EDUCATION | • (Re)financing of activities for state/public schools and free private schools, including colleges and universities<br>• Construction, extension or refurbishment of equipment and infrastructures | General public, for access to state/public schools and free private schools | Reduce education inequalities | |
| ACCESS TO ESSENTIAL SERVICES - HEALTHCARE | • (Re)financing the construction, extension or refurbishment and general corporate purposes of hospitals and healthcare facilities<br>• (Re)financing the construction, extension or refurbishment and general corporate purposes of elderly care centers, supporting housing for people with disabilities | • General public<br>• Ageing population, population with disabilities | Reduce health related inequalities | |
| AFFORDABLE HOUSING | • (Re)financing of social housing (both for rental and/or purchase): development, construction, renovation and maintenance of social housing projects | Governmental agencies providing social mortgages and social housing in the rental market | Reduce inequalities | |
| SOCIOECONOMIC ADVANCEMENT & EMPOWERMENT | • (Re)financing of loans granted to or guaranteed by CPAS ('Centre Public d'Action Sociale')/OCMW ('Openbaar Centrum voor Maatschappelijk Welzijn') | CPAS ('Centre Public d'Action Sociale')/OCMW ('Openbaar Centrum voor Maatschappelijk Welzijn'). These organizations are responsible for providing social services to vulnerable population as well as its well-being. In Belgium, they are under the responsibility of the municipalities | Improve social & economic inclusion | |

## 2. Process for Social Asset Evaluation and Selection

Underlying Eligible Social Assets are expected to comply with local laws and regulations, including any applicable regulatory social requirements. Potential Eligible Social Assets are assessed against Belfius' regular credit policies. Existing and new commercial relationships will be managed in line with Belfius' Transition Acceleration Policy (TAP). Furthermore, the ESG risk profile and the strategy of our counterparties (mainly corporates at this stage) are already considered by credit committees when making decision about granting loans. The qualification for social criteria does not override credit risks.

The process for evaluation and selection of potential Eligible Social Assets is set up as follows:

- Belfius commercial business lines and/or Structured Finance will make a pre-selection of Eligible Social Assets, based on the Eligibility Criteria as described in paragraph II.1.
- Based on the selected Eligible Social Assets provided by the business lines and/or Structured Finance, the Green & Social Bond Committee will review whether the existing and new assets qualify as Eligible Social Assets.
- The Green & Social Bond Committee will review and approve allocations of Social Bond proceeds to Eligible Social Assets.

| STANDARD CREDIT PROCESS | |
|---|---|
| Involved departments:<br>Commercial Business lines<br>Risk Department | Reference documents:<br>Credit Policies<br>ESG Policies |

| DETERMINATION AND REVIEW OF ELIGIBLE SOCIAL ASSETS AND ALLOCATION OF SOCIAL BOND PROCEEDS | |
|---|---|
| Responsible Committee:<br>Green & Social Bond Committee | Reference documents:<br>Social Bond Framework |

The Green & Social Bond Committee currently consists of the following representatives:

- Head of ESG
- Representatives of the commercial business lines (Private, Business & Retail (PBR) and Enterprises, Entrepreneurs & Public (E&E&P))
- Head of Long-Term Funding
- Head of Structured Finance

The Green & Social Bond Committee will meet on a quarterly basis. In case of specific topics to be tackled, an ad-hoc Green & Social Bond Committee could be gathered.

# 3. Management of Proceeds

Belfius will strive, over time, to maintain an aggregate amount of Eligible Social Assets in a portfolio (**"Social Portfolio"**) that matches or exceeds the balance of net proceeds of all outstanding Social Bonds issued under the Social Bond Framework.

The Eligible Social Assets will be selected in line with the above-mentioned Eligibility Criteria and evaluation and selection process.

Belfius will individually label all allocated Eligible Social Assets in its internal information systems and will monitor the Social Portfolio. If an asset is matured, is redeemed or no longer meets the Eligibility Criteria, Belfius will do its best effort to replace it with an Eligible Social Asset. On a quarterly basis, the Green & Social Bond Committee will verify the availability of sufficient Eligible Social Assets in the Social Portfolio to match the outstanding Social Bonds.

Belfius intends to allocate the full amount of proceeds immediately upon the issuance of a Social Bond. If, in the future, there would be unallocated amounts, these would 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).

# 4. Reporting

Belfius will publish annually a report in the Green and Social Bond section of its website (https://www.belfius.be/about-us/en/investors/debt-issuance) that will detail the allocation of Social Bond net proceeds and the positive social impact of the Eligible Social Assets included in its Social Portfolio. This reporting will be available at the latest one year after the issuance of Belfius' first Social Bond.

## 4.1. Allocation of proceeds reporting

As long as any Social Bond is outstanding, Belfius will report annually on the use of the Social Bonds net proceeds. This report will detail:

- The total amount of Social Bonds issued;
- The Social Portfolio including a breakdown by Eligible Category;
- The balance of unallocated proceeds, if any.

## 4.2. Impact reporting

Belfius intends to report annually on the social impact of the Social Portfolio on an aggregated level. Belfius aims to report on the following potential positive social impact indicators, by Eligible Category, subject to the availability of information.

Appropriate indicators will be proposed in line with market practices.

| Eligible Category | Potential Impact indicators |
|---|---|
| ACCESS TO ESSENTIAL SERVICES - EDUCATION | • Number of students served<br>• Number of education facilities benefiting from a loan |
| ACCESS TO ESSENTIAL SERVICES - HEALTHCARE | • Number of hospital beds<br>• Number of hospitalisations and day hospitalisations<br>• Number of FTEs |
| AFFORDABLE HOUSING | • Number of dwellings<br>• Number of beneficiaries |
| SOCIOECONOMIC ADVANCEMENT & EMPOWERMENT | • Number of municipalities' inhabitants |

# 5. External review

## 5.1. Second Opinion

Belfius has appointed an experienced and qualified sustainable second party opinion provider who will verify and confirm the sustainability of the Framework and its alignment with the 2023 SBP.

The second party opinion is available in the Green and Social Bond section of the Belfius' website (https://www.belfius.be/about-us/en/investors/debt-issuance).

## 5.2. Verification

Belfius will request on an annual basis, starting at the latest one year after issuance of its inaugural Social Bond and until maturity, a limited assurance report of the allocation of the Social Bond proceeds to its Social Portfolio, provided by an independent external auditor.

The limited assurance report will be made available in the Green and Social Bond section of Belfius' website (https://www.belfius.be/about-us/en/investors/debt-issuance).

# Further information related to Eligibility Criteria

## Functioning of education system in Belgium

Education is mandatory in Belgium from the age of 5 years until the moment of becoming a legal adult (18 years)[1]. This means that during 13 years, every Belgian child has the obligation to study.

Article 24 of the Belgian Constitution allows every Belgian child the free accessibility to education until the end of the compulsory education[2]. Furthermore, Belgium has signed the Convention related to children's rights of 20 November 1989. Article 28 of this Convention recognizes the right of the children to benefit from education. One of the principles of this right is the free access to education. In Belgium, this free accessibility is granted from nursery school (aged around 2,5 years) to secondary school (aged from 12 years to 18 years). This means that, for nursery, primary and secondary education, no direct and/or indirect[3] tuition fees can be asked to register in a school (unless for private unsubsidized schools which are intended to be outside of the free accessibility system and are excluded from the Eligibility Criteria).

In Belgium, the education system is split into two different networks. These networks are built around an 'organizing power' which is in charge of the overarching functioning of the school (appointing directors, determining future investments and buildings development, financial management, staff management,...):

- An official network which depends on the public authority – communities, provinces or municipalities
- A free network which depends on the authority of private organizing powers usually constituted as an association without commercial purposes (ASBL/VZW)

In terms of financing, the education system is mainly financed by the three regional communities (Vlaamse Gemeenschap, Fédération Wallonie-Bruxelles and Deutschsprachige Gemeinschaft Belgiens). In addition, a part of the official network also receives financing from provinces and local municipalities.

High schools and universities are not free of charge. A student wishing to apply to a university will have to pay tuition fees. However, under certain conditions (low-income for example), the tuition fee can be reduced.

## Functioning of healthcare system in Belgium

The hospital sector in Belgium counts around 157,000 full-time equivalent (FTE), which makes it one of the biggest sectors in the Belgian economy. The sector can be divided into 4 categories[4]:

- General hospitals (107,788 FTE for 86 general hospitals and 43,580 authorized beds)[5]: receive patients day and night for a specialized medical help. To benefit from this status, the hospital has to offer at least 150 beds as well as a surgery and an internal medicine department[6]. In addition, general hospitals will also usually provide the following medical services: anesthesiology, radiology, basic clinical biology activities, functional rehabilitation and basic hospital pharmacy as well as the basic oncology care;
- University hospitals (32,000 FTE for 7 hospitals and 7,168 authorized beds)[7]: besides the services provided by the general hospitals, they play a key role in the training of doctors and nurses, and are actively involved in scientific research and in the development of new technologies;
- Mental hospitals (17,240 FTE for 51 hospitals and 14,963 authorized beds)[8]: offer treatments and care to people with severe mental disorders;
- Specialized hospitals: smaller hospitals which usually offer specific care to a specific target group.

The hospital sector is financed under 4 pillars in Belgium (the federal government, the mandatory healthcare insurance,

(1) Connaitre les principales caractéristiques du système éducatif (wallonie.be)
(2) LA CONSTITUTION BELGE (senate.be)
(3) A contribution can be asked for cultural and sport activities (swimming-pool,...), extracurricular activities (childcare,...) and learning materials (for secondary school)
(4) Organization and hospitals financing – Mutualité Chrétienne September 2013
(5) MAHA Analysis ("Model for Automatic Hospital Analysis) – Belfius Bank SA/NV
(6) Royal Decree of 30/01/1989
(7) MAHA Analysis ("Model for Automatic Hospital Analysis) – Belfius Bank SA/NV
(8) Blikvanger_Gezondheidszorg_GGZ_EN_v08.pdf (belgiqueenbonnesante.be)

the Communities & the Regions and to a lesser extent the patient itself)[1]. Following the implementation of the sixth State reform in 2014, the financing of the infrastructure itself is completely regionalized and is mainly done via subsidies of governments. Given the complex competences breakdown across federated entities, infrastructure financing is funded by 5 different entities (Vlaamse Gemeenschap, Fédération Wallonie-Bruxelles, Deutschsprachige Gemeinschaft Belgiens, Région Wallonne and Commission Communautaire commune pour la Région bruxelloise). The financing arrangements differ within entities (for example, the Brussels' system is still under construction). However these arrangements show some common principles such as the willingness to maintain budget sustainability under the European framework and the wish to empower hospitals in the calibration of their investment's projects.

In Belgium, the entire population is covered by a public system of mandatory healthcare insurance. The health insurance coverage measures the percentage of Belgian population which is affiliated to a mutuality. This percentage reaches 99% of the population (figures of 2017). The remaining 1% is not necessarily excluded from the healthcare system as these persons are usually covered by public centers for social welfare (CPAS/OCMW)[2]. In terms of percentage, the proportion of healthcare expenditures which are at the charge of the patient (and so not covered by the mandatory healthcare insurance) is below the EU-average, being at around 15% (individual contribution in percentage of the global healthcare expenditures - figures of 2017).

## Affordable housing

Affordable housing can be divided in two categories. On the one hand, public institutions (dependent of the regional governments) which grant social mortgage loans to low-income people. These social-mortgages institutions have the role to help low-income people (people for whom banking loans are not accessible, due to their financial situation) to acquire and/or refurbish their own house. They have procedures and rules in place in order to make sure their loans are really accessible to the lower-income category of the population. One of their missions is also to improve the overall quality of the Belgian housing stock by promoting energy efficiency works[3].

On the other hand, social housing companies (which are also dependent of the regional governments) have the following missions: manage and rent dwellings for precarious or low-income people; build dwellings to be sold or rent; buying and refurbishing dwellings before renting them; welcome, inform and accompany tenants[4]. As these institutions depend on regional authorities, their missions may be slightly different whether people live in Flanders, Wallonia or in Brussels. In Belgium, social housing is accessible to lone-person and low-income households[5].

## CPAS/OCMW

Every citizen who legally resides in Belgium has the right to social assistance and social integration provided by the Public Centre for Social Welfare ("PCSW"). The "Centre Public d'Action Sociale/Openbaar Centrum voor Maatschappelijk Welzijn" ("CPAS/OCMW") are public institutions with legal personality under public law. They provide social services ensuring the well-being of every citizen. Their activities include the distribution of financial assistance to the needy people , the operation of nursing homes and hospitals, etc. Examples of social services provided by the CPAS/OCMW include financial help, medical help, housing, legal advice, etc. The social assistance aims to ensure a minimum income for the entire population ("leefloon/revenu d'intégration"). There is one CPAS/OCMW per municipality, or 581 in total[6]. By law, the municipality is required to cover the deficits of the CPAS/OCMW. The fact that CPAS/OCMW is a separate institution from the municipality itself is historical, whereas in other countries such social services are often given by the municipalities themselves. Each municipality has, besides a municipal council, a separate CPAS/OCMW council appointed by the municipal council. In consequence, they are not directly elected except in very specific cases.

(1) Organization and hospitals financing – Mutualité Chrétienne September 2013
(2) Financial accessibililty - For a Healthy Belgium
(3) Social housing | Belgium.be
(4) Société Wallonne du Logement (swl.be)
(5) Social housing | Belgium.be
(6) The communes | Belgium.be

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