



## **KBC Green Bond - Impact Report**

31 December 2021

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## CEO Statement

Dear Reader,

Climate change has hit the world hard in 2021 as it brought extreme weather events across the globe. Western Europe was battered by excessive rainfall which led to extreme floods in Germany and Belgium to name just two countries, often with fatal consequences.

We at KBC, are convinced that mitigating the impact of climate change on society and adapt ourselves accordingly should be a main priority. Therefore we have raised the bar substantially on our climate-related ambitions, in line with our engagement as a signatory of the UN's Collective Commitment to Climate Action (CCCA).

During 2021, we have taken all sorts of initiatives to make our business fundamentally more sustainable and climate resilient:

- All remaining direct coal exposure has been phased out in line with our commitment. Moreover, since November 2021, KBC Group no longer provides direct financing, insurance or advisory services to the exploration and extraction of all new oil and gas fields.
- 12 billion euro of financing contributing to environmental objectives.
- A first preliminary internal carbon price schedule was adopted, which we aim to use and apply gradually through pilots.
- We successfully issued our third 750-million euro KBC Green Bond in November 2021.
- We calculated the GHG emissions for the entire KBC Group's loan portfolio based on the PCAF (Partnership for Carbon Accounting Financials) methodology. The most material climate-sensitive sectors and product lines represent two third of the total Green House Gas emissions.
- We calculated the climate-related impact of our own investments and asset management portfolio through Trucost data and methodology.
- We became a net climate-neutral company as of this year through the voluntary offset of our remaining direct environmental footprint – which has already been substantially reduced in 2021 by 71% compared to base year 2015 – by means of high-quality climate projects. At the same time, we reached 100% renewable electricity consumption in 2021.
- We are delighted to see that our efforts have not gone unnoticed as this year we have been awarded the 'Best Disclosure' award by the International Awards for Climate-related Disclosures by Financial Institutions for our 2020 Sustainability Report

In our 2021 Annual Report and [Sustainability Report](#), our achievements in the sustainability domain and our planned actions for 2022 are described in detail.

This fourth Impact Report gives information on the material scale and the impact of the first, second and third issuance of the KBC Green Bond as per 31 December 2021.

I hope you will read the impact report with interest and continue to support KBC in its Green Bond journey!

Johan Thijs, Chief Executive Officer KBC Group



## Introduction

This report gives an overview of the allocation of eligible green assets to the three KBC Green Bonds and describes the impact of these Green Bonds on a portfolio level. The issuance of KBC Green Bonds is fully integrated in KBC's sustainability strategy.

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 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 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 that is aligned with the Green Bond Principles 2017 as stated in Sustainability.

After the introduction of the KBC Green Bond Framework in June 2018, KBC became the first Belgian financial institution to issue a 500 million euro green bond on 27 June 2018. A second 500 million euro issuance followed on 16 June 2020 and a third green bond of 750 million euro on 1 December 2021. All KBC Green Bonds are certified under the Climate Bonds Initiative's strict and internationally recognised Green Bond Standard.

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  $\leq 60$ ) 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.

The Green 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 Bond Committee reviews and approves allocations of bond proceeds to Eligible Assets on a quarterly basis.

## KBC Green Bond – Key data on Green Bond 1, 2 and 3

	Green Bond 1	Green Bond 2	Green Bond 3
<b>Issuer</b>	KBC Group N.V	KBC Group N.V	KBC Group N.V
<b>ISIN</b>	BE0002602804	BE0974365976	BE0002832138
<b>Issue Rating (S&amp;P/M/F)</b>	A-/Baa1/A-	A-/Baa1/A-	A-/Baa1/A-
<b>Status</b>	Senior unsecured green bond	Senior unsecured green bond	Senior unsecured green bond
<b>Issue Amount</b>	EUR 500,000,000	EUR 500,000,000	EUR 750,000,000
<b>Coupon</b>	0.875%	0.375%	0.250%
<b>Settlement</b>	27 June 2018	16 June 2020	1 December 2021
<b>Maturity Date</b>	27 June 2023	16 June 2027	1 March 2027

## Portfolio of eligible assets as per 31 December 2021

The Green Bond committee decided to select and label 2 238 million euro of assets in the portfolio of eligible green assets. The pool of residential loans related to Green Buildings amounts to 1 454 million euro. 784 million euro of green project finance is related to Renewable Energy projects. The granted amount of the Renewable energy portfolio though is 924 million euro. The loans for projects in constructions will increase the value of the Renewable Energy portfolio during the months to come.

### Renewable energy portfolio of eligible assets

KBC has specific targets on financing renewable energy production (at least 65% of its energy credit portfolio by 2030) to contribute to the transition to a low carbon economy. Status of this target by year end 2021 was 63%. As and when KBC issues a new bond, the newest renewable energy projects are included in this new bond

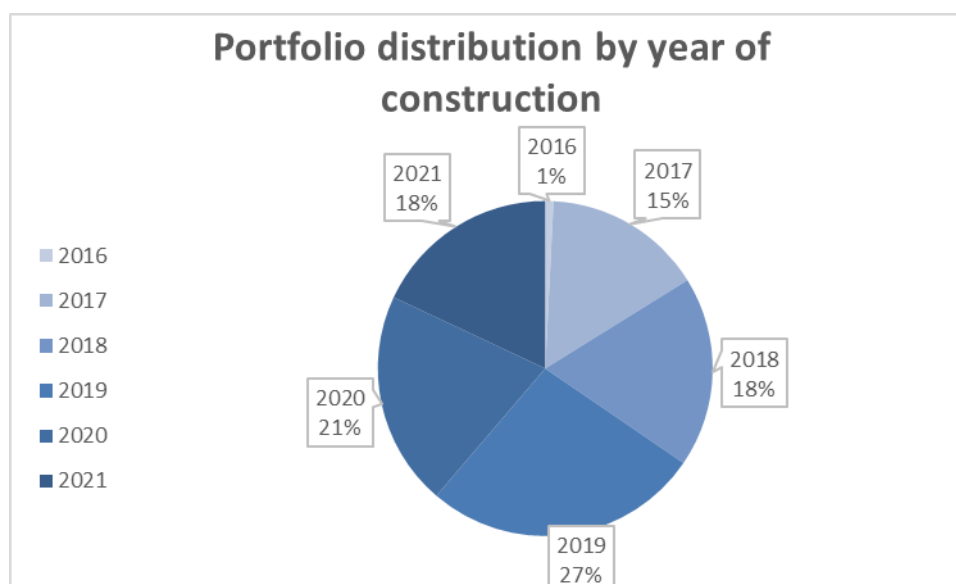
The following loans are included in our green asset portfolio:

Year of closing	Location	Status	Technology	KBC loan granted amount in EUR	KBC loan outstanding amount in EUR	Loan maturity date	Number of Turbines / panels	Capacity of project in MW
2014	Flanders	Construction/Operational	Wind	80 887 946 €	70 470 225 €	2/01/2030	25	78,4
2017	Wallonia	Operational	Wind	19 950 000 €	19 950 000 €	30/09/2032	6	19,2
2016	Off Shore - North Sea	Operational	Wind	89 706 482 €	89 706 482 €	31/12/2035	42	309,0
2010	Flanders	Operational	Solar	15 773 372 €	15 773 372 €	30/09/2030	48	18,9
2018	Off Shore - North Sea	Construction	Wind	52 161 172 €	52 161 172 €	31/12/2037	58	487,0
2015	On Shore - Flanders	Operational	Wind	3 793 461 €	3 793 461 €	28/06/2030	2	4,0
2014	On Shore - Flanders	Operational	Wind	2 772 966 €	2 772 966 €	31/12/2029	2	4,0
2014	On Shore - Flanders	Operational	Wind	1 191 637 €	1 191 637 €	31/12/2029	1	2,0
2016	On Shore - Flanders	Operational	Wind	9 384 457 €	9 384 457 €	30/06/2031	3	9,0
2016	On Shore - Flanders	Operational	Wind	7 687 797 €	7 687 797 €	31/12/2031	4	9,2
2014	On Shore - Flanders	Operational	Wind	8 807 756 €	8 807 756 €	31/12/2029	3	9,6
2017	On Shore - Flanders	Operational	Wind	3 081 452 €	3 081 452 €	31/12/2031	1	3,0
2016	On Shore - Flanders	Operational	Wind	3 709 636 €	3 709 636 €	31/12/2031	1	3,0
2018	On Shore - Flanders	Operational	Wind	6 420 370 €	6 420 370 €	30/06/2033	3	6,0
2017	On Shore - Flanders	Operational	Wind	8 133 786 €	8 133 786 €	30/06/2033	2	7,2
2015	On Shore - Flanders	Operational	Wind	5 233 375 €	5 233 375 €	21/12/2025	10	20,3
2016	On Shore - Flanders	Operational	Wind	12 660 078 €	12 660 078 €	28/06/2030	13	33,0
2017	On Shore - Flanders	Operational	Wind	59 521 000 €	55 964 000 €	28/11/2031	17	50,5
2016	On Shore - Wallonia	Operational	Wind	9 479 296 €	9 479 296 €	31/12/2031	9	23,5
2019	On shore - NL	Construction	Wind	77 697 948 €	74 282 314 €	30/06/2036	89	382,7
2017	Off Shore - North Sea	Operational	Wind	40 848 775 €	40 848 775 €	31/12/2029	55	165,0
2010	Off Shore - North Sea	Operational	Wind	46 241 031 €	46 241 031 €	23/11/2028	54	325,7
2018	Off Shore - North Sea	Operational	Wind	49 469 489 €	49 469 489 €	30/06/2035	50	165,0
2018	Off Shore - North Sea	Operational	Wind	32 461 955 €	28 530 846 €	31/12/2036	23	219,0
2017	Off Shore - North Sea	Operational	Wind	41 439 606 €	41 439 606 €	30/06/2032	72	216,0
2020	On Shore - Flanders	Operational	Wind	6 870 145 €	6 861 744 €	30/06/2036	1	4,0
2019	On Shore - Flanders	Operational	Wind	10 452 555 €	10 452 555 €	30/06/2036	2	8,0
2020	On Shore - Flanders	Operational	Wind	16 323 850 €	16 323 850 €	30/06/2036	3	12,0
2020	On Shore - Flanders	Operational	Wind	5 188 542 €	5 188 542 €	28/06/2041	1	4,5
2020	On shore - NL	Construction	Wind	46 922 447 €	16 300 651 €	30/09/2038	19	79,8
2020	On shore - Wallonia	Operational/ Construction	Wind	48 212 700 €	35 193 847 €	30/04/2036	12	37,0
2021	On Shore - Flanders	Construction	Wind	5 053 169 €	929 825 €	31/12/2041	1	4,3
2021	On Shore - Flanders	Construction	Wind	5 745 231 €	3 621 383 €	31/12/2036	2	7,2
2021	On Shore - Flanders	Construction	Wind	4 775 337 €	3 827 718 €	31/12/2036	1	3,6
2021	On Shore - Flanders	Construction	Wind	36 873 631 €	11 511 781 €	31/12/2041	6	30,8
2021	Off Shore - Baltic Sea	Construction	Wind	49 480 356 €	6 777 272 €	31/12/2042	27	256,5

## Green buildings portfolio of eligible assets

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  $\leq 60$ , corresponds to 100 kWh/m<sup>2</sup>) and for which the first drawdown has occurred after January 1, 2016. Of the labeled mortgages portfolio, 66% was initiated only in the last three years.

Date of construction	Date of mortgage loan commitment	Asset location	Committed loan amount	Outstanding loan amount	Left to draw	Number of loans
2016	2016	Flanders	15 389 887 €	11 547 574 €	.	87
2017	2016	Flanders	43 876 342 €	33 591 189 €	.	251
	2017	Flanders	246 320 323 €	189 834 211 €	.	1 430
2018	2016	Flanders	1 209 161 €	981 125 €	.	10
	2017	Flanders	28 913 155 €	22 675 764 €	.	200
	2018	Flanders	292 531 544 €	243 675 609 €	.	1 619
2019	2017	Flanders	497 575 €	437 859 €	.	4
	2018	Flanders	29 504 157 €	25 102 369 €	.	184
	2019	Flanders	405 354 125 €	363 182 615 €	2 083 766 €	2 075
2020	2018	Flanders	1 989 865 €	1 844 252 €	.	6
	2019	Flanders	98 074 318 €	91 467 153 €	1 883 588 €	479
	2020	Flanders	219 587 025 €	208 057 538 €	11 130 086 €	980
2021	2019	Flanders	6 687 730 €	6 482 549 €	1 173 705 €	30
	2020	Flanders	24 412 345 €	23 848 601 €	5 801 764 €	105
	2021	Flanders	237 106 916 €	231 698 135 €	48 359 773 €	1 030
<b>Total</b>			<b>1 651 454 469 €</b>	<b>1 454 426 545 €</b>	<b>70 432 683 €</b>	<b>8 490</b>

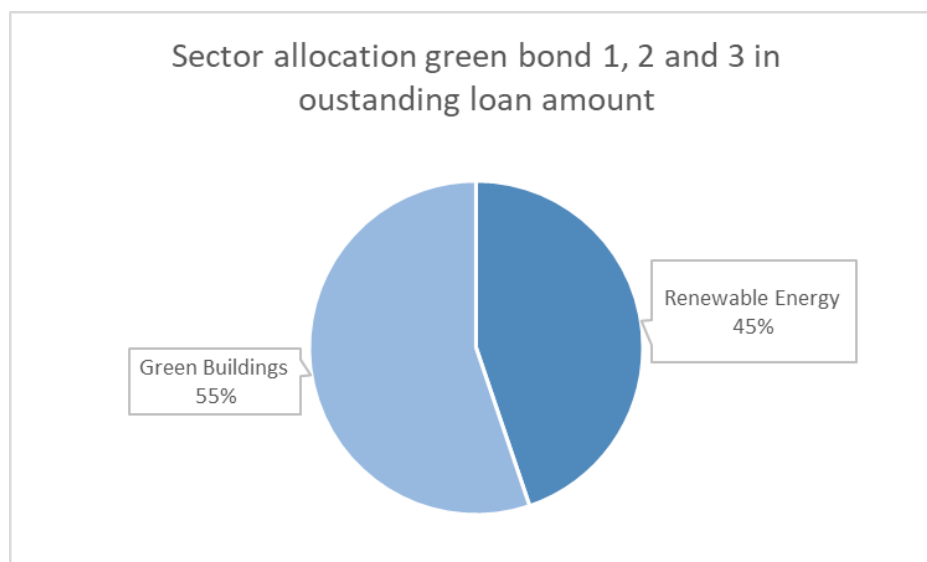


## Sector allocation as of 31 December 2021

As of 31 December 2021, the 500 million euro proceeds of the Green Bond 1 were allocated for 304.1 million euro to the Green Building residential real estate sector and for 195.9 million euro to the Renewable Energy power generation sector.

The 500 million euro proceeds for the issuance of Green Bond 2 are allocated for 235.2 million euro to the Green Building residential real estate sector and for 264.8 million euro to the Renewable Energy power generation sector.

The 750 million euro proceeds for the issuance of Green Bond 3 are allocated for 426.5 million euro to the Green Building residential real estate sector and for 323.5 million euro to the Renewable Energy power generation sector.



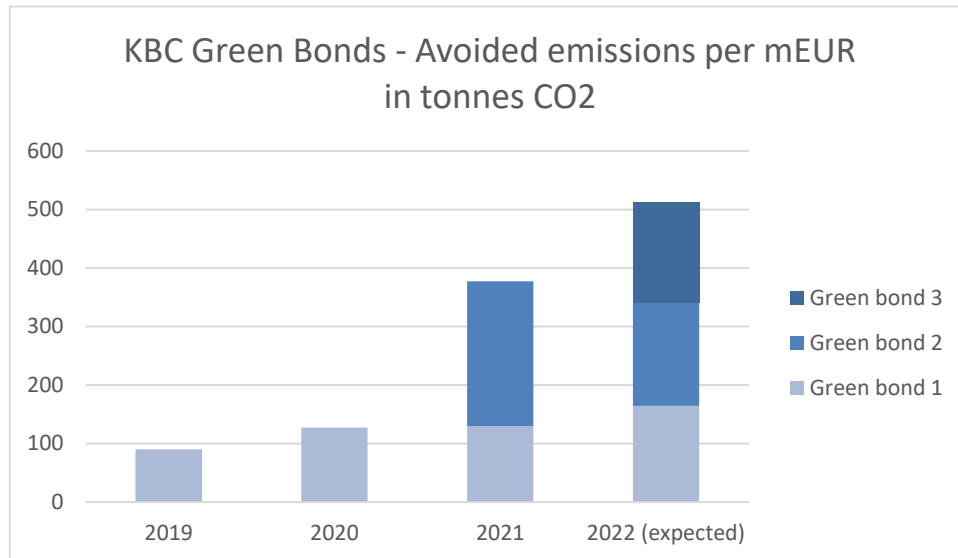
## Impact of the Green Bonds as per 31 December 2021

The annual avoided emissions related to the KBC Green Bond 1 totalled 82 277 tonnes of CO<sub>2</sub> or 165 tonnes per 1 million euro invested. The annual avoided emissions related to the KBC Green Bond 2 totalled 88 408 tonnes of CO<sub>2</sub> or 177 tonnes per 1 million euro invested. The annual avoided emissions related to the KBC Green Bond 3 totalled 128 105 tonnes of CO<sub>2</sub> or 171 tonnes per 1 million euro invested. Information on the methodology to calculate the avoided CO<sub>2</sub>-emissions is provided in Appendix 2.

<b>Overview of the KBC Green Bond assets and annual impact</b>		
<b>Green Bond 1</b>		
	<b>Renewable Energy</b>	<b>Green Buildings</b>
<b>Allocated amount</b>	EUR <sup>(A)</sup> 195.9 mio	EUR <sup>(A)</sup> 304.1 mio
<b>Electricity produced/energy saved (MWh)</b>	378 038	25 951
<b>Avoided CO<sub>2</sub> emissions (tonnes)</b>	77 415	4 862
<b>Green Bond 2</b>		
<b>Allocated amount</b>	EUR <sup>(A)</sup> 264.8 mio	EUR <sup>(A)</sup> 235.2 mio
<b>Electricity produced/energy saved (MWh)</b>	413 354	20 075
<b>Avoided CO<sub>2</sub> emissions (tonnes)</b>	84 647	3 761



Green Bond 3		
Allocated amount	EUR <sup>(A)</sup> 323.5 mio	EUR <sup>(A)</sup> 426.5 mio
Electricity produced/energy saved (MWh)	592 276	36 395
Avoided CO <sub>2</sub> emissions (tonnes)	121 286	6 819



The increase in avoided emissions for Green Bond 1 is almost entirely due to the increase of the share of claimed renewable electricity on the grid and the resulting increase of the carbon intensity for the residual mix. In the 2020 impact report for Green Bond 2, one of the renewable energy assets was still under construction but nevertheless already included in the avoided emission calculations, strictu-sensu this was leading to an overestimation of the actual avoided emissions of approximately 52 000 tonnes CO<sub>2</sub>e. For the 2022 impact report we only take into account these assets which are already operational for our financed emission calculation. Going forward, the avoided emissions of our Green Bond portfolio will increase when all financed renewable assets become operational.

## Verification

Before the first issuance was launched, Sustainalytics provided a second opinion to verify the compliance of the Green Bond Framework with the Green Bond Principles.

In the context of its certification with the Climate Bonds Initiative standards, PwC provided assurance on the allocation of proceeds. The Assurance Report can be found in Appendix 3.

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

<b>1. Renewable Energy</b>	
<i>Renewable energy power generation</i>	<ul style="list-style-type: none"> <li>• 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 <math>\leq 100\text{g CO}_2/\text{kWh}</math>)</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>1</sup>: no excessive transport of input material or end product</li> </ul> </li> <li>○ Waste-to-energy</li> </ul> </li> </ul>
<b>2. Energy Efficiency</b>	
<i>KBC 'Green Energy Loans'</i>	<ul style="list-style-type: none"> <li>• '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> <p>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'.</p> </li> </ul>
<b>3. Clean Transportation</b>	
<i>Low carbon land transport</i>	<ul style="list-style-type: none"> <li>• 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> </li> </ul>

<sup>1</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

<b>4. Green Buildings</b>	
<i>Residential real estate</i>	<ul style="list-style-type: none"> <li>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 <math>\leq</math> 60) and for which the first drawdown has occurred after January 1, 2016.</li> </ul>
<i>Commercial real estate</i>	<ul style="list-style-type: none"> <li>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: [<math>\geq</math> "Gold"]</li> <li>BREEAM: [<math>\geq</math> "Very Good"]</li> <li>HQE: [<math>\geq</math> "Excellent"]</li> </ul> </li> </ul>
<b>5. Pollution Prevention &amp; Control</b>	
<i>Waste reduction &amp; recycling</i>	<p>Loans to finance equipment, development, manufacturing, construction, operation and maintenance of facilities and infrastructure for waste prevention, reduction and recycling, including:</p> <ul style="list-style-type: none"> <li>sharing, repairing, reusing, refurbishing and remanufacturing of goods and recycling of waste</li> </ul>
<b>6. Water Management</b>	
<i>Sustainable water &amp; wastewater management</i>	<p>Loans to finance equipment, development, manufacturing, construction, operation and maintenance of:</p> <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>
<b>7. Sustainable Land Use</b>	
<i>Sustainable land use</i>	<p>Loans to finance sustainable land use:</p> <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>2</sup> including afforestation or reforestation, and preservation or restoration of natural landscapes soil remediation</li> </ul>

<sup>2</sup> Defined as PEFC or FSC certified forestry

## Appendix 2 - How we calculate avoided emissions

### Green building-residential real estate

#### Key principles

1. Financing share: the avoided emissions calculation is applied to the financing share of the amount allocated to Green Buildings
2. 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.
3. All calculations are based on publicly available data.

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. For the calculations as of 31/12/2021, the same methodology is used and the emission factors have been updated.

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. The calculation of the heat-related primary energy consumption is based on the average share of the main energy sources used for heating by households in Flanders: heating oil, natural gas and electricity.

For new houses and apartments, we assume the same floor area and electricity consumption (excl. for heating) as for average dwellings. Since 2006, new buildings need to comply with specific energy performance requirements, expressed as E-levels. E-levels must be recalculated to energy performance in kWh/m<sup>2</sup> based on statistical data of the Flemish government.

To translate the energy performance to the use of primary energy sources, the conservative assumption was made that in green buildings the same share and type of primary energy sources are used for heating as in average dwellings.

To calculate the avoided emissions, the energy use per source is converted into CO<sub>2</sub>e-emissions using the following conversion factors:

- for heating oil and gas: UK Government GHG Conversion Factors for Company Reporting 2020
- for electricity: Association of Issuing Bodies - European Residual Mixes 2019

### Renewable Energy

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 conversion factors of the Association of Issuing Bodies - European Residual Mixes 2019.

## Appendix 3 – Assurance report



### INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED DATA OF THE ANNUAL IMPACT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 OF KBC GROEP NV

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To the Board of Directors of KBC Groep NV

This report has been prepared in accordance with the terms of our engagement contract dated 3 November 2021 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with selected data, marked with the symbol <sup>Ⓐ</sup>, regarding the allocation of the KBC Green Bond proceeds to Eligible Assets, of the KBC Green Bond - Impact Report as of and for the year ended 31 December 2021 (the "Report").

#### The Directors' responsibility

The Directors of KBC Groep NV ("the Company") are responsible for the preparation and presentation of the selected data, marked with the symbol <sup>Ⓐ</sup> in the Report (the allocation of the KBC Green Bond proceeds to Eligible Assets), as of and for the period ended 31 December 2021 (the "Subject Matter Information"), in accordance with the Eligibility criteria disclosed in the KBC Green Bond Framework and included in the Appendix 1 of the Report (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.

PwC Bedrijfsrevisoren bv - PwC Reviseurs d'Entreprises srl - Risk Assurance Services  
Maatschappelijke zetel/Siège social: Woluwe Garden, Culliganlaan 5, B-1831 Diegem  
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, [www.pwc.com](http://www.pwc.com)  
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 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. The selection of such procedures depends on our professional judgment, 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 2021 presented in the Report.
- conducting interviews with responsible officers;
- inspecting internal and external documents.

The scope of our work is limited to assurance over the selected data marked with the symbol <sup>Ⓐ</sup> in the Report (the allocation of the Green Bond proceeds to Eligible Assets), as of and for the period ended 31 December 2021. 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 control**

Our engagement has been carried out in compliance with the legal requirements in respect of 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 organizing the audit profession and its public oversight of registered auditors, and with other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control 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 (the selected data marked with the symbol <sup>(A)</sup>), within your Annual Impact Report for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the Criteria.

#### 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 as of and for the year ended 31 December 2021 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, 10 May 2022

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL  
Represented by

A handwritten signature in blue ink, appearing to read 'M. Daelman', is written over a faint horizontal line.

Marc Daelman<sup>1</sup>  
Registered auditor

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<sup>1</sup> Marc Daelman BV, director, represented by its permanent representative Marc Daelman