

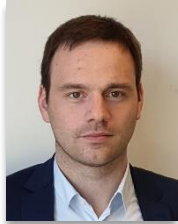


INVESTOR PRESENTATION



MAY 2020

(available on : https://www.wallonie.be/sites/default/files/2020-05/wallonia_sb2020_investor_presentation_h1_2020.pdf)



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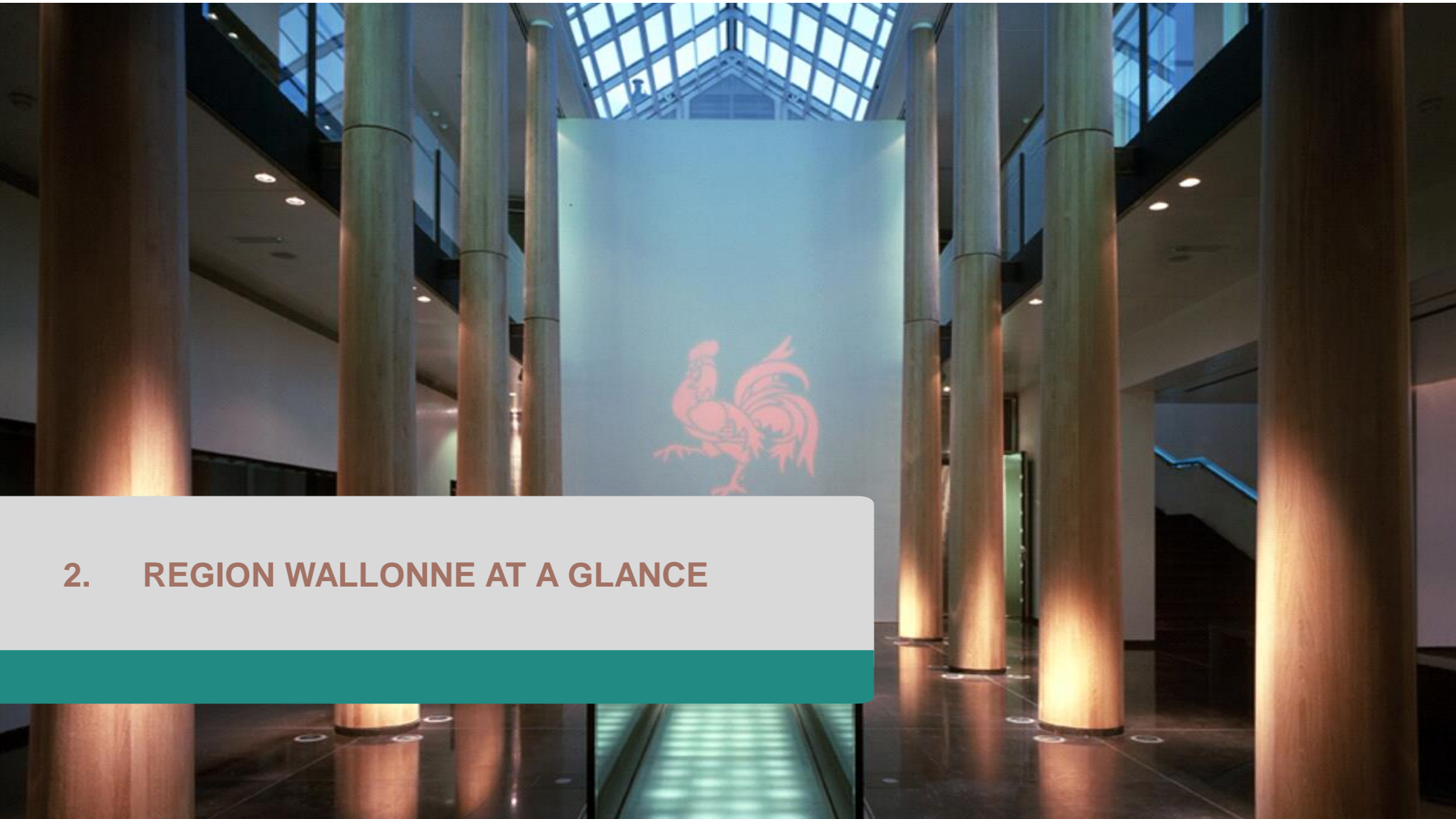
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- ❑ In April 2019, Région wallonne issued its inaugural Sustainability Bond, followed by a second Sustainability Bond in April 2020.
- ❑ Région wallonne is now looking to issue a new dual tranche Benchmark with a conventional tranche (intermediate tenor) and an inaugural SOCIAL BOND / COVID-19 RESPONSE tranche (long tenor), in line with the governance defined in its Sustainability Bond Framework.
- ❑ Supporting actions to face the COVID-19 pandemic, Région wallonne intends to use its inaugural Social Bond to finance exceptional one-time fixed compensation measures granted to mitigate socio-economic crisis, as well as measures taken to support regional healthcare & social structures and services.
- ❑ About annual reporting, the budget allocation report and the reporting for relevant impact metrics of our inaugural issuance (RW SB 2019) is planned to be released in September 2020, in-line with the governance principles defined in the Sustainability Bond framework. Région wallonne intends also to use this document to explain the use of proceeds to cover COVID-19 eligible expenditures, following the four core requirements of the ICMA Social Bond Principles.

Draft Termsheet Overview

	Tranche 1 : Conventional	Tranche 2: Social Bond – COVID-19 Response
Issuer	RÉGION WALLONNE	
Issue rating	A2, Stable outlook (Moody's)	
Format	Senior Unsecured - Dematerialized form	
Timing	Expected May	
Size	EUR Benchmark	
Maturity	Intermediate tenor	Long tenor
Coupon	Fixed, ANN, ACT/ACT	
Denominations	EUR 100k x 100k	
Documentation	Issuer's EUR 12 bn EMTN programme dated May 20 th , 2020	
Listing / Law	Euronext Brussels - Belgian Law	
Regulatory Treatment	HQLA Level 1, 0% RW, 0% under Solvency II	
Use of Proceeds	General corporate purpose	An amount equal to the net proceeds will be used to finance and/or refinance, in whole or in part, COVID-19 related expenditures as well as existing social expenditures falling into the following 3 categories: socio-economic advancement & empowerment, affordable housing, access to essential public services & basic public infrastructure.
Target Market	MiFID II professionals/ECPs-only – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional investors only (all distribution channels). Off the Issuer's EMTN programme.	
Joint Bookrunners	HSBC, KBC, LBBW, Morgan Stanley, Natixis	



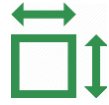
2. REGION WALLONNE AT A GLANCE

Région wallonne in a nutshell

Population and territory



3,633,795
inhabitants



16,901 km²
(55.1% of Belgian territory)



French, German



41 years
median age

Economy and infrastructures



€ 94,438m
(€ 27,710 per inhab.)



450 km
of waterways



81,207 km
of roads

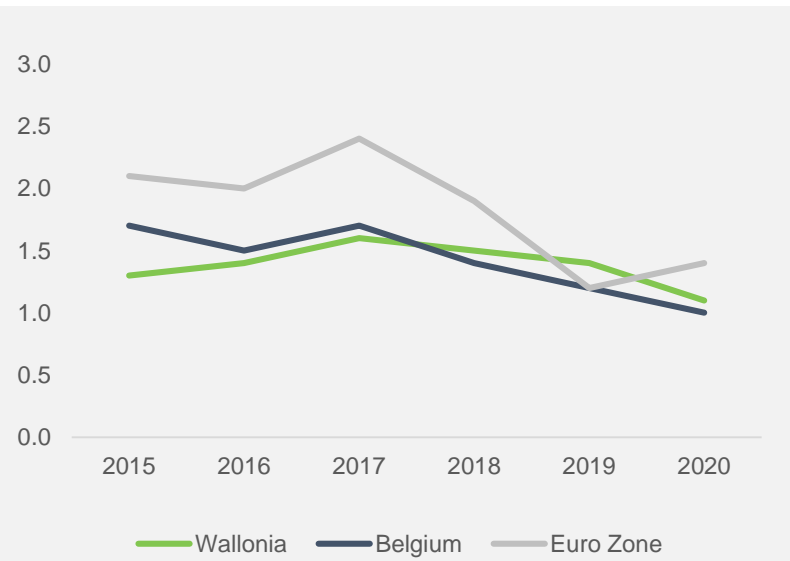


2 airports
(Charleroi, Liège)



1,605km
of rail network

GDP growth rate evolution 2015-2020F

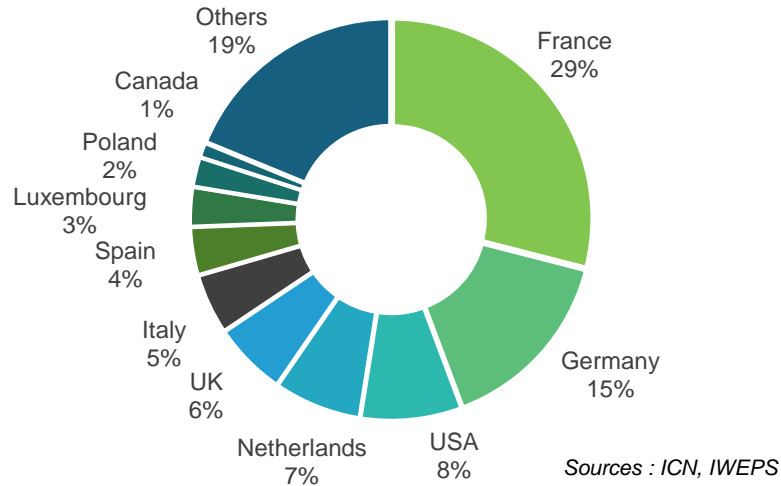


Région wallonne in Europe

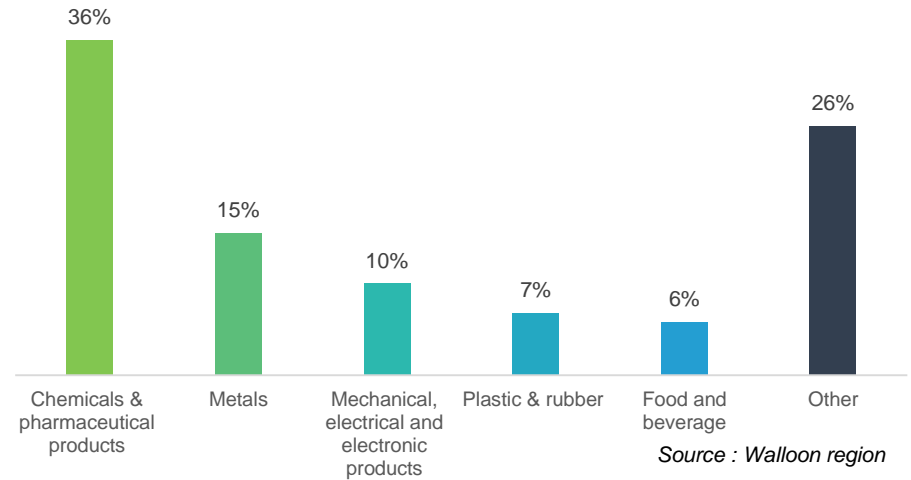


Région wallonne – Commercial dynamics

Total exports in 2018 (€48Mds)



Export dynamics by economic sector in 2018



- More than 50% of the region's exports are generated from 3 countries: France, Germany and the US.
- Exports to the US have spiked by +53.1% in 2018 as a result of strong customer spending, notably in pharmaceuticals (+73.9%) and Food & Beverages (+47.9%), representing 90% of the region's US shipments.
- Notice : the concept of export covers only international trade and therefore does not cover trade between Belgian regions. In this case, we speak of inter-regional flows rather than exports.

Région wallonne – Key political acts

1

The Sixth State Reform (2014)

The Sixth State Reform enhances the fiscal autonomy of the federated entities and transfers the majority of powers from the federal level to the regional / community levels.

- ❑ **Increased fiscal autonomy** : regional personal income tax (IPP regional) and fiscal expenses (ex: mortgage credits).
- ❑ **List of new transferred powers** : family benefits, healthcare, labour market, road safety, tenancy regulation, driving education, technical inspection, houses of justice ...

2

Special Finance Act (1989, 1993, 2014)

- ❑ Article 49 of the *Special Finance Act* organizes and supervises the delegation of debt management in the federated entities. For example, the role of the CSF (Conseil Supérieur des Finances) is to evaluate the financial plans of the federated entities, to formulate recommendations and in some cases to decide to cap the entity's lending capacity.
- ❑ Article 54 §2 of the *Special Finance Act* specifies that in case of an insufficient payment or in the event of delay in the payment of the amounts due by the federal state, **the Communities and the Regions can contract a loan guaranteed by the Federal State** and interest costs are taken on by the Federal State.

Région wallonne – Scope of competencies



Equipment and Transport

Mobility - Waterways - Sport Facilities - Heritage



Natural Resources

Environment - Water - Conservation of Nature - Agriculture



Local authorities

Municipalities - Provinces - Public Center for Social Assistance - School Buildings



Quality of life
















Town and Country Planning - Housing - Integration of Disabled People - Social Action - Health – Energy - Rural Renovation - Waste



Economic activities

Economy - Employment - Professional Training - Foreign Trade - International Relationships - Development Cooperation - Research - Technologies - Tourism - Taxation - EU Structural Funds

Région wallonne - Institutions and public service entities

Parliament of Wallonia	Government of Wallonia	Wallonia Administration (SPW - UAP)
<p>The legislative assembly of Région wallonne is composed of 75 members who are directly elected by universal suffrage for a five years term.</p> <p>They sit in plenary sessions and in committees with the aim to:</p> <ul style="list-style-type: none"> ❑ Adopt decrees (<i>regional laws</i>); ❑ Express positions (<i>resolutions</i>) on social issues; ❑ Exercise supervision over the Government (through questions). 	<p>The Government is led by the Minister-President, currently supported by 7 ministers, each in charge of several domains of activity.</p> <p>In order to execute its missions, the Government delegates the operational activities to:</p> <ul style="list-style-type: none"> ❑ SPW (Service Public de Wallonie) - the regional administration ❑ UAP (Unités d'Administration Publiques wallonne) - a number of Public Administration Units 	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center;">Wallonia Administration (SPW - UAP)</div> <div style="background-color: #800000; color: white; padding: 5px; text-align: center;">SPW General Secretary</div> <div style="background-color: #A08060; color: white; padding: 5px; text-align: center;">SPW Budget, Logistic & TIC</div> <div style="background-color: #E03366; color: white; padding: 5px; text-align: center;">SPW Tax system</div> <div style="background-color: #00B090; color: white; padding: 5px; text-align: center;">   <p>SPW Mobility & Infrastructures</p> </div> <div style="background-color: #70C040; color: white; padding: 5px; text-align: center;"> <p>SPW Agriculture, Natural Resources & Environment</p> <div style="display: flex; justify-content: space-around; align-items: center;">     </div> </div> <div style="background-color: #FF8C00; color: white; padding: 5px; text-align: center;"> <p>SPW Territory, Housing, Heritage & Energy</p> <div style="display: flex; justify-content: space-around; align-items: center;">     </div> </div> <div style="background-color: #D9534F; color: white; padding: 5px; text-align: center;"> <p>SPW Interior & Social Action</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div> <div style="background-color: #003366; color: white; padding: 5px; text-align: center;"> <p>SPW Economy, Employment & Research</p> <div style="display: flex; justify-content: space-around; align-items: center;">    </div> </div>

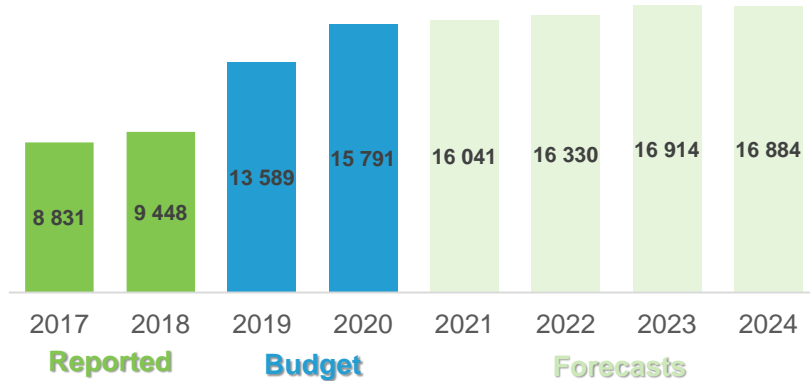
➤ Logo's of Public Administration Units are placed in their areas of competence

3. FINANCIAL SNAPSHOT



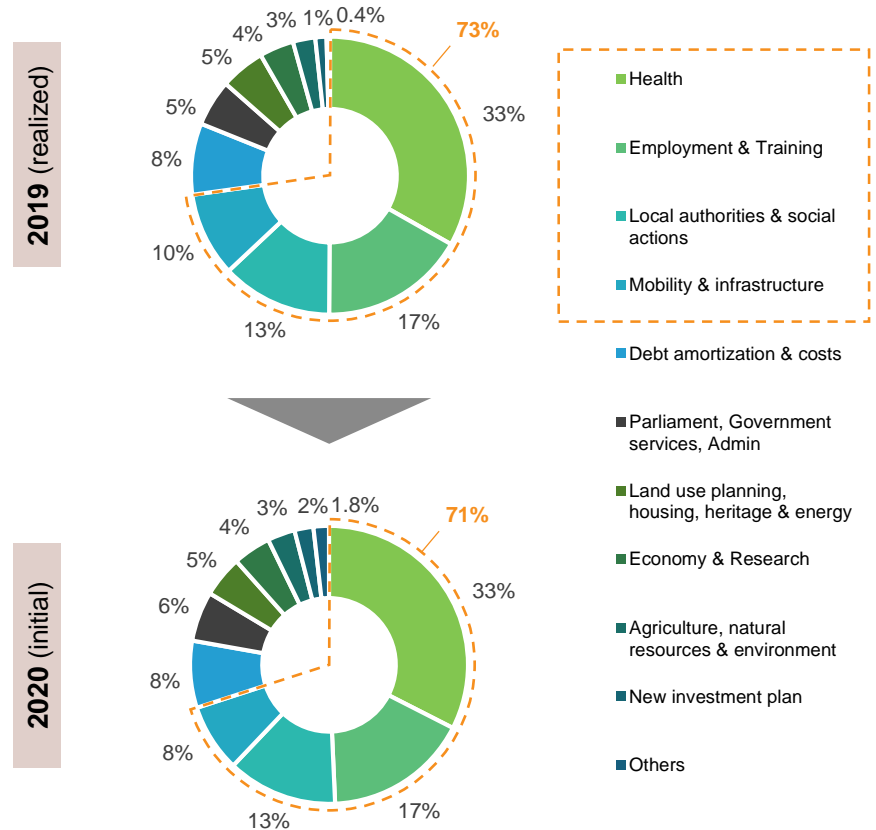
Focus on Région wallonne Expenditures

Région wallonne expenditures evolution (in €m)



- ❑ The 2020 budget is based on the macroeconomic forecasts of the Federal Planning Bureau of November 2019: growth rate of 1.1% (GDP) and inflation rate of 1.4%.
- ❑ Numbers for 2021 up until 2024 were forecasted by the Walloon Government in 2019.
- ❑ In order to start reducing its recurrent deficit, Région wallonne has launched a unique exercise to assess and justify all current / new budget expenditures. This exercise, called **zero based budgeting**, started in January 2020 and is expected to produce incremental results, starting mid 2021 (cf. *definition on slide 15*).
- ❑ On slide 20, see how the COVID-19 pandemic crisis will impact Région wallonne expenditures.

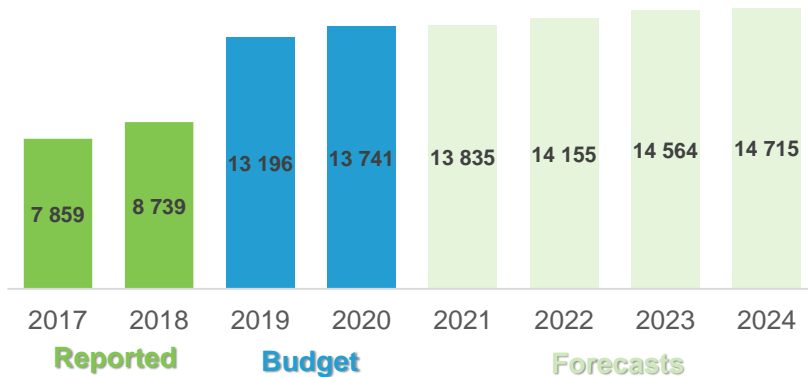
Expenditures breakdown by source (2019-2020)



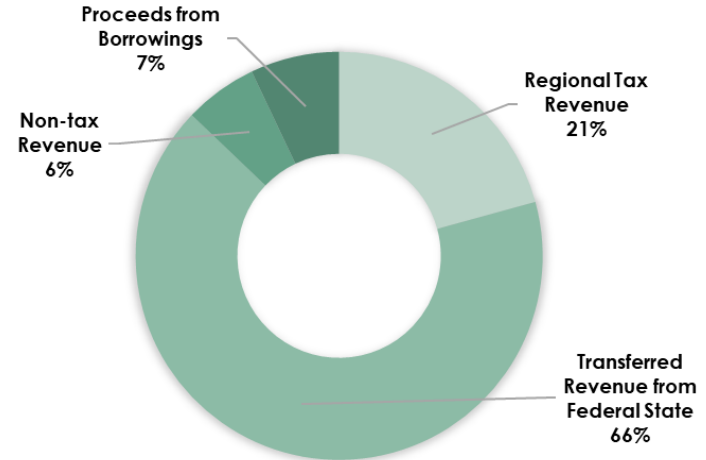
Remark : since 2019, regional expenses & revenues are impacted by the implementation of the 6th State Reform, empowering the Regions for part of Belgian Social Security budget (Health & Family Allowances).

Focus on Région wallonne Revenues

Région wallonne revenues evolution (in €m)



Split of revenues by sources (2019)



- ❑ The 2020 budget is based on the macroeconomic forecasts of the Federal Planning Bureau of November 2019 : GDP growth rate of 1.1% and inflation rate of 1.4%.
- ❑ For revenues 2020 and forecasts 2021 up until 2024, same remark as for expenditures.
- ❑ The Sixth State reform has provided greater tax autonomy to Région wallonne. Indeed, the reform grants the regional government increased flexibility to modify the rates applied to a portion of personal income tax, allowing them to manage, within certain limits, the taxation levels. The flexibility of the new institutional structure gives the opportunity to the Region to mitigate any budget shortfall by adjusting the level of taxes.

Zero based budgeting

What is the zero based budgeting exercise ?

- ❑ Expenditures will be 100% screened: 15 billion expenditures to be analyzed within the next 18-24 months.
- ❑ All tax cuts will be screened: 1.8 billion tax deductions
- ❑ Every service within the Region (SPW – UAP) will be involved in the exercise.

Main goals with zero based budgeting

- ❑ Improve the quality of public expenditures.
- ❑ Check every expenditure in terms of timely spending.
- ❑ Devote more resources to sustainable investments
- ❑ Break away from the method of budgeting with credits based on previous year's spending.
- ❑ Be in a position to make choices and improve the budgetary balance

- **First decision taken following the elaboration of budget 2020**
- **Methodology put in place with help of external consultants**
 - **Implementation to start at the latest in September 2020**
- **Referring to the structural reform support program, the European Commission is advising the Region on the added value of completing a spending review**
 - **Impact not yet included in the forecasted figures (2020-2024)**

Robust liquidity position underpinned by strong debt and treasury management

Région wallonne debt overview

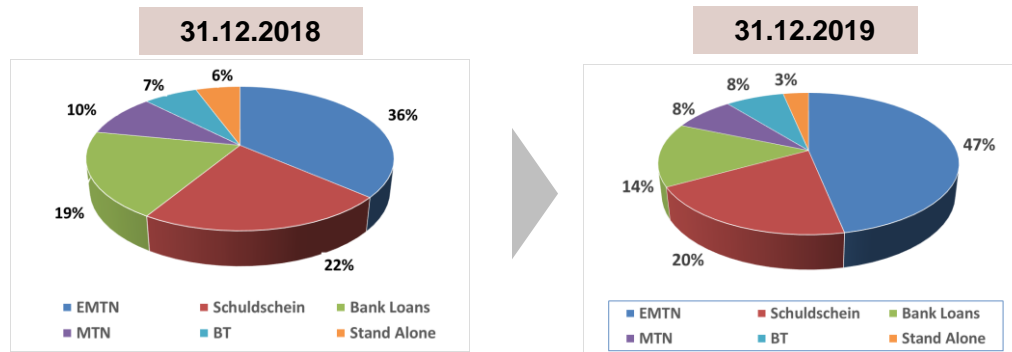
In € million	2018	2019	2020 (Q1)
Direct Debt (1)	10,271	11,719	11,762
Ext. managed debt (SPABS + SWDE + FADELS) (2)	1,266	1,106	1,106
Long Term Regional Debt (3) = (1) + (2)	11,537	12,825	12,867
Debit balance on the current account (4)	1,008	937	962
Contribution of the Public Administration Units (Cash pooling) (5)	1,288	1,807	1,200
Short Term Regional Debt (6) = (4) – (5)	(280)	(871)	(238)
Total Regional Debt (7) = (3) + (6)	11,257	11,954	12,629
Total Regional Consolidated Debt	21,635	23,190 (**)	

(*) SPABS: Société Publique d'Administration des Bâtiments Scolaires; SWDE: Société Wallonne des Eaux; FADELS: Fonds d'Amortissement des Dettes du Logement Social.

(**) Maastricht concept – 2019 provisional figures to be confirmed in May 2020

- Région wallonne has sought to diversify its funding sources over the years to increase the number of counterparties and mitigates at all times its liquidity positions.
- Région wallonne has established secured and committed facilities that allow fast and continuous access to capital markets through :
 - One European medium-term notes program (**EMTN**);
 - Two Medium-term notes programs (**MTN**).
- To further enhance the professional management of its debt and treasury positions, Région wallonne relies since June 2019 on a dedicated organization (the Debt Cell) inside public administration (SPW).

Long-term regional debt evolution



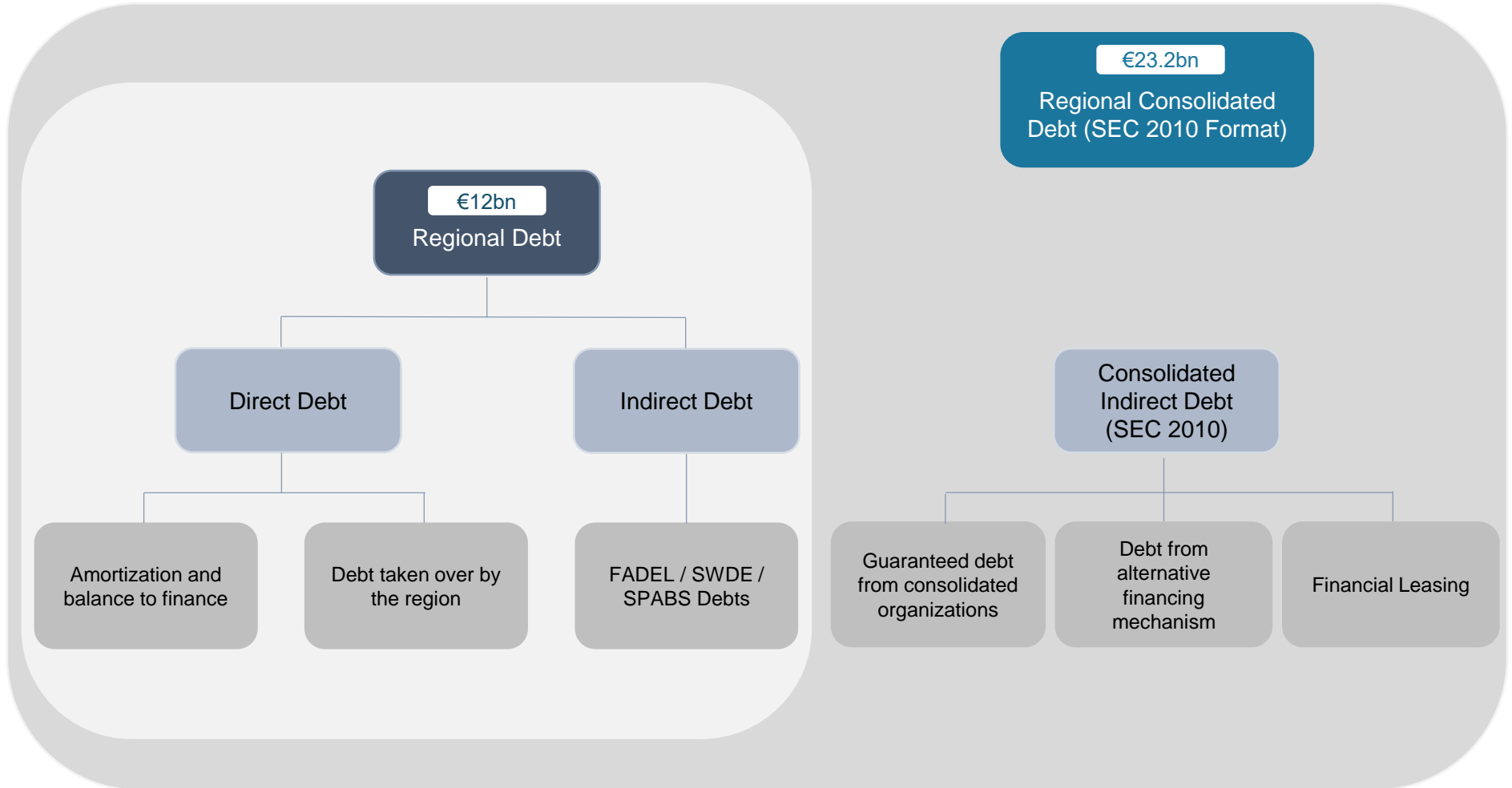
REGIONAL DIRECT DEBT KEY RATIOS (1)	31-12-18	31-12-19
Regional direct debt value (€ million)	10 271	11 719
Implicite rate (all in)	2.45%	2.15%
Average life span (years)	12.42	13.58
Fixed rate ratio	84.86%	87.48%
Duration (years)	nihil (2)	10.94

(1) Direct Debt excluding external managed debt

(2) New ratio calculated since 2019

Overview of Regional Consolidated Debt

- In order to assess the credit profile of Région wallonne as a borrower, the credit rating agencies (such as Moody's) do have a look at the regional consolidated debt (Maastricht concept), by adding to the regional direct debt the regional indirect debts (SEC 2010), made of *guaranteed debt of the consolidated organic companies, debt from alternative financing mechanism and financial leasing*.



Key ratings considerations



Date of credit opinion: April 9th, 2020
Long Term Rating: A2 – Stable Outlook
Prime-1 short-term rating of its Treasury notes

Credit Strengths

- ▲ A mature and robust legislative background with well-defined responsibilities amid a complex Belgian institutional system
- ▲ Revenue flexibility is high and is supportive of the region's credit profile
- ▲ Prudent but sophisticated debt management underpins unquestioned market access

Credit Challenges

- ▼ Persistent financing and operating deficits
- ▼ A high and increasing debt burden
- ▼ An economy which compares unfavorably with national and European peers



Date of report: April 2018
ESG rating: 55/100

- Région wallonne ranks **4th out of 30** among European Local Authorities sector
- Région wallonne demonstrates a consistent performance, with scores above the sector average in all six assessed domains
- ▲ The local authority's performance is ranked *advanced* in Community Development and *good* in four other domains: Environment, Human Resources, Human Rights and Governance
- ▼ The performance in Procurement and Services is only *limited*



4. FUNDING MANAGEMENT

Région wallonne funding gap (initial & with COVID-19 effect)

Funding gap evolution over 2018-2020			
In EUR million	2018 (1)	2019 (2)	2020 (3)
Revenues (excl. proceeds from borrowings)	8,063.93	11,313.44	12,836.89
Expenditures (incl. amortizations)	9,447.63	13,589.39	15,628.72
Funding needs	-1,383.70	-2,275.95	-2,791.83

- (1) 2018 figures are confirmed (executed)
- (2) 2019 figures are still provisional (to be confirmed)
- (3) 2020 figures are budgetary-based, with significant buffer in expenditures and before zero-based budgeting exercise (definition slide 12) -

Funding Needs 2020 (initial)	
	(EUR million)
Funding gap (*)	-2,050.03
Amortization of matured debts	-741.80
Funding needs	-2,791.83
Budget buffer 2020 (initial)	281.00
Pre-financing in 2019	150.15
Up-to-date financing in 2020	1 304.00
Residual funding needs	-1 056.68

(*) including EUR millions 350.00 for Transition Investment Plan

Funding Needs 2020 (incl. COVID-19)	
	(EUR million)
Funding gap (1)	-2,050.03
Amortization of matured debts	-741.80
Initial COVID-19 expenditures	-1 500.00
Funding needs	-4,291.83
Budget buffer 2020 (initial)	281.00
Pre-financing in 2019	150.15
Up-to-date financing in 2020	1 304.00
Residual funding needs	-2 556.68

(1) EUR 350 million for Transition Investment Plan allocated to cover initial COVID-19 expenditures

- ❑ Significant increase of expenditures in 2019 versus 2018, due to the impact of the 6th reform (transfer of competences in health sector and family allowances), preventing a planned return to the equilibrium for the ESA 2010 budget balance.
- ❑ Significant reduction of forecast revenues planned for 2020 due to non-compensated impact of the tax shift measures implemented at Federal State level.
- ❑ COVID-19 pandemic and unprecedented related economic crisis will inevitably affect funding needs of Région wallonne in 2020. When looking to COVID-19 related expenditures and impact on 2020 regional revenues, additional funding needs are currently estimated to EUR 1,500 million (taking into account Belgian GDP decrease around 8% - latest numbers available from National Bank of Belgium), of which EUR 700 million are already Social Bond qualified eligible expenditures (cf. pages 25 to 28) .

Outstanding figures of the regional debt and the 2020 financing plan

Regional direct debt key ratios as of 31/12/2019

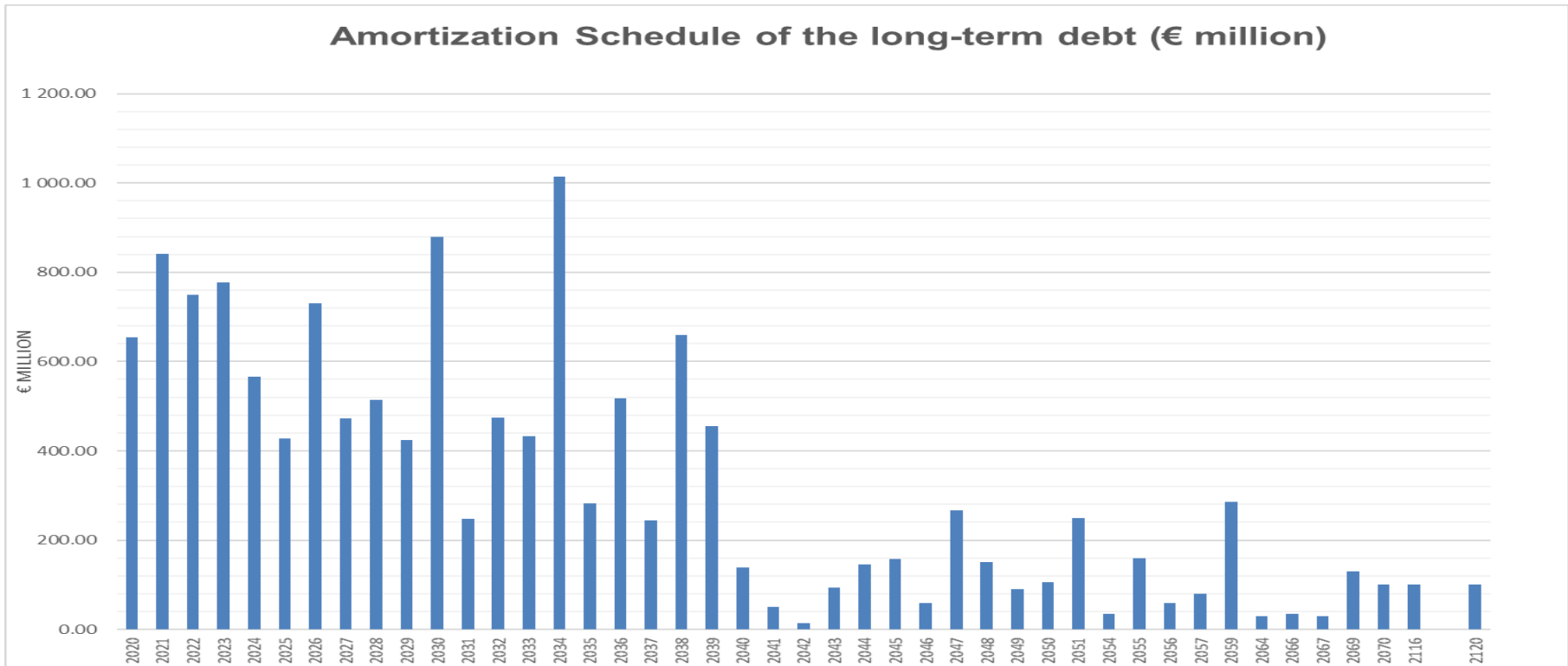
Regional direct debt value (€ million)	11 719
Implicit rate (all-in)	2.15%
Average lifespan (years)	13.58
Duration – (years)	10.94
Fixed rate ratio	87.48%
Number of banking counterparties	34

Ratios about operations already concluded in 2020 (until May 25th)

Total borrowed amount (€ million)	1 304
Number of deals	18
Weighted average rate (all-in)	0.778%
Average lifespan (years)	25.37
Weighted average spread vs OLO (all-in)	40.88
Fixed rate ratio	100 %
Number of banking counterparts	11

Active debt management and outstanding debt

Annual redemption profile of regional long term debt



The Debt Cell implemented a **dynamic and proactive approach** to manage the redemption profile of the long term debt of Région wallonne, following a set of rules approved by the Regional Treasury Council:

- Define and respect a **maximum annual amount of matured debts to be amortized** (around EUR 1 billion);
- Smoothen the debt curve through use of **diversified financial instruments** (Private Placements, Schuldschein, Banks Loans, Benchmark size Issues);
- Evaluate each reverse enquiry interest taking into consideration the existing curve with regards to the proposed maturity and size;
- Manage the curve taking into account the willingness of Région wallonne to be recurrent in issuing benchmark size issues.



5. REGION WALLONNE - INAUGURAL SOCIAL BOND

Région wallonne – Sustainability & Social Bonds Milestones

- As part of the Belgian Federal State, Région wallonne is partaking in the Belgian climate plan, in-line with the shared European ambitions. In its **2019 regional policy statement**, Région wallonne is committed to environmental, social and economic transitions to translate its 2050 long term vision, i.e. achieve carbon neutrality in its energy system by reducing its greenhouse gas emission by 95% (see appendix – page 38).



COVID-19 related Categories in the Sustainability Bond Framework

SUSTAINABILITY BOND FRAMEWORK

SUSTAINABILITY FRAMEWORK

Translate the 5 global challenges of Région wallonne to support its key environmental and social policies.
Planned update to align with EU standards and support Région wallonne in financing its environmental and social objectives.

IDENTIFIED CHALLENGES



FOOD



ENERGY



PRESERVATION OF RESOURCES & BIODIVERSITY



MOBILITY



LIVE TOGETHER & FIGHT AGAINST POVERTY

ELIGIBLE CATEGORIES

SUSTAINABLE FOOD & CONSUMPTION

RENEWABLE ENERGIES

ENERGY EFFICIENCY

PROTECTION OF RESOURCES, LAND & BIODIVERSITY

POLLUTION, PREVENTION AND CONTROL

SUSTAINABLE MOBILITY

SOCIO-ECONOMIC ADVANCEMENT & EMPOWERMENT

EDUCATION AND EMPLOYMENT PROMOTION

ACCESS TO SOCIAL HOUSING

ACCESS TO BASIC SERVICES & PUBLIC INFRASTRUCTURES

COVID-19 RELATED CATEGORIES

USE OF PROCEEDS

Region wallonne has chosen to extend the pool of eligible expenditures for its Social Bonds under its Sustainability Bond Framework. Measures covered in 2020 are mainly related to :

- **SOCIO-ECONOMIC ADVANCEMENT & EMPOWERMENT** (one-time fixed compensation to target populations)
- **ACCESS TO BASIC SERVICES & PUBLIC INFRASTRUCTURES** (support towards healthcare and social sectors).

MANAGEMENT OF PROCEEDS






All measures taken by the Walloon Government are confirmed by decrees (regional laws).

Transparent allocation process (ex: one-time allowance granted after registration and control of beneficiary status) will be closely monitored by the Sustainability Bond Committee.

REPORTING

Additional reporting indicators will be adopted to control and measures COVID-19 related use of proceeds, such as number of beneficiaries by target categories, numbers of healthcare and social structures & services supported, R&D expenditures against COVID-19 ...

COVID-19 Specific Measures and Social Bond Eligible Categories

	Related SDGs	Scope & Definition for Eligible Social expenditure	Social Benefits	Identified Challenges
<p>Socio-economic advancement and empowerment</p>	 	<p>Socio-economic measures</p> <ul style="list-style-type: none"> Used as an automatic shock buffer following lock-down measures applied by the Federal state to all Regions in Belgium. One-time fixed compensation granted by the Region to target people. <p>Target populations</p> <ul style="list-style-type: none"> Self-employed workers / SME's forced to close their activities and having no / limited gateway right to unemployment allowance financed by the Federal State of Belgium. 	<ul style="list-style-type: none"> <u>Short-term</u> Preserve jobs and financial health of target populations during lock down period to mitigate structural damage, i.e. bankruptcy and / or massive layoffs of employees within SME's. <u>Mid & long term</u> Support and prepare for economic rebound 	
<p>Access to Essential Services and Basic Public Infrastructure</p>		<p>Additional measures to fight against COVID-19 pandemic</p> <ul style="list-style-type: none"> Massive purchase of sanitary equipment for health & social sectors (masks, gloves...) One-time allowance to regional structures within the healthcare sector. Additional endowments to protect accommodations for the elderly. Special endowment for enterprises to invest in COVID-19 related research projects. <p>Target populations :</p> <ul style="list-style-type: none"> Regional healthcare infrastructures & accommodations for the elderly. 	<ul style="list-style-type: none"> <u>Short-term</u> Help the regional healthcare & elderly structures, services and actors to fulfil their roles during pandemic peak <u>Mid & long term</u> Set up new way of working (including creation of strategic stocks) to better face potential second wave of COVID-19 and/or prepare for next coming pandemic crisis. 	

COVID-19 Response – Details on portfolio of eligible expenses

SOCIO-ECONOMIC ADVANCEMENT AND EMPOWERMENT	2020
	EUR million
<p>One-time fixed compensation granted to self-employed workers and SME's forced to closed their professional activities after COVID-19 lock-down measures taken by National Security Council of Belgium.</p> <ul style="list-style-type: none"> • <u>Type of compensation</u> : allowance of EUR 5,000 or EUR 2,500 if gateway right applicable – guaranteed low interest rate loans • <u>Estimation</u> : 110,000 to 115,000 workers / SME's eligible to the regional help. • <u>Initial target group</u> : restaurants, fast-foods, bars, non-food shops, home deliveries, itinerant shops • <u>Second target group</u> : sales & maintenance activities for cars-motorcycles-bicycles, art, leisure & sport activities, cinema, theatres, real estate... • <u>Third target group</u> : professionals not forced to close but having suffered severe decrease in their business 	518

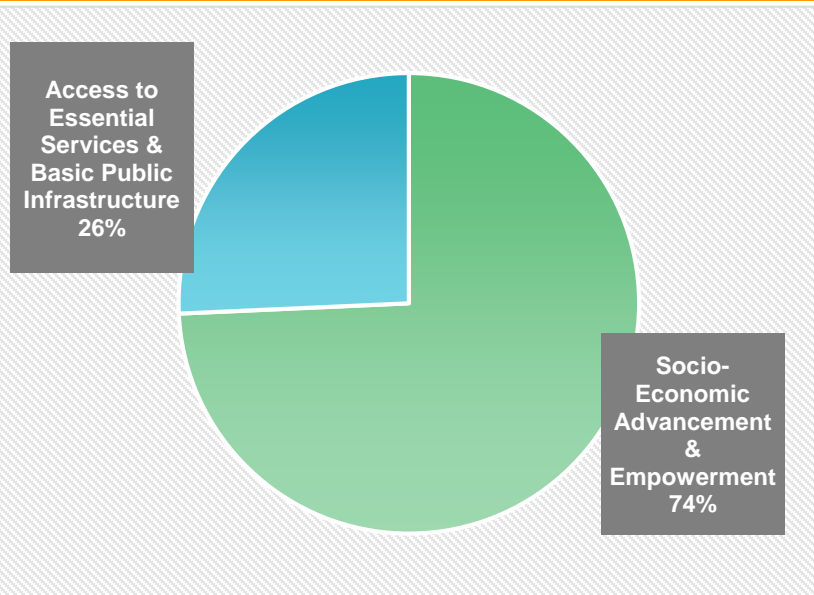
ACCESS TO ESSENTIAL SERVICES AND BASIC PUBLIC INFRASTRUCTURE	2020
	EUR million
One-time fixed compensation (EUR 5,000) granted to regional healthcare structures and services to face initial wave of the COVID-19 pandemic	83
Urgent and unplanned purchase of special sanitary equipment (masks, gloves, other protective clothing...)	65
Increase of financial support provided to social care structures for elderly, disabled people, people in psychiatric care, homeless people ...	37
Increase of financial support provided to the local public welfare centers (CPAS)	5
Special endowment to support research & development projects within companies working on COVID-19	25

(More info available at <https://www.wallonie.be/fr/actualites/covid-19-nouvelles-decisions-du-gouvernement-wallon>)

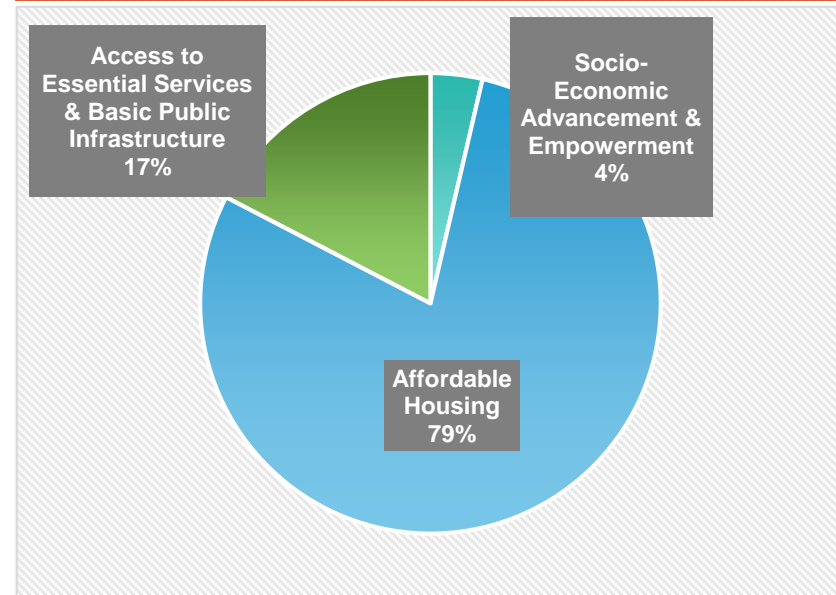
Social Bond 2020 & COVID-19 Response - Eligible Expenditures

- ❑ An amount equal to the proceeds from the issue of the notes will be used by Région wallonne to carry out its social mission, investing in measures that meet the eligibility criteria described in its **Sustainability Bond framework**.
- ❑ For the issue of the inaugural Social Bond notes, Région wallonne has qualified eligible expenditures for a maximum amount of **EUR 1,200 million**, of which
 - A total amount of **EUR 700 million** is directly related to COVID-19 measures taken by the Region (as described on slides 26-27).
 - The remaining part (**EUR 500 million**) is used to finance regional recurrent social investments eligible in 2020 (i.e. 3 social categories of projects not financed by the recent Sustainability Bond of April 2020).

COVID-19 related expenditures (58%)



Other Social related expenditures (42%)





**6. SUSTAINABILITY & SOCIAL BONDS
MANAGEMENT OF PROCEEDS**
















Sustainability bond framework overview

- ❑ The framework has been built in line with the **Green Bond Principles** and **Social Bond Principles (2018)**
- ❑ The framework has been **reviewed by Vigeo eiris**
- ❑ The framework and Second Party Opinion are available on the Région wallonne website
 - https://www.wallonie.be/sites/default/files/2019-06/rw_sustainability_bond_framework_april_2019.pdf
 - https://www.wallonie.be/sites/default/files/2020-03/20200330_vigeo_eiris_spo_walloon_region_vf.pdf


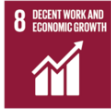










Use of Proceeds	<ul style="list-style-type: none"> ❑ Eligible Green and Social Expenditures related to a large number of assets, in line with the role of the Region, and targeting different beneficiaries: public entities, companies, communities, households and individuals ❑ Six Eligible Green Categories: Renewable Energy, Energy Efficiency & Low Carbon Buildings, Sustainable Mobility, Sustainable Food & Consumption, Pollution Prevention and Control and Protection of Resources, Land and Biodiversity ❑ Four Eligible Social Categories: Education and Employment Promotion, Socioeconomic Advancement and Empowerment, Affordable Housing and Access to Essential Services and Basic Public Infrastructure ❑ Investment expenditures, operating expenditures, tax expenditures and R&D are eligible ❑ Nuclear and armament activities will all be excluded, without any exception.
Process for Project Evaluation and Selection	<ul style="list-style-type: none"> ❑ The selection of Eligible Green and Social Expenditures is annually managed and approved by the Sustainability Bond Committee (Comité Obligataire Durable) ❑ Each time required, the Committee will request expertise support from Walloon administration (SPW) and public agencies (UAP) in charge of key environmental and/or social expenditures ❑ The Committee is responsible for i) selecting and reviewing the pool of Eligible Green & Social Expenditures, ii) validating the effective disbursed amounts of Eligible Expenditures at the end of each fiscal year, iii) updating the framework (when necessary) & iv) deciding for new issuances under the framework
Management of Proceeds	<ul style="list-style-type: none"> ❑ Tracking the allocation of the bond proceeds will be done by an operational team reporting to the Sustainability Bond Committee. ❑ Eligible Green and Social Expenditures are related to the current year (Current Expenditures) and the previous year (Recent Expenditures) ❑ In order to avoid any possible double counting, the Committee will make sure that only expenditures net of any EU programs, Belgian Federal State grants, or other revenues earmarked for specific purposes, are eligible
Reporting	<ul style="list-style-type: none"> ❑ Budget allocation and impact report ❑ Annually until full allocation ❑ <i>An independent auditor is appointed by Région Wallonne to ensure that the (re)allocation of net proceeds, the unallocated amount and the reporting commitments are compliant with the framework and avoid any double accounting in this programmatic approach across the various issuances and budget exercises</i>

Eligible Green categories

	Related SDGs	Scope & Definition for Eligible Green expenditure	Environmental Benefits	Identified Challenges
Renewable Energy		<ul style="list-style-type: none"> Projects aiming at developing the production and use of renewable energy 	Climate Change Mitigation <ul style="list-style-type: none"> GHG emissions avoidance 	
Energy Efficiency and Low Carbon Buildings	 	Projects aiming at reducing the energy consumption of: <ul style="list-style-type: none"> Public lighting and street signals Heating systems through renovation Existing and New facilities / buildings 	Climate Change Mitigation <ul style="list-style-type: none"> GHG emissions reduction Energy savings 	
Sustainable mobility		<ul style="list-style-type: none"> Projects aiming at improving and developing public transport services Projects of modal shift for freight transport Projects aiming at developing soft transport modes and low-carbon energy transport, and associated public infrastructure 	Climate Change Mitigation <ul style="list-style-type: none"> GHG emissions avoidance GHG emissions reduction 	
Sustainable Food and Consumption		Projects aiming at reducing impacts from food production and consumption: <ul style="list-style-type: none"> Development of short circuits/local food systems Development of sustainable/organic agriculture Environmentally friendly products 	Climate Change Mitigation <ul style="list-style-type: none"> GHG emissions reduction Natural resources protection <ul style="list-style-type: none"> Eco-efficient product Better soil quality 	
Pollution Prevention and Control	 	<ul style="list-style-type: none"> Projects of waste prevention, reduction, collect, recycling and sustainable treatment 	Climate Change Mitigation <ul style="list-style-type: none"> GHG emissions reduction Pollution prevention and control <ul style="list-style-type: none"> Waste reduction and recycling 	
Protection of Resources, Land & Biodiversity	 	<ul style="list-style-type: none"> Sustainable water management: Projects of sustainable infrastructure for clean and/or drinking water and of wastewater treatment Land and biodiversity conservation: Projects of protection, conservation and rehabilitation of natural environment of Région Wallonne Soil decontamination: Restoration, rehabilitation of brownfields areas Climate change: Projects aiming at reducing the impacts of climate change, 	Natural resources protection <ul style="list-style-type: none"> Water savings Protection of the water ecosystems Biodiversity and Natural resources protection <ul style="list-style-type: none"> Development/Maintenance of natural and public spaces Water resources protection Pollution prevention and control <ul style="list-style-type: none"> Better soil quality land use management Adaptation to climate change <ul style="list-style-type: none"> Resilient infrastructure development 	

Eligible Social categories

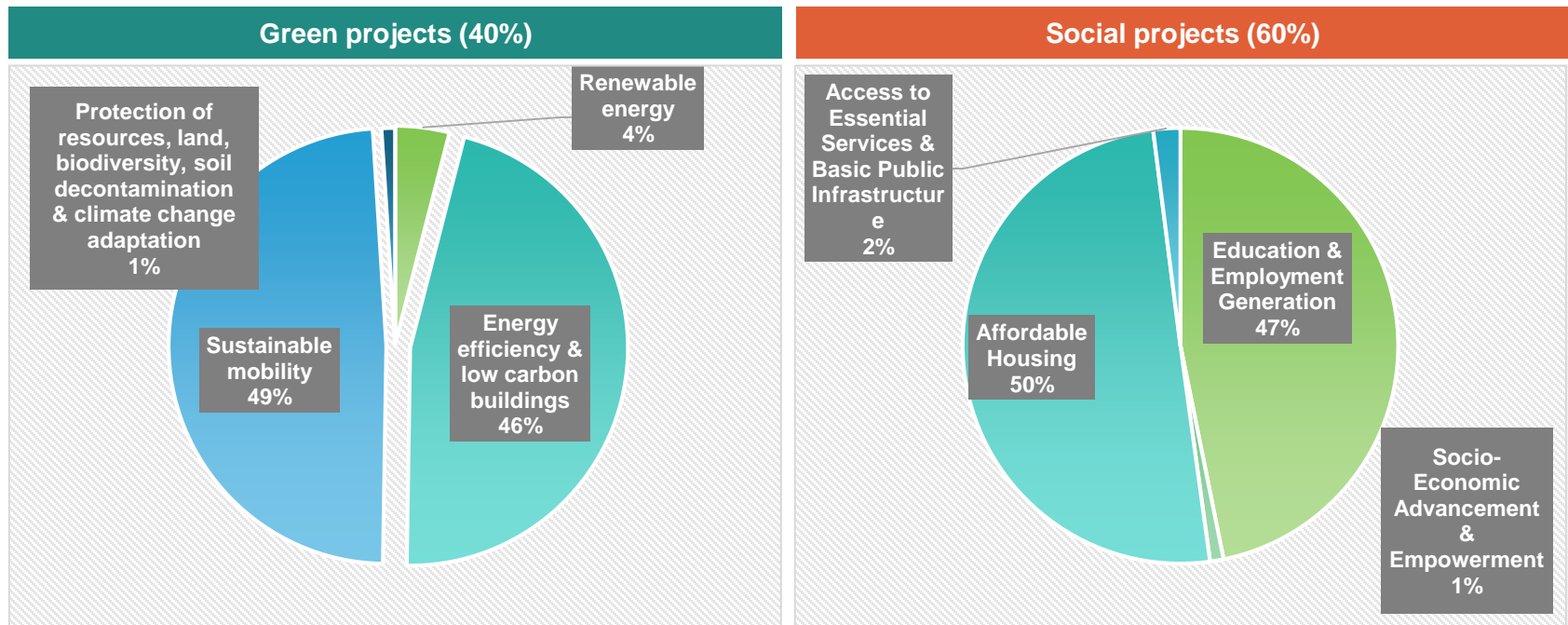
	Related SDGs	Scope & Definition for Eligible Social expenditure	Social Benefits	Identified Challenges
Education and employment promotion	 	<ul style="list-style-type: none"> Dedicated education and vocational training programs, initiatives and institutions. <u>Target populations:</u> Unemployed people, Young people Programs, initiatives and institutions dedicated to promotion of job creations, return to employment and labour market entry opportunities. <u>Target populations:</u> Unemployed people 	<p>Access to education for all</p> <ul style="list-style-type: none"> Knowledge promotion and support Equal opportunity and vocational insertion <p>Socioeconomic empowerment</p> <ul style="list-style-type: none"> Promotion of jobs in short supply <p>Employment promotion and advancement</p> <ul style="list-style-type: none"> Equal opportunity and vocation insertion Job promotion for all 	
Socio-economic advancement and empowerment	 	<ul style="list-style-type: none"> Programs, initiatives and projects aiming at acting against poverty and exclusion and reducing inequalities, as part of the Region's Social Cohesion and Fight Against Poverty Plan <u>Target populations:</u> Low-income people, indebted people, elderly people, young people, homeless people, people with disabilities, single-parent families 	<p>Reduced inequalities and social exclusion</p> <ul style="list-style-type: none"> Purchasing power improvement Improved integration in society Support to vulnerable population groups Equal opportunity <p>Socioeconomic empowerment</p> <ul style="list-style-type: none"> Financial assistance and support (services, facilities) of local communities 	
Access to Social Housing		<ul style="list-style-type: none"> Direct financing to dedicated social housing agencies <u>Target populations:</u> Low-income people Financial assistance (social loans and low-cost rental housing) to low-income families and individuals for housing purpose (access to property, rental offering, renovation/energy efficiency) <u>Target populations:</u> Low-income people (including, but not limited to, people with no or limited access to bank loans) 	<p>Access to housing for all</p> <ul style="list-style-type: none"> Development of affordable housing Financial assistance and support for housing purpose 	
Access to Essential Services and Basic Public Infrastructure		<ul style="list-style-type: none"> Direct financing to dedicated social housing agencies <u>Target populations:</u> Low-income people Financial assistance (social loans and low-cost rental housing) to low-income families and individuals for housing purpose (access to property, rental offering, renovation/energy efficiency) <u>Target populations:</u> Low-income people (including, but not limited to, people with no or limited access to bank loans) 	<p>Access to health services for all</p> <ul style="list-style-type: none"> Health infrastructure development and improvement Broader access to health services Improved access and services for people with disabilities 	

Inaugural Sustainability Bond features

2019 Sustainability Bond overview

	2026 Bond (7y)	2034 Bond (15y)
Nominal Amount	EUR 500 million	EUR 500 million
Maturity Date	3 May 2026	3 May 2034
Coupon	0.25 %	1.25%
Margin against OLO	OLO + 30bps	OLO + 36bps
<i>Subscription successfully spread between 131 Investors from 17 different countries</i>		

Sustainability bond proceeds are used to finance and refinance new and ongoing eligible green and/or social projects, with disbursements up to 1 year prior to the notes issuance and up to year end of launching date

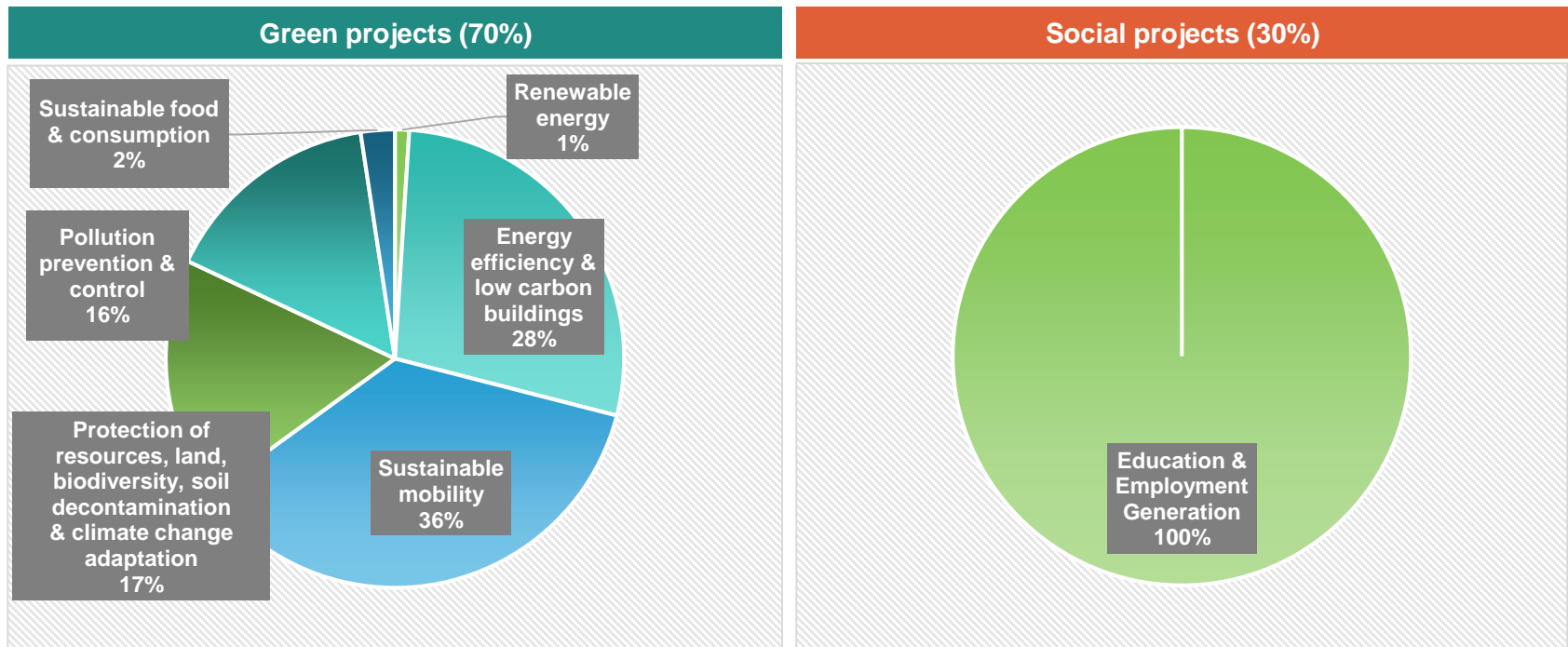


2020 Sustainability Bond features

2020 Sustainability Bond overview

	2030 Bond (10y)	2034 Bond Tap
Nominal Amount	EUR 500 million	+ EUR 200 million (total : EUR 700 million)
Maturity Date	8 April 2030	3 May 2034
Coupon	0.5 %	1.25%
Margin against OLO	OLO + 45bps	OLO + 48bps

Sustainability bond proceeds are used to finance and refinance new and ongoing eligible green and/or social projects, with disbursements up to 1 year prior to the notes issuance and up to year end of launching date



Sustainability Bonds issued by Region wallonne in 2019 – 2020

Portfolio of eligible expenses by categories

GREEN CATEGORIES	(EUR million)	
	2019 *	2020
Renewable Energy	16	5
Energy Efficiency & low carbon buildings	185	140
Sustainable Mobility	195	180
Sustainable Food & Consumption	/	78
Pollution Prevention & Control	/	12
Protection of Resources, Land, Biodiversity, Soil Decontamination & Climate Change Adaptation	4	85
TOTALS	400	500

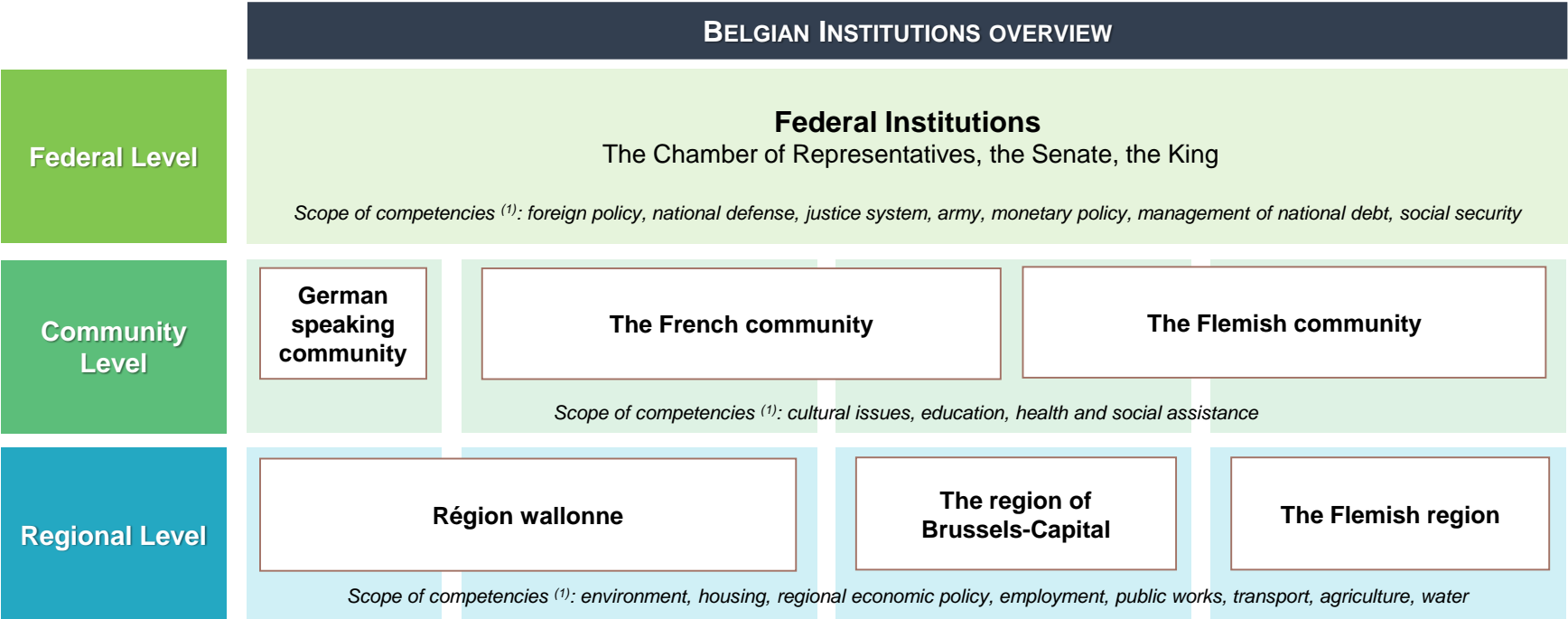
SOCIAL CATEGORIES	(EUR million)	
	2019 *	2020
Education & Employment Generation	280	200
Socio-Economic Advancement & Empowerment	6	/
Affordable Housing	300	/
Access to Essential Services & Basic Public Infrastructure	12	/
TOTALS	600	200

(* First annual report to be published in September 2020 – budget allocation & impact analysis)

7. APPENDIX

Belgium is a Federal State made up of Communities and Regions

- Following the institutional reforms of 1970, 1980, 1988-89 and 1993, Belgium has become a fully Federal State, meaning that several bodies (the Federal State, the Regions and the Communities) which are equal in law, share the powers with no hierarchy between them.
- Each body has its own legislative and executive bodies and, within the limitations of their competencies and territorial scope, they can pass laws (at the Federal level) or decrees (for Regions and Communities, and ordinances in Brussels-Capital) which have the same legal force.



(1) This list is not exhaustive

Vision for 2050

Wallonia, a region in which citizens can meet their needs and benefit from a quality life without affecting the needs and quality of life of the inhabitants of other parts of the world and without mortgaging economic, human and natural resources to the future generations.

Diagnosis of achievements and challenges

The diagnosis analyzes around thirty indicators (state of health, eating habits, climate change, sorting of waste, etc.) to assess the progress already made by Wallonia in its transition to sustainable development.

Short and medium term goals

The intermediate objectives to be implemented by 2030 at the latest mark the way towards the long-term vision of sustainable development.

These milestones are mainly based on the sustainable development goals adopted in September 2015 by leaders around the world.

Action plan

The action plan brings together about hundred actions aimed at making consumption and production patterns more sustainable in 3 priority areas: **Food – Energy – Resources**

A series of transversal support actions reinforce these 3 areas:

- Participatory dynamics on sustainable development
- Information and awareness
- Education and research
- Social responsibility of private and public organizations
- Sustainable public procurement
- Promotion of sustainable development internationally

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