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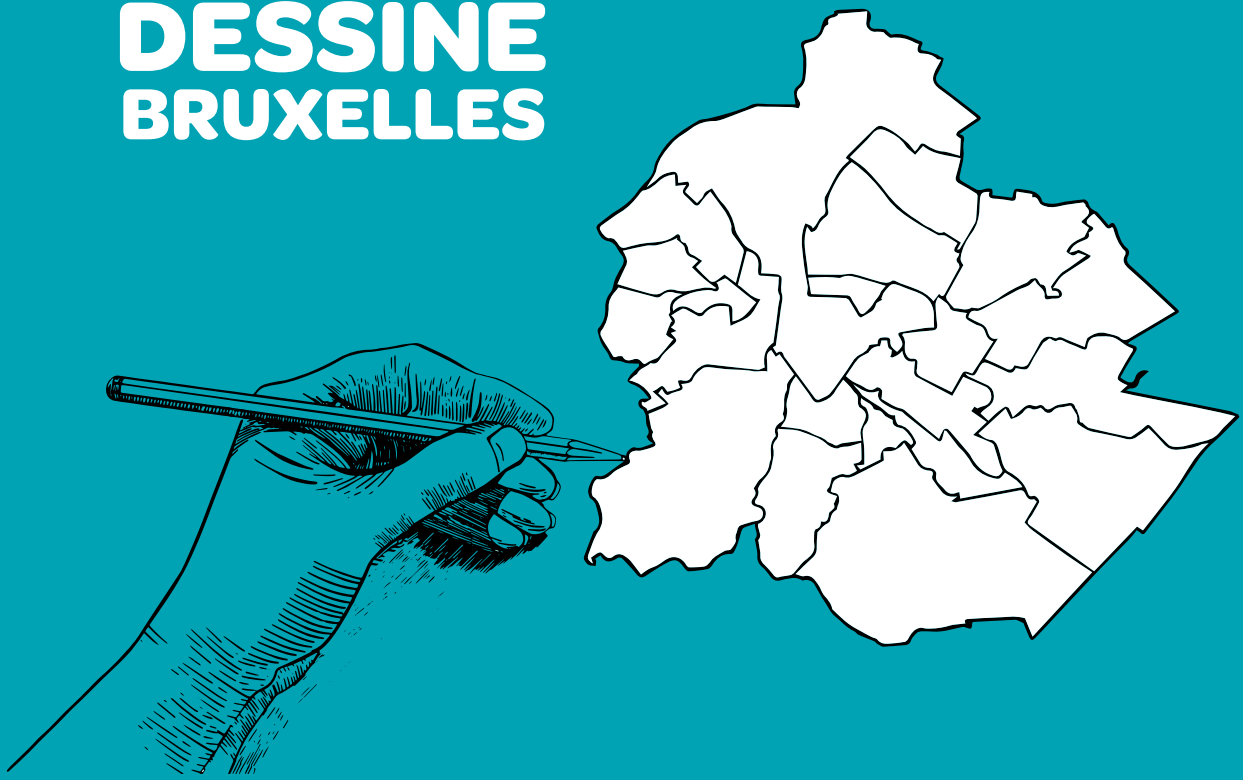
# SUSTAINABLE FINANCE FRAMEWORK

Société du Logement de la Région de Bruxelles-Capitale  
Brusselse Gewestelijke Huisvestingsmaatschappij

## 2025



**LA SLRB**  
**DESSINE**  
**BRUXELLES**



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# Introduction

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Although Brussels is the third richest region in Europe, one third of its population lives on an income below the poverty line. Social housing plays a crucial role as a bulwark against precariousness and remains an essential instrument for guaranteeing the right to housing<sup>1</sup>, as set out in Article 23 of the Belgian Constitution.

The Brussels Social Housing Corporation (“SLRB”) promotes and develops social housing in each of the Region’s 19 municipalities in accordance with the conditions set out in the Brussels Housing Code. The SLRB oversees a property portfolio of no fewer than 40,900 social housing units, making it the largest in the Brussels-Capital Region in terms of the number of dwellings.

SLRB’s mission, in collaboration with the Social Housing Associations (SISP), is to offer affordable quality housing while providing the necessary social support to people in need. Social housing offers rents well below private market prices. This enables vulnerable households to spend a smaller proportion of their income on housing, leaving them more to devote to other essential needs such as food, health and education.

Through its work, SLRB also contributes to the residential stability of vulnerable households. They have stable tenancy agreements, no longer have to fear eviction, and pay rents that are in line with their income. SLRB offers families residential security that enables them to take a long-term view, plan for the future and focus on improving their economic situation. This also promotes family stability and improves tenants’ mental and physical health.

SLRB ensures that social housing is designed in a variety of ways, and that land-use planning and architectural programs guarantee a harmonious quality of life within the dwellings, as well as in the communal areas and surroundings. Firstly, the variety of housing types offered by SLRB is impressive: from traditional social dwellings ranging from one-bedroom to six-bedroom units, to intergenerational housing, as well as housing for the elderly or disabled. These homes can be found in garden cities, eco-neighborhoods, community duo living or modular housing.

Secondly, SLRB develops mixed-use facilities alongside the buildings, such as schools and early childhood centers, parks, playgrounds and even sports fields. Collective spaces are also being created to increase social cohesion within Brussels neighborhoods, through the creation of community centers, community pavilions, community gardens and collective vegetable gardens. In addition to the housing stock, the public or community spaces and open spaces in the non aedificandi zones of the estate now total almost 400 hectares, offering significant potential for development to meet the United Nations’ SDG targets.

As a public player, SLRB wishes to stimulate re-use and circularity in its social housing renovation and construction projects, in order to respond to social, economic and environmental challenges such as climate change, management of resources that do not respect planetary limits or the loss of biodiversity. Through its public procurement contracts, it favors the renovation and maintenance of existing buildings, opts for reconditioned products, renovates buildings with reused materials and favors the purchase of materials made from recycled content. The renovation strategy of the existing housing stock aims to meet the climate goals set for the public sector by 2040 by Brussels legislation (COBRACE).

This Framework has been developed in order to issue green, social or sustainable finance instruments in order to align financing needs with the SLRB’s social and sustainability strategy. The establishment of this Framework supports accountability and commitments with regards to SLRB’s social and environmental strategy and associated targets, as it provides additional transparency around the financing and/or refinancing of projects that play a key role in the transition to a low-carbon, climate resilient, just and socially responsible society.

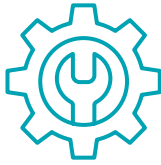
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1 Source : [SLRB’s Memorandum](#)



With 7% of Brussels' housing stock under its belt, SLRB has a direct, structuring and decisive impact on the housing market in the Brussels Capital Region. This portfolio continues to grow year after year, not only in terms of numbers but also in terms of quality, all in line with the SDG principles set out by the United Nations.

SLRB wants to finance those activities through Green, Social and Sustainable Finance Instruments. This Sustainable Finance Framework has been designed to increase the transparency and integrity of issuances. SLRB believes that it will help to broaden its investor base by attracting investors that seek to focus their investments on sustainable projects.



SLRB has established this Sustainable Finance Framework under which it intends to issue green, social or sustainable instruments (Sustainable Finance Instruments), which may include senior bonds, subordinated bonds, medium-term notes (MTNs), loans, promissory notes (*Schuldscheindarlehen*), commercial papers in any currency and/or denomination to finance and/or refinance sustainable projects with a positive environmental and/or social benefit”.

This Sustainable Finance Framework is based on the International Capital Markets Association (“ICMA”) June 2025 Green Bond Principles (including Appendix I, updated June 2025), the ICMA June 2025 Social Bond Principles (including Appendix I, updated June 2025), the LMA Green Loan Principles (updated March 2025), the LMA Social Loan Principles (updated March 2025). Eligibility Criteria for the Eligible Green Projects align with the applicable Substantial Contribution criteria of the EU Taxonomy Climate Delegated Act and subsequent amendments.

This Framework will apply to any Sustainable Finance Instruments issued by SLRB. For the avoidance of doubt, any future version of this Framework (including the relevant eligibility criteria) and Second Party Opinion or Pre-issuance Review may not necessarily apply to Sustainable Finance Instruments issued under this version of the Framework. Furthermore, this Framework (including the relevant eligibility criteria) may not necessarily apply to the outstanding Sustainable Finance Instruments issued under the initial Social Financing Framework.

The SLRB Sustainable Finance Framework has four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

For each Sustainable Finance Instrument issued, SLRB asserts that it will adopt (i) Use of Proceeds (ii) Process for Project Evaluation and Selection (iii) Management of Proceeds and (iv) Reporting, as set out in this Framework.

Any future version of this Framework will either keep or improve the current level of transparency and reporting disclosures, including the corresponding review by an independent expert (referred to as the “Second Party Opinion” or “Pre-issuance Review”), and will be published on SLRB’s website.




# Use of proceeds



SLRB’s Sustainable Finance Instruments will finance and/or refinance (with a maximum look-back period of 36 months for CapEx and OpEx and unlimited look-back period for Assets), in whole or in part, Eligible Green and Social Projects or Assets (“Eligible Projects”).

Any Eligible Projects which are financed and/or refinanced by other entities under green, social and/or sustainability labels are excluded to avoid double counting of the related environmental impacts. Furthermore, in relation to commercial paper, SLRB has in place measures to ensure no double counting of Eligible Projects and/or their impact with any other type of outstanding Sustainable Finance Instrument.

Eligible Projects are defined as projects that meet, respectively, the Green and Social Eligibility Criteria defined below:

ICMA & LMA category	Project Description and Eligibility Criteria	SDG Alignment	Contribution to EU Environmental Objective	EU Economic Activity Mapping
Green Buildings	<p>Assets, CapEx, and/or OpEx associated with construction, renovation, acquisition and ownership of buildings:</p> <ul style="list-style-type: none"> <li>• Buildings built after 31 December 2020 with energy performance lower of at least 10% than the local threshold set for Nearly Zero-Building (NZEB) regulation</li> <li>• Refurbished buildings that achieve energy savings of at least 30% (improvement in actual reduction in primary energy demand)<sup>1</sup></li> <li>• Buildings that have been refurbished meeting the criteria for major renovations under applicable building regulations<sup>2</sup></li> </ul>	  	<p>Climate Change Mitigation</p> <p>Climate change adaptation for EUT 7.7</p>	<p>7.1. Construction of new buildings</p> <p>7.2 Renovation of existing buildings</p> <p>7.3. Installation, maintenance and repair of energy efficiency equipment</p> <p>7.6. Installation, maintenance and repair of renewable energy technologies</p> <p>7.7 Acquisition and ownership of buildings</p>

1 Renovations where the primary energy demand improvement is confirmed by EPC certificates before and after the renovation will be classified as taxonomy-aligned investments. Renovations where EPC certificates are not available, but the primary energy demand improvement is confirmed through an energy audit conducted by an accredited third party, are also accepted, but not deemed taxonomy-aligned. SLRB will distinguish between renovations that align with the EU Taxonomy activity 7.2 and those that don't in its reports.

2 As set in the applicable national and regional building regulations for ‘major renovation’ implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

## Use of proceeds

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Assets, CapEx, and/or OpEx associated with installation, maintenance or repair of:

- Energy efficiency equipment<sup>1</sup>
- Renewable energy technologies (on-site) and the ancillary technical equipment related to these technologies that includes:
  - solar photovoltaic systems
  - solar hot water panels
  - heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001<sup>2</sup>
  - heat exchanger/recovery systems<sup>3</sup>
  - thermal or electric energy storage unit (i.e., battery storage for electricity from renewable sources)

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1 Where applicable, the measures comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU, and where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation.

2 SLRB will ensure that the projects comply with the substantial contribution (SC) criteria of EUT 4.16, particularly regarding energy efficiency, use of renewable energy sources

3 The heat exchanger/recovery systems in this subcategory recover waste heat from ventilation or wastewater flows, using it to preheat fresh air or water, thus reducing energy demand. These systems are considered as contributing to energy efficiency improvement. SLRB considers them compliant when they enable a minimum energy savings threshold of 10%, in line with common EU practice, and when they contribute to the building's overall improved energy performance (e.g., better EPC/PEB rating).

## Use of proceeds

ICMA & LMA category	Project Description and Eligibility Criteria	Financial Item	SDG Alignment	Target Population
Affordable Housing	Financing construction, renovation, retrofitting and acquisition of social housing units and terrains in the Brussels Capital Region.	Capex/Opex/ Assets	 	<p>Low, modest and middle income households</p> <p>People with disabilities</p>
Access to essential services	<p>Build education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.</p> <p>Build sport facilities that provide universal access to safe, inclusive and accessible sports opportunities for all.</p>	Capex/Opex/ Assets	 	Low, modest and middle income households

## Process for project evaluation

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The Evaluation and Selection of Projects and Assets to be financed will be performed by the Financial Committee which meets at least annually. This group is a cross-divisional team made up of representatives from the Direction of Finance, the Direction of Patrimony, the Direction of Development and the two leading functionaries of SLRB.

The Financial Committee is responsible for:

- Reviewing the content of this Framework and updating it to reflect changes in strategy, technology, market, or regulatory developments on a best effort basis
- Updating external documents such as Second Party Opinion (SPO) and related documents from external consultants and accountants
- Evaluating and defining the Eligible Projects in line with the Eligibility Criteria as set out in the Framework
- Excluding projects that no longer comply with the Eligibility Criteria or have been disposed of and replacing them on a best effort basis
- Ensuring that the characteristics of the Eligible Projects have not materially changed
- Overseeing, approving, and publishing the allocation and impact reporting, including external assurance statements
- Monitoring internal processes to identify known material risks of negative social and/or environmental impacts associated with the Eligible Projects and appropriate mitigation measures where possible
- Liaising with relevant business finance segments and other stakeholders on the above





### ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT FRAMEWORK

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SLRB complies with all applicable national and international environmental, social, and governance (ESG) standards, as well as relevant laws and regulations, across all its activities on a best effort basis.

Beyond formal compliance, SLRB proactively integrates environmental and social risk management throughout the lifecycle of its projects, from acquisition to construction and maintenance of housing units.

#### SLRB's environmental risk assessment framework includes:

- **Systematic environmental impact analysis** at the design phase, including assessments related to energy performance, materials used, biodiversity impacts, and resource consumption (e.g., water and energy)
- Full alignment with the **Brussels Air, Climate and Energy Management Code** (CoBrACE), promoting low-carbon, resilient and energy-efficient buildings
- Mandatory compliance with the **EPB (Energy Performance of Buildings) standards**, ensuring that all new constructions and major renovations contribute to climate change mitigation and adaptation objectives
- Integration of circular economy principles and promotion of reusable and recyclable materials wherever possible
- Close cooperation with regional environmental agencies to ensure proper waste management, site decontamination when needed, and prevention of soil and water pollution

#### SLRB actively manages social risks through:

- Strict adherence to the **Brussels Housing Code**, which guarantees access to adequate and dignified housing, and the statutes of SLRB which emphasize affordability and social inclusion
- The inclusion of **social clauses** in all procurement processes, requiring contractors to provide employment and training opportunities for vulnerable groups (e.g., jobseekers registered with Actiris, young people in training, persons in professional reintegration)
- Continuous engagement with local communities and residents to ensure projects respond to real social needs and to minimize potential negative impacts on neighborhoods (e.g., noise, temporary displacement)
- Enforcement of non-discrimination and diversity obligations under the **Brussels Code for Equality, Non-discrimination and Diversity Promotion** (2024 ordinance), both within SLRB's internal governance and through its contractors and partners
- Systematic monitoring of working conditions on construction sites, ensuring full compliance with Belgian labor law, health and safety standards, and social security obligations



### GOVERNANCE AND POLICY FRAMEWORK

SLRB's approach is reinforced by a set of binding policy documents and regulations, including:

- **SLRB's statutes**, defining its mission of public service and social responsibility
- The **Management Contract with the Brussels Government**, which sets out operational, social and environmental objectives
- The **Brussels Public Finance Code**, governing financial prudence and transparency
- The **CoBrACE**, as mentioned above, for climate and energy compliance
- The **2024 Brussels Code on Equality, Non-discrimination and Diversity**, which underpins all internal and external practices

SLRB continuously monitors the effectiveness of its environmental and social risk mitigation measures through:

- Regular internal evaluations and reporting to the Brussels Government.

By integrating these environmental and social criteria systematically, SLRB ensures its projects contribute to a just, inclusive, and climate-resilient Brussels.



## Management of proceeds

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The process for the management of proceeds will be managed by SLRB's Treasury team based on a portfolio approach.

Where a Sustainable Finance Instrument takes the form of one or more tranches, each tranche applicable to the Eligible Projects shall be clearly labelled, with net proceeds, or an amount equivalent to the net proceeds, of the green and/or social tranche(s) credited to a separate account or otherwise tracked by the borrower in an appropriate manner. The same principle applies to all financing instruments, also those not structured in tranches.

SLRB expects to allocate proceeds to Eligible Projects, selected in accordance with the Eligibility Criteria and the Process for Project Evaluation and Selection presented above, within 24 months of issuance of the "Sustainable Finance Instruments". SLRB will ensure over time that the amount of Eligible Projects is at least equal to the proceeds of outstanding Sustainable Finance Instruments.

Until full allocation, SLRB will hold and/or invest, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments, or to pay back a portion of its outstanding indebtedness or any other treasury activity, the balance of net proceeds not yet allocated to the Eligible Loan Portfolio.

If for any reason, a project is no longer eligible, or in case of any major controversy affecting a project, the Financial Committee will substitute such projects with other Eligible Projects for an amount at least equivalent to such projects, as soon as an appropriate substitution option has been identified.





SLRB will provide Allocation and Impact reporting to the relevant stakeholders on an annual basis via our Annual Report or a standalone Allocation Report as appropriate, until full allocation of the proceeds, and thereafter in case of any material change to the allocation.

## ALLOCATION REPORTING

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Allocation reporting will include:

- The type of financing instruments used and respective outstanding amounts
- Total amount of net proceeds allocated to Eligible Projects
- The amount and/or percentage of new and existing projects (share of financing and refinancing) and financial line item (share of Capex, Opex and asset value)
- A report on Taxonomy alignment with the Substantial Contribution Criteria
- For commercial paper, the Issuer reports on aggregated portfolio basis and includes the simple average and the highest amount of outstanding commercial papers applied to the eligible projects over the reporting period





## IMPACT REPORTING

SLRB will share the progress and positive impact delivered with the Framework in its Impact Reporting.

The report will include the following information, on an aggregated basis:

- A description of relevant Eligible Projects
- The breakdown of Eligible Projects by nature of what is being financed
- The Environmental and Social impact, on a best effort basis including:

Project category	Potential impact indicators
Green buildings	Estimated annual energy savings (kWh/year) Estimated annual GHG emissions avoided (tCO <sub>2</sub> e)
Affordable housing	Number of beneficiaries Average portfolio rent Number of dwellings <ul style="list-style-type: none"> <li>• Distribution social/middle/modest</li> <li>• Number of PMR (Persons with Reduced Mobility) housing</li> <li>• Elderly</li> </ul> Collective equipment m <sup>2</sup> + type (homework schools, multi-purpose rooms,...)
Access to essential services	Students reached Number of nurseries Number of schools

For instruments aligned to the Green and Social Bond Principles, SLRB intends to align the reporting with the portfolio approach described in the ICMA Harmonized Framework for Impact Reporting on a best effort basis.



### SECOND PARTY OPINION

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SLRB's Sustainable Finance Framework has been reviewed by ISS- Corporate Solutions which has issued a Second Party Opinion. The Second Party Opinion as well as the Sustainable Finance Framework will be made available on SLRB's website.

### VERIFICATION

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SLRB intends to request on an annual basis, starting one year after issuance and until full allocation, a limited assurance report on the allocation of the proceeds to Eligible Projects, provided by its external auditor (or any subsequent external auditor).





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