



Transition Acceleration Policy (TAP)

ESG sector criteria applied to Belfius' activities

1. A GROUPWIDE COMMITMENT TO SOCIETY

Belfius aims to encourage and support businesses in their pursuit of sustainable activities. In this context, this policy will act as a lever to increase our positive impact, both on the economy and on our planet and society. At the same time, through this policy, Belfius is building in safeguards and guarantees by ceasing its support for non-sustainable activities or making such support subject to strict conditions, thereby limiting or, ideally, preventing the potentially negative effects of its activities.

This TAP is based on the 10 Principles of the UN Global Compact. Based on a thorough analysis, Belfius¹ assesses activities in sensitive sectors and business areas so as to be able to ascertain whether they are in line with internal environmental (E), social (S) and corporate governance (G) criteria.

2. TAP PRINCIPLES

2.1. Supporting transition

Through the TAP Belfius wants to encourage and support businesses in their shift towards more sustainable activities. In this way, the Belfius TAP requirements will serve as a lever to increase our positive impact on people and society, as well as on the economy.

2.2. Limiting adverse impacts

Besides supporting transition, Belfius also intends, by means of this TAP, to reduce the negative impact of its activities by discontinuing or limiting its support of non-sustainable activities.

2.3. An iterative process

- > The TAP will be developed further over time, according to regulatory developments, technological breakthroughs, sectoral reorientation, evolving stakeholder expectations, etc.
- > For some sectors (gambling, weapons and energy) thresholds have been set. These thresholds will be revised over time (see section 5.3.).

¹ The TAP will be implemented by Belfius Bank NV/SA, limited liability company incorporated under Belgian law, with registered seat at B-1210 Brussel, Karel Rogierplein 11, registered in the Crossroads Bank of Enterprises under number 0403.201.185, FSMA nr. 19649 A, RLE Brussels (hereinafter "Belfius Bank") and all companies (vennootschappen / des sociétés) under the control of Belfius Bank NV/SA (hereinafter the "Belfius Group").

In relation to the companies in which any company of the Belfius Group has a minority participation or with the companies who entered into a partnership or shareholders' agreement with any company of the Belfius Group, any company belonging to the Belfius Group will undertake best efforts to implement standards in such relationships similar to this TAP.



3. TAP SCOPE

3.1. Products and services

Companies that are in breach of one of the ten UN Global Compact principles and/or are active in any of the controversial or sensitive sectors listed hereunder, are excluded² from obtaining the following products and services from any Belfius Group³ companies:

- > all forms of lending
- > all forms of leasing
- > all financial market activities
- > insurance products
- > investments by Belfius for its own account
- > all other financial services and products except services and products under the minimum 'Basic banking service'⁴

The above-mentioned excluded companies cannot be included as underlying investments in investment products, nor will investments in these companies be offered in investment services to Belfius clients, in accordance with the scope as described below.

The TAP applies to all investment products for which Belfius holds control over the portfolio management, either as portfolio manager or through delegated management arrangements. Such control entails the capacity to determine the investment policy and related investment restrictions.

The following instruments and services are therefore considered to be out of the scope of the TAP:

- > ETFs and index-linked products (passive portfolios)
- > Derivatives
- > Structured products
- > Alternative funds⁵
- > Money market funds
- > Third party investment funds, although exceptions may apply (see section "Preferred Partners")
- > Institutional mandates
- > Hedging activities
- > 'Execution only' transactions i.e. transactions in financial instruments as requested by the customer without advice from Belfius
- > Two illiquid positions in the run-off portfolio⁶

3.2. Preferred Partners

Belfius AM designates Candriam and Blackrock as "preferred partners".

When Belfius AM funds invest in funds managed by a preferred partner, the TAP is applied to the following extent:

- > Belfius AM funds managed by Belfius AM will only invest in preferred partner funds that comply with the TAP; should Belfius AM choose to invest in funds not managed by a preferred partner, these are considered third-party funds and fall outside the scope of the TAP.
- > Belfius AM funds for which the management has been delegated to a preferred partner, will invest in other funds managed by a preferred partner only if the latter complies with the TAP (or an equivalent exclusion policy). Should the preferred partner choose to invest in funds not managed by themselves or a preferred partner, these are considered third-party funds and fall outside the scope of the TAP.

² Companies active in such controversial or sensitive sectors could however still be eligible for obtaining these products and services if they fulfil the conditions set forth in the specific provisions below in the paragraph 'Controversial or sensitive sectors'.

³ This list is non-exhaustive.

⁴ Basisbankdienst ondernemingen': <http://www.ejustice.just.fgov.be/eli/wet/2020/11/08/2020043673/justel>

⁵ Alternative funds defined as private assets, digital assets, hedge funds, commodities funds.

Private assets typically refer to assets that are not publicly traded or readily accessible in public markets. They cover different sub-asset classes, including private equity, private debt, real estate, infrastructure assets, venture capital.

⁶ A legacy portfolio inherited from the Dexia era is compliant with the TAP, except 2 illiquid positions



The following investment instruments — namely passive funds, passive ETFs, alternative funds, money market funds, or funds actively managed by other management companies — are out of scope of the TAP and therefore never required to comply with the TAP.

An exclusion policy is considered to be “equivalent” to the TAP if it meets or exceeds all of the TAP exclusion thresholds and is applicable to at least the same scope of financial instruments.

3.3. Application of the TAP by fund type

Funds invested in direct lines

All investments in direct lines must comply with the exclusion thresholds described in this policy.

In the event that the management of the fund in direct lines involves the incorporation of underlying funds (including ETFs) for reasons of management and liquidity, these investments shall be treated in accordance with the approach outlined for Fund of Funds, as detailed below.

Fund of funds

- For funds managed by Belfius AM, investments are primarily made through third-party UCITS. These are considered out of scope of the TAP.
However, in case the underlying fund is managed by a Preferred Partner, it should comply with the TAP (cfr. Section Preferred Partners).
- For funds managed by Preferred Partners under delegation:
 - If the underlying fund is also managed by a Preferred Partner, the latter should comply with the TAP or an equivalent exclusion policy.
 - If the Preferred Partner decides to invest in underlying funds not managed by itself or a preferred partner, these are considered third-party funds and therefore out of the scope of the TAP.

Please note that any investment in direct lines introduced into the fund is subject to the TAP. If it concerns an instrument in scope of the TAP, the exclusion thresholds of the TAP apply.

Master-feeder structures

- When established with a Preferred Partner, the TAP or an equivalent exclusion policy applies, as the master fund is primarily invested in direct lines selected by the Preferred Partner.
- When not established with a Preferred Partner:
 - If the master fund is composed of direct lines, those holdings must apply the TAP or an equivalent exclusion policy.
 - If the master fund contains a third-party underlying fund, this third-party fund is considered out of scope of the TAP.

3.4. Disclosure

If a Belfius AM investment fund invests in products that are outside the scope of the TAP, or if out-of-scope products are included in discretionary portfolio management services, the relevant product or service documentation will specify the extent to which the portfolio may invest in out-of-scope products.

Belfius considers an investment fund managed by Belfius AM (including funds for which Belfius AM has delegated the investment management to its Preferred Partners) to comply with the TAP when the fund's investment policy stipulates that it invests at least 85% in financial products that fall under the scope of the TAP and thus respect the exclusion criteria mentioned below.

Therefore, a fund is considered TAP compliant if:

- At least 85% of the portfolio consists of in-scope instruments.
- And all in-scope instruments are fully compliant with the exclusion policy and do not breach any of its criteria.



3.5. Counterparties

The TAP applies to all 'direct actors', which are to be understood as companies with whom an entity of the Belfius Group has a direct professional relationship, either as a client, a supplier, or as a company invested in as part of investment fund management, within the perimeter of its core business.⁷

4. TAP CRITERIA

A. UN Global Compact

Belfius will not support companies that systematically or seriously violate one or more of the UN Global Compact principles⁸. Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, the environment and anticorruption. Companies that do not respect these basic principles, will not be supported by Belfius.

The severity of the violation and the structural character of the involvement will be taken into account in any necessary engagement process towards the company.

B. Controversial or sensitive sectors

TOBACCO

Tobacco kills more than 8 million people worldwide each year, including an estimated 1.3 million non-smokers who are exposed to second-hand smoke. In addition to the detrimental impact of tobacco on health, the total economic cost of smoking (from health expenditures and productivity losses combined) is estimated to be around US\$ 1.4 trillion per year.

For investment products:

- All companies deriving revenues from tobacco production or tobacco products (e-cigarettes and essential parts thereof included) will be excluded;
- All companies deriving 10% or more of their revenue from the wholesale⁹ trading of tobacco will be excluded.

For loans and other (non-investment related) activities:

- Companies active in the production of tobacco or tobacco products (e-cigarettes and essential parts thereof included) are excluded;
- New relationships with companies active in the wholesale of tobacco will not be accepted;
- Existing relationships with companies active in the wholesale of tobacco are not excluded by this policy.

GAMBLING

Between 0.5 and 3% of Europe's total population is suffering from a gambling addiction. Gambling is considered to be highly addictive and causes severe social, financial and psychological harm. There is a strong correlation between addictive gambling behaviour and suicide.

For investment products:

- All companies deriving 10% or more of their total revenues from ownership or operation of gambling-related business activities or a supporting activity thereof are excluded.

For loans and other (non-investment related) activities:

- Privately-owned (50% or more) companies with gambling-related business or a supporting activity thereof are excluded.

⁷ With regard to the evaluation of whether a company has to be excluded from the products or services listed in article 3.1 of this policy, only the company itself can be taken into account for such evaluation. The evaluation cannot relate to companies associated with such companies or companies that belong to the same group as the company in question. For the interpretation of terms such as 'associated companies', reference is made to articles 1:14 to 1:18 of the Belgian Code on Companies and Associations.

⁸ The 10 UN Global Compact principles can be consulted here: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁹ A tobacco wholesaler is a company that imports tobacco products or sells tobacco to tobacco retailers



Gambling and betting activities are:

- > The organisation of lotteries, online gambling, gambling websites, the running of betting shops, bookmakers;
- > The running of casinos, bingo halls;
- > The running of gambling machines (coin operated or not) with profits being paid out in the form of cash.

DEFENCE

European countries are encountering growing geopolitical challenges. These threats materialize in various ways, including cyberattacks, terrorism, instability, as well as conflicts in nearby regions. Cooperation among nations and investment in the defense sector have become key levers to effectively address these transnational threats.

Belfius acknowledges the defence sector's dual nature, balancing its critical role in ensuring security against the risks of misuse, such as human rights violations and conflict escalation. Belfius aims to contribute to the defence sector while upholding its commitment to peace, security, and social stability.

Definitions

For the purpose of this policy, are considered **controversial weapons** those banned under national or international law¹⁰, or considered as controversial by consensus due to their potential indiscriminate use and excessive effects:

- Anti-personal mines: Designed to injure or kill individuals upon activation;
- Cluster munitions: Release smaller submunitions, causing widespread damage and posing long-term risks;
- Chemical weapons: Use toxic chemicals to harm or kill, with indiscriminate and severe long-term effects;
- Biological weapons: Use biological agents to spread disease and cause harm;
- Depleted uranium weapons: Use depleted uranium, posing long-term environmental and health risks due to its radioactivity;
- Incendiary bombs containing white phosphorus: Use chemical waxy solid substance, which ignites instantly upon contact with oxygen, used to illuminate battlefields, generate a smokescreen, and act as an incendiary weapon.

In addition, weapons that release nuclear energy, either through fission or a combination fission and fusion (as in a thermonuclear or hydrogen bomb) are categorized as **nuclear weapons**. Although nuclear weapons share some characteristics with controversial weapons such as the potential for indiscriminate and disproportionate effects, they are considered crucial for deterrence by NATO, and their production, use and trade are heavily regulated and monitored by the international community. For the purpose of this policy, nuclear weapons are not considered as controversial weapons.

Conventional weapons are defined as any other weapon system that is not categorized under a weapon category mentioned above.

For investment related activities:

- > Belfius allows investments in companies headquartered in NATO countries that generate revenues from the development, maintenance, or production of conventional weapons and/or nuclear weapons.
- > However, Belfius excludes investments in
 - companies headquartered in non-NATO countries that generate more than 10% of their revenues from the development, maintenance or production of conventional weapons or that are involved in the development, maintenance or production of nuclear weapons.
 - companies involved in the development, maintenance, or production of controversial weapons, both within and outside NATO.

For loans and other (non-investment related) activities:

Belfius does not provide financial services to entities operating in the field of controversial weapons and/or nuclear weapons.

¹⁰ Including the 2006 Belgian Mahoux Law and the 1980 Geneva Convention on Certain Conventional Weapons.



Entities active in the production or trade in military goods (i.e. goods appearing on the EU Common List of Military Goods¹¹) are a priori not excluded from our products and services, but Belfius limits the financing of these entities.

The traceability and final destination of the goods financed by Belfius are indeed crucial to Belfius, and therefore it applies the following conditions to financing:

- I. When the **use or destination of the funds is unknown**, entities must either be located in Belgium or be part of a group headquartered in Belgium. A social and governance risk assessment is performed on the entity, taking into account the type of equipment, counterparties, and governance factors such as due diligence policies, risk of corruption, of diversion and irresponsible use of the equipment. This assessment is fully integrated into the credit approval process and all cases require the approval from a credit committee.
- II. For an **acquisition**, a double assessment is conducted on both the acquiring entity and the entity being acquired.
- III. When the **use or destination of the funds is known** (i.e. trade finance, investment loans or other types of professional loans for a known destination (e.g., a loan/leasing for vehicles, machines) and non-life insurance for businesses), Belfius relies on the regional license of the entity and thereby also on the conditions that are detailed in the regional acts imposing these licenses. Belfius nevertheless sets additional conditions regarding the entity, the type of equipment and the end user of this equipment in order to minimize the risk of diversion and irresponsible use of the equipment.
 - a) If the underlying transaction involves **military goods** the conditions are as follows:
 - Entities must be either located in Belgium or be part of a group headquartered in Belgium.
 - Entities must hold a license for the import, export, and transit of arms, ammunition, military or law enforcement equipment, or related technology. However, if the transactions do not require a license due to not involving cross-border activities or following an order from Belgian military or law enforcement agencies, this criterion does not apply, as long as the end-user is known and respects the criteria below.
 - End users can never be private individuals or private sector entities whenever small arms and light weapons (SALW) are concerned.
 - End users must demonstrate a clean record, with no recent, verified history of violating human rights and/or international humanitarian law, arms embargoes imposed by the UN, EU, US, or Belgium, and no involvement in international repression.
 - End users must not be based in countries under embargo by the UN, EU, US, or Belgium, or in countries with known history of human rights violations (according to Belfius' controversial regime list), and must not be on the FATF list of states with significant AML&TF deficiencies.
 - b) If the underlying transaction involves **dual-use goods** (i.e. goods that can be used for both civilian and military purposes and are on the EU List of Dual-Use Items¹²):
 - No restrictions apply if an End-User Certificate (EUC) can be presented in which the counterparty (buyer/designee of the goods) declares that the goods will be used exclusively for civilian purposes. The EUC must be certified by an authorized government agency (Foreign Affairs, in advance by the Belgian Embassy or by the local chamber of commerce in the counterparty's country).

¹¹ Common Military List of the European Union (europa.eu)

¹² EU list of dual-use goods: see Annex I, p. 25

- If it cannot be guaranteed that the goods will be used exclusively for civilian purposes, on the basis of an EUC, Belfius will regard them as military goods and the conditions set out in point II a) will apply.
- If the underlying transaction relates to goods other than military goods or dual-use goods, no restrictions apply.

ENERGY

Thermal coal

Coal assets are the most at risk of becoming stranded assets when limiting global warming to the goal of the Paris Agreement. IPCC reports indicate that emissions from coal should reduce globally by more than 80% by 2030. The IEA stated that no new coal power plants or coal mines should be developed and that no new coal-fired power stations should be built if the world is to stay within safe limits of global warming and meet the goal of net zero emissions by 2050.

In the context of the TAP, coal companies are companies that are involved in the value chain of thermal coal.

For investments:

- > From 2030 onwards all coal companies are excluded, in line with Belfius' energy vision.
- > Moreover, already from 1 August 2024 onwards all coal extraction companies are excluded as well as any company with expansion plans in coal mining or coal-based power generation.

For loans and other (non-investment related) activities:

- > Financing to companies active in thermal coal extraction is excluded.
- > New financing to companies involved elsewhere in the thermal coal value chain is excluded unless they have a verified 2030 coal phase-out plan.
- > Existing relationships with thermal coal companies across all their activities will be phased out by 2030. Therefore, thermal coal companies shall reduce their absolute coal production or capacity, and not be involved in coal exploration or the development of new coal mines.

Unconventional oil and gas extraction

Unconventional oil and gas extraction pose unacceptable environmental, climate and societal risks. Investments in these industries delay investments in transitional and renewable energy sources, a much-needed shift to render Europe's climate neutral ambition a reality.

For all activities:

- > Companies active in unconventional oil and gas extraction (shale gas, shale oil, tar sands, arctic¹³ drilling, deep water drilling, coalbed methane, extra heavy oil) are excluded.

Conventional oil and gas extraction

Although gas will have to play a role in the transition to a low-carbon economy, conventional oil & gas companies must reduce energy-related emissions in line with international climate targets in order to have a place in a socially responsible portfolio and – at least partially – make a shift towards renewable energy production.

For investments:

- > Companies operating in the conventional oil & gas extraction sector are only accepted by Belfius if they meet the following cumulative conditions:
 - the company's capex for renewable energy activities is higher than 20%
 - the company has no expansion or exploration plans in relation to fossil fuels



For loans and other (non-investment related) activities:

- > Non-Belgian based companies (HQ) operating in the sector of extraction of conventional oil and gas are excluded.
- > Belgian companies and Belgian entities of international companies can be financed by Belfius if the purpose of the financing is linked to a transition project investing in low carbon energy exclusively.

Power generation

Belfius sets clear criteria for companies active in electricity generation, guaranteeing a path to transition towards more renewable energy sources. The exclusion of companies active in electricity generation will be based on specific metrics and will focus on the company’s energy mix and transition path.

Financing renewable energy is a priority for Belfius. Belfius will consider the carbon intensity (expressed in gCO₂/kWh) of electricity producing companies, which will be required to be below a certain threshold, that decreases year-on-year.

For all activities:

- > The carbon intensity (expressed in gCO₂/kWh) of these companies must be below the following thresholds:

| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| gCO ₂ /kWh | 346 | 312 | 279 | 247 | 216 | 186 | 156 | 128 |

Belfius will continue financing new gas-fired power plants only if they meet the conditions of the Capacity Remuneration Mechanism (CRM). However, the calculation of whether a company meets the above thresholds does not take into account emissions from such CRM-projects. In addition, when an electricity generation project is based entirely or partly on conventional natural gas, then it must include a commitment to switch to renewable or low-carbon gases by 2035, on a best effort basis.

Nuclear power plants

For loans and other (non-investment related) activities:

Belfius will only directly finance or insure the construction or maintenance of nuclear power plants if they are located within the EU.

Belfius’ decarbonization targets

To achieve Belfius’s internal decarbonisation targets by 2030, additional criteria are applied to the ‘conventional oil and gas’ and ‘power generation’ sectors, specifically for investments made on behalf of Belfius Bank and Belfius Insurance and for new loans to businesses. More information on this can be found in the Sustainability Statement in the Belfius 2025 Annual Report¹⁴, on pp. 205–207

MINING

The mining sector has a crucial role to play in the energy transition, due to the exponentially increasing global need for special metals and minerals to realise this transition (e.g. for electrification). On the other hand, this may in turn involve increased ESG risks, for instance due to new methods such as deep-sea mining.

Mining may cause irreversible impacts on the environment and local populations with severe violations of human rights and irreversible damage to nature as a consequence.

We therefore recognise both the importance of the sector and the associated ESG risks and carry out a normative screening here.

¹⁴ 2025-Annual-Report.pdf



For all activities:

- > Mining companies can be accepted and financed by Belfius on condition that they comply with the **United Nations Guiding Principles on Business and Human Rights (UNGP)** and/or the **OECD Guidelines on Multinational Enterprises**.

PALM OIL

Without proper safeguards, palm oil is a major driver of deforestation and hence a considerable threat to biodiversity. The production process also releases huge amounts of carbon emissions into the air. There also exist some serious associations with child labour and corruption.

For all activities:

- > Companies in this sector can be accepted and financed by Belfius provided that they are a member of the **Roundtable on Sustainable Palm Oil (RSPO)**, an international sector organisation that aims to promote the sustainable cultivation of palm oil, through the establishment and enforcement of global standards that all stakeholders in the sector can voluntarily adopt.

SOY

Without proper safeguards, the soybean industry causes widespread deforestation and displacement of small farmers and indigenous peoples around the globe.

For all activities:

- > Companies in this sector can be accepted and financed by Belfius provided that they are a member of the **Roundtable on Responsible Soy (RTRS)** an international sector organisation that promotes the production, trade and use of responsible soy, through collaboration with all parties in the soy value chain, from production to consumption.

AGRICULTURAL COMMODITIES

The impact of speculation on basic food commodity price volatility creates instability and pushes up global food prices, leaving millions hungry and facing deeper poverty. Belfius refrains from stock market trading in agricultural commodities, involving speculation on food prices.

- > Belfius will not actively commercialise Exchange Traded Funds (ETF), Exchange Traded Commodities (ETC) and Exchange Traded Notes (ETN) type products with agricultural commodity derivatives in their portfolio, nor investment products with agricultural commodity derivatives in their portfolio that involve speculation at the expense of agricultural and food commodities.

In December 2013, Belfius permanently removed investment funds that invest in food commodities from its investment offer.



5. TAP GOVERNANCE

Belfius has set up a specific governance for ESG and TAP matters, under the supervision of the Board of Directors of Belfius Bank's NV/SA (the "Board"). The Board is supported among others by the Sustainable Investment Desk, that has the responsibility to ensure the implementation of the TAP across the portfolios and investment offer of Belfius Bank.

5.1. TAP implementation

The TAP will be incorporated as a policy into the existing processes and procedures of the various business lines and relevant departments. A strict follow-up procedure will be assured under the principle of the 'Three Lines of Defense' model.

5.2. Engagement process

In the event of conflict pertaining to the criteria of the TAP, Belfius will enter into dialogue with the counterparty in a bid to find a solution. If no satisfactory solution is found however, Belfius will proceed to exclusion. Belfius is notably dependent on the quality, accuracy and currency of information supplied by the relevant counterparty.

5.3. Revision of the TAP

The TAP is regularly reviewed, taking into account the evolution of scientific research, technology, geopolitics and society as a whole.

The TAP was last revised on 17/04/2026. The main changes relate to section on the policy's scope: section 3.1 was modified with regards to the financial instruments to which the policy applies and new sections 3.2, 3.3 and 3.4 were inserted. The criteria for energy (power generation) have been updated in the context of the launch of internal decarbonization targets and a new subsection on Belfius' decarbonization targets has been added.

General disclaimer :

We constantly strive to apply the exclusion and restriction criteria of the TAP as strictly and consistently as possible. However, criteria such as 'any thermal coal activity' present an ongoing challenge due to data availability issues. When we experience such data issues, we will take appropriate action to enhance data availability and reliability.