



# Press release

Brussels, 26 March 2019

## **KBC continues divesting from the tobacco industry and signs the Tobacco-Free Finance Pledge**

- ***KBC signs the Tobacco-Free Finance Pledge***
- ***Highly rigorous guidelines now in place as regards providing finance and insurance to tobacco-related companies***
- ***Policy of excluding the tobacco industry from KBC's lending, insurance and sustainable investment activities extended to include KBC Asset Management's conventional investment funds and KBC's proprietary investment portfolio***

KBC has signed the [Tobacco-Free Finance Pledge](#) founded by international organisation *Tobacco Free Portfolios*, which has been calling on financial institutions worldwide since 2018 to divest from the tobacco industry. The move reaffirms KBC's stance in this regard and means that it now joins a large group of financial market players and actors on the international stage that actively pursue a tobacco divestment policy.

The Tobacco-Free Finance Pledge was developed in partnership with the United Nations (more specifically the UN-supported Principles for Responsible Investment, the UN Environment's Principles for Sustainable Insurance and the UN Environment Programme Finance Initiative) and four founding institutions. [At the start of December 2018](#), KBC became the first Belgian financial institution to endorse the Principles for Responsible Banking which are part of the UN Environment Programme Finance Initiative (UNEP FI).

Under these commitments, KBC's current policy of excluding the tobacco industry from its lending, insurance and sustainable investment activities, is being extended to include KBC Asset Management's conventional investment funds and KBC's own investment portfolio. The exclusion covers manufacturing, the wholesale trade and trading in tobacco products.

**Johan Thijs, KBC Group CEO**, is delighted with KBC's commitments and with the stricter policy towards tobacco: *'Our continuous dialogue with customers and stakeholders shows that there is growing support for a more critical approach to financing the tobacco industry. Nobody can deny the negative effects that tobacco is having on our health and the environment. Signing up to the United Nations charter for a tobacco-free finance fits in perfectly with the two key focus areas of Health and Population Ageing in our sustainability strategy. Due to the fact that we also want to respond better and more pro-actively to society's expectations in our projects, products and services, we've decided not only to exclude the tobacco industry from our lending, insurance and SRI activities, but also to gradually eliminate it from the conventional and proprietary investment portfolios so that we can build a better and more sustainable society together.'*

For KBC, sustainability is a cornerstone that is embedded in its corporate strategy. Indeed, KBC was one of the first companies in Belgium to put its weight behind SRI, with customers having access to SRI funds from as far back as 1992. KBC has steadily increased its SRI offering in response to the constantly changing expectations of society, where sustainability and social responsibility are now clearly to the fore. KBC's [sustainability framework](#),

which was updated in mid-2018, applies not only in Belgium, but also in all the countries where the KBC group operates.

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