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CEO Statement

Dear reader,

In 2019, KBC took further important steps towards fulfilling its sustainability commitment, with a stronger focus than ever on reducing the impact of climate change. Last September, together with 33 of the signatories of the PRB's (Principles for Responsible Banking), we strengthened our commitment to achieve the Paris Agreement goals by signing the CCCA (Collective Commitment to Climate Action).

The potential impact of climate change on society and the financial system is no longer questioned. Climate change therefore became firmly embedded in our risk policy and management. We started stress testing and scenario analysis, amongst others by using the PACTA tool to analyse our lending portfolio. We further joined the UNEP FI TCFD pilot and used the methodological pilots to map our portfolio's impact on climate change and vice versa. Last but not least we started carbon accounting of part of our portfolio's using the PCAF-methodology.

There is no doubt that the transition to a low-carbon economy and society also offers opportunities to the financial sector. KBC already developed specific products to financially support different segments of customers with investments to lower their carbon footprint and we offer a diverse range of sustainable investment opportunities – from SRI funds to the KBC Green Bond - for every type of investor.

Numerous organisations and institutions, from the United Nations to investors, rating agencies, NGOs and the European Union, urge the financial sector to speed up efforts to mitigate climate risks and to develop climate-resilient portfolios. KBC engaged with several of them aiming to realise relevant progress in the development of strategies, metrics and targets, customer engagement and supporting products and services.

Our climate change approach is managed by the Sustainable Finance Programme (SFP), intended to implement the TCFD recommendations as well as the upcoming EU regulations by integrating them in all relevant business units and business lines. This program achieved significant momentum in 2019. The progress and challenges of the Sustainable Finance Programme, including the availability of pilot data and standard methods, can be discovered in our Sustainability Report 2019¹.

'Green' is clearly becoming the 'new digital'. Although KBC has blacklisted certain activities and sectors, our primary objective is to support all our clients in their transition to more climate resilient future. As we continue to finance this transition for our clients, we will also prepare new issuances of KBC Green Bonds in the future.

This second Impact Report gives information on the material scale and the impact of the first issuance of the KBC Green Bond as per 31 March 2020. I hope you will read it with interest and continue to support KBC in its Green Bond journey!

Johan Thijs, Chief Executive Officer KBC Group

¹ See https://www.kbc.com/content/dam/kbccom/doc/sustainability-reponsability/PerfRep/2019/CSR_SR_2019_en.pdf

Summary

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

Sustainability and KBC Green Bond

KBC recognizes that climate change is a major and urgent societal and economic challenge. Supporting the transition to a climate resilient, low carbon and circular economy therefore is an important focus in KBC's sustainability strategy. KBC signed the Collective Commitment to Climate Action (CCCA) to further strengthen its commitment. Sustainability policies and sustainable business solutions help us to reduce climate related and other environmental risks and to boost the development of sustainable alternatives.

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, sustainable land use.

Launch of the KBC Green Bond in June 2018

In June 2018, KBC introduced the KBC Green Bond Framework. This framework outlines the categories of green assets for which KBC can issue Green Bonds to support the financing sustainable projects and contains the requirements for selection, allocation, reporting and verification.

On 20 June 2018, the first Green Bond was launched. KBC became the first Belgian financial institution to issue a green bond. KBC's inaugural EUR 500 million Green Bond issue marked an important step in the continuous development of sustainable finance products within KBC. The bond was issued in a KBC Group senior format with a tenor of five years.

The bond is certified under the Climate Bonds Initiative's strict and internationally recognised Green Bond Standard. In addition, KBC's Green Bond Framework has been reviewed and assessed as Green Bond Principles compliant by Sustainalytics.

Allocation of proceeds and avoided emissions

The proceeds of KBC's inaugural Green Bond have been used to finance and refinance renewable energy projects in Belgium and green buildings in Flanders.

The assets in the green portfolio have been selected in accordance with the respective eligibility criteria for these categories in the KBC Green Bond Framework: renewable energy power generation projects and 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.

As of 31/03/2020, the portfolio of eligible green assets amounts to EUR 759 million of which EUR 556 million pertains to Green Buildings and EUR 203 million to Renewable Energy.

As of 31 March 2020, the EUR 500 million proceeds of the Green Bond are allocated for an amount of ^(A) EUR 297 million to the Green Building category and for an amount of ^(A) EUR 203 million to the Renewable Energy projects.

The avoided emissions of CO₂e financed by the Green Bond amounts to 63,652 tonnes or 127.3 tonnes per million euro invested.

KBC at a glance

Our Business

KBC is a leading [European financial group](#), formed twenty years ago, in 1998, after the merger of two large Belgian banks (the Kredietbank and CERA Bank) and a large Belgian insurance company (ABB Insurance).

As an [integrated bank-insurance company](#), KBC focuses on providing products and services to finance and insure [retail, SME and mid-cap](#) clients.

KBC is active in 6 core countries: [Belgium](#), [Bulgaria](#), [Czech Republic](#), [Hungary](#), [Ireland](#) and [Slovakia](#). We are also present to a limited extent in several other countries to support corporate clients from our core markets.



KBC serves about [12 million clients](#) with approximately [41 000 employees](#), [1 300 bank branches](#), [insurance sales](#) via own agents and other channels and various [mobile and online channels](#). In 2019 we realised a net result of [2.5 billion euros](#).

KBC's corporate strategy

Our strategy rests on four principles:

- We place our clients at the centre of everything we do.
- We look to offer our clients a unique bank-insurance experience.
- We focus on our group's longterm development and aim to achieve sustainable and profitable growth.
- We meet our responsibility to society and local economies.

We implement our strategy within a strict risk, capital and liquidity management framework.

We are convinced that our strategy - powered by our culture and with the contribution of our people - helps us earn, keep and grow trust day by day and therefore makes us become the reference in our core markets.



KBC and corporate sustainability²

KBC's role in society – our sustainability strategy

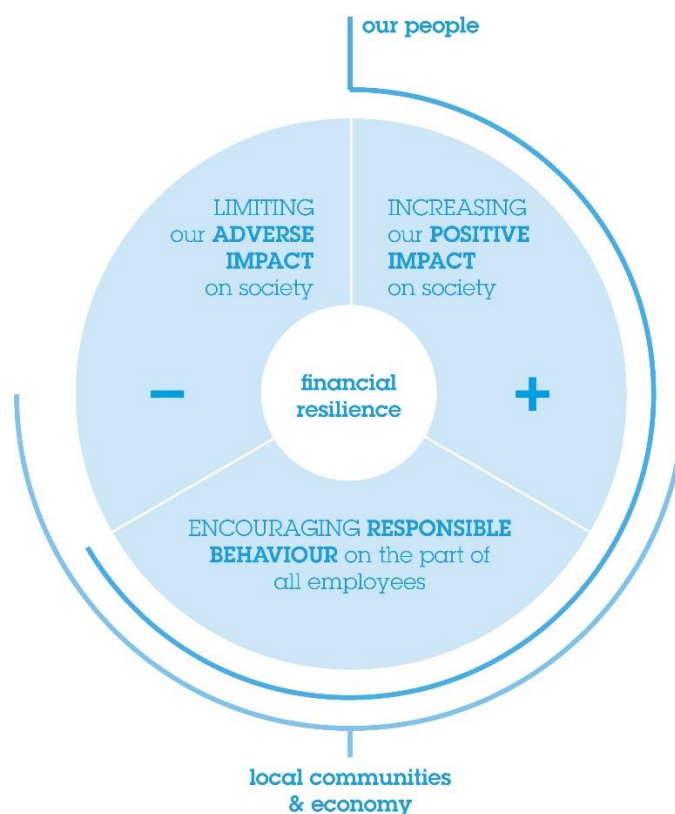
To us corporate sustainability means the ability to **live up to the expectations of all our stakeholders and to meet our obligations, not just today but also in the future.**

We are convinced that sustainability is an important condition for **financial resilience**. Therefore KBC's sustainability strategy is strongly embedded in the KBC Corporate Strategy and linked to our core activities.

For KBC taking **responsibility towards society and local economies** is part of its day-to-day business activities. Sustainability is embedded into the strategic decision-making and core business operations throughout the entire group, via the **Sustainability Governance model³**, a key driver for sustainability implementation.

Our sustainability strategy consists of financial resilience and three cornerstones:

- Encouraging **responsible behaviour** on the part of all our employees;
- **Enhancing our positive impact** on society;
- **Limiting any negative impact** we might have on society.



The strategy is promoted and implemented by all **our employees** and geared towards the **local economy and society**.

² See also our [Annual Report 2019](#), our [Sustainability Report 2019](#) and our [Sustainability Framework](#)

³ See our [Corporate Sustainability Governance](https://www.kbc.com/en/making-it-work-governance) on <https://www.kbc.com/en/making-it-work-governance>

SDGs@KBC

The UN Sustainable Development Goals (SDGs) set the [global agenda](#) for governments, businesses and civil society on addressing the [major sustainable development challenges](#), such as how to end poverty, protect the planet and ensure prosperity for all. As a financial institution, we can add value and contribute to all SDGs through our clients and the projects we finance. While the 17 SDGs are all interconnected and relevant, and we ensure via our sustainability policy that [we work on all of them](#), we have chosen to [focus](#) in greater depth on those SDGs that are most clearly [linked to our business and sustainability strategy](#): 3-Good health and well-being, 7-Affordable and clean energy, 8-Decent work and economic growth, 12-Responsible consumption and production, 13-Climate action



Environmental responsibility – sustainable finance

KBC's sustainability strategy puts much emphasis on [environmental responsibility](#) and more in particular on [climate change](#) being at the top of society's agenda.

For the financial sector it is an important theme from a [risk perspective](#), but we also have an important role to actively [support the transition](#) to a low-carbon and climate-resilient future in collaboration with our clients.

In 2019 we strengthened our commitment to the Paris Climate Agreement by signing up to the [Collective Commitment to Climate Action](#), an initiative we took as a member of the United Nations Environmental Programme Finance Initiative's Principles for Responsible Banking.

As part of our general sustainability approach, we have launched a [Sustainable Finance programme](#). It supports the business as it develops its climate-resilience in line with the [TCFD recommendations](#) and the [EU Action Plan on Sustainable Finance](#). This includes developing a structural approach to the [management](#) and [reporting](#) of climate-related [risks and opportunities](#) to align our portfolio with the targets included in the Paris Climate Agreement, i.e. [limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C](#).

For the [reduction of the environmental and climate impact of our own operations](#) we have set renewed, more ambitious and also long-term reduction targets in line with the Paris Climate Agreement.

We refer to our Annual Report 2019, our Sustainability Report 2019 and our Sustainability Framework⁴ for detailed information on our sustainability- and climate-related governance, strategy, policies, risk management, business development, KPI's and results.

⁴ See footnote 2

The Green Bond Framework

Categories for green finance

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**.

Our Green Bond Framework includes **7 categories**, each of it contributing to specific SDG's.

#1 Renewable Energy



#2 Energy Efficiency

#3 Clean Transportation

#4 Green Buildings



#5 Pollution Prevention & Control

#6 Water Management

#7 Sustainable Land Use



Details on the use of proceeds and eligibility criteria can be found in Appendix 1 and in the KBC Green Bond Framework⁵.

For its **first Green Bond issuance** in June 2018, KBC allocated the proceeds to two of these seven green asset categories:

- **Renewable Energy power generation**: finance of on- and off-shore wind energy and solar energy
- **Green Buildings**: real estate loans for new 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). Since a building permit is valid for up to 2 years and the first drawdown coincides with the start of the construction, we select only loans for which the first drawdown has occurred after January 1, 2016.

⁵ https://www.kbc.com/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/Green-Bonds/20180605_KBC_GB_Framework.pdf

Governance and management of eligible assets

Client relationship managers

Perform a [credit and sustainability risk assessment](#) before granting a loan or financing as normal course of business. This assessment is strictly defined by the KBC's sustainability policies and the standards of the KBC Group Sustainability Framework (including the exclusionary criteria), where applicable.

KBC Business Units

[Propose eligible projects](#) to the Green Bond Committee and provide information on the compliance of the projects with the criteria for Eligible Assets of the KBC Green Bond Framework.

Green Bond Committee

Verifies [compliance](#) with the [Use of Proceeds requirements](#). The Green Bond Committee takes the final decision on the final [selection of the proposed projects as Eligible Assets](#) and thus instructing 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 Group Treasury

[Manages the proceeds](#) of the KBC Green Bond on a portfolio basis and [monitors the allocation of Eligible Assets](#) on a [monthly basis](#) to ensure that the allocation of Eligible Assets corresponds to the proceeds of the Green Bond issuance.

Second Party Opinion

Prior to issuance, KBC has commissioned Sustainalytics to provide a second party opinion for its Green Bond Framework. Sustainalytics has [confirmed the alignment of the KBC Green Bond Framework with the Green Bond Principles](#).

The second party opinion is available on KBC.com⁶.

⁶ https://www.kbc.com/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/Green-Bonds/20180605_KBC_GB_SPO.pdf

KBC Green Bond - Asset allocation as of 31 March 2020

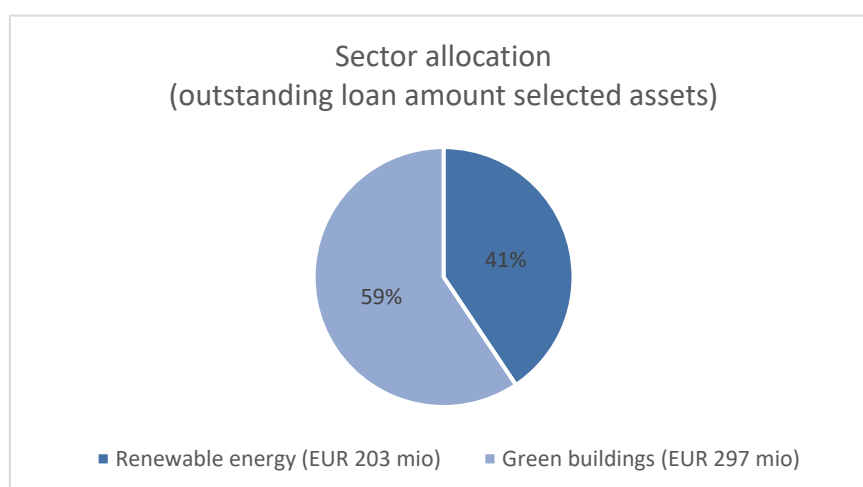
KBC Green Bond – Key data

Green Bond Details	
Issuer	KBC Group N.V.
ISIN	BE0002602804
Issue Rating (S&P/M/F)	A-/Baa1/A
Status	Senior unsecured green bonds
Issue Amount	EUR 500,000,000
Coupon	0.875%
Settlement	27 June 2018
Maturity Date	27 June 2023

Sector allocation

The Green Bond committee decided to select and label **EUR 759 million of assets** (EUR 556 million Green Buildings and EUR 203 million Renewable Energy projects) in the portfolio of eligible green assets.

As of 31 March 2020, the EUR 500 million proceeds of the Green Bond were allocated for ^(A) **EUR 297 million to the Green Building-residential real estate sector** and for ^(A) **EUR 203 million to the Renewable Energy power generation sector**.



Impact of the Green Bond

The annual avoided emissions related to the KBC Green Bond as of 31 March 2020 totalled **63,652 tonnes of CO₂e** or **127.3 tonnes per 1 million euro invested**. The increase in avoided emissions by 40% compared to the previous impact report is almost entirely due to the increase in the emission factor. Information on the methodology to calculate the avoided CO₂e-emissions is provided in Appendix 2.

Overview of the KBC Green Bond assets and annual impact		
	Renewable Energy	Green Buildings
Allocated amount	EUR [Ⓐ] 203 mio	EUR [Ⓐ] 297 mio
Electricity produced/energy saved (MWh)	312,434	24,544
Avoided CO ₂ e emissions (tonnes)	59,050	4,602

Renewable energy – selected assets

KBC has specific targets on financing renewable energy production (at least 50% of its energy credit portfolio by 2030) to contribute to the transition to a low carbon economy.

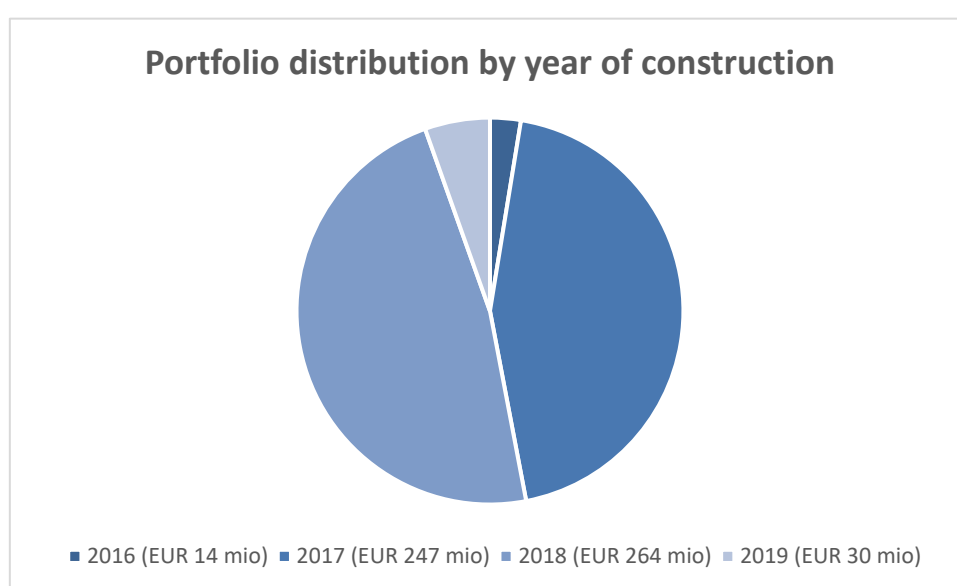
The following loans are included in our green asset portfolio:

Allocation Indicators								Impact Indicators		
Date of closing	Location Belgium	Status	Technology	Total loan size in EUR	KBC loan granted amount in EUR	KBC loan outstanding amount in EUR	Loan maturity date	Number of Turbines/panels	Capacity of project in MW	Annual Energy Generation in MW
2014	Flanders	Operational	Wind	65.373.109	56.566.986	56.566.950	2030	17	51,4	114.290
2017	Wallonia	Operational	Wind	25.000.000	23.200.000	23.200.000	2032	6	20,4	45.000
2016	Off Shore - North Sea	Operational	Wind	853.065.269	104.851.386	104.851.386	2035	42	309,0	1.100.000
2010	Flanders	Operational	Solar	21.351.449	19.064.784	19.064.784	2030	48	18,9	18.000

Green buildings – selected 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 ≤ 60, corresponds to 100 kWh/m²) and for which the first drawdown has occurred after January 1, 2016.**

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	16.898.884	14.302.521	0	97
2017	2016	Flanders	37.605.127	31.974.100	0	201
	2017	Flanders	246.704.770	215.082.826	223.169	1.334
2018	2016	Flanders	448.839	390.021	0	6
	2017	Flanders	29.600.253	26.695.857	122.825	188
	2018	Flanders	257.951.752	237.377.421	4.394.676	1.428
2019	2018	Flanders	14.068.589	13.325.378	1.334.638	94
	2019	Flanders	17.867.208	17.032.424	960.237	110
			621.145.422	556.180.549	7.035.545	3.458



As of 31 March 2020, EUR 297 million of the labelled portfolio of Green Buildings have been allocated to the inaugural EUR 500 million Green Bond.

Verification

Before the first issuance was launched, KBC appointed Sustainalytics to provide for 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, KBC has requested PwC to provide 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

1. Renewable Energy	
<i>Renewable energy power generation</i>	<ul style="list-style-type: none"> • Loans to finance equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources: <ul style="list-style-type: none"> ○ Onshore and offshore wind energy ○ Solar energy ○ Geothermal energy (with direct emissions $\leq 100\text{g CO}_2/\text{kWh}$) ○ Energy from biomass, that is: <ul style="list-style-type: none"> ▪ not grown in areas converted from land with previously high carbon stock such as wetlands or forests ▪ not obtained from land with high biodiversity such as primary forests or highly biodiverse grasslands ▪ not suitable for human consumption ▪ and subject to sustainable transport⁷: no excessive transport of input material or end product ○ Waste-to-energy
2. Energy Efficiency	
<i>KBC 'Green Energy Loans'</i>	<ul style="list-style-type: none"> • '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"> ○ new central heating or solar boilers ○ water pumps and other geothermal energy systems ○ high-efficiency glazing ○ new insulation ○ thermostatic taps ○ solar panels ○ energy audits <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>
3. Clean Transportation	
<i>Low carbon land transport</i>	<ul style="list-style-type: none"> • Loans to finance low carbon land transport: <ul style="list-style-type: none"> ○ Public passenger transport, including electric, hybrid-electric, hydrogen or other non-fossil fuel vehicles, rail transport, metros, trams, cable cars, and bicycle schemes ○ Private light-duty and heavy goods vehicles that are electric, hybrid-electric, hydrogen or other non-fossil fuel based. ○ Dedicated freight railway lines (excluding transport with the main objective of transporting fossil fuels) ○ Supporting infrastructure for low carbon land transport e.g. IT upgrades, signalling, communication technologies and charging infrastructure
4. Green Buildings	

⁷ 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

<i>Residential real estate</i>	<ul style="list-style-type: none"> Real estate loans for new 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.
<i>Commercial real estate</i>	<ul style="list-style-type: none"> 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"> LEED: [≥ "Gold"] BREEAM: [≥ "Very Good"] HQE: [≥ "Excellent"]
5. Pollution Prevention & Control	
<i>Waste reduction & 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"> sharing, repairing, reusing, refurbishing and remanufacturing of goods and recycling of waste
6. Water Management	
<i>Sustainable water & wastewater management</i>	<p>Loans to finance equipment, development, manufacturing, construction, operation and maintenance of:</p> <ul style="list-style-type: none"> water recycling and wastewater treatment facilities water storage facilities water distribution systems with improved efficiency/quality urban drainage systems flood mitigation infrastructure, such as infiltration infrastructure
7. Sustainable Land Use	
<i>Sustainable land use</i>	<p>Loans to finance sustainable land use:</p> <ul style="list-style-type: none"> Sustainable agriculture in the EU, comprised of organic farming as certified in compliance with the EU and national regulation Environmentally-sustainable forestry⁸ including afforestation or reforestation, and preservation or restoration of natural landscapes soil remediation

⁸ 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 of the inaugural Green Bond (i.e. EUR 297 mio)
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 CO₂e-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 consultant 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 31/03/2020, 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 have to be recalculated to energy performance in kWh/m² 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 CO₂e-emissions using the following conversion factors:

- for heating oil and gas: UK Government GHG Conversion Factors for Company Reporting 2018
- for electricity: Association of Issuing Bodies - European Residual Mixes 2017

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.

For calculation of the avoided emissions, we use the conversion factors of the Association of Issuing Bodies - European Residual Mixes 2017.

Appendix 3 – Assurance report



The Directors
KBC SA/NV
Havenlaan 2
B-1080, Brussels
Belgium

INDEPENDENT ASSURANCE REPORT ON KBC GREEN BOND - IMPACT REPORT

This report has been prepared in accordance with the terms of our engagement contract dated 19 November 2019, whereby we have been engaged to express a conclusion in connection with selected data, marked with the symbol ^(A), of the KBC Green Bond - Impact Report as of and for the period ended 31st March 2020 (the "Report").

Responsibilities of Directors

The board of directors of KBC SA/NV (the "Company") is responsible for the preparation of the selected performance information marked with the symbol ^(A) in the Report (the allocation of the Green Bond proceeds to Eligible Assets), as of and for the period ended 31st March 2020 (the "Subject Matter Information"), in accordance with the Eligibility criteria disclosed in the KBC Green Bond Framework and 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, management's responsibility 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.

Responsibilities of the registered auditor

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. Our assurance report has been made in accordance with the terms of our engagement contract.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria issued by the Company.

PwC Bedrijfsrevisoren bv - PwC Reviseurs d'Entreprises srl - Risk Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0889 0408 8123 - BIC GKOC BEBB



The objective of a limited-assurance engagement is to perform the procedures we consider necessary to provide us with sufficient appropriate evidence to support the expression of a conclusion in the negative form on the Subject Matter Information.

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 assurance engagement been performed.

The selection of such procedures depends on our professional judgement, including the assessment of the risks of management's assertion being materially misstated. The scope of our work comprised amongst others 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;
- conducting interviews with responsible officers;
- inspecting internal and external documentation.

We have evaluated the Subject Matter Information against the Criteria. The accuracy and completeness of the Subject Matter Information are subject to inherent limitations given their nature and the methods for determining, calculating or estimating such information. Our Assurance Report should therefore be read in connection with the Criteria.

Our Independence and Quality Control

We have complied 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 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.

Conclusion

Based on the procedures performed, as described in this Independent Limited Assurance Report, and the evidence obtained, nothing has come to our attention that causes us to believe that the subject matter information, the selected performance information marked with the symbol **(A)**, in the Report, is not fairly stated, in all material respects, in accordance with the Criteria.



Restriction of use and distribution of our report

Our report is intended solely for the use of the Company, in connection with their Report as of and for the period ended 31st March 2020 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.

Sint-Stevens-Woluwe, 12 May 2020

PwC Bedrijfsrevisoren BV/SRL
Represented by

A handwritten signature in black ink, appearing to read 'Marc Daelman', written over a horizontal line.

Marc Daelman¹
Partner
Registered auditor

¹ Marc Daelman BV, member of the Board of Directors, represented by its permanent representative Marc Daelman