



## Content

<b>CEO Statement.....</b>	<b>3</b>
<b>Introduction.....</b>	<b>4</b>
<b>KBC Green Bond – Key data on Green Bond 1, 2 and 3.....</b>	<b>5</b>
<b>Portfolio of eligible assets as per 31 December 2022 .....</b>	<b>5</b>
Renewable energy portfolio of eligible assets.....	5
Green buildings portfolio of eligible assets .....	6
<b>Sector allocation as of 31 December 2022 .....</b>	<b>7</b>
<b>Impact of the Green Bonds as per 31 December 2022 .....</b>	<b>8</b>
<b>Verification .....</b>	<b>9</b>
<b>Appendix 1 - KBC Green Bond Framework - Use of proceeds and eligibility criteria..</b>	<b>10</b>
<b>Appendix 2 - How we calculate avoided emissions.....</b>	<b>12</b>
<b>Appendix 3 – Assurance report .....</b>	<b>14</b>



## CEO Statement

Dear reader,

The physical effects of climate change again became clearer in 2022. In some of our markets violent storms caused considerable material and human damage. Earlier than anticipated, severe drought worsened, and extremely dry conditions affected several European regions. On top of that, the brutal invasion of Ukraine caused a deep humanitarian crisis, as well as an energy crisis. KBC stands ready to support the subsequent accelerated energy transition away from fossil fuels to cleaner alternatives. This transition now more clearly than ever serves multiple purposes: mitigating climate change and reducing our dependency from imported energy (carriers).

At KBC, we are convinced that we must act now to mitigate the impact of climate change. We are engaged as a signatory of the UN's Collective Commitment to Climate Action (CCCA). During 2022, we have taken several initiatives to make our business fundamentally more sustainable and climate resilient:

- In September 2022, we published a Climate Report with more details on our commitment, objectives and accomplishments. For our lending business we communicated concrete targets for the most material carbon-intensive industrial sectors in our business and product lines and we also showed how our asset management business is taking concrete steps towards a climate-resilient future.
- At the end of 2022 we decided to further bolster our intentions regarding climate action by committing our banking activities to the Science-Based Targets Initiative (SBTi).
- In December 2022, independent rating provider CDP put KBC on its 'A list', an achievement which fewer than two percent of all CDP-rated companies managed to accomplish.
- KBC also received the Terra Carta Seal, as a token of recognition of our dedication to create a truly sustainable future. The Sustainable Market Initiative's Terra Carta Seal recognises global companies which are driving innovation and demonstrating their commitment to, and momentum towards, the creation of genuinely sustainable markets. Designed by Sir Jony Ive, the Terra Carta Seal embodies the vision and ambition of His Majesty King Charles III and the Terra Carta, as a recovery plan for Nature, People and Planet. The Terra Carta Seal is underpinned by Corporate Knights' Annual Global 100 Top Sustainable Corporations List and the wider principles of the Terra Carta.

On top of the above-mentioned efforts to mitigate climate change, we became the first Belgian financial institution to issue a 750 million euro social bond. The proceeds of this issue go towards funding the hospital sector and projects that generate social benefits which support our mission.

In our 2022 Annual Report and Sustainability Report, our achievements in the sustainability domain and our planned actions for the coming years are described in detail.

This fifth 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 2022.

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 confirmed by Sustainalytics.

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 Climate Bonds 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 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.

## 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. Also KBC's Green Bond Framework is not yet EU taxonomy aligned.

## 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 2022

The Green and Social Bond committee decided to select and label 2 207 million euro of assets in the portfolio of eligible green assets. The pool of residential loans related to Green Buildings amounts to 1 349 million euro. 857 million euro of green project finance is related to Renewable Energy projects. The granted amount of the Renewable energy portfolio though is 882 million euro. The loans for projects under construction will further increase the total 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 75% of its energy credit portfolio by 2030) to contribute to the transition to a low carbon economy. Status of this target by year end 2022 was 63%. As and when KBC issues a new green bond, the newest renewable energy projects are included in this new bond.

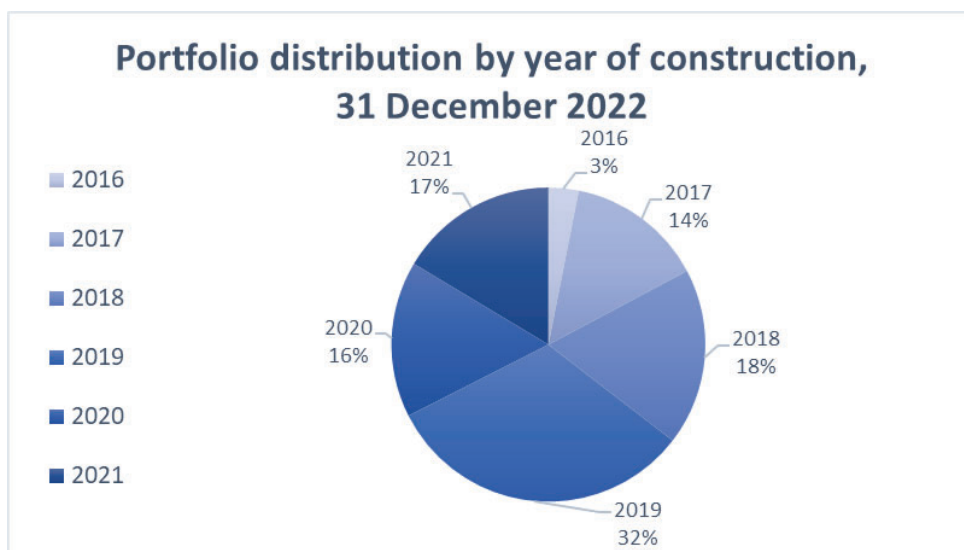
The following loans are included in our green asset portfolio. As no new green bond was issued in 2022, only the granted and outstanding amounts of the underlying portfolio of green renewable energy projects changed in the course of the year. The table contains their values at 31 December 2022.

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	73.402.149 €	73.247.715 €	02/01/2030	25	78,4
2017	Wallonia	Operational	Wind	18.070.000 €	18.070.000 €	30/09/2032	6	19,2
2016	Off Shore - North Sea	Operational	Wind	82.637.108 €	82.637.108 €	31/12/2035	42	309,0
2010	Flanders	Operational	Solar	13.962.361 €	13.962.361 €	30/09/2030	48	18,9
2018	Off Shore - North Sea	Construction	Wind	48.545.470 €	48.499.062 €	31/12/2037	58	487,0
2015	On Shore - Flanders	Operational	Wind	3.323.208 €	3.323.208 €	28/06/2030	2	4,0
2014	On Shore - Flanders	Operational	Wind	2.439.307 €	2.439.307 €	31/12/2029	2	4,0
2014	On Shore - Flanders	Operational	Wind	1.050.600 €	1.050.600 €	31/12/2029	1	2,0
2016	On Shore - Flanders	Operational	Wind	8.358.332 €	8.358.332 €	30/06/2031	3	9,0
2016	On Shore - Flanders	Operational	Wind	6.910.485 €	6.910.485 €	31/12/2031	4	9,2
2014	On Shore - Flanders	Operational	Wind	7.785.670 €	7.785.670 €	31/12/2029	3	9,6
2017	On Shore - Flanders	Operational	Wind	2.786.794 €	2.786.794 €	31/12/2031	1	3,0
2016	On Shore - Flanders	Operational	Wind	3.339.148 €	3.339.148 €	31/12/2031	1	3,0
2018	On Shore - Flanders	Operational	Wind	5.863.242 €	5.863.242 €	30/06/2033	3	6,0
2017	On Shore - Flanders	Operational	Wind	7.450.223 €	7.450.223 €	30/06/2033	2	7,2
2015	On Shore - Flanders	Operational	Wind	3.989.561 €	3.989.561 €	21/12/2025	10	20,3
2016	On Shore - Flanders	Operational	Wind	11.081.769 €	11.081.769 €	28/06/2030	13	33,0
2017	On Shore - Flanders	Operational	Wind	50.381.200 €	50.381.200 €	28/11/2031	17	50,5
2016	On Shore - Wallonia	Operational	Wind	8.483.889 €	8.483.889 €	31/12/2031	9	23,5
2019	On shore - NL	Operational	Wind	71.201.690 €	71.201.690 €	30/06/2036	89	382,7
2017	Off Shore - North Sea	Operational	Wind	62.812.412 €	62.812.412 €	31/12/2029	55	165,0
2010	Off Shore - North Sea	Operational	Wind	40.169.870 €	40.169.870 €	23/11/2028	54	325,7
2018	Off Shore - North Sea	Operational	Wind	46.249.319 €	46.249.319 €	30/06/2035	50	165,0
2018	Off Shore - North Sea	Operational	Wind	30.152.651 €	26.221.542 €	31/12/2036	23	219,0
2017	Off Shore - North Sea	Operational	Wind	37.658.077 €	37.658.077 €	30/06/2032	72	216,0
2020	On Shore - Flanders	Operational	Wind	6.480.080 €	6.480.080 €	30/06/2036	1	4,0
2019	On Shore - Flanders	Operational	Wind	9.769.671 €	9.769.671 €	30/06/2036	2	8,0
2020	On Shore - Flanders	Operational	Wind	15.341.779 €	15.341.779 €	30/06/2036	3	12,0
2020	On Shore - Flanders	Operational	Wind	4.948.577 €	4.948.577 €	28/06/2041	1	4,5
2020	On shore - NL	Construction	Wind	53.542.063 €	43.541.947 €	30/09/2038	19	79,8
2020	On shore - Wallonia	Operational/ Construction	Wind	45.204.100 €	45.204.100 €	30/04/2036	12	37,0
2021	On Shore - Flanders	Operational	Wind	4.898.169 €	4.898.169 €	31/12/2041	1	4,2
2021	On Shore - Flanders	Operational	Wind	4.918.180 €	4.918.180 €	31/12/2036	2	7,2
2021	On Shore - Flanders	Operational	Wind	4.283.421 €	4.283.421 €	31/12/2036	1	3,6
2021	On Shore - Flanders	Operational	Wind	35.249.987 €	35.249.987 €	31/12/2041	6	30,8
2021	Off Shore - Baltic Sea	Construction	Wind	49.480.356 €	38.652.993 €	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, 61% was initiated only in the last four 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	14,084,711 €	9,876,750 €	0 €	79
2017	2016	Flanders	43,571,167 €	31,144,841 €	0 €	250
	2017	Flanders	234,911,541 €	169,109,233 €	0 €	1,367
2018	2016	Flanders	1,179,161 €	902,996 €	0 €	9
	2017	Flanders	28,887,571 €	21,068,260 €	0 €	199
	2018	Flanders	284,192,441 €	221,041,442 €	0 €	1,579
2019	2017	Flanders	497,575 €	415,452 €	0 €	4
	2018	Flanders	29,096,357 €	23,010,421 €	0 €	180
	2019	Flanders	401,650,783 €	340,641,474 €	0 €	2,042
2020	2018	Flanders	2,089,865 €	1,826,038 €	0 €	7
	2019	Flanders	96,962,804 €	85,836,766 €	0 €	474
	2020	Flanders	216,238,744 €	194,775,155 €	1,090,940 €	958
2021	2019	Flanders	6,719,936 €	6,203,693 €	0 €	30
	2020	Flanders	24,225,961 €	22,339,515 €	379,808 €	104
	2021	Flanders	236,652,083 €	221,266,139 €	6,130,788 €	1,025
<b>Total</b>			<b>1,620,960,700 €</b>	<b>1,349,458,174 €</b>	<b>7,601,536 €</b>	<b>8,307</b>

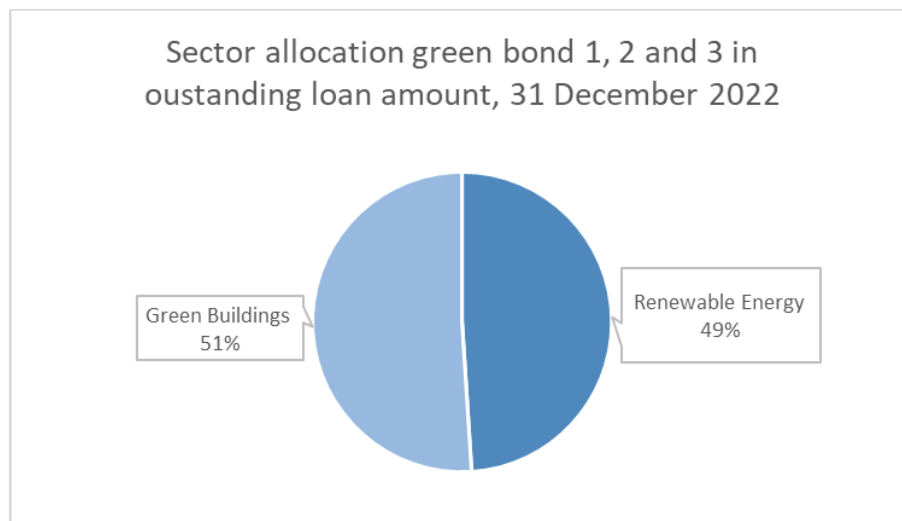


## Sector allocation as of 31 December 2022

As of 31 December 2022, the 500 million euro proceeds of the Green Bond 1 were allocated for 312.1 million euro to the Green Building residential real estate sector and for 187.9 million euro to the Renewable Energy power generation sector.

The 500 million euro proceeds for the issuance of Green Bond 2 are allocated for 257.1 million euro to the Green Building residential real estate sector and for 242.9 million euro to the Renewable Energy power generation sector.

The 750 million euro proceeds for the issuance of Green Bond 3 are allocated for 323.6 million euro to the Green Building residential real estate sector and for 426.4 million euro to the Renewable Energy power generation sector.



## Impact of the Green Bonds as per 31 December 2022

The avoided CO<sub>2</sub> emissions related to the 3 KBC Green Bonds combined totalled 279 862 tonnes of CO<sub>2</sub> or 160 tonnes per 1 million euro invested. Information on the methodology to calculate the avoided CO<sub>2</sub> emissions is provided in Appendix 2.

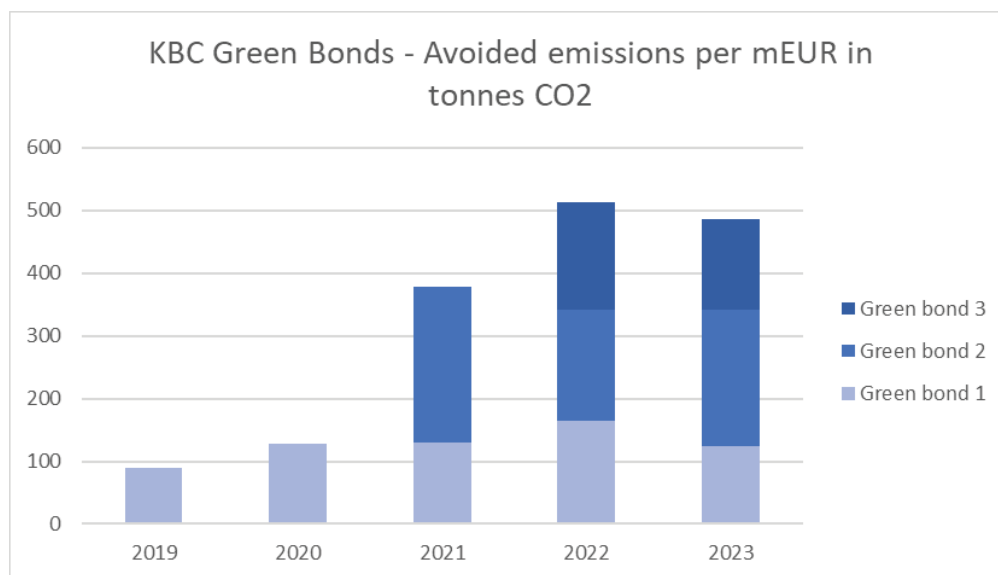
The details per bond are given below:

Overview of the KBC Green Bond avoided CO <sub>2</sub> emissions			
	KBC Green Bond 1	KBC Green Bond 2	KBC Green Bond 3
Annual avoided CO <sub>2</sub> emissions (tonnes)	61 771	108 786	109 305
Annual avoided CO <sub>2</sub> emissions per 1 million euro invested	124	218	146

Overview of the KBC Green Bond assets and annual impact		
Green Bond 1		
	Renewable Energy	Green Buildings
Allocated amount	EUR <sup>(A)</sup> 187.9 mio	EUR <sup>(A)</sup> 312.1 mio
Electricity produced/energy saved (MWh)	378 038	28 895
Avoided CO <sub>2</sub> emissions (tonnes)	56 399	5 371
Green Bond 2		
Allocated amount	EUR <sup>(A)</sup> 242.9 mio	EUR <sup>(A)</sup> 257.1 mio
Electricity produced/energy saved (MWh)	508 072	23 800
Avoided CO <sub>2</sub> emissions (tonnes)	104 362	4 424



Green Bond 3		
Allocated amount	EUR <sup>(A)</sup> 426.4 mio	EUR <sup>(A)</sup> 323.6 mio
Electricity produced/energy saved (MWh)	695 326	29 961
Avoided CO <sub>2</sub> emissions (tonnes)	103 736	5 570



The projects of Green Bond 2 have become fully operational. Overall, the green electricity produced by the projects selected in the green bonds increased. Nevertheless, the 2023 estimate of avoided emissions decreased. Compared to 2020, the 2021 residual energy mix in Belgium (being the average emissions due to electricity production, excluding solar, wind and water) contained more nuclear and less gas-fired power plants. As a result, the conversion factor that is used in our estimations decreased, and the avoided emissions decreased as well.

## 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> </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>
<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 ≤ 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: [≥ "Gold"]</li> <li>○ BREEAM: [≥ "Very Good"]</li> <li>○ HQE: [≥ "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.

We calculate energy savings associated with these new houses and apartments as they require less energy for heating than an average dwelling.

To calculate the avoided emissions, the saved 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 2022
- for electricity: Association of Issuing Bodies - European Residual Mixes 2021

### 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 2021.

## Appendix 3 – Assurance report



## INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUBJECT MATTER INFORMATION OF THE GREEN BOND IMPACT REPORT 2022 OF KBC GROUP NV

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To the Board of Directors of KBC Group NV

This report has been prepared in accordance with the terms of our engagement contract dated 29 November 2022 (the “Agreement”), whereby we have been engaged to issue an independent limited assurance report in connection with the Subject Matter Information marked with the symbol <sup>Ⓐ</sup> in the Green Bond Impact Report as of and for the year ended 31 December 2022 (the “Report”).

### **The Directors’ responsibility**

The Directors of KBC Group (“the Company”) are responsible for the preparation and presentation of the information and data in the allocation of the KBC Green Bond proceeds to Eligible Assets, marked with the symbol <sup>Ⓐ</sup> (the “Subject Matter Information”), in accordance with the Green Bond Framework of KBC Group 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. 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 2022 presented in the Report;
- conducting interviews with responsible officers;
- reviewing, on a limited test basis, relevant internal and external documentation;
- 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 control**

We have complied with the independence and other ethical 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 the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control (ISQC)n°1, Quality Control 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 Green Bond Impact Report as of and for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Green Bond Framework of KBC Group.

## 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 as of and for the year ended 31 December 2022 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, 23 March 2023

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL  
represented by

DocuSigned by:  
  
BCCBA40B2A5E4FB...  
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