

Brussels, 8 June 2018

## KBC raises the bar for its sustainability policy

KBC has published its stricter policies for sustainable banking and insurance at [www.kbc.com](http://www.kbc.com). In doing so, it is responding to the constantly evolving expectations of its stakeholders and the wider community. KBC's renewed [sustainability framework](#) will apply throughout the group as from 1 July 2018 and is embedded in the company's strategy.

Private and business clients are increasingly focusing on sustainable bank-insurance, encouraged by the climate objectives of the Paris Climate Conference (COP21) and an heightened interest in sustainability themes such as the environment, human rights, corporate values and socially sensitive issues.

A number of KBC's policy guidelines in this area are new, while others have been tightened up and updated.

- KBC has refined and further aligned its existing human rights policy with the **UN Guiding Principles on Business and Human Rights**. In it, KBC sets out how it ensures that it does not provide support to companies that violate human rights.
- From now on, the **Policy on Arms-Related Activities** will also regard nuclear weapons as controversial weapons. Companies involved in the production or development of nuclear weapons will therefore be excluded from all KBC group activities. KBC is thus following the line of the United Nations Treaty on the Prohibition of Nuclear Weapons, which was endorsed by 122 countries on 7 June last year. KBC remains particularly reluctant to finance companies involved in weapons-related activities. The policy guidelines are set out in the Policy on Arms-Related Activities.

The following policies have been amended specifically for lending and insurance activities:

- The **Energy Credit & Insurance Policy** specifies that KBC will now also cease to finance the coal sector in the Czech Republic and reduce its exposure to coal-fired electricity production to zero by 2023. Coal-fired district heating plants are the only exception (until 2035), with maximum exposures being run down over time and only financing for ecological improvements being carried out. KBC has already published a specific [press release](#) on this subject. In the same policy, KBC indicates that it will also stop financing companies that only specialise in the extraction of oil and gas. KBC also maintains its ambition to have more than 50% of its energy credit portfolio made up of renewable energy by 2030.
- The policy for the **tobacco industry** has been tightened up, with the wholesale trade and trading in tobacco products and raw materials now also being excluded.
- A new **Mining Policy** stipulates that business customers with activities in this sector must take account of the environmental risks associated with these activities, human rights risks and the rights of the local population. In addition, these companies must, of course, always operate in accordance with the relevant regional, national and international regulations, laws and permits.
- The policy for the production of palm oil has been extended to the **production of soya**. Companies that are active in this field must comply with international standards for the sustainable exploitation of these raw materials.

- A new **Animal Welfare Statement** expects customers whose activities may have an adverse impact on animal welfare to act in accordance with applicable national and international legislation and best practices.

In addition, KBC continues to promote sustainable funds among its customers. Since the beginning of 2016, KBC has been able to more than triple the volume of savings invested in sustainable funds to more than 7.5 billion euros. In May, KBC launched Pricos SRI, the first sustainable pension savings fund to fully comply with BEAMA's sustainable investment guidelines.

**Johan Thijs, group CEO of KBC**, explains: *'Sustainability is an integral part of our strategy. Nevertheless, our insights have to move in line with the changing perceptions and expectations of society. In order to keep our finger on the pulse, we involve our stakeholders in an open dialogue and ensure transparent communication. This approach enables us to get a clear picture of what our stakeholders think is important and allows us to respond better and more proactively to their expectations with our current and future projects and initiatives.'*

KBC continues to work on its sustainability and social responsibility objectives, details of which can be found in KBC's [Sustainability Report for 2017](#). KBC's guidelines and policies on sustainable business practices are also published at [www.kbc.com](http://www.kbc.com).

**KBC Group NV**

Havenlaan 2 – 1080 Brussels  
Viviane Huybrecht  
General Manager of Corporate Communication/  
KBC Group Spokesperson  
Tel.: + 32 2 429 85 45

Press Office  
Tel. + 32 2 429 65 01 Stef Leunens  
Tel. + 32 2 429 29 15 Ilse De Muyer

E-mail: [pressofficekbc@kbc.be](mailto:pressofficekbc@kbc.be)

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