

BELFIUS INSURANCE S.A.

LEI : 549300J5UIRMVZOJBV45

**STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON
SUSTAINABILITY FACTORS**

VERSION 30th of JUNE 2025

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TABLE 1

1. Financial market participant

Belfius Insurance S.A. - whose LEI code is 549300J5UIRMVZOJBV45.

2. Summary

Belfius Insurance S.A. takes into consideration the main negative impacts, or Principal Adverse Impacts (PAIs), of its investment decisions on sustainability factors. This document is the consolidated statement of Belfius Insurance S.A. regarding these principal adverse impacts. It covers a reference period from January 1, 2024, to December 31, 2024.

The term "principal adverse impacts" comes from the European SFDR regulation (Sustainable Finance Disclosure Regulation). It refers to the most significant negative effects of investment decisions on sustainability factors, namely the environment, social and societal aspects, governance (such as anti-corruption efforts), and respect for human rights.

These "principal adverse impacts" are the impacts of investment decisions which result in negative effects on sustainability factors. These sustainability factors are any environmental, social or governance issues, respect for human rights and combating corruption.

This document constitutes the annual statement of Belfius Insurance regarding PAIs. It is important to note that our ability to report these PAIs depends on the availability of the related data. It is also important to note that insurance funds linked to investment funds (branch 23) are not part of this statement because these funds are managed by external fund managers, who are themselves subject to the same PAI reporting obligations..

The investment process of Belfius Insurance is conditioned by its role as an insurer in the financial sector. Belfius Insurance builds a financial reserve to meet its contractual obligations regarding the payment of capital, annuities, and indemnities to its clients. This reserve mainly consists of insurance premiums paid by the client (through non-life insurance, pension insurance, and life insurance policies). These premiums are invested in the economy and society, primarily in Belgium.

As part of these investments, we have developed an investment policy specific to Belfius Insurance, the basic principle of which is compliance with specific (international) standards and norms included in our ["Transition Acceleration Policy \(TAP\)"](#), which has been implemented since December 31, 2022. The [Transition Acceleration Policy \(TAP\)](#) provides for the exclusion of investments in certain controversial activities and includes ESG factors. The consideration of PAIs is therefore an integral part of our investment policy, as well as our engagement policy and proxy voting, as outlined in our 2024 [Engagement Report](#).

For more information on the ESG factors we apply within the Belfius Group, we refer you to the "Belfius in Society" section on our website.

3. Description of the principal adverse impacts on sustainability factors

Most ESG factors can be analyzed:

- On the one hand, from the perspective of their impact on the financial position of an investment in the broad sense, and on the other hand, from the perspective of the external impacts of a company's activities or the investment on ESG characteristics.

Belfius Insurance's responsible investment process reflects both of these perspectives.

The tables below list the PAIs monitored and assessed within Belfius Insurance when data related to these PAIs are available. These tables present, in their order of presentation, the mandatory PAIs (Table 1), and two optional ones (Tables 2 and 3), as they currently appear in the so-called "SFDR" regulation, and more specifically in the RTS (Regulatory Technical Standards) accompanying the SFDR Regulation that have been published to date.

Table 1 reproduces the mandatory framework found in the relevant RTS¹, supplemented by the PAIs used within Belfius Insurance and those that are not due to the lack of published data concerning them.

To make the following table easier to interpret, we would like to specify the following:

- We have added the coverage rate for each PAI. Since we only have data for part of the portfolio, we have indicated the proportion of our portfolio for which we have data.
 - In 2024, Belfius Insurance also calculated the percentage of the eligible portfolio, which illustrates the proportion of the portfolio held in securities for which the PAI in question is relevant.
1. The eligibility of a company PAI set at 39.35% is calculated as follows:
 - Denominator: sum of all gross values of the entire portfolio
 - Numerator: (funds × fund eligibility (provided by Morningstar) + sum of all gross values of companies + all gross values not associated with companies, sovereigns, or funds).
 2. The eligibility of a sovereign PAI set at approximately 70% is calculated as follows:
 - Denominator: sum of all gross values of the entire portfolio.
 - Numerator: (funds × fund eligibility for sovereigns (provided by Morningstar) + sum of all gross values of sovereigns + all gross values not associated with companies, sovereigns, or funds)
- The annual average values indicated below reflect the average of the holdings as of March 31, June 30, September 30, and December 31 of each period multiplied by the PAI values as of December 31, 2024.
 - We have added two optional PAIs indicated in Tables 2 and 3.
 - In Table 2, we have added PAI 4 relating to investments in companies that have not taken initiatives to reduce their carbon emissions. We indeed modified the investment risk framework in November 2023. It now requires the investment team to invest in publicly traded companies that have a decarbonization strategy. This PAI reflects our commitment to reducing the footprint of all our financing activities.
 - Finally, in Table 3, we have selected PAI 15 relating to the absence of a policy to combat corruption and corrupt acts in view of its relevance to our internal process and our external commitment to respect the principles of the United Nations Global Compact.
 - These two PAIs were selected in light of our [Transition Acceleration Policy \(TAP\)](#).

¹ COMMISSION DELEGATED REGULATION (EU) 2023/363 of 31 October 2022 amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288

Applicable indicators for investments in companies

Adverse sustainability indicator	Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	55.241,64	72.270,56	49.677,56	Absolute result in tonnes % coverage of the portfolio: 19% (2022) 23% (2023) 41,67% (2024) % Eligibility: 39,35% (2024)	Transition Acceleration Policy – Exclusion Belfius Insurance and the entire Belfius Group have taken various measures to reduce PAIs, particularly in terms of climate, and this across the entire value chain. Since 2021, in a progressive manner and fully by December 31, 2022, Belfius Insurance has implemented the Transition Acceleration Policy (TAP) , which excludes controversial activities from its investments and includes ESG factors in its investments in accordance with the principles and criteria set out in this policy. The main elements of this policy related to GHG are as follows: -Thermal coal: In light of efforts to limit global warming to the Paris Agreement target, coal assets are the most at risk of becoming non-investable assets. The latest IPCC reports indicate that global emissions from coal combustion need to be reduced by more than 80% by 2030. The recent International Energy Agency (IEA) report titled "Net Zero by 2050" also confirmed that no new coal-fired power plants or coal mines should be developed, and no new coal-fired power plants should be built if the world is to stay within manageable limits of global warming and achieve the net-zero emissions target by 2050. Consequently, in 2023, Belfius excluded all companies that derive at least 10% of their revenue from thermal coal extraction, as well as companies with expansion projects related to this industry. Since August 2024, Belfius has gone even further and excluded from its investments all coal extraction companies, as well as all companies with expansion projects in coal extraction or coal-based electricity production (threshold of 0%). For 2025, the same approach will be applied. The extraction of unconventional oil and gas poses unacceptable risks to the environment, climate, and society. By financing these industries, investments in renewable and transitional energy sources are delayed—an essential shift to make Europe's carbon neutrality ambition a reality. In 2023, Belfius had already excluded all companies that derive at least 10% of their revenue from the extraction of unconventional oil and gas, as well as companies with expansion projects related to this industry. In 2024, Belfius completely excluded any company active in the extraction of unconventional oil and gas (shale gas, shale oil, oil sands, Arctic drilling, deepwater drilling, extra-heavy oil, and coalbed methane) (threshold of 0%). This exclusion is also applied in 2025. - Conventional oil and gas extraction: While gas is set to play a role in the transition to a low-carbon economy, companies extracting conventional oil and gas must nevertheless reduce their energy emissions in line with international climate goals. This is necessary, on the one hand, for them to have a place in a socially responsible portfolio and, on the other hand, to operate—at least partially—a transition towards renewable energy production. In 2023, Belfius excluded all companies active in the
		Scope 2 GHG emissions	24.127,56	27.016,19	21.433,97	Absolute result in tonnes % coverage of the portfolio: 19% (2022) 23% (2023) 41,67% (2024) % Eligibility: 39,35% (2024)	
		Scope 3 GHG emissions	1.008.029,44	306.066,69	214.966,47	Absolute result in tonnes % coverage of the portfolio: 19% (2022) 23% (2023) 39,57% (2024) % Eligibility: 39,35% (2024)	
		Total GHG emissions	1.086.323,79	634.208,42	416.670,34	Absolute result in tonnes % coverage of the portfolio: 49% (2022) 52% (2023) 39,57% (2024) % Eligibility: 39,35% (2024)	
	2. Carbon footprint	Carbon footprint	609,16	97,30	59,87	Carbon footprint 1, 2 and 3 expressed in millions of EUR % portfolio coverage: 49% (2022) 52% (2023) 39.57% (2024) % Eligibility: 39,35% (2024)	
		GHG intensity of investee companies	969,96	257,89	207,40	Average PAI value for level 1, 2 and 3 GHG intensity expressed in tonnes of CO2 per million of revenue % portfolio coverage: 30% (2022) 23% (2023) 41,29% (2024)	
	3. GHG intensity of investee companies (of Belfius Insurance)						

						% Eligibility: 39,35% (2024)	conventional oil and gas extraction sector that derive less than 40% of their revenue from natural gas or renewable energy sources.. Since 2024, in accordance with the Transition Acceleration Policy (TAP) , Belfius has excluded all companies active in the conventional oil and gas extraction sector if they do not meet the following cumulative conditions:
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4,94%	7,30%	3,39%	Percentage investments in companies in the fossil fuel sector. % portfolio coverage: 16% (2022) 17% (2023) 44,20% (2024) % Eligibility: 39,35% (2024)	-The company's capex for activities related to renewable energies must be greater than 20%. -The company has no expansion or exploration plans related to fossil fuels. - Electricity production Belfius sets specific criteria for companies active in electricity production, ensuring a transition to more renewable energy sources. The exclusion of companies active in electricity production is based on specific measures and focuses on the energy mix and the company's transition path. The "carbon intensity" (expressed in gCO2/kWh) of these companies must be below a certain threshold (Paris Agreement). This threshold is gradually lowered. In 2023, the applied threshold was 393 gCO2/kWh, and it was stipulated that in cases where the "carbon intensity" was not available, companies were excluded if: at least 10% of their production relied on coal, or at least 30% of their production relied on oil or gas, or if 30% or more of their production relied on nuclear energy. In 2024, the applied threshold is further lowered to 312 gCO2/kWh. Additionally, if the "carbon intensity" is not available, companies are excluded if: at least 5% of their production relies on coal, or at least 20% of their production relies on oil or gas.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	62,31%	65,43%	69,18%	Percentage of non-renewable energy consumption by companies receiving our investments % portfolio coverage: 9% (2022) 11% (2023) 31,21% (2024) % Eligibility: 39,35% (2024)	The current version of the Transition Acceleration Policy (TAP) states that the applicable threshold has been lowered to 346 gCO2/kWh for the fiscal year 2023, 312 gCO2/kWh for the fiscal year 2024, and 279 gCO2/kWh for the fiscal year 2025. Evolution: Within PAI groups 1 to 5: We observe an annual increase since 2022 in Scope 3-GHG emissions in Belfius Insurance's investment portfolio. Between 2023 and 2024, this increase is even considerable. This is explained by investments in a small group of issuers with high Scope 3-GHG emission figures. The increase in this figure in 2024 is also largely explained by the fact that companies are increasingly committing to the accuracy of their figures. The increase in Scope 3-GHG emissions also results in the carbon footprint (group 2) increasing in our investment portfolio since 2022. We note that Scope 1-GHG emissions decreased in 2024, whereas we observed an increase in 2023 compared to 2022 with a roughly similar coverage percentage. Regarding Scope 2-GHG emissions, we observe that the trend remains stable since 2022,
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	16,61%	12,84%	11,27%	Percentage of non-renewable energy production by companies receiving our investments % portfolio coverage: 4% (2022) 5% (2023) 14.68% (2024) % Eligibility: 14,68% (2024)	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE A	0,00	0,00	0,00	GWh per million of revenue in EUR % portfolio coverage: 13% (2022) 15% (2023) 0.00% (2024)	

		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE B	0,00	0,00	0,00	GWh per million of revenue in EUR % portfolio coverage: 13% (2022) 15% (2023) 0,53% (2024) ² % Eligibility: 39,35% (2024)	although the coverage percentage has also increased. For Scope 1-GHG and Scope 2-GHG, it is difficult to draw conclusions given that the data provided by the external data provider (Sustainalytics) can vary from year to year. For groups 3, 4 & 5, we also see that the coverage percentage improves each year. For group 3, as Scope 3-GHG increases, we also observe an increase in intensity since 2022. The results for groups 4 and 5 are in line with previous years' findings, showing a downward trend. It should be mentioned that this year, when calculating the coverage percentage, Direct Property investments were removed from the calculation of the total value of Belfius Insurance's investment portfolio compared to the years 2022 and 2023. This decision was made because there are no PAIs available for Direct Property. Consequently, we have a denominator effect that improves the coverage percentage for 2024, as the percentage is calculated on a lower total value of the investment portfolio compared to 2022 and 2023. For most sectors with high climate impacts (group 6), the evolution of energy consumption has remained status quo since 2022. It should again be noted, as in 2022 and 2023, that for 2024, the low coverage percentage makes it very difficult to explain the evolution. We anticipate that the coverage percentage for PAI group 6 will remain status quo in the coming years, as Belfius Insurance does not invest in sectors that cause negative climate impacts. The continued application of the Transition Acceleration Policy (TAP) is planned, knowing that it could be subject to modifications to better adapt to the company's strategy.
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE C	0,11	0,11	0,08	GWh per million of revenue in EUR % portfolio coverage: 13% (2022) 15% (2023) 2,49% (2024) % Eligibility: 39,35% (2024)	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE D	0,16	0,18	0,20	GWh per million of revenue in EUR % portfolio coverage: 13% (2022) 15% (2023) 12,82% (2024) % Eligibility: 39,35% (2024)	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE E	0,00	0,00	0,00	GWh per million of revenue in EUR % portfolio coverage: 13% (2022) 15% (2023) 0.08% (2024) % Eligibility: 39,35% (2024)	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE F	0,02	0,05	0,07	GWh per million of revenue in EUR % portfolio coverage: 14% (2022) 15% (2023) 3,60% (2024) % Eligibility: 39,35% (2024)	

² In 2023 and 2024, the coverage percentages were grouped for NACE A to NACE L (see the same percentages for each NACE in 2022 and 2023. In 2024, each NACE was assigned a specific percentage corresponding to it, which implies that some previously uncovered are now at 0.00% coverage.

		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE G	0,01	0,01	0,02	GWh per million of revenue in EUR % portfolio coverage: 13% (2022) 15% (2023) 0,70% (2024) % Eligibility: 39,35% (2024)	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE H	0,00	0,00	0,00	GWh per million of revenue in EUR % portfolio coverage: 13% (2022) 15% (2023) 0,00% (2024) % Eligibility: 39,35% (2024)	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector - NACE L	0,00	0,00	0,00	GWh per million of revenue in EUR % portfolio coverage: 13% (2022) 15% (2023) 0,00% (2024) % Eligibility: 39,35% (2024)	

Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	2,14%	4,81%		4,12%	Percentage of our investments % portfolio coverage: 16% (2022) 17% (2023) 44,20% (2024) % Eligibility: 39,35% (2024)	<p>Transition Acceleration Policy – Exclusion</p> <p>Since 2021, in a progressive manner and fully by December 31, 2022, Belfius Insurance has implemented the Transition Acceleration Policy (TAP), which excludes controversial activities from its investments and includes ESG factors in its investments in accordance with the principles and criteria set out in this Transition Acceleration Policy (TAP).</p> <p>The main elements of the Transition Acceleration Policy (TAP) regarding biodiversity are as follows:</p> <ul style="list-style-type: none"> • Mining can have irreversible effects on the environment and local populations, leading to serious human rights violations and irreparable damage to nature. <p>For all activities in 2024 and 2025: Mining operations are excluded unless they have an adequate policy to control and limit their negative impact on the environment, living and/or working conditions in mining areas, ecosystems, climate, and governance risks. Their policy must be based on the United Nations Guiding Principles (UNGP) on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. "3TG" companies must comply with the European regulation on conflict minerals, which came into effect on January 1, 2021.</p> <ul style="list-style-type: none"> • Without appropriate safeguards, palm oil cultivation is one of the main causes of deforestation and, consequently, a significant threat to biodiversity. The production process also releases enormous amounts of carbon emissions into the air, releasing 61% of the carbon stored in forests cleared for palm plantations. Palm oil production is also seriously associated with child labor and corruption. <p>For all activities in 2024 and 2025: Belfius is only willing to finance/insure activities in this sector if the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) are respected.</p> <p>Evolution:</p> <p>The percentage of investments in activities with negative effects on biodiversity-sensitive areas has decreased, while the coverage percentage has significantly increased.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,004	0,000		0,190	Emissions per tonnes of water per million EUR % portfolio coverage: 2% (2022) 0.1% (2023) 0,38% (2024) % Eligibility: 39,35% (2024)	<p>We refer to our 2024 Engagement Report (which includes our engagement and proxy voting policy) to positively influence ESG elements. In this regard, please consult the tables on pages 16 and 17 of this Report. Continued engagement with individual companies or external partners, to whom we delegate asset management, aims to push for the reduction of negative impacts on ecological, social, and governance aspects, monitored through key performance indicators.</p> <p>Evolution:</p> <p>Emissions to water also declined, but the percentage of the portfolio covered is very low and not representative due to a lack of data</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0,63	0,73		1,76	Tonnes of dangerous waste per million EUR % portfolio coverage: 7% (2022) 15% (2023) 39,45% (2024) % Eligibility: 39,35% (2024)	<p>We refer to our 2024 Engagement Report (which includes our engagement and proxy voting policy) to positively influence ESG elements. In this regard, please consult the tables on pages 16 and 17 of this Report. Continued engagement with individual companies or external partners, to whom we delegate asset management, aims to push for the reduction of negative impacts on ecological, social, and governance aspects, monitored through key performance indicators</p> <p>Evolution:</p> <p>Compared to 2022, the amount of hazardous and radioactive waste has further decreased in 2024. We plan to maintain the same approach for 2025. The portfolio coverage percentage is also significantly higher in 2024 (39.45%)</p>

							compared to 2023. This represents a strong improvement over 2022, where we only had a coverage percentage of 7%..
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Indicators for social and employee, respect for Human Rights, anti-corruption and anti-bribery matters

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development(OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	2,88%	2,15%	2,75%	<p>Percentage of our investments</p> <p>% portfolio coverage: 16% (2022) 17% (2023) 44,20 (2024)</p> <p>% Eligibility: 39,35% (2024)</p>	<p>Since 2021, in a progressive manner and fully by December 31, 2022, Belfius Insurance has implemented the Transition Acceleration Policy (TAP), which excludes controversial activities from its investments and includes ESG factors in its investments in accordance with the principles and criteria set out in this Transition Acceleration Policy (TAP). The Transition Acceleration Policy (TAP) (2024 and 2025 version) excludes investments in any company that has violated the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. If, after investment, it turns out that one of the companies in which Belfius has invested no longer complies with these principles, Belfius then enters, along with its partners, into a process of dialogue and engagement</p> <p>Evolution:</p> <p>Over the past three years, we have not observed significant fluctuations in the percentage of investments in companies that violate the principles of the Global Compact or the OECD, while the coverage percentage has significantly increased since 2022. Engagement and dialogue with such companies are crucial..</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	40,97%	45,34%	51,75%	<p>Percentage of our investments</p> <p>% portfolio coverage: 1% (2022) 16% (2023) 43,73% (2024)</p> <p>% Eligibility: 39,35% (2024)</p>	<p>We refer to our 2024 Engagement Report (which includes our engagement and proxy voting policy) to positively influence ESG elements. In this regard, please consult the tables on pages 16 and 17 of this Report. Continued engagement with individual companies or external partners, to whom we delegate asset management, aims to push for the reduction of negative impacts on ecological, social, and governance aspects, monitored through key performance indicators.</p> <p>Evolution:</p> <p>We observe a slight decrease despite a much higher coverage percentage. We will continue to monitor this, also in 2025, through our engagement and proxy voting policy as outlined in our 2024 Engagement Report.</p>

	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	32,91%	14,91%	7,24%	<p>Difference between the average gross hourly compensation for men and women employees expressed as a percentage in relation to the average gross hourly compensation for men</p> <p>% portfolio coverage: 0.3% (2022) 0.2% (2023) 0,07% (2024)</p> <p>% Eligibility: 39,35% (2024)</p>	<p>Equality of opportunities and remuneration regardless of gender is a fundamental element of our strategy. We refer to our 2024 Engagement Report (which includes our engagement and proxy voting policy) to positively influence ESG elements. In this regard, please consult the tables on pages 16 and 17 of this Report. Continued engagement with individual companies or external partners, to whom we delegate asset management, aims to push for the reduction of negative impacts on ecological, social, and governance aspects, monitored through key performance indicators.</p> <p>Evolution:</p>
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	39,54%	38,52%	37,40%	<p>Percentage of female Board of Directors members in relation to the total</p> <p>% portfolio coverage: 12% (2022) 14% (2023) 37,12% (2024)</p> <p>% Eligibility: 39,35% (2024)</p>	<p>The reported figure for the unadjusted average gender pay gap shows a significant increase in 2024 compared to 2023. Since 2022, we have observed that this figure has tripled. However, it is difficult to draw conclusions as the coverage percentage remains low: thus, a minor change in the percentage of the covered portfolio can lead to significant variations in the reported figures.</p> <p>Regarding the average women-to-men ratio in governance bodies, we note that this figure has only increased slowly over the past few years, despite a growing coverage rate. This may indicate that women still face difficulties accessing leadership positions on boards of directors compared to men.</p> <p>We will continue to monitor this, including in 2025, through our engagement policy and proxy voting as outlined in our 2024 Engagement Report</p> <p>.</p>
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,02%	0,00%	0,02%	<p>Percentage of our investments</p> <p>% portfolio coverage: 16% (2022) 17% (2023) 44,20% (2024)</p> <p>% Eligibility: 39,35% (2024)</p>	<p>Since 2021, in a progressive manner and fully by December 31, 2022, Belfius Insurance has implemented the Transition Acceleration Policy (TAP), which excludes controversial activities from its investments and includes ESG factors in its investments in accordance with the principles and criteria set out in this Transition Acceleration Policy (TAP).</p> <p>Exposure to controversial weapons is an integral part of our Transition Acceleration Policy (TAP). While weapons may be necessary for peacekeeping purposes or to enable law enforcement to protect the population, their ultimate purpose of destroying or threatening human life is contrary to the most fundamental human rights.</p> <p>In 2024, the Transition Acceleration Policy (TAP) stipulated that companies deriving more than 10% of their total revenue from activities related to conventional weapons were excluded. Due to geopolitical tensions, the Transition Acceleration Policy (TAP) has been adjusted in 2025 regarding investments in conventional weapons.</p> <p>Belfius now allows investments in companies headquartered in a NATO country and whose revenues come from the development, maintenance, or production of conventional weapons and/or nuclear weapons.</p> <p>However, Belfius excludes companies that:</p> <ul style="list-style-type: none"> • Are based in non-NATO countries and derive more than 10% of their revenue from the development, maintenance, or production of conventional weapons, or are involved in the development, maintenance, or production of nuclear weapons. • Participate in the development, maintenance, or production of controversial weapons, both within and outside NATO.

							<p><u>Evolution:</u></p> <p>The indicator related to exposure to controversial weapons remained stable between 2023 and 2024. This reflects the strict application of Belfius Insurance's exclusion policy, which prohibits investments in companies involved in controversial weapons. We have a coverage of 0.02%, but this is related to an investment in a company in a NATO country that is involved in the production of nuclear weapons. Data coverage has improved, increasing from 16% to 44.20%, which confirms the reliability of the reported figures and the continued adherence to this principle by the portfolio.</p>
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Indicators applicable to investments in sovereigns and supranationals

Environmental	15. GHG intensity	GHG intensity of investee countries	0,20	0,16	0,16	<p>GHG intensity of sovereign investments</p> <p>% portfolio coverage: 57% (2022) 57% (2023) 67,48% (2024)</p> <p>% Eligibility: 70,33% (2024)</p>	<p>Belfius Insurance's Transition Acceleration Policy (TAP) currently does not use the GHG intensity of investment countries as a criterion for sovereign investment decisions. This situation will remain unchanged in 2025.</p> <p>Evolution:</p> <p>The GHG intensity of the countries in which investments were made saw a slight increase between 2022 and 2024, while the coverage percentage slightly increased.</p>
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0,00	0,00	0,00	<p>Number of portfolio countries that have violated international social standards</p> <p>% portfolio coverage: 53% (2022) 53% (2023) 34,13% (2024)</p> <p>% Eligibility: 72,60% (2024)</p>	<p>Since 2021, in a progressive manner and fully by December 31, 2022, Belfius Insurance has implemented the Transition Acceleration Policy (TAP), which excludes controversial activities from its investments and includes ESG factors in its investments in accordance with the principles and criteria set out in this Transition Acceleration Policy (TAP).</p> <p>In accordance with the Transition Acceleration Policy (TAP), Belfius Insurance did not invest in countries where social standards were violated in 2024, which confirms the figures. The same applies for 2025.</p>
Indicators applicable to investments in real estate assets							
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0	0	0	-	Belfius Insurance has no exposure to buildings used for the extraction, storage, transport, or production of fossil fuels.
Energy efficiency	18. Exposures to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	No result	No result	No result	Percentage of the property portfolio not aligned with the Paris Agreements	An internal study launched in 2023 by our Direct Property team is currently being conducted regarding energy efficiency. It aims to assess our various buildings and determine the work to be carried out to align with the Paris Agreements.

TABLE 2

Additional climate and other environmental-related indicators

Indicators applicable to investments in investee companies
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	23,31%	0	not calculated in 2022	<p>% of companies in portfolio Lacking Carbon Reduction Policy</p> <p>% of Portfolio covered: 16% (2023) 43,91% (2024)</p> <p>% Eligibility: 39,35% (2024)</p>	<p>Engagement & proxy voting</p> <p>The 2024 Engagement Report following the rules of Belfius' Transition Acceleration Policy (TAP), has progressively favoured, since 2021 and fully by December 31, 2022, the selection of companies receiving investments that are not part of traditional high-carbon industries related to energy. In accordance with the Transition Acceleration Policy (TAP), (2024 and 2025 version), companies receiving investments are encouraged, through our engagement and proxy voting policy as outlined in the 2024 Engagement Report, to implement carbon emission reduction initiatives. Belfius Asset Management plans to make its transition criteria even more ambitious in the next version of its Transition Acceleration Policy (TAP).</p> <p>Monitoring</p> <p>Belfius Asset Management monitors its positioning regarding identified PAIs using its data management system, which captures this data for the financial instruments in its portfolio.</p> <p>Evolution:</p> <p>No calculation was performed in 2022. In 2023, with a coverage of 16%, the result was 0. For 2024, we optimized the information collection, which generated a higher figure compared to previous years. For 2025, we will continue to optimize the information collection regarding this PAI 4.</p>

TABLE 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Indicators applicable to investments in investee companies

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Anti - corruption and anti-bribery policies	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0	0	not calculated in 2022	<p>%of investments</p> <p>% of Portfolio covered: 16% (2023) 43,75% (2024)</p> <p>% Eligibility: 39,35% (2024)</p>	<p>Engagement & proxy voting: The 2024 Engagement Report, following the rules of Belfius' Transition Acceleration Policy (TAP), has progressively favoured, since 2021 and fully by December 31, 2022, the selection of companies receiving investments that are not part of traditional high-carbon industries related to energy. In accordance with the Transition Acceleration Policy (TAP), (2024 and 2025 version), companies receiving investments are encouraged, through our engagement and proxy voting policy as outlined in the 2024 Engagement Report, to implement carbon emission reduction initiatives. Belfius Asset Management plans to make its transition criteria even more ambitious in the next version of its Transition Acceleration Policy (TAP).</p> <p>Monitoring Belfius Asset Management monitors its positioning regarding identified PAIs using its data management system, which captures this data for the financial instruments in its portfolio.</p> <p>Evolution:</p> <p>No calculation was performed in 2022. In 2024, compared to 2023, we observe an increase in coverage and more complete data collection. This allows us to confirm that none of our investments lack a policy to combat corruption and corrupt acts. The same policy will be followed in 2025</p>

4. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The Belfius Group aims to create long-term value responsibly while aspiring to be inspiring for Belgian society in a credible manner. A significant part of this ambition is to reduce the negative impact of our investments by using our influence as an investor to change the behavior of companies and countries in which we invest, or by ceasing or limiting our investments in non-sustainable activities.

Belfius Insurance uses the sectoral exclusions provided in the afore mentioned [Transition Acceleration Policy \(TAP\)](#) to identify and manage the principal adverse impacts of its investments. Through the TAP, we have identified 8 controversial or sensitive sectors that can significantly harm the environment or society. Objective exclusion criteria have been defined for each of the identified sectors (Tobacco, Gambling, Armaments, Energy, Mining, Palm Oil, Soy, Agricultural Products). These sectoral exclusions constitute the starting point of our investment process.

These principal adverse impacts leading to this exclusion policy were identified by considering relevant laws (such as the Mahoux Law, relating to various types of controversial weapons), international standards for sustainable development (such as the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises), international best practices, contributions from experts, and dialogues with our stakeholders. Additionally, Belfius's sustainability strategy is an important factor in defining the negative impacts we aim to mitigate, for which the Sustainable Development Goals (SDGs) have been an essential contribution.

While all identified principal adverse impacts must be considered in a consistent and rigorous manner, we prioritize adverse impacts related to violations of the principles of the United Nations Global Compact, countries receiving investments subject to social violations, exposure to controversial weapons, climate change (particularly greenhouse gas emissions), and gender diversity within the board of directors. Indeed, since 2019, we have committed to both gender equality and climate action. These commitments stem from:

- On the one hand, our own convictions established with various stakeholders (scientists, representatives of the concerned sectors) such as the definition of our vision on Belgium's energy needs, established and validated by the Board of Directors in August 2022.
- On the other hand, our double materiality assessment exercise, which allows us to identify both the environmental and social risks that would impact Belfius Insurance, and the impact that Belfius Insurance's activities can have on the environment and society

These factors can and must evolve over time in accordance with the available data and our knowledge of the different environmental and social themes. We collect this data from data providers, mainly Sustainalytics, Morningstar and Bloomberg. This data is currently incomplete.

These elements are reflected not only in the [Transition Acceleration Policy \(TAP\)](#) but also in our Investment Risk Framework and our 2024 [Engagement Report](#) to contribute to a fairer and more responsible world.

In practice, Belfius Insurance relies on:

- Data published by companies, on the one hand; and
- Data from external ESG data providers, on the other hand.

PAIs are generally identified and assessed using ESG factors such as greenhouse gas emissions or respect for human and labor rights. However, this ESG factor data is not widely available for certain asset classes like unlisted assets.

The engagement policy follows the [Transition Acceleration Policy \(TAP\)](#). Engagement with companies continues as long as the [Transition Acceleration Policy \(TAP\)](#) is respected. In case of non-compliance, they are removed from the portfolio.

After collecting this data, the investment department conducts an internal analysis and verifies, in collaboration with our partner Belfius Asset Management, the compliance of these companies with the criteria of the [Transition Acceleration Policy \(TAP\)](#). Any new investment will also be submitted to the Asset & Liability Committee (ALCo) of Belfius Insurance.

If, however, an investment subsequently shows a deviation from the criteria of the [Transition Acceleration Policy \(TAP\)](#), the Sustainable Investment Desk of Belfius will engage in dialogue to mitigate the risk. If this committee deems, after interaction, that the company violates our [Transition Acceleration Policy \(TAP\)](#), the company in which we had invested will be excluded from our portfolio and our investment universe.

Concretely, for an existing holding, if it turns out that, after acquiring it, the company in which we have taken this holding potentially has a negative impact on the portfolio of Belfius Insurance, the file will be submitted to the Sustainable Investment Desk and ultimately to the ALCO committee, which will be responsible for ruling on problematic cases. If measures need to be taken in light of our ESG policy, the Sustainable Investment Desk, at the request of the Investment team, will initiate a dialogue process with the company to minimize the sustainability risk.

The concerned company is then given a "watch list" status for the duration of the dialogue process and the verifications undertaken about it. Then, after investigation and dialogue, the Sustainable Investment Desk will decide whether the investment can be maintained and to what extent divestment is necessary. Companies in the portfolio are subject to continuous monitoring and, at least once a year, a follow-up is conducted based on available data and with the help of our partner Belfius Asset Management. Each year, Belfius Insurance also asks an independent auditor to verify that the investment portfolio has been managed in accordance with the [Transition Acceleration Policy \(TAP\)](#) of the Belfius Group and to attest to this control.

As every year since 2020, we have published, for 2024, our [Engagement Report](#) regarding the monitoring of held companies on issues of strategy, financial and non-financial performance, social impact, environmental impact, and corporate governance. For more information, you can consult our Investment Risk Framework (IRF), the policy for integrating sustainability risks into our investment process, as well as the 2024 [Engagement Report](#) under the section "Belfius in Society / Responsible Bancassurer."

REMINDER OF THE DIFFERENT POLICIES IN FORCE INCLUDED BELOW:

TRANSITION ACCELERATION POLICY	JANUARY 2025	BELFIUS BANK AND BELFIUS INSURANCE MANAGEMENT BOARDS
ENGAGEMENT REPORT 2024	February 2025	BELFIUS INSURANCE MANAGEMENT BOARD
POLICY FOR INTEGRATING SUSTAINABILITY RISKS INTO THE INVESTMENT PROCESS	June 2025	BELFIUS INSURANCE MANAGEMENT BOARD
INVESTMENT RISK FRAMEWORK	NOVEMBER 2024	BELFIUS INSURANCE ASSET & LIABILITY COMMITTEE

Belfius' Transition Acceleration Policy (TAP) ([Link](#)) With this policy, Belfius aims to encourage and support companies in their transition towards more sustainable activities. While supporting this transition, Belfius also intends, through the TAP, to reduce the negative impact of its activities by ceasing or limiting its support for non-sustainable activities. The policy is based on the 10 Principles of the United Nations Global Compact and includes restrictions on sensitive sectors and areas of activity, more specifically tobacco, gambling, weapons, fossil fuels, mining, palm oil, soy, and agricultural products.

2024 [Engagement Report \(Link\)](#) Belfius Insurance's engagement policy describes our approach to engagement and voting, also known as active shareholding. This policy is a sub-policy of Belfius Insurance's responsible investment policy. The Proxy Voting Policy describes the general principles that Belfius Insurance uses when voting at the General Assembly of companies in which it is a direct shareholder.

Policy for Integrating Sustainability Risks into the Investment Process ([Link](#)) The objective of the policy is to provide a framework for the implementation, governance, and execution of responsible investments within Belfius Insurance. The policy details its scope and governance and describes Belfius Insurance's general approach to responsible investment, its various methods and requirements, as well as its management of sustainability risks.

Investment Risk Framework ([Link](#)) This policy aims to define an Investment Risk Framework (IRF) for all types of assets held by Belfius Insurance. The objective of this policy is to ensure that investment activities are in line with Belins' risk appetite. Therefore, the risk appetite indicator limits are broken down into operational limits, which are included in the IRF. The IRF contains detailed operational limits and rules defined by type of instrument, in terms of concentration, price volatility, liquidity, credit quality, etc. This IRF falls under the responsibility of Risk Management (Risk) and must be aligned with the company's risk appetite. All investments must comply with the Belfius Group's limits. Compliance with the IRF (use of limits and limit breaches) is reported monthly to the ALCo. If limits are exceeded and Investments cannot plan a return of positions within the approved limits at an acceptable cost, the action plan is decided by consensus within the ALCo (cf. ALM policy).

5. Engagement policies

Belfius Insurance carries out various engagement activities within the companies in which it has a stake in order to support and improve the ESG practices of those companies.

The tools used actively to advocate our Engagement policy within these companies include :

- 1) **Voting and participating** in annual general meetings (AGM) in companies in which we have significant shareholdings as defined in our [engagement report](#).
- 2) The **direct engagement** with companies and the lodging of written shareholder resolutions, as a as a shareholder in various companies,
- 3) **Proxy voting** (the exercise of our voting rights by a proxy according to our instructions) for the small participations held in the portfolio companies. In this respect, Belfius Insurance has entered into an agreement which under certain conditions delegates to Candriam the power to represent us and exercise our voting rights according to our instructions in the meetings held by the companies in which we keep those holdings in our investment portfolio.

Through these tools, Belfius Insurance ensures that companies commit to major ESG themes: respect for the environment, social issues, and good governance

Our engagement policy follows the [Transition Acceleration Policy \(TAP\)](#). Engagement with companies continues and does not change as long as the [Transition Acceleration Policy \(TAP\)](#) is respected. In case of non-compliance with our [Transition Acceleration Policy \(TAP\)](#), companies are removed from the portfolio.

Belfius Insurance's engagements generally address issues related to one of the main focus areas identified in the Belfius Insurance ESG strategy :

- Environment
- Working standards
- Quality corporate governance

This Belfius Insurance engagement policy is reviewed annually to identify any necessary updates (regulations and investment practices).

6. References to international standards

The application of Belfius Insurance's PAI is based on the United Nations Sustainable Development Goals (SDG) and the relevant international conventions and standards.

The Belfius Group is a signatory to the following texts:

At an international level:

- The United Nations Global Compact (UNCG))
- United Nations Environment Programme Sustainable Insurance Principles (UNEP FI PSI)
- United Nations Environment Programme Principles for Responsible Banking (UNEP FI PRB)
- United Nations Principles for Responsible Investment (UN PRI) - The Climate Change Financial Reporting Working Group

At a Belgian level :

- The Women in Finance Charter
- The Institute for Sustainable IT Charter (ISIT-BE)

On this subject, cf. the link to the Belfius web site:

- [Norms and standards](#)
- [Our sustainability report 2024](#)

Our commitment to apply the principles of a sustainable company:

Our six commitments for 2025-2030 set out concrete ambitions in the transition to a more sustainable society (on these commitments, see our annual report 2024 on p.213).

Lastly, the sustainable finance action plan provides for measuring the alignment of our assets with European taxonomy. The Belfius Insurance Green Asset Ratio (GAR) is also available in our sustainability report 2024 (p398) .

Currently, no forward-looking climate scenario is used by Belfius Insurance

7. Historical comparison

In table 1, 2 and 3 in attachment to the present Statement , we specified the historical evolution of the different Principal Adverse Impact.

Compared with 2022, we noticed a light improvement in terms of data available from our investees. It lead into an increase mainly in absolute value of the Green House Gas emissions of our investees (mainly in scope 3 – i.e. emissions emitted from their value change).

Nonetheless, the overall coverage ratio is too low to lead to consistent conclusions on their evolution.

The above information is published as at 30 June 2025 and may be updated or adapted to take account of future regulatory requirements directly or indirectly related to the implementation of the SFDR and the regulatory technical standards resulting from the accompanying European or national regulations.
