

Process & Fees

Application and verification process

The award, extension, renewal and withdrawal of the label are governed by the Label Award and Withdrawal Procedure, published on www.towardssustainability.be. This document describes the practical steps and the fees; in case of inconsistency the Procedure prevails.

1. Carefully read the text of the prevailing **Towards Sustainability Quality Standard for Sustainable and Socially Responsible Financial Products (QS)** and other related documents and evaluate the requirements relevant to the products you want to get the label for. Should you have any questions, please do not hesitate to contact us for assistance (See F. for contact details).
2. Fill out the **conformity matrix**. Be sure to complete and document all applicable fields. The matrix document should contain a separate (level 3) sheet for each individual product or index you apply for.
3. Gather all **supporting documents** needed for the Verifier to evaluate whether all requirements are sufficiently fulfilled. Documents can be uploaded via the User Portal or provided as a link in the conformity matrix. Please name and refer to all documents in a clear manner and note that the same document often can be used to meet several requirements. See annex 2 of the application letter: **without these documents the application is inadmissible**.
4. Complete and sign the **application letter**. The letter should be signed by someone who can legally bind your institution.
5. Submit your application to the Towards Sustainability Labelling Agency (CLA) via the User Portal. If you do not yet have access or have any other issues with the User Portal, contact us at info@towardssustainability.be. You will receive a **confirmation of receipt** within 3 working days. If not, you should contact us.
6. Your application will be reviewed and verified by our **Verifier**. The conformity matrix and the supporting documents will be the starting point for the verification. The Verifier may contact you to receive additional information. During the verification phase the Verifier may ask for additional information and point out the issues it identifies in your application. The Verifier does not provide design advice and does not interpret the Quality Standard; questions on the meaning of a criterion are addressed to the CLA Secretariat.
7. In addition to its **assessment of your ESG processes**, the Verifier can also perform a **portfolio composition check** of a number of your products. The Verifier will determine and communicate which portfolios will be checked.
8. The Verifier may require access to detailed **ESG data** provided by your service, data or index providers, e.g. when conducting a portfolio composition check. You should make sure the Verifier has access to these data, on a confidential basis



and within the scope of its remit. The Verifier can provide you with a standard NDA for this purpose.

9. Following its verification, the Verifier issues its verification assessment, concluding 'compliant', 'compliant subject to conditions', 'not compliant' or 'unable to conclude', and transmits it to the CLA. The **Eligibility Commission** takes note of it; where a criterion requires clarification, it may adopt a clarifying interpretation on the basis of which the Verifier re-evaluates the application (at most one re-evaluation round per cycle). The Board of Directors decides on the award, bound to the verification assessment. The decision may be accompanied by non-binding recommendations, to be taken into account in future applications.
10. You will be informed of the **CLA's decision** – awarded, conditionally awarded (ex ante or ex post), not awarded, or postponed to a next cycle where the verification could not be concluded – together with the Verifier's conclusion, the issues identified and any recommendations. A positive decision grants a **license** to use the label until the following 30 June, thereafter renewable annually (see 'Label license validity'). Questions on the issues identified are addressed to the Verifier; questions on the process, the license and the use of the label to the CLA Secretariat. A decision may be contested within two weeks before the CLA's Objections Commission (section 6 of the Procedure).
Where the label is awarded subject to **conditions**, the conditions are set by the Verifier. A condition precedent (ex ante) must be fulfilled before the label may be used and the product is listed. A condition subsequent (ex post), reserved for non-structural issues, must be fulfilled by the deadline set (by default the end of the following cycle); the label may be used in the meantime. You confirm fulfilment directly to the Verifier, which verifies it. If a condition is not fulfilled in time, the license lapses.
11. In the course of the license period, the Verifier may contact you to request clarifications on specific exposures of labelled portfolios, as a result of the **ongoing monitoring process**. Exposures for which compliance cannot be credibly explained must be divested within 3 months (QS 5.3 c)). Cases of non-compliance are dealt with in accordance with section 5 of the Procedure.
12. In the course of the license period, the Verifier may contact you to conduct an **on-site audit** of the ESG processes of your company. Each company will be visited at least every 3 years.
13. Any **change to a labelled product** must be notified to the CLA Secretariat before it takes effect. Administrative changes are recorded without verification. Compliance-relevant changes are verified by the Verifier in the next cycle or, at your request, by fast track. The label continues pending the conclusion, provided the change was notified in time.
14. Each year in which no renewal is due, label holders file by 31 March an **extension** application via the User Portal, notifying material changes to the investment policy and reporting the KPIs on the annual performance requirements of the QS.

The Verifier performs a light verification. Without a timely extension application the license lapses on 30 June.

15. Every second year (see calendar), and when a new version of the Quality Standard enters into force, a full **renewal** application is required, verified against the QS version then in force. (Restart process at 1.).
16. All documents referred to above, can be found in the Application package.

Application and awarding timing

- Labels are awarded **4 times per year**.
- Each awarding **cycle** consists of a 3-month application phase and a 3-month verification phase, after which a new batch of labels is awarded. In a renewal cycle, the verification phase takes 6 months.
- For information on future **application** cycles please visit: <https://towardsustainability.be/apply>
- All products that apply in a cycle and that are compliant, will receive the label **simultaneously**.
- It is possible to apply for a product that has **not yet been launched**, provided all information needed for the verification is available. If successful, the award takes effect when the product is launched.
- Outside the regular cycles a **fast-track** procedure is available (a) for products that replicate an already verified or labelled portfolio and (b) for change verifications and successor products after a merger (section 4.10 of the Procedure).

Label license validity

- The **initial** license typically runs from the award decision until the following 30 June; thereafter license periods run from 30 June to 30 June, extended annually upon an extension application (step 14), with a full renewal every second year (step 15).
- The label may be used only once the award has taken effect in accordance with the Procedure.
- The license period starts at the award decision, regardless of the moment the label can effectively be used (deferred launch, condition precedent).
- Every 2 years, all existing licenses, except those granted in the previous cycle, will need to apply for **renewal**.
- When a new version of the QS enters into force all existing licences will expire, and label holders will need to apply for **renewal**.

CYCLE Initial Application Deadline	Prevailing QS	Initial Awarding Decision	Extension Application Deadline	Extension Approval Decision	Renewal Application Deadline	Prevailing QS	Renewal Awarding Decision
30/09/2024	QS23	31/12/2024	/	/	23/01/2026	QS23	30/06/2026
31/12/2024	QS23	31/03/2025	/	/	23/01/2026	QS23	30/06/2026
31/03/2025	QS23	30/06/2025	/	/	23/01/2026	QS23	30/06/2026
30/06/2025	QS23	30/09/2025	31/03/2027	30/06/2027	23/01/2026	QS23	30/06/2026
30/09/2025	QS23	31/12/2025	31/03/2027	30/06/2027	31/12/2027	QS27	30/06/2028
23/01/2026	QS23	31/03/2026	31/03/2027	30/06/2027	31/12/2027	QS27	30/06/2028
31/03/2026	QS23	30/06/2026	31/03/2027	30/06/2027	31/12/2027	QS27	30/06/2028
30/06/2026	QS23	30/09/2026	31/03/2027	30/06/2027	31/12/2027	QS27	30/06/2028
30/09/2026	QS23	31/12/2026	/	/	31/12/2027	QS27	30/06/2028
31/12/2026	QS23	31/03/2027	/	/	31/12/2027	QS27	30/06/2028
31/03/2027	QS23	30/06/2027	/	/	31/12/2027	QS27	30/06/2028
30/06/2027	QS23	30/09/2027	31/03/2029	30/06/2029	31/12/2029		30/06/2030
30/09/2027	QS27	31/12/2027	31/03/2029	30/06/2029	31/12/2029		30/06/2030
31/12/2027	QS27	31/03/2028	31/03/2029	30/06/2029	31/12/2029		30/06/2030
CYCLE Renewal Application Deadline	Prevailing QS	Renewal Awarding Decision	Extension Application Deadline	Extension Approval Decision	Renewal Application Deadline	Prevailing QS	Renewal Awarding Decision
31/12/2023	QS23	30/06/2024	31/03/2025	30/06/2025	23/01/2026	QS23	30/06/2026
23/01/2026	QS23	30/06/2026	31/03/2027	30/06/2027	31/12/2027	QS27	30/06/2028
31/12/2027	QS27	30/06/2028	31/03/2029	30/06/2029	31/12/2029		30/06/2030

* The 23/01/2026 deadline is an exceptional delay of the announced 31/12/2025 deadline

Signatory status

- As a Signatory of the Towards Sustainability initiative, a distributor/manager undertakes to ensure that **at least 90%** of its socially responsible or sustainable products, measured by assets under distribution/management, that are actively commercialised in Belgium have obtained or are in the process of obtaining the Towards Sustainability label. They shall apply the Quality Standard to their remaining responsible and sustainable product offering as far as reasonably practicable. In addition, and as far as applicable, the entity will comply with the QS's criteria for financial institutions, except for the ESG ratings criterium.
- It is **not mandatory** to become a Signatory. It is always possible to request the label only for some 'sustainable' products managed or distributed, without becoming a Signatory.
- If you wish to become a Signatory, please send the CLA a **letter of commitment** that is signed by someone who can legally bind your institution. You can find this letter in the application package.
- In exchange for their commitment and their structural support for the Towards Sustainability initiative, Signatories can expect to receive greater **visibility** on the website and other communication efforts. They will be among the **key interlocutors** of the CLA when revisions of the label criteria are considered, and when new projects are started. They also receive a discount on the labelling fee.
- The new **list of Signatories** will be published on the Towards Sustainability website as of 30/6/2027.

Fees & contributions

i. Fee structure

The labelling fee covers all expenses related to the verification, the portfolio composition check, the ongoing exposure monitoring, the on-site audit and the label license. In addition, it covers the operating costs of the CLA, projects, administration, IT-costs, events, marketing and communication efforts.

The labelling fee should not be understood as a payment made in order to obtain the label. Upon application, or request to extend or renew the label, the applicant accepts the fees.

Fees are paid to the CLA only. No fees are paid to the Verifier, with the sole exception of the reimbursement of on-site audit travel and accommodation costs (below). The Verifier is remunerated by the CLA on an activity basis, independently of the conclusions of its assessments.

All fees are exclusive of VAT and are charged annually. Fees can be adapted to inflation annually. If the label license period is more or less than 1 year (12 months), the fee is recalculated accordingly.

1) Initial application fee

- Fee to be paid when a currently unlabelled product applies for the label.
- Base fee 2026: 5.850 EUR per product/index. (Base 5.500 EUR on 1/2023)
- Each additional label applied for by, and each label already awarded to the applicant lowers the fee per product with 100 EUR (E.g. When applying for 3 products, the fee would be 3x5.650 EUR. When applying for one new product when the applicant already has 5 labelled products, the initial application fee would be 5.350 EUR).
- The minimum fee per product/index is 2.850 EUR (reached as of 30+ by the same label holder).
- Fast-track application (supra and section 4.10 of the Procedure) pay a reduced application fee of 1.600 EUR per product. Change verification (section 4.9): max. 500 EUR per product, depending on the extent of the change.
- Signatories get an additional reduction of 100 EUR per product.

2) Annual subscription fee

- Fee to be paid when a currently labelled product wishes to keep the label (in case of extension or renewal).
- Base fee 2026: 3.200 EUR per product/index. (Base 3.000 EUR on 1/2023)
- Each additional label applied for by, and each label already awarded to the label holder lowers the fee per product with 50 EUR (E.g. For a label holder having 5 labelled products, the annual subscription fee would be 5x3.000 EUR).

- The minimum fee per product is 1.700 EUR (reached as of 30+ by the same label holder).
- Fast-track application (supra and section 4.10 of the Procedure) pay a reduced application fee of 1.100 EUR per product. Change verification (section 4.9): max. 500 EUR per product, depending on the extent of the change.
- Signatories get an additional reduction of 100 EUR per product.

Included in the initial application and annual subscription fee

- Verification of investment policies and procedures
- Portfolio composition check
- Ongoing exposure monitoring process
- On-site audit
 - Travel and accommodation costs are charged by the Verifier directly to the label holder, at cost, on the basis of an estimate communicated in advance.
- Label license fee

ii. Contribution as Signatory (optional)

- There is no separate contribution due for being a Signatory.
- Signatories however get a reduction of 100 EUR on the application/subscription fee per product.

iii. Invoicing

- Invoices will be sent one month after the application/extension/renewal deadline.
- An application may be withdrawn free of charge until the application deadline; up to 15 working days after the deadline, 50% of the fee is due; thereafter the full fee.
- The payment of the labelling fee is non-refundable, also if the label is not awarded. (section 4.5(a) of the Procedure)
- Payment is due within one month. As long as the payment is not made, the label cannot be awarded/extended/renewed, even if the product would be compliant.

Contacts

Towards Sustainability Labelling Agency (CLA)

- The Towards Sustainability Labelling Agency is the non-profit organisation that governs the 'Towards Sustainability' Quality Standard and awards the 'Towards Sustainability' label.
- General contact address: info@towardssustainability.be

Verifier

- All applications will be verified by our Verifier which is a partnership consisting of Forum Ethibel, ICHEC Brussels Management School and the University of Antwerp.
- The Verifier also performs the portfolio composition checks, the ongoing exposure monitoring, and the triennial on-site audits.
- Main contacts:
 - Kenny Frederickx: kenny.frederickx@ethibel.org
 - Sophie Brassinne: sophie.brassinne@ethibel.org

Questions on your file — the reasons for a conclusion, the issues identified, the fulfilment of conditions, grace-period milestones — are answered by the Verifier.

Questions on the scheme, the process, fees, licenses, the list and the use of the label by the CLA Secretariat.