



# KBC Green and Social Bond Report

31 December 2024





# CEO STATEMENT

At KBC, we are committed to mitigating the impact of climate change and supporting social inclusion. As a signatory of the UN's Collective Commitment to Climate Action (CCCCA), we continue to honour our commitments despite the CCCC's dissolution in March 2023. Our 2024 sustainability report details our progress on climate targets and our ongoing initiatives to enhance sustainability and climate resilience.

In 2024, KBC received several recognitions of our sustainability efforts:

- CDP included KBC on its 'A list' for the third consecutive year, an honour achieved by only two percent of CDP-rated companies.
- KBC is in the Euronext's new BEL<sup>®</sup> ESG stock market index, highlighting companies with excellent ESG scores.
- In 2024, KBC was recognised as Climate Leader by the Financial Times.

Our 2024 Annual Report and Sustainability Report provide detailed accounts of our achievements and future plans in the sustainability domain. For the first time and in accordance with CSRD regulation, KBC released a Sustainability Statement as an integral part of our annual report, confirming our long track record in sustainability-related disclosures. For the first time, we report on our Green and Social bonds under one report following market standards.

This report outlines the impact of our second and third KBC Green Bond issuances under old framework and fourth KBC Green Bond issuance under updated Green Bond Framework as of December 31, 2024. The first issuance matured in 2023 and is no longer included in this report. In addition to our environmental efforts, KBC is playing an important role in supporting social inclusion through the issuance of two Social Bonds. These issuances demonstrate our commitment to responsible banking and sustainable development, encouraging investors to join us on our path to a sustainable future. Our first issuance focused on a portfolio of hospitals, reflecting our dedication to healthcare amidst significant transitions in Belgium, including hospital financing reforms and staff shortages. Our second issuance expanded to include hospitals and education, addressing challenges such as staff shortages and educational gaps among students.

I hope you find this report insightful and continue to support KBC in our Green Bond and Social Bond journeys.

Johan Thijs  
Chief Executive Officer KBC Group



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##### The Green Bond

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##### The Social Bond

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**Appendix 1 - KBC 2018 Green Bond Framework - Use of proceeds and eligibility criteria**

**Appendix 2 - KBC 2023 Green Bond Framework - Use of proceeds and eligibility criteria**

**Appendix 3 - How we calculate avoided emissions**

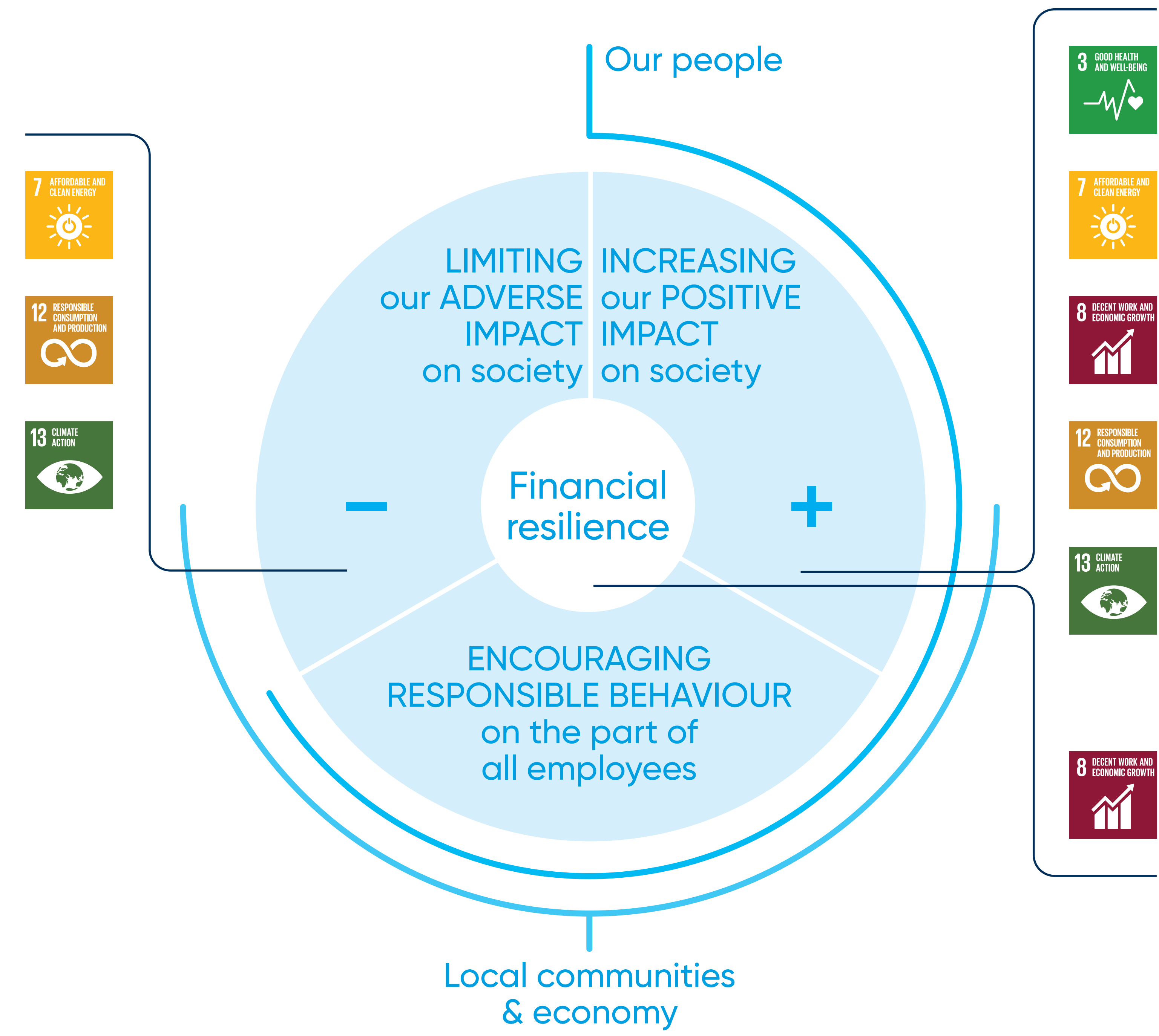
**Appendix 4 - Assurance report**





# THE KBC SUSTAINABILITY STRATEGY

The KBC Sustainability Strategy is embedded in our strategic decision-making and core business operations across the entire group. At the heart of this sustainability strategy lies the responsibility to ensure financial resilience and run a strict risk management system. This ensures that we can do business sustainably into the future. We have strict policies in place for our business activities in respect of environmental and social topics, and we focus on responsible behaviour as the basis for sustainability at KBC. In addition, we maximise the positive impact of our products and services by focussing on four areas: environmental responsibility, financial literacy, entrepreneurship and health and longevity. For more information, please refer to [the KBC Sustainability Framework](#), [the KBC Social Bond Framework](#), our updated [KBC Green Bond Framework](#) and the [KBC Group Sustainability Report 2024](#).



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# THE GREEN BOND

This section provides an overview of the allocation of eligible green assets to the three KBC Green Bonds and describes the impact of these Green Bonds at a portfolio level.

Green Bonds are one of KBC’s initiatives to contribute to a more sustainable future. The proceeds are used to finance projects that have a positive impact on the environment by reducing the emissions of greenhouse gases and promoting the sustainable use of resources and land: renewable energy, energy efficiency, clean transportation, green buildings, pollution prevention and control, water management and sustainable land use.

KBC’s 2018 Green Bond Framework is exclusively used to finance or refinance, in whole or in part, projects and activities that clearly contribute to a more sustainable, climate resilient and low-carbon society. KBC’s 2018 Green Bond Framework gives more in-depth information on each type of proceeds and contains the requirements for selection, allocation, reporting and verification. The KBC Green Bonds are issued under this framework, which is aligned with the Green Bond Principles 2017, as confirmed by Sustainalytics.

The proceeds of the KBC Green Bonds are used for the financing and refinancing of renewable energy projects and green buildings in Flanders, i.e. newly constructed energy efficient residential buildings that comply with the energy efficiency requirements of the Flemish Region as of 2014 (E-level ≤ 60) and for which the first drawdown has occurred after January 1, 2016. The year of closing or date of construction is included in the overview of renewable energy assets and mortgages allocated to the green bonds – see below.

### Disclaimer

We expressly point out that if we use terminology such as 'green' and 'sustainable' throughout this report, these terms in no way suggest that what we describe is already (fully) aligned with the EU taxonomy.

KBC has [amended its Green Bond Framework with updated eligibility criteria in November 2023](#). The updated framework is aligned with the ICMA Green Bond Principles 2021 and is now in closer alignment with the criteria for environmentally sustainable economic activities, including in the EU Taxonomy Climate Delegated Act (June 2021). The proceeds are used to finance or refinance, in whole or in part, projects and activities in green buildings, renewable energy and clean transportation. Our fourth Green Bond was issued under the updated framework in March 2024.

The Green and Social Bond Committee decides on the final selection of the projects proposed by the KBC Business Units as Eligible Assets and thus instructs the labelling of the green assets. Based on the internal monitoring of the portfolio of Eligible Assets by Group Treasury, the Green and Social Bond Committee reviews and approves allocations of bond proceeds to Eligible Assets on a quarterly basis.

## KBC Green Bond – Key data on Green Bonds 2, 3 and 4

	Green Bond 2	Green Bond 3	Green Bond 4
Issuer	KBC Group N.V	KBC Group N.V	KBC Group N.V
ISIN	BE0974365976	BE0002832138	BE0390124874
Issue Rating (S&P/M/F)	A-/Baa1/A-	A-/Baa1/A-	A-/Baa1/A-
Status	Senior unsecured green bond	Senior unsecured green bond	Senior unsecured green bond
Issue Amount	EUR 500,000,000	EUR 750,000,000	EUR 750,000,000
Coupon	0.375%	0.250%	0.373%
Settlement	16 June 2020	1 December 2021	27 March 2024
Maturity Date	16 June 2027	1 March 2027	27 March 2032

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Portfolio of eligible assets as at 31 December 2024

The Green and Social Bond committee decided to select and label 3 506 million euros of assets in the portfolio of eligible green assets. The pool of residential loans related to Green Buildings amounts to 1 643 million euros. 1 124 million euros of green project finance is related to Renewable Energy projects. The loans for projects under construction will further increase the total value of the Renewable Energy portfolio during the months to come. The pool of electric vehicles (full electric vehicles and bicycles) related to the Clean Transportation equals to 738,8 million euros.

Renewable energy portfolio of eligible assets

KBC has specific targets on financing renewable energy production (at least 75% of its energy credit portfolio<sup>1</sup> by 2030) to contribute to the transition to a low-carbon economy. The status of this target in 2024 was 67%. As and when KBC issues a new green bond, the newest renewable energy projects will be included in this new bond.

The following loans are included in our green asset portfolio. One green bond was issued in 2024, and no bonds matured in 2024, driving the change in the underlying portfolio of green renewable energy projects. The table contains their values at 31 December 2024.

<sup>1</sup> Energy credit portfolio excluding transmission and distribution

Date of closing	Country	Location	Status	Technology	KBC loan granted amount in EUR	KBC loan outstanding amount in EUR	Loan (TLF) maturity date	Loan share in total financing	Number of Turbines/panels	Capacity of project in MWp <sup>2</sup>
2018	BE	Offshore – North Sea	Operational	Wind	40.627.255,55	40.299.864,04	31/12/2037	5%	58	487,0
2015	BE	Onshore – Flanders	Operational	Wind	2.365.379,88	2.365.379,88	28/06/2030	100%	2	4,0
2014	BE	Onshore – Flanders	Operational	Wind	1.765.311,35	1.765.311,35	31/12/2029	100%	2	4,0
2014	BE	Onshore – Flanders	Operational	Wind	764.911,90	764.911,90	31/12/2029	100%	1	2,0
2016	BE	Onshore – Flanders	Operational	Wind	6.284.144,49	6.284.144,49	30/06/2031	100%	3	9,0
2016	BE	Onshore – Flanders	Operational	Wind	5.394.417,08	5.394.417,08	31/12/2031	100%	4	9,2
2014	BE	Onshore – Flanders	Operational	Wind	5.682.450,00	5.682.450,00	31/12/2029	100%	3	9,6
2017	BE	Onshore – Flanders	Operational	Wind	2.190.535,77	2.190.535,77	31/12/2031	100%	1	3,0
2016	BE	Onshore – Flanders	Operational	Wind	2.627.004,74	2.627.004,74	31/12/2031	100%	1	3,0
2018	BE	Onshore – Flanders	Operational	Wind	4.729.961,80	4.729.961,80	30/06/2033	100%	3	6,0
2017	BE	Onshore – Flanders	Operational	Wind	6.039.857,88	6.039.857,88	30/06/2033	100%	2	7,2
2015	BE	Onshore – Flanders	Operational	Wind	1.423.294,92	1.423.294,92	31/12/2025	50%	10	20,3
2016	BE	Onshore – Flanders	Operational	Wind	7.860.702,50	7.860.702,50	28/06/2030	50%	13	33,0
2017	BE	Onshore – Flanders	Operational	Wind	39.480.700,00	39.480.700,00	28/11/2031	100%	17	50,5
2016	BE	Onshore – Wallonia	Operational	Wind	6.443.657,28	6.443.657,28	31/12/2031	50%	9	23,5
2019	NL	Onshore – NL	Operational	Wind	85.594.823,95	85.594.823,95	30/06/2036	11%	89	382,7
2017	BE	Offshore – North Sea	Operational	Wind	45.501.764,41	45.501.764,41	31/12/2029	23%	55	165,0
2010	BE	Offshore – North Sea	Operational	Wind	27.340.845,55	27.340.845,55	23/11/2028	14%	54	325,7
2018	BE	Offshore – North Sea	Operational	Wind	39.173.189,09	39.173.189,09	30/06/2035	13%	50	165,0
2018	BE	Offshore – North Sea	Operational	Wind	21.440.388,89	21.440.388,89	31/12/2036	11%	23	219,0
2017	BE	Offshore – North Sea	Operational	Wind	32.316.976,51	30.590.027,72	30/06/2032	11%	72	216,0
2020	BE	Onshore – Flanders	Operational	Wind	5.636.961,77	5.636.961,77	30/06/2036	100%	1	4,0
2019	BE	Onshore – Flanders	Operational	Wind	8.409.528,31	8.409.528,31	30/06/2036	100%	2	8,0
2020	BE	Onshore – Flanders	Operational	Wind	13.216.688,44	13.216.688,44	30/06/2036	100%	3	12,0
2020	BE	Onshore – Flanders	Operational	Wind	4.497.086,25	4.497.086,25	28/06/2041	100%	1	4,5
2020	NL	Onshore – NL	Operational	Wind	39.727.249,47	37.779.406,47	30/09/2038	50%	19	79,8
2020	BE	Onshore – Wallonia	Operational	Wind	37.147.200,00	37.147.200,00	30/04/2036	100%	12	37,0
2021	BE	Onshore – Flanders	Operational	Wind	4.473.191,11	4.473.191,11	31/12/2041	100%	1	4,2
2021	BE	Onshore – Flanders	Operational	Wind	4.327.585,05	4.327.585,05	31/12/2036	100%	2	7,2
2021	BE	Onshore – Flanders	Operational	Wind	3.777.137,50	3.777.137,50	31/12/2036	100%	1	3,6
2021	BE	Onshore – Flanders	Operational	Wind	32.002.229,74	32.002.229,74	31/12/2041	100%	6	30,8
2021	DE	Offshore – Baltic Sea	Operational	Wind	46.621.868,49	46.621.868,49	31/12/2042	12%	27	256,5
2016	BE	Offshore – North Sea	Operational	Wind	69.386.948,52	69.386.948,52	31/12/2035	12%	42	309,0
2021	BE	Onshore – Flanders	Operational	Wind	50.906.400,00	50.906.400,00	30/06/2042	100%	9	35,6
2023	FR	Offshore – France	Operational	Wind	41.974.486,85	41.974.486,85	05/01/2040	2%	80	480,0
2023	FR	Offshore – France	Construction	Wind	50.000.000,10	9.559.803,72	05/07/2044	4%	62	496,0

<sup>2</sup> Megawatt peak.

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Green buildings portfolio of eligible assets

Under 2018 Green Bond Framework, the labelled portfolio of assets consists of mortgage loans for new residential real estate in Flanders that comply with the energy efficiency requirements of the Flemish Region as of 2014 (E-level ≤ 60, corresponds to 100 kWh/m²) and for which the first drawdown has occurred after January 1, 2016. Of the labeled mortgages portfolio, 65% was initiated only in the last four years.

Under 2023 Green Bond Framework the labelled portfolio of assets consists of mortgage loans for new and existing residential buildings (smaller then 5.000m2) that meet the following criteria:

- Buildings built after 31/12/2020 with Primary Energy Demand (PED) at least 10% lower than the threshold set in the national nearly zero-energy building (NZEB) requirements.
- Buildings built before 31/12/2020 that have at least an Energy Performance Certificate (EPC) Class A, or are within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED).

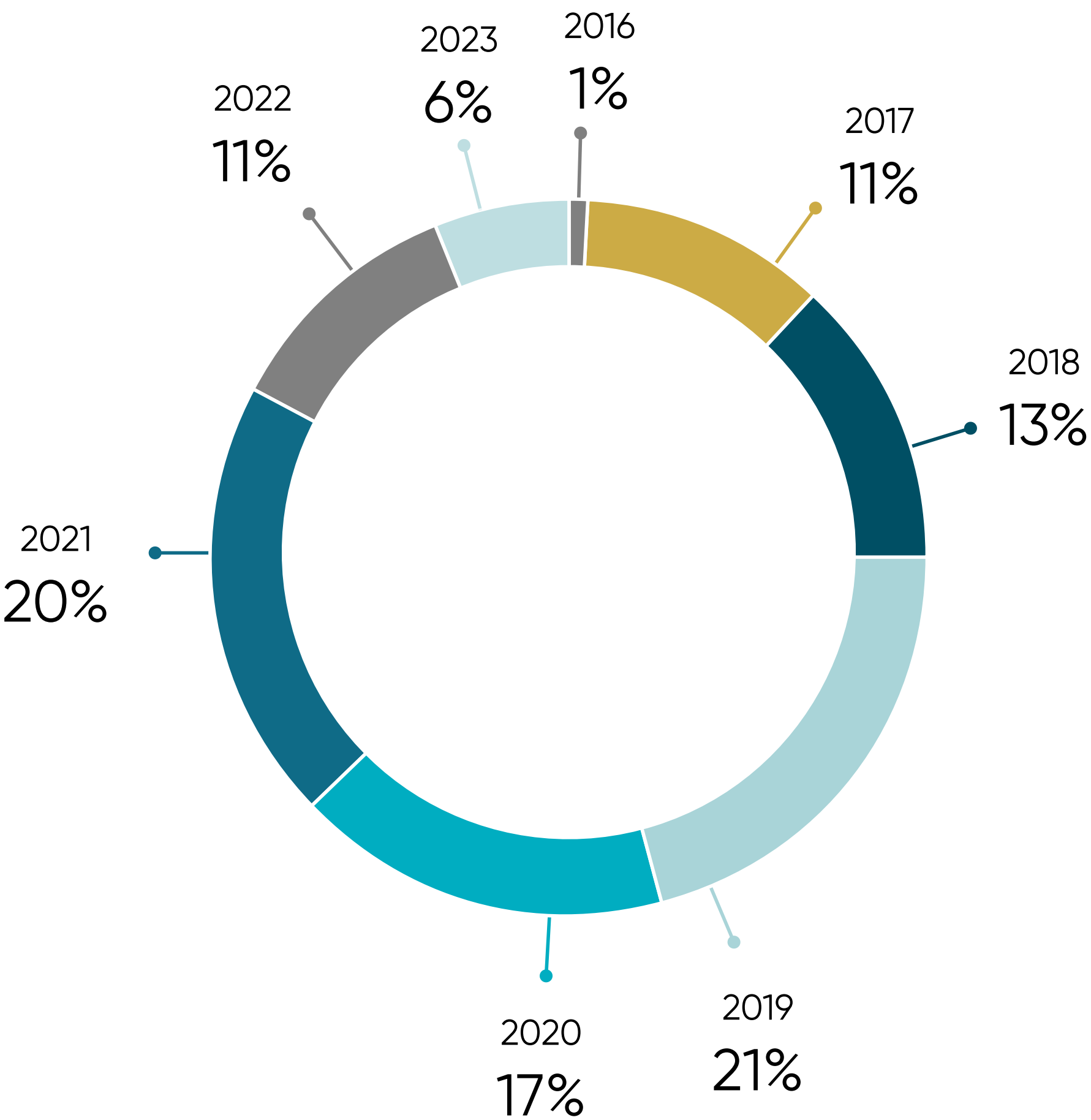
Mortgage loans in flood-prone areas will be excluded from the selection. Properties subject to flood risk are identified by means of regional flood maps<sup>3</sup>.

<sup>3</sup> For Flanders this is based on regional government maps using a high-impact scenario for 2050 (taking into account Representative concentration Pathway – RCP 8.5). For Brussels and Wallonia, this is based on a combination of JRC maps for fluvial risks and in-house simulations of pluvial risks.

New Buildings

Date of construction	Date of mortgage loan commitment	Asset location	Committed loan amount	Outstanding loan amount	Number of loans
2016	2014	Flanders	91.000	38.173	1
	2015	Flanders	2.809.336	1.474.912	23
	2016	Flanders	35.426.295	20.052.959	187
2017	2015	Flanders	249.000	138.032	2
	2016	Flanders	43.071.167	26.410.389	248
	2017	Flanders	230.807.052	142.101.916	1340
2018	2016	Flanders	1.179.161	777.997	9
	2017	Flanders	28.296.105	17.741.680	197
	2018	Flanders	280.101.672	189.397.113	1548
2019	2017	Flanders	497.575	370.938	4
	2018	Flanders	28.673.764	19.533.190	176
	2019	Flanders	402.960.925	303.349.513	2050
2020	2018	Flanders	2.089.865	1.615.747	7
	2019	Flanders	103.708.238	81.968.173	504
	2020	Flanders	236.422.248	189.314.647	1045
2021	2019	Flanders	8.085.824	6.618.853	40
	2020	Flanders	27.453.844	22.800.487	122
	2021	Flanders	336.666.414	286.557.552	1430
2022	2019	Flanders	99.999	83.472	1
	2020	Flanders	643.994	505.662	5
	2021	Flanders	17.006.217	15.068.639	74
2023	2022	Flanders	166.361.854	149.668.068	703
	2021	Flanders	1.877.213	1.747.216	6
	2022	Flanders	8.133.508	7.550.207	49
2024	2023	Flanders	82.332.632	77.878.726	406
	2023	Flanders	2.863.500	2.770.629	12
	2024	Flanders	3.895.595	3.775.150	25
Total			2.051.803.996	1.569.310.041	10.214

New Buildings portfolio distribution by year of construction, 31 December 2024



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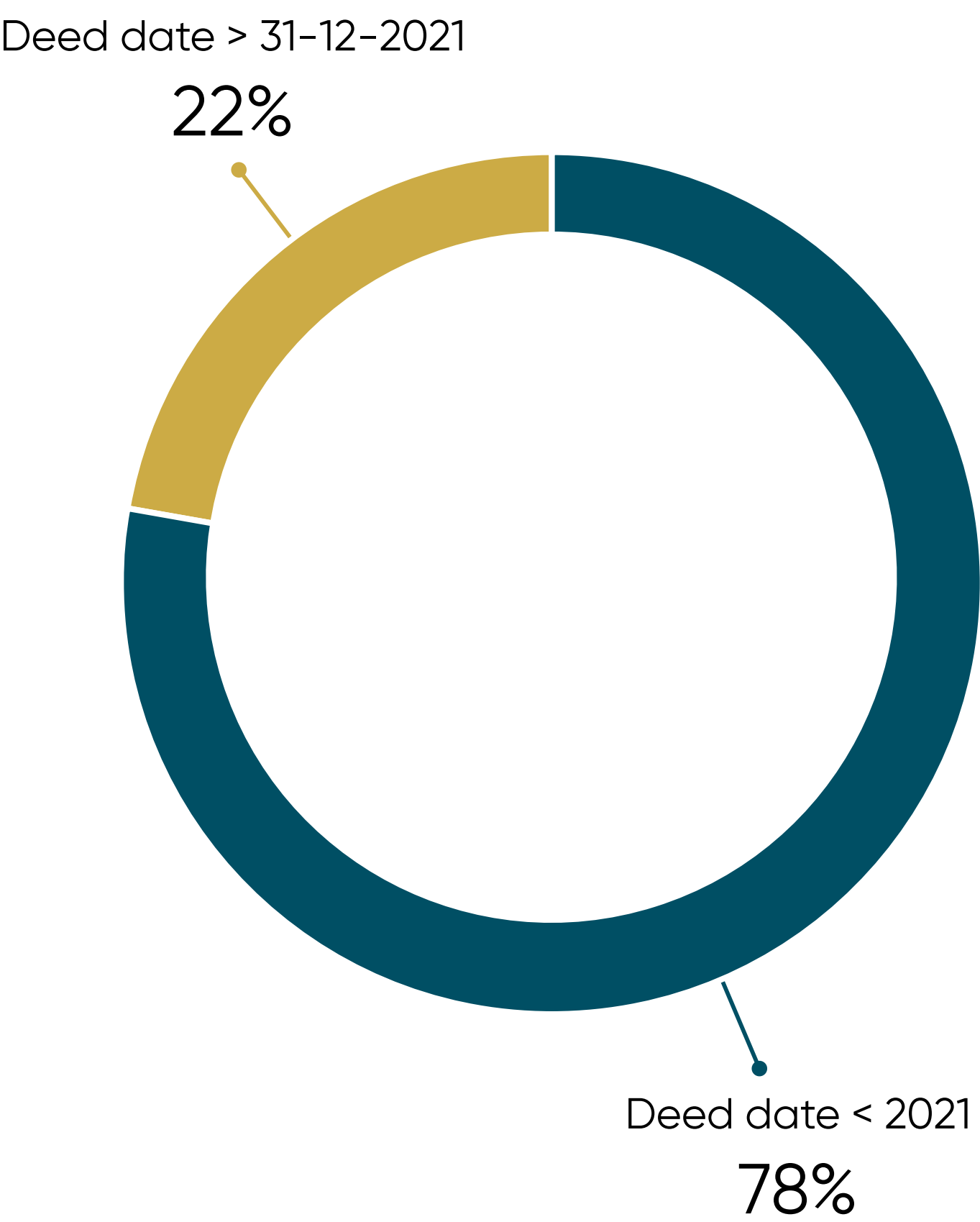




Existing Buildings

Deed date <2021 > 31/12/2021	Date of mortgage loan commitment	Asset location	Committed loan amount	Outstanding loan amount	Number of loans
Purchases to / including 31.12.2021	2007	Flanders	30.000	6.879	1
	2008	Flanders	35.000	8.109	1
	2009	Flanders	4.362.000	1.201.858	10
	2010	Flanders	2.018.250	728.253	14
	2011	Flanders	240.000	51.735	3
	2012	Flanders	485.000	184.874	6
	2013	Flanders	1.561.000	625.275	13
	2014	Flanders	6.303.808	2.474.791	34
	2015	Flanders	8.766.305	3.954.204	63
	2016	Flanders	6.910.739	3.766.073	38
	2017	Flanders	5.435.667	3.101.844	28
	2018	Flanders	9.129.285	6.109.137	37
	2019	Flanders	11.609.441	8.451.818	50
	2020	Flanders	9.786.745	7.832.779	34
	2021	Flanders	22.765.464	19.520.422	72
Purchases to 01.01.2022 and construction year from 2021	2022	Flanders	3.449.000	3.051.313	12
	2023	Flanders	9.552.623	9.197.726	31
	2024	Flanders	3.742.200	3.645.478	12
Total			106.182.527	73.912.568	459

Existing buildings portfolio distribution by deed date, 31 December 2024



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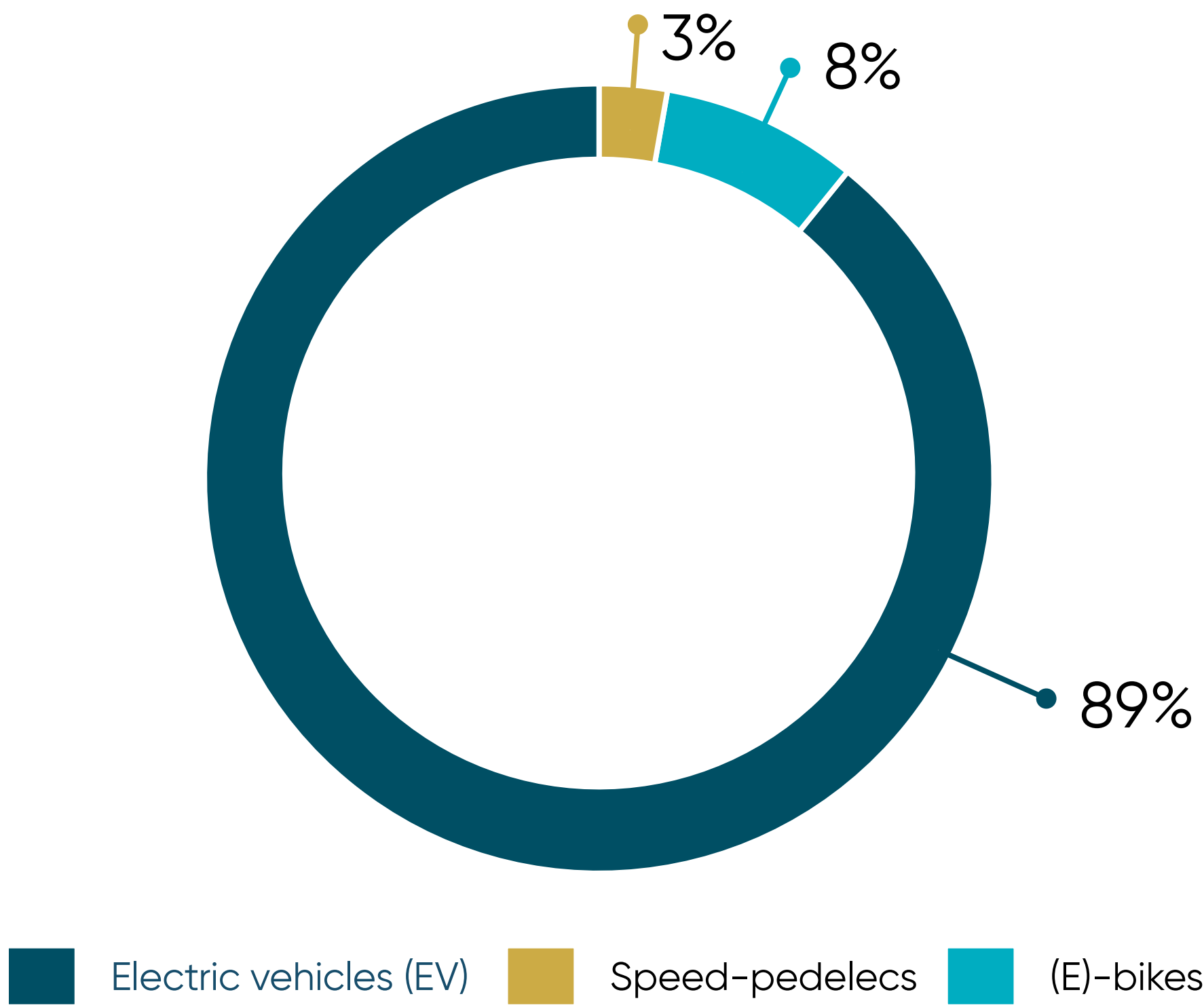


## Clean Transportation portfolio of eligible assets

Under 2023 Green Bond Framework the labelled portfolio of clean transportation assets includes purchase, renting, leasing and operation of zero-emission vehicles (fully electric cars<sup>4</sup>, regular and electric bicycles).

Asset type	Overall portfolio of assets	Overall number of vehicles per category
Electric vehicles (EV)	660.769.825	17.143
Speed pedelecs	18.087.456	5.301
(E-)bikes	60.024.131	27.735
<b>Total</b>	<b>738.881.411</b>	<b>50.179</b>

Clean Transportation portfolio distribution by vehicle type, 31 December 2024



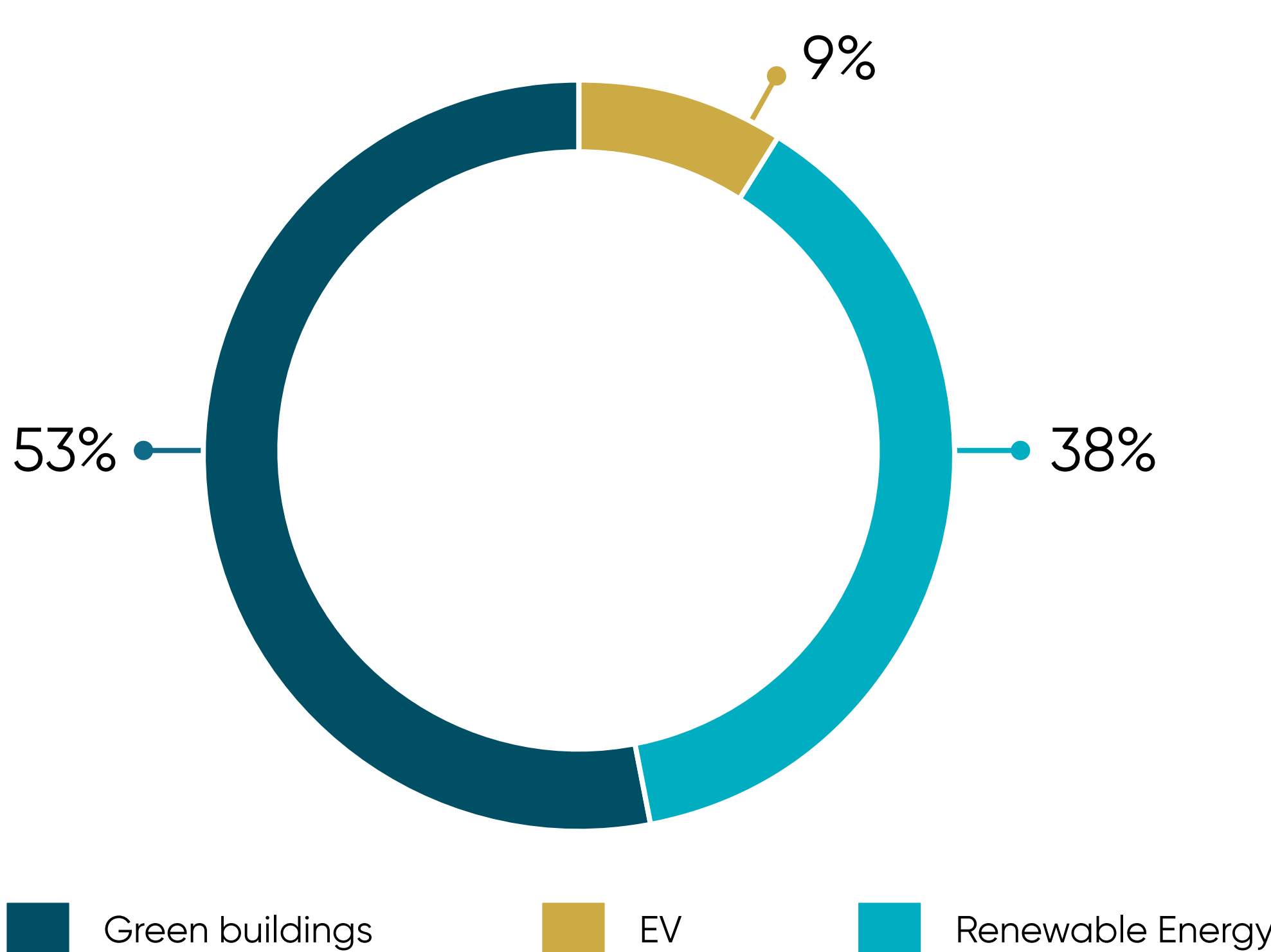
## Sector allocation as at 31 December 2024

As at 31 December 2024, the 500 million euros proceeds of the Green Bond 2 were allocated for 281,1 million euros to the Green Building residential real estate sector and for 218,9 million euros to the Renewable Energy power generation sector.

The 750 million euros proceeds of the issuance of Green Bond 3 are allocated for 388,1 million euros to the Green Building residential real estate sector and for 361,9 million euros to the Renewable Energy power generation sector.

The 750 million euros proceeds of the issuance of Green Bond 4 are allocated for 400 million euros to the Green Building residential real estate sector, for 171,8 million euros to the Renewable Energy power generation sector and 178,2 million euros to the Clean Transportation sector.

Sector allocation green bond 2, 3 and 4 in outstanding loan amount, 31 December 2024



<sup>4</sup> No plug-in hybrid vehicles

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Impact of the Green Bonds as at 31 December 2024

The avoided CO<sub>2</sub> emissions related to the three KBC Green Bonds combined totalled 430 263 tonnes of CO<sub>2</sub> or 215 tonnes per 1 million euros invested. Information on the methodology to calculate the avoided CO<sub>2</sub> emissions is provided in Appendix 3.

The details per bond are given below:

Overview of the KBC Green Bond avoided CO <sub>2</sub> emissions			
	KBC Green Bond 2	KBC Green Bond 3	KBC Green Bond 4
Annual avoided CO <sub>2</sub> emissions (tonnes)	116.577	260.728	52.957
Annual avoided CO <sub>2</sub> emissions per 1 million euros invested	233	348	71
Overview of the KBC Green Bond assets and annual impact			
Green Bond 2020			
	Renewable energy	Green buildings	
Allocated amount (million EUR)	Ⓐ218,9	Ⓐ281,1	
Electricity produced/energy saved (mWh)	508.218	56.102	
Avoided CO <sub>2</sub> emissions (tonnes)	105.239	11.338	
Green Bond 2021			
	Renewable energy	Green buildings	
Allocated amount (million EUR)	Ⓐ361,9	Ⓐ388,1	
Electricity produced/energy saved (mWh)	983.616	84.153	
Avoided CO <sub>2</sub> emissions (tonnes)	243.721	17.007	
Green Bond 2024			
	Renewable energy	Green buildings	Electric Vehicles (EV)
Allocated amount (million EUR)	Ⓐ171,8	Ⓐ400,0	Ⓐ178,2
Electricity produced/energy saved (mWh)	243.480	55.191	NA
Avoided CO <sub>2</sub> emissions (tonnes)	36.521	11.154	5.282

Green Bond 1 matured during 2023 and is no longer included in the impact reporting. More projects of Green Bond 3 have become operational, resulting in an increase in the avoided emissions of Green Bond 3. Green Bond 4 was issued in March 2024, which further drove increase in avoided emissions.

KBC Green Bonds - Avoided emissions per mEUR in tonnes CO<sub>2</sub>



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# THE SOCIAL BOND

Supporting sectors with a positive societal impact is at the heart of all our core activities. We protect our clients from the financial consequences of healthcare risks with the insurance products we provide. We are an important financier of different social sectors, such as healthcare, senior living, education, basic infrastructure and affordable housing. We also have dedicated departments that are specialised in helping social profit institutions and local authorities navigate their finances.

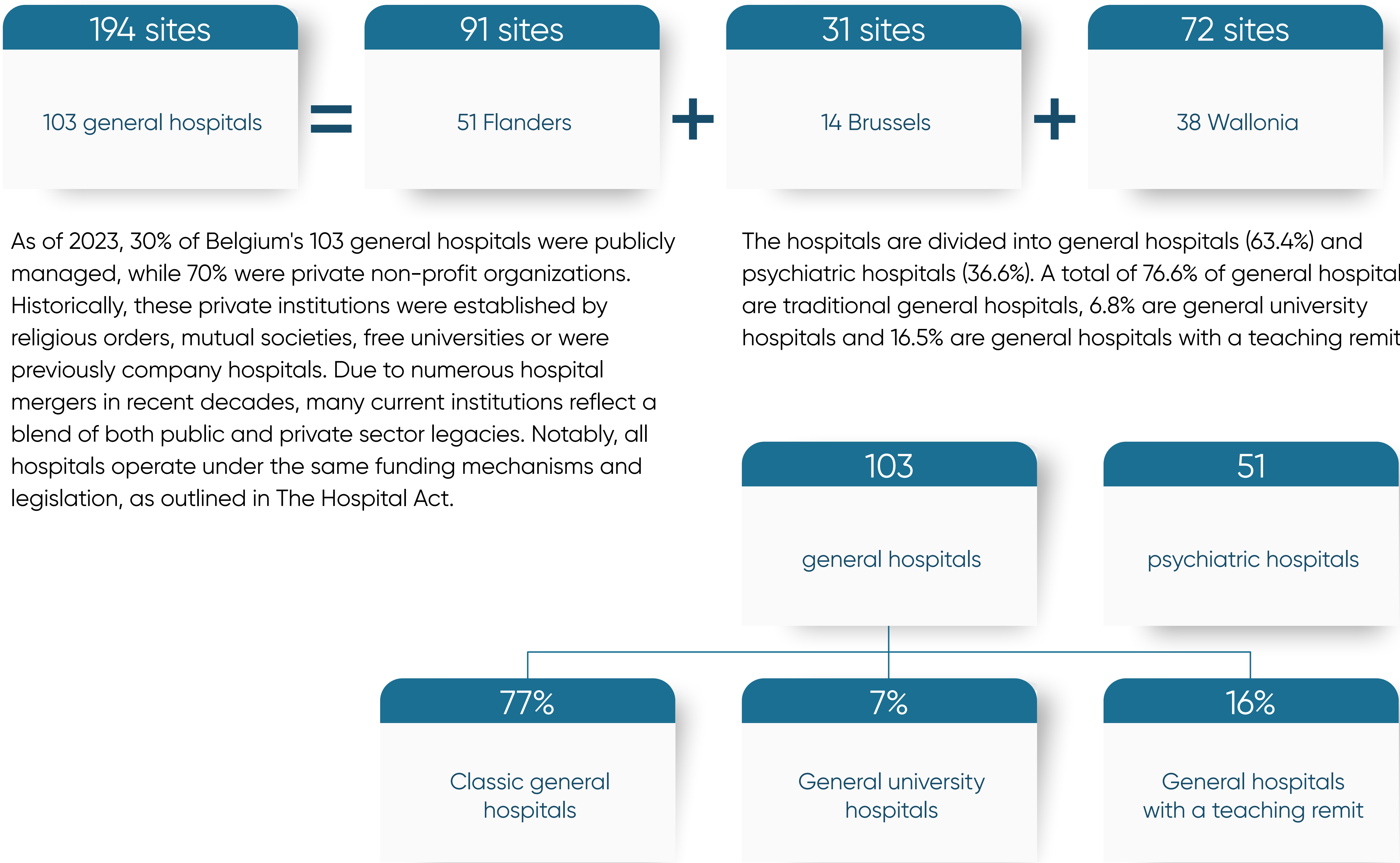
KBC decided to allocate proceeds of its two outstanding Social Bonds in healthcare and education to support these critical sectors in Belgium. The healthcare sector is undergoing significant transitions, including hospital financing reforms and widespread staff shortages. Similarly, the education sector faces challenges such as staff shortages and educational gaps among students, and our investments are designed to help overcome these issues.

This section provides an overview of the allocation of eligible social assets to the two KBC Social Bonds.

## The healthcare sector in Belgium

### General

The healthcare sector in Belgium is subject to extensive regulation by public authorities. Both Federal and Regional Governments share responsibility for healthcare management. The Regions and Communities (Federated Entities) primarily oversee care for the elderly and disabled, while the Federal State (Federal Authorities) handles matters of general interest, including compulsory national health insurance, hospital budget allocations and general organisational rules.



As of 2023, 30% of Belgium's 103 general hospitals were publicly managed, while 70% were private non-profit organizations. Historically, these private institutions were established by religious orders, mutual societies, free universities or were previously company hospitals. Due to numerous hospital mergers in recent decades, many current institutions reflect a blend of both public and private sector legacies. Notably, all hospitals operate under the same funding mechanisms and legislation, as outlined in The Hospital Act.

The hospitals are divided into general hospitals (63.4%) and psychiatric hospitals (36.6%). A total of 76.6% of general hospitals are traditional general hospitals, 6.8% are general university hospitals and 16.5% are general hospitals with a teaching remit.

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## Funding of public healthcare

Public healthcare funding in Belgium is characterised by the principle of solidarity among all residents, ensuring access to subsidised services such as doctors and hospitals. Compulsory health insurance covers 99% of Belgian residents. The Federal Authorities regulate this compulsory health insurance and manage hospital budgets, while the Federated Entities (communities and regions) are responsible for funding hospital infrastructure and heavy medical equipment.

In order of importance, the main sources of hospital financing are:

- the Financial Resources Budget (operating funds provided by government)
- contributions from physicians (deductions from the physicians' fees)
- margins on pharmaceutical products administered to patients, amongst others.

## Challenges confronting the healthcare sector

Belgian residents enjoy good health and long life expectancy. This is mainly thanks to good access to a wide range of high-quality services. However, some challenges remain in terms of:

- the appropriateness of pharmaceutical care
- reduced accessibility of mental care and dental care
- socioeconomic inequalities in health status
- the need for further strengthening of prevention policies.

Lastly, the health system needs to continue to evolve in order to address:

- an ageing population and the associated increase in chronic diseases
- the shortage of nurses and other healthcare professionals and the associated war for talent
- the development of new treatments and technologies and the associated increase in healthcare costs for society.

## The education sector in Belgium

### General

In Belgium, the three Communities (Flemish, French and German-speaking) are responsible for culture, language and educational matters, each with its own autonomous education system. The Flemish Community oversees education in the Flemish Region and provides instruction in Dutch in the Brussels Capital Region. The French Community manages education in the French-speaking areas, including French-speaking schools in the Brussels Capital Region. The German-speaking Community is responsible for administering education in the German language.

The Federal Government handles a limited number of educational matters, such as the age range for compulsory education and retirement systems for teaching and non-teaching staff. Each school is governed by a legally recognised authority, known as a school board, which ensures compliance with legislation and regulations.

To promote equal opportunities, schooling is free and compulsory for children aged six to eighteen. In certain cases, the Communities award scholarships to Belgian students pursuing higher education at universities or colleges. Families can choose from various schooling options, including subsidised public schools, subsidised private schools, and non-subsidised private schools.

### Schools managed by the Flemish Community

The students in Flanders are distributed across three educational networks: the Community Education network (*Onderwijs van de Vlaamse Gemeenschap GO!*), the subsidised public education network (*Officieel gesubsidieerd onderwijs*) and the subsidised private education network (*Vrij gesubsidieerd onderwijs*). Both the publicly and privately

managed schools receive public funding. Schools led by the Flemish Community receive 100% of their funding through the Community, while funding to grant-aided public and private schools is between 60%-70%. The salaries of teaching and non-teaching staff in all three educational networks are handled by the Flemish Ministry of Education and Training.

Funding for infrastructure depends on the educational network. For the Community Education, the Flemish Community directly finances real estate investments. For the subsidised public and private educational networks, school boards can apply to the Flemish Community for capital grants of up to 60%-70% of the investment. The remainder is financed by bank loans, often guaranteed by the Education Infrastructure Agency (*Agentschap voor infrastructuur in het onderwijs*) and benefitting from interest subsidies. In all networks, the Flemish Community of Belgium finances teachers' salaries.

### Schools managed by the French Community

In the French Community, there are three educational networks: the public education network, organised by the French Community (*le réseau de la Fédération Wallonie-Bruxelles*); the subsidised public education network, run by municipal or provincial authorities (*le réseau officiel subventionné*); and the subsidized private education network, organised by private individuals or organisations (*le réseau libre subventionné*), primarily consisting of Catholic schools.

Infrastructure funding varies by network. The French Community directly finances real estate investments for the officially organised network. For the subsidized official and private networks, organsiing authorities can apply for capital grants from the French Community, covering up to 80% of the investment. The remaining funds are typically sourced from bank loans, often guaranteed by the Fonds de Garantie des Bâtiments Scolaires and benefiting from interest subsidies. In all networks, the French Community of Belgium finances teachers' salaries.

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Challenges and actions taken in Belgian schools

- The main challenges are: <sup>5</sup>
- declining performance in basic skills
  - structural inequalities
  - staffing shortages and ageing workforce
  - limited impact on environmental behaviours.

- The main actions taken are:
- improving basic skills through standardized tests and implementation of language action plan
  - combating absenteeism and early school leaving
  - enhancing teacher professionalisation involves offering various programmes to improve teachers' skills and support their professional growth, and implementing expert committee recommendations to strengthen schools' leadership, governance and policy-making capacity
  - promoting sustainability education by supporting schools and teachers in developing sustainability competences through dedicated networks, and emphasizing outdoor education and direct contact with the natural environment from an early age
  - vocational education and training (VET) reforms focus on strengthening digital, STE(A)M, and entrepreneurship competences, and promoting work-based learning with subsidies for learners and companies
  - higher education reforms (graduation support and learning mobility) include amendments to the Landscape Decree to help institutions guide students towards successful completion of their studies, and the implementation of European recommendations on learning mobility.

<sup>5</sup> European Commission. Education and Training Monitor 2024. Accessed on 05 May 2025 at <https://op.europa.eu/webpub/eac/education-and-training-monitor-2024/en/country-reports/belgium.html>

Use of proceeds

	KBC Social Bond 1 (August 2022)	KBC Social Bond 2 (June 2023)
Social Bond Category	Access to Essential Services – Health Objectives: Increase access to healthcare Social benefits: Reduce health-related inequalities All assets selected for the first Social Bond are hospitals.	Access to Essential Services – Health Objectives: Increase access to healthcare Social benefits: Reduce health-related inequalities Access to Essential Services – Education Objectives: Increase access to good quality education Social benefits: Reduce education inequalities
Social Bond Eligibility Criteria	(Re-)financing the development, acquisition, construction, extension or refurbishment of buildings, equipment, infrastructures and general corporate purposes related to hospitals	(Re-)financing the development, acquisition, construction, extension or refurbishment of buildings, equipment, infrastructures and general corporate purposes related to hospitals (Re-)financing of activities for public schools, including kindergarten and universities: Construction, extension or refurbishment of equipment and infrastructures and dedicated programmes, furniture, learning materials and other equipment
Target Population	General public	General public General public access to state/public schools and free private schools
Alignment with SDGs	 	    

KBC Social Bond – Key data on Social Bonds 1 and 2

	Passport of the KBC Social Bond 1	Passport of the KBC Social Bond 2
Issuer	KBC Group NV	KBC Group NV
ISIN	BE0002875566	BE0002951326
Issue rating (S&P/M/F)	A-/Baa1/A	A-/Baa1/A
Status	Active	Active
Issue amount	750 000 000 EUR	750 000 000 EUR
Coupon	3% p.a.	4,375% p.a.
Settlement date	25 August 2022	6 June 2023
Maturity date	25 August 2030	6 December 2031
Use of Proceeds	An amount equal to the issue amount is used to fully or partially (re-)finance social investments in the category ‘Access to essential services’ – subcategory ‘Financing of hospitals’	
Project evaluation and selection	An amount equal to the issue amount is used to fully or partially (re-)finance social investments in the category ‘Access to essential services’ – subcategory ‘Financing of hospitals’ and in the category ‘Access to essential services’ – subcategory ‘Financing of education’	
Management of Proceeds	The Green and Social Bond Committee will verify the compliance of the projects with the Use of Proceeds requirements and select projects as Eligible Assets. The Green and Social Bond Committee will also verify that all selected Eligible Assets comply with the standards of the KBC Group Sustainability Framework and will consider perceived environmental and social risks associated with each of the projects under consideration as part of the approval and monitoring of Eligible Asset allocation.	
Reporting	The Green and Social Bond Committee will review and approve allocations of bond proceeds to Eligible Assets on a quarterly basis and will ensure that the aggregate amount is equal to or greater than the net proceeds from the issued amount.	
	Annually, as required, KBC will publish the allocation of the net proceeds of the Social Bond(s) to Eligible Assets (Allocation of Proceeds Reporting) and the associated estimated social output (the Social Report).	

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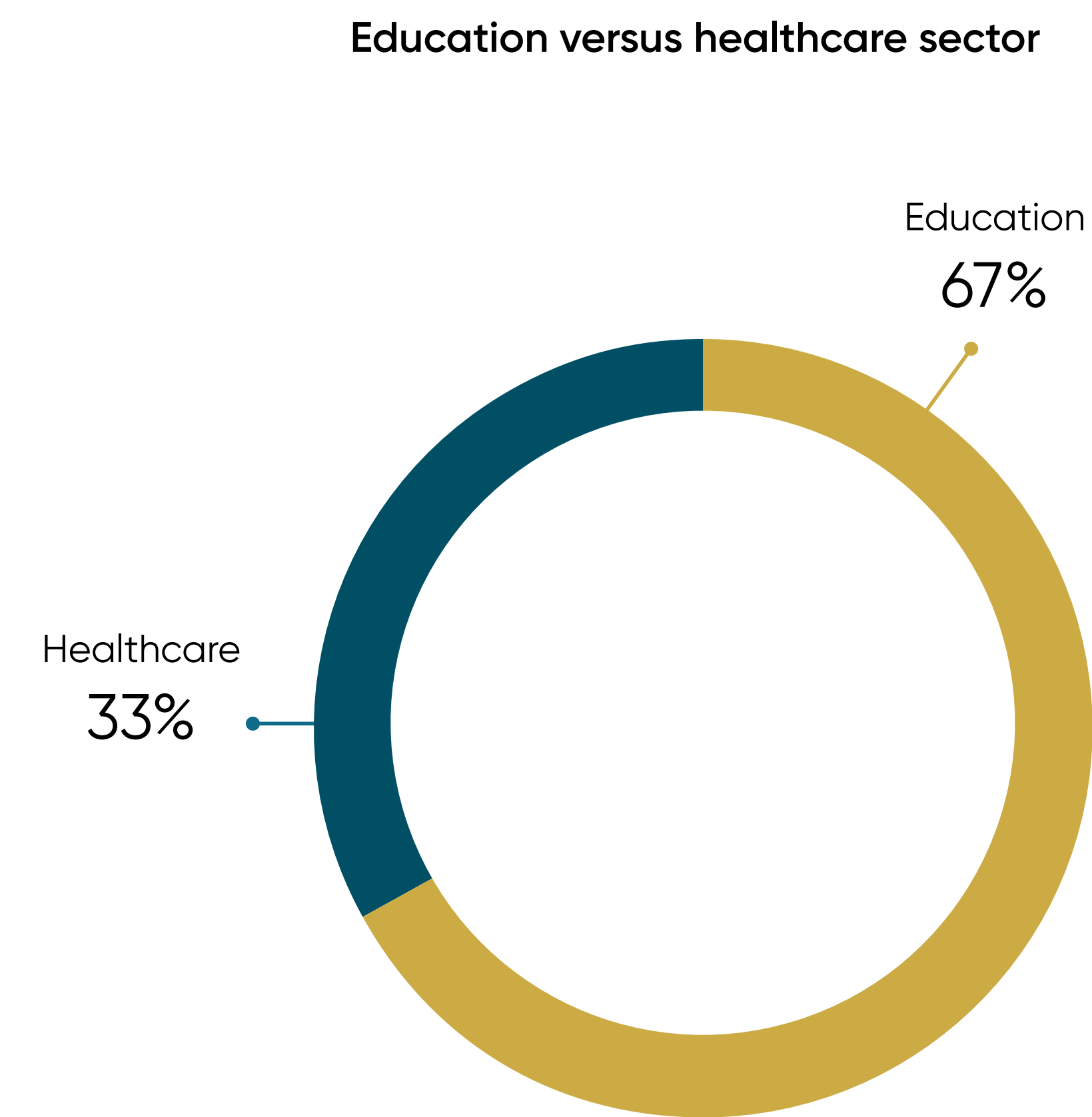
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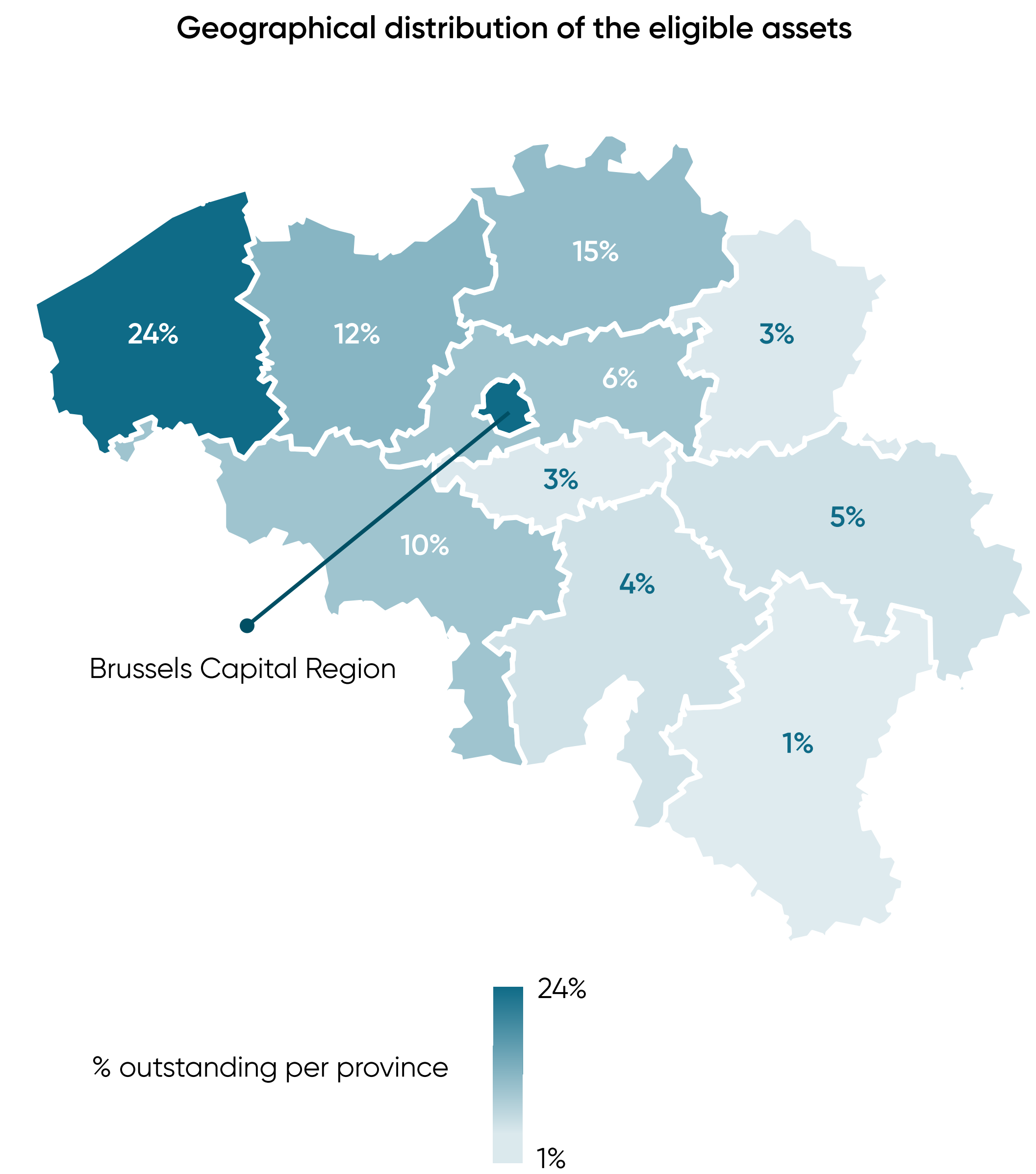
# Portfolio of Eligible Assets as at 31 December 2024

The Green and Social Bond Committee approved the selection and allocation of 1 500 million euros of Eligible Assets<sup>6</sup> to the two Social Bonds issued of in total 1 500 million euros. The pool of loans focused on the financing of hospitals and schools in Belgium.



Portfolio of eligible assets						
Province/Region	Total		Education		Healthcare	
	Volume (m euros)	%	Volume (m euros)	%	Volume (m euros)	%
Antwerp	225,1	15%	65,1	13%	160,0	16%
Brussels Capital Region	265,7	18%	83,8	17%	181,9	18%
East Flanders	177,7	12%	55,1	11%	122,6	12%
Flemish Brabant	92,6	6%	28,3	6%	64,3	6%
Hainaut	143,8	10%	54,5	11%	89,3	9%
Liège	75,2	5%	31,6	6%	43,5	4%
Limburg	50,6	3%	42,6	9%	7,9	1%
Luxembourg	9,8	1%	9,8	2%	0,0	0%
Namur	60,9	4%	29,6	6%	31,3	3%
Walloon Brabant	45,6	3%	32,4	6%	13,2	1%
West Flanders	353,3	24%	68,3	14%	285,0	29%
Total	Ⓐ 1500,1		501,1		999,0	

# Geographic distribution of the assets related to the healthcare and education sector



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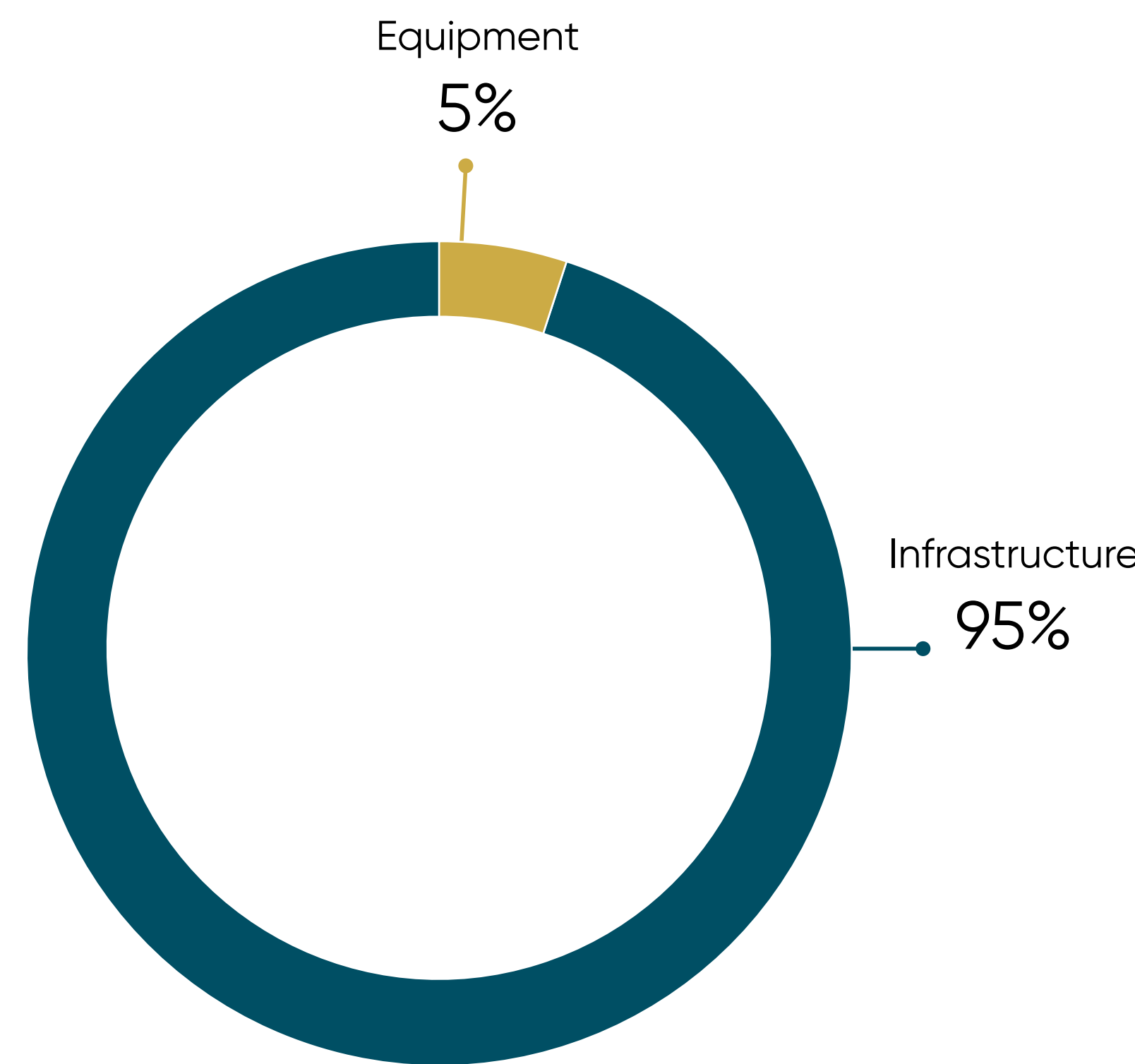
<sup>6</sup> The total outstanding among the allocated assets as at 31 December 2024.



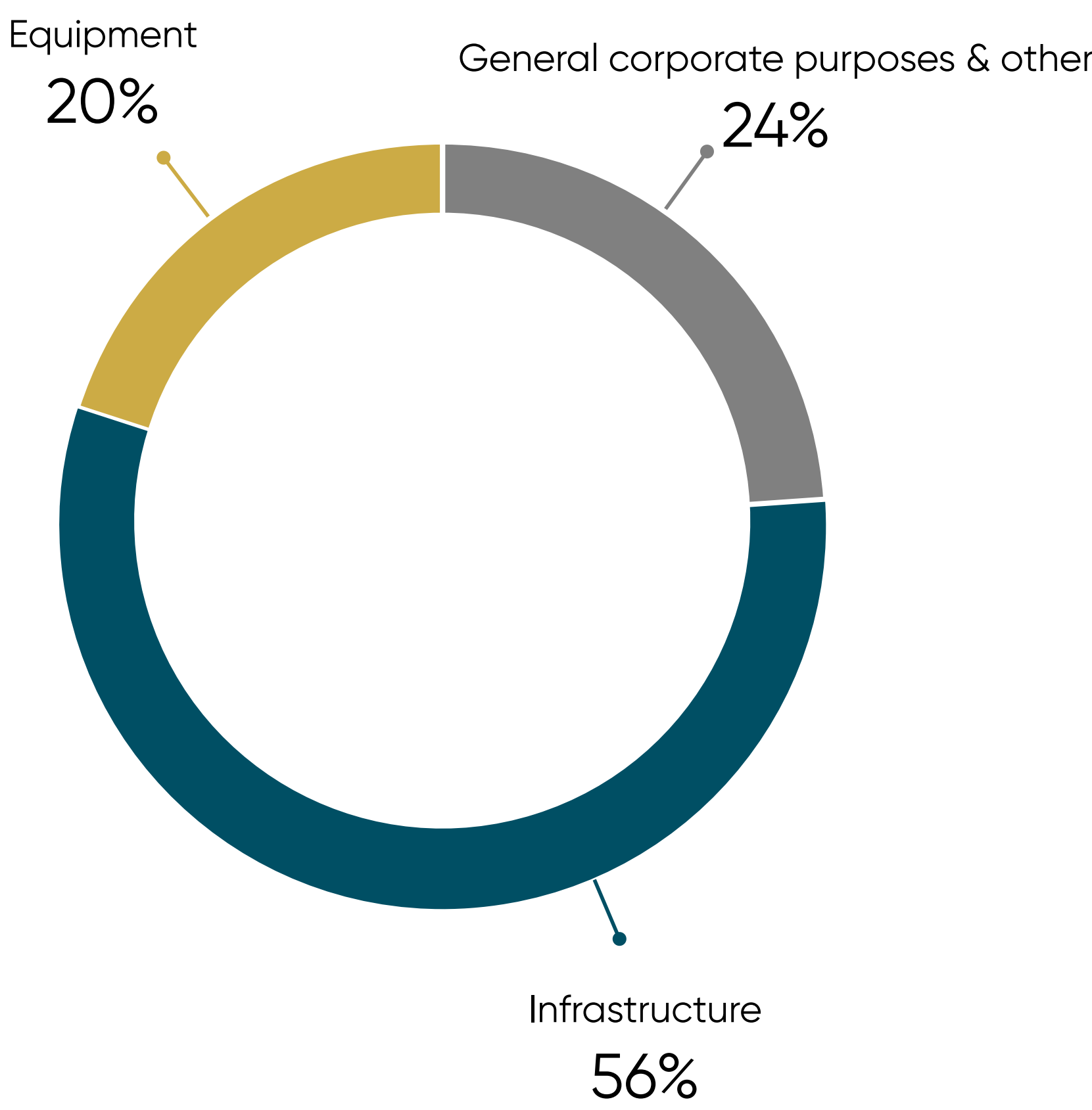


Output indicators related to the assets partially financed with KBC Social Bonds in the healthcare sector

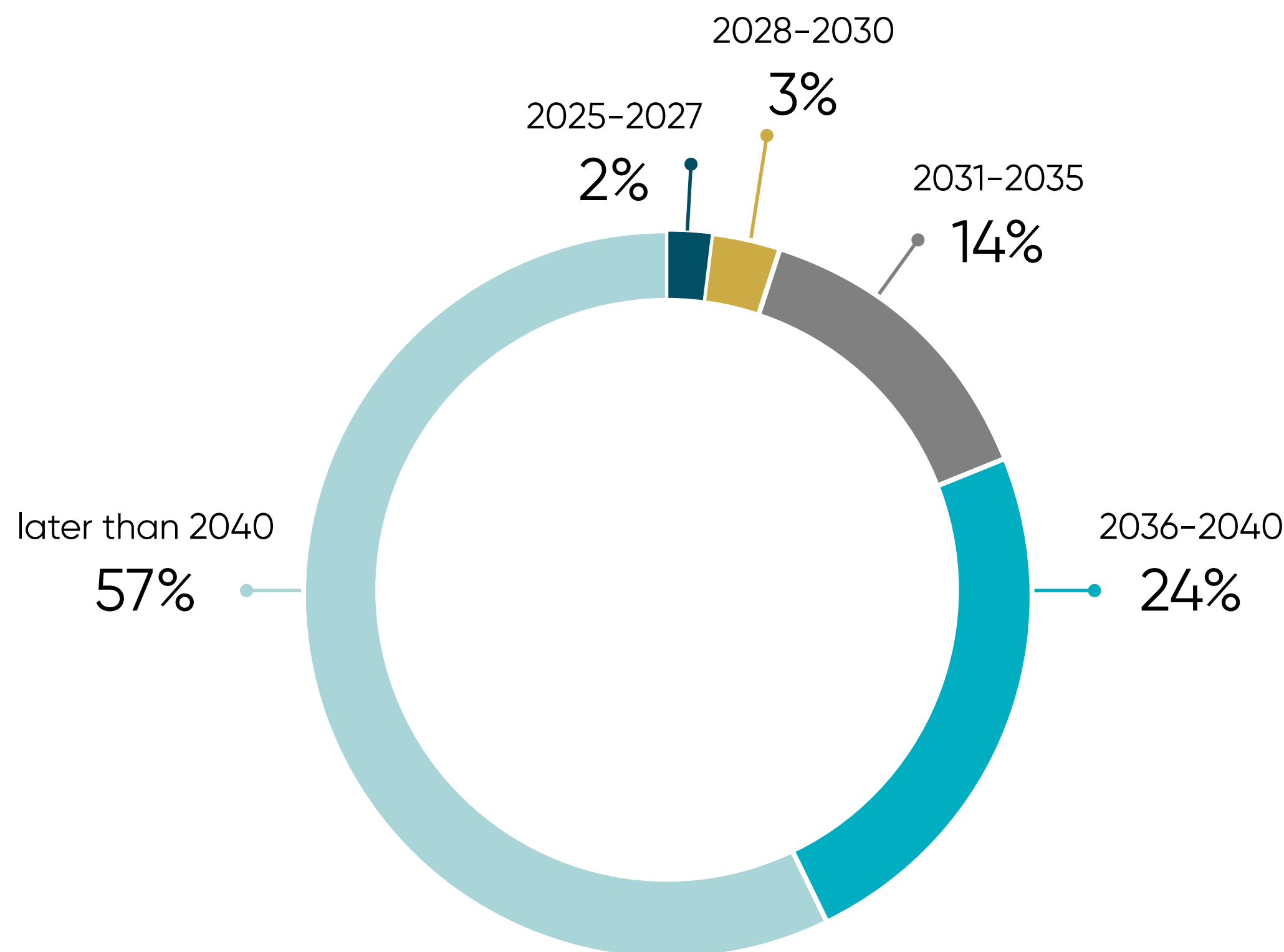
Education sector allocation per purpose



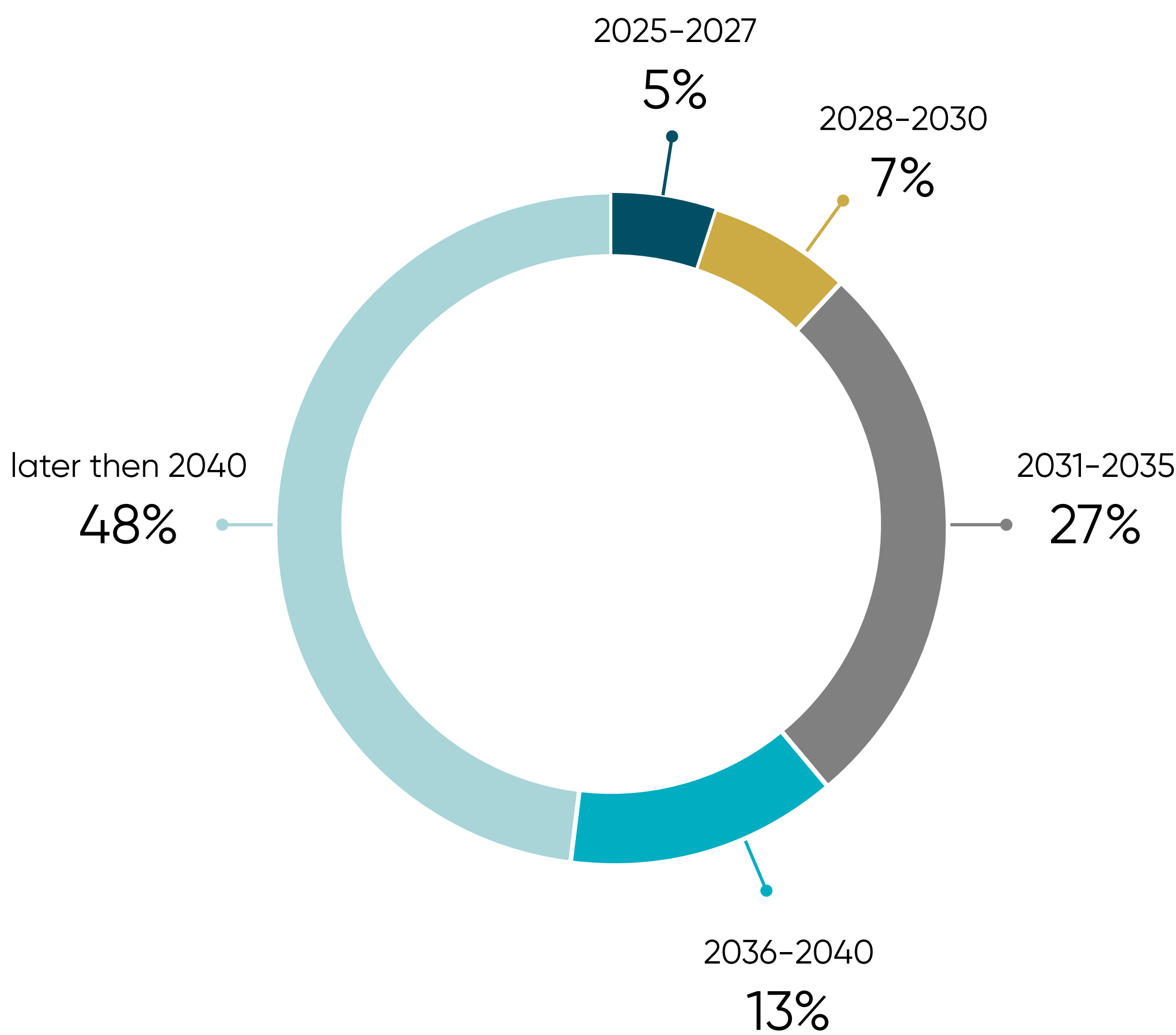
Healthcare sector allocation per purpose



% of outstanding amount per maturity buckets education sector



% of outstanding amount per maturity buckets healthcare sector



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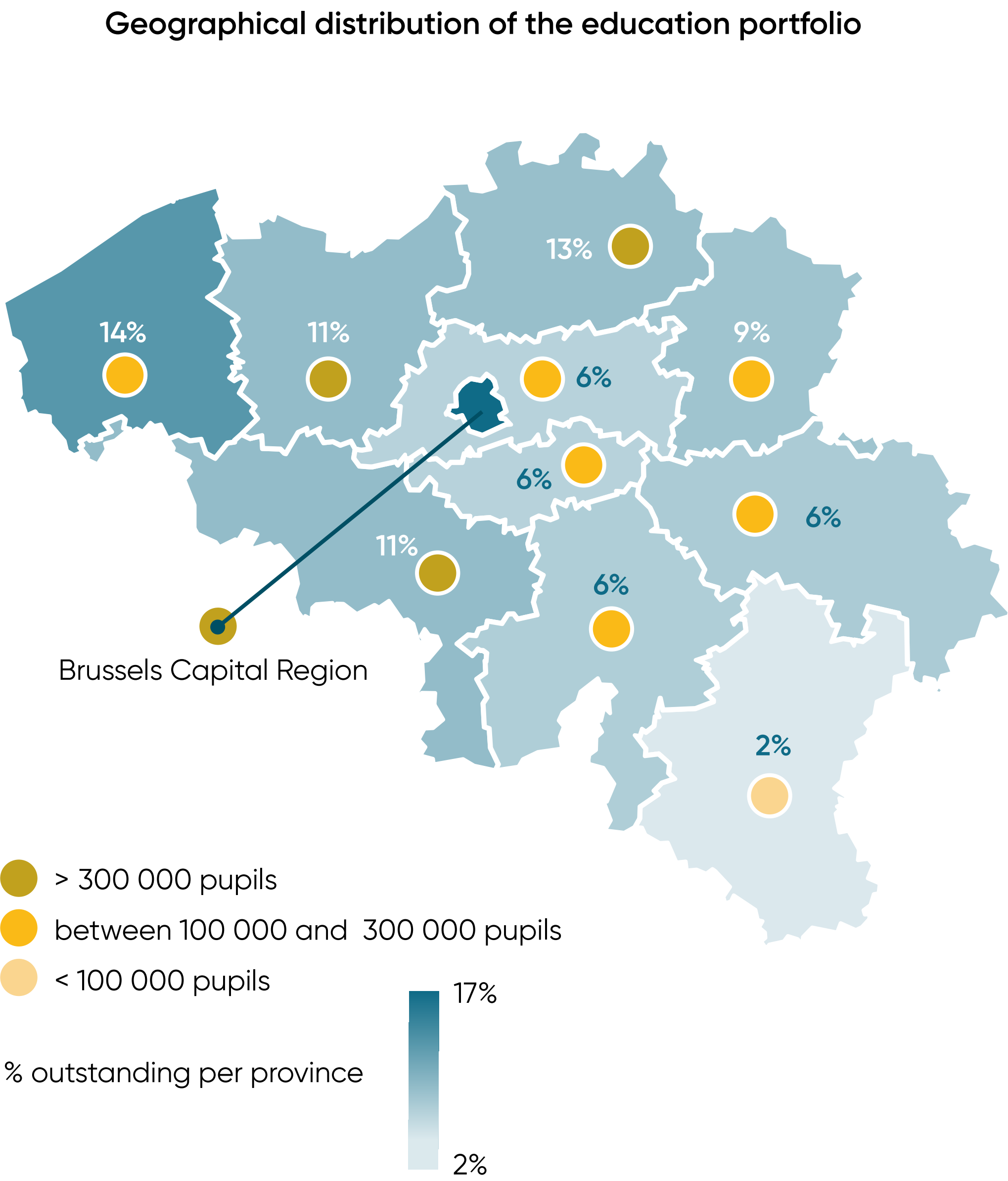
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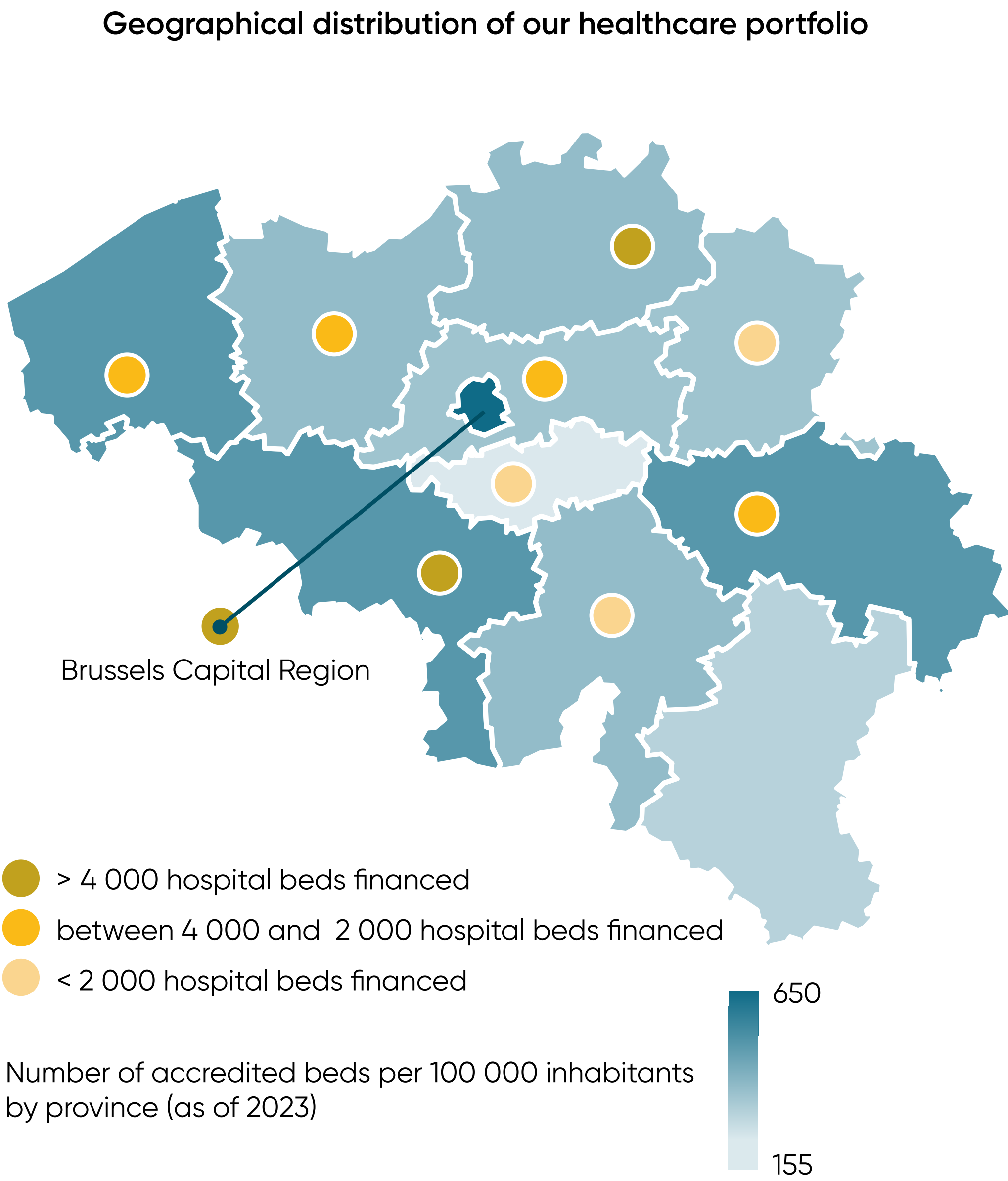
Geographic spread of the assets related to the education sector

KBC’s loan book of the education sector covers all Belgian provinces. The assets selected for the Social Bond are located in the Flemish Region, the Walloon Region and the Brussels Capital Region. The graph below shows the distribution of the co-financed assets in our Social Bonds, represented by the total number of pupils. The colour coding of the provinces reflects the outstanding per province, the dots stand for the number of pupils enrolled.



Geographic spread of the assets related to the healthcare sector

KBC’s loan book of public hospitals covers almost all Belgian provinces. The assets selected for the Social Bond are located in the Flemish Region, the Walloon Region and the Brussels Capital Region. The graph below shows the distribution of the co-financed assets in our Social Bonds, represented by the total number of hospital beds<sup>7</sup>. The colour coding of the provinces reflects the density of accredited hospital beds per 100 000 inhabitants<sup>8</sup>: where the density is low, there are fewer beds per inhabitant. Brussels Capital Region has the highest number of beds per 100 000 inhabitants. Walloon Brabant has the lowest number of authorised beds in Belgium.



7 The hospital beds relate to projects which have been financed partly, but not necessarily fully, by KBC loans.

8 Federal Public Service Health Food Chain Safety and Environment (2023). Key Data in Healthcare. (Legal deposit: D/2023/2196/33), accessed on 26 January 2024 at [FOD Volksgezondheid – Blikvanger 01 – EN – Interactive 2.1.pdf](#)

Output indicators related to the assets partially financed with KBC Social Bonds in the healthcare sector

Table below presents output indicators 2024 distributed over the provinces in Belgium.

	Hospital beds	Consultations	Admissions	Day admissions	Emergency contacts
Antwerp	5.338	1.216.148	160.930	271.005	353.077
Brussels Capital Region	4.391	2.491.947	176.750	336.995	388.142
East Flanders	2.463	1.826.062	86.647	171.441	169.288
Flemish Brabant	2.883	1.209.144	84.455	216.328	115.213
Hainaut	6.178	2.668.175	194.230	227.218	437.029
Liège	2.951	1.805.246	118.329	146.283	308.595
Limburg	326	86.311	8.984	22.827	21.667
Namur	1.938	1.026.502	56.086	481.283	158.598
Walloon Brabant	425	584.714	19.376	36.741	50.301
West Flanders	3.307	1.346.150	118.949	180.247	88.400
	30.200	14.260.399	1.024.736	2.090.368	2.090.310

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## Output indicators related to the assets partially financed with KBC Social Bonds in the education sector

Numbers in the table include pupils enrolled in Community education and grant-aided education (private and public). KBC channels funds to finance Grant-aided education. Fee-paying private schools are excluded (ineligible according to the criteria defined in the Social Bond Framework). Table reports number of pupils in 2023-2024 distributed over provinces in Belgium by education level.<sup>9</sup>

	Number of pupils in kindergarten school per province	Number of pupils in primary school per province	Number of pupils in secondary school per province	Number of pupils in higher education <sup>10</sup>
Antwerp	72.781	130.210	142.216	71.643
Brussels Capital Region	52.834	97.417	110.593	131.404 <sup>11</sup>
East Flanders	57.497	104.591	116.482	95.424
Flemish Brabant	42.328	75.594	71.434	58.676
Hainaut	48.552	96.302	114.585	70.729
Liège	40.386	78.996	88.732	67.361
Limburg	29.754	57.492	66.414	23.963
Luxembourg	11.511	22.455	26.802	20.208
Namur	17.360	34.295	43.633	30.313
Walloon Brabant	14.285	27.784	31.209	33.681
West Flanders	42.106	74.947	86.449	27.052
	<b>429.394</b>	<b>800.083</b>	<b>898.549</b>	<b>630.454</b>

<sup>9</sup> Perspective Brussels. Projections de population scolaire, accessed on 20 April 2025 at <https://beecole.brussels/fr/be-ecole/panorama-de-lecole-bruxelles/levolution-de-la-population-scolaire-bruxelles/projections-de-population-scolaire> WalStat. Catalogue des indicateurs, accessed on 20 April 2025 at [https://walstat.iweps.be/walstat-catalogue.php?catalogue\\_infra=0&theme\\_id=7&sel\\_niveau\\_catalogue=P](https://walstat.iweps.be/walstat-catalogue.php?catalogue_infra=0&theme_id=7&sel_niveau_catalogue=P) Provinces in cijfers. Leerlingenaantalen, accessed on 20 April 2025 at <https://provincies.incijfers.be/databank> Fédération Wallonie-Bruxelles, Chiffres clés. Accessed on 20 April 2025 at <https://statistiques.cfwb.be/enseignement/superieur/>

<sup>10</sup> The number of pupils in higher education in French-speaking schools is based on the number of pupils per residence and not per location of the school. Latest data available for Wallonia is for 2022-2023 period.

<sup>11</sup> Most recent data available for 2021-2022.

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Before the first Green Bond issuance was launched, Sustainalytics provided a second opinion to verify the compliance of the Green Bond Framework with the Green Bond Principles. Following the update of Green Bond Framework in 2023, Sustainalytics provided a second opinion that the KBC’s updated Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021.

PwC provided assurance on the allocation of proceeds for both Green and Social Bond. The Assurance Report can be found in Appendix 4.

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# APPENDIX 1 – KBC 2018 GREEN BOND FRAMEWORK – Use of proceeds and eligibility criteria

Renewable Energy	
Renewable energy power generation	Loans to finance equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources: <ul style="list-style-type: none"><li>• Onshore and offshore wind energy</li><li>• Solar energy</li><li>• Geothermal energy (with direct emissions ≤ 100g CO<sub>2</sub>/kWh)</li><li>• Energy from biomass, that is:<ul style="list-style-type: none"><li>– not grown in areas converted from land with previously high carbon stock such as wetlands or forests</li><li>– not obtained from land with high biodiversity such as primary forests or highly biodiverse grasslands</li><li>– not suitable for human consumption</li><li>– and subject to sustainable transport<sup>12</sup>: no excessive transport of input material or end product</li></ul></li><li>• Waste-to-energy</li></ul>
Energy Efficiency	
KBC 'Green Energy Loans'	'Green energy loans' for home improvements of KBC retail clients where at least 50% of the home improvements are for energy-efficiency purposes, including: <ul style="list-style-type: none"><li>• new central heating or solar boilers</li><li>• water pumps and other geothermal energy systems</li><li>• high-efficiency glazing</li><li>• new insulation</li><li>• thermostatic taps</li><li>• solar panels</li><li>• energy audits</li></ul> Note: As retail clients are required to use at least 50% of the loan for energy-efficiency purposes, conservatively 50% of the outstanding loan amount is viewed as 'eligible'.
Clean Transportation	
Low carbon land transport	Loans to finance low carbon land transport: <ul style="list-style-type: none"><li>• Public passenger transport, including electric, hybrid-electric, hydrogen or other non-fossil fuel vehicles, rail transport, metros, trams, cable cars, and bicycle schemes</li><li>• Private light-duty and heavy goods vehicles that are electric, hybrid-electric, hydrogen or other non-fossil fuel based.</li><li>• Dedicated freight railway lines (excluding transport with the main objective of transporting fossil fuels)</li><li>• Supporting infrastructure for low-carbon land transport e.g. IT upgrades, signalling, communication technologies and charging infrastructure</li></ul>
Green Buildings	
Residential real estate	Real estate loans for newly constructed energy-efficient residential buildings in the Flemish Region that comply with the "Energieprestatie en Binnenklimaat" (EPB) requirements included in the building code of the Flemish Region as of 2014 or later (E-level ≤ 60) and for which the first drawdown has occurred after January 1, 2016.
Commercial real estate	New or recently built commercial real estate buildings belonging to the top 15% of the commercial real estate building stock in terms of energy performance in the country of location, or which have obtained any of the following green building certificates: <ul style="list-style-type: none"><li>• LEED: [≥ <b>"Gold"</b>]</li><li>• BREEAM: [≥ <b>"Very Good"</b>]</li><li>• HQE: [≥ <b>"Excellent"</b>]</li></ul>
Pollution Prevention & Control	
Waste reduction & recycling	Loans to finance equipment, development, manufacturing, construction, operation and maintenance of facilities and infrastructure for waste prevention, reduction and recycling, including: sharing, repairing, reusing, refurbishing and remanufacturing of goods and recycling of waste.
Water Management	
Sustainable water & wastewater management	Loans to finance equipment, development, manufacturing, construction, operation and maintenance of: <ul style="list-style-type: none"><li>• water recycling and wastewater treatment facilities</li><li>• water storage facilities</li><li>• water distribution systems with improved efficiency/quality</li><li>• urban drainage systems</li><li>• flood mitigation infrastructure, such as infiltration infrastructure</li></ul>
Sustainable Land Use	
Sustainable land use	Loans to finance sustainable land use: <ul style="list-style-type: none"><li>• Sustainable agriculture in the EU, comprised of organic farming as certified in compliance with the EU and national regulation</li><li>• Environmentally sustainable forestry<sup>13</sup> including afforestation or reforestation, and preservation or restoration of natural landscapes soil remediation</li></ul>

<sup>12</sup> As normal course of business, except for some small local biomass plants, all biomass related projects of KBC are screened on case-by-case basis by the KBC Corporate Sustainability Department.

<sup>13</sup> Defined as PEFC or FSC certified forestry.

## CEO Statement

## The KBC Sustainability Strategy

## Sustainability milestones

## The Green Bond

- Key data on Green Bonds 2, 3 and 4
- Portfolio of eligible assets as at 31 December 2024
- Sector allocation as at 31 December 2024
- Impact of the Green Bonds as at 31 December 2024

## The Social Bond

- The healthcare sector in Belgium
- The education sector in Belgium
- Use of proceeds
- Key data on Social Bonds 1 and 2
- Portfolio of Eligible Assets as at 31 December 2024

## Verification

## Appendix 1 – KBC 2018 Green Bond Framework – Use of proceeds and eligibility criteria

## Appendix 2 – KBC 2023 Green Bond Framework – Use of proceeds and eligibility criteria

## Appendix 3 – How we calculate avoided emissions

## Appendix 4 – Assurance report



# APPENDIX 2 – KBC 2023 GREEN BOND FRAMEWORK – Use of proceeds and eligibility criteria

Renewable Energy	
Renewable energy power generation	Loans to (re)finance equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources in Belgium, France, the Netherlands, Germany and the UK: <ul style="list-style-type: none"><li>Onshore and offshore wind energy</li><li>Solar energy</li></ul>
Energy Efficient Buildings	
KBC 'Green Energy Loans'	<p>Loans (re)financing the acquisition of a residential building in Belgium with a building year before 1/1/2021 and with a maximum primary energy demand of 159kWh/m2.</p> <p>Loans (re)financing the acquisition of a residential building in Flanders or Wallonia with a building year after 1/1/2021 and with a maximum primary energy demand of 47kWh/m2/yr.</p> <p>Loans (re)financing the construction of new energy efficient residential buildings in Belgium with the energy requirements included in the regional building code as of 2014 or later and for which the 1st drawdown has occurred as of 01/01/2016 but before 31/12/2022.</p> <p>Loans (re)financing the construction of new energy efficient residential buildings in Flanders with the energy requirements included in the regional building code as of 1/1/2021 and for which the 1st drawdown has occurred as of 1/1/2023.</p> <p>Mortgage loans in flood-prone areas will be excluded from the selection. Properties subject to flood risk are identified by means of regional flood maps</p>
Clean Transportation	
Low carbon land transport	(Re-)financing of the purchase, renting, leasing and operation of zero-emission vehicles in Belgium: <ul style="list-style-type: none"><li>Fully electric cars (no plug-in hybrid vehicles)</li><li>Bicycles (regular or electric)</li></ul>

CEO Statement

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Appendix 3 – How we calculate avoided emissions

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# APPENDIX 3 – HOW WE CALCULATE AVOIDED EMISSIONS

To calculate the avoided emissions, we have developed an internal methodology, which has subsequently been verified by a specialised consultancy firm, Vinçotte. This independent verification consisted of a review of the methodology, of the secondary data and the emission factors input, as well of used and the avoided greenhouse gas emissions calculations for the allocated assets at the time of issuance. The secondary data used for the calculations were gathered from literature and publicly available databases from government agencies.

For the calculations of 31/12/2024, the same methodology is used and the emission factors have been updated.

## Renewable Energy

The avoided greenhouse gas emissions for renewable energy are calculated by the difference with the emissions of the residual energy mix in the countries where the renewable assets are operational. The residual energy mix is the mix of generation supplying the electrical grid minus the generation from specific generators that are exclusively claimed by individual retail consumers as supplying their electricity.

The impact of Renewable Energy projects is calculated based on the expected average electricity production of the financed projects and prorated according to the share of KBC in the total loan size. For the conversion of capacity to average electricity production we use the following factors:

- 3500 full load hours for offshore wind
- 2250 full load hours for onshore wind
- 95% efficiency for PV-panels.

In order to avoid overestimation we only take into account the renewable assets which are operational and exclude the ones still under construction.

For calculation of the avoided emissions, we use the most recent conversion factors of the Association of Issuing Bodies – European Residual Mixes 2023.

## Green building-residential real estate

The avoided greenhouse gas emissions for green mortgages are calculated by comparing the energy consumption on an eligible asset with an average house or apartment in the same region of Belgium (Flanders, Brussels, and Wallonia). The calculation is done on portfolio-level and based on four types of eligible assets in scope (i.e., loans). These four types are identified based on the selection criteria in our green bond framework (for more information see KBC Green Bond Framework).

### Key principles

- Financing share: the avoided emissions calculation is applied to the financing share of the amount allocated to Green Buildings.
- To calculate avoided emissions, we compare the energy performance of these Green Buildings with the energy performance of an average dwelling in Flanders (Belgium) and convert it to CO<sub>2</sub>e emissions.
- All calculations are based on publicly available data.

To determine the baseline of average dwelling energy efficiency, we use average data on usable floor area for new apartments and houses, and average data on electricity and energy consumption for heating per household. We start from total sum of portfolio (in this case buildings in Flanders) and translate these to a number of buildings by using the percentage of financial exposure that is allocated to a green bond.

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The impact calculation occurs in five steps:

- Starting point is calculating the average energy consumption per m<sup>2</sup> for an average house and apartment in Flanders.
  - Average energy consumption of existing building = EPC value from data source [energiesparen.be](https://energiesparen.be)
  - Average kWh/m<sup>2</sup> = weighted average of energy consumption of new buildings & existing buildings
  - New buildings = the average E-level and number of buildings built since 2006 from data source [energiesparen.be](https://energiesparen.be)
  - Average energy consumption of new buildings = weighted average of E-level of new buildings translated to EPC via fixed proxy (E-level/0.6).
- For the calculation of the average energy consumption per m<sup>2</sup> of the eligible assets, we use a similar approach for which we only look at new buildings.
- The total primary energy consumption for heating per household per year, both for houses and apartments, is calculated by multiplying the EPC value with the average usable floor area, for which we use Veka (*Vlaams Energie-En Klimaatagentschap*)<sup>14</sup> as source. We calculate this both for an average house and apartment and for the eligible assets.
- The difference between the primary energy consumption of an average residential mortgage and the primary energy consumption of the eligible assets is the avoided energy consumption of the allocated assets to the green bond.
- The avoided emissions per household are calculated by using a yearly updated conversion factor to translate the primary energy consumption of residential real estate (in kWh) into CO<sub>2</sub>e.

## Clean transportation

The avoided greenhouse gas emission for clean transportation is calculated by the replacement of an average car in Belgium by a new operational leasing Electric car or (electric) bicycle (regular, e-bike and speed-pedelec). To avoid overestimation, we exclude contracts that were suspended and only consider vehicles whose contract is running or extended. In addition, we take a more conservative approach and assume that all EVs are charged on the regular grid mix. To estimate avoided emissions from bicycles, we only focus on commuting travel, that is the average distance of home-work travel in Flanders, as we are able to identify average distances from public data. For the conversion of capacity to estimate avoided greenhouse gas emissions we use the following factors:

- Average km/year used for EV is overall KBC portfolio average
- Conversion factor to calculate total emissions is based on conversion factors from Association of Issuing Bodies – European Residual Mixes 2023
- Average emissions for cars in Belgium is obtained from Belgian Mobility Dashboard
- Average consumption of an EV – EV Database
- Average avoided car km/year by bicycle is estimated using results from Flanders travel behaviour survey (Onderzoek Verplaatsingsgedrag)
- Average energy consumption for bicycles is based on information from Fietserbond
- Average energy consumption for speed pedelecs is based on KBC Autolease expert opinion.

Using the above-mentioned conversion factors we estimate how many km/year driven, the actual energy usage per vehicle per 100km and the total emissions (tonnes CO<sub>2</sub>) per vehicle.

Estimating the avoided emissions of the allocated vehicle portfolio requires determining the number of fossil fuel vehicles displaced from the road. Therefore, based on the total km/year driven in the vehicles included in the portfolio, we translate this into the number of vehicles, total km/year and total emissions (tonnes CO<sub>2</sub>) of the average Belgian car. Finally, we estimate the total avoided emissions per vehicle category by taking the difference between average emissions of an average Belgian car and average emissions of electric vehicle or bike, and multiply this by the total km/year driven for each category of vehicles in the allocated portfolio.

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<sup>14</sup> Vlaams Energie- en Klimaatagentschap | Vlaanderen.be



# APPENDIX 4 – ASSURANCE REPORT



**INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUBJECT MATTER INFORMATION OF THE KBC GREEN AND SOCIAL BOND REPORT AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024 OF KBC GROEP NV**

This report has been prepared in accordance with the terms of our engagement contract dated 7 February 2025 (the “Agreement”), whereby we have been engaged to issue an independent limited assurance report in connection with the Subject Matter Information (i.e. the Portfolio of Eligible Assets) marked with the symbol @ in the “The Social Bond” section of the KBC Green and Social Bond Report as of and for the year ended 31 December 2024 (the “Report”) of KBC Groep NV (the “Company”).

**The directors’ responsibility**

The directors of the Company are responsible for the preparation and presentation of the information and data related to the total Portfolio of Eligible marked with the symbol @ in the “The Social Bond” section of the KBC Green and Social Bond Report as of and for the year ended 31 December 2024 (the “Subject Matter Information”), in accordance with the KBC Social Bond Framework of KBC Groep NV (the “Criteria”).


This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

**Auditor’s responsibility**

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed.

PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL - Financial Assurance Services  
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BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB



The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria. The scope of our work comprised the following procedures:

- Assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2024 presented in the Report;
- Conducting interviews with responsible officers;
- Reviewing, on a limited test basis, relevant internal and external documentation; and
- Considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

**Our independence and quality management**

We have complied with the independence and other ethical requirements in the International Ethics Standards Board for Accountants’ (IESBA) International Code of Ethics for Professional Accountants (IESBA Code) together with the legal Belgian requirements in respect of the auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organising the audit profession and its public oversight of registered auditors.

Our firm applies International Standard on Quality Management n°1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information within your KBC Green and Social Bond Report as of and for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the Criteria.

<a href="#">CEO Statement</a>
<a href="#">The KBC Sustainability Strategy</a>
<a href="#">Sustainability milestones</a>
<a href="#">The Green Bond</a> <ul style="list-style-type: none"><li>• Key data on Green Bonds 2, 3 and 4</li><li>• Portfolio of eligible assets as at 31 December 2024</li><li>• Sector allocation as at 31 December 2024</li><li>• Impact of the Green Bonds as at 31 December 2024</li></ul>
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<a href="#">Verification</a>
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<a href="#">Appendix 2 - KBC 2023 Green Bond Framework - Use of proceeds and eligibility criteria</a>
<a href="#">Appendix 3 - How we calculate avoided emissions</a>
<b><a href="#">Appendix 4 – Assurance report</a></b>





Other ESG related information

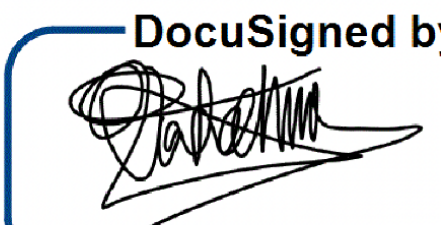
The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Other matter - restriction on use and distribution of our report

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 14 May 2025

The statutory auditor  
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL  
Represented by

DocuSigned by:  
  
C556680ECE134C9...

Mieke Van Leeuwe\*  
Bedrijfsrevisor/Réviseur d'entreprises

\*Acting on behalf of Mieke Van Leeuwe BV

CEO Statement

The KBC Sustainability Strategy

Sustainability milestones

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Appendix 1 - KBC 2018 Green Bond Framework - Use of proceeds and eligibility criteria

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**INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUBJECT MATTER INFORMATION OF THE KBC GREEN AND SOCIAL BOND REPORT AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024 OF KBC GROEP NV**

This report has been prepared in accordance with the terms of our engagement contract dated 15 April 2025 (the “Agreement”), whereby we have been engaged to issue an independent limited assurance report in connection with the Subject Matter Information (i.e. the allocated amount) marked with the symbol Ⓔ in the “The Green Bond” section of the KBC Green and Social Bond Report as of and for the year ended 31 December 2024 (the “Report”) of KBC Groep NV (the “Company”).

**The directors’ responsibility**

The directors of the Company are responsible for the preparation and presentation of the information and data related to the allocated amount marked with the symbol Ⓔ in the “The Green Bond” section of the KBC Green and Social Bond Report as of and for the year ended 31 December 2024 (the “Subject Matter Information”), in accordance with the 2018 and 2023 KBC Green Bond Frameworks of KBC Groep NV (the “Criteria”) as included in appendix 1 and 2 of the Report.

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

**Auditor’s responsibility**

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed.

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**Our independence and quality management**

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Our firm applies International Standard on Quality Management n°1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information within your KBC Green and Social Bond Report as of and for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the Criteria.

**CEO Statement**

**The KBC Sustainability Strategy**

**Sustainability milestones**

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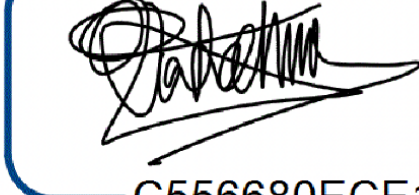
Other matter - restriction on use and distribution of our report

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 14 May 2025

The statutory auditor  
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL  
Represented by

DocuSigned by:



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Mieke Van Leeuwe\*  
Bedrijfsrevisor/Réviseur d'entreprises

\*Acting on behalf of Mieke Van Leeuwe BV

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Appendix 4 – Assurance report