



Press Release

Brussels, 6 April 2021

KBC publishes transparent report on progress on sustainability

KBC published its annual [sustainability report](#) (in English) on 1 April 2021. The report provides an overview of the progress made by KBC in 2020 as a sustainable bank-insurer and asset manager.

The [SDGs](#)¹ serve as the common thread running through the report, which sets out in detail how KBC's sustainability targets contribute to achieving those goals. KBC follows the international [GRI](#) standards,² and since 2019 has also applied the criteria drafted by the Sustainability Accounting Standards Board (SASB). Since 2019, KBC has also anchored the [TCFD](#) recommendations³ on climate reporting in its sustainability report.

Compared with the previous edition, this report looks at a number of topics in more depth, such as climate objectives, the influence that KBC can exert in some areas, the way in which KBC complies with its public commitments and the overview of facts and figures on sustainability.

KBC once again broke new ground in terms of sustainability in several areas last year, rolling out a new policy on diversity and inclusion and updating the socially responsible investment policy of the KBC Group Treasury and the KBC Pension Fund. KBC launched a pilot project to test the implementation of new measurement instruments, including PACTA⁴ and PCAF⁵. These instruments provide a better picture of the climate impact and transition of KBC and of certain sectors. KBC has also introduced or revamped a number of policies (including on respect for biodiversity and on the funding and insuring of coal-related activities), is actively contributing to the greening of business mobility, and has formulated explicit and ambitious non-financial sustainability targets.

Johan Thijs, Group CEO of KBC, puts the relevance of the sustainability report into context: *“The sustainability report offers an insight into the progress we are making on themes that are important for society. We are focusing on topics that are important for us and our stakeholders in the context of sustainability. To ensure that we choose the right topics, we engage in dialogue with our internal and external stakeholders, including through a biannual materiality exercise. This involves examining where we can create impact as a bank-insurer and asset manager and which topics are the most relevant for our stakeholders. That helps us to decide where our future focus will be directed. We chose sustainable and responsible lending, insurance and advisory services as the key accents, in addition to partnership in the transformation of our clients towards a more sustainable future, sustainable and responsible asset management and investment and, last but not least, ethical business operations and responsible behaviour.*

The report also provides an overview of our business model, outlines how we create value for our stakeholders and how we manage our short and long-term impact in the value chain. We are therefore

¹ ‘Sustainable Development Goals’ developed by the United Nations

² Global Reporting Initiative

³ Task Force on Climate-Related Financial Disclosures

⁴ Paris Agreement Capital Transition Assessment

⁵ Partnership for Carbon Accounting Financials

restating in our sustainability report the non-financial targets and commitments that we announced on 12 November 2020.

Following recent European regulations, transparent reporting on progress with sustainability will pose a challenge for a great many companies from various sectors. We are therefore happy to make the experience we have built up – for example in relation to efficient energy use – available so that we can help our business clients in partnership with specialist consultancy firms.”

Filip Ferrante, Corporate Sustainability Manager KBC Group, runs through the main accents in the report: *“Last year we substantially raised the bar for our climate-related ambitions and aligned with the Paris climate objectives. We further tightened up our policy on fossil fuels and clarified how we will aim to support our business clients in their transition to a low-carbon society. This is our way of contributing to the achievement of the targets set in the United Nations Collective Commitment to Climate Action which we signed up to in 2019. Our sustainability report presents a transparent description of the progress we have made on sustainability and on the direction that we need to take together with other key actors in our society.*

All this took place in the context of an extraordinary year that was dominated by an unprecedented health crisis. From the start we have taken our social responsibility seriously, and in consultation with government authorities and sector organisations have taken numerous measures aimed at making the economic consequences and social impact of the crisis manageable. That’s also something we discuss in more depth in our sustainability report.

We were able to accelerate the complete digitalisation of contacts with our clients as well as in our internal organisation and business processes. To avoid some groups in our society facing difficulty with this transformation, we have rolled out several initiatives to help and support them along this path.”

Given its technical nature, the sustainability report is aimed in the first instance at sustainability experts, though it is of course also available for every interested stakeholder. The report (which is only available in digital format) is highly interactive and dynamic in its structure. Built-in links make it quick and easy to navigate through the report. Visuals and graphics improve the readability and make it easier to interpret the statistics.

The sustainability report also describes KBC’s vision on privacy and data protection and clarifies the ambitions in relation to gender equality in the internal business organisation.

The report also provides a summary of social projects that KBC has supported through the years, and among other things looks in more depth at how KBC’s partner [BRS](#) in the South offers sustainable social support through micro-finance and micro-insurance.

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