BELGIAN DEBT AGENCY

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ANNUAL REPORT

Green OLO Allocation & Impact report

2024

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INTRODUCTION

This seventh allocation & impact report relates to the 2024 proceeds of the two existing Green OLOs issued by the Kingdom of Belgium. The two existing green bonds were tapped in regular auctions and in optional reverse inquiry auctions (ORI), for a total amount of 2.961 bn EUR. The report links these proceeds to eligible green expenditures and reports on the positive environmental impacts facilitated by such expenditures (where calculation was possible).

OLO 86 (BGB 1.25 04/33), the first Belgium Green OLO syndicated in 2018, was issued twice in 2024 for a total amount of 519 million, corresponding to 17.53% of the 2024 Green OLO issuance. The second existing Green OLO, OLO 96, syndicated in 2022 (BGB 2.75 04/39) saw stronger investor demand and was issued five times in 2024 for a total amount of 2.442 bn EUR (i.e. 82.47% of 2024 Green OLO issuance).

Date of issuance	Auction / ORI	Amount (Mio EUR)	OLO
02/02/2024	ORI	218	86
18/03/2024	OLO auction	1.087	96
21/03/2024	NC auction	167	96
25/03/2025	NC auction	87	96
05/07/2024	ORI	310	96
02/08/2024	ORI	301	86
23/09/2025	OLO auction	791	96
Total		**2.961**	

The total nominal amount issued of 2.961 bn represented 6.82% of the total 2024 OLO issuance and brought the total amount of green bonds issued by the Kingdom of Belgium to 19.655 bn EUR, or 4.46% of the total outstanding amount in OLOs at the end of 2024.

Total amount of green bonds issued between 2018 and 2024	**19.655 bn EUR** **4.46% of the total outstanding amount in OLO**	
Amount of eligible expenditures	**2023** 1.944 bn EUR *2023 – remaining for 2024 allocation*	**2024** 3.682 bn EUR gross / 3.391 bn EUR net
Amount issued and allocated in 2024	2.961 bn EUR / 6.82% of the total 2024 OLO issuance	
	65.6% allocated to 2023 eligible expenditures	34.4% allocated to 2024 eligible expenditures

As always, the proceeds have been allocated to green expenditures / projects that are aligned with the criteria spelled out in the Belgium Green OLO Framework 2022 which aligns with the Green Bond Principles 2021 and considers the EU Taxonomy and its Delegated Acts, as well as the proposed EU Green Bond Standard.

The gross amount of eligible expenditures reported in 2024 was 3.682 bn EUR. In the allocation process a haircut is applied to the gross amounts to avoid any overestimation of the spending towards the green expenditures (5% in general, and 25% for the estimated expenditure amounts, cfr further details under 3.2.). The net amount of eligible 2024 expenditures used in this report is therefore 3.391 bn EUR. A further 1.944 bn EUR of eligible expenditures, left unallocated in 2023, were fully allocated in 2024. As such, the 2024 proceeds were fully allocated to eligible expenditures from 2024 and 2023. 65.6% of the proceeds were allocated to the eligible expenditures left from 2023 while the remainder was spent on the eligible 2024 expenditures.

The amount of Green OLOs issued in 2024 was below the potential issuance amount of 4.5–5.0 bn EUR communicated at the end of 2023. The Belgian Debt Agency takes into consideration the reported market demand when selecting the bonds to be in tapped in regular or in optional reverse enquiry auctions (ORI). The issuance below the potential issuance amount also explains why the allocation is tilted towards the expenditures left from 2023: in the allocation process, the proceeds are first allocated to these remaining amounts, before allocating to 2024 spending. Available gross eligible expenditures for the 2024 proceeds reached more than 5.6 bn EUR in the end, or 5.3 bn EUR after applying the haircuts. This leaves 2.37 bn EUR of eligible expenditures available for 2025 proceeds. For 2025, the total potential issuance has been estimated at 5 bn EUR.

The Kingdom of Belgium remains a regular issuer in the Green Bond market and is committed to the transition to a more environmentally friendly economy in line with, among other things, the Paris Agreement, the Leaders' Pledge for Nature, the EU Green Deal and the EU Biodiversity Strategy for 2030.

Recognising the importance of biodiversity for green investors, one new initiative related to biodiversity and a project called BiodiversiScape has been identified[1]. Since the project is still in its early stages and with a limited amount, the expenditure has not been allocated in this 2024 report. However, the project has been further described in section 4 of this report.

No other new eligible green expenditures have been identified in the federal budget or among fiscal expenditures. We therefore mostly refer to previous reports for the description of the nature of these expenditures.

As far as the impact section of this report is concerned, an external expert assisted the Ministry of the Environment (same as in 2023) and has updated a number of hypotheses underlying the impact calculations. Like in 2023, a Methodological Annex providing detailed assumptions and methodologies used to estimate the environmental impacts of some of the eligible expenditures has been published.

The 2024 allocation and impacts figures are also provided in excel format on the BDA's website.

This allocation and impact report also provides an update on the broader ESG metrics used in this report last year.

Finally, as in all previous allocation reports, an external audit firm has provided a limited assurance attestation on the allocations that you can find at the end of the report.

[1] Biodiversité : l'Etat fédéral passe à l'action | FPS Public Health.

2

ESG METRICS AND BELGIAN ENVIRONMENTAL POLICIES, GOALS AND ACHIEVEMENTS

2.1 BELGIUM IN ESG METRICS

The following outlook aims to provide investors with a comprehensive overview of Belgium's ESG Key Performance Indicators. These indicators are derived from publicly available data from reliable sources, published on a regular basis. This allows investors to compare Belgium's performance with the European average.

Indicator	Source	Unit	Reference year	Belgium	EU 27
GDP (current prices)	Eurostat	billion euro	**2023** **(2022)**	596.32 (+8%)	17 193,78 (+8%)
Population	Eurostat	million persons	**2024** **(2022)**	11.88 (+1%)	452.73 (+1%)
Net greenhouse gas emissions	Eurostat	tons per capita	**2022**	9.3	7.3
Share of renewable energy in gross final energy consumption	Eurostat	%	**2023** **(2022)**	14.7 (+7%)	24.6 (+7%)
Final energy consumption per capita	Eurostat	tons of oil equivalent per capita	**2023** **(2022)**	2.7 (-7%)	2.0 (-5%)
Share of buses and trains in passenger transport	Eurostat	% of inland passenger-km	**2022** **(2021)**	17.5[2] (+22%)	16.6 (+21%)
Recycling rate of municipal waste	Eurostat	% of total municipal waste generated	**2022**	52.7	48.6
Share of forest area	Eurostat	% of total land area	**2018**	24.3	43.5
Terrestrial protected areas	Eurostat	% of country area	**2022** **(2021)**	14.7 (+0%)	26.1 (+0%)
Marine protected areas	Eurostat	% of marine area	**2022** **(2021)**	37.8 (+0%)	12.3 (+2%)
Real GDP per capita	Eurostat	EUR per capita, chain-linked volumes (2020)	**2024** **(2023)**	44 300 (+0%)	33 550 (+1%)
Gini coefficient of equivalised disposable income	Eurostat	on a zero to one hundred scale	**2023** **(2022)**	24.2 (-3%)	29.6 (+0%)
Purchasing power adjusted GDP per capita	Eurostat	index EU = 100	**2024** **(2023)**	117 (+0%)	100 (+0%)
Income share of the bottom 40 % of the population	Eurostat	% of income	**2023** **(2022)**	24.6 (+2%)	21.7 (+0%)

[2] Major increase because of the post-COVID Recovery and pro-sustainable mobility policies.

Employment rate	Eurostat	% of population aged 20 to 64	**2024** **(2023)**	72.3 (+0%)	75.8 (+2%)
People at risk of poverty	Eurostat	% of population	**2023** **(2022)**	12.0 (-8%)	15.5 (-3%)
In-work at-risk-of-poverty rate	Eurostat	% of population aged 18 or over	**2023** **(2022)**	4.7[3] (+31%)	8.3 (-2%)
Self-reported unmet need for medical care	Eurostat	% of population aged 16 or over	**2023** **(2022)**	1.1[4] (+10%)	2.4 (+9%)
Life expectancy	Eurostat	years	**2023**	82.5	81.4
Tertiary educational attainment	Eurostat	% of population aged 25 to 34	**2023**	50.0	43.1
Gender employment gap	Eurostat	percentage points, people aged 20 to 64	**2024** **(2023)**	8.0 (+5%)	10.0 (-2%)
Seats held by women in national parliaments and governments	Eurostat	% of seats	**2024** **(2023)**	42.8 (+0%)	33.4 (+1%)
Positions held by women in senior management	Eurostat	% of board members	**2023**	38.8	33.8
Freedom of press	Reporters Without Borders	Global Ranking (0-180)	**2024** **(2023)**	16.0 (+0)	N/A
Worldwide Governance indicator: rule of law	World Bank	0 (lowest) to 100 (highest) score	**2023** **(2022)**	88.2 (+0%)	N/A
Government effectiveness	World Bank	0 (lowest) to 100 (highest) score	**2023** **(2022)**	80.7 (-5%)	N/A
Control of corruption	World Bank	0 (lowest) to 100 (highest) score	**2023** **(2022)**	89.2 (-1%)	N/A
Ease of doing business	World Bank	1 = Most business-friendly regulations	**2019**	46.0	N/A
Labour freedom	The heritage foundation	0 (lowest) to 100 (highest) score	**2025** **(2024)**	69.0 (+5%)	N/A
Population with confidence in the EU Parliament	Eurostat	% of population	**2023**	53.0	49.0

Table 1 : presentation of Belgium with a selection of ESG metrics (Sources : Eurostat, World Bank, Reporters Without Borders, The Heritage Foundation)

Following the annual update of the table presenting Belgium's ESG Key Performance Indicators, a comparative analysis has been carried out to evaluate the country's trends over time and to correlate them with observable changes in the European averages across various environmental, social, and governance indicators.

[3] This important change is about a rising poverty threshold, uneven wage growth, and inflation-driven cost pressures

[4] Rising of the Indicator because of post COVID-19 crisis and many healthcare care systems have not fully recovered

ENVIRONMENTAL INDICATORS

Belgium has continued to improve its environmental performance, closely aligning with the overall trajectory of the European Union. Between 2022 and 2023, final energy consumption per capita in Belgium decreased by 7%, compared to a 5% decline across the EU. This reduction can be partially attributed to several factors, including elevated inflation, atypical winter temperatures, and policy-driven behavioral shifts such as heightened public awareness through government campaigns and energy-saving measures, as well as the closure of two nuclear reactors[5].

The share of renewable energy in gross final energy consumption increased by 7% in both Belgium and the EU. This progress is driven by the implementation of sustainable energy policies[6], which supports. However, Belgium remains below the EU average (14.7% compared to 24.6%) highlighting significant room for improvement. Another key indicator is the recycling rate of municipal waste, where Belgium outperforms the EU average (52.7% vs. 48.6%). This reflects the country's well-established recycling infrastructure and the effectiveness of national campaigns promoting waste separation and circular economic principles.

Other notable developments have emerged in the updated ESG Key Performance Indicators, such as the share of buses and trains in passenger transport. This update shows a strong increase (22% for Belgium, 21% for EU) albeit from a low post-covid base. However, this performance remains below the pre-pandemic peak. Although the indicator has shown a steady upward trend since the end of the pandemic, its growth is being tempered by new mobility habits, such as increased cycling and remote working[7].

Regarding protected areas, no changes were recorded in Belgium between 2021 and 2022. The country currently counts over 4900 protected areas, including nationally designated sites and Natura 2000 zones, reflecting a mature and comprehensive conservation network[8]. Meanwhile, a modest 2% increase was observed at the European level.

SOCIAL INDICATORS

Belgium maintains a solid performance in social indicators, although certain challenges remain. The in-work at-risk-of-poverty rate increased from 3.6% to 4.7%, yet it remains significantly lower than the EU average of 8.3%. This rise suggests that, despite strong employment levels, wage growth may not be keeping pace with inflation for some categories of workers. To help to contain this trend, nominal GDP per capita saw a 2.37% increase in 2024, reaching €51.810. This is well above the EU average (€39.680) reflecting robust economic output.

However, the purchasing power-adjusted GDP per capita index remains stable at 117, indicating that the benefits of economic growth are largely offset by inflation and rising living costs. One contributing factor is Belgium's automatic wage indexation system, which helps preserve household purchasing power during inflationary periods.

The gender employment gap widened slightly from 7.6 to 8 percentage points, while the EU average decreased marginally. Although Belgium still outperforms the EU overall, this reversal of a five-year downward trend should be monitored closely to ensure long-term gender parity[9]. Belgium also performs well in life expectancy (82.5 years vs. EU average of 81.4) and tertiary

[5] La Belgique réduit son empreinte énergétique en 2023 | Direction générale du Trésor

[6] See for instance the National Energy and Climate Plan (NECP) - Projet de plan – Plan national intégré de l'énergie et du climat (Plan énergie et climat (2021-2030) | News.belgium

[7] https://data.mobility.brussels/home/fr/observatoire/evolution-mensuelle-de-la-mobilite/annee-2023/

[8] https://biodiversity.europa.eu/countries/belgium

[9] Statistics | Eurostat

educational attainment among 25-34-year-olds (50% vs. 43.1%). These strengths reflect robust healthcare and education systems, which contribute positively to social cohesion and long-term labor productivity.

GOVERNANCE INDICATORS

Belgium continues to demonstrate strong governance fundamentals. It scores 88.2 for rules of law, 89.2 for control of corruption, and 80.7 for government effectiveness, according to the World Bank's Worldwide Governance Indicators. The slight decline in government effectiveness reflects pre-election challenges as part of a return to Belgium's political normalcy, rather than a fundamental decline.

Press freedom remains strong, with Belgium ranked 16th globally in 2024, keeping the track of 2023. Additionally, labour freedom improved by 5 points to 69, reflecting enhanced regulatory flexibility for both employers and employees. The new Belgian government has implemented significant changes such as annualization of working time, flexible work arrangements, new probation periods and severance pay limits[10].

CONCLUSION

Belgium presents an overall strong ESG profile with notable environmental gains, such as reduced energy consumption and increasing renewable energy use. Social metrics reveal both resilience such as low poverty and strong education and emerging concerns like the rising in-work poverty rate and gender employment gap. On the governance front, Belgium remains a reliable, democratic, and low-corruption environment, with ongoing improvements in labour regulation.

[10] New Belgian Government to Make Significant Changes to Belgian Labor and Employment Law

2.2 BELGIAN ENVIRONMENTAL POLICIES, GOALS AND ACHIEVEMENTS

Belgian environmental policy aims to meet international, European and national objectives, within the framework of the three Rio Conventions, the Kunming-Montreal Global Biodiversity Framework, the Sustainable Development Goals, the Paris Agreement, the European Green Deal with its Climate Law and it's Fit for 55 package, and the 2025 coalition agreement.

The main environmental challenges are and remain:

- climate change;
- biodiversity conservation; and
- preservation of natural resources.

Belgium's 2025 federal government agreement: environmental policies and goals

Belgium's 2025 federal government agreement (Arizona)[11] presents a pragmatic and proactive approach to climate, biodiversity and natural resource management, aimed at combining ecological transition and economic competitiveness.

The government reaffirms its commitment to international objectives such as the Paris Agreement, the Montreal Agreement on Biodiversity, the European Green Deal and the European climate objectives.

Green tax measures are being introduced to encourage energy transition. These include a reduced VAT rate of 6% for demolition and renovation projects and for the installation of heat pumps, an increase of VAT to 21% for fossil fuel boilers and coal and a tax on airline tickets harmonized at €5 per passenger. Moreover, a shift of excise duties on electricity towards fossil fuels will be analyzed and implemented in order to increase the profitability of heat pumps vs conventional boilers. The favorable tax treatment of professional diesel will also be reduced. Finally, it is worthwhile mentioning that investment credits are increased for companies investing in energy and climate transition.

As regards the energy mix, the government plans to extend the lifetime of two nuclear reactors and is not ruling out the construction of new reactors. It is also considering additional investment in offshore wind farms.

In terms of mobility, the government is committed to taking measures to promote carbon-neutral mobility, in particular by supporting a modal shift. This includes strengthening rail infrastructure for both passenger and freight transport, to help solve the problems hindering the decarbonization of the sector and of congestion and air pollution while ensuring prosperity.

The agreement also stresses the importance of biodiversity and the circular economy. It defends the phase-out of PFASs at EU level, the restoration of 20% of North Sea marine areas by 2050 and the development of innovative projects and promoting sustainable economic models.

An assessment of reparability legislation and the harmonization of reparability and sustainability indices at European level is also supported. In general, the government supports the promotion of sustainable e-commerce, raising consumer awareness of the impact of returns and unsuccessful deliveries, and preventing the destruction of returned products.

The federal government also looks at what it can do internally and is committed to making its properties, vehicles and purchasing practices more environmentally friendly.

Finally, measures will also be taken to mobilize savings for sustainable transition projects and a sustainable finance strategy will be adopted and implemented.

[11] https://www.belgium.be/en/about_belgium/government/federal_authorities/federal_government/policy/government_agreement ; available in French or Dutch

2.2.1 Climate change

In 2023, the European Union adopted a set of legislative proposals to make the EU's climate, energy, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.[12] In this context, Belgium is currently finalizing the update of its National Energy-Climate Plan 2021-2030 (NECP), adopted in 2019.[13] A preliminary update of the federal contribution to the revised plan was adopted on 17 May 2024.[14] This update is currently being further revised on the basis of the 2025 coalition agreement.[15]

Within Belgium's state structure, responsibilities and policy-making powers are shared between the Federal State and the three Regions (the Walloon, Flemish and Brussels-Capital Region). Climate change policies are therefore designed and implemented by the federal and regional governments, which have set up their own priorities and objectives within the scope of their powers.

The Federal State is responsible for large parts of taxation policy, railways, product policies (standards, fuel quality, labelling and performance standards for household or industrial electrical goods, …), the security of the country's energy supply and for nuclear energy. It also supervises Belgium's territorial waters, which implies that it is also responsible for the development of offshore wind farms.

Regions have responsibilities in areas like rational use of energy, promoting renewable energy sources, regional public transport, transport infrastructure, urban and rural planning, agriculture and waste management. In the context of the 6th Belgian state reform, they have also obtained new fiscal responsibilities.

To ensure the operationalization of the federal contribution to the NECP, and the development of its successive updates, the federal government has adopted a "climate law" that establishes a robust system for monitoring the implementation of federal climate policies and measures. It consists of a system of governance based on the accountability of ministers and competent administrations for the implementation and monitoring of the various aspects of federal climate policy.

As part of its contribution to the NECP, the current federal contribution is made up of a series of objectives and measures to contribute to the emissions reduction targets by 2030. The most important contributions in the energy sector, aimed at accelerating the energy transition, are additional ambitions for offshore renewable energy in the North Sea (with a target of 8 GW after 2030), a commitment to hydrogen, both in terms of production and imports (infrastructure) and increased attention to energy security. In the domestic market, the focus is on interconnections and affordable energy bills. Regarding climate, the goal is to reduce emissions by 118 million tons of CO_2 equivalent in sectors not covered by the ETS system (transport, buildings, etc.) over the period 2021-30 and to achieve an additional 25 million tons of emission reductions over the period 2022-30. These new or strengthened policies and measures concern notably the areas of green taxation, buildings and product standards.

[12] Fit for 55: Delivering on the proposals: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-green-deal/fit-55-delivering-proposals_en

[13] https://www.nationalenergyclimateplan.be/en

[14] The Council of Ministers of May 17, 2024, took note of the update of the Federal Energy and Climate Plan, as a contribution to the National Energy and Climate Plan.

[15] Due to the 2024 elections and government formation processes, Belgium was unable to submit a revised plan in June 2024.

A national "social climate plan" is also being adopted in the context of the European social climate fund that aims at mobilizing support for vulnerable households and companies. Just transition is indeed recognized as a guiding principle, which aims to guarantee a just transition with all political actors and stakeholders, supported by an analysis of the fair distribution of benefits and drawbacks of the transition to a climate-neutral society and aiming to identify political pathways.

The current national energy and climate plan includes many other measures, such as:

- a greener tax system;
- the gradual elimination of fossil fuel boilers;
- the gradual elimination of cars and trucks using fossil fuels;
- a substantial reduction in the use of first-generation biofuels; and
- a multitude of measures to support green mobility and building renovations.

As shown in figure 1, Belgium's greenhouse gas emissions have been on a downward trend since 2005. In 2023, total greenhouse gas emissions (excluding the LULUCF sector[16]) in Belgium amounted to 98.2 $MtCO_2e$, which represents a decrease of 33% compared to 1990, and a decrease of 4.6% compared to 2022.

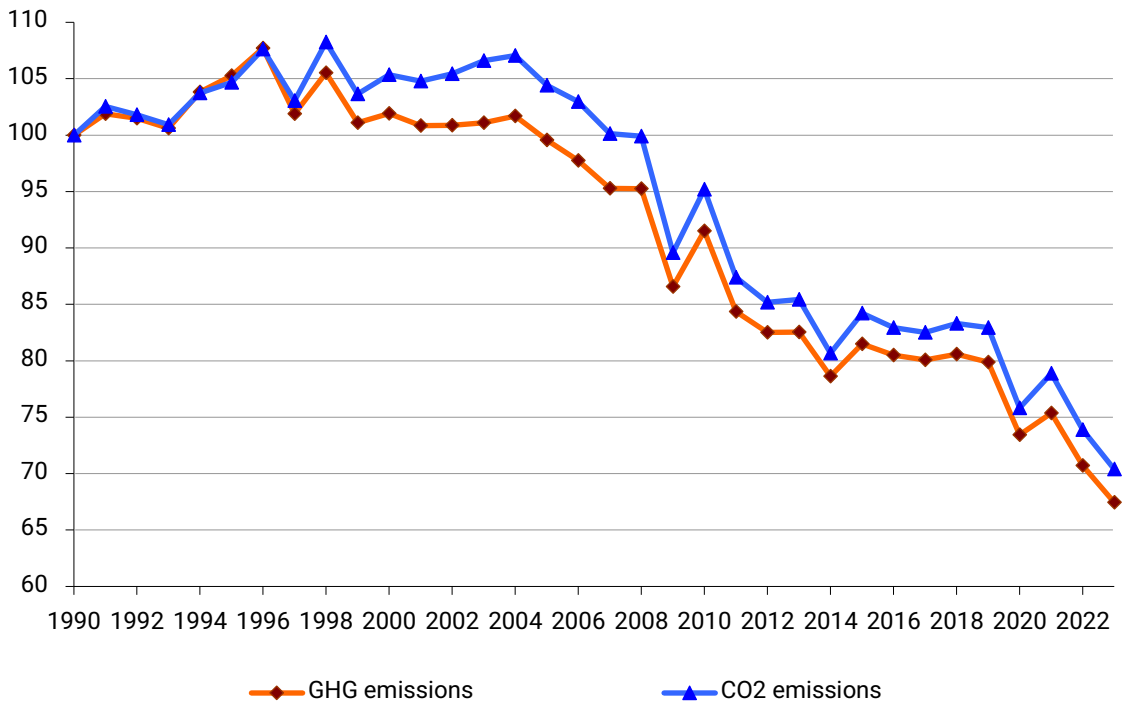

Figure 1: Belgium GHG emissions 1990-2023 (excl. LULUCF). Unit: Index point (base year emissions = 100).[17]

To meet the federal government's ambition of reaching climate neutrality by 2050 and of reducing European greenhouse gas emissions by 55% by 2030 (compared to 1990), significant systemic changes are necessary at both the behavioral and technological levels. The task at hand is technically feasible but poses a major challenge. The figure provided below illustrates the projected evolution of GHG emissions in key sectors under the central scenario analyzed. It highlights the need

[16] LULUCF is the land use, land use change, and forestry sector

[17] Belgium's greenhouse gas inventory: https://climat.be/en-belgique/climat-et-emissions/emissions-des-gaz-a-effet-de-serre/historique

for a transition towards net-zero emissions by 2050, which would require a combination of adopting new technologies and embracing new consumption and production patterns.[18]

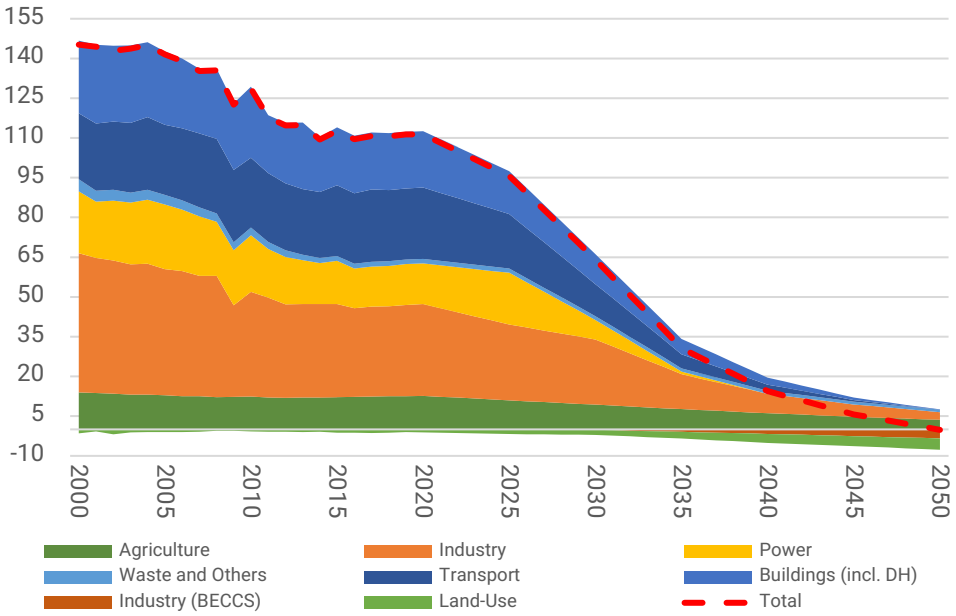

Figure 2: GHG emissions – historical emissions and evolution according to the CORE-95 scenario (2000-2050, $MtCO_2e$)[19]

2.2.2 Biodiversity conservation and sustainable use

A global assessment of the state of biodiversity and its ecosystem services has been published in May 2019 by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES). This IPBES global assessment report on biodiversity and ecosystem services is the first intergovernmental scientific report of its kind, and its conclusions are nothing short of damning. The report has irrefutably confirmed that there is a dangerous and unprecedented decline in nature, with 1.000.000 species threatened with extinction and extinction rates accelerating. Ecosystems, species, wild populations, local varieties and breeds of domesticated plants and animals are declining or disappearing due to direct and indirect causes, largely due to unsustainable production and consumption.

In December 2022, a package of decisions was adopted by CBD COP15, in particular the Kunming-Montreal Global Biodiversity Framework (GBF) and its implementation package around the monitoring framework, planning and reporting, resource mobilization, capacity building and benefit sharing for digital sequence information.

The update of national biodiversity strategies and action plans by COP16 (2024) to align them with the new global targets and support their timely implementation is a requirement for all Parties. For Belgium, this work has been launched in the aftermath of COP15 to have a strategy setting out how the country will halt and reverse biodiversity loss in its own territory and in its supply areas by 2030. The Belgian Updated Belgian National Biodiversity Strategy for 2030 has been adopted in April 2025.[20] The process included a public consultation realized during the Summer and concluded not long for COP16. Federal, regional and local authorities, municipalities, advisory bodies, non-governmental organizations, research institutes, the private sector, information centers, citizens, etc. are all involved in drawing up and implementing the plan.

[18] https://klimaat.be/doc/climate-neutral-belgium-by-2050-report.pdf

[19] https://climat.be/doc/climate-neutral-belgium-by-2050-report.pdf p.12

[20] https://www.biodiv.be/implementation/updated-belgian-national-biodiversity-strategy-2030

At EU level, a number of initiatives under the Green Deal are directly or indirectly linked to the biodiversity agenda, the most prominent being the EU biodiversity strategy and the EU Farm to Fork strategy. The Nature Restoration Law[21] officially entered into force on 18 August 2024. Its full application is essential for reversing biodiversity decline within the EU, achieving climate neutrality by 2050, adapting to climate change, and ensuring long-term food and water security for European citizens.

This regulation also plays a pivotal role in enabling the EU and its Member States to fulfill their international biodiversity obligations, particularly those outlined in the Kunming-Montreal Global Biodiversity Framework.

The law initiates a long-term process aimed at the systematic recovery of ecosystems across both terrestrial and marine environments in the EU. It promotes sustainable economic practices, supports greener agricultural methods, and aligns with the expansion of renewable energy sources.

A key EU-wide objective is to implement restoration actions on at least 20% of the EU's land and sea areas by 2030. By 2050, all ecosystems identified as needing restoration should be covered by such measures.

To meet these goals, each Member State is required to draft a national restoration plan. These plans must outline specific restoration needs and actions tailored to national and regional contexts, ensuring alignment with the law's targets and obligations.

In addition to the National Biodiversity Strategy, several efforts are already underway at federal and regional level to implement the 2030 objectives, such as the federal BiodiversiScape program[22], actions to support the agro-ecological transition in Wallonia and the Flemish Green Deals.

In addition to government initiatives, efforts are also being made to support the actions of society. To this end, the Belgian Biodiversity Alliance[23] was launched at the end of 2022 with public and private partners. The four environmental administrations support the Alliance along with societal partners from all walks of life.

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Number of operational objectives of the Belgian Updated Biodiversity Strategy 2025-2030

2.2.3 Preservation of natural resources

The unsustainable and increasing use of resources has triggered critical scarcities and caused climate change and widespread environmental degradation. These problems are related to a linear economy which is based on a "make and throw away" model. A transition to a circular economy is necessary, where societal needs are met with reduced material input flows, a lower environmental footprint and less waste production. Focusing on new business models, circular services, innovative eco-design, sharing, reusing, repairing and waste prevention and -recycling keeps products, components, materials, and natural resources in the economy as long as possible, while increasing the utility value and creating opportunities to reduce resource dependency, boost the local economy and stimulate jobs creation.

To this end, over the period 2021-2024 the Kingdom of Belgium has carried out an ambitious Circular Economy Action Plan with 31 measures related to product norms, consumer protection, public procurement, employment and taxation. Under the name of Belgium Builds Back Circular, 24 innovative circular projects on a range of topics are financed. These measures will stimulate circularity in services and products and change consumption patterns through reuse, repair and recycling.[24]

[21] https://environment.ec.europa.eu/topics/nature-and-biodiversity/nature-restoration-regulation_en

[22] More information on the BiodiversiScape program can be found here: https://bebiodiversity.be/biodiversiscape/en/

[23] More information on the Belgian Biodiversity Alliance can be found here: https://biodiversity-alliance.be/

[24] Federaal actieplan voor een circulaire economie (2021-2024) | News.belgium

The emissions of key air pollutants have decreased in recent years in the Kingdom of Belgium, but the air quality is still a cause of concern. The majority of the Belgian population is still exposed to high concentrations of pollutants (especially nitrous oxides and particulate matter), which have a negative effect on public health and ecosystems.[25] The objective of Belgium's Air Quality policies is to reduce the negative health impacts of air pollution by 50%, while complying with the EU directive on air pollution (NEC Directive (2016/2284) and the Directive on the limitation of emissions from medium combustion plants (2016/2284).

[25] https://www.irceline.be/nl/documentatie/publicaties/jaarrapporten/jaarrapport-luchtkwaliteit-in-belgie-2021/view

3

ELIGIBLE GREEN EXPENDITURES

3.1 ELIGIBLE GREEN EXPENDITURES AND THE TAXONOMY

The methodology for selecting green expenditure remains consistent with previous years. For detailed information, we refer to the 2022 Allocation & Impact Report.[26] No new expenditure categories were introduced in 2024.

Eligible green expenditures consist of Federal State expenditures that meet the criteria set out in the Green OLO Framework.[27]. These comprise federal expenditures, fiscal expenditures, and investments by government agencies—all of which support the Kingdom of Belgium's climate and environmental policy objectives. For further clarification on the types of expenditures, we refer to earlier allocation reports.[28]

As in previous years, the primary economic activities supported by the Green OLO program are Passenger Interurban Rail Transport and Rail Infrastructure. These fall under the Clean Transportation category and align with the relevant Technical Screening Criteria ("TSC") and Do No Significant Harm ("DNSH") requirements of the EU Taxonomy for climate change mitigation.

The framework, as outlined in the 2022 publication, continues to consider the EU Taxonomy and strives to apply evolving best practices. It is important to note, however, that EU Taxonomy was designed for private sector use. Its detailed classification system does not fully accommodate the scope and nature of public sector expenditures.

Among the fiscal expenditures, three subcategories of tax exemptions and deductions aimed at promoting clean transportation are considered: public transport commuting, bicycle allowances and electrically powered vehicles.

Public transport includes commuting by bus, metro or train[29] and aligns with the EU Taxonomy's Climate Delegated Act 6.1 (Passenger Interurban Rail Transport) and 6.3 (Urban and Suburban, Road Passenger Transport). Due to the absence of centralized data on the bus fleet in Belgium, full taxonomy alignment cannot be confirmed. However, the expenditure qualifies as taxonomy eligible.[30]

Bicycle allowance[31] corresponds to activity 6.4 (Operation of Personal Mobility Devices, Cycle Logistics) in the EU Climate Delegated Act. While the activity contributes to climate change mitigation, DNSH compliance—particularly regarding waste management during maintenance and end-of-life battery recycling—cannot be ensured at the user level. Nonetheless, it remains taxonomy eligible.

Electrically Powered Vehicles[32] - Electric motorcycles, tricycles, and quadricycles, fall under activity 6.5 (Transport by Motorbikes, Passenger Cars, and Light Commercial Vehicles). Although DNSH criteria such as battery reuse and recycling cannot be fully assured, the expenditure is considered taxonomy eligible.

[26] https://www.debtagency.be/sites/default/files/content/download/files/green_olos_-_allocation_impact_report_2022.pdf

[27] https://www.debtagency.be/sites/default/files/content/download/files/green_olo_-_framework_2022.pdf

[28] https://www.debtagency.be/en/green-olo

[29] Openbaar vervoer | FOD Financiën (belgium.be)

[30] Regions are competent for road transport such as public transport by bus.

[31] Fiets | FOD Financiën (belgium.be)

[32] MyMinfin (fgov.be)

Due to limited granularity in the available data, alignment with the EU Taxonomy for increased tax deduction for green investments[33] cannot be assessed.

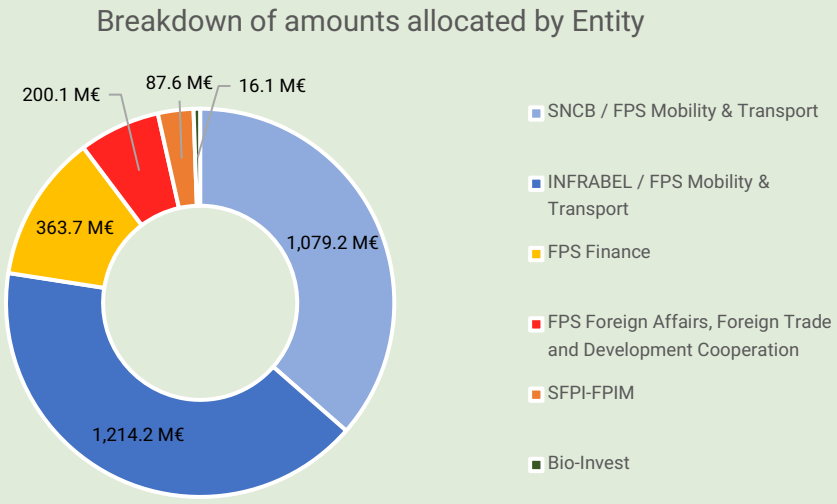
Reduced package charge[34] can be linked to activity 2.3 (Collection and Transport of Non-Hazardous and Hazardous Waste) in the EU Taxonomy's Environmental Delegated Act.[35]. However, due to unavailability of detailed information—e.g., on emission standards of collection vehicles—taxonomy alignment cannot be verified. The expenditure remains taxonomy eligible.

International Climate Finance and Development Cooperation: contributions in this category encompass both multilateral and bilateral climate finance. While multilateral climate funds and bilateral project financing cannot be directly interpreted through taxonomy, all bilateral financing included in the Green OLO Framework aligns with Rio Marker 2.[36]

Green investments by the SFPIM notably include capital participation in electric vehicles, clean freight transport, and related infrastructure. However, certain expenditures could not be assessed against taxonomy, including those related to sustainable land use and management, sustainable consumption and production modes, the clean energy transition, climate change mitigation, renewable energy, energy efficiency, and clean transportation applications.

For BIO-Invest's green Investments, only expenditures related to international funds and renewable energy projects have been included. These consist of renewable non-fossil energy sources, such as wind, solar (thermal and photovoltaic), geothermal energy, ambient energy, tidal, wave and other ocean energy, hydropower, biomass, landfill gas, sewage gas, and biogas[37]. Hydropower projects above 25 MW are excluded. While fund participations do not provide sufficient detail to confirm taxonomy alignment or eligibility, loan financing has been assessed as taxonomy eligible.

This chart presents a breakdown of the amounts allocated to different beneficiaries.



[33] MyMinfin (fgov.be)

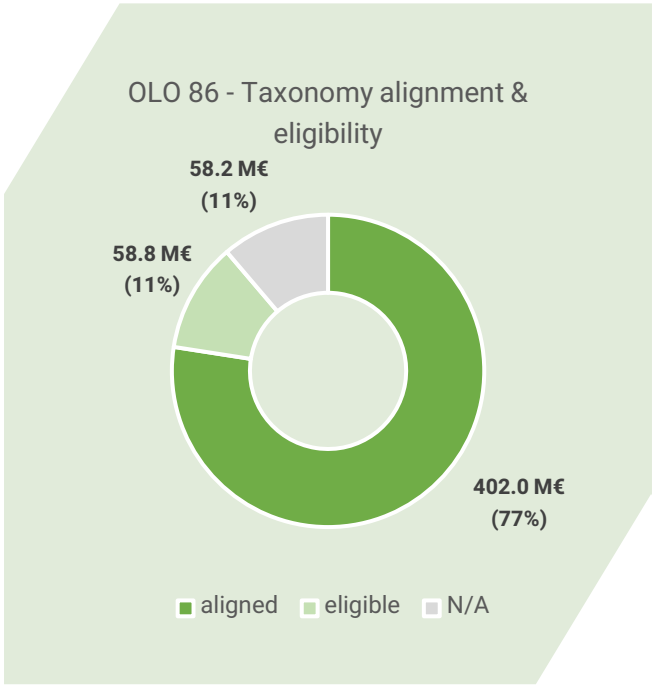
[34] MyMinfin (fgov.be)

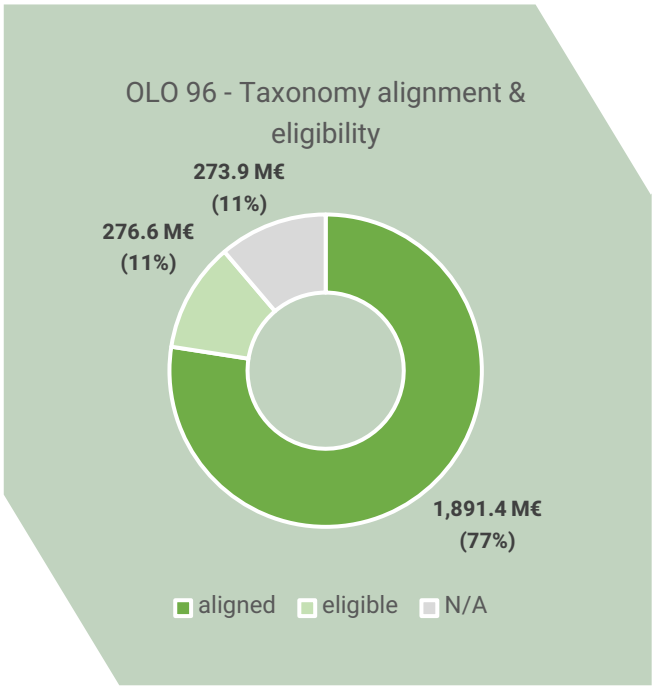
[35] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R2486

[36] Rio marker 2 indicates that the Rio Convention themes are a principal objective of the action. The Rio Conventions are: 1) the Convention on Biological Diversity; 2) UN Framework Convention on Climate Change (UNFCCC) and 3) UN Convention to Combat Desertification. https://capacity4dev.europa.eu/info/short-guide-use-rio-markers_en#:~:text=There%20are%20three%20possible%20values,principal%20objective%20of%20the%20action.

[37] Directive (EU) 2018/2001 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001

For the 2024 issuance the following applies regarding EU taxonomy eligibility[38] and alignment[39].





3.2 THE ALLOCATION PROCESS

The allocation process remained consistent with previous years. There was no need to reallocate any of the previously reported allocated amounts.

The standard three-step allocation process was applied as follows:

- In accordance with the Green OLO Framework, 2024 issuance proceeds were first allocated to the remaining eligible 2023 expenditures not previously covered by 2023 issuance proceeds. This allocation was capped at 95% of confirmed expenditures and 75% of estimated expenditures, totaling 1.944,1 Mio EUR.
- The remaining 2024 issuance proceeds were then allocated to 2024 expenditures, again applying the 95% and 75% haircuts to confirmed and estimated amounts, respectively. This allocation totaled 1.016,9 Mio EUR.
- Finally, expenditure amounts were proportionally distributed across the different Green OLOs, based on the nominal amounts issued under each bond.

This sequential approach ensures that Green OLO proceeds are consistently allocated to eligible, disbursed green expenditures. Any corrections to previously reported estimates will be included in the subsequent allocation report.

[38] Taxonomy eligibility refers to the assessment of whether a company's activities are considered to be covered by the EU Taxonomy

[39] Taxonomy alignment refers to the extent to which a company's activities comply with the criteria set in the Taxonomy delegated acts.

3.3 FINALIZATION OF PREVIOUS ALLOCATIONS

Tax deductions for green investments and to promote clean transportation are two of the eligible fiscal expenditures that are based on estimated figures. As such, those two expenditures used in previous reports need to be reconfirmed to ensure that final figures are higher than the estimates previously used and therefore no overallocation of proceeds has been made.

As per the table below, the tax deduction for green investments has been finalized to 64,93 million and lower than the first estimate of 74,61 million. However, since actual allocations in the 2022 allocation & impact report were in turn lower than the available eligible expenditures, no adaptation in the allocation published in 2022 needs to be made. For the final figure on the tax deduction to promote clean transportation, it ended up higher than the first estimate.

2022 allocation report		
Eligible fiscal expenditures	Estimates	Final
• Tax deductions green investments	74.610.000 €	64.930.000 €
• Tax deduction and exemptions to promote clean transportation	345.460.000 €	432.950.000 €

3.4 ELIGIBLE GREEN EXPENDITURES AND THE SUSTAINABLE DEVELOPMENT GOALS

On the 25th of September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, also known as the "2030 Agenda". As part of Belgium's international commitments, Belgium has pledged to contribute to and achieve the 17 Sustainable Development Goals (SDGs) by 2030.

The initiatives funded under the Green OLO Framework directly contribute to Belgium's progress towards these goals. As a result, it has been decided to incorporate an assessment of funded projects from the perspective of the 17 Sustainable Development Goals (SDGs) into the methodology. This alignment with the national and international objectives allows for a comprehensive evaluation of projects, ensuring that they are in line with the SDGs. By considering the SDGs in the funding process, Belgium aims to actively contribute to the achievement of these goals at both the national and global levels.

In accordance with the "High-Level Mapping to the Sustainable Development Goals" published by the International Capital Market Association (ICMA) in June 2020, a correspondence has been established between the eligible categories of the Green OLO and the SDGs. This table can be found in section 5.3 of the report.

4

ALLOCATION AND IMPACT REPORTING

In this section, the allocation of the 2024 bond issuance proceeds to various expenditures is discussed, with impact analyses provided where available. Detailed information about all expenditures, categorized by the year of spending, is included in the allocation tables later in this report. Additionally, all amounts and their impacts have been clearly separated according to the two Green OLOs.

For further analysis and to provide easy access, these detailed allocation and impact tables will be added to the Excel spreadsheet on the Belgian Debt Agency's website[40].

The environmental impact assessments were conducted on five main expenditure categories, which together represent **36% of the EUR 2.961 billion issuance**. Expense calculations for the Green OLO project were based on those expenditures that could be quantified using available data and the input from stakeholders who provided essential information. The focus of the impact assessment was primarily on addressing the global issue of climate change by estimating reductions in greenhouse gas (GHG) emissions. It is important to highlight that these assessments were based on available data and utilized emission factors to estimate environmental impacts. The challenges of assessing qualitative aspects and biodiversity impacts were recognized, owing to limited data availability and reliance on various assumptions. However, through international cooperation and the reduced package charge, it has been possible to evaluate environmental impacts other than GHG emissions savings.

Methodologies for estimating GHG emissions savings were developed, based on the principles of environmental evaluation, and aligned with the work of the EU Commission's Technical Expert Group on Sustainable Finance. These methodologies, which are consistent with market practices and align with other impact reports on similar expenditures, can be found in the Methodological appendix of this report.

For clarity and accessibility, the complexity of the assessment has been reduced to what was strictly necessary to ensure accurate results and data availability. Clear documentation and the use of publicly available data have been employed, allowing for the replication of this analysis and enabling the testing and comparison of different scenarios.

4.1 CLEAN TRANSPORTATION

As in the previous report, clean transportation still accounts for most of the green expenditures funded by green OLOs in 2024. Even though the total amount allocated to clean transportation has increased from EUR 1.390 bn to EUR 2.582 bn in 2024, the percentage dedicated to transport has remained fairly similar with 87% in 2024 versus 89% in 2023.

In 2023, emissions from the transport sector represented 25.1% of total emissions (Figure 5), compared with 14.4% in 1990 (Figure 6). This increase is mainly attributable to road transport, which accounted for 96.0% of this sector's emissions in 2023. By comparison, inland waterway transport stagnated at 1.5%, while rail emissions represented only 0.3%[41]. The geographical position of Belgium as a transit country contributes to the expansion of the transport sector.

Within the road transport sector, most indicators are on the rise, and emissions in 2023 appear to have fully rebounded from the losses recorded in 2020 due to the COVID-19 crisis and its impact on mobility.

Road transport is by far the biggest energy consumer of all modes of transport in Belgium. The number of private cars continues to rise. Among the vehicle fleet, "standard petrol hybrids" (24%) and "plug-in petrol hybrids" (40%) have shown the

[40] https://www.debtagency.be/sites/default/files/content/download/files/green_olo_86_-_allocation_report_2021_en_0.pdf

[41] https://climat.be/en-belgique/climat-et-emissions/emissions-des-gaz-a-effet-de-serre/emissions-par-secteur

most growth in absolute numbers, while LPG-powered vehicles have declined since the 2000s. Battery electric vehicles account for 28% of these alternative engines, with 180,000 vehicles in 2023[42].

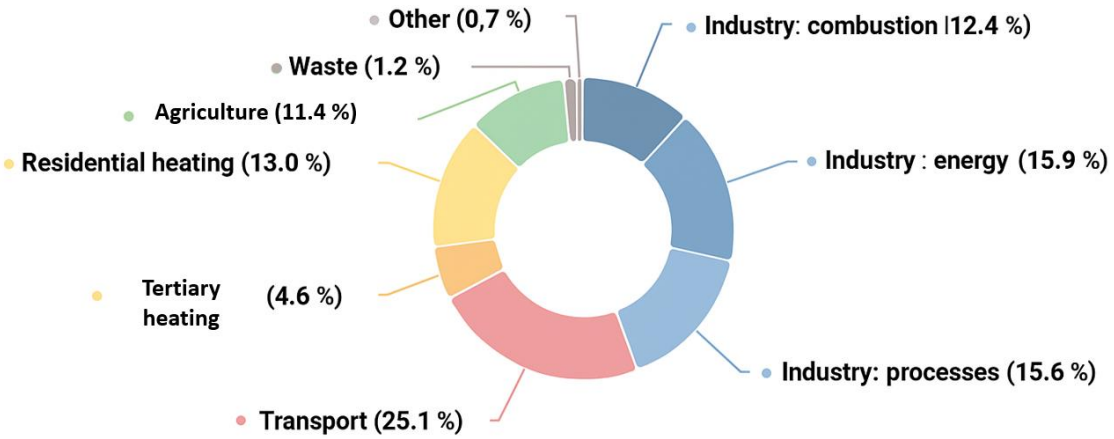


Figure 5: GHG emissions share per sector in Belgium in 2023[43]

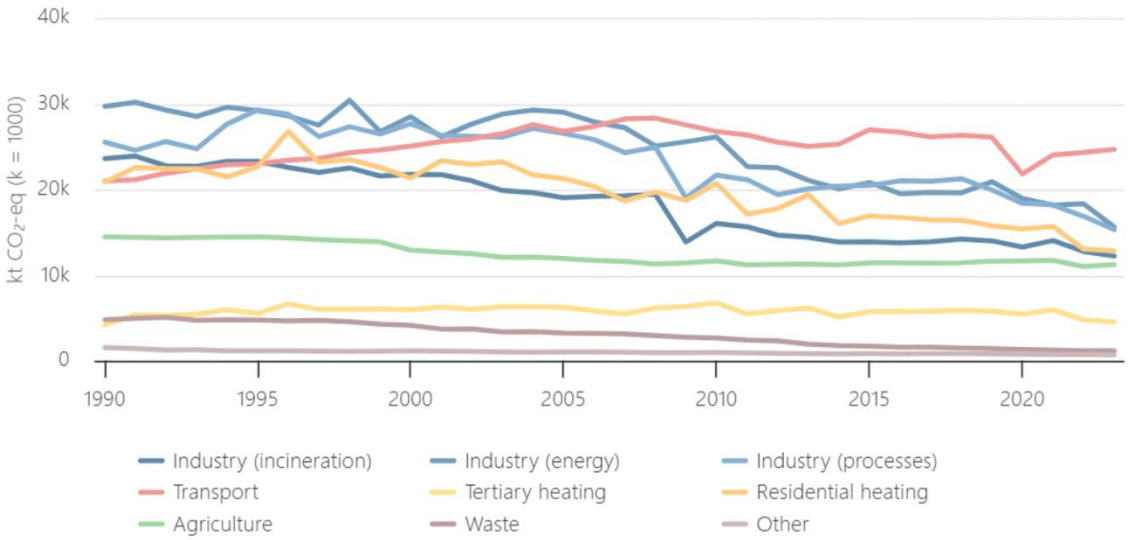


Figure 6: GHG emissions per sector in Belgium (1990-2023)[44]

To reduce emissions significantly and rapidly from the transport sector, three levers must be activated. Firstly, mobility demand should be reduced. Secondly, a shift towards less polluting modes of transport must be undertaken. For example, each person who chooses to drive a car emits between 126 and 160 grams of CO_2 per kilometre, while an equivalent journey by train produces an average of just 23.8 grams of CO_2[45]. Thirdly, technologies need to be improved to lower their emissions, including the electrification of cars.

[42] https://climat.be/en-belgique/climat-et-emissions/emissions-des-gaz-a-effet-de-serre/emissions-par-secteur

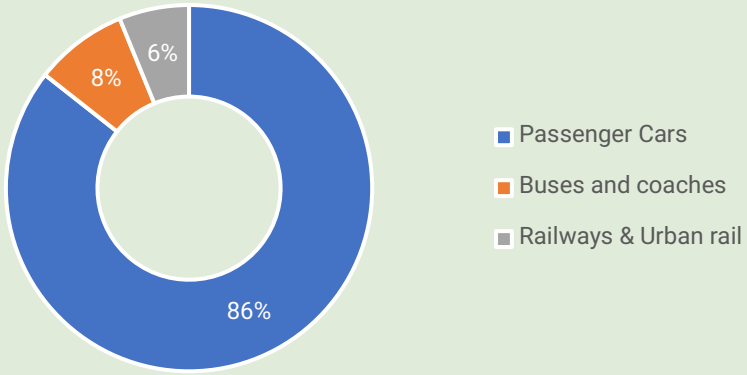
[43] https://climat.be/en-belgique/climat-et-emissions/emissions-des-gaz-a-effet-de-serre/emissions-par-secteur

[44] https://climat.be/en-belgique/climat-et-emissions/emissions-des-gaz-a-effet-de-serre/emissions-par-secteur

[45]https://www.belgiantrain.be/-/media/corporate/pdfs/ondernemingsplan-2023-2032-nl.ashx?la=nl&hash=4FE266EA273E0EFCC361FD88BB5E58555319170B , p.7.

In this context, rail transport plays a crucial role as the most accessible and readily available mode of public transport. This was confirmed by Rail Vision 2040, adopted by the Council of Ministers on 6 May 2022. This plan sets ambitious targets for the modal shares to be achieved by 2040: a modal share of 15% for passenger transport (compared with 6% today) and a modal share of 20% for freight transport (compared with 12% today).

Modal split of passenger transport in Belgium, 2021



Source : https://erf.be/statistics/passenger-transport-2024/

The vision Rail 2040, aimed to achieve the energy autonomy 's challenge. Since the drastic rise in energy prices, Belgium has been conscious of its high dependence on the importation of fossil energy sources. Therefore, the modal share of rail transport, both for goods and passengers, is a major challenge to move toward greater energy autonomy and to reduce spending on fossil fuel imports[46].

The SNCB Public Service Contract, the Infrabel Performance Contract as well as the Business Plans and the Multi-Annual Investment Plans of the two companies for the period 2023-2032, approved by the federal government on the 23rd of December 2022, will contribute to achieving the objectives contained in the Rail Vision. These plans aim to:

- extend the train offer by 10% by 2032.
- increase the number of travellers by 30% and improve the customer experience significantly.
- invest in passenger reception by doubling the current number of fully accessible stations.
- invest in modern and comfortable rolling stock with a 50% renewal of the fleet by 2032.

4.1.1 Subsidies to SNCB (Belgian railways) – OpEx

As part of its annual budget, the federal government provides financial support for SNCB's mission of operating the Belgian railways. These subsidies cover various operational costs. The Green OLO framework identifies, within this category, three sub-categories of expenditure considered green and eligible:

- the infrastructure fee annually paid by SNCB to Infrabel for the use of the rail network when offering its transport services.
- the costs for maintenance and repair of the company's own rolling stock and sanitation works.
- the costs for remediation of the company's own rolling stock and sanitation works.

The selection of eligible green expenditure amounts is based on SNCB's detailed accounting data.

[46]https://mobilit.belgium.be/sites/default/files/publicaties%20en%20statistieken/20220506_vision_rail_2040_-_versionlongue_fr.pdf

As explained last year and since 2022, the payments made by SNCB to Infrabel for the infrastructure charge have been reduced and were replaced by a direct subsidy paid by the federal state to Infrabel.

ICMA GBP Category	**Clean transportation**
Type	**Federal budget expenditures**
EU taxonomy activity	6.1 Passenger interurban rail transport
Expenditure	*Subsidies to SNCB (Belgian railways) - OpEx*
Allocated amount (Mio EUR)	444.7
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**444.7**

4.1.2 Subsidies to SNCB (Belgian railways) – CapEx

The federal government also finances SNCB's major investment programmes through subsidies.

These investments play a crucial role in achieving the government's objective of promoting a modal shift towards environmental-friendly means of transport in Belgium. By strengthening rail services, they help to reduce car use and encourage a change in behaviour among commuters and leisure travellers. Increasing train frequency and modernising rolling stock are all measures that encourage people to choose the train over the car, thereby helping to reduce greenhouse gas emissions and protect the environment.

A subset of the budget programmes mentioned above has been retained as eligible green expenditure for the amounts disbursed by the SNCB during the budget years concerned. More specifically, investments in several categories have been selected on the basis of SNCB's detailed accounting data. The selection either considers the direct link of the investments to zero-emission rail transport or, for certain broader categories, applies a ratio to the actual amounts to reflect the number of passenger kilometres on electrified tracks compared to the total number of passenger kilometres (electric and diesel). The actual ratio, confirmed by SNCB, is greater than 95.5%, but for reasons of prudence, a ratio of 95.5% has been applied.

Examples of the aforementioned investments are:

- Rolling stock: continuation of the programme to purchase M7 double-decker coaches to increase capacity on the busiest lines, acquisition of electric locomotives, major overhauls of M6 coaches, roll-out of ETCS,…;
- Workshops: construction of a new hall at the Hasselt workshop, renewal of roofs at the Mechelen and Salzinnes central workshops, construction of inspection pits and a carwash at Châtelet, renovation work on toilet emptying installations in various workshops, track work at Oostende and Kortrijk, catenary installations at the Schaerbeek workshop, new logistics centre at Mechelen, replacement of machines, lifting installations in workshops, various renovations, maintenance work,…;
- Stations: continuation of major projects in stations (Ghent-Saint-Pierre, Mons, Mechelen, Ottignies, Courtrai, etc.) and for the regional express network around Brussels, raised platforms in 9 additional stations (Ans, Athus, Bierset-Awans, Château-de-Seilles, Florival, Marche-les-Dames, Philippeville, Bordet and Spa-Géronstère), creation of parking spaces (bicycles + 1. 091 / cars + 256), 13 additional stations accessible to people with reduced mobility (Ans, Athus, Blankenberge, Bruxelles-Nord, Groenendael, Mons, Philippeville, La Hulpe, Profondsart, Neerpelt, Pepinster-Cité, Moensberg and Spa-Géronstère), and various station redevelopment projects,…;
- Digitalisation & process improvement: development of digital sales systems, product, pricing and sales engine (website), De Lijn ticket sales in the mobile app, information security, real time traffic management, passenger

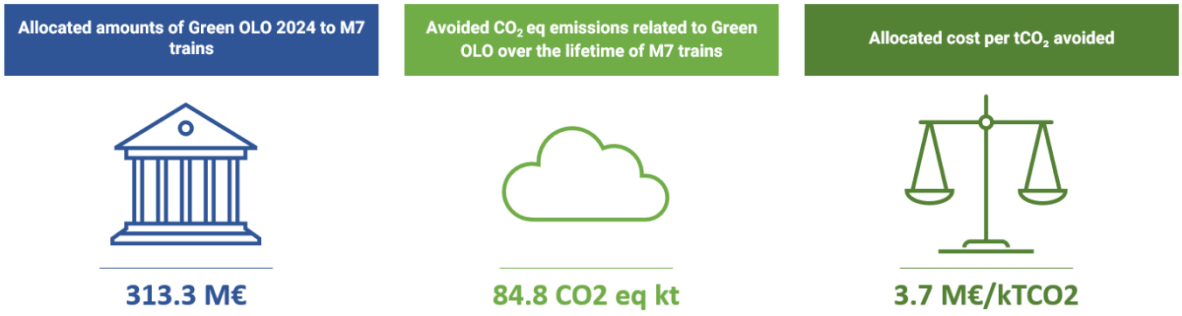
information (new screen layouts, train compositions, real time intermodal information), safety applications, planning solutions for train drivers, train controllers and rolling stock, eDrive (aid for greener driving),…;

- Buildings and others: Fonsny Master Plan. The project involves the construction of SNCB's new head office. This is a building that rationalises office space for the company's management and meets strict environmental requirements with excellent BREEAM certification (83%). The project also includes the use of a digital twin for optimised energy and maintenance management, as well as quality for users (well-being and health). In 2024, this mainly concerns internal and external costs for monitoring the contract during the negotiation period.

ICMA GBP Category	**Clean transportation**
Type	**Federal budget expenditures**
EU taxonomy activity	6.1 Passenger interurban rail transport
Expenditure	*Subsidies to SNCB (Belgian railways) – CapEx rolling stock purchase*
Allocated amount (Mio EUR)	393.0
Quantitative Impact Assessment (kt CO2 eq)	84.8
Expenditure	*Subsidies to SNCB (Belgian railways) – CapEx Reception of clients*
Allocated amount (Mio EUR)	137.2
Quantitative Impact Assessment (kt CO2 eq)	x
Expenditure	*Subsidies to SNCB (Belgian railways) – CapEx Workshop, Digitalisation, Railway buildings e.a.*
Allocated amount (Mio EUR)	104.3
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**634.5**
Total assessment (kt CO_2 eq)	**84.8**

IMPACT ASSESSMENT OF M7 RAIL CARS

The total avoided CO_2 eq emissions financed by the Green OLO 2024 over the lifetime of the M7 (45 years) amounts to 84.8 kt CO_2 eq.



One of the main investment programmes continues to be the acquisition of M7 double-decker coaches, aimed at increasing capacity on the busiest lines. Within this budgetary framework, only the purchase of the M7s has been subject to an impact analysis, due to the availability of data.

SNCB/NMBS's new M7 rolling stock is a modern, high-performance piece of equipment that stands out for its superior speed, capacity and comfort. These trains are not designed to establish new rail links or increase the frequency of services, but to improve energy efficiency and reduce the carbon footprint of existing rolling stock. In fact, the M7s can reduce energy consumption by 20-30% thanks to their superior efficiency compared with older trains at the end of their operational life.

What is more, the use of M7 trains on the busiest lines, particularly in Brussels, means that the capacity of these lines can be increased considerably, to meet growing demand and improve passenger service. By investing in the M7, SNCB is not only contributing to better demand management, but also to achieving Belgium's environmental objectives.

In short, SNCB's M7 trains embody a transition towards more sustainable rail transport, combining energy efficiency, reduced emissions, improved accessibility and enhanced comfort. These initiatives are part of SNCB's commitment to offering an eco-friendly transport service tailored to the needs of all users.

PURCHASE OF M7 DOUBLE-DECK TRAINS	
Improvement in energy efficiency of M7 trains (per seat)	25%
Avoided CO_2 eq emissions related to Green OLO in 2024 over the lifetime of M7 trains [kt]	**84.8**
Avoided CO2 eq emissions related to Green OLO 86 2024 over the lifetime of M7 trains [kt]	4.5
Avoided CO2 eq emissions related to Green OLO 96 2024 over the lifetime of M7 trains [kt]	20.9
Avoided CO2 eq emissions related to Green OLO 2023 over the lifetime of M7 trains [kt]	59.4

4.1.3 Subsidies to Infrabel (rail network operator) – OpEx

Infrabel, the Belgian rail network operator, plays a crucial role in managing the country's rail infrastructure. Previously, its operating costs were covered by the infrastructure fee paid by SNCB to Infrabel. This fee has now been partially replaced by a direct subsidy from the federal government. This subsidy is only considered if, in Infrabel's annual results, other income is sufficient to cover the company's staff costs, thus allowing the subsidy to finance other types of operating costs.

ICMA GBP Category	**Clean transportation**
Type	**Federal budget expenditures**
EU taxonomy activity	6.14 Infrastructure for rail transport
Expenditure	*Subsidies to Infrabel (rail network operator) - OpEx*
Allocated amount (Mio EUR)	357.9
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**357.9**

4.1.4 Subsidies to Infrabel (rail network operator) – CapEx

The federal government provides annual support for Infrabel's investment programme. As in previous years, contributions for investments in rail infrastructure, the ETCS (European Train Control System) safety system, the regional express rail network, as well as in feeder and high-speed trains, have been withheld in full. However, expenditure on production facilities is no longer considered eligible as the electrification criteria cannot be verified.

Only the capacity maintenance has been subject to an impact analysis because there was sufficient data available to conduct the calculations.

ICMA GBP Category	**Clean transportation**
Type	**Federal budget expenditures**
EU taxonomy activity	6.14 Infrastructure for rail transport
Expenditure	*Subsidies to Infrabel (rail network operator) - CapEx - Capacity Maintenance*
Allocated amount (Mio EUR)	424.6
Quantitative Impact Assessment (kt CO2 eq)	303.7
Expenditure	*Subsidies to Infrabel (rail network operator) – CapEx ETCS*
Allocated amount (Mio EUR)	240.9
Quantitative Impact Assessment (kt CO2 eq)	x
Expenditure	*Subsidies to Infrabel (rail network operator) – CapEx Capacity extension & service improvement (capacity extension, reception, HST, GEN)*
Allocated amount (Mio EUR)	190.7
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**856.3**
Total assessment (kt CO_2 eq)	**303.7**

Investments remain similar to those of the previous years. Some examples are:

- Renewal and safety of the railway axis Brussels-Luxemburg[47]; The goal is to upgrade the 175 km rail corridor (lines 161/162) from Brussels to the Luxembourg border to increase speeds from ~130 km/h to 160 km/h, reducing travel time by up to 20 minutes. Works include curve realignment, platform renovations at major stations, and replacement of bridges, tunnels, and level crossings. The line is being re-electrified (25 kV AC on the Namur–border section) with modern signaling, broader track gauge (2.25 m), and extensive civil engineering (rock face stabilization). Major sections and station upgrades have already been completed, with full project delivery planned by 2026.
- Improved safety and robustness of the Brussels North-South link[48]: As part of the ETCS deployment and broader modernization projects, Infrabel is enhancing the Brussels North-South railway connection, a critical and heavily

[47] https://infrabel.be/fr/project/modernisation-axe-3

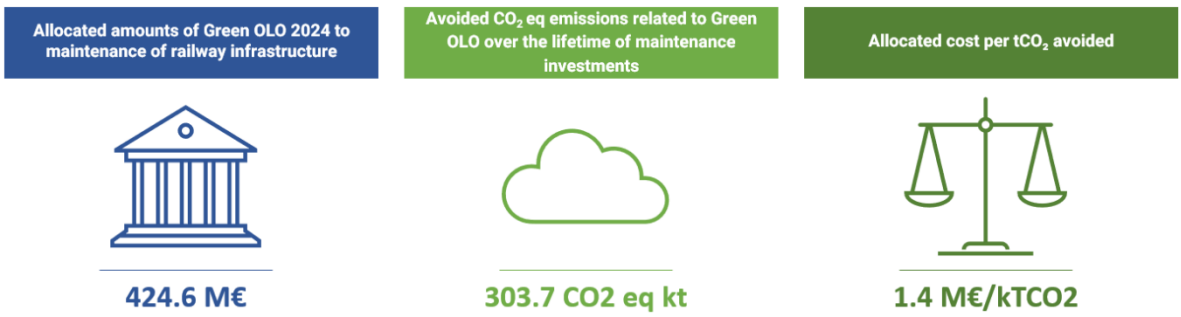
[48] https://infrabel.be/fr/project/etcs

trafficked corridor. The upgrades include installing advanced signaling systems (ETCS Level 2), renewing track infrastructure, and improving operational reliability to reduce delays and increase safety. These efforts ensure better traffic management in one of Belgium's busiest rail hubs, contributing to smoother and safer passenger and freight flows through central Brussels

- Addition of a third and fourth track between Ghent and Bruges[49]: The aim is to add two extra tracks (making four) on the line between Ghent and Bruges to separate slow freight and fast passenger services. This includes renovating seven station areas, replacing level crossings, and building new bridges and noise barriers. The project is designed to improve operational fluidity, accommodate growing daily traffic (≈250 trains/day), and support both commuter and freight transport.
- Investments in the ports for an increased freight traffic by rail:
    - Zeebrugge[50]: The goal is to increase the rail freight capacity of the port to support growing container traffic. Infrabel is building a new marshalling yard in Zwankendamme with 18 classification tracks and modern infrastructure compliant with European standards. This aims to shift more freight from road to rail and ease road congestion.
    - Antwerp[51]: This project focuses on improving rail access to the Port of Antwerp, especially in the northern zone, through infrastructure upgrades and new rail connections. It aims to streamline freight flows and increase overall capacity. These investments are part of a broader strategy for sustainable freight transport.
    - North Sea Port (Ghent–Terneuzen)[52]: Infrabel is extending certain tracks to 750 m and modernizing rail infrastructure and signalling systems. The project supports the port's freight growth and strengthens cross-border rail links with the Netherlands. Centralized traffic management is also being implemented to enhance efficiency.

IMPACT ASSESSMENT - MAINTENANCE OF RAILWAY INFRASTRUCTURE

The total avoided CO_2 eq emissions financed by the Green OLO 2024 over the lifetime of maintenance investment amounts to 303.7 kt CO_2 eq.



[49] https://infrabel.be/fr/projet/gand-bruges

[50] https://infrabel.be/fr/projet/port-de-zeebruges

[51] https://infrabel.be/fr/project/le-port-danvers

[52] https://infrabel.be/fr/project/north-sea-port-gand-terneuzen

Every year, Infrabel, the Belgian railway infrastructure manager, carries out maintenance work on the network. This work mainly concerns the tracks, catenaries (power lines) and signalling. They are essential to ensure the safety of traffic, the punctuality of trains and to maintain an acceptable level of comfort for users.

Regular maintenance is essential: without it, the reliability of the network gradually deteriorates. This leads to speed restrictions, an increase in breakdowns and disruption on the lines concerned. Ultimately, the attractiveness of rail diminishes, and this decline often benefits more polluting and energy-intensive modes of transport, such as the private car or road haulage.

Preventive maintenance also extends the life of equipment and reduces the costs of emergency repairs, which are often more expensive. Conversely, poor maintenance can lead to accidents or temporary line closures, with major consequences for national mobility.

If a section is not renovated as part of the annual programme, it loses its place in the maintenance cycle. This section will not be treated again until all the others have been, which can represent a delay equivalent to the technical life of the equipment concerned - i.e. 40 years. This means that the consequences of postponing work can extend over several decades, with a continuous deterioration in the line's performance.

As a result, it is crucial to plan investment in a balanced way across the entire network, to avoid creating weak areas that compromise the overall performance of the rail system. A long-term vision and stable budgetary resources are therefore needed to ensure a resilient, reliable and truly sustainable rail network.

MAINTENANCE OF RAILWAY INFRASTRUCTURE	
Avoided CO_2 eq emissions related to Green OLO in 2024 over the lifetime of M7 trains [kt]	**303.7**
Avoided CO2 eq emissions related to Green OLO 86 2024 over the lifetime of M7 trains [kt]	18.5
Avoided CO2 eq emissions related to Green OLO 96 2024 over the lifetime of M7 trains [kt]	86.8
Avoided CO2 eq emissions related to Green OLO 2023 over the lifetime of M7 trains [kt]	198.4

4.1.5 Tax exemptions and deductions to promote clean transportation

The Belgian personal income tax legislation includes various incentives aimed at encouraging the use of more environmentally friendly modes of transport. These tax advantages consist of the following three components:

- Complete exemption of employer reimbursements for commuting expenses (for taxpayers who declare their professional costs on a lump sum basis) provided that the transfer is made by public transportation.
- Full exemption of bicycle allowances provided by employers for employees who commute by bicycle, subject to a maximum per kilometer limit.
- The tax deduction for the purchase of fully electric vehicles other than electric cars.

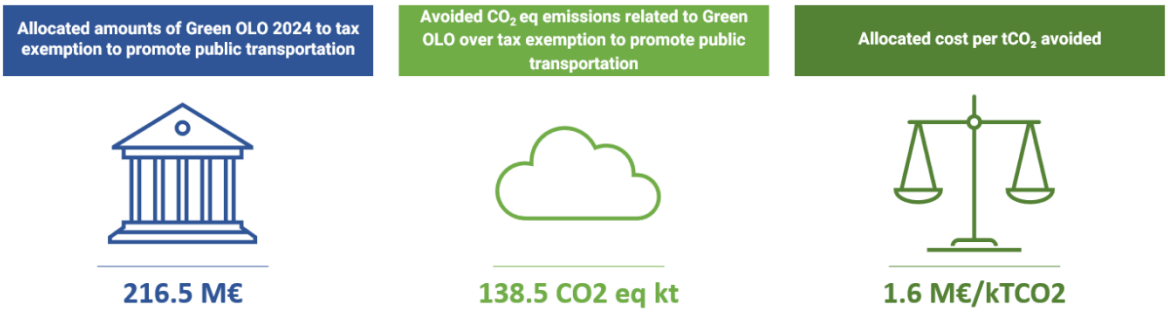
The amounts related to these exemptions and tax deductions are determined based on personal income tax returns by the Strategic Expertise and Support Service of the FPS Finance. As previously mentioned, the figures for 2024 are currently expert estimates, relying on finalized data from previous years and preliminary tax return information. The allocation process considers the fact that these figures remain provisional.

Impact assessments were conducted for two out of the three categories of expenditures, supported by sufficient data availability and scientifically validated assumptions, which were endorsed by transportation sector experts.

ICMA GBP Category	**Clean transportation**
Type	**Federal fiscal expenditures**
EU taxonomy activity	6.3 Urban and suburban transport, road passenger transport
Expenditure	*Tax exemption for employer reimbursement of costs for commute by public communal transport*
Allocated amount (Mio EUR)	216.5
Quantitative Impact Assessment (kt CO2 eq)	138.5
EU taxonomy activity	6.4 Operation of personal mobility devices, cycle logistics
Expenditure	*Tax exemption for employer payments for commute by bicycle*
Allocated amount (Mio EUR)	71.3
Quantitative Impact Assessment (kt CO2 eq)	18.4
EU taxonomy activity	6.5 Transport by motorbikes, passenger cars and light commercial vehicles
Expenditure	*Tax deduction for the purchase of specific electric vehicles (not electric cars)*
Allocated amount (Mio EUR)	0.6
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**288.3**
Total assessment (kt CO_2 eq)	**156.9**

IMPACT ASSESSMENT - TAX EXEMPTION TO PROMOTE PUBLIC TRANSPORTATION

The total avoided CO_2 eq emissions financed by the Green OLO 2024 amounts to 138.5 kt of CO_2 eq.



According to FPS Mobility figures[53], in 2023 the large majority (58%) of commuting between home and work was done by car.

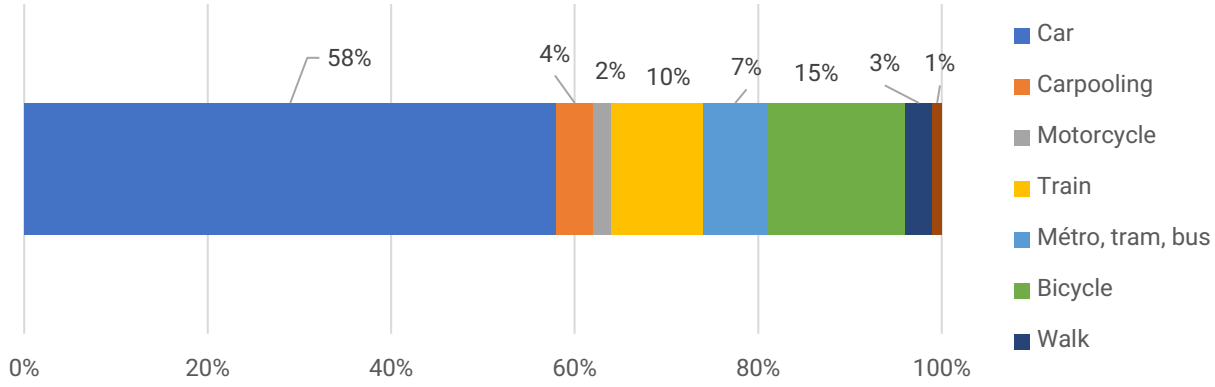


Figure 6: Passenger transport per mode in Belgium, in 2023[54]

This expenditure relates to the full exemption granted to taxpayers who declare their professional expenses on a lump-sum basis, for employer reimbursements covering commuting costs—provided the commute is made via public transportation.

According to FPS Mobility and Transport, this measure leads to an 8% increase in the use of public transit (including trains, metros, buses, and trams) compared to situations where commuting costs are not subsidized by employers.

The environmental impact of this policy is assessed by contrasting the current situation, which includes a tax exemption for public transport, with a hypothetical scenario in which no such fiscal incentive exists.

In the absence of this exemption, it is estimated that a considerable share of current public transport users would switch to alternative, often more polluting, modes of travel. This analysis relies on the concept of price elasticity of demand for public transport, as well as diversion factors used by the Federal Planning Bureau in their PLANET modelling tool[55]. These variables are essential for evaluating how shifts in transport behavior influence environmental impacts and traffic conditions to help predict how people will change their transportation choices.

EXEMPTION FOR REIMBURSEMENT OF COMMUTING BY PUBLIC TRANSPORT	
Mpkm [56]travelled by train due to policy	1975.7
Mpkm travelled by bus, tram and metro due to policy	735.8
Pkm travelled by bus, tram, metro due to policy from ex-car users [%]	50%
Pkm travelled by train due to policy from ex-car users [%]	82%
Avoided CO_2 eq emissions related to Green OLO in 2024 [kt]	**138.5**
Avoided CO_2 eq emissions related to Green OLO 86 2024 [kt]	8.1
Avoided CO_2 eq emissions related to Green OLO 96 2024 [kt]	38.2
Avoided CO_2 eq emissions related to Green OLO 2023 eligible expenses allocated in 2023 [kt]	92.2

[53] SPF Mobilité et transports, BeMob - Les déplacements domicile-travail 2022-2023, (online), p. 3

[54] https://mobilit.belgium.be/fr/publications/bemob-les-deplacements-domicile-travail-en-2022-et-en-2023

[55] Microsoft Word - WP-6-DC2019_PLANET_11848_F.docx , p.8.

[56] Million Passenger Kilometer: Refers to the total distance travelled by passengers, aggregated to millions of kilometers.

IMPACT ASSESSMENT – BICYCLE ALLOWANCE

The total avoided CO_2 eq emissions financed by the Green OLO 2024 amounts to 18.4 kt of CO_2 eq.

Allocated amounts of Green OLO 2024 to bicycle allowance	Avoided CO_2 eq emissions related to Green OLO over bicycle allowance	Allocated cost per tCO_2 avoided
71.3 M€	18.4 CO2 eq kt	3.9 M€/kTCO2

Since 2023, Belgian employers have been encouraged by CCT 164 and related social concertation to grant a tax-exempt bicycle allowance to employees commuting by bike[57]

To achieve a global modal shift, it is essential to focus specifically on commuting journeys. This shift plays a key role in Belgium's transition towards carbon neutrality by 2050. It is a shared responsibility between employers, employees, and public authorities, and it involves actively promoting the use of public transport.

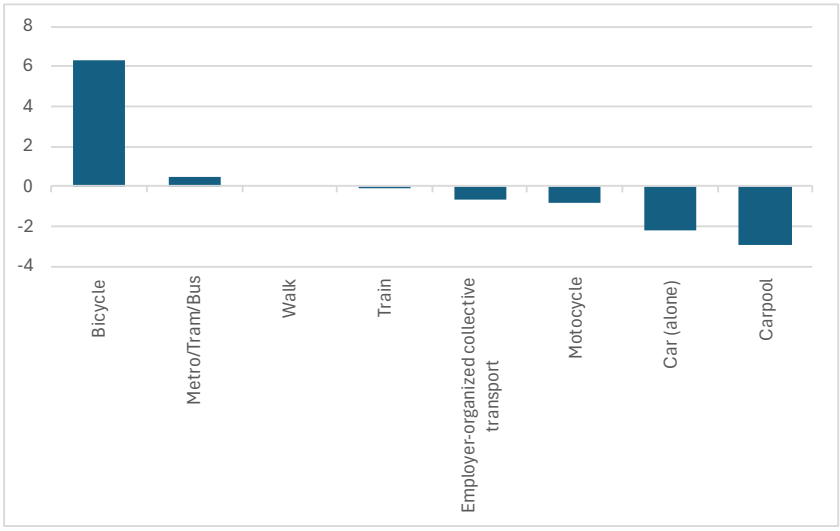


Figure 7: Change in Modal Split of Commuting Trips in Percentage Points (2005–2021)[58]

In addition to encouraging this shift, two other conditions are necessary to reach the objective:

1. **Adjusting the financial contributions** of both employers and employees to commuting costs.
2. **Adapting the (para)fiscal framework** governing commuting.

The impact assessment for 2024 was conducted as follows: the total amount of allowances distributed in 2024 was divided by the standard rate of €0.35 per kilometer to estimate the total distance cycled under the scheme.

[57] https://www.securex.be/fr/lex4you/employeur/actualites/indemnites-et-avantages-velo-en-2025-tout-ce-que-vous-devez-savoir

[58] SPF Mobilité et Transports (2022), Enquête fédérale sur les déplacements domicile-travail 2021-2022

Based on this estimated distance, the emissions that would have occurred in the absence of the policy were calculated. This analysis used elasticity values, diversion factors, and emission rates for alternative modes of transport—such as cars, motorcycles, trains, buses, trams, and metro—that might have been used instead of cycling.

BICYCLE ALLOWANCE	
Mpkm travelled by bicycle due to policy	412.7
Pkm travelled by bicycle due to policy from ex-car users [%]	40%
Avoided CO_2 eq emissions related to Green OLO [kt]	**18.4**
Avoided CO_2 eq emissions related to Green OLO 86 2024 [kt]	1.1
Avoided CO_2 eq emissions related to Green OLO 96 2024 [kt]	5.0
Avoided CO_2 eq emissions related to Green OLO 2023 eligible expenses allocated in 2023 [kt]	12.4

4.2 OTHER GREEN CATEGORIES

Aside from the expenditures aimed at clean transportation, a series of other expenses and investments are funded by the amounts issued in Green OLO format.

4.2.1 Increased tax deductions for green investments

The Belgian income tax code allows for an investment deduction, equating to a certain percentage of the purchase price of green investments. This amount can be immediately subtracted from the tax owed. Initially, two of the deductible investment categories were retained for the green bond scheme, i.e.:

- Energy-savings investment allowances:
  - This refers to investments aiming at a more rational use of energy, improvement of industrial processes from an energy point of view and, more particularly, the recovery of energy in industrial sector.
  - The deduction rate applicable was 15.5%.
- Investment allowance for investments aiming at reuse of recipients:
  - This applies to tangible capital assets intended exclusively to ensure the production process of reusable containers and the take-over in points of sale, temporary storage, routing to the bottling line or to a distribution centre for sorting and cleaning, and sorting and cleaning for the transfer of the above-mentioned reusable containers to the respective bottling facilities.
  - The deduction rate applicable was 3%.

As of tax year 2022, a third and new category has been retained for the green bond scheme:

- Zero-carbon trucks and recharge infrastructure
  - It concerns trucks with no carbon emissions and recharge infrastructure for hydrogen (blue, turquoise or green hydrogen), and electric recharge infrastructure relating to zero-carbon trucks.

- The deduction rate is degressive: 35% for investments made in 2022 or 2023, 31.5% for investments made in 2024. This investment deduction is limited to 60 million euro.

A new tax deductions regime for green investments

In May 2024, the investment deduction regime has been reformed with entry into force in 2025. A basic deduction rate of 10 % applies to investments for SMEs and self-employed only, replacing previous ordinary deduction (formerly 8 %). Assets using climate-harmful substances are excluded, unless no carbon-free alternative exists.

Thematic, targeted deduction rates of 40 % for SMEs/self-employed and 30 % for large companies applying to investments in:

- Energy efficiency & renewables
- Zero-emission transport
- Environmental protection
- Digital support for the above themes

Eligible assets are defined by Royal Decree lists, updated every 3 years. Investment deduction requests require certification from a competent authority confirming compliance and low environmental harm.

Moreover, the new governmental agreement (January 31, 2025) foresees the harmonization at 40% of the rates for the increased investment allowance for the energy, mobility and environment lists. Moreover, the investment deduction will be transferable indefinitely and the green investment allowance will be simplified and made more accessible, mainly for investments in the energy transition. The restriction on financial support from the European authorities for CCS-CCU investments will also be removed from the environmental list.

As presented in section 3.2 and 3.3, a methodological change in calculating the amounts communicated for the eligible tax deduction for green investments has been introduced since fiscal year 2021. The new calculation is more in line with the calculation of other tax expenditures, where it is examined to what extent this deduction has an impact on income from the corporate income tax for that specific year.

The eligible expenditures for 2023 and 2024 have been estimated based on this new methodology.

ICMA GBP Category	Energy efficiency / Circular economy
Type	**Federal fiscal expenditures**
EU taxonomy activity	x
Expenditure	*Increased tax deduction for green investments*
Allocated amount (Mio EUR)	28.3
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**28.3**

4.2.2 Reduced package charge for individual reusable drink packages

Belgium introduced a Packaging Charge on beverage containers in 1993 alongside other environmental taxes. The packaging charge is a tax equivalent to excise duty that is levied on individual packaging containing beverages (except for milk and flavoured milk-based drinks)[59]. It was designed to encourage consumer behaviour change to promote re-use through deposit refund systems and recycling by changing the relative prices of products. In practice, the reduced package charge affects glass packaging.

Reusable packaging is eligible for a reduced packaging tax if the beverage distributor using such packaging has applied for and received the necessary approval. To qualify as reusable, packaging must be refillable at least seven times, collected through a deposit system, and effectively reused.

The reduced tax revenue's impact is considered as eligible green expenditure, as it prevents pollution and contributes to the circular economy. This expenditure is detailed annually in the "Inventory of exemptions, deductions, and reductions that affect state revenue," which is an annex to the Federal Budget of Resources[60]. These allocations are estimated, as outlined in section 3.2.

ICMA GBP Category	Circular economy
Type	**Federal fiscal expenditures**
EU taxonomy activity	2.3. Collection and transport of non-hazardous and hazardous waste
Expenditure	*Reduced package charge for using individual reusable drink packages*
Allocated amount (Mio EUR)	47.1
Quantitative Impact Assessment (kt CO2 eq)	170.6
Total allocated amount (MIO EUR)	**47.1**
Total assessment (kt CO_2 eq)	**170.6**

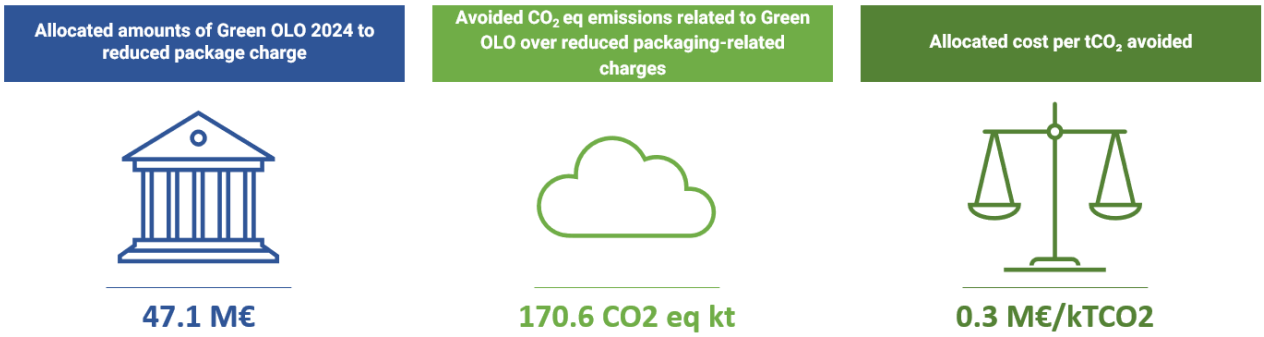
[59] Established in Art. 371 of the Law of 16th July 1993 aimed at completing the state structure, as modified last by law of 28th March 2007.

[60] https://bosa.belgium.be/fr/themes/budget-et-comptabilite/le-budget-federal/chiffres-et-analyse

IMPACT ASSESSMENT – REDUCED PACKAGE CHARGE

The reduced packaging charge, related to the Green OLO, is estimated to have avoided in 2024:

- ✓ **170.6 kt of CO2 eq.**
- ✓ **121.4 kt of sand.**
- ✓ **48.6 kt of lime.**
- ✓ **39.9 kt of caustic soda.**
- ✓ **7.7 kt of glass released in the environment, which translates to approximately 30.8 million bottles being spared from ending up in the environment.**



The reduced packaging charge aids in preventing waste generation, pollution, and greenhouse gas (GHG) emissions, while also contributing to the circular economy. By encouraging packaging reuse, it lessens pollution in comparison to manufacturing new packaging and conserves extracted materials, leading to multiple environmental advantages.

The evaluation of the reduced packaging charge was conducted in terms of avoided CO2 equivalent emissions and avoided extracted raw materials. An estimation of reused containers (1000 Liters) was performed based on the applicable charges for reusable containers compared to non-reused containers.

REDUCED PACKAGING CHARGE FOR USING INDIVIDUAL REUSABLE BEVERAGE CONTAINERS	
Avoided CO_2 eq emissions related to Green OLO [kt]	**170.6**
Avoided CO_2 eq emissions related to Green OLO 86 2024 [kt]	9.9
Avoided CO_2 eq emissions related to Green OLO 96 2024 [kt]	46.7
Avoided CO_2 eq emissions related to Green OLO 2023 eligible expenses allocated in 2023 [kt]	114.0
Avoided use of materials related to Green OLO in 2024[kt]:	
• Sand	121.4
• Lime	48.6
• Caustic soda	39.9
Avoided glass in the environment in 2024[kt]	**7.7**
Avoided glass in the environment related to Green OLO [M number of items]	**30.8**

4.2.3 Contributions to development cooperation

The Federal Public Service (FPS) of Foreign Affairs, Foreign trade and Development Cooperation oversees the contributions to Development Cooperation. It bases its vision on current global environmental issues on the Development Cooperation Act.[61] This Act stipulates that protection of the environment and natural resources, the fight against climate change, desertification and global deforestation should be integrated into all its activities.

Belgium's international climate action promotes and supports low-carbon, green, resilient, and equitable social-ecological-economic development. This includes integrated management, equitable access to, restoration, protection, and conservation of natural resources, biodiversity, landscapes, and ecosystems. Belgium contributes to boosting the green transition in its partner countries. As a priority, its international action mobilizes resources for adaptation to the impacts of climate change, responding to the needs of its partner countries and their inhabitants. This includes (i) sustainable food systems, (ii) biodiversity, ecosystems and sustainable land use, and (iii) sustainable urban development.

Additionally, Belgium supports NDC (Nationally Determined Contribution) development and implementation, backing ambitious climate policies. Support is mainly provided in the form of grants, directed towards Africa and Least Developed Countries. Climate finance is provided through bilateral development cooperation and climate-specific multilateral funds such as the Green Climate Fund, Adaptation Fund, Least Developed Countries Fund, or specialized UN agencies.

Belgium has significantly upscaled its international climate finance since 2021. The federal government[62] raised its contribution from 70 million EUR (2020) to 216 million EUR (2023), mainly by providing additional finance through multilateral funds, institutions, and partnerships. In line with longstanding strategies and priorities, the additional funds from 2021 to 2025 are mainly allocated to programs and projects that strengthen climate policies in partner countries and support climate change adaptation in Africa. Within this broader scope, the following priorities, aligned with the expertise of Belgian Development Cooperation actors, guide the allocation of funds: aligning climate action with the protection, conservation, and sustainable management of biodiversity and ecosystems, promoting sustainable agriculture, and fostering sustainable urban development.

Eligible expenditures under the category “Development Cooperation” include two main types of spendings:

- Multilateral funds (major part of expenses):
    - Green Climate Fund (GCF): Between 2024 and 2027, the Federal Government is contributing 37.5M€ annually to this fund. This fund invests in 286 climate projects to avoid emissions and increase climate resilience.
    - Least Developed Countries Fund (LDCF): The Federal Government contributed EUR 12.5M to the fund. It finances projects that aim to improve the managing of land, to train people to conduct adaptation measures and strategies and help private sectors enterprises engaged in climate change adaptation and resilience action.
    - Sahel Climate partnership: Partnership of 50M€ with Senegal, Burkina Faso, Mali and Niger, the initiative aims to restore 40,000 hectares of land and support 650,000 people and contributing to the Great Green Wall between 2022 and 2026.
    - Systemic Observations Green Climate Fund (GCF): The Fund supports the least developed countries and islands to close the basic weather and climate observations data gap to accelerate the sustained collection

[61] https://etaamb.openjustice.be/fr/loi-du-19-mars-2013_n2013015084.html

[62] Belgium’s international climate finance is shared between de federal Government and the 3 regions. Each has its own contribution to international climate finance.

and international exchange of weather and climate observations. The amount of the contribution of Belgium

- Bilateral development projects: several climate action projects in partner countries that all qualify under the Rio Marker 2, ensuring that biodiversity, desertification or climate change mitigation or adaptation are the principal objective of the project. Those projects are developed and managed in partnership with multilateral organizations (UNDP, UNCDF, UNESCO, UNHCR, FAO, etc.) or NGOs (Red Cross, ULB Cooperation, Trias, etc.).
- In 2024, the main example among the many bilateral projects supported is the Sahel Climate partnership. This partnership of 50M€ with Senegal, Burkina Faso, Mali and Niger, aims to restore 40,000 hectares of land and supports 650,000 people and contributing to the Great Green Wall between 2022 and 2026.

ICMA GBP Category	Renewable Energy / Living Resources and Land Use
Type	Investments by federal government agencies
EU taxonomy activity	x
Expenditure	*Contributions to development cooperation*
Allocated amount (Mio EUR)	200.1
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount (MIO EUR)	**200.1**

4.2.4 Green investments by SFPIM

The Federal Holding and Investment Company (SFPIM) centrally manages the federal government's shareholdings, collaborates on specific government projects, and follows its own investment strategy to benefit the Belgian economy. When evaluating potential investments, SFPIM considers compliance with environmental standards, such as active environmental protection, applying the precautionary principle to environmental challenges, and energy efficiency management. For the transformation funds, SFPIM verifies actual compliance with the EU taxonomy DNSH criteria.

As it can be seen on the image below, investments are oriented towards six sectors (Finance, aeronautics, health, impact, energy & utilities, and transport) with three major enablers; (i) sustainability, (ii) technology & infrastructure and (iii) innovation and new economy. Investments that directly support green and sustainable projects are selected and recognized as eligible for the Green OLO's framework in the year the funds are disbursed.

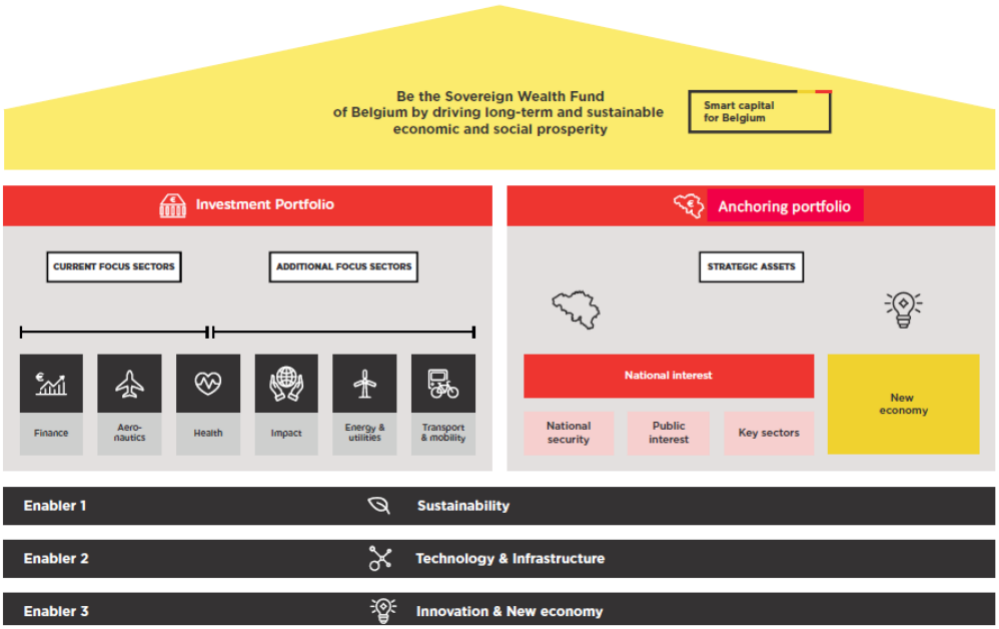


Figure 8: One page presentation of SFPIM

These investments focus on enhancing energy efficiency in building construction, rehabilitating contaminated sites, developing clean transportation, providing water leak detection services, and supporting agri-foods and impact funds.

Examples of 2024 investments are:

- Leoville (energy efficiency in buildings renovation)
- Blue Foot Membranes (sustainable use of water)
- Soil Capital (agri-foods and impact funds)[63]
- Fyteko (agri-foods)

ICMA GBP Category	**Renewable Energy / Living Resources and Land Use**
Type	**Investments by federal government agencies**
EU taxonomy activity	x
Expenditure	*Green investments by SFPIM*
Allocated amount (Mio EUR)	87.6
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**87.6**

[63] Expenditure of EUR 5 million has been performed by SFPIM under delegated mandate.

4.2.5 Green investments by BIO

The Belgian Investment Company for Developing Countries (BIO) is a private company with capital owned by the Belgian State through the FPS Development Cooperation. It aims to bolster a robust private sector in developing and/or emerging countries. This support is intended to help these countries access growth and sustainable development within the framework of the Sustainable Development Goals.

BIO directly invests in private sector projects, making a structural contribution to the socio-economic advancement of these host countries. Its mandate includes strict criteria regarding geographical targets, financing tools, and, above all, impact on development. A significant challenge for Development Finance Institutions (DFIs) like BIO is to ensure financed companies recognize and understand that good governance, along with strong environmental and social performance, are crucial for their success, and must be integrated into their strategic planning on a permanent base. BIO considers environmental and social impacts throughout the project's lifecycle and integrates principles of good practice at every level, from business strategies to daily decision-making.

In 2024, Bio adopted a Strategic Impact Framework (SIF). This strategy is a structured and impact-driven approach for ensuring that BIO's activities generate measurable and meaningful contributions to sustainable development. At the core of the framework lie the Strategic Impact Targets (SITs), which define BIO's specific impact commitments across ten priority areas and reflect BIO's strategic priorities within the SDG agenda and are underpinned by three key transversal commitments: Decent Work, Gender Equality and Climate and ecological sustainability.

Under the Green OLO Framework, disbursements in the form of loans for renewable energy projects, including solar and hydro projects under 25 MW, or participations in renewable energy funds, are recognized as eligible green expenditures.

Projects financed in 2024 include:

- **Nordic solar:** BIO has granted a USD 8.8 M loan to Nordic Solar for the construction of a 14MW solar PV plant in Nicaragua.
- **Arpe Ltd:** BIO has granted a USD 12 M loan to Achwa 1, a 42 MW run-of-river hydropower plant in Uganda.
- **Candi solar:** a company installing, owning and operating solar production plants and selling electricity to clients in India and South Africa.

ICMA GBP Category	**Renewable Energy**
Type	**Investments by federal government agencies**
EU taxonomy activity	x
Expenditure	*Green investments by Bio*
Allocated amount (Mio EUR)	16.1
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**16.1**

4.3 BIODIVERSITY : NEW INITIATIVE

The federal BiodiversiScape program, launched in 2022 by the Minister for Climate and the Environment, aims to encourage all stakeholders (both public and private) to make biodiversity a priority in their planning and construction projects, in their purchasing policies and in their organizational processes.

This program contributes to densifying the green and blue network within, around and between urban areas through concrete actions: (re)greening infrastructures, restoring ecosystems and reconnecting green spaces. It also encourages a purchasing policy that is more respectful of biodiversity, thereby promoting sustainable production and consumption in Belgium.

Structured in two stages, BiodiversiScape begins with a pilot phase designed to create concrete examples illustrating the added value of biodiversity, followed by a replication phase. Federal land and buildings play an essential role in this process. Partnerships have therefore been established with Defense, the Régie des Bâtiments, the SNCB and Infrabel.

Some concrete achievements have already been made, notably the greening of the Federal Police site in Asse (Régie des Bâtiments) and the Royal Military Academy in Etterbeek (Defence). By 2025, at least four new projects will be underway.

At the same time, it is developing technical specifications that can be shared and reused. **The program has a budget of 1.9 M€ for 2024.**

The program pays particular attention to monitoring the sites in order to demonstrate, over time, the improvement in biodiversity. At the Federal Police site in Asse (1.2 ha - Régie des Bâtiments), an estimate based on the Nature Smart Cities Business Model highlights the changes between the initial situation and the current situation: **water retention capacity has increased by around 40%.**

5

TABLES

5.1 ALLOCATION TABLE

	Green OLO: allocation reporting 2024					Expenditure amounts 2024 (Mio EUR)		Allocated amounts 2024 (Mio EUR)		Allocated ammounts 2024 (Mio EUR)			
										Expenditures 2023		Expenditures 2024	
	Expenditures	FPS / Entity	Green Bond Principle	Green Sector	Type of Expenditures	2024	F(inal)/ E(stimate)	2023 Previous	2024	OLO 86	OLO 96	OLO 86	OLO 96
Clean transportation Expenditures	4.1.1 SUBSIDIES TO THE SNCB (BELGIAN RAILWAY EXPLOITATION)	FPS Mobility and Transport	Climate change	Clean Transportation	Operating expenditure	**544.6**	**F**	**289.5**	**155.2**	**50.8**	**238.8**	**27.2**	**128.0**
	4.1.2 SUBSIDIES TO THE SNCB (INVESTMENT PROGRAMME)	FPS Mobility and Transport	Climate change	Clean Transportation	Investment expenditure	**736.8**	**F**	**424.6**	**209.9**	**74.4**	**350.2**	**36.8**	**173.1**
	4.1.3 SUBSIDIES TO INFRABEL (EXPLOITATION PROGRAMME)	FPS Mobility and Transport	Climate change	Clean Transportation	Operating expenditure	**429.1**	**F**	**235.6**	**122.3**	**41.3**	**194.3**	**21.4**	**100.8**
	4.1.4 SUBSIDIES TO INFRABEL (INVESTMENT PROGRAMME)	FPS Mobility and Transport	Climate change	Clean Transportation	Investment expenditure	**1,105.5**	**F**	**541.3**	**315.0**	**94.9**	**446.4**	**55.2**	**259.8**
	4.1.5 TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION	FPS Finance	Climate change	Clean Transportation	Tax expenditure	**480.4**	**E**	**180.2**	**108.1**	**31.6**	**148.7**	**18.9**	**89.1**
Other Expenditures	4.2.1 INCREASED TAX DEDUCTIONS FOR GREEN INVESTMENTS	FPS Finance	Climate change	Energy Efficiency/ Circular Economy	Tax expenditure	**54.6**	**E**	**16.0**	**12.3**	**2.8**	**13.2**	**2.2**	**10.1**
	4.2.2 REDUCED PACKAGE CHARGE FOR USING INDIVIDUAL REUSABLE DRINK PACKAGES	FPS Finance	Natural Ressources	Circular Economy	Tax expenditure	**54.9**	**F**	**31.5**	**15.6**	**5.5**	**26.0**	**2.7**	**12.9**
	4.2.3 CONTRIBUTIONS TO DEVELOPMENT COOPERATION	FPS Foreign Affairs, Foreign Trade and Development Cooperation	Biodiversity Climate Change	Renewable Energy/ Living Resources and Land Use	Investment expenditure	**101.0**	**F**	**171.4**	**28.8**	**30.0**	**141.3**	**5.0**	**23.7**
	4.2.4 GREEN INVESTMENTS BY THE SFPI-FPIM	SFPI-FPIM	Natural Ressources Climate Change	Renewable Energy/ Living Resources and Land Use / Clean Transportation / Circular Economy / Energy Efficiency	Investment expenditure	**141.3**	**F**	**47.3**	**40.3**	**8.3**	**39.0**	**7.1**	**33.2**
	4.2.5 GREEN INVESTMENTS BY BIO INVEST	Bio-Invest	Climate change	Renewable Energy	Investment expenditure	**33.8**	**F**	**6.5**	**9.6**	**1.1**	**5.4**	**1.7**	**7.9**
	TOTAL					**3,682.0**		**1,944.1**	**1,016.9**	**340.8**	**1,603.3**	**178.2**	**838.7**

					Green OLO Allocated Amounts	Global Challenge			Green Sector				
	Item	Expenditures	FPS / Entity	Type of Expenditures		Climate Change	Natural Ressources	Biodiversity	Clean Transportation	Living Resources and Land Use	Renewable Energy	Circular Economy	Energy Efficiency
Clean transportation Expenditu	4.1.1	SUBSIDIES TO THE SNCB (BELGIAN RAILWAY EXPLOITATION)	FPS Mobility and Transport	Operating expenditure	444.7				444.7				
	4.1.2	SUBSIDIES TO THE SNCB (INVESTMENT PROGRAMME)	FPS Mobility and Transport	Investment expenditure	634.5				634.5				
	4.1.3	SUBSIDIES TO INFRABEL (EXPLOITATION PROGRAMME)	FPS Mobility and Transport	Operating expenditure	357.9				357.9				
	4.1.4	SUBSIDIES TO INFRABEL (INVESTMENT PROGRAMME)	FPS Mobility and Transport	Investment expenditure	856.3				856.3				
	4.1.5	TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION	FPS Finance	Tax expenditure	288.3				288.3				
Other Expenditures	4.2.1	INCREASED TAX DEDUCTIONS FOR GREEN INVESTMENTS	FPS Finance	Tax expenditure	28.3								28.3
	4.2.2	REDUCED PACKAGE CHARGE FOR USING INDIVIDUAL REUSABLE DRINK PACKAGES	FPS Finance	Tax expenditure		47.1						47.1	
	4.2.3	CONTRIBUTIONS TO DEVELOPMENT COOPERATION	FPS Foreign Affairs, Foreign Trade and Development Cooperation	Investment expenditure	196.9			3.2		200.1			
	4.2.4	GREEN INVESTMENTS BY THE SFPI-FPIM	SFPI-FPIM	Investment expenditure	76.0	9.2		2.5	6.0	8.6	63.9	8.5	0.6
	4.2.5	GREEN INVESTMENTS BY BIO INVEST	Bio-Invest	Investment expenditure	16.1						16.1		
TOTAL					**2,899.1**	**56.3**		**5.7**	**2,587.7**	**208.7**	**80.0**	**55.6**	**28.9**

5.2 IMPACT TABLE

EXPENDITURES	ALLOCATED AMOUNTS 2024 (MIO EUR)	PERIOD COVERED BY THE ASSESSMENT	ASSESSED IMPACT	ASSESSMENT (KT)
SUBSIDIES TO THE SNCB – CAPEX (M7 PURCHASE)	313.3	Impact all over the lifetime of M7 trains (45 years)	Avoided GHG emissions	**84.8**
SUBSIDIES TO INFRABEL – CAPEX (MAINTENANCE OF RAILWAY INFRASTRUCTURE)	424.6	Impact over the lifetime of maintenance investments (40 years)	Avoided GHG emissions	**303.7**
TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION – PUBLIC TRANSPORT	216.5	2024	Avoided GHG emissions	**138.5**
TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION – BICYCLE	71.3	2024	Avoided GHG emissions	**18.4**
REDUCED PACKAGE CHARGE FOR USING INDIVIDUAL REUSABLE DRINK PACKAGES	47.1	2024	Avoided GHG emissions	**170.6**
			Avoided extracted materials (caustic soda, sand, limestone)	**209.9**
			Avoided glass in the environment	**7.7**
TOTAL	**1,072.8**			*Avoided GHG emission:* **716.1**

5.3 SDG'S MAPPING OF THE EXPENDITURES

	1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	17 PARTNERSHIPS FOR THE GOALS
SUBSIDIES TO SNCB (OPEX)		✓			✓	✓		✓		✓			
SUBSIDIES TO SNCB (CAPEX)		✓			✓	✓	✓	✓		✓			
SUBSIDIES TO INFRABEL (OPEX)		✓			✓	✓		✓		✓			
SUBSIDIES TO INFRABEL (CAPEX)		✓			✓	✓		✓		✓			
TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION		✓		✓	✓	✓	✓	✓	✓	✓			
INCREASE TAX DEDUCTIONS FOR GREEN INVESTMENTS		✓		✓	✓	✓			✓	✓			
REDUCED PACKAGE CHARGE								✓		✓		✓	
GREEN INVESTMENTS BY THE SFPI-FPIM				✓	✓	✓		✓		✓		✓	
GREEN INVESTMENTS BY BIO INVEST	✓	✓	✓	✓	✓		✓			✓		✓	✓
CONTRIBUTIONS TO DEVELOPMENT COOPERATION	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓

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ATTESTATION BY EXTERNAL AUDIT FIRM

Independent Auditor's Limited Assurance Report to the Strategic Committee of the Belgian Debt Agency on the Allocation Table included in the Green OLO Allocation & Impact Report 2024

To the Strategic Committee of the Belgian Debt Agency

Conclusion

We have performed a limited assurance engagement on the Belgian Debt Agency's (hereafter "BDA" or "the Agency") allocated Green OLO proceeds to eligible expenditures (together "the Selected Information"):

- 2023 allocated Green OLO proceeds amounting to 1.944,1 million EUR (page 45)
- 2024 allocated Green OLO proceeds amounting to 1.016,9 million EUR (page 45)

as included in the Green OLO Allocation & Impact Report 2024 ("The Report"), has been prepared in accordance with the applicable criteria of proceeds allocation to Green Eligible Expenditures as outlined in section 4.1. of the Green OLO Framework published in June 2022 at https://www.debtagency.be/en/green-olo ("The Criteria"):

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information included in the Report is not prepared, in all material respects, in accordance with the Criteria.

Our conclusion on the Selected Information does not extend to any other information that accompanies or contains the Selected Information and our assurance report.

In addition, our assurance conclusion excludes the following areas:

- The suitability of the Criteria in relation to the Green Bond Principles of the international Capital Markets Association which was assessed by the 'Second-Party Opinion' published in June 2022 at https://www.debtagency.be/en/green-olo; and
- The accuracy of the allocation of the Green OLO proceeds by type of expenditure, entity, sector or climate related challenge or goal.

Basis for conclusion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the

International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the 'Our responsibilities' section of our report.

We have complied with the independence and 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).

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities for the Selected Information

The management of BDA is responsible for the preparation of the Report and the Selected Information contained herein that is free from material misstatement in accordance with the Criteria as well as

- designing, implementing, and maintaining internal control relevant to the preparation of the Report and the Selected Information contained therein that is free from material misstatement, whether due to fraud or error;
- selecting and developing suitable Criteria for preparing the Selected Information and appropriately referring to or describing the Criteria used;
- selecting and applying policies, making judgements that are reasonable in the circumstances and maintaining adequate records in relation to the Report and the Selected Information contained herein; and
- preparing and properly calculating, the Selected Information in accordance with the Criteria.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Strategic Committee of the BDA.

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Information that is sufficient and appropriate to provide as a basis for our conclusion. Our procedures selected depend on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement,

- we have considered the process used to prepare the Report and the Selected information contained therein;
- We evaluated the appropriateness of the applicable Criteria used and other relevant procedures, including the reasonableness of related disclosures to the Selected Information.

Our limited assurance engagement on the Selected Information consists of making inquiries, primarily of persons responsible for the preparation of the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included, among others:

- Interviewing relevant persons responsible for providing the Selected Information, for carrying out internal control procedures on and for consolidating the Selected Information;
- Inspecting relevant internal and external documentation, on a limited test basis, in order to evaluate the reliability of the Selected Information; and
- Analytical review procedures to confirm our understanding of trends in the Selected 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.

Antwerp, 4 July 2025

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises

Steven Mulkens

Bedrijfsrevisor

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