

Sustainability Report

KBC Group

Our voluntary
sustainability report

2025



About this report

We produce transparent reporting on our Group's sustainability performance on an annual basis. Since 2024, this reporting has taken the form of our Sustainability Report and the Sustainability Statement within the Annual Report. The latter report includes our mandatory reporting, in line with the European Corporate Sustainability Reporting Directive (CSRD). Whereas this Sustainability Report offers more in-depth insights into material topics and topics of interest to some of our stakeholders. In it, we outline our approach to corporate sustainability, the implementation of our sustainability strategy, the policies and guidelines we follow, the targets we have set and our main achievements.

Content and materiality

We regularly engage with all relevant stakeholders. These interactions help us identify which topics we should direct our efforts at, set targets and define policies. We address these topics in our sustainability reporting, focusing on those with the greatest impact on our business, the economy, environment and societies.

In 2024 and in line with the CSRD, we conducted a double materiality assessment (DMA) to identify which information would be required for inclusion in the mandatory Sustainability Statement from that financial year onwards. Through that process, we identified six sustainability topics as material for KBC from an impact and/or financial perspective: our own workforce, consumers and end-users, business conduct, climate change, water and marine resources, as well as biodiversity and ecosystems. **Since 2024, we have reported on these topics in the Sustainability Statement, in line with the European Sustainability Reporting Standards (ESRS).** In 2025, the DMA confirmed

the importance of these six topics and identified no new material impacts, risks or opportunities.

The goals of this separate **Sustainability Report** are twofold:

- Provide **more in-depth reporting and background information on the material topics** covered in the Sustainability Statement, where deemed appropriate.
- Report on **topics not identified as material from a double materiality perspective but which are nonetheless of interest to certain stakeholders.**

For a full view of our sustainability efforts and performance, please read this report along with the [Sustainability Statement in the KBC Group Annual Report](#).

For further information on our stakeholder interactions, see the [Our sustainability strategy](#) section of this report. For detailed results of the DMA, we refer to the [Sustainability Statement of the KBC Group Annual Report](#).

Reporting guidelines

The mandatory Sustainability Statement in the [KBC Group Annual Report](#) adheres to the ESRS, in accordance with the CSRD. We have also mapped our material topics to SASB (Sustainability Accounting Standards Board) since 2019. The 2025 SASB disclosure can be found on our [corporate website](#).

Scope

KBC is an integrated bank-insurance group, catering mainly for retail, private banking, small and medium-sized enterprises (SMEs) and mid-cap clients. We operate in our core markets of Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia. We also operate to a limited extent in other countries to support the corporate clients operating in our core markets.

In essence, this report covers the KBC Group organisation as a whole. It matches to the maximum possible of the scope of consolidation used for financial information as per end of September 2025, unless stated otherwise. **There are no substantial differences in scope compared to the previous report.**

On 15 January 2026, KBC acquired 365.bank in Slovakia and on 10 February 2026, the acquisition of Business Lease in the Czech Republic and Slovakia was finalised. As from financial year 2026 these subsidiaries will be integrated in the Sustainability Report of KBC as part of its consolidation scope. For more information about these acquisitions and their financial impact, we refer to note 6.6 of the [Consolidated financial statements in the KBC Group Annual Report](#).

A list of all entities included in the financial consolidation is published on our [website](#).

Finally, some data points the reporting scope in this Sustainability Report differ from the scope of the mandatory Sustainability Statement. This is because the ESRS oblige us to report beyond the financial consolidation scope for certain data points. We provide more detailed information on such data points in the [Sustainability Facts and Figures](#) part of this report.

Data collection and reporting period

We collected our sustainability data through a group-wide process that involves strict hierarchical validation. All KBC entities in our core countries report on human capital, own footprint and community involvement, while climate-related data on our portfolios are gathered through the 'Data and Metrics' project of the KBC Sustainable Finance Programme.

Consistent with previous years, the reporting period is 1 October 2024 – 30 September 2025, unless stated otherwise in the report. Where possible we have already transitioned towards reporting in alignment with our financial year, with year-end figures being clearly indicated as such throughout this report. For those data points where this is not yet feasible, we continue to explore possibilities for further alignment with our financial year, and future reports may reflect this change.

Our group has published a Sustainability Report annually since 2005. Previous reports can be found on our [corporate website](#).

Governance

We have prepared this Sustainability Report using input from business and sustainability experts in all our core countries. The report has been reviewed by senior managers and discussed and approved by the Internal

Sustainability Board and the Executive Committee. The Board of Directors approved the report on 12 March 2026.

External assurance

Since 2024, our sustainability reporting has been verified through the limited assurance of the Sustainability Statement. This includes environmental, social and governance (ESG)-related data points. In the [Sustainability Facts and Figures](#), we indicate assured data points with the adjoining symbol . For further information, we refer to the assurance statement in the [Annual Report](#).

Feedback

We welcome comments and questions from all our stakeholders. Please send us your feedback at csr.feedback@kbc.be.

When we use the terms 'green' and 'sustainable' in this report, it does not necessarily suggest that what we describe is already (fully) aligned with the EU Taxonomy.

Company name: 'KBC', 'we', 'the Group' or 'the KBC Group' refer to the consolidated entity (i.e. KBC Group NV plus all the Group companies included in the scope of consolidation). 'KBC Group NV' refers solely to the parent company. Similarly, 'KBC Bank' and 'KBC Insurance' refer to the consolidated entities and 'KBC Bank NV' and 'KBC Insurance NV' refer solely to the non-consolidated entities.

Statement regarding the use of 'Board of Directors' and 'Executive Committee': These designations refer to the Board of Directors and Executive Committee of KBC Group.

Glossary: A list of the most widely used terms and abbreviations, with accompanying definitions where necessary, can be found [at the end of this report](#).

Our reports

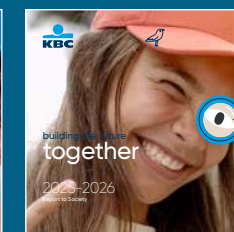
The **Sustainability Report** focuses on our sustainability strategy. It contains detailed sustainability and sustainable finance data and is aimed at sustainability experts, investors, employees, business partners, clients and non-profit organisations.



The **Risk Report** provides greater detail on the Group's risk and capital management, including ESG -related risks. The Risk Report is intended for investors, (ESG) analysts, experts and the public at large.



The **Annual Report** provides information (including mandatory statements) about our business model, strategy, sustainability, governance, financial performance, risks and capital. Since 2024, it has also included the mandatory **Sustainability Statement** for KBC Group, in line with the European CSRD reporting legislation. The Annual Report is targeted at investors, clients, employees and society in general.



Each of KBC's core countries also produces a **Report to Society**, in which we look more closely at how our Group assumes its role in society and local economies. These reports are primarily meant for clients, employees and society at large. You can find the latest report for each country on our [corporate website](#).

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This year has once again shown the fragility of peace and prosperity, reminding us of the vital role that empathy, dialogue and cooperation have in fostering peaceful coexistence. Ongoing tragedies continue to weigh heavily on the global conscience, leaving no one unaffected. We acknowledge the suffering and hope for a resolution that will honour human dignity and provide lasting stability. These events make clear how disproportionate responses in conflict zones can deepen human suffering. The shifting dynamics of global safety have propelled these issues into the spotlight of societal discourse and onto the sustainability agenda. In this context, we are confronted with dilemmas regarding our stance towards defence policy and defence-related companies. We have taken decisions with careful consideration, balancing ethical concerns and stakeholder expectations – remaining mindful of the broader societal debate on security and sustainability.

While these global challenges have tested our resilience, they have also emphasised the importance of staying the course on our KBC sustainability journey. We remain focused on our long-term ambitions. Our ['Save Time Earn Money \(S.T.E.M.\) the Ecosphere' strategy](#) continues to evolve, with meaningful progress



JOHAN THIJS
Chief Executive Officer – KBC Group

in building business ecosystems related to housing and mobility. This year, we enabled our clients to do more with Kate Coins – our internal digital coin which generates benefits and assists our clients in making choices, while also rewarding sustainable solutions within our ecosphere. The convergence of digitisation and sustainability is becoming a reality, and our belief is that the best is yet to come.

We also advanced our climate strategy, marking the fourth consecutive year of measuring progress towards the dedicated targets of our indirect climate impact. The results show that our economy and society are in full transition: while some sectors are transitioning effectively, others face



KOENRAAD DEBACKERE
Chair of the Board of Directors – KBC Group

technological and economic headwinds. We observe that certain governments are adopting more precautionary stances in their climate implementation agendas. This underscores the need for continued collaboration and adaptive strategies. Finance can complement, and potentially amplify, but never be a substitute for climate policy. This too underlines the importance of effective and focused government action, within economic and societal boundary conditions.

We have expanded our environmental focus beyond climate. This year saw our first dedicated policy on water, alongside a more detailed nature impact assessment. These efforts reflect our commitment to transparency

and our ambition to provide stakeholders with a comprehensive view of our environmental journey.

We are glad to note that our sustainability efforts continue to be recognised externally. We are proud to share that, for the fourth consecutive year, CDP has placed us on its prestigious Corporate A List in recognition of global leadership in climate action, disclosure and strategic impact. CDP ratings assess environmental transparency and performance, and achieving this distinction underscores our commitment to driving meaningful progress in sustainability. Additionally, this year marks the first time we have received Public corporate B scores for our efforts in the areas of forests and water.

As we present this report, we do so with humility, resilience and optimism. Sustainability is not a destination – it is a continuous process of learning, adapting and improving. We invite you to explore the pages that follow to discover how KBC is shaping a future that is not only financially sound, but also socially and environmentally responsible.

We wish you an insightful and enjoyable read.

2025 in a nutshell

This section highlights our sustainability efforts and key achievements in 2025 and includes a summary of our main ESG ratings as well as principal sustainability targets.



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KBC at a glance

Our areas of operation

KBC is an integrated bank-insurance group, catering mainly for retail, private banking, small and medium-sized enterprises as well as mid-cap clients. We operate in our core markets of Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia. We also have limited operations in several other countries to support corporate clients from our core markets.

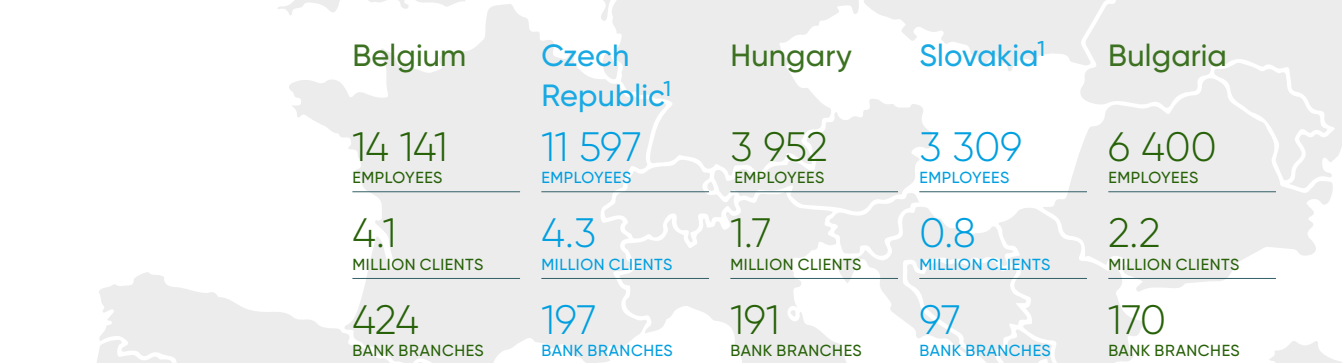
Our goal and ambition

In all our activities, we seek to help our clients achieve and protect their dreams and projects. We aim to serve as the bank-insurer of reference in all our core markets.

S.T.E.M. the Ecosphere

In prior years, we dedicated significant effort to transforming our core business model through digital innovation. We have now taken the next step with **S.T.E.M., the Ecosphere**, where S.T.E.M. stands for **Save Time and Earn Money**. By bundling several previously launched concepts and building blocks – such as **Digital First, Kate** and **Kate Coins** – and bringing them into our ecosystems, we can offer our customers a new type of service. This service consists of supporting them at every stage of their search for solutions to housing and mobility challenges. The service leverages our distribution channels to offer not only our own products but also the products and services of partners and suppliers. This enables our customers to save time and money, and even earn money, both within and beyond the traditional banking and insurance environment.

Our clients, staff and network



Our corporate strategy



We implement our strategy within a strict risk, capital and liquidity management framework.

¹ As clarified in the 'About this Report' section, these figures do not include data from recent acquisitions finalised in January and February 2026.



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Our sustainability journey: building on our fundamentals

Sustainability has been present in our organisation for a long time. And we have come a long way since we first started working on sustainability issues. Initially, sustainability tended to be seen as a separate policy domain, with which KBC engaged in a more passive way, and which was not intertwined with the core business. Over time, however, we began to gradually incorporate sustainability into our business. Year on year, we have taken further, important steps in our sustainability journey and our sustainability reporting. Sustainability is now an integral part of our business, embedded as one of the four pillars of our corporate strategy and day-to-day operations. We aim to continue on this path in the years to come and to build upon the foundations we have laid over the past decades.

A few milestones on our sustainability journey

1970

Laying the foundation for tackling environmental issues

Launched more than five decades ago, ARGUS (formerly *Stichting Leefmilieu*) was pioneering corporate social responsibility (CSR) before the term was even coined. Its aim was to provide the public with sound scientific information on environmental issues. In 2016 we decided to integrate ARGUS into our core activities. From then onwards we took an active role from within our core business, supporting the shift to a more sustainable economy and society.



Focusing on responsible investing

Kredietbank launched the KB Eco Fund, the first responsible investing fund in Belgium. As such, KBC Asset Management (KBC AM) has been Belgium's pioneer in Responsible Investing for over 30 years. Over this time, the range has been greatly expanded and the way of working refined. Three decades later, these funds have grown from a niche instrument into a first offering and an important pillar of KBC's sustainability strategy.



1992

Contributing to sustainable local development and financial inclusion

The Belgian Raiffeisen Foundation (BRS) vzw is a unique partnership in cooperation with Cera CV that was founded in 1992. BRS helps to sustainably improve the quality of life of rural entrepreneurs and farmers in the Global South through microfinance and micro-insurance. BRS also benefits from KBC's unique practical experience and knowledge in cooperative banking and insurance to advise, coach and train partner associations.



1992

Setting targets and measuring our progress

We set our first sustainability targets in 2016 to measure our progress in several areas related to our sustainability strategy. Since then, we have tightened existing targets and formulated new ones to support our sustainability and climate-related ambitions. In 2022, we committed to a first set of climate-related targets for our lending and asset management portfolio. We have also set a carbon intensity reduction target for KBC Insurance's own investments.



2016

Continuing our commitment to the environment

KBC launched a separate programme for developing a structural approach to the management and reporting of climate-related risks and opportunities. Accordingly, we began to increase our focus on the climate-related impact of our business activities and portfolios. From then onwards, we expanded the scope of the programme to include other environmental themes such as biodiversity and nature, water and circular economy.



2019

Reporting transparently on sustainability

KBC has upheld its commitment to transparent sustainability reporting for more than 20 years. Starting in 2005 with our [first group-wide Sustainability Report](#), our reporting then expanded in 2011 with the Group's [Report to Society](#). In 2022, we reached a new milestone with our [Climate Report](#), setting out our climate vision and goals. In 2024, our Annual Report included our first dedicated [Sustainability Statement](#), to align with CSRD requirements and to include disclosures on environment, social and governance-related topics.



2024



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We continuously strive to ensure robust performance in the areas of environment, social and governance (ESG). Here, we highlight some of our achievements.

Commitment to the environment



New thematic White Papers on Water



This year, we have written [two new cross-sectoral White Papers on Water](#) Stress and Water Pollution because KBC has identified ‘water’ as a material topic.



2025 interim targets achieved



In 2025, the [GHG intensity of the equity and corporate bond investment portfolio of KBC Insurance](#) consolidated was 76% below the 2019 level, significantly exceeding the ambition of a reduction by 25%. Secondly, [51% of direct client money \(DCM\) managed by KBC Asset Management was invested in Responsible Investment funds](#), surpassing our interim target of 45%.

Twelve climate targets for our lending portfolio



[KBC’s Climate Progress Dashboard](#) shows that we are on track to meet our climate alignment benchmarks for nine out of twelve targets. Progress on reaching the climate targets is monitored each quarter at the highest management levels, based on forecasting models, an evaluation of the volumes and, increasingly, also on the emission intensity of new loans granted.

500-million-euro Green Bond issuance



In 2025, KBC Group issued its [fifth Green Bond](#) to strengthen its funding base and to support projects that make a positive environmental impact – such as energy-efficient buildings, renewable energy and clean transportation.



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Sustainable business

34 billion euros in loans with environmental objectives



In 2025, KBC financed 4.2 billion euros in renewable energy, 28.1 billion euros in mortgages for energy-efficient homes and 1.7 billion euros for low-carbon vehicles, including bikes. [The volume of such loans](#) is growing faster than the overall portfolio.



64.4 billion euros in Responsible Investing funds



[Responsible Investing \(RI\) funds](#) include Responsible funds, ECO-themed funds and Impact Investing funds. Eco Fund Water celebrated its 25th anniversary in 2025.

Expanded customer engagement through digital tool integrations



We engage with our clients on a variety of topics with respect to [customers' sustainability transition](#). To support our business and retail clients in their journey, we offer advisory services or free tools – both as stand-alones and integrated into our KATE personal digital assistant.



100 million euros of investment by KBC Group to strengthen the Belgian start-up ecosystem through Start it @KBC



[Start it @KBC](#), in partnership with KBC Securities, helps Belgian start-ups from ideation to going public (Initial Public Offerings, IPOs), fostering innovation and entrepreneurship.

2025 Sustainability highlights

We continuously strive to ensure robust performance in the areas of environment, social and governance (ESG). Here, we highlight some of our achievements.

Social responsibility

Commitment to diversity and inclusion



In 2025, KBC set a [group-wide target](#) to promote gender balance, aiming for at least 40% representation of the underrepresented gender in recruitment, talent pools and promotions to leadership positions (except the Executive Committee and the Board of Directors).

33 000 employees participated in the 2025 Team Blue Challenge



KBC employees undertook [volunteer work](#) in 1 000 non-profit organisations and gave over 3 000 blood and plasma donations. Also, approximately 18 500 employees completed certified first aid-training, demonstrating our commitment to health and safety in all our countries.



Integrating Just Transition considerations into sectoral White Papers



We introduced a [Just Transition perspective](#) in our Transport White Paper and will include Just Transition considerations in future sectoral and thematic White Papers to better understand and address the social impacts of the transition across industries and regions.

8.25 billion euros in social sectors and tailored social targets in all our core countries.



In 2025, we [provided](#) 6.91 billion euros in financing to the healthcare and senior living sectors and 1.34 billion euros to the education sector.

We also set [social targets](#) focusing mainly on financial health and literacy across all our core countries.



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Sustainability-related recognition

In 2025, KBC again received broad external recognition for its efforts on ESG themes through several sustainability-related awards and ESG ratings. We list a selection of them here.

Our main ESG ratings



A score for Climate for the fourth consecutive year

B score for Forests

B score for Water Security



73/100

Top 9% of 629 banks assessed

25 years of active participation

Included in the Sustainability Yearbook

Low-risk rating (10.2)

3rd percentile of 215 diversified banks

Belgium's Best Bank for ESG in 2025

Winning the Euromoney ESG Award is fitting recognition of our commitment to sustainability. It shows that our efforts have not gone unnoticed and that KBC is having a real impact. We are building a future in which growth and respect for people, the environment and society go hand in hand.



Czech Social Business Award 2025

ČSOB in the Czech Republic celebrated securing first place in this year's edition of the prestigious TOP Responsible Company 2025 competition (TOP Odpovědná firma roku). The award recognises leaders in the field of sustainability and social responsibility in the Czech Republic.



Belgium



Hungary 2025 Green Corporate Award

K&H Bank was recognised by portfolio.hu for several of its sustainability initiatives, such as green and future-proof products and services, minimal environmental footprint and significant results in social responsibility.



Czech Republic
Slovakia
Hungary

Digital Smart grant in Slovakia

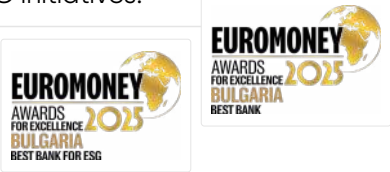
ČSOB Slovakia's Digital Smart grant programme was named a finalist in the category of Social Innovation at the Via Bona Awards. The programme supports smart, digital and innovative projects in local communities, non-governmental organisations, schools and municipalities.



Bulgaria

Best Bank for ESG and Best Bank in Bulgaria for 2025

UBB has been recognised as the Best Bank for ESG and the Best Bank in Bulgaria in 2025 by Euromoney. This is the third consecutive year that UBB has won the Best ESG Bank award, highlighting strong performance in realising ESG initiatives.



Terra Carta

KBC continues to be proud of the Terra Carta Seal we were awarded in 2022, which recognises our ongoing commitment to creating a sustainable future.



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Sustainability targets

This overview provides a general picture of our main targets. As such, the overview is not exhaustive and readers are referred to the respective sections in this report for a complete overview and all (methodological) details of our targets.



12 climate lending targets We have established 12 climate-related targets for our lending portfolio. For each target we have set a 2030 intermediate and a 2050 long-term target. Explore the different sectors for which these targets have been set and track their progress on [KBC's climate progress dashboard](#).



80% reduction in our own footprint by 2030 (from the 2015 baseline). As of 2025, we had already reduced [our own carbon footprint](#) by 70%.

100% renewable electricity consumption by 2030. Since 2021 all of [our electricity consumption](#) has been sourced entirely from renewable energy.

0 euros of direct exposure to thermal coal (target: full exit by 2021). In 2025, as in previous years, zero euros of finance was directly provided to [thermal coal activities](#).

75% share of renewable energy within the total [energy loan portfolio](#) by 2030. In 2025, we had already reached a 73% share.

55% share of Responsible Investing (RI) funds in total direct client money by 2030. In 2025, this number reached 51%. We also aim to have 65% of our total annual fund production in [Responsible Investing funds](#) by 2030. In 2025, the RI share was 55%.



40% reduction in the carbon intensity within the equity and corporate bonds portfolio (incl. Scope 1 and 2) of [KBC Insurance's own investments](#) by 2030. In 2025, we outperformed our intermediate target with a 76% reduction, surpassing even our 2030 objective.

50% female entrepreneurship in our [start-up community](#) within Belgium. By October 2025, female participation had reached 30%.



Establishment of social targets across all core countries This is in line with the United Nations Environmental Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB) and our ambition to strengthen financial health and inclusion. These targets focus on financial health and literacy and are tailored to local societal needs and local context, in order to ensure a relevant and effective approach that supports our broader goal of financial inclusion for all.



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Our sustainability strategy

This section outlines our approach to defining our role in society. It provides an overview of the Group's sustainability governance. Additionally, it covers the KBC Sustainability Dashboard and its use in monitoring the implementation of our sustainability strategy. Lastly, it details how we actively engage with our stakeholders and in the communities in which we operate, as well as how external factors continuously reinforce the development of our sustainability strategy.



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Creating
long-term
value
for society is at the core of
our sustainability strategy.

We want to meet societal needs and to create long-term value for society, local economies and all our stakeholders. That is why supporting the transition to a more sustainable and resilient society is a crucial part of our overall corporate strategy and our day-to-day business. Our sustainability strategy guides how we play our role in society, now and in the future. We want to collaborate with our clients and other stakeholders to achieve this.

As a financial institution, we can create value in many ways. For instance the financial services that we provide support economic growth, well-being and job creation. We offer our employees fair remuneration, training, career development opportunities and a safe, healthy and inclusive working environment. We also create financial value for our stakeholders. Making a sustainable profit enables us to preserve our solid capital base and to reinvest in our business activities. We also create added value through a significant and growing part of our banking and insurance activities that help drive the transition to a more sustainable society.

Our value-creation model shows how we create value for our stakeholders and society at large. It sets out how we use the resources at our disposal to meet the expectations of our stakeholders through our operations, and how we create value throughout that process. For further reading about our value creation model, we refer to our [Annual Report](#).

At the same time, we acknowledge that our activities may have a negative impact, both directly and indirectly. **Our aim is to limit this impact while at the same time increasing our positive impact by providing more sustainable finance and supporting our clients in their sustainable transition. To do so, we have established a dedicated sustainability strategy.**

Our sustainability strategy outlines the role we want to play in society, our focus points and our goals. We have strict sustainability governance in place to support the implementation of the strategy throughout the Group. The [KBC Sustainability Dashboard](#) further ensures that we can track the implementation using different indicators and targets. Finally, we keep a close eye on the world around us to enable us to focus on the right issues as we shape our sustainability strategy and policies. We discuss all these elements in this chapter.



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- Our value-creation model
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The cornerstones of our sustainability strategy

We have a dedicated sustainability strategy in place to properly take up our role in society and create value for our stakeholders.

At the heart of this sustainability strategy lies the responsibility to ensure financial resilience and to operate a strict risk management framework. In doing so, we ensure that we can do business sustainably into the future. Provided these criteria are met, our sustainability strategy consists of three main cornerstones:

- **Maximise the positive impact** of our products and services on society and the environment
- **Minimise or completely avoid any potential negative impacts**
- **Ensure all our employees behave responsibly.**

These three cornerstones are situated within **two additional and crucially important elements**:

- **Local communities and economy:** We respect the unique context of each core market and aim to support local communities and the economy in these markets.
- **Our people:** Our sustainability strategy is driven by our people. That is why we invest heavily in developing sustainable skills and vision across our workforce, encouraging all our employees to adopt a responsive, respectful and results-driven approach.

United Nations Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) have played a key role in shaping our sustainability strategy and target setting. By focusing on five high-impact areas closely tied to our role as a bank-insurer, we aim to maximise our impact.

Figure 2.1: The cornerstones of our sustainability strategy



SDG 3 Good health and well-being: We prioritise work-life balance for our employees and design our products to enhance healthcare, quality of life and safety.

SDG 7 Affordable and clean energy: We promote local renewable energy production and its efficient use. KBC has phased out financing, insuring and investing in direct thermal coal. We also have clear restrictions in our Energy Policy on other non-sustainable energy solutions, such as oil and gas.

SDG 8 Decent work and economic growth: We support entrepreneurs and invest in innovative businesses. We are committed to supporting start-ups and scale-ups with a focus on female entrepreneurship through our 'Start it' community. Our microfinance and microinsurance activities provide rural entrepreneurs in the Global South with access to financial services, driving sustainable local development and financial inclusion.

SDG 12 Responsible consumption and production: We offer banking and insurance products tailored to low-carbon and circular businesses, while promoting Responsible Investing as our first and preferred investment solution.

SDG 13 Climate action: We implement strict sustainability policies across our core activities and have set climate targets in our lending and investment portfolios to align them with the Paris Agreement. We engage with clients as well as our investees to reduce their climate impact while also working to minimise our own footprint.



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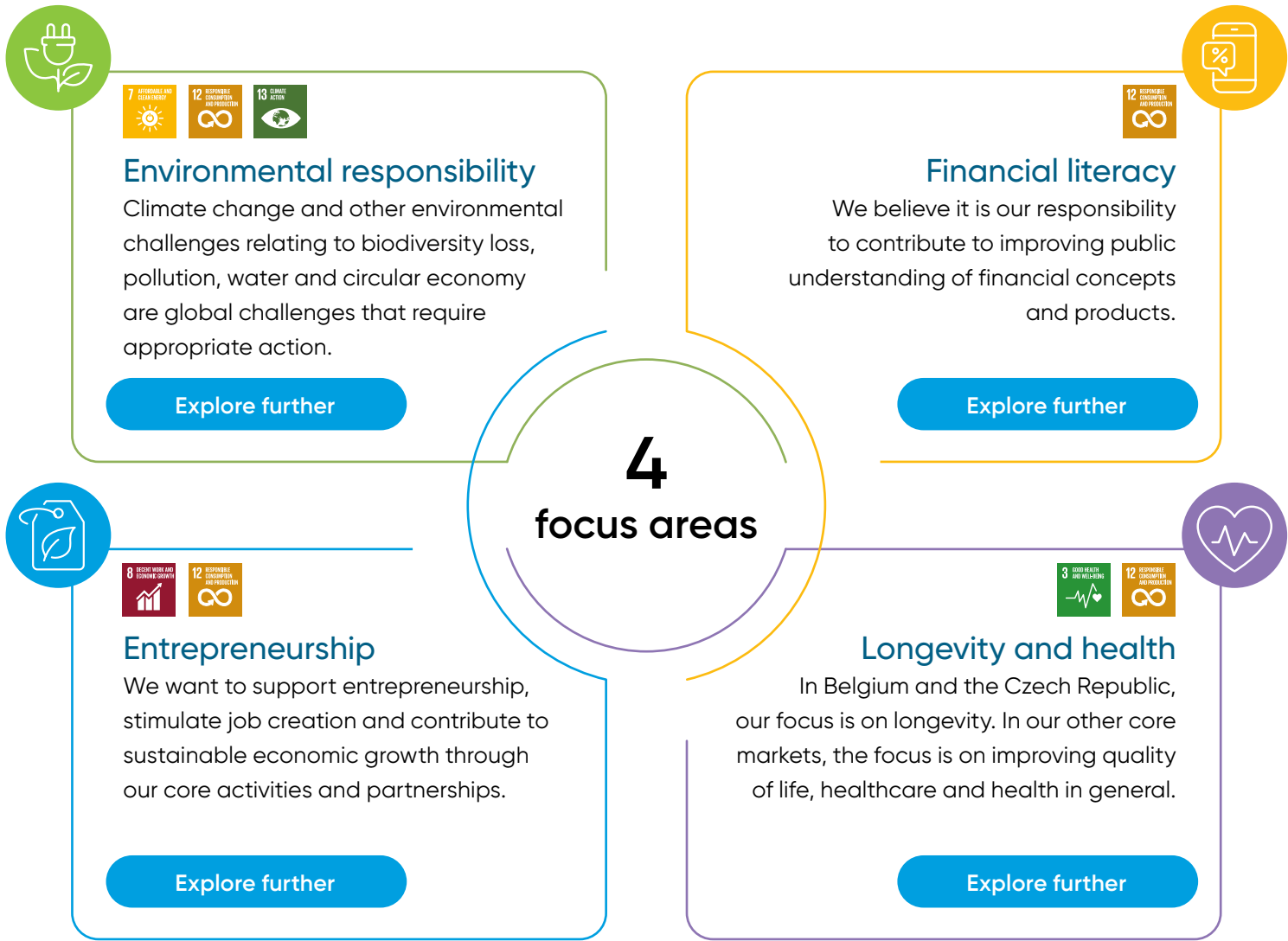
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From strategy to business: four focus areas

Our sustainability strategy has four points of focus: environmental responsibility, financial literacy, entrepreneurship and longevity and health. These align with current societal needs, and we aim to provide sustainable solutions in each of these domains.



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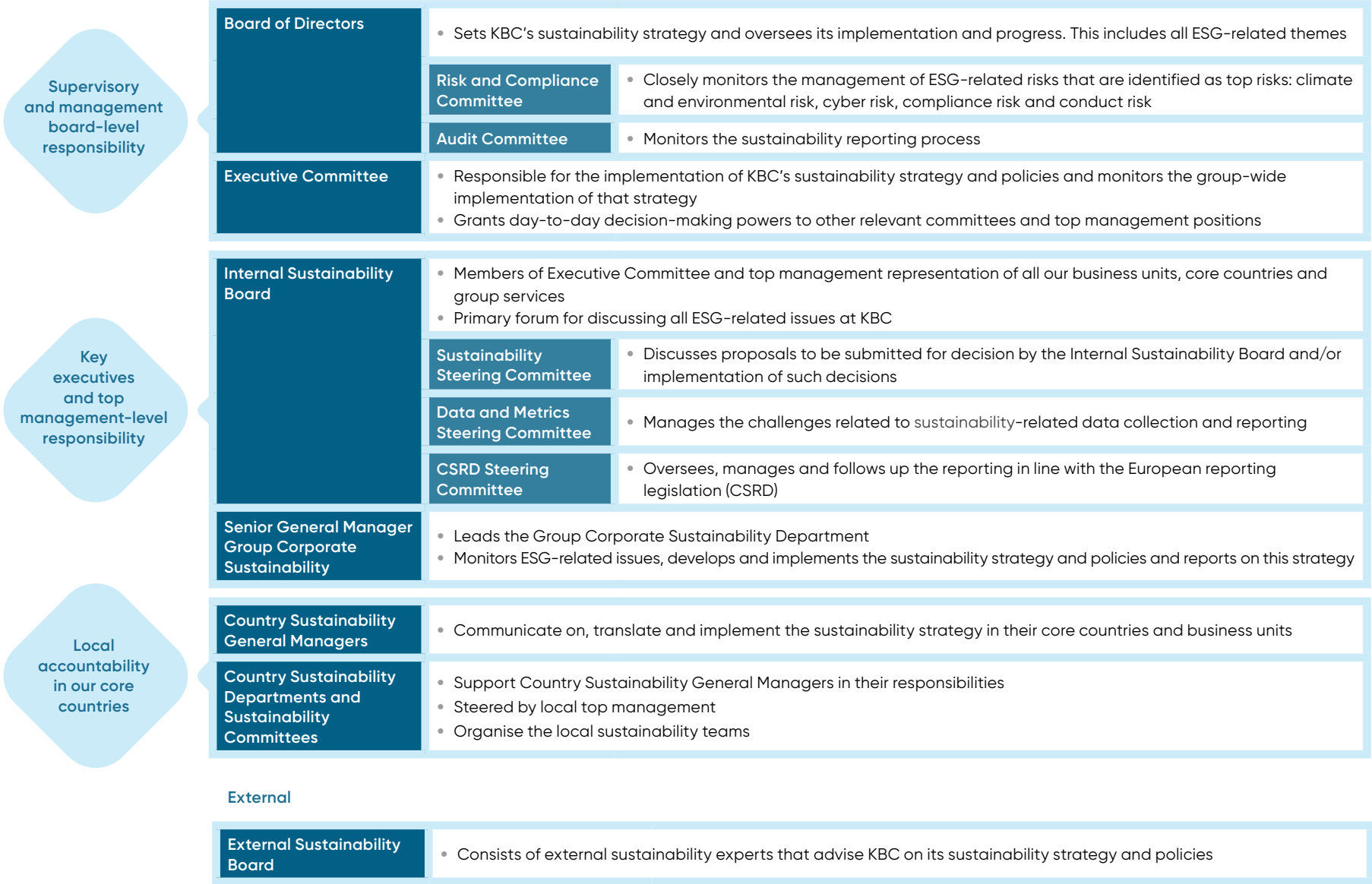
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Sustainability governance

We have robust sustainability governance in place to ensure that our sustainability strategy is integrated throughout our Group and in all our core activities. This includes top-level responsibility for our sustainability strategy for all environment, social and governance-related (ESG) themes. We make decisions about our sustainability strategy at the group level, which local teams in each of the core countries then implement. Local accountability is placed at top management level to ensure proper implementation.



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” With over 25 years of experience in the financial and insurance sectors, I have learned that embedding sustainability into a company's corporate strategy and operations is a strategic imperative. Sustainability strategies should address environmental and governance issues, while also considering societal challenges. I believe that financial institutions like KBC have a unique role to play in shaping a more resilient and inclusive future and in driving meaningful change. It is important that the focus is on supporting clients through the transition to a low-carbon economy. I am excited that, as a newly appointed board member, I will be able to contribute to KBC's sustainability strategy and help steer the Group toward long-term value creation for all stakeholders.”



LINE MERETHE HESTVIK,
Independent Board member, member
of the Nomination Committee and of
the Risk and Compliance Committee, KBC

Supervisory and management board
level responsibility

The **Board of Directors** sets the KBC's sustainability strategy and oversees its implementation by the Executive Committee. This covers ESG-related themes in the broader sense, including climate and other environmental topics, as well as topics such as gender diversity, human rights, ethical behaviour and integrity. Twice a year, the Board of Directors evaluates and discusses the implementation and progress of the sustainability strategy using the [KBC Sustainability Dashboard](#). In addition, important changes to sustainability policies and sustainability-related reporting are also discussed at board level, when required.

The Board of Directors and the **Risk and Compliance Committee** closely monitor ESG-related risks. The Executive Committee has defined climate and environmental risk, cyber risk, compliance risk and conduct risk as top risks for the KBC Group. For more information, see the [KBC Group Risk Report](#).

The **Audit Committee** ensures that the Executive Committee establishes adequate and effective internal control measures and monitors KBC's sustainability reporting process.

The **Executive Committee** is tasked with the operational management of the sustainability strategy within KBC. This includes the Group's ESG-related strategies and policies. It also monitors the implementation of that strategy throughout the Group.

Sustainability integrated into our remuneration
policy

We believe that our management bodies have an important role in the implementation of our sustainability strategy. **Elements such as sustainability are becoming increasingly important and currently determine at least 30% of the collective, variable, results-related remuneration component awarded to the members of the Executive Committee.** Progress on these criteria is evaluated every six months using the KBC Sustainability Dashboard. The ultimate assessment of the criteria used to evaluate the members of the Executive Committee lies with the Board of Directors via the Remuneration Committee.

The variable remuneration of top management is also partly linked to sustainability performance. In practical terms, at least 10% of the variable remuneration of top management members is tied to the achievement of specific objectives related to the implementation of the Group's sustainability strategy.



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Key executives and top management level responsibility

The Executive Committee has granted day-to-day decision-making powers to relevant committees and top-level management. Each are responsible for a certain domain:

- The **Internal Sustainability Board (ISB)** serves as the principal forum at KBC for discussions of overall ESG-related issues. The Board is chaired by the Group CEO and includes the Group CFO as the vice-chair. It is also composed of executive and top-management representatives of all our business units, core countries and group services (including risk functions). The ISB operates in close partnership with the Group Corporate Sustainability department and the Senior General Manager of Group Corporate Sustainability, who is also a member of the ISB.
- The **Steering Committee Sustainability** is chaired by the Senior General Manager of Group Corporate Sustainability. It includes the Sustainability General Managers of all home countries and representatives of relevant head-office departments (including risk functions). The committee discusses proposals to be submitted for decision by the ISB and/or implementation of such decisions.
- The **Data and Metrics Steering Committee** is co-chaired by the Group CFO and the Senior General Manager of Group Finance and has specific management

responsibility for challenges related to sustainability-related data collection and reporting.

- The **Corporate Sustainability Reporting Directive (CSRD) Steering Committee** oversees KBC's CSRD conceptualisation and implementation. The Steering Committee is only responsible for reporting topics. Strategic decisions remain the responsibility of the relevant existing decision-making bodies and committees.
- The **Senior General Manager, Group Corporate Sustainability** leads the Group Corporate Sustainability Department. The Senior General Manager reports directly to the Group CEO and meets on a regular basis with the Chair of the Board of Directors. The department handles the follow-up of ESG-related issues, developing our general sustainability strategy and policies, and reports to the ISB on the implementation of this strategy across the Group.

Local accountability in our core countries

We have appointed a general manager of Sustainability for each core country. These managers are responsible for communicating about sustainability matters within their countries and for the operational implementation of the sustainability strategy. They work closely with the Group Corporate Sustainability department and functionally report to the Senior General Manager of Group Corporate Sustainability.

The organisation of the local sustainability teams varies from country to country. However, **they are generally organised as country-level sustainability departments and committees, headed by local top management.** They provide support for the local integration of the sustainability strategy as well as the organisation and communication of local sustainability initiatives.

External boards

In addition to our internal organisation, we have set up an **External Sustainability Board**. This board consists of sustainability experts, mainly from the world of academia. This board advises us on various aspects of our sustainability strategy and challenges us on a wide range of topics. We see these meetings as an ongoing stakeholder dialogue. This enables us to monitor what is going on in society, which helps us to determine the topics we should focus on in our sustainability strategy.

Another external board is the [RI Advisory Board](#). This board acts as an independent body and oversees the screening of the responsible character of the Responsible Investing (RI) funds offered by KBC Asset Management.



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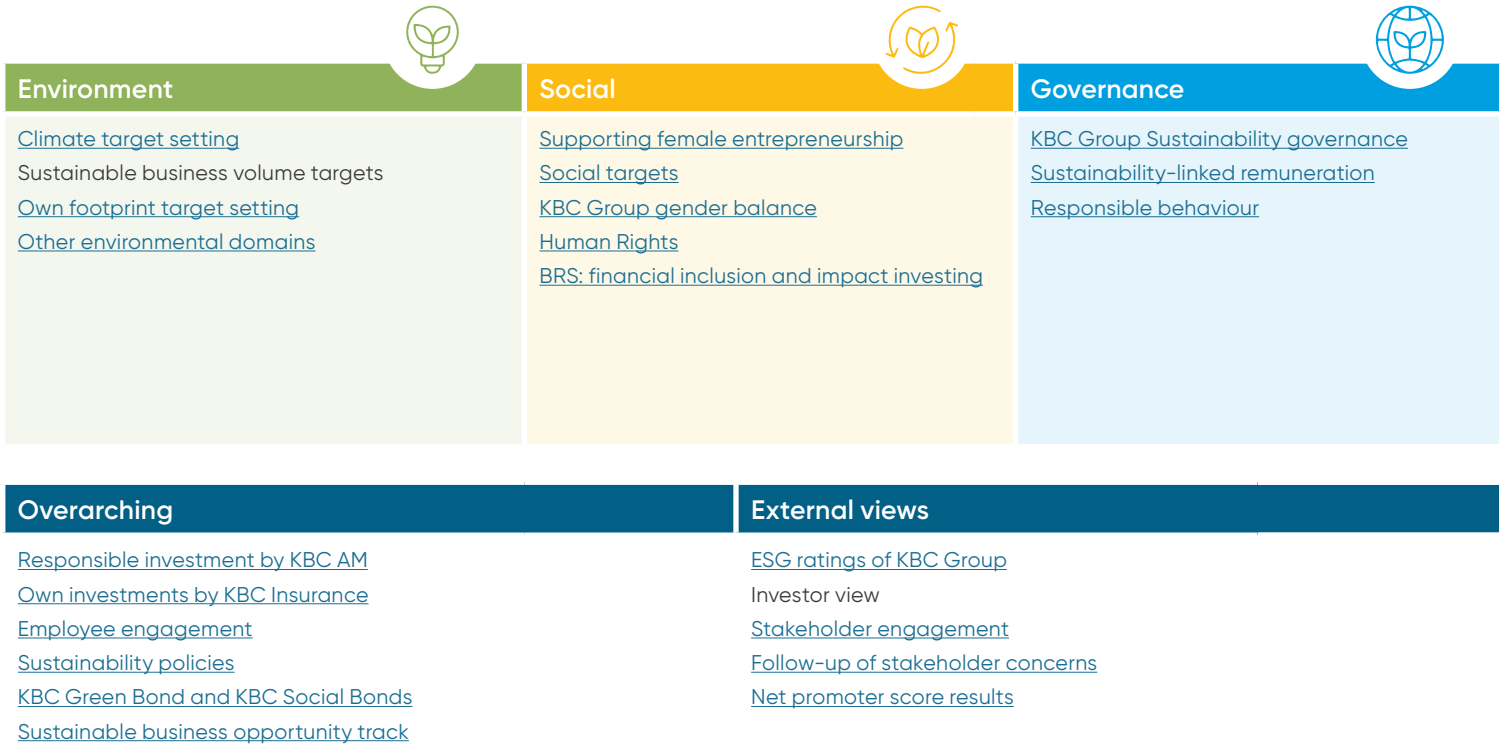
KBC Sustainability Dashboard

We track the implementation and progress of our sustainability strategy by using the KBC Sustainability Dashboard. The dashboard provides measurable and verifiable parameters related to the key themes and actions of our sustainability strategy, enabling an objective assessment of the strategy. The dashboard is presented twice a year to the Executive Committee and the Board of Directors for the evaluation and discussion of progress on sustainability. Progress on the different objectives affects the variable remuneration of the Executive Committee members.



The figure on this page shows the key elements of the KBC Sustainability Dashboard. We discuss the underlying Key Performance Indicators throughout this report as well as in our Annual Report. However, some indicators are available only within the KBC organisation.

Figure 2.3: KBC Sustainability Dashboard



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The world in which we operate

As a financial institution, we are an important driver of the economic system and have a significant impact on the environment in which we operate. At the same time, we are impacted by the world around us. In shaping our sustainability strategy and policies, we keep a close eye on the developments in our working environment. This section describes different elements that influence the focus of our sustainability strategy.

Regulatory and legislative agenda

Regulation has been shaping sustainability themes for some time now, both for us and our clients. At the European level, legislative initiatives – such as the European CSRD, the Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy Regulation – have historically guided our approach and continue to do so. We remain fully committed to adhering to existing regulations and are actively monitoring and preparing for future legal developments in this evolving landscape.

Voluntary commitments

KBC Group is also a signatory of various sustainability-related commitments. An overview of the main commitments we have made in preceding years can be found on [our corporate website](#).

Our stakeholder interactions

We engage with our stakeholders on a continuous basis to understand their expectations of us and their views on the environmental and social challenges that we face as a society. This guides us in shaping and steering our sustainability strategy. That is why we work jointly with our clients, other financial institutions and authorities.

Double materiality assessment

In 2024, KBC conducted a comprehensive double materiality assessment (DMA) in line with European CSRD reporting legislation. This assessment aimed to identify the information required for inclusion in the mandatory Sustainability Statement of the Annual Report from financial year 2024 onwards. Six sustainability topics were deemed to be material for KBC from an impact and/or financial perspective: our own workforce, consumers and end-users, business conduct, climate change, water and marine resources, and biodiversity and ecosystems. Besides forming the foundation for our disclosures and alignment with European Sustainability Reporting Standards (ESRS), they also help shape our strategic focus and sustainability reporting for the future. In 2025, the DMA confirmed the continued relevance of the six topics, and no new material impacts, risks or opportunities were identified.

”

We believe that sustainable value creation is only possible through collaboration with our stakeholders. We therefore actively seek dialogue with NGOs, academic institutions, public authorities and the wider community.

For instance, we supported WWF in reviewing their report on the socio-economic impacts of ecological restoration in Belgium. We also regularly discuss ESG issues with various stakeholders. These conversations help shape our business and ensure that our sustainability strategy remains responsive to societal needs.

Moreover, we share our expertise through, for example, symposia and conferences to foster knowledge exchange and to inspire collective progress toward sustainability.”



FILIP FERRANTE,
Senior General Manager Group
Corporate Sustainability KBC Group



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- More detailed information on our stakeholder interactions
[KBC Group Annual Report 2025: Our stakeholder interactions](#)
- Detailed process and results of the double materiality assessment
[KBC Group Annual Report 2024: Sustainability Statement](#)
- Our corporate strategy
[KBC Group Annual Report 2025: Our strategy](#)
[Our sustainability strategy](#)
[The cornerstones of our sustainability strategy](#)

Community involvement

KBC is aware of the important role it plays in society and takes its responsibility very seriously. In the domain of citizenship, sponsorship, volunteer working and philanthropy, we want to promote activities, projects and campaigns that matter to our clients, our employees and our communities, while giving all entities the freedom to define a local focus. We want to contribute to a positive impact on society at large.



Dedication to communities and health



Our employees actively support good causes through sports. In Belgium, our CBC colleagues participated in a 100-kilometre run to raise money for CAP48, an organisation that aims to improve the lives of people with disabilities and vulnerable youth. Other Belgian colleagues joined more than 1 000 teams in the ‘Kom op tegen Kanker’ cycling tour to raise funds for cancer research. In Slovakia, ČSOB supported the Bratislava Marathon, with staff volunteering behind the scenes. The event raised funds and awareness for the blind and partially sighted, highlighted with a donation of 10 000 euros to support breaking down digital barriers for visually impaired individuals.



Empowering future generations



We aim to empower future generations. In Hungary, the K&H Fit for life Programme helps young people (aged 16–24) in child protection or aftercare to transition towards independent living. The initiative provides career-focused training opportunities. Out of nearly 300 applicants, 77 were selected to receive training worth a total of 103 000 euros. In Belgium, KBC co-sponsored the Innoptus Solar Team, engineering students developing a solar-powered car, with KBC Insurance providing accident cover. The car symbolises innovation, teamwork, sustainability and young talent. In Bulgaria, UBB established a partnership with a prominent ESG influencer to promote strategies for Gen Z to protect forests from wildfires, encourage eco-friendly travel and to offer tips for more sustainable housing.



Empowering communities' development



Community development remains at the heart of KBC Group’s sustainability efforts, with a focus on environmental stewardship and employee engagement. ČSOB partners with the Archa Bohemica exhibition at the Prague Botanical Garden, which aims to conserve endangered and extinct plant species and to support their reintroduction into the wild. UBB’s ‘Choose to Help’ programme is a major Bulgarian initiative involving employees and donors in projects spanning health, social activities, culture, education and ecology. Across 16 editions, it has raised over 4.1 million Bulgarian leva (2.1 million euros), supported 340 projects at 180 organisations, and organised 11 volunteer campaigns and health sessions in 2025.



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This section outlines the measures we are implementing to cultivate a work environment that attracts employees and promotes long-term growth. We describe the ways in which we ensure a safe, secure and healthy working environment. And we describe our approach to developing our employees' skills, talents and creativity. Finally, we outline how we listen to and interact with our people and how we create a diverse and inclusive business culture.



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KBC has a total of 40 000 employees. We see our workforce as one of the key stakeholders of our Group, our biggest asset and our main driving force. That’s why we aim to foster a work environment that not only attracts highly qualified employees but also inspires them to build a long-term career within KBC.

To this end, we are making significant investments to create a healthy, comfortable, inclusive and safe working environment. We also want to enable our employees to grow their talents over the course of their careers, from onboarding all the way to retirement. We make sure that we respond to our employees’ needs by engaging in open social dialogue and through regular employee-engagement surveys.

Our people strategy

Our Human Resources (HR) policy is rooted within our group-wide values and especially our ‘PEARL+’ culture:

- **Performance:** We strive for excellent results and do what we promise.
- **Empowerment:** We foster the development of individual employees’ creativity and talent.
- **Accountability:** We meet our personal responsibilities.
- **Responsiveness:** We anticipate and proactively respond to questions and suggestions.
- **Local embeddedness:** We view the diversity of our teams and clients in our core markets as a strength.
- **‘+’** reflects our focus on collaboration, on the joint development and smart copying of solutions, initiatives and ideas within the Group.

Finally, we encourage all our employees to conduct themselves in a way that is **responsive, respectful and results driven**.

Moreover, the implementation of our people strategy is attuned to local conditions within each of the core markets in which we operate.



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In addition to our national Top Employer certifications, in 2025, KBC has also earned the European Top Employer certificate for the first time.

Positive employee experiences lead to higher engagement

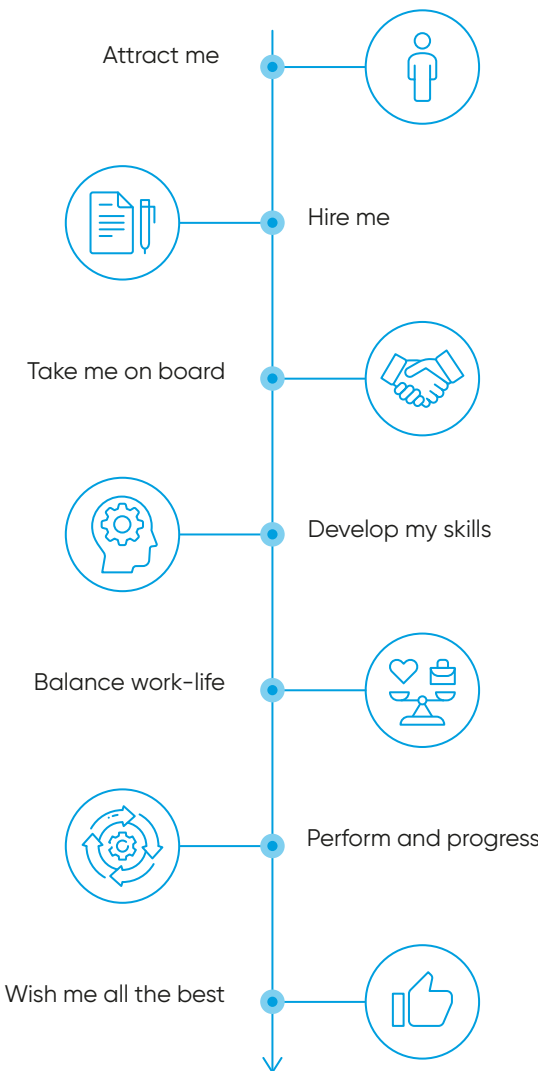
At KBC, providing an exceptional client experience is at the centre of our strategy. Clients expect solutions that are accessible, fast, and intuitive – tailored to their needs and complemented by meaningful human interaction at critical moments.

Employees have similar expectations, so we also prioritise delivering an optimal employee experience. Every colleague is treated as an internal client, as are future employees. Our consistent approach enhances recruitment, keeps colleagues engaged and increases the likelihood of retaining talent.

Our employees’ needs and experiences vary depending on the stage of their career and their role. **We strive to continuously enhance our HR processes and human interactions, ensuring that every key moment in our employees’ careers is well-supported and also truly exceptional.**

The **Employee Experience Lifecycle** in Figure 3.1, with its focus on milestones that matter, illustrates this concept.

Figure 3.1: The Employee Experience Lifecycle at KBC



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- Our PEARL+ corporate culture and values
[KBC Group Annual Report Our business model: What makes us who we are](#)
- Detailed people indicators
[Sustainability facts and figures: Employees'](#)

Talent acquisition and onboarding

Recruiting the most qualified employees is crucial in a competitive labour market. To this end, KBC has enhanced its recruitment process.

We apply the same commitment to our employees as we do to our clients, treating each colleague and prospective hire as an internal client by providing timely feedback and offering a streamlined application process. Our approach strengthens recruitment, fosters engagement and supports talent retention. For us, attracting candidates starts with focusing on building a strong employer brand and using different channels to reach potential candidates. Candidates are evaluated through different methodologies, including interviews, formal assessments and innovative talent acquisition platforms. Our focus is on identifying candidates who best fit the organisation in terms of skills, experience and alignment with the company culture.

We implement initiatives to attract new, diverse and highly qualified talent, including collaborations with universities through job fairs, guest lectures and internship programmes. Our employer branding strategy focuses on an active presence on social

media and professional platforms, complemented by employee referral programmes and traineeships. To promote diversity and inclusion, we use gender-neutral job descriptions and offer mentoring programmes (e.g. to women in IT in Belgium and young colleagues in the Czech Republic).

In Belgium, our Talent Acquisition Platform delivers a streamlined process built on standardised methods and advanced technology. Driven by data insights, it guarantees a fair, transparent and unbiased selection process.

Once new employees are on board, initiatives are in place to ensure that newcomers feel integrated and connected. In Belgium, an onboarding journey was set up with in-person and digital touchpoints. All newcomers are invited to an in-person Welcome Day where they receive essential information and have the opportunity to connect with top management and peers.

In the spotlight



Reimagining student jobs

In 2025, we launched a fresh approach to student employment in Belgium. As a top employer, KBC wants every first work experience to truly matter.

That's why we have redesigned our policy:

- **Longer, and more enriched assignments:** Student roles now span four weeks, enabling meaningful projects and real impact.
- **Smart matching:** Tasks are aligned with academic backgrounds so students can apply theory to practice.
- **Future focused:** Every student joins our talent pool, opening doors to career opportunities after graduation.
- **Our goal:** Deliver an inspiring experience that sparks ambition and builds lasting connections with KBC.



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Developing the talents of our employees



At KBC, we give all employees all opportunities they need to develop their talents and creativity – from day one until the end of their career. We provide tools and trigger continuous personal and professional growth, enabling employees to become more proficient professionals and to explore their potential, while ensuring fair recognition for their contributions to the success of their team and company goals.

Performance and progression

Our performance and progression management helps KBC to remain the benchmark in our sector by fostering agility and ongoing talent development. The process is based on dynamic goals, regular progression dialogues and continuous feedback.

Employees work with their manager to set **clear performance and development goals** that provide focus and clarify how their efforts contribute to team and company goals. Progress is reviewed through ongoing conversations that emphasise development and adaptability.

We place value on an **open feedback culture**, in which employees and managers learn from each other and build on achievements through coaching and feedback. This approach helps individuals and teams to progress faster, seize new opportunities, and stay aligned with KBC’s strategy in a rapidly changing environment.



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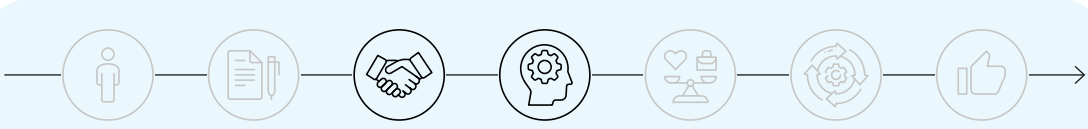
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We ensure that all our employees receive a **fair reward** for their performance and efforts.

Reward

At KBC, we strive for a fair, transparent and sustainable remuneration practice that is fully aligned with our sustainability strategy, the interest of our stakeholders and European and national legislation.

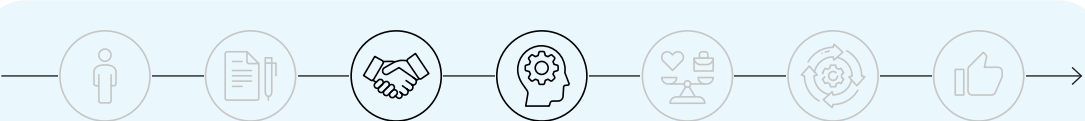
Our internal Remuneration Policy is based on the following key principles:

- **Fair and gender neutral:** All remuneration schemes are gender neutral and guarantee equal pay for equal work or work of equal value, regardless of gender.
- **Market aligned and legally compliant:** Remuneration is always in line with the local legal minimum wage and is regularly benchmarked against market standards to ensure competitiveness.
- **Transparent and objective:** Remuneration is based on job weight, skills and performance, and is supported by a transparent appraisal process.
- **Alignment with shareholder interests and risk management:** Remuneration schemes are aligned with the long-term interests of KBC, the [Group's risk appetite](#) and the interests of relevant stakeholders. They do not include incentives for excessive risk-taking and are compatible with the risk appetite.
- **Governance and compliance:** All remuneration practices comply with the KBC Group Compliance Rules and local legislation and are governed by a strict

governance process involving HR, Risk, Compliance and the relevant governing bodies.

- **Fixed and variable:** Total remuneration consists of fixed and variable components. Variable remuneration is results- and appraisal-based, and is awarded based on group results, business unit results and individual performance. Non-financial criteria – such as adherence to values, risk awareness and sustainability – also play an important role.
- **Maximum ratios:** Clear, maximum ratios are set for the relationship between fixed and variable remuneration, depending on the function level.
- **Sustainability linkage:** For certain employee groups, including top management and the Executive Committee, part of the variable remuneration is explicitly linked to sustainability objectives.

In addition, KBC has an externally published **Remuneration Policy for the Board of Directors and Executive Committee members**. This policy requires that all remuneration schemes align with local practices and legislation, remain compatible with stakeholder interests and support our sustainability strategy. It sets clear principles for governance and transparency at the highest level. For further information please refer to the section on [Our Sustainability strategy](#).



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Read more

- More detail on the Remuneration Policy for all our staff
[KBC Group Annual Report: Sustainability Statement](#)
- More detail on the Remuneration Policy for the Board of Directors and members of the Executive Committee
[KBC Group Remuneration Policy](#)

In 2025,
the average number
of learning hours
per head
was **38.90** hours.

Continuous learning

Learning platforms

We have created digital platforms in all our core countries to support our employees to develop their skill sets for their current and future roles and functions. The most advanced of these is called **StiPPLE** – an acronym for Skills to improve Performance, Progression, Learning and Employability – and is used in Belgium.

The platform provides multiple services:

- **Tracking employees’ skills and setting development targets** for these skills, which are generally agreed between the employee and their manager. In 2024, Artificial Intelligence (AI) functionality was added to support employees to register skills based on their previous experience.
- **Suggesting and providing learning opportunities** tailored to the individual needs of the employee.
- **Suggesting internal job opportunities** that match our employees’ skill profiles, based on the proficiency levels of their competencies and development ambitions.
- **Facilitating applications for open positions** by showing how well the employees’ skills match with the skills required in the internal vacancy.



Upskilling and reskilling is key to our corporate strategy and central in our learning and development strategy. We empower employees to shape their futures by strengthening the skills they need to contribute to KBC’s strategy and goals today, while preparing them for future transformations – including AI – through effective learning. The StiPPLE learning service is available in all our core countries for this reason.



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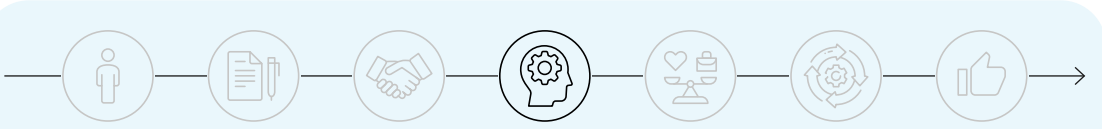
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In the spotlight



Learning Fest event series

At K&H, we believe the future will not wait – so we must be ready. That is why we created and launched K&H Learning Fest, which has grown into one of our most dynamic and diverse internal knowledge development programmes. In 2024, participants engaged in inspiring presentations, hands-on workshops and interactive discussions exploring the latest trends in self-improvement, digitalisation and artificial intelligence. Building on this success, we placed a strong emphasis on AI in 2025. And in order to meet overwhelming interest, we expanded the programme to offer colleagues practical, real-world learning opportunities that empower them to apply AI in their daily work. In 2025, 808 employees took part in the Learning Fest event series, representing around 20% of K&H's workforce. Across 22 events, we recorded a total of 3 321 participants, with 84% joining online and 16% attending in person.



Leadership programmes

We also deploy development programmes for our current and future leaders.

Firstly, our tailored programmes help top managers develop the skills to drive KBC's strategy forwards.

These programmes are offered through KBC University and are mandatory for all recently appointed top managers. Their focus is the PEARL+ leadership model with specific attention to trust and psychological safety, as well as adaptive and inclusive leadership. They include more detailed information about our overall strategy with a focus on, for example, sustainability, responsible behaviour and AI. Additionally and whenever deemed necessary, we organise specific trainings known as 'KBC University Days', for all top managers.

Secondly, we are actively working on a development plan for top talents, our potential future top managers.

An illustration of this is 'Top Talent in Action', an action-based and gender-balanced learning programme for 20 to 25 top talents from across the Group. 'Top Talent in Action' is designed to strengthen participant's capabilities in vision, innovation, change management, leadership, teamwork and self-awareness, in order to equip them with the skills required to take on future senior management responsibilities.

Participants work in self-directing teams on a realistic case, supported by top management. In 2023, the case involved the exploration of sustainable business opportunities. In 2024, it was linked to our updated 'S.T.E.M. the Ecosphere' strategy. In 2025, the focus was on accelerating efficiency.

Thirdly, we have created specific leadership training programmes in all countries. In 2024, new leadership development programmes were introduced and fully implemented throughout 2025. The following programmes were continued or rolled out:

- In Belgium: The PEARL+ Academy was launched for experienced middle managers. This programme consists of an eight-day learning journey focusing on inclusive leadership within KBC's complex transformation context.
- In the Czech Republic: The Next-level Leadership Programme was implemented for local managers and top talents. Its core themes included cross-team collaboration, team intelligence, fostering a growth mindset and excellence in client-facing communication.
- In Slovakia: The Next-level University was established to target local management. Its curriculum emphasises IT, data-driven approaches and client centricity.



Sustainability as a hot skill

KBC views its employees as essential to delivering its sustainability strategy. To increase the knowledge and skills of our employees on this topic, we have developed several training courses on the subject:

- In 2021, we launched **company-wide, climate change training** to raise awareness and explain KBC’s sustainability strategy. This training focuses on climate change-related issues.
- In 2022, additional **sessions covered training on climate risks, regulatory reporting requirements and responsible investing areas**.
- In late 2023, **our e-learning programme introduced biodiversity, pollution, water and circular economy**; topics relevant to financial institutions.

- In 2024, **advanced ESG courses were rolled out across core countries**. In the Czech Republic an ‘ESG Academy’ was launched, while in Bulgaria an internal ESG community was created to promote engagement and long-term value creation.
- In 2025, sustainability continued to be a hot skill within our organisation. In Belgium, **we launched a summer campaign titled ‘A Refreshing Dive into Your Hot Skills’, spotlighting sustainability as one of five key strategic competencies**. We also hosted a **Just Transition session** to raise awareness of social and environmental impacts and encourage inclusive reflection.

We have observed significant employee engagement since its inclusion within the employee development plan in 2021. In Belgium alone, nearly 14 420 employees collectively dedicated nearly 7 600 learning days to sustainability-related training between 2022 and 2025.

In the spotlight

Embedding climate transition on the front line

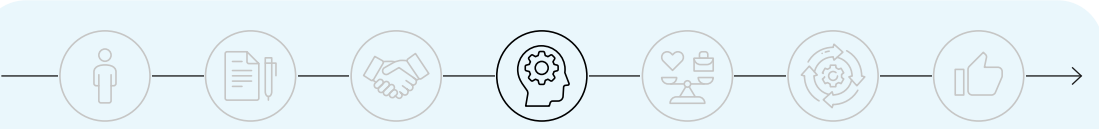
We anticipated the need for training on climate topics as far back as 2022, when we introduced the **Climate Business Game** to enhance employees’ understanding of the climate-related challenges that we face as a financial institution. The game trains participants to reduce climate-related risks by showing how financial decisions – such as granting loans – affect climate risks, opportunities and overall financial performance. The game was deployed across all our core entities for diverse audiences, including top management, corporate audit, commercial banking, business managers as well as credit and risk experts. We continued this initiative in 2025, holding a total of six group sessions to bring the total number of sessions organised throughout the Group to nearly 50.



” There are 40 000 employees in our sustainability department. We expect all employees of KBC to act and behave responsibly.”



JOHAN THIJS,
CEO KBC Group



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KBC values the mental and physical **health and wellbeing** of its **employees** highly.

Creating a safe and healthy working environment

We focus on creating and maintaining a working environment where people feel safe, are free to speak up and able to grow. Moreover, we are keen for our employees to enjoy the right work-life balance. We have put in place measures to achieve this balance, including allowing flexible ways of working.

Health and wellbeing

KBC’s independent medical prevention department is in charge of KBC’s Occupational Health and Safety Committees (OHSC). Their joint responsibility is to **create a healthy and safe working environment that does not negatively affect the health and wellbeing of our employees by conducting OHS risk and hazard assessments**. In addition, the facilities department ensures that our building and office spaces meet appropriate standards, including ergonomic requirements.

KBC also puts a lot of emphasis on sports and healthy lifestyle initiatives. Sports activities and communities are organised and encouraged in all our countries. Hungary holds an annual K&H Sports Day. Similarly, in Belgium a community called ‘Sportify’ inspires participation in group activities such as running events.

With respect to the mental health of our employees, we are strongly committed to preventing excessive stress at work. We run sensitivity campaigns to make sure our employees and managers are alert to early signs of stress and anxiety and we also encourage them to act immediately when symptoms are observed. Additionally, there are several mental health-related initiatives at local levels.



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Wellbeing is an integral part of our HR strategy and is integrated into its different dimensions throughout the entire employee lifecycle. In Belgium, our approach encompasses all dimensions of wellbeing: physical, mental, professional, financial and social. It is supported by a new internal wellbeing website indicating all the initiatives, information and contact points, per dimension. We regularly organise information sessions and webinars on themes such as ‘Disconnect to connect,’ ‘How to sustainably improve my lifestyle’ or ‘From loneliness to connection at work.’

In the spotlight

ČSOB & Charter Against Domestic Violence
In the Czech Republic, one in three women and one in ten men experience domestic violence. Domestic violence not only impacts private life, but also affects mental health, workplace performance, productivity, professional relationships and psychological safety within the team. ČSOB has been a signatory to the national charter against domestic and gender-based violence since 2023, with Aleš Blažek, CEO of ČSOB Czech Republic, serving as the face of the ‘Men Against Violence’ campaign. ČSOB supports employees through free psychological counselling (internal and external), financial assistance, up to five days of paid leave for legal or relocation needs, as well as with psychosocial safety measures in the workplace.



In the spotlight

Wellbeing programme award and Wellbeing Champions
K&H’s wellbeing programme was awarded bronze in the largest and longest-running HR communication competition in Hungary, the HRKOMM Awards (HR Communication Awards). The programme is structured around five key pillars: intellectual, mental, physical, social and financial wellbeing. Additionally, a voluntary initiative, called ‘Wellbeing Champions’ engages employees in identifying staff needs. Insights gathered by these volunteers are integrated into the K&H wellbeing programme on an ongoing basis.



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KBC offers
flexible working
options and
digital tools
to support
employees.

Offering flexible working conditions

In recent years, KBC has introduced a growing number of innovative working practices to meet the rising demand for flexible work arrangements. For example, we offer options for part-time working, working from home and working flexible hours. By integrating digital collaboration methods, we have enhanced flexibility while maintaining strong team connections and ensuring the quality of service to our clients.

My Kate

We also provide tools and services that allow our employees to use their resources as efficiently as possible. In some of our core countries, the proactive My Kate chatbot supports employees with HR-related topics and daily administrative tasks. It also provides personalised notifications to guide managers and employees through HR processes.



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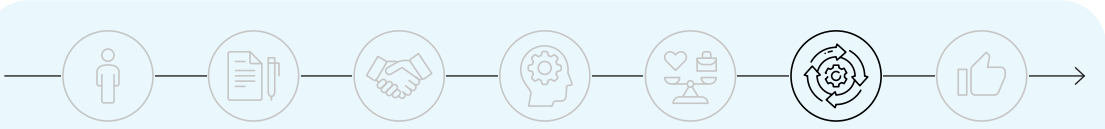
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Offboarding and end-of-career schemes

At KBC, we value every stage of our employees' careers – including the transition towards retirement. Our aim is to ensure that this transition is as smooth and positive as possible. It is our explicit wish that colleagues continue to feel connected to KBC and remain ambassadors for our values and our company, even after their active careers have ended.

We provide our employees with opportunities to keep growing and developing their talents until the very end of their careers. Through end-of-career pathways, personal guidance and dedicated initiatives, we ensure that employees feel valued and remain true ambassadors during their final years at KBC and well into retirement.

In the spotlight



Two-day VIP event: A warm and comprehensive farewell for future retirees

In Belgium, the two-day VIP event is a central part of our offboarding process and offers employees who are about to retire a unique, warm experience. These two days address a variety of topics that are relevant to a smooth transition to retirement and continued ambassadorship after one's career. Inspiring speakers and workshops cover a wide range of themes. Practical topics include information about pension schemes, administrative steps, social rights and financial planning. In addition, there is attention for completely different aspects such as coping with change, finding meaning after one's career, the importance of a healthy lifestyle, discovering new passions or volunteer work and health. There is room for personal stories, networking with other future retirees and sharing experiences. This broad-based approach ensures that every colleague feels valued and well prepared to start a new chapter as a proud ambassador for KBC.

In the spotlight



Empowering careers with the 55-plus programme

In the Czech Republic, our employees enrolled in the '55-plus programme' to pursue their career to the benefit of non-profit organisations and public benefit institutions, as well as mentoring younger colleagues through intergenerational dialogue.



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At Group level, **80%**
of our employees report
feeling engaged
with KBC.

Engaging with our employees

We want to be in touch with the sentiments, needs and views of our employees, and to adapt our work organisation accordingly. We listen to our employees carefully by regularly conducting employee engagement surveys and investing in regular social dialogue with employee representatives.

Employee engagement and wellbeing surveys

KBC conducts a biannual employee engagement survey across all core countries to gather feedback on key topics including:

- The **engagement** with the organisation. Employee engagement is measured through pride in working for KBC, commitment, and a meaningful connection to the purpose of their function in the organisation.
- The ways in which employees view their **career development opportunities and personal growth** within the company.
- How colleagues experience **(digital) transformation** and the way it impacts their jobs.

The employee engagement survey shows that our employees are highly engaged: 80% report feeling engaged with KBC, a figure that has remained stable over time. This reflects a **strong and committed workforce**. Employees express their pride in KBC's innovative approach and its stability as an organisation and an employer. We use insights from the **employee engagement survey to establish initiatives that enhance work experience and strengthen engagement**. Connection – measured across relationships with colleagues, managers and the company – is recognised as a key driver of engagement and is monitored through the survey to ensure continuous improvement.

Additionally, **stress levels** are monitored through local surveys, such as Belgium's wellbeing survey. Overall, 88% of our employees in Belgium reported being **satisfied in their function**, which is over 5% better than the financial sector benchmark. This reflects a **happy workforce**. In 2025, 69% of our employees participated in this survey. Nonetheless, 30% of employees reported experiencing stress or having difficulty relaxing, which is seven percentage points lower than the financial sector benchmark.

For detailed results of the employee survey, we refer to our [Sustainability Facts and Figures](#).

Social dialogue

We regularly engage in constructive dialogue with our employees and our workers representatives about working conditions. In line with our policy on human rights, we fully support the freedom of association and the right to collective bargaining.

These dialogues aim to align the interests of both KBC and its employees. Discussion topics relate to reward, working conditions, internal reorganisations and employee wellbeing. Typically, these discussions take place at the country or legal entity level, to enable attention to local social issues and compliance with national laws and practices. Once a year, the European Works Council convenes employee representatives from all core countries and senior management. This forum addresses cross-border matters and ensures that decisions made at the group level are discussed in a transparent way.

Most employees are covered by collective bargaining agreements and formal employee representation. **At group level, around 89.8% of our employees are covered by collective bargaining agreements. Formal employee representation is in place for 90.8% of our employees.** The proportion of employees covered by such agreements differs per country.

Fair labour practices

At KBC we are fully committed to respecting our employees' labour rights and ensuring safe, healthy and supportive working conditions. We strictly comply with all relevant legislation, core human rights conventions and international labour standards, as set by the International Labour Organization (ILO). **In many areas, we go beyond regulatory requirements to provide additional protections and benefits. Programmes are in place to ensure that labour practices are properly managed.**

In all our core countries, we have established Collective Bargaining Agreements that define the labour rights and working conditions of our employees. These agreements are further detailed in internal rules and policies, which are provided to new employees at the start of their employment and published on local internal websites for easy access.

Our collective bargaining agreements and internal policies cover a wide range of labour rights:

- **Working hours:** All core countries have internal policies on time flexibility, which set limits on maximum working hours, regulate overtime working (e.g. avoiding and reducing overtime working) and prohibit excessive working hours. Programmes are in place to monitor working hours and ensure proper compensation for overtime working.

- **Paid leave and work-life balance:** In all our core countries our employees are entitled to paid annual leave and various types of additional paid leave. Additional paid leave reflects our commitment to work-life balance. We closely monitor employees' take up of paid annual leave entitlements via our HR systems. Reminders are sent to ensure leave entitlements are used before year-end. We also have a policy and monitoring in place to ensure that our employees take their mandatory leave of at least two consecutive weeks per year, to maintain their right to de-connect.
- **Employment security:** Minimum consultation with the affected employees and notice periods are set before any collective dismissals, ensuring transparency and fairness.
- **Social protection and employee support:** KBC provides additional social protection programmes that go beyond public provisions. These include supplementary pension plans, hospitalisation insurance, private life insurance and financial assistance in difficult personal situations (e.g. funerals and long-term sickness).



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- More details on our human rights policy
[KBC policy on human rights](#)



Diversity and inclusion

We are committed to ensuring equal opportunity for all our employees and to eliminating harassment by fostering a diverse, inclusive and respectful workplace. Our approach to diversity is strongly anchored in the value of respect, ensuring that every individual is treated fairly under all circumstances. We strive to create an environment in which every employee feels recognised, empowered and provided with equal opportunities. These principles are set out in our group-wide [Diversity and Inclusion Policy](#) and [Code of Conduct for Employees](#), which include our non-discrimination and anti-harassment commitments that apply to all our employees. At Group level, these policies explicitly prohibit all forms of discrimination, unequal treatment and harassment – whether direct or indirect – based on race, ethnicity, gender, nationality, marital status, sexual orientation, age, family status, education, disability or religion. In addition, we have local diversity programmes in place allowing each country to introduce priorities tailored to their local context.

We apply a strict, zero-tolerance policy for discrimination or any form of disrespectful or harmful behaviour. This includes insulting colleagues, undermining their integrity or dignity, bullying, harassment or discrimination. We take appropriate action in cases of discriminatory behaviour or harassment by employees, as such conduct is unacceptable.

We encourage colleagues to report any suspected discrimination or harassment through an independent, confidential escalation process for reporting incidents. This ensures impartial investigation and a culture of respect and openness. Managers uphold respect and equal opportunities. Also, we monitor our threefold diversity target and report annual progress to the Executive Committee and the Board of Directors, ensuring that we maintain accountability and drive continuous improvement.



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- More details on our diversity approach
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In the spotlight



Wo.men at IT

In Belgium we have established a dedicated community called Wo.men at IT, aimed at promoting gender inclusion with IT roles. The primary objective is to increase the representation of women in IT functions. To achieve this, several initiatives have been introduced such as:

- **Women Circles:** Informal lunch debates on topics such as work-life balance and imposter syndrome.
- **Women Walks:** Networking and connection opportunities involving outdoor walks for female IT-colleagues.
- **Womentoring:** A biannual, six-month mentoring programme designed for women in IT.
- **She Goes Digital:** An executive master’s programme in Digital and IT Essentials, organised by ULB (Université Libre de Bruxelles). This programme encourages female employees from non-IT environments to acquire in-depth IT knowledge, complete an internship within KBC’s IT-department and potentially transition to an IT-role.

These initiatives have delivered measurable impact. The proportion of women in IT in Belgium has grown from 24.9% in 2022 to 27.3% in 2025, representing an increase of 166 female employees over the past three years. According to Forbes Belgium in 2024, only 20% of Belgian IT employees are female.

Gender diversity

In 2025, KBC established a group-wide key target to promote gender balance. Gender inclusion is a focus area within our Group Diversity and Inclusion Policy. Therefore, KBC works towards a gender-balanced distribution of leadership at all levels.

As there are currently no binding legal requirements at the European or national level regarding gender balance in leadership positions within the private sector, **KBC has voluntarily adopted the following threefold target, decided by the Executive Committee in 2025.**

Our goal is to achieve at least 40% representation of the underrepresented gender in recruitment, talent pools and promotions to leadership positions (except the Executive Committee and the Board of Directors). This benchmark draws on an analysis of definitions of the term ‘gender balance’ used within the Belgian financial sector and aligns with the definition endorsed by Febelfin, the Belgian financial sector federation.

The target is set annually and reviewed at group level. Our core countries and business units define the approach they deem necessary, adapted to the local

culture and situation. The achievement of the gender balance target is closely monitored and reported to the Executive Committee and the Board of Directors, and also reported externally.

Engagement and communication regarding gender balance towards employees and the Workers’ Council is fully integrated in the general HR processes. In 2025, KBC met all three target criteria, with 58% in recruitment, 46% in talent pools and 51% in promotions to leadership positions. As the target was set for the first time in 2025, no progress can be reported.

Our approach includes:

- Developing female talent and attracting women with the right skills and ambitions
- Engaging top management to set ambition levels and action plans
- Adapting HR practices, such as gender-neutral job postings
- Ensuring one female and one male candidate for each top management nomination when qualifications are equivalent.

Equal pay

We are committed to ensuring gender pay equality across our organisation. Our approach is grounded in the principle of **equal pay for equal work, guaranteeing fairness and transparency for all roles and career levels.**

We also actively monitor and measure the gender pay gap. This helps us find and address any structural barriers that hinder gender equity. We measure the gender pay gap in two ways:

- **The unadjusted gender pay gap:** This represents the raw difference in average pay between male and female employees. It is calculated as the difference of average pay levels in hourly total salary between female and male employees, expressed as percentage of the average pay level of male employees. For KBC in 2025 this figure was 30.2%. This basic calculation highlights the gender pay gap to some extent, however, it does not account for factors like salary differences across countries, different salary packages, local economic context, job roles or experience.
- **The adjusted gender pay gap:** KBC operates across several core countries with different remuneration frameworks and varying gender composition, the group-level, gender pay-gap calculation does not reflect the above-mentioned differences. To provide a more accurate view, we calculate an adjusted



pay gap using a weighted average methodology. Employees are grouped by three parameters: country, Hay Job Evaluation level and managerial responsibility. Our analysis shows these factors significantly explain the pay gap. We believe this approach offers deeper insight into gender pay differences. **The adjusted gender pay according to the above-mentioned method is 3.2%.**

We conduct annual data analyses by country and subgroup to identify other objective, gender-neutral factors that may explain the remaining pay gap. Where needed, KBC implements additional measures to close the gender pay gap.

Parental leave and family care

We offer several flexible working options for all our employees, including flexible working hours, part-time working options and work-from-home arrangements. By focusing on digital collaboration tools, we have increased flexibility while maintaining strong team performance and high-quality service delivery for our clients.

Additionally, we have several policies and support mechanisms in place for (recent) parents.

Depending on the country, this includes:

- Parental leave
- Childcare facilities and contributions
- Lactation facilities
- Programmes for female colleagues returning from parental leave
- Paid family or care leave beyond parental leave for the purpose of caring for a partner, parent or other family member who is dependent on the care of a KBC employee.

Our local parental leave and family care policies meet the legal requirements in all our core countries. In some countries we go beyond what is required by law. More detailed information on, for example, the number of weeks of parental leave and workplace flexibility options for parents is provided in our [Sustainability Facts and Figures](#).



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Employing people with disabilities

We are committed to fostering an inclusive workplace for colleagues with disabilities. In 2024, we reinforced our commitment to diversity by adding a dedicated chapter to our Diversity and Inclusion Policy. This made the topic more actionable and led to initiatives supporting a diverse workforce across all countries during 2024-2025, guided by four principles:

- **Accessible workplaces** ensuring digital and physical accessibility
- **HR support** at key moments: recruitment, onboarding, mobility and team integration
- Embedding disability inclusion in **broader wellbeing programmes**
- **Awareness and education** promoting understanding and reducing misconceptions.

Our goal is to meet the specific needs of colleagues with physical disabilities, enabling equal participation through appropriate tools and assistance, wherever reasonable and practicable.

Training for all employees on discrimination and harassment

We acknowledge that unconscious bias can negatively impact collaboration and innovation. To mitigate this risk, we provide comprehensive training on unconscious bias through e-Learning modules and interactive workshops for all employees. In line with our commitment to lead by example, all senior managers and colleagues in leadership roles are required to complete the unconscious bias e-Learning module.

This approach empowers our workforce to identify and challenge biases, fostering a cultural shift from unconscious bias to conscious inclusion. In addition, all employees must complete the Responsible Behaviour e-Learning module covering the principles of our Code of Conduct, including our zero-tolerance policy on discrimination and harassment.



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- More information on gender pay
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In the spotlight

CapABLE - Driving inclusion through innovation

KBC Global Services Bulgaria was honoured at the EU Diversity Month Opening Ceremony in April 2025, where the European Commission sponsored a company representative to attend the event in Brussels as a category winner. This recognition highlighted the impact of the CapABLE project; an initiative focused on creating innovative employment opportunities for people with severe disabilities.

The CapABLE project had previously received significant acclaim in 2024. That year, KBC Global Services Bulgaria earned the 'Diversity in the Workplace' award from the Bulgarian Business Leaders Forum for its pioneering approach to inclusion. The project brought together cross-functional teams from HR, Risk, Compliance, Legal and IT, in partnership with a local Bulgarian Non-governmental organisation (NGO) to deliver live training sessions titled 'Working with disabilities: common myths and misconceptions.' These sessions aimed to increase awareness and foster a more inclusive workplace.

A milestone achievement of CapABLE was the successful hiring of one of the project's participants, who is almost fully paralysed. Initially involved in testing applications and work processes, this individual later joined the company, demonstrating that talent and capability are not defined by physical limitations.



Network organisations on diversity and inclusion

We foster an inclusive workplace through employee affinity group and networking initiatives. Our Group-wide ERG (Employee Resource Group), Diversity Rocks, and other employee-led targeted groups – such as Proud@CSOB, Proud@KBC (LGBTQIA+), JongKBC (generational), International Community (nationality) and Wo.men at IT (gender) – promote collaboration on diversity themes.

The direction of Diversity Rocks is guided by a diversity council, called Diversity Rocks Steering Committee, and is chaired by a Group Executive Committee member with oversight at Board level. From January 2026, Diversity Rocks will evolve into an all-inclusive group, uniting employee-led groups and which will capture bottom-up feedback structurally, while maintaining top executive sponsorship.

Externally, KBC employees play leadership roles in industry networking groups such as Wo.men in Finance, Multicultural Network in Finance and Diversity Managers Association Belgium, co-organising activities focused on recruiting from diverse talent pools and providing training and guidance regarding diversity.

In the spotlight

Group Diversity Day 2025

In March 2025, Diversity Rocks and Corporate HR organised KBC’s second Group Diversity Day, featuring an international programme streamed across all countries and with local sessions in the afternoon. Highlights included a ‘Dare to Ask’ panel with senior management on workplace diversity and inclusion (D&I) challenges and a keynote on trust and psychological safety by Prof. Dr. Banu Golesorkhi. This was followed by closing remarks from Group Chief Risk Officer Christine Van Rijseghem. In Belgium, the initiative continued in May with the Group Diversity Day Encore, featuring a keynote by Björn Soenens. He shared insights from his eight years as U.S. correspondent for the VRT, the public broadcaster of the Flemish Community in Belgium, and reflected on the importance and challenges of diversity and inclusion in today’s geopolitical context.



In the spotlight

CBC4Diversity – La Fresque de l’inclusion & Duo for a Job

In Belgium, CBC4Diversity partnered with Bleen to host ‘La Fresque de l’inclusion’, an interactive session for CBC employees raising awareness of inclusion challenges and fostering open dialogue on sensitive topics. CBC also collaborates with Duo for a Job, a Belgian organisation offering mentoring programmes that promote social cohesion and intercultural, intergenerational connections, especially for employees nearing retirement. The programme’s success is evidenced by some employees continuing to mentor young talent even after retiring.

In the spotlight

Inclusive panels

In Belgium, we signed the [Women in Finance Charter](#) and the [Inclusive Panels Charter](#). The first of these charters sets clear goals to promote gender diversity in the financial sector, while the second ensures that panel discussions include diverse perspectives across gender, generations and backgrounds to foster open, innovative debates.





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- The key behaviours expected from all our employees
 - [KBC Group Code of Conduct for Employees](#)
- The way we approach Diversity and Inclusion at KBC
 - [KBC Group Diversity and Inclusion Policy](#)

Team Blue in action



As a bank-insurer, our purpose is to help our clients and employees realise and protect their dreams. In line with this mission, we launched a group-wide initiative titled '**Team Blue loves your dreams**', which ran from September 2024 to October 2025. This initiative was aimed at showcasing our role in society by mobilising our employees across all countries. The campaign consisted of two core components: the first focused on realising dreams by encouraging employees to **support non-profit organisations through volunteer work**, while the second focused on protecting dreams by **promoting first aid training and blood and plasma donations**. In total more than 33 000 actions were taken by employees throughout the entire challenge.



In terms of volunteering, we successfully helped 1 000 non-profit organisations with support from more than 10 000 colleagues, who contributed to a wide range of initiatives in different sectors such as nursing homes, schools, youth services and hospitals.

The second component also delivered impressive results, with over 3 000 blood and plasma donations collected across our offices and local donor centres in all the countries. A further 18 500 employees completed a certified first aid training course, reinforcing our commitment to health and safety.

Examples of the Team Blue challenges for each country can be found on the next pages.



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In the spotlight



KBC's support for cancer research

KBC is Belgium's main sponsor of 'Kom op tegen Kanker,' an organisation raising funds for cancer research. The organisation focuses on cancer prevention and early detection, better treatments, and strong support for patients and their families, funded through donations, campaigns and legacies. During the 'Lichtpuntjes tegen Kanker' campaign, more than 33 000 lanterns were installed, each symbolising someone affected by cancer. Creating and dismantling this light installation required many helping hands. As part of the Team Blue Challenge, numerous colleagues joined volunteers to clean up the site and support the initiative.



In the spotlight



ČSOB supports people in need

The Team Blue challenge showed how important it is to spend time with people who are lonely or in need. Colleagues in Slovakia participated in dozens of activities with seniors, women in shelters and people with disabilities. One notable initiative took place in Bratislava, where colleagues visited the Family Centre and spent meaningful time with clients, seniors, parents on maternity leave, expatriates from Ukraine and people with disabilities.



In the spotlight



Cycling for Nature

In the Czech Republic the Cycling for Nature initiative brought together 339 cyclists, including employees and clients, for a ride to Lysá hora and Ještěd. The event aimed to promote awareness and support for nature conservation in the Jizera and Beskydy Mountains. Contributions from the ride were directed to nonprofit organisations committed to preserving biodiversity and protecting natural habitats.





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In the spotlight



K&H Go! Sports Day trains over 1 100 colleagues in first aid

In Hungary, the K&H Team Blue Challenge exceeded expectations with over 3 100 colleagues engaging in volunteer work for over 100 non-profit organisations. One of the initiatives that also made an incredible impact was the K&H Go! Sports Day. More than 1 100 colleagues learned essential first aid skills in an educational programme about how to perform reanimation in emergency situations.



In the spotlight



Blue Forest planting event

As a company for which a sustainable future is of paramount importance, KBC Group in Bulgaria supports and organises various activities aimed at protecting the planet. One of these is the Blue Forest initiative. In April 2025, over 250 colleagues and their families planted 1 000 black pine and winter oak saplings in a new Blue Forest near Sofia.

Blood donations and first aid

KBC Group also strengthened its blood donation campaigns in Bulgaria and delivered first aid training. Volunteering was encouraged and was embraced by nearly 70% of employees.



In the spotlight



Commitment to local volunteer work and fundraising

In the Czech Republic, colleagues combined creativity and compassion through initiatives including Bake & Eat fundraisers, support for homes for the elderly and children's homes and events such as the Emil Open for athletes with disabilities.



Our responsibility

This section outlines our approach to conducting business activities responsibly. It details why responsible behaviour underpins our sustainability strategy and how this is implemented across our organisation. We address our methods for mitigating cyber risk, managing information risk and ensuring data protection and privacy. Additionally, we discuss our corporate policies and codes of conduct.



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To gain and keep the trust of our stakeholders it is crucial that we act in a responsible and ethical way. That is why we place a high value on ensuring that all of our employees behave responsibly at all times. We also act according to strict business ethics by diligently following (local) laws and regulations and respecting our additional corporate policies. We are especially committed to respecting human rights across all our activities. Finally, our rapidly evolving digital world brings its own share of challenges. We proactively deal with cyber and information security threats. We also strictly respect the privacy of our stakeholders and deal with personal data in a lawful and transparent manner.



Responsible behaviour

We truly consider the responsible behaviour of our employees to be the foundation of everything we do. Individual integrity, competence, open communication and a sound risk awareness form the cornerstones of responsible behaviour. Responsible behaviour is also the foundation of an effective and credible sustainability strategy. This, of course, goes further than merely following applicable rules, regulations and corporate policies.

The way in which we expect our employees to behave responsibly is outlined in our [Code of Conduct for employees](#). Our employees regularly receive mandatory training on the KBC Group Code of Conduct. Moreover, we have drafted a **‘My Responsible Behaviour Compass’**, which outlines basic principles of common sense for acting responsibly. It addresses the risks, standards, policies, processes and structures to maintain KBC’s high standards of responsible behaviour. The compass is easily accessible to KBC staff in all local languages. Both documents also address how to act responsibly in response to the dilemmas that we face every day in our line of business.



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- Our PEARL+ corporate culture and values
[KBC Group Annual Report: Our business model: What makes us who we are](#)
- Our sustainability strategy
[The cornerstones of our sustainability strategy](#)



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Awareness training

We have put in place several initiatives to raise awareness of responsible behaviour, both at the group and local levels. Since 2020, we have been offering a mandatory online training module on responsible behaviour, which is also an integral part of our onboarding programme for new employees.

To keep awareness on responsible behaviour among our employees high on the agenda, a webinar on responsible behaviour was launched in 2023. The webinar dealt with the importance of business ethics and responsible behaviour within financial institutions. The webinar is mandatory for all employees.

Dilemma training

As a financial institution, we inevitably face dilemmas and complex decisions on a daily basis. **For that reason, all our senior managers follow a dilemma training session within the framework of our senior management development programme.** The training equips senior managers to effectively discuss dilemmas and complex decision-making with their teams.

The training sessions have resulted in the development of the **'KBC Decision Wheel'**. The wheel provides a roadmap for our employees to follow when facing difficult decisions.

Internal website

In early 2025, **we launched an internal website, accessible both locally and at the group level, which brings together all available resources on responsible behaviour and business ethics.** The goal of this initiative is to further strengthen awareness of responsible behaviour as a key part of our sustainability strategy. All staff across our home countries can access the site in their local language. The platform is regularly updated and offers both shared content and country-specific content, such as local news and local dilemmas.

”

Top management is primarily responsible for creating the right environment, nurturing the right behaviour in the organisation and actively shaping collective attitudes within KBC. At the same time, all employees are accountable for behaving responsibly in all circumstances and in line with KBC values.”



JOHAN THIJS,
CEO KBC Group

Business ethics

At KBC, we strictly follow our corporate policies and guidelines to ensure ethical business, ethical behaviour, transparency, discretion and privacy. KBC’s Corporate Compliance Division monitors how KBC’s corporate policies and guidelines are implemented. The division proactively takes action to maintain compliance with the laws and regulations in the markets and countries in which we operate. This section provides detail about a selection of these policies. All further information related to our policies, guidelines and codes of conduct can be found on our [corporate website](#).

Whistleblowing and speaking up

We encourage our employees to speak up and report actual or potential misconduct. The way in which our employees can do this is detailed in our [policy for the protection of whistleblowers](#), which forms a part of our [KBC Group Code of Conduct for employees](#). Our employees can report concerns anonymously via a secure digital platform, accessible in all KBC core countries.

The policy covers a wide range of issues, including unethical behaviour, fraud, discrimination and harassment. It complies with the EU Whistleblower Protection Directive as well as local regulations and ensures the confidentiality and the protection of whistleblowers. Employees can also report potential misconduct either using the intranet or through a dedicated contact point via reporting@kbc.be.

All whistleblowing reports are handled impartially by local compliance departments. They investigate each case and evaluate whether there are incriminating and exculpatory elements. When a report is found to be grounded, remedial actions are taken, including disciplinary measures when appropriate. Summary data on the number and nature of these cases are reported to local and group management. This year, 70 cases were reported to group management.

To foster a speak-up culture, KBC also conducts regular awareness campaigns and requires all employees to complete a mandatory ‘Code of Conduct’ training. Our employees are also encouraged to report products or processes that appear unethical, unfair or contradictory to our values via business.ethics@kbc.be.

In the spotlight

Standing strong against greenwashing

Our Compliance division has developed a comprehensive Greenwashing Compliance Framework to raise awareness and strengthen our defences against potential incorrect or misleading sustainability claims. The framework explains what greenwashing is and outlines the compliance risks it poses. It also identifies where greenwashing risks may arise within KBC Group’s activities. Finally, it provides levers and requirements to help identify, assess, and mitigate these risks across all business operations. The framework has been communicated to relevant governance bodies, and additional targeted training is planned for 2026 to foster more awareness throughout the organisation. We will embed this framework into our daily practices in order to ensure that our sustainability efforts remain credible, transparent and trustworthy.



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- Our policies, guidelines and codes of conduct
[KBC corporate website: business ethics](#)



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Trustworthy AI

At KBC, we recognise the critical importance of ethical AI in today’s world. As AI models play a vital role in the financial sector, it is essential that these technologies remain transparent, fair and free from bias. To address this need, and well **ahead of European regulation, KBC Belgium has developed a trusted AI framework.**¹ We have been using this framework since September 2021 to ensure that the output of our AI models aligns with our values and principles of responsible behaviour, which is one of the cornerstones of our sustainability strategy.

The framework covers five key dimensions:

- Data protection and privacy
- Diversity and Fairness
- Accountability and professional responsibility
- Safety and security
- Transparency and explainability.

For each of these dimensions, the trusted AI framework establishes a questionnaire that probes for specific risks. If a risk is detected, a formal risk and impact assessment is triggered.

KBC has also started a group-wide implementation project in response to the new AI Act.² The goal of the project is to ensure compliance in accordance with the regulatory timelines. We prioritised the analysis of prohibited AI practices and their impact, as this is the subject of the Act’s first regulatory deadline. **Our group-wide assessments did not identify any prohibited AI practices.** Furthermore, the AI Act primarily affects AI systems classified as high risk. For financial institutions and insurers, high-risk areas include credit evaluations, pricing and risk assessments for life and health insurance, as well as some HR activities.

And finally, KBC is also currently developing a new platform that will serve as an inventory for all the AI models and systems it uses for documented accountability purposes. This platform will include a dedicated AI governance module, where the necessary assessments related to the correct qualification of AI systems will be completed. Together, these initiatives form a comprehensive approach, ensuring that KBC’s AI models are trustworthy and aligned with ethical standards, promoting responsible and equitable AI use within the company.

Anti-money laundering

We have established a comprehensive [Anti-Money Laundering policy](#) to combat money laundering, the funding of terrorism and violations of human rights, including the human trafficking activities that are often associated with these activities. We monitor compliance using a rules-based monitoring tool and an AI platform that was developed in-house to detect illegal activity that might be linked to money laundering. We also comply with regulatory obligations to report suspicious activities linked to money laundering.

In addition, **all our employees, including senior managers, receive training that details their duties regarding anti-money laundering.** These training courses take place online or in person. Real case studies are explored in these training sessions.

¹ The framework was based on the principles established in the [2020 European Commission’s White Paper on AI](#).
² The EU AI Act is a comprehensive regulation establishing harmonised rules for AI systems in the EU, aiming to foster innovation while safeguarding fundamental rights and promoting trust in AI systems. It addresses several considerations regarding the use of AI and establishes different risk categories related to AI systems. The different risk categories elicit a range of requirements imposed on the corresponding AI systems. The AI Act entered into force in August 2024 and will gradually introduce obligations that will become increasingly strict over the coming years.

Discai takes on financial crime with the power of AI

Money laundering is a global threat to financial systems and societal well-being. It is estimated that between 607 billion and 1.58 trillion euros are laundered annually, which is equivalent to 2-5% of global gross domestic product.³ **These activities deprive societies of resources that are crucial for education, healthcare and sustainable development.** Traditional methods of detecting and combatting money laundering activities have proven insufficient against the sophisticated techniques used by modern criminals. Money laundering is growing more complex as digital tools and global networks expand, with financial institutions continuing to face real challenges keeping pace with their counter-efforts.

To effectively stay ahead of these threats **KBC has developed advanced AI-driven Anti-Money Laundering (AML) models.** Over the last few years these models significantly improved detection accuracy and reduced false positives compared to traditional, rule-based systems. In 2021, **KBC recognised the growing demand for advanced compliance solutions and launched Discai as a wholly owned subsidiary.** Its mission is to deliver trusted AI technologies that help financial institutions combat financial crime while ensuring regulatory compliance. Its vision centres on transparency, explainability and trustworthiness in AI applications,

critical factors for adoption in highly regulated environments. Discai collaborates with global tech and compliance firms to expand its reach and enhance its offerings, ensuring financial institutions can focus on their core business while also meeting AML obligations effectively.

In 2025, Discai produced a White Paper to explore how financial institutions can outsmart technology-driven financial crime. It offers proven AI-driven approaches to strengthen detection, reduce false positives and to support compliance.

³ Data estimates from Discai’s Whitepaper: Trusted AI in AML-a blueprint for success (2025)

In the spotlight

Discai featured in FCC50 ranking for second year

Discai has once again been included in Chartis Research’s prestigious Financial Crime and Compliance 50 (FCC50) report, recognising the world’s leading innovators in financial crime prevention. This acknowledgment highlights Discai’s AI-driven solutions such as Know Your Transaction and Data Science as a Service, as well as its commitment to financial inclusion through advanced business models. Being featured for the second consecutive year reinforces Discai’s dedication to delivering scalable, cutting-edge technology that helps financial institutions stay ahead of evolving threats.



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- Discai’s whitepaper on Trusted AI in AML
[Trusted AI in AML: a blueprint for success](#)



Responsible taxpayer

Our [KBC Tax strategy](#), rooted in our Responsible Behaviour philosophy and guided by our core values, ensures that KBC acts as a responsible taxpayer. In 2025, the strategy was updated to include a key amendment: it will now be reviewed every three years. The update also reinforces our commitment to ethical conduct through the Banker’s Oath in Belgium and highlights our speak-up culture supported by our policy for the protection of whistleblowers. Additional specifications include guaranteeing a high level of data protection when reporting to tax authorities and limiting tax advice to private customers within financial planning.

Furthermore, the KBC Tax Strategy continues to act according to the following values:

- accurate tax compliance
- responsible tax risk management
- legitimate tax planning based on sound business reasons
- full tax transparency
- tax function independent of the business.

Our employees are not permitted to provide any kind of advice or assistance to clients in terms of tax avoidance or the violation of regulations.

KBC supports this ambition by providing a training module on the tax fraud prevention policy for bank experts. In 2025, 97% of the target group completed this course successfully.

Public policy engagement

[KBC Group Corporate Public Affairs Policy](#) **strictly prohibits any type of political involvement and expression of political convictions.** This rule applies to all our staff members throughout the Group and is guided by our [KBC Group Code of Conduct for Employees](#). KBC also simply rejects any requests for financial or other type of contributions to political parties, government organisations, politicians or campaign events. The highest level of direct responsibility for key public policy issues lies with our Executive Committee.



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- KBC’s Tax Strategy
[KBC Tax Strategy](#)
- KBC’s country-by-country tax reporting of KBC Group
[KBC Group Annual Report: Financial Statements](#)

Human rights

KBC is committed to respecting human rights. Our aim is to reduce any potentially negative impact on society through our own operations and in our value chain. To help us achieve this, we implement procedures aligned with the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct. This approach remains vital in a world increasingly marked by political instability and humanitarian crises, where safeguarding human dignity and mitigating harm are more urgent than ever.

Since 2006, KBC has been a signatory to the UN Global Compact, the world’s largest corporate sustainability initiative. We report annually on our progress through our Communication on Progress, available on the [UN Global Compact website](#).

To prevent and mitigate potential human rights impacts, we rely on the following elements:

- **Policy development:** In 2025, we updated the [KBC Group Human Rights Policy](#). We clarified essential provisions and broadened the policy’s scope to include consumers and end-users. These were key steps in strengthening our approach for identifying



and assessing human rights risks and associated impacts. Other policies that help us prevent and mitigate human rights risks include:

- [KBC Group Policy on Blacklisted Companies](#)
- KBC Human Rights Offenders List (internal)
- KBC Group Policy on Controversial Regimes (internal).

- **Human rights screening and risk assessment:** In our daily operations, we continue to improve the implementation of the UN Global Compact Principles. In our lending, insurance and advisory services, we apply strict sustainability policies and complement this with due diligence, which includes seeking expert advice on sustainability-related matters for individual cases. For an overview of the advice provided by experts on sustainability-related matters in 2025, please refer to [Sustainability facts and figures](#). To further strengthen our approach, the Environmental and Social (ES)

Heatmap identifies sectors in our lending portfolio with high environmental and social risk, ensuring that these areas receive appropriate attention. The ES Heatmap serves as a practical tool that supports relationship managers in assessing social impacts, evaluating credit risks and escalating social risks when necessary. In 2025, we updated the operational guidance for the social risk component of the ES Heatmap.

- **Taking action:** We are developing targeted human rights training for selected employees to foster awareness and build capacity across the organisation. We also ensure transparency by regularly updating our Human Rights Policy, including its scope and key provisions and by making the latest version publicly available on [www.kbc.com](#). We conduct enhanced due diligence whenever high human rights risks are identified and assessed, ensuring that each case is examined with the appropriate level of research and contextual understanding.
- **Monitoring:** The ES Heatmap supports our efforts to monitor and escalate social and environmental risks effectively within our lending portfolio. When human rights risks are assessed as severe, we escalate concrete cases to the highest decision-making levels within KBC. This ensures that appropriate actions are identified and implemented with full accountability.



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- KBC’s approach to human rights
[KBC Group Annual Report Sustainability Statement](#)
- KBC Group UN Global Compact Communication on Progress
[UN Global Compact website](#)



Information security and cyber risk

Digital technologies play a major role in our organisation. They help us to efficiently run our business and connect with our clients. Yet, digitalisation results in greater exposure to potential cyber-attacks. Unfortunately, cyber-attackers are more experienced than ever when it comes to detecting the weaknesses of an Information and Communication Technology (ICT) system. This means that we must always remain one step ahead of them. Our focus at KBC is to ensure that our clients and our entities are protected against cybercrime. We use a variety of proactive security controls to stop all cyber-attacks before they can cause any harm to our ICT systems.

Our main priority is to protect our clients’ data and our ICT systems. We also aim to avoid any breaches that can lead to legal, reputational and financial harm. We do so by installing highly secure and reliable ICT systems and maintaining robust data protection procedures. We also consistently monitor our systems and external risks.

In 2025, cyber risk remained on KBC’s list of top risks, with exposure levels consistent to previous years. We define cyber risk as the risk that increasing digitalisation, hyperconnectivity, and the rise of AI-enabled cybercrime could lead to potentially severe operational, financial and reputational damage. Threats range from ransomware and data breaches to disruption of critical infrastructure.

The Risk and Compliance Committee and Board of Directors will continue to very closely monitor this risk.

In 2025, KBC experienced several cyber incidents, mainly driven by geopolitical tensions. **None of these incidents caused major damage to our systems or had a serious impact on our client services. This is mainly the result of our mature internal controls, strong detection mechanisms and swift management response.**

KBC also has a comprehensive insurance programme to mitigate the possible financial damage of a potential cyber-attack.



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- More information on KBC’s Information Risk Management
[KBC Group Information Security Strategy](#)
[KBC Group Annual Report How do we manage our risks?](#)

Group CERT (Cyber Expert Response Team)

KBC has established a Competence Centre for Operational Resilience that includes the Group Cyber Expert Response Team (CERT). Group CERT’s primary mission is to safeguard KBC against threats to data and information. This encompasses cybercrime, information security risks and IT-related risks, as well as disruptions to business continuity. Such threats can result in loss of integrity, breaches of confidentiality and disruptions to business continuity.

Group CERT maintains direct and regular reporting lines to the Executive Committee, the Risk and Compliance Committee and the Board of Directors.

In addition, **KBC enforces a robust approach to information security risk management, built on strong governance and comprehensive prevention and control mechanisms. KBC has established group-wide standards** that align with important international industry wide norms, such as ISO 27001, and that fully comply with regulatory requirements, including those set by the European Banking Authority (EBA).

KBC’s risk management framework aligns our operations with regulations by identifying relevant legal and compliance requirements and integrating risk-based controls in order to maintain compliance.

A recent example of embedding regulatory requirements is KBC’s approach to the EU Digital Operational Resilience Act (DORA), which came into force in January 2025. DORA introduced harmonised principles for managing cyber risks, streamlining cyber-incident reporting and strengthening oversight of third-party risk. KBC takes this regulation’s provisions into account when assigning responsibilities, establishing controls and monitoring control effectiveness, to ensure that KBC’s obligations are met and objectives are achieved.

Control monitoring and review

We maintain continuous oversight of our information security and information technology controls to ensure their effectiveness. This includes conducting in-depth assessments such as ethical hacking exercises, incident-response simulations and vulnerability scans. Whenever a flaw or deficiency is identified, we promptly implement risk mitigation measures. In addition, both internal and external auditors regularly evaluate the design and execution of these monitoring mechanisms.

Culture and awareness

Given the importance and potential severity of information security and information technology risks, **we continue to focus on awareness of the issue among all our employees.**

We do so by:

- Organising **mandatory cybersecurity training sessions** for all employees.
- Organising **periodic awareness campaigns**. For example, as in previous years, we organised ‘Security On’ again in 2025 to educate our employees on how to behave in a cyber-secure manner.
- Performing **group-wide simulation tests** of phishing, smishing (SMS phishing) and vishing (voice phishing). Our employees are assessed on their performance in these simulations. Managers are made aware of their teams’ performance. Employees who repeatedly fail the tests are offered additional training to improve their skills in this area.
- Encouraging our employees to attend and participate in **events, activities and education sessions** during international ‘Cybersecurity Month’ in October. In 2025, employees from all entities participated in webinars on various cyber topics and their knowledge on different cyber topics was tested.
- Organising **regular training courses and workshops** for all IT (Information Technology) personnel on various cybersecurity and information security topics.
- In every country where KBC operates, a specific process, called Secure4U, has been implemented to enable and encourage employees to **report incidents and suspicious activities**.



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Participants agreed that awareness alone is not enough, and that secure behaviour must become second nature in daily routines. Three strategic priorities emerged:

- **Collaboration:** Deepen partnerships to share best practices and establish structural cooperation to jointly combat digital fraud.
- **Awareness:** Provide clear, consistent and continuous communication so everyone has the tools to recognise and prevent digital fraud.
- **Integration:** Embed security within internal processes and digital tools, ensuring protection is seamless and intuitive.

We also continue to organise activities in order to raise cyber-risk awareness among our clients. This includes phishing, smishing and how clients can protect their computer systems against online threats, as well as general tips on how to stay cyber-secure.

In the spotlight

Roundtable on customer behaviour and online safety

In 2025, KBC brought together a diverse group of internal stakeholders alongside representatives from interest groups and civil society for an in-depth dialogue on cybersecurity. The discussion centred on reinforcing digital resilience for both customers and employees in an increasingly complex threat landscape.



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Privacy and data protection

Processing personal data is part of our daily business. We respect the privacy of all our stakeholders and comply with the General Data Protection Regulation (GDPR), the European Union’s data protection legislation, as well as the data protection requirements derived from other legislation. This allows us to ensure that we process personal data in a lawful and transparent way.

We process and protect large volumes of personal data every day to deliver the best possible products and to ensure a user-friendly experience for our customers. In doing so, **KBC ensures full compliance with applicable data protection regulations. We strictly adhere to the relevant GDPR guidelines and to our internal privacy policy across all services and in every new initiative we launch – including collaborations with third parties.** Our approach is grounded in principles such as Data Protection by Design and Default, lawful and transparent processing and purpose limitation.

Through our privacy statements, we inform customers and other data subjects about how their personal data is handled, including the purposes of processing, legal bases, retention periods and their rights under GDPR. Privacy statements are publicly available on our communication channels in each of our core countries,

such as our local websites and mobile applications. The privacy statements for our Belgian retail clients, for example, are available for consultation at www.kbc.be.

We guarantee the following data protection principles:

- **Purpose limitation:** We use data solely for the purpose for which they are collected.
- **Data minimisation:** We only collect the data we need.
- **Transparency:** We are fully transparent regarding the data we collect and how we use it.

Moreover, by following our privacy policy, we demonstrate our commitment to:

- **Accuracy:** Keeping personal data accurate and up to date
- **Integrity and confidentiality:** Securing data against unauthorised access, loss or damage
- **Storage limitation:** Destroying the data once they are no longer needed.

Additionally, our clients can decide what we are allowed to do with their data. We transparently communicate to our clients through an unambiguous privacy overview. They are free to adjust their choices at any time.



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Read more

- More information on privacy and data protection at KBC
[KBC Group Annual Report: Sustainability Statement](#)

Finally, we have several systems and mechanisms in place that ensure that data are handled correctly and responsibly throughout the Group. This includes:

- **New and Active Products Process (NAPP):** This group-wide process reviews, assesses and approves new and existing products, services and changes to client-facing processes. It ensures strategic appropriateness, fair client treatment, regulatory compliance and the mitigation of all relevant risks, including ESG and greenwashing risks. Sustainability aspects and correct 'green' labelling are explicitly evaluated in line with frameworks such as the EU Taxonomy and International Capital Market Association (ICMA) Green Bond framework.
- **Cloud Enablement Forum for Third Parties:** When data are exchanged with third parties (e.g. through a cloud), we control data security and GDPR compliance through a Cloud Enablement Forum. Prior to any exchange of sensitive data with third parties, the forum evaluates the associated risks and defines appropriate risk mitigation measures. In addition, we have contractual agreements with these third parties and a Data Processing Agreement to ensure that such parties are diligent in their processing of personal data.
- **Data privacy training for our employees:** KBC organises mandatory training courses for all employees on

privacy and the cautious handling of personal data. The content and detail of the training depend on the jobs and specific situations of our employees. When necessary, training content is periodically reviewed and updated, and employees are required to complete this training on a regular basis.

- **Data breach notification procedure:** Employees are informed about what to do in case of a data breach or when unsure whether a potential data breach has occurred. Mandatory training sessions and an internal webpage detailing the data breach notification procedure are available. A dedicated contact person (the Data Protection Officer) is available to all our employees for the reporting of potential data breaches. Within KBC Group data breaches can be reported via dataprotection@kbc.be.
- **Code of Conduct:** Our [KBC Group Code of Conduct for employees](#) explicitly mentions that any type of privacy infringement is absolutely prohibited. We remind our employees to be cautious about such infringements through periodic awareness campaigns. We regularly monitor our systems to detect any potential infringement. In the event of an infringement (e.g. unauthorised consultation of clients' data), we take immediate internal and remedial actions to protect the client, including disciplinary measures, where applicable.



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Sustainable finance

This section outlines our approach to addressing key sustainability topics within our core business. It covers our Sustainability Policy Framework, including new and updated policies, our strategy for sustainable investing and our commitment to social impact. We also detail our Sustainable Finance Programme, with a particular emphasis on our environmental commitments. Our reporting aligns with the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial (TNFD) frameworks.



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Our approach to sustainable finance

This section of the Sustainability Report details our approach to sustainable finance, which is strongly rooted in our overall sustainability strategy. It explains how we respond to our main environmental, social and governance challenges. This section consists of four parts, each addressing an aspect of our approach to sustainable finance.

- **Our sustainability policies:** We have a set of sustainability policies in place that define how we include sustainability in all our business activities. We aim to gradually restrict the most harmful activities by implementing these policies.
- **Sustainable investing:** Sustainability plays an important role in our investments. This is true for our own investments and the investments we make on behalf of our clients. Responsible investing is our first and preferred offer to our clients and forms the bulk of our own investment portfolio.
- **Our commitment to a positive social impact:** In this part we outline how our main activities generate positive societal impact – through targeted social goals on financial literacy and financial health as well as through accessible products and services. We also support financial inclusion through microfinance and microinsurance via our partnership with BRS (Belgian Raiffeisen Foundation).

- **Our commitment to the environment:** In this part we focus on our own environmental footprint and our indirect environmental impact. This part also includes our TCFD and TNFD reports, in which we focus on our direct and indirect climate and nature-related impact.

Stimulating sustainability through our main activities
In 2025, we again supported our clients in their sustainability transitions through our various core activities: lending, insurance, advisory services and asset management. Table 5.1 shows an overview of a variety of sustainable finance solutions that we offered at year-end 2025.¹ In the remainder of the chapter, we discuss some of these products and solutions in greater depth and give a more detailed breakdown, where relevant.

Table 5.1: Sustainable business in our core activities (KBC Group, millions of euros)

		2025	2024	2023
Sustainable investing ¹				
Responsible investing on behalf of our clients	Responsible Investing funds (direct client money) ²	64 400	50 800	40 700
Our commitment to a positive social impact ¹				
Financing contributing to social objectives	Granted amount	7 175	7 396	7 401
BRS Microfinance Coop	Outstanding loans to microfinance institutions and investments in microfinance funds (cooperative share capital)	11 (21)	12 (22)	11 (22)
Our commitment to the environment				
Financing contributing to environmental objectives ³	Total volumes	33 966	25 474	18 489

¹ Year-end data.
² KBC Asset Management’s current responsible investing framework is a KBC in-house framework that is proven and has been subjected to external testing. All Responsible Investing fund products are either Article 8 or Article 9 funds under the SFDR.
³ The volumes in this table are based on asset-specific or activity-specific data. Further details can be found in Table 5.6.

¹ We continue to gradually align these solutions with European sustainability legislation. The EU Taxonomy is a guiding standard in this regard. We also want to align with various other frameworks that constitute market standards. We note that terminology used here, such as ‘green’ and ‘sustainable,’ is not meant to suggest (full) alignment with the EU Taxonomy.

Our sustainability policies

We have sustainability policies in place for all our business activities and have brought them together within our Sustainability Policy Framework. This framework helps us identify potentially controversial activities and other areas of concern. We will either not engage in these activities or do so only under stringent criteria. The policies in the framework help us to exclude or restrict activities with a harmful impact on the environment, human rights and other important issues. We also want to use the framework to control and effectively manage reputational and litigation risks. We update the Sustainability Policy Framework at least once every two years, supported by the independent experts of our External Sustainability Board.

Application of KBC’s Sustainability Policy Framework

The [KBC Group Sustainability Policy Framework](#) gives a comprehensive overview of our sustainability policies for our business operations and how they are applied across our various activities.

The framework also includes a **strict due diligence process to monitor compliance**. In the event of an infringement of its policies, KBC imposes specific conditions on the existing credit or insurance relationships and advisory services. For further reading on the application of KBC’s Sustainability Policy Framework, including due diligence and remedial action, we refer to the [KBC Group Sustainability Policy Framework](#).

For lending, insurance and advisory services, **our due diligence process includes the option of requesting expert advice on sustainability-related matters for individual cases**. In certain policy domains, this advice is obligatory prior to any business transaction. For further information and a detailed breakdown of the advice provided, please refer to the [Sustainability Facts and Figures section](#).

Grievance mechanism

We have different channels through which our clients and other stakeholders can voice concerns about our products and services. We aim to address these concerns and consequently improve our products and services where possible:

- **Direct contact:** We recommend that our clients first contact their bank branch, relationship manager or insurance agent. This is the person who knows the client best and is best placed to help find a tailored solution to the clients’ potential grievances.
- **Formal complaints channels:** We have formal channels in place in all our core countries through which our clients can raise complaints. Information about these channels is available on the commercial websites of the various entities in our core countries. All complaints are closely monitored and immediate action is taken, where necessary. Where required, independent Compliance departments will be involved. After any complaint is closed, the relevant product or service department analyses the complaint, in cooperation with the Risk and Compliance departments.
- **Sustainability-related requests:** Specific sustainability-related inquiries or complaints are addressed by the Group Corporate Sustainability Department via csr.feedback@kbc.be.



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- Full overview of the KBC sustainability policies
[KBC Group Sustainability Policy Framework](#)
- Our corporate policies guidelines and codes of conduct
[KBC corporate website: business ethics](#)

Updated and new sustainability policies

In 2025, we reviewed parts of our sustainability policies in the light of evolving societal views and expectations. Specifically, we updated:

- **Our policy on blacklisted companies and our defence sector policy:** The goal of this update was to further adapt to the changing geopolitical environment and in line with societal expectations enable more adequate support of Western defence capacity. Besides striving for ecological and social progress, sustainable development should also entail guaranteeing the safety and resilience of Europe. Consequently, companies involved in nuclear weapons are no longer automatically included on the KBC Blacklist, providing that they are located in a North Atlantic Treaty Organisation (NATO)-country, Austria, Switzerland or Ireland. However, **all companies involved in controversial weapons such as cluster bombs, anti-personnel mines or chemical and biological weapons remain on the Blacklist and thus remain excluded from any business relationship.**
- **Our human rights policy:** We revised this policy to enhance its clarity and conciseness. The due diligence process for addressing potential human rights infringements by clients is now described in more detail. This includes a set of specific actions that

encompass both a standard due diligence process to ensure baseline compliance and an enhanced due diligence process that provides additional measures when warranted by the assessed level of risk.

- **Our energy policy:** We have updated our energy policy in order to recognise the benefits of nuclear energy as a zero-emission source. We now allow financing for nuclear power projects, even to companies still involved in coal-related activities. Strict conditions apply in these cases, including the full ring-fencing of the nuclear energy project from the company’s other activities.



Full details on these and other policies can be found in our [Sustainability Policy Framework](#).

In the spotlight

New policy on Water

We also established a new **Water Policy** following insights from KBC’s [White Paper on water availability](#) and as part of KBC’s general commitment to managing indirect impacts on the environment. This newly established policy restricts material financing to projects and producers in certain water-intensive sectors operating in countries facing extreme water stress. Financing eligibility is determined via Equator Principles (project category, Environmental and Social Impact Assessment and associated Technical Advisor assessments), verified environmental certifications (ISO 14046, ISO 14001, EMAS) or country-specific regulations.



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Sustainable investing

Sustainability plays an important role in how we manage our clients' and our own investments. We have a long history of responsible investing on behalf of our clients, for whom Responsible Investing (RI) funds have become the preferred solution. Sustainability is also becoming increasingly important with respect to our own investments.

Responsible investing on behalf of our clients

RI funds are our first offer to our clients and the preferred investment solution. We actively promote them among our clients, across all sales channels. In this way, we aim to enable our clients to invest in companies and countries that recognise and act on their social and environmental responsibility.

KBC has been a pioneer in the field of responsible investing for over 30 years, and the importance of responsible investing to our business continues to grow. We offer RI funds in all our core countries.

We offer **three types of RI funds**, each with their own specific characteristics and criteria:

- **Responsible funds** invest in companies or countries that take environmental and social factors into account and have climate targets in place.
- **ECO-thematic funds** invest in companies that provide solutions to a specific sustainability challenge, such as climate change or water scarcity.
- **Impact investing funds** invest in companies that generate a clear, positive societal or environmental impact through their core products or services, contributing to meeting today's needs without compromising those of future generations. Eligible activities include renewable energy, energy efficiency, water stewardship, financial inclusion, welfare, affordable housing, sustainable materials, sustainable mobility, carbon capture and storage, circular economy solutions, healthy and responsible food, quality education and biodiversity. The impact of each company's core business is assessed and reviewed on a regular basis.

We aim to continue to grow the responsible investing share of our investments in the future. **Our ambition is for RI funds to reach at least 55% of direct client money and 65% of total annual fund production (gross sales) by 2030.**

By 2030, we also want to reduce the carbon intensity of the corporate investees in Responsible funds by 50%, compared to the end-of-2019 reference values.

Additionally, we have introduced a relative greenhouse gas (GHG) intensity target for corporate investees at the management level of each individual Responsible fund in 2024. The GHG intensity of an individual Responsible fund must always be 15% lower than the current GHG intensity of its market benchmark. Both the target of a 50% reduction by 2030 and the relative target as compared to the current market benchmark are monitored. The more stringent of the two targets will be applied. We refer to the part on [Climate-related impact of our investment portfolio](#) for more details on the methodology we use to track our progress.



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Responsible Investing funds (end-of-year data)

Indicator	Baseline 2021	2023	2024	2025	2025 Target	2030 Target
RI funds in % of direct client money	33%	41%	44%	51%	45%	55%
RI funds in % of total annual fund production (gross sales)	55%	35%	51%	55%	-	65%

“We are reassured that clients in all our home markets continue to choose responsibility in how they invest. Their commitment empowers KBC Asset Management to channel investments into the companies and institutions advancing global sustainability thus turning intentions into measurable impact. In 2025, more than half of the direct client money managed by KBC was invested in RI funds, surpassing our intermediate target of 45%.”



JOHAN LEMA,
CEO KBC Asset Management NV

Regulatory framework

Our RI funds all qualify as Article 8 or Article 9 funds under the EU Sustainable Finance Disclosure Regulation.²

Our ‘Responsible funds’ qualify as Article 8 funds. These funds promote environmental and/or social characteristics. Moreover, **KBC Asset Management has specific objectives in place for these funds.** They must:

- Promote the integration of sustainability into the policy decisions of issuers (i.e. companies, governments, supranational debtors and/or agencies linked to governments) by favouring issuers with a better ESG score.
- Promote climate change mitigation by favouring issuers with lower carbon intensity in order to reach a predetermined carbon-intensity objective.
- Support sustainable development by including issuers that contribute to achieving the UN Sustainable Development Goals.
- Support sustainable development by promoting the transition towards a more sustainable world through investments in bonds to finance green and/or social projects.

In the spotlight



Collaborating to promote sustainable finance in Hungary

K&H in Hungary has joined forces with other Hungarian financial institutions to establish the Hungarian Sustainable Investment Forum (HuSif). HuSif aims to promote sustainable finance in Hungary and to encourage Hungarian private funds to flow into environmentally and socially beneficial investments. Levente Suba, General Manager Sustainability of K&H, has been appointed to the five-member presidency.



² The SFDR is a European Regulation that governs the provision of information on sustainability in the financial sector. It currently divides investment funds into three sustainability categories to help guide investors.
Article 6: Funds (conventional funds) that have not defined any sustainable objectives or for which calculation of the relevant outcomes cannot be measured or reported;
Article 8: Funds that promote a combination of environmental and/or social characteristics;
Article 9: Funds that have a sustainable objective and where the specific contribution to this objective can be measured and reported.



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- Climate-related impact of our asset management portfolio
[Metrics and targets: investing](#)
- More information on the actual emission levels for each fund
[KBC Fund finder](#)

KBC's 'ECO-thematic funds' and 'Impact investing funds' qualify as Article 9 funds. In this category, we select companies making tangible environmental contributions, such as towards climate transition. These include, for example, companies operating in areas such as alternative energy and efficient energy use or companies that make a positive impact on society or the environment through their products and/or services.

In line with the disclosure requirements under the SFDR, we also disclose how we integrate sustainability risks into investment decisions and financial advice. We also explain how we consider principal adverse impacts. Please refer to the KBC Asset Management (KBC AM) [Statement on sustainability risks and adverse effects on sustainability](#) and the [Principal adverse sustainability impacts statement](#).

In the spotlight

Celebrating the 25th anniversary of the KBC ECO FUND Water

This year, the KBC Eco Fund Water celebrated its 25th anniversary. Since its launch, the Fund has established itself as a pioneer in responsible investing within the water sector.

The Fund's main objective is to generate returns by investing in companies that generate a substantial proportion of their turnover by offering products and services relating to the water sector. The Fund invests its assets, to the maximum extent possible, in shares of companies that operate in a responsible way within this theme.

The Fund performs a positive selection by actively seeking out companies that enhance access to clean water or improve the efficiency of clean water facilities.

Over the years, the Fund has delivered robust long-term returns. Looking ahead, the Fund remains committed to addressing global water challenges by supporting innovative companies and solutions. With water scarcity and quality becoming ever more

critical issues worldwide, the fund is well-positioned to continue making a positive impact while seeking attractive returns for its investors.



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Exclusion criteria

We have strict exclusion criteria in place for both our conventional funds and our RI funds. More information on the exclusion policies for our conventional funds is available in the [KBC Group Sustainability Policy Framework](#).

For our RI funds, we take the extra step of implementing enhanced exclusion criteria. This includes exclusions for gambling, fur and specialty leather, adult entertainment and fossil fuels. In addition, we apply a norm-based policy that excludes companies involved in severe controversies relating to environmental and social or governance issues. We also exclude companies with serious land use and biodiversity controversies. The same applies to companies whose activities have a negative impact on biodiversity and which do not take sufficient measures to reduce their impact. More information on these policies can be found on [our website](#).

Positive criteria

In addition to the exclusion criteria as set out above, we want to have a positive impact through our RI funds by investing in companies and countries that score well on sustainability. During the annual update of the responsible investing methodology in 2025, **we raised the bar for the proportion of corporate and sovereign bonds that must be invested in green and social bonds**. The minimum threshold was increased from 10% to 15% with lower thresholds in place for some types of funds, such as short-term bond funds, emerging market bond funds, funds focussing on high-yield issuers and structured funds.

Independent expertise through the Responsible Investing Advisory Board

KBC AM works closely with an external body of independent experts called the Responsible Investing Advisory Board. This board advises us on the sustainability policies for our RI funds and screening results. During these meetings, we challenge one another and consult the various expert opinions expressed. In doing so, we ensure we follow the highest possible standards for RI funds.

Increasing the sustainability performance of our investee companies

KBC AM wants to increase the sustainability performance of its investee companies. There are two main ways in which we aim to do so:

- **Proxy Voting:** Sustainability forms an integral part of our proxy voting policy. As an asset manager, we use proxy voting to represent our clients who invest in companies through our equity funds and mixed funds with equity positions at shareholder meetings. We believe that incorporating sustainability into our proxy voting policy is necessary to act in the long-term interests of our clients and will benefit our investee companies. In 2025, KBC AM voted on 18 520 resolutions at 1 351 shareholder meetings using the [Proxy Voting and Engagement Policy](#).
- **Engagement:** KBC AM continuously interacts with investee companies, with sustainability issues forming an important part of these interactions. KBC AM engages in both collective and individual engagement. Collective engagement sees us participating in initiatives such as [Climate Action 100+](#), [Nature Action 100](#) or collective engagement initiatives by Sustainalytics. KBC AM undertakes individual engagement by entering into direct dialogue with companies or country policy makers on ESG issues.



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- Rules for proxy voting and engagement
[KBC Asset Management Proxy Voting and Engagement Policy](#)

Sustainability in own investments

Sustainability is also important in **the way we manage our own investments**. This is true both for our own investments managed by Group Treasury, those managed by KBC Bank and the investments of *Pensioenfond*s KBC.

Sustainable investment principles for our own investments

We follow strict ethical restrictions regarding our own investments. As a basic rule, KBC Group does not invest for its own account in any financial instrument issued by an ‘excluded counterparty’. This applies, for example, to counterparties from the public KBC Blacklist, the internal human rights offenders list or the internal controversial regimes list. Counterparties involved in thermal coal or tobacco are also excluded. For more information, we refer to the [KBC Group Investment Policy](#).

Furthermore, all of the exclusions that are applicable to RI funds also apply to corporate investments done by KBC Group for its own account. For example, we have exclusions in place for activities relating to fossil fuels, gambling, adult entertainment as well as fur and specialty leather.

As a result, KBC’s own investments also benefit from the solid expertise and governance structure that apply to our RI funds. This includes the permanent external challenging of our policies and asset selection by the Responsible Investing Advisory Board. For more information on our policy with regard to RI funds, please refer to the [Responsible investing on behalf of our clients](#) part of this section.

We have also set targets on the Scope 1 and 2 emission intensity of the combined equity and corporate bond portfolio of KBC Insurance’s own investments. For more information on our progress on these targets, please refer to the [Metrics and targets](#) part of this section.

Moreover, in 2025, we again calculated the GHG emission intensity of the own sovereign bond portfolio of KBC Bank. For more details, refer to the [Metrics and targets](#) part of this section.

Green Bond, Sustainability Bond and Social Bond Investments of KBC Bank

KBC Bank supports green and/or social investments of Supranational, Sovereign and Agency (SSAs), FIs as well as corporates by investing in their Green Bonds, Sustainability Bonds and Social Bonds. These are all aligned with the ICMA Principles.

Table 5.2: Green Bond, Sustainability Bond and Social Bond investments (KBC Bank NV, all subsidiaries, millions of euros)

	2025 ⁴	2024 ⁴	2023 ⁴
Own investments in Green Bonds ¹ and Sustainability Bonds ² issued by SSAs, FIs and corporates (nominal value)	1 531	1 588	1 476
Own investments in Social Bonds ³ issued by SSAs and FIs (nominal value)	522	540	-

¹ Green Bonds (bonds of which the proceeds are used to (re)finance green assets or projects), in line with the ICMA Green Bond Principles.
² Sustainability Bonds (bonds of which the proceeds are used to finance or re-finance a combination of green and social assets or projects), in line with the ICMA Green Bond Principles, ICMA Social Bond Principles as well as the Sustainability Bond Guidelines.
³ Social Bonds exclusively fund social assets or projects, in line with ICMA Social Bond Principles.
⁴ Reporting 2025 based on year-end figures. All other figures are based on 30 September figures.



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A total of **92%**
of the assets of
Pensioenfond KBC
currently have an
Article 8 or 9
qualification.

**Sustainable investment principles of
*Pensioenfond KBC***

Sustainability is also integrated into the way in which the pension funds from *Pensioenfond KBC* are managed. This pension fund manages the supplementary pensions of our Belgium-based staff and is by far the most significant pension provision in this form within KBC Group. Currently, the Statement of Investment Principles of these pension funds include:

- A zero-tolerance policy of certain controversial regimes and non-sustainable companies (e.g. blacklisted companies, worst human rights offenders and companies with a significant involvement in the tobacco industry, coal-related business and gambling).
- An increasing focus on RI funds.

Pensioenfond KBC has also mapped the SFDR classification of the various funds in the investment portfolio. Please refer to the [Responsible investing on behalf of our clients](#) part of this section for more information on this regulatory framework.

Furthermore, since 2024, *Pensioenfond KBC* has also applied the responsible investment methodology to its Liability Driven Investment (LDI) portfolio.³



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- Climate-related impact of our own investments
[Metrics and targets: investing](#)

³ The primary goal of an LDI bond portfolio is to match the interest rate and inflation rate risk of the pension fund assets with that of current and future liabilities.

Our commitment to a positive social impact

We want to increase our positive societal impact through our core activities. We do so by financing, insuring and giving advice on projects that create positive societal impact. This includes education, basic infrastructure, essential services, healthcare and employment. Finally, we aim to increase our positive social impact by supporting financial inclusion via microfinance and microinsurance, which is enabled by our unique partnership with BRS.

Social impact financing

Table 5.3: Social impact financing (KBC Group, millions of euros, end-of-year data)

	2025	2024	2023
Healthcare and senior living sectors	6 910	6 168	6 233
Education sector	1 337	1 228	1 167
Total	8 247	7 396	7 400

Financing, insuring and supporting social sectors

Supporting sectors with a positive societal impact is at the heart of all our core activities. As one of our four focus areas, health and longevity is an integral part of these initiatives:

- **Insurance:** We protect our clients from the financial consequences of healthcare risks through the insurance products we provide.

- **Financing:** We are an important financier of different social sectors, such as healthcare, senior living, education, basic infrastructure and affordable housing. At the end of 2025, the financing we granted to the healthcare and senior living sectors amounted to 6.91 billion euros. Financing granted to the education sector amounted to 1.34 billion euros.
- **Investments:** We aim to strengthen our social engagement and contribute structurally to a more resilient society. In Belgium, KBC Bank NV and Cera CV have established a new foundation that will begin supporting projects in 2026, with a focus on care and health, and with a particular attention to the prevention of mental health issues among young people. Investors will be able to indirectly support these social initiatives by investing in the newly introduced charitable share classes of selected Responsible Investing funds. For these funds, a predefined portion of the management fee and entry charges is donated to the foundation.
- **Advice:** We have dedicated departments that specialise in helping social profit institutions and local authorities to navigate their finances. This includes giving advice on payments, asset management and financing solutions.

In the spotlight

First Aid Academy: DZI

In Bulgaria, our insurance company DZI has a partnership with the First Aid Academy, the only organisation approved by the Bulgarian Ministry of Education to deliver first aid training for teachers and educational specialists. The programme was first launched for DZI employees in September 2024. Since then, the programme has been expanded nationwide with the Ministry’s support, offering lectures and practical workshops on first aid in schools, kindergartens and universities. Since the launch of the programme, over 1 000 participants have attended more than 15 sessions.



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In the spotlight



Financing the circular construction of a hospital wing

KBC financed the construction of a new hospital wing at AZ Herentals in the Province of Antwerp, Belgium. The new extension, known as Block M, sets a benchmark for sustainable and circular building practices. It features a flexible grid and façade for future adaptability, employs renewable, bio-based and recycled materials, as well as being fully demountable. Notably, the building operates without fossil fuels and relies instead on extensive insulation and solar panels, while also achieving energy neutrality. This financing demonstrates KBC’s commitment to supporting healthcare infrastructure, with a strong focus on environmental sustainability.



Accessibility and affordability of products and services

KBC promotes financial inclusion and supports the financial health of its clients. We create equal opportunities and make sure that our products, services and facilities are accessible to all, including those with specific needs and abilities. We pay particular attention to:

- **Clients who are less advantaged:** We offer special accounts with banking services at no cost or at a low cost to less-advantaged clients in some of our core countries. We have also developed tools that help our clients manage their finances while also improving their financial health.
- **Clients who are in financial distress:** We actively monitor clients at risk of financial distress through dedicated teams, specific assessments and early warning systems. This enables us to prevent over-indebtedness by quickly communicating with clients and offering tailored repayment solutions. For example, in Belgium, our teams receive intensive training to better understand client needs and provide responsive support for emerging financial risks.
- **The senior population:** We support our senior clients by making banking services more accessible and affordable, offering special benefits and practical guidance for managing their finances. We also help senior clients navigate the challenges of an increasingly digital world by providing educational activities and by offering coaching and support to non-digital clients.



We organised ten consulting days for seniors in the Czech Republic in 2025, at which we provided lectures and individual consultations on financial and digital literacy. In some of the meetings, experts were on hand to provide legal advice.

- **Clients with a disability:** We are committed to continuously improving access to our services for everyone, including individuals with disabilities or long-term health conditions. We have strategies and action plans in place in almost all our core countries to provide a full range of services tailored to the needs of these clients. In some countries, for example, we implement accessible ATM solutions designed to support visually and hearing-impaired clients. In addition, we offer services that facilitate communication and provide assistance for clients with disabilities ensuring convenient and autonomous access to our services throughout the Group.

Financial literacy and financial health

Financial literacy and financial health are cornerstones of our mission as a financial institution. We believe that greater financial literacy leads to better informed choices and reduced risk of financial distress. Moreover, an understanding of financial concepts is essential for empowering individuals to make responsible decisions as well as for fostering resilience and well-being in communities. Our efforts are focused on several key areas:



- **Financial advice and clear communication:** We deliver clear and transparent financial advice to ensure our clients understand the products and services available to them.
- **Financial education:** We prioritise financial education from an early age, supporting the development of healthy money habits and preventing behaviours that might lead to financial difficulties. Through initiatives such as teaching programmes and educational sessions, we help strengthen financial resilience and awareness in all our core countries. For example, in Belgium and the Czech Republic, our Team Blue colleagues contribute to this goal through the 'Get a Teacher' teaching programme, in which they provide financial education sessions to teenagers. This programme is designed to strengthen financial resilience among younger generations by covering essential topics such as budget management, loans, insurance, saving and investments. We also organise similar activities in our other core countries. Finally, in some of our core countries, we offer mobile apps that aim to foster financial education.

Reflecting our ambition to contribute to positive impacts on the financial health and inclusion of our clients, and in line with the requirements of the UNEP FI (United Nations Environment Programme Finance Initiative) Principles for Responsible Banking, we have established social targets across all our core countries. Expanding on the two social targets introduced in 2024 for financial literacy in Belgium, we have now set five more social targets on financial health and literacy across our other core countries. These targets are tailored to addressing local societal needs and the unique circumstances in each country, to ensure that our approach is both relevant and effective, and in support of our broader goal of financial inclusion and financial health for all.



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Social targets have been established across all our core countries.



Financial literacy of young adults (aged 18–35) regarding mortgages



Belgium: A Belgian national study revealed that young adults often perceive mortgage products as complex, which can result in uninformed decisions and difficulties in repaying mortgage loans. In response, Belgium has set two intertwined targets: to enhance the financial skills and attitudes of young adults regarding mortgages, and to support informed decision-making in order to prevent over-indebtedness. To support these goals, initiatives include providing young adults with guidance on mortgage products through inspiration nights on topics such as home buying, regulations, renovation and energy management, as well as digital learning tools that enhance financial awareness. We also contribute by offering targeted financial education on mortgage loans to help young adults better understand borrowing conditions and repayment obligations.



Czech Republic: Access to affordable housing is a growing challenge also in the Czech Republic, where high property prices and informal borrowing practices affect financial stability. In response, we have set two interlinked targets for the Czech Republic: to improve access to affordable home loans for young adults and to improve their financial skills through financial literacy. As such, we aim to reduce the risk of over-indebtedness and to empower young adults with knowledge for making sound financial decisions when buying a new, and often their first, home.



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Financial literacy



Bulgaria: Financial literacy in Bulgaria remains among the lowest in the European Union. Only 22% of Bulgarian adults report saving money, with even lower rates among youngsters. This highlights the importance of enhancing financial literacy and habits, particularly for youngsters and vulnerable groups, including low-income individuals and residents of rural areas. Our objective is to increase the proportion of clients aged 18 to 25 who actively save or invest. To support this, we have launched a financial literacy platform, in collaboration with universities and creative communities. Additionally, we have rolled out targeted outreach through social media and local initiatives.



Financial health



Hungary: Despite government incentives, participation in voluntary pension schemes in Hungary remains low, leaving many individuals reliant on the public pension system. Our local objective is to raise awareness of long-term financial planning and to encourage private retirement savings. By doing so, we aim to contribute to national efforts to strengthen the role of private pensions in retirement income by 2030. Our strategy focuses on targeted awareness campaigns, improving digital access to pension solutions and engaging clients through direct outreach and in-branch support.



Slovakia: Low financial literacy and savings, especially among adults under 35, are key challenges in Slovakia. Limited government support outside education means financial institutions have an active role to play in improving financial literacy. For these reasons, our objective in Slovakia is to increase the number of new, regularly investing clients aged below 35. We aim to do this by improving financial awareness among young adults and their access to tailored investment options. This objective is being pursued through micro-investment features, which are linked to everyday payments and digital tools that promote responsible budgeting and savings habits.



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Targets

Country	Indicator	Target ¹	Baseline ²	2025	2024
 Belgium	Improve the financial skills and attitudes to mortgages of young adults (number of young adults reached)	35 000 (by 2030)	-	9 601	823
	Performance of KBC in the relative share of young adults in a situation of over-indebtedness compared to our peers	Minimum 50% better than our peers (by 2030)	68.5%	61.8%	68.5%
 Bulgaria	Increase the percentage of clients aged 18–25 with savings (savings accounts and term deposits) and investment products	12.5%	9.8%	12.8%	-
 Czech Republic	Improve young adults' financial skills and literacy regarding financial products, for example mortgages (number of young adults reached)	50 000	-	36 182	-
	Ensure that the share of unpaid mortgage loans is better among young adults (<35 years) compared to the rest of the portfolio by at least 0.1%	0.1%	0.1%	0.1%	-
 Hungary	Increase the share of retail clients with at least one long-term pension savings product provided by K&H	6.3%	5%	5.2%	-
 Slovakia	Increase the percentage of new, regularly investing clients (young adults)	7.5%	-	7.2%	-

¹ Target date is 2027, unless stated otherwise.

² The baseline represents the first year in which a consistent and comparable measurement methodology was applied in each country. For certain targets, the baseline is zero or not available as the initiative was launched after the baseline year or data were not yet collected in a comparable manner.

Entrepreneurship

Entrepreneurship is one of our key focus areas and as such plays a central role in our sustainability strategy. We aim to support entrepreneurship, stimulate job creation, and contribute to sustainable economic growth through our core activities and partnerships. By empowering new and existing businesses, we help foster innovation, drive positive social impact and build resilient communities for the future. We also support rural entrepreneurship in the Global South by providing [microfinance and microinsurance](#) through our partnership with BRS.

Supporting start-ups and scale-ups

Within our approach to entrepreneurship, **we pay particular attention to start-ups and scale-ups** (entrepreneurs and companies). We support them through our award-winning Start it @KBC accelerator programmes in Belgium, Hungary and Czech Republic. Within these ecosystems, we provide product development, leadership, as well as go-to-market and financing support. We organise workshops and offer mentoring and co-working opportunities.

Our international start-up ecosystem supports a wide range of starting businesses with an increasing focus on environmentally sustainable businesses. ESG topics play an important role in selecting the businesses that are supported through the programme. In Belgium, for example, each start-up selected is evaluated based on its contribution to one or more UN Sustainable Development Goals (SDGs).

In the spotlight



Transforming a small idea into a growing enterprise

Greenwool joined Start it @ČSOB as a small startup with limited production and minimal market presence. Start it @ČSOB supported the start-up as they further developed their concept – producing organic fertiliser from sheep wool. During the coaching process, Greenwool expanded from direct consumer sales to exploring B2B opportunities. They also increased their media coverage, were nominated for a prestigious award and won the Demo Day of the fourteenth edition of Start it @ČSOB. As a result, Greenwool secured funding, scaled production, and established new business partnerships.



Our participation in Start it @ČSOB primarily brought us a well-functioning network of like-minded individuals who have the courage to pursue the possible and the seemingly impossible to bring their ideas to life. Our participation in the Start it programme helped us attract media attention and it contributed to our nomination for the prestigious Innovator of the Year 2025 award from the Czech economic daily Hospodářské noviny."



RADEK BANÝR,
business expert, Greenwool



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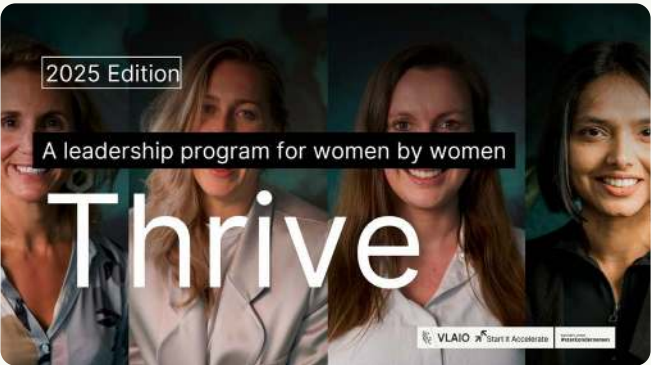
- More information on Start it communities
 - [Start it @KBC](#)
 - [Start it @CBC](#)
 - [Start it @K&H](#)
 - [Start it @CSOB](#)

In the spotlight



Supporting female entrepreneurs

We support female entrepreneurs through several programmes. The Thrive Programme consists of eight expert-led sessions delivered in partnership with the Flemish Agency for Innovation and Entrepreneurship. It covers leadership, finance, pitching and business growth, supported by expert coaching and peer learning. In 2025, fifteen women took part. 'Up! Unleash Your Potential' is an accelerator for female tech founders, offering personalised coaching, workshops, mentoring and networking opportunities. In 2025, twelve women participated. Across these initiatives, Start it has already coached a total of 593 women in tech.



In the spotlight



Start it Fund: Fuelling the next generation of Belgian entrepreneurs

KBC has committed 100 million euros to support start-ups via its accelerator programme Start it @KBC and the newly established Start it Fund. This fund focuses on early-stage funding for top-tier start-ups from the Start it programme, responding to a demand that has existed among founders for many years. Top performers have the possibility of receiving additional follow-on funding up to 5 million euros at a later stage. The Start it ecosystem also has dedicated programmes to help women go into business. These address some of the challenges women face when setting up a company. At Start it @KBC in Belgium, in particular, this topic has been a focus for several years, and – despite the decreasing trend over the last year – we remain committed to the target that has been established for female entrepreneurship.



Female entrepreneurship at Start it @KBC in Belgium

Indicator	Target	2025	2024	2023
Female entrepreneurs selected ¹ (in % of total entrepreneurs)	50%	30%	39%	35%

¹ Number of start-ups with a minimum of one female co-founder at the October pitch session.

Supporting the next generation of entrepreneurs

A major challenge for family businesses is facilitating a successful transition of leadership to the next generation. To address this, KBC has established the NextGen Academy. The first edition was organised in Belgium, in 2013. Over the years, it has become a central initiative across most of our business units. This programme offers comprehensive, inspiring and practical knowledge in all essential areas of family business management.



My participation in the UBB NextGen Academy was a valuable experience. It gave me the opportunity to gain new knowledge and ideas and to make valuable contacts. The experience has enriched my professional path and given me inspiration for future projects."



DEISLAVA APOSTOLOVA,
Expert New Projects and Financial Monitoring,
Argogroup Exact Ltd.



Financial inclusion and impact investing
KBC actively supports efforts to make basic financial services accessible to everyone. In the Global South, we contribute to this ambition through BRS – our joint initiative with Cera. BRS aims to strengthen microfinance and microinsurance institutions, and as such to sustainably improve the quality of life for all. BRS consists of two organisations: BRS vzw and BRS Microfinance Coop.

BRS vzw: coaching and training for micro-finance and microinsurance institutions
BRS vzw’s mission is to support rural entrepreneurs and farmers in the Global South and to give them the opportunity to improve their lives in a sustainable manner in the process. It mainly does this by working with and supporting local cooperative microfinance institutions (MFIs) in Africa, Latin America and Asia. These MFIs offer financial services, such as microcredits and microinsurance and organise access to education and healthcare for their clients.

BRS adopts a distinctive collaboration model that goes beyond short-term consultancy, prioritising long-term capacity building. On average, BRS’ partnerships with MFIs last eight years, demonstrating mutual trust and a shared vision for progress. BRS emphasises colleague-to-colleague coaching, providing tailored advice and working in multidisciplinary teams that bring KBC experts, both active and retired, together with specialists from the Global South. This approach ensures that solutions are practical, culturally relevant and sustainable.

BRS’s partnerships thrive through three key exchange formats: on-site collaboration with savings and credit cooperatives in the Global South, continuous monitoring using digital tools (such as [Microfact](#)), and hosting management training sessions in Belgium for our partners. These exchanges strengthen governance, improve risk management and accelerate digital transformation to enable MFIs to serve their communities more effectively.

In 2025, 94 KBC colleagues shared their time and knowledge as volunteers for BRS via KBC4BRS. For more detailed information on our commitment to financial inclusion and impact investing, please refer to the [Facts and Figures](#) section.



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Read more

- More information on the operations of BRS
[BRS website](#)
- More information on financial inclusion and impact investing
[Sustainability Facts and Figures: Our commitment concerning our social impact](#)



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”

My journey with BRS started with a spark of curiosity and a desire to make a difference. I felt inspired by the idea of using my professional expertise to create impact. My first assignment in Togo was challenging because COVID forced us to move everything online. Yet, the experience was deeply rewarding. Over time, I learned that success isn't just about tools or processes; it's about trust, dialogue, and respecting local perspectives. Microfinance is such a powerful lever for change and seeing how MFIs strengthen communities through cooperation is truly motivating. Volunteering for BRS is intense but so enriching. It keeps me inspired every day.”



ALPHA PEETERS,
Head of Department,
Financial Crime Intelligence
and volunteer for KBC4BRS

In the spotlight



EBO Sacco Achieves Landmark License

In January 2025, BRS' partner organisation EBO Sacco– one of the largest savings and credit cooperatives in Uganda – reached a significant milestone by becoming the first Savings and Credit Cooperative Organisation (Sacco) to be licensed by the Ugandan Central Bank. This recognition reflects years of rigorous preparation and capacity building. KBC volunteers played a decisive role by strengthening the management team of EBO Sacco. Their support in risk management, audit processes and cybersecurity was instrumental in meeting regulatory standards. This milestone elevates EBO Sacco's credibility and opens new opportunities for inclusive financial services from mobile banking to tailored solutions for farmers and vulnerable groups.



Our commitment to the environment

Environmental responsibility is one of the four areas we focus on as part of our sustainability strategy. We are working on our environmental impact within the framework of our Sustainable Finance Programme. The programme spans a range of themes such as climate change, biodiversity, circularity, pollution and water. This section provides more details on the programme and on the actions that we are taking to realise our commitment to the environment.

The Sustainable Finance Programme was launched in September 2019 under the Collective Commitment to Climate Action (CCCA). Its goal was to address climate-related challenges and opportunities. In March 2023, the CCCA was retired, after being superseded by the Net-Zero Banking Alliance (NZBA). This alliance also ceased operations in October 2025.

KBC has decided to not set an overall net-zero commitment. This is due to the fact that well-founded, practical and immediately actionable net-zero targets for all sectors seem out of reach at this time. In our view, too many uncertainties remain regarding the achievement of '1.5°C' or 'net-zero' alignment. This is especially the case for the feasibility, inclusiveness and impacts of the short-term, intermediary (i.e. 2030) targets. KBC has a responsibility to ensure that its

climate action remains in tune with its important role in continuing to support a just and equitable transition in its core markets. This means that, in addition to climate-related aspects, we need to consider aspects such as the social impact of the transition, energy security and government support.

Considering the above, we will continue to work on the commitments we have made under the CCCA initiative. We report on how we do this throughout this chapter. We invite you to read more in our Transition Plan for Climate Change Mitigation, which was approved by KBC Group's Board of Directors and Executive Committee, on our [corporate website](#).

Furthermore, **our approach to environmental sustainability continues to be a work in progress**. For example, over the years, we have widened our initial focus on climate-related issues to encompass other environmental topics. This includes the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, as well as the protection and restoration of biodiversity and ecosystems. Please note that KBC had been working on these themes for a significant amount of time already, even before the start of the Sustainable Finance Programme, for example, through our sustainability policies.

In the spotlight



Construction of a circular waste treatment plant in Bulgaria

In 2025, UBB provided 10.1 million Bulgarian leva (5.2 million euros) to finance the construction of a waste treatment facility in southeast Bulgaria. The project was developed by Antea Sorting in partnership with Sozopol Municipality and is located on an area of 17 515 m². The plant is designed to sort, stabilise and compost around 15 000 tons of mixed, non-hazardous waste and separately collected biowaste annually. The goal is to recycle at least 50% of all collected materials.

By reducing landfill waste as well as producing recyclable materials and compost for agriculture and landscaping, the plant is actively supporting circularity in Bulgaria.



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- More details on our Transition Plan for Climate Change Mitigation [Corporate website](#)

TCFD and TNFD reports

We believe that a transparent disclosure strategy supports a sound sustainability approach. Consequently, this section includes our TCFD and TNFD reports, addressing our direct and indirect impact on climate and nature.



Governance

Our environmental governance is fully embedded in our overall sustainability governance. It spans all levels and functions of our company. We therefore refer to the [Sustainability governance](#) part of this report for a detailed overview of our overall sustainability approach.

Strategy

The strategy of our Sustainable Finance Programme is embedded within our overall sustainability strategy to the fullest possible extent. For further reading on our overarching sustainability strategy we refer to the section on [Our sustainability strategy](#). Our Sustainable Finance strategy also has some specific actions:

- [White Paper approach](#)
- [Customer engagement](#)
- [Product development and service offering](#)
- [Internal Carbon Pricing \(ICP\) for our lending activities](#)
- [Social and Green Bonds issued by KBC](#)

Risk Management

Climate and other environmental risks are a top risk for KBC. In this report, we provide an overview of the most important elements of our approach to ESG risks. We cover our entire risk approach in-depth in our [Risk Report](#).

- [Risk management](#)

Metrics and targets

We use a variety of methodologies to track the climate-related impact of our own operations and our portfolios, as well as the impact of climate change on them. We also use these methodologies to set targets, to steer our portfolio in line with our commitments and to meet the reporting requirements of regulators and supervisors:

- [Our own environmental footprint](#)
- [Our indirect environmental impact](#)
- [Lending](#)
- [Insurance](#)
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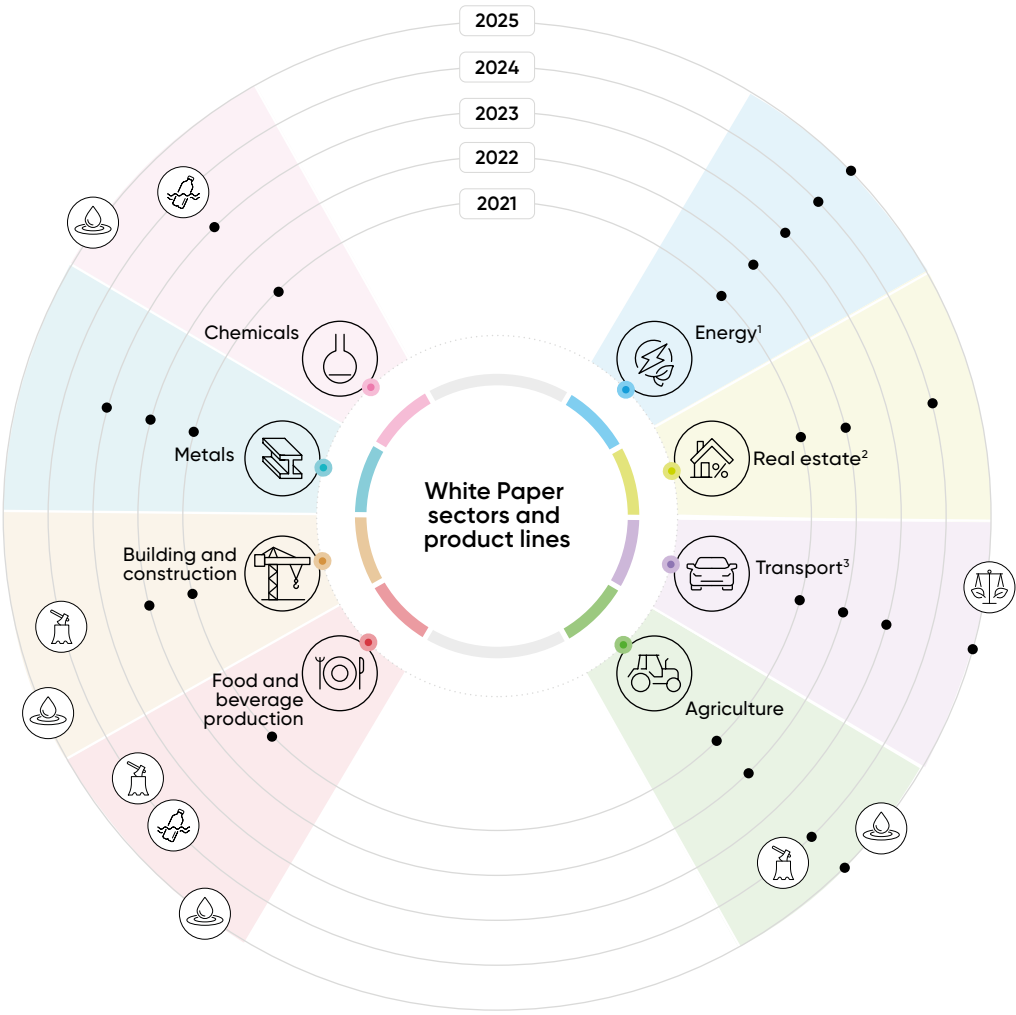
White Paper approach

Every year, we produce several sustainability-related analyses that we refer to as ‘White Papers’. Initially, our White Papers focused on the most material and carbon-intensive sectors.¹

We write White Papers in response to relevant developments affecting the sector. Such developments may lead to a decision to update an existing White Paper or to initiate a new one. This may concern, for example, the development of new or amended sustainability-related legislation or technological advancements. Other drivers may relate to changing market dynamics, social considerations, new opportunities, an increase in physical and transitional risks or changes in relevant disclosure requirements. The Internal Sustainability Board chooses which White Papers will be produced.

Figure 5.1 gives a schematic overview of the White Paper cycle since the first White Paper analyses in 2021.

Figure 5.1: Overview of White Paper updates



Cross-sector thematic White Papers

- Climate change adaptation and mitigation
- 🌳 Deforestation
- 🗑️ Plastic packaging
- 💧 Water
- ⚖️ Just transition⁴

¹ Energy production, oil and gas, biofuels, transmission and distribution.

² The Real Estate White Paper mainly focuses on mortgages, income-producing commercial real estate (CRE) (for third parties or within a group of enterprises), social housing (classified as CRE), Real Estate Investment Trusts (REITs) and corporate based lending for general purposes in the income-producing CRE sector. Owner-occupied real estate belonging to companies in sectors outside of the income-producing CRE sector, financing of land, pure development and construction of buildings and real estate services are not covered by this White Paper.

³ Automotive and vehicle financing, aviation and shipping (maritime transportation and other shipping-related activities).

⁴ ‘Just transition’ reflects the principle that the transition to a low-carbon economy must be fair and inclusive, protecting workers, communities and vulnerable groups from negative social and economic impacts while creating opportunities for decent work and social equity.

¹ Our sector selection was inspired by the materiality considerations of the former TCFD recommendations, applying thresholds such as sectors exceeding 5% of our industrial loan exposure or estimated emissions, together with other climate-relevant products linked to these sectors (such as mortgages), resulting in a White Paper scope that remains materially significant across our full loan portfolio.



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- More details on loan volumes and financed GHG emissions for these sectors and product lines
- [Sustainability Facts and Figures](#)



The initial focus of the White Papers was on climate change. Since 2023, however, the scope has also included a focus on other environmental objectives: biodiversity, pollution, water and circularity. This underlines the growing importance we attribute to these topics and provides the necessary foundation for our current CSRD and subsequent TNFD and other reporting.

Moreover, in 2024, we produced specific White Papers on the cross-sectoral environmental themes of deforestation and plastic packaging. Further details on these topics can be found in our [2024 Sustainability Report](#). Similarly, in 2025 we wrote cross-sectoral [White Papers on Water Stress and Water Pollution](#), as KBC's double materiality assessment identified water as a material topic. Also, a detailed [Exploring Natural Capital Opportunities, Risks and Exposure \(ENCORE\)² analysis](#) revealed that some of the most material sectors in our portfolio rely heavily on clean water or significantly impact water bodies, thereby putting pressure on both water availability and quality.

In 2025, we applied a Just Transition lens into our [White Paper on Transport](#), reflecting the principle that the transition to a low-carbon economy must be fair, just and inclusive. Just Transition ensures that climate action integrates social considerations alongside

national contexts and sector-specific dynamics. It seeks to maximise social and economic opportunities of climate action while minimising and managing negative impacts on people and nature. This approach is supported by the European Commission through the 'Just Transition Mechanism', which aims to support regions most impacted by decarbonisation strategies. Driving a fair and inclusive transition requires strong collaboration and strategic partnerships across sectors and stakeholders. We plan to gradually integrate Just Transition considerations into future sectoral White Papers. This will help us better understand and address the social implications of the transition across different industries and geographies. It will also ensure that our long-term strategy remains both environmentally and socially responsible.

All White Paper analyses focus on our credit business, advisory services and (if material) insurance activities. They also factor in the specific contexts in our core countries. To that end, the relevant local departments work closely together with their respective central departments. Finally, based on these analyses, the White Papers potentially propose (changes to) policies, actions and targets.

² ENCORE stands for Exploring Natural Capital Opportunities, Risks and Exposure. It is a tool that helps organisations explore their exposure to nature-related risk and take the first steps to understand their dependencies and impacts on nature.



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- More details on the results and conclusions of the various White Papers
- [Metrics and targets](#)

Customer engagement

Since 2020, we have had an active customer engagement strategy in place for our lending activities. Initially, this strategy focused on larger, mid-cap clients in Belgium. We gradually expanded this scope to all our core countries and to smaller clients, to also include SMEs. Meanwhile, for our relationship managers, the sustainable transition has become a regular topic in every conversation with our corporate customers. We also aim to be a partner in the sustainability transitions of our retail clients. Detailed information on our approach for this client segment is available throughout this report. We are currently also raising awareness and initiating customer engagement on ESG topics for our clients from the social profit and government sectors.

The primary goal of our customer engagement strategy is to be a partner in our clients’ sustainability transition and to encourage them to take necessary steps to make their businesses more sustainable. We do this primarily through conversations with our clients. Additionally, we engage with and inspire our clients on sustainability topics through webinars, testimonials on our website, our award-winning mobile app, training and events.

In the spotlight



Sustainability Academy Platform and Transformator Programme for SMEs

In 2025 UBB continued its partnership with SIS (Social Innovation Solutions), CleanTech Bulgaria and the Coca-Cola Foundation. Also in 2025, the Sustainability Academy launched an online Sustainable Finance course. Aimed at SMEs, the course offers practical guidance for adopting ESG principles and transitioning to sustainable business models. In the course, sustainability projects supported by UBB are highlighted. In 2025, the Sustainability Academy platform reached 3 000 participants. The latest TRANSFORMATOR edition brought together 20 companies and NGOs for a 10-week programme, including two in-person bootcamps, over 45 hours of training and input from 10 experts. Five UBB experts led lectures and workshops.

”

Our participation in the Sustainability Academy helped us gain a deeper understanding of the importance of sustainability principles. It also helped us to purposefully integrate these principles into our processes and decisions. Thanks to the new knowledge and tools, we were able to build our own sustainability strategy that combines innovation, responsibility toward nature, and a human-centred focus.”



MAYA KRASTEVA,
Founder & Manager Innova Top Green,
Sustainability Academy Participant



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Initially, our customer engagement strategy focused mostly on climate change. Now, it focuses on a much wider range of topics, including circularity, deforestation, water stress and management, as well as plastics, depending on the sector. The topics can also relate to sustainability reporting, subsidies and regulation, such as CSRD, the EU Taxonomy or the EU Deforestation Regulation (EUDR). With this broader strategy, we aim to help our clients gain an understanding of what these regulations are, their importance and how they should be applied.



We want to offer tailored solutions and expert advice in our interactions with our clients. To do so, we work with partners, such as Encon, Broptimize and Smart2Circle in Belgium, who support us in assisting our SME and corporate clients by providing sustainability and energy-related advice. We also aim to support our SME clients in their sustainability transition with our own solutions, such as:

- **Greenometer**, a digital ESG advisory platform, available to our corporate and SME clients in the Czech Republic and Slovakia. The tool provides companies with their carbon footprint calculation, bespoke advice on how to improve the sustainability of their business and financing options tailored to the business’ processes and needs.
- **ecoWise**, a consultancy firm and subsidiary of KBC that provides independent, tailored advice to SMEs in Flanders on energy efficiency and renewable energy. It also offers advice on building insulation (for walls, roofs, windows and floors) and helps entrepreneurs assess the impact and interaction of proposed measures, aiming for approximately 30% energy savings.

In the spotlight



Launch of the Carbon Footprint Calculator in KBC Mobile

In 2025, KBC integrated a carbon footprint tool for individual clients in KBC Mobile. The tool enables clients to estimate their personal CO₂ emissions based on spending patterns. With the client’s consent, their transaction data is analysed and matched to emission factors, delivering estimates across categories such as shopping, groceries, transport and energy & telecom – all without manual input. Based on this analysis, the tool provides personalised insights, highlights high-impact spending areas, and offers practical tips, making climate awareness part of everyday banking. It also encourages our clients to make informed, sustainable choices.



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We regularly train our relationship managers to increase their awareness about ESG topics and their knowledge of sustainability-related risks and opportunities. Through this training, we also aim to give them the tools to be able to support our clients in their sustainability transitions. In some cases, the training is sector specific.

We also make use of our bilateral client conversations to gather environmentally relevant data. Our work is increasingly structured through the use of surveys, ESG assessments and the reporting by companies themselves. Carbon-footprint calculators deliver valuable insights and help in defining positive, climate-related investments. Based on insights derived from the White Papers, we set up more extensive surveys for specific sectors or collect additional data on specific metrics.

We have conducted thousands of customer engagement conversations since launching our customer engagement strategy. Additionally, we continue to reach out to and provide incentives for clients in various ways, such as through ESG webinars, tailored advice and carbon footprint calculators. We have also set targets and measure achievements, including those related to financing green or 'towards green' assets. Moreover, through KPIs, our banking, insurance and Asset Management business colleagues are incentivised to support as many clients as possible in their sustainability transition.



”

We believe that economic logic and sustainable choices go hand in hand. Rather than slowing down, we’re offering even more expert advisory to our clients together with our partners. What began as raising awareness has evolved into being a partner in transition.”



WIM ERALY,
Senior General Manager
Commercial Banking

Product development and service offering

We want to contribute to environmental objectives and support our clients in their sustainability transitions through the products and services we offer.

In Table 5.4 we provide an overview of the main opportunities and indicate a selection of the products and services that we offer our clients throughout their sustainability journey. We have set internal volume targets for some of these opportunities as a part of our annual budget cycle. To render the ways in which we support the green transition through our products and services more tangible, we provide more in-depth information on outstanding amounts and volumes of some of these products and services in the tables that follow. We also provide more detail on these products and services in the White Paper sectors part of the [Metrics and targets](#) section.

Table 5.4: Climate- and other environmental objective-related opportunities for KBC

White Paper sector	Opportunity	Selection of products and services
 Energy	- Energy transition to alternative and affordable energy sources with lower emissions - Increased electricity storage capacity - Energy grid infrastructure investments	- Expert advice for corporate, SME and retail banking clients through our own network, through partnerships or through our mobile channels - Energy services - Financing cleaner energy supply - Stimulating clean and efficient energy consumption - Financing and insuring sustainable buildings and home renovations - Financing and insuring low-emission cars and bicycles - Sustainability-linked loans (SLLs) - Issuance of Green Bonds
 Real estate	- Retrofitting buildings and energy-efficiency advisory services - Integration of renewable energy such as energy-efficient heat pumps and photovoltaics	
 Transport	- Transition to electric vehicles (EVs) and bicycles - Electrification for long-haul transport - Modal shift	
 Agriculture	- Bioenergy from agri-food waste resources - Energy efficiency and renewables - Precision farming - Regenerative farming	
 Food and beverages	- Energy-efficient production - Bio-based water remediation techniques - Optimising the resource use with circularity - Higher recycled content of plastic packaging	
 Building and construction	- Bio-based and carbon-negative building materials - Modular constructions - Electrification of machinery - Upcycling of demolition waste	
 Metals	- Electric arc furnaces for steel production - Green hydrogen as an energy source - Upcycling of steel and aluminium in scrap waste - Recollection of EV batteries for recycling of precious metals (e.g. rare earths, lithium)	
 Chemicals	- Green hydrogen as a feedstock and as an energy source - Higher share of recycled plastics through effective collection systems and the application of chemical recycling - Utilise circular molecules in the product portfolios - Safer alternative chemicals to PFAS	



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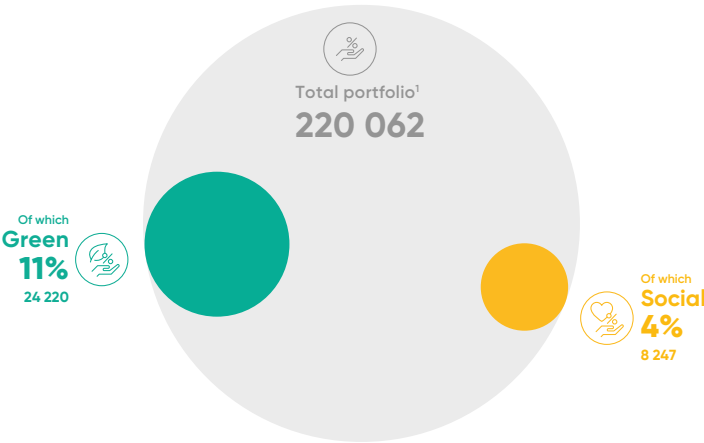
Read more

- Details on our strategic approach towards the White Paper sectors [White Paper approach](#)

Lending

We support our clients with 'green' and 'social' loan products. Figure 5.2 presents the proportion of our total lending portfolio that can be classified as 'green' or 'social'. In this figure, the term 'green' is defined in a broad way, including not only Mandatory and Voluntary Taxonomy reporting but also various frameworks, standards and Sustainability-Linked Loans (SLLs). As a result, this definition differs from the one applied in our Green Asset Ratio (GAR). **We have intentionally adopted this broader approach to clearly demonstrate how we actively support our clients and contribute to their transition towards a more sustainable economy.** In the section on Green loan volumes and in Table 5.5, we provide a detailed explanation of how we determined this 'green' percentage of 11%. The term 'social' is based on our social impact financing, which is explained in more detail in Table 5.3. The 'social' percentage amounts to 4%. Adding up both the 'green' and the 'social' lending components results in a combined 15% of our total portfolio.¹

Figure 5.2: Volumes of 'green' loans based on Mandatory Taxonomy Reporting, Voluntary Taxonomy Reporting, other frameworks/standards and Sustainability-Linked Loans and volumes of 'social' loans (millions of euros)



¹ Total assets (Gross Carrying Amount; financial year figures) minus assets not covered by the Green Asset Ratio (i.e. excluding central government and supranational issuers, central bank exposure and trading book)

Green Asset Ratio

Our 2025 Taxonomy Alignment percentage, our Green Asset Ratio (GAR)³ is 0.9%, compared to 0.5% in 2024. This figure was calculated using the same methodology as last year, in accordance with Commission Delegated Regulation (EU) 2021/2178 – Disclosures Delegated Act (DDA) & Commission Delegated Regulation (EU) 2023/2486 – Environmental Delegated Act.

The new KPI calculation, introduced by the Omnibus simplification package but not yet voted on as of 31 December 2025, has not yet been applied in our official reporting. However, we have calculated our GAR based on that new Omnibus definition of the KPI (meaning the aligned scope of the numerator and denominator as well as the inclusion of taxonomy-aligned outstandings with non-CSRD counterparties). Under the new methodology, we estimate that our GAR would amount to **4.0%**.

We report in further detail on our mandatory Taxonomy eligibility percentages and our GAR in our [Annual Report](#).



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- More details on mandatory taxonomy reporting at KBC [KBC Group Annual Report: Sustainability Statement](#)

³ Based on CSRD counterparties' turnover KPIs.

Green loan volumes

In Table 5.5, we provide a breakdown of the different ways in which we have defined the term ‘green’ in our overview in Figure 5.2.

Firstly, we report on the ‘green’ loan volumes that we can align to a certain extent with EU Taxonomy criteria,⁴ consisting of:

- **Mandatory EU Taxonomy reporting:** This includes the EU Taxonomy reporting volumes based on turnover KPI published by CSRD companies. It also includes the loans we offer for assets and activities that fully meet the criteria of the EU Taxonomy. Where these are offered to corporate clients – in Special Purpose Vehicles (SPVs) or subsidiaries of our counterparties covered by the CSRD – we include them in our Green Asset Ratio (GAR). These loans are assessed per individual case against the technical EU Taxonomy criteria. The client must provide the documentation for this assessment. We also report these numbers in our [Annual Report](#). Retail loans offered to households, such as mortgage loans and low-emission car loans that fully meet the criteria of the EU taxonomy, may in the future be included in this ‘Mandatory EU Taxonomy reporting’. However, unlike some financial institutions active in other European countries, we are

currently still not granted access to all the necessary documentation for every loan as required for our Mandatory EU Taxonomy reporting.

- **Voluntary EU Taxonomy reporting:**
 - We also offer loans that fully meet the criteria of the EU Taxonomy to corporate clients that have no CSRD obligations. Taxonomy legislation requires us to make a distinction between counterparties subject to CSRD disclosure obligations and those that are not. We have strictly adhered to this definition – excluding SPVs and subsidiaries of CSRD counterparties that are not consolidated by the CSRD counterparty – from our mandatory reporting. These SPVs and subsidiaries are instead reported in this voluntary section of our report.
 - This category also includes mortgage loans that meet the criteria of the EU Taxonomy, but where we do not have access to all the required documentation for each individual file. Here, we used reliable proxies and estimates to calculate the share of our mortgage portfolio that complies with EU Taxonomy criteria. For example, we used rules of thumb to determine whether the financed houses are considered new constructions⁵ or acquisitions of an existing house.⁶ This allowed us to check

the Substantial Contribution criteria for energy performance for these portfolios. An example of how we verify Do No Significant Harm (DNSH) criteria is our use of available forward-looking flood maps to exclude houses in flood-prone areas. We used proxies to estimate the Taxonomy Alignment of our mortgage portfolio in **all our core countries this year, instead of only Belgium and Bulgaria, as in the past. This explains the significant increase in volume this year.** For more details on the proxies and estimates applied, we refer to the [Methodologies Explained](#) appendix.

Secondly, under the category ‘Others’ we report the loans that only meet the Substantial Contribution criteria of the EU Taxonomy criteria and the loans we have provided that meet the criteria of sustainable frameworks from other external parties such as the European Investment Bank (EIB), Loan Market Association (LMA) or local governments.

- **Loans for which we were only able to verify the Substantial Contribution criteria of the EU Taxonomy:** For a portion of our portfolio, we have data that proves compliance with the Substantial Contribution criteria of the EU Taxonomy but lack data that proves

⁴ The EU Omnibus simplification package (not yet voted on 31/12/2025) has not been applied in this reporting overview.
⁵ Reference to activity 7.1 ‘Construction of new buildings’ as described in the EU Taxonomy Compass.
⁶ Reference to activity 7.7 ‘Acquisition and ownership of buildings’ as described in the EU Taxonomy Compass.



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full compliance with the DNSH and ‘Minimum Social Safeguard’ criteria. For example, our portfolio of electric and hybrid vehicles emitting less than 50g CO₂e/km lacks information on tyre fitment and circular material use, preventing inclusion in Mandatory EU Taxonomy reports. Consequently, we report them here.

- **Loans that comply with other third-party sustainability frameworks:** We also offer loans that comply with other reliable third-party sustainability frameworks. This includes frameworks from the European Investment Bank, LMA ‘green’ criteria and local government schemes. **We have seen a significant increase in these loans. This is due to the increasing availability of national frameworks and subsidy schemes in our core countries.** Additionally, we report financing for buildings with Building Research Establishment Environmental Assessment Method (BREEAM)⁷ ‘outstanding’ and ‘excellent’ certifications.⁸

Finally, we report on SLL volumes. These loans support our clients in their sustainability-transitions by **granting a margin adjustment of the loan’s interest rate if sustainability goals are met.** If these goals are not met, a margin increase will be charged. The goals can be related to both environmental and social objectives.

They are pre-determined and translated into clear Key Performance Indicators (KPIs). SLLs can be both bilateral as well as syndicated loans. KBC supports its clients in formulating ambitious and material KPIs that contribute effectively to their sustainable transition.

Table 5.5: Loans aligned to the EU Taxonomy criteria, to criteria of other external frameworks/standards and Sustainability-Linked Loans (KBC Group, millions of euros, gross carrying amount)

	2025	2024	2023
Mandatory EU Taxonomy reporting ¹	1 896 ²	1 028 ²	406 ²
Voluntary EU Taxonomy reporting ¹	8 841	4 029	3 750
EU Taxonomy-aligned loans to non-CSR companies, SPVs and subsidiaries of CSR companies ³	2 212	1 587	1 371
Estimated EU Taxonomy alignment of our mortgage portfolio ⁴	6 629	2 442	2 379
Others	11 530 ¹	8 901	3 055
Loans complying only with the Substantial Contribution criteria of the EU Taxonomy	9 769 ¹	8 052	2 597
Loans that comply with other third-party sustainability frameworks	1 761 ¹	849	458
Sustainability-Linked Loans	1 953 ¹	1 200	927
Total	24 220 ¹	15 158	8 138

¹ Mandatory, Voluntary EU Taxonomy and others (2025) and Sustainability-Linked Loans (2025) reporting are based on financial year figures. All other figures are based on 30 September data.
² Mandatory EU Taxonomy reporting is based on turnover KPI published by the CSR counterparties.
³ Only the SPVs and subsidiaries of CSR companies that are not consolidated by the CSR company are included here.
⁴ As of 2025, we also include the mortgage portfolio of Czech Republic, Hungary and Slovakia. The 2024 and 2023 figures included only the mortgage portfolio of Belgium and Bulgaria.

⁷ BREEAM is a sustainability rating system that assesses how environmentally friendly a building or infrastructure project is. It scores areas like energy, water, materials, and health to give a rating from Pass to Outstanding.
⁸ Certificates issued starting from 2016 for newly constructed buildings.



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Additionally, in Table 5.6 and Figure 5.3, we provide a breakdown of the parts of our loan portfolios that contribute to renewable energy, mortgages for energy-efficient housing and low-carbon vehicles. To reflect trends with previous reports, this table uses the definitions we have used in past reporting. These are not aligned with EU Taxonomy criteria but do give an accurate picture of the trends in sustainable lending in our portfolios over the years.

Table 5.6: Overview of KBC Group's lending portfolio contributing to environmental objectives, per type of financed activity or asset (KBC Group, millions of euros)

	2025	2024	2023
Renewable energy sector (granted amount)	4 179	3 181	2 565
Mortgages for energy-efficient housing (outstanding amount) ¹	28 077	21 036	15 210
Financing for low-carbon vehicles (outstanding amount) ²	1 710	1 257	714 ³
Of which zero-emission vehicles ⁴	1 181		
Of which bikes	104		

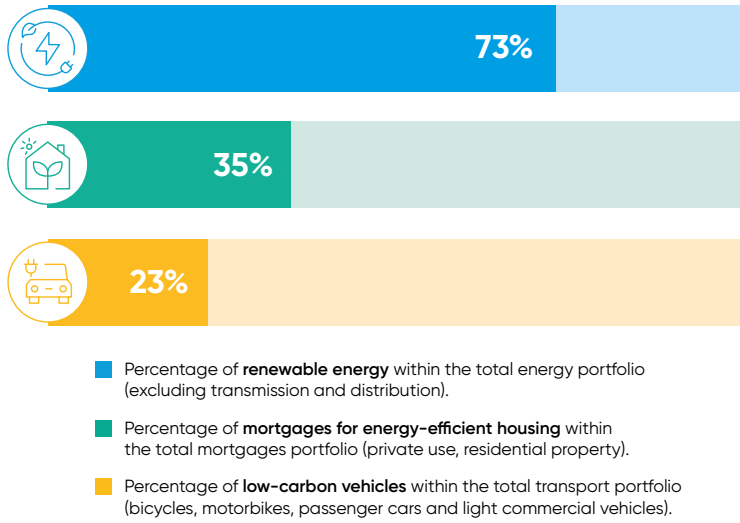
¹ The reported amounts correspond to houses with EPC (Energy Performance Certificate) A and B labels, considered as energy-efficient housing. The data are based on actual EPC labels or an approximation where no labels are available.

² Includes data on financial leasing, loans and operational leasing for Belgium, the Czech Republic, Bulgaria, Hungary and Slovakia (vehicles with emissions < 50g CO₂/km and in alignment with Substantial Contribution criteria of the EU taxonomy, such as bicycles, motorbikes, passenger cars and light commercial vehicles).

³ Figure has been adjusted as a result of a recalculation.

⁴ Starting in January 2026, only vehicles with 0 gCO₂/km emissions will meet the EU Taxonomy's Substantial Contribution criteria for vehicles and light commercial vehicles. This is why we have already begun reporting this value separately.

Figure 5.3: KBC Group's lending portfolio contributing to environmental objectives, per type of financed activity or asset



Insurance

In 2025, we again calculated the alignment of our non-life insurance portfolio with the EU Taxonomy criteria for climate change adaptation. Currently, 77 million euros of the gross written premium (GWP) complies with these stringent criteria. After a 2024 gap analysis, we spent the past year looking for opportunities to align our insurance portfolio with EU Taxonomy criteria across all core countries. Last year, we reported Taxonomy alignment for part of KBC Insurance's 'Corporate fire and other damage to property' portfolio in Belgium. After a product update at ČSOB Pojišťovna, we can now include a relevant part of the 'fire and other damage to property' insurance premiums from our Czech insurance subsidiary as well. In the years to come, we will continue our efforts to align our range of insurance products with the taxonomy criteria.

Table 5.7: GWP aligned to the EU Taxonomy criteria for climate adaptation (millions of euros)

	2025 ²	2024
Taxonomy-aligned premium (GWP) ¹	77	43

¹ GWP includes the total amount of premiums recognised for the whole period of coverage, provided by the insurance contract, regardless of the fact that such premiums may relate in whole or in part to a later financial year or accounting period and irrespective of premium payment conditions (e.g. monthly versus quarterly versus yearly premium payments).

² Illustrating our efforts to further align our insurance portfolio with EU Taxonomy criteria, the difference between 2025 and 2024 is mainly due to the fact that, as of this year, we also report part of the 'fire and other damage to property' portfolio of ČSOB Pojišťovna as aligned. Aligned premium reported in 2024 was limited to part of the 'Corporate fire and other damage to property' portfolio of KBC Insurance in Belgium.



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- More information on our insurance Taxonomy reporting at KBC [KBC Group Annual Report: Sustainability Statement](#)

Advisory services

We also provide comprehensive advisory services to support clients in their sustainability financing ambitions. We help companies structure and issue green or social bonds to fund projects with positive environmental and social outcomes. We enable them to access capital markets in a manner that is both responsible and aligned with their sustainability objectives.

These two examples illustrate how KBC supported its clients in 2025:

- KBC Securities proudly supported two landmark Green Bond issuances. As joint bookrunner, we assisted VGP, a leading logistics real estate developer, in successfully issuing a long (five-year), 500-million-euro Green Bond to finance or refinance assets aligned with its Sustainable Finance Framework.
- We also played a key role in Fluvius’ 10-year, 700-million-euro Green Bond. Fluvius is a Flemish system operator that develops, chiefly manages and maintains utility networks for electricity and gas distribution, public lighting and sewerage operations. The net proceeds will be used to support Fluvius’ mission to build resilient, future-proof operating systems.

Internal carbon pricing

In 2021, we developed an approach for assessing the theoretical costs of carbon emissions in our decision making. We refer to this methodology as Internal Carbon Pricing (ICP).

The approach is meant to support decision makers to assess, for instance, credit proposals in carbon-emitting sectors such as the energy, chemicals, metals, building materials and car manufacturing industries. The ICP approach helps identify opportunities and risks related to carbon emissions within the context of requests for credit. **We currently use ICP in the context of larger credit files and for companies reporting under CSRD.** Our ICP trajectory runs through 2050, covering two key EU transition pathways: well-below 2°C (WB2D) and net zero by 2050 (NZ2050) – both are aligned with Network for Greening the Financial System (NGFS) climate scenarios. By 2030, internal carbon prices are projected to rise by 45% for WB2D and 98% for NZ2050 compared to current levels of 93 EUR/t CO₂e (WB2D) and 127 EUR/t CO₂e (NZ2050). More details on our ICP methodology are available in the [KBC Group Annual Report’s Sustainability Statement](#).

However, we are continuously exploring other potential use cases for our ICP. For example, our colleagues in Business Unit Belgium currently have a CO₂ pilot running that is based on ICP. It involves using estimated counterparty greenhouse gas emissions and KBC’s ICP to test the sensitivity of a company’s earnings. The outcome could potentially serve as a catalyst for further financial analyses and provide the basis for deciding if the results of this sensitivity analysis could be used to initiate discussions with clients. The pilot analysis will also focus on companies that are active in the most carbon-intensive industries.



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- More details on our Internal carbon pricing
[KBC Group Annual Report: 'Sustainability Statement'](#)



Social and Green Bonds issued by KBC

One way in which KBC increases its positive impact on society is by issuing green and social bonds, the proceeds of which are used to finance projects that have either positive social or environmental impact. As of 2024, we publish a combined [Green and Social Bond Report](#), which contains all relevant information regarding both our Green and Social Bonds.

In the spotlight

KBC issues its fifth Green Bond

In 2025, KBC issued its fifth Green Bond with an 11-year tenor, callable after six years for an amount of 500 million euros. This marked the second issuance under our updated Green Bond framework and the first time we used the green label for a Tier 2 subordinated bond transaction. The proceeds of the Green Bond will be used for energy-efficient buildings, renewable energy transactions and clean transportation. Over 100 investors participated in this issuance, which will enable KBC to continue to support the financing of environmentally sustainable economic activities.



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Risk management

‘Climate and other environmental risks’⁹ have been reconfirmed as a top risk for KBC in 2025. We cover our risk approach in depth in our Risk Report. In this section, we provide a summary of our approach.

Risk governance

The management of ESG risks is embedded in our existing Risk Management Governance. The ‘Three Lines of Defence Model’ constitutes the cornerstone of KBC’s risk governance. It specifies the roles and responsibilities regarding risk management for all risks to which KBC is exposed, which includes ESG risks.

Moreover, the risk function is actively represented on the main sustainability committees at the group and local level. For further reading on this, we refer to the [Sustainability governance](#) part of this report.

Integration into risk management frameworks and processes

The KBC Enterprise Risk Management Framework, approved by the Board of Directors, sets strict governance and clear rules and procedures on how risk management should be performed throughout the Group, by defining consistent and group-wide standards for risk

management. It covers all risks to which KBC is exposed. This includes ESG risks, which are firmly embedded in KBC’s overarching risk management processes.

ESG risks are identified in our risk taxonomy as key risks related to KBC’s business environment. ESG risks are considered to be key risk drivers of the external environment that manifest themselves through (all) other traditional risk areas, such as credit risk, market risk, technical insurance risk, operational and reputational risk. As such, we do not categorise ESG risks as stand-alone risk types.

Risk assessment methodologies for climate risk are much more advanced than methodologies for some of the other ESG risk areas. At KBC, our initial focus has also been on the integration of climate-related risks within all risk management frameworks and processes, such as risk identification, measurement, stress testing and risk appetite.



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Read more

- More details on KBC’s risk and capital management, including links to ESG-related risks
[KBC Group Risk Report](#)
- More details on our sustainability and climate-related governance
[Sustainability governance](#)

⁹ We distinguish between two types of environmental risks, as defined by the TCFD and the TNFD:

- Transition risks arise from disruptions and shifts associated with the transition to a low-carbon, climate-resilient or environmentally sustainable economy. Examples include policy changes and technological changes/progress and increased litigation risk.
- Physical risks refer to potential financial implications from physical phenomena associated with both chronic risks (climate or environmental trends such as changing weather patterns or rising sea levels) and acute risks (extreme events, such as storms, floods, wildfires and heatwaves, which may disrupt operations, value chains or damage assets).

Additionally, we are increasingly taking other environmental risks – such as biodiversity loss, water stress, pollution and waste management – into account in our risk analyses. This is especially important since climate change and other environmental risks can potentially exacerbate one another. Moreover, these issues also pose risks that can significantly affect financial institutions’ balance sheets, for example, through their clients and investments. The growing attention for ESG risk management is also reflected in several legislative and supervisory initiatives launched by EBA, EIOPA (European Insurance and Occupational Pensions Authority) and ESMA (European Securities and Markets Authority), as well as relevant regulations and directives such as the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy and the CSRD.

In addition, many social and governance risks are already being continuously and properly managed, monitored and reported on within KBC. In particular, processes are in place regarding anti-money laundering, anti-corruption, data protection, cyber security and consumer protection, among other risk areas.

Risk identification

We use a variety of approaches and processes to identify new, emerging and changing risks, including climate and other ESG risks. We incorporate a forward-looking perspective by considering emerging risks in

the short (0-to-3-year horizon), medium (3-to-10-year horizon) and long term (beyond a 10-year horizon).

To ensure proactive risk identification, we have already begun a number of initiatives. In this section, we provide a brief overview of the most important approaches. For more detail, we refer to our [Risk Report](#).

- The **Environmental Risk Impact Map (ERIM) is the main internal risk identification process for identifying and assessing the materiality of several environmental risks within KBC Group (including the risks associated with climate change, biodiversity loss, water stress, pollution and non-circularity).** The ERIM identifies, for different time horizons and different scenarios, the main environmental physical and transition risk drivers impacting KBC’s business and portfolios. Risk impacts are estimated separately for all traditional risk types. The ERIM is annually reviewed at the level of KBC Group, but separate maps are also in place for the banking, insurance and asset management activities. Additionally, further breakdowns are performed for our core countries, given that the materiality of environment-related risks can vary across different jurisdictions (transition risks) and locations (physical risks).
- **Social Risk Impact Map (SRIM) method** has been in development since 2024 and is annually reviewed at the level of KBC Group, but separate maps are also in place for banking and insurance activities.

Additionally, further breakdowns are undertaken for our core countries, given that the materiality of social risks can differ across jurisdictions and locations. In our assessment, we consider three potential risk drivers: changes in policy and regulation, external developments and changes in societal preferences regarding social factors. We do this while considering the following social risk factors: working conditions, equal treatment and opportunities for all and human rights protection.

- Climate and other environmental risks, cyber risk, compliance risks (including anti-money laundering, GDPR and embargoes) and conduct risk have been identified as top risks by the Group Executive Committee and the Board of Directors for some years already.
- We take sustainability and climate-related risks (e.g. greenwashing) into account when making decisions about new products or services.
- We assess the risk impacts of relevant environmental risk drivers within our White Paper sectors. Where applicable, we provide more details in the section on the [White Paper sectors](#).
- We have performed physical risk assessments for several acute and chronic physical hazards (e.g. flood, drought, heat stress and wildfires). The assessments were geographically tailored to the territories of the five KBC core countries (Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria). In particular, flood risk was assessed by estimating the impact of flood risk on KBC’s mortgage and property insurance



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portfolios. Similarly, drought risk maps are used in KBC to represent prolonged dry periods in a specific area for current and future climate conditions (on a 2020–2039 time horizon), taking into account water demands in the overall assessment.

- **A key tool for detecting ESG risks in credit underwriting is the Environmental and Social Heatmap (ES Heatmap).** It provides a qualitative score for environmental as well as social risks at sector level. For material credit files in sectors with a high-risk score (based on the ES Heatmap), a dedicated **ESG assessment** is performed at counterparty level. To additionally support risk identification, material counterparties with activities that are considered prone to reputational risk are assessed via an external database.
- KBC Asset Management accounts for ESG risk in its investment policy by applying an exclusion policy and integrating the ESG scores of issuers. For further information please refer to the part on [Responsible Investing](#).
- **We analyse the potential impact of extreme natural catastrophe events on our non-life, property insurance portfolio.** External broker and vendor models are used by KBC Insurance entities to model these events. Physical risks in other regions around the world are also closely monitored, as these can affect the global reinsurance market on which KBC relies.

- Finally, ESG risk signals and a set of climate-related key risk indicators are regularly reported to the Group Executive Committee, the Risk and Compliance Committee and Board of Directors via the [Integrated Risk Report](#).

Risk measurement, scenario analysis and stress testing

Tools and methodologies

We make use of a series of methodologies to strengthen our ability to identify, measure and analyse ESG-related risks. The results of these exercises provide further insights into the impact of ESG risks on our business model, as well as the impact of our lending, investment and insurance activities on the environment. By integrating these methodologies, we progressively enhance our credit and insurance underwriting as well as investment policies, while also strengthening our engagement with clients. For more information, please refer to the part on [Metrics and targets](#) in this section and our [Risk Report](#).

Stress testing

We apply stress tests and sensitivity analyses to our lending, insurance and investment activities. The results of these tests enable us to identify weaknesses or blind spots and to assess capital and liquidity adequacy.

We use several **methodologies** to strengthen our ability to identify, measure and analyse ESG-related risks.



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Climate risk plays an increasingly prominent role in the scenarios of KBC’s stress tests and sensitivity analyses. In 2025, we improved the method and incorporated climate stress test guidance in the general stress test standards. We also consider other ESG drivers, such as operational risk losses due to possible cyber hacking. More insights can be found in our [Risk Report](#).

Setting and cascading risk appetite

KBC’s tolerance for risk is captured as ‘risk appetite’ and is explicitly described in the ‘Risk Appetite Statement,’ which enables the Group to implement its corporate strategy within a clear risk playing field.

ESG has been included in our Risk Appetite Statement at the highest level via a specific ESG risk appetite objective. When considering climate and other ESG risks in our risk appetite process, we focus on short-term impacts as well as extended time horizons in order to safeguard KBC’s long-term sustainability.

KBC’s risk appetite is supported by our group-wide policies and sustainability targets. These policies define our risk playing field for our lending, investing, insurance and advisory services, and are translated in underlying standards such as the [Credit Risk Standards](#)

[for Responsible and Sustainable Lending](#) and the [Group Investment Policy](#).

More information on our policies and sustainability targets can be found in the part on [Sustainability policies](#) and the part on [Our sustainability targets](#) in this report.

Risk analysis, monitoring, reporting and follow-up

Indicators for climate-related risks and opportunities are integrated into the KBC Sustainability Dashboard. Given that ESG risks are well integrated into ICAAP/ ILAAP/ORSA¹⁰ and related analyses, these risks are already extensively addressed in these reports.

In support of our risk appetite process (see above) and as part of our internal monitoring, we have introduced a set of **climate-related key risk indicators**. These are defined for the most material transition and physical risks, as defined in the ERIM, which covers a large part of KBC’s activities and portfolios. They are also included in a Climate Risk Dashboard, which is presented to the Board of Directors every six months. The Dashboard is continuously evolving in tandem with improvements in data availability and quality.

The Board of Directors, the Risk and Compliance Committee, the Executive Committee and the Internal Sustainability Board are the primary recipients of the various outputs of the main risk management processes.

All regulatory disclosure requirements are guided by the dedicated [Data and Metrics project](#) within the Sustainable Finance Programme.

The European Banking Authority (EBA) templates for Pillar 3 disclosures on ESG risk have been included in the Risk Report since December 2022.

Regarding the SFDR, KBC (and particularly KBC Asset Management) has also implemented the various disclosure requirements (pertaining to entities, services and product levels).

¹⁰ The Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) submission is a comprehensive set of documents, in which all material evolutions in the risk, capital and liquidity situation of KBC Group, its business model, governance and risk management are documented and summarised in Capital and Liquidity Adequacy Statements. These documents are input into ECB’s Supervisory Review and Evaluation Process. A similar document is created for KBC Insurance, commonly known as the Own Risk and Solvency Assessment (ORSA).



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Metrics and targets

Our own environmental footprint

Since 2015, we have been diligently measuring our environmental footprint to better understand and mitigate our impact. Over the years, we have set ambitious targets for reducing our footprint and have achieved significant reductions in our GHG emissions. Every year since 2021, our goal has been to reach net climate neutrality in our own operations.

Mapping our environmental footprint

We calculate the GHG emissions arising from our own operations at group level, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. These calculations provide insight into and help identify the main sources of our direct impact on the climate. They form the basis for our own environmental footprint target setting.

Our calculations include:

- **Scope 1:** Direct emissions from fuel combustion and refrigerant gases in our office buildings and from our company-owned car fleet (including private use).
- **Scope 2:** Indirect emissions from purchased energy (i.e. electricity, heat, cooling and steam consumption).
- **Scope 3:** Indirect emissions from business and commuter travel, as well as emissions from sources over which we have direct operational influence (such as paper and water consumption and waste generation).

The system boundaries for our target scope are determined by operational control and aligned with the financial consolidation scope of KBC Group. **This scope differs from our total calculated GHG inventory as reported in the Sustainability Statement of the Annual Report.** More details on the methodology and differences in scope can be found in the [Sustainability Facts and Figures](#).

Our environmental footprint calculations will be verified through the assurance of our Sustainability Statement in the Annual Report. For this please refer to the assurance statement in our [Annual Report](#).

Actions to reduce our climate impact

Central to our strategy for our own environmental footprint is our commitment to reducing our negative impact while simultaneously enhancing our positive contributions.

As a first step, we aim to reduce our negative environmental impact. To achieve this, we set group-wide reduction targets in 2016. We have tightened these over the years. The targets were set based on climate science and are aligned with the Paris Agreement goal of limiting global warming to maximally 1.5°C by the end of the century.



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Read more

- More details on the methodology of our own environmental footprint [Sustainability Facts and Figures: Environmental data and emissions](#)
- Assurance statement on our own environmental footprint [KBC Group Annual Report](#)

We first identified our main impact sources by **measuring** our environmental footprint. Next, each core country developed an action plan to **reduce** GHG emissions from their operations. These plans were then turned into internal reduction targets at the country level and a group-wide target. We track the implementation of these plans and our progress annually.

Some of the practical steps we took to move towards these targets included:

- Implementing an ISO 14001 environmental management system in all core countries to manage and reduce our direct environmental impact.
- Reducing our energy needs and transitioning to renewable energy, both self-generated and purchased energy.
- Leveraging renovations and relocations to reduce our environmental impact and to adopt environmentally friendly alternatives.
- Supporting the shift to greener employee mobility by implementing a teleworking policy in all our core countries, incentivising the use of (electric) bicycles for commuting, promoting public transport for business travel and supporting the transition to a greener and electric car fleet.
- Reducing waste production, paper and water consumption.

In the spotlight



Decarbonising our office buildings

In 2025, we carried out nine major renovation projects in Flanders, alongside the opening of three new branches. This provided an excellent opportunity to transition to more sustainable solutions. During the renovations, we improved the building envelope, where possible, and replaced installations with fossil fuel-free alternatives. All new sites were fossil fuel-free and equipped with state-of-the-art technology.



In 2025, **100%** of our purchased electricity came from **renewable sources**.



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A second, crucial aspect of our strategy is to amplify our positive contributions. For instance, we aim to make a significant positive difference through initiatives like recycling and circularity.

Targets

Own environmental footprint

Indicator ¹	Targets	2015 Baseline	2025	2024	2023
Total GHG emissions from own operations in tonnes CO ₂ e (% change, market-based)	-80% by 2030	170 735	50 523 (-70%)	53 934 (-68%)	55 377 (-68%)
Renewable electricity in % of purchased electricity	100% by 2030	-	100%	100%	100%
Carbon credits purchased (in % of remaining GHG emissions)	100% as of 2021	-	100%	100%	100%

¹ These indicators refer to our own environmental footprint target scope, which is different from our total calculated GHG Inventory (see [Mapping our environmental footprint](#)).

Offset

Since 2021, the last step in our approach has been the offsetting of own footprint emissions that cannot yet be eliminated. In this way, we aim to achieve net climate neutrality with respect to our own footprint target scope. We have done so by investing in high-quality carbon credits. We recognise that the methods used to measure carbon credits may have limitations. However, we still think it is important to support high-quality projects that aim to protect carbon storage or increase sequestration.

To this end, we selected highly rated projects that are certified under internationally recognised standards. Moreover, we specifically chose to invest in projects that address climate change, whilst simultaneously ensuring additional benefits for local communities and biodiversity conservation. All the projects also have a clear link to our sustainability strategy. Please note that our due diligence process is aimed at selecting projects with a demonstrated real-world impact, but that ultimately this process relies on information supplied by third parties and is dependent on the availability of credits within those projects.

For the first time, we have been able to source carbon removal credits originating from one of our home countries, while fully meeting our internal quality criteria. We also purchased three projects that reduce emissions by avoiding deforestation which are outlined in this section.

In the spotlight

Regenerative farming in Bulgaria

Agreena’s regenerative agriculture programme supports farmers across 1.6 million hectares in Europe to adopt practices that measurably reduce and remove greenhouse gas emissions, relying on independent third-party (Verra) verification to ensure environmental integrity and traceability. The project delivers significant climate impact, including 1.2 million tonnes of CO₂ reductions and 1.1 million tonnes of CO₂ removals. By investing specifically in these high-integrity carbon credits in Bulgaria, we help restore soil health, enhance biodiversity, and provide direct financial support to farmers transitioning to regenerative practices in one of KBC’s home countries.



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The Amazon – Earth’s largest tropical rainforest

Tropical rainforests are home to many species and store large amounts of carbon. The Envira Amazonia Project in Brazil will reduce deforestation and mitigate the associated greenhouse gas emissions, as well as preserve rich biodiversity and a wide range of ecosystem services. Moreover, it will provide direct benefits to local communities and mitigate the release of about 12.6 million tonnes of CO₂ over the first 10 years of the project.

Peat swamps – Major global carbon reservoirs

The Katingan Mentaya Project is the world’s largest forest-based avoided emissions initiative, located in Central Kalimantan, Indonesia. Spanning 149 800 hectares of peatland, the project aims to prevent emissions by protecting and restoring the area, which is a critical carbon sink. Without the project, this area would have been converted to industrial plantations, releasing vast amounts of carbon. Situated in a Key Biodiversity Area, the project is home to many species, including critically endangered orangutans and proboscis monkeys, as well as many species that are only found in Indonesia.

Keo Seima – A biodiversity hotspot

The Keo Seima Wildlife Sanctuary is home to the highest number of species recorded in any protected area in Cambodia. Forest clearing for agriculture and the extraction of resources from the area has accelerated in recent years. This is due to improved road access, population growth and the limited recognition of the value of biodiversity and environmental services. The project therefore aims to alleviate deforestation by taking a holistic approach to tackling the multiple root causes.



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Read more

- More information on our carbon offsetting programme
[KBC Group Annual Report: Sustainability Statement](#)

Our indirect environmental impact

Our commitment to sustainability goes beyond our direct operations. Our Sustainable Finance Programme is dedicated to addressing our indirect environmental impact, which encompasses the broader effects of our lending, investing and insurance activities. In this part, we report our achievements regarding our indirect environmental impact, which is the primary focus of our Sustainable Finance Programme. We also outline our vision of our future work in a constantly changing world.

Lending

Climate impact assessment

KBC has calculated the financed emissions¹¹ (i.e. KBC’s Scope 3) for at least a portion of its lending portfolios since 2019. Over the years, the scope of these calculations has gradually expanded and we have been estimating the financed emissions of our entire lending portfolio since 2021. In this section we report on the financed emissions from our loan and lease portfolios. We also report on our 2025 progress in comparison to the sectoral climate targets that we set in 2022 for our lending activities.

This is our fifth consecutive year of reporting on the **financed emissions of our loan portfolio**. The reporting scope for the financed emissions is identical to that of the previous year. Since 2024, the calculations of the financed emissions of our loan portfolio have been verified through the assurance of our Sustainability Statement in the [Annual Report](#).

Figure 5.4 is a schematic representation of our outstanding loan portfolio in the White Paper sectors and an overview of the financed GHG emissions of KBC Group (i.e. associated with our clients’ Scope 1 and 2 emissions).

¹¹ In this section of our report, we use the term ‘financed emissions’ to refer to our financing share in our clients’ Scope 1 and 2 GHG emissions. We do this to align the scope of financed emissions with the emissions that are in scope for our lending climate targets. KBC also reports, in full, on the financed emissions of our entire loan portfolio (i.e. financed emissions associated with our clients’ Scope 1, 2 and 3 emissions) in the Sustainability Facts and Figures section.



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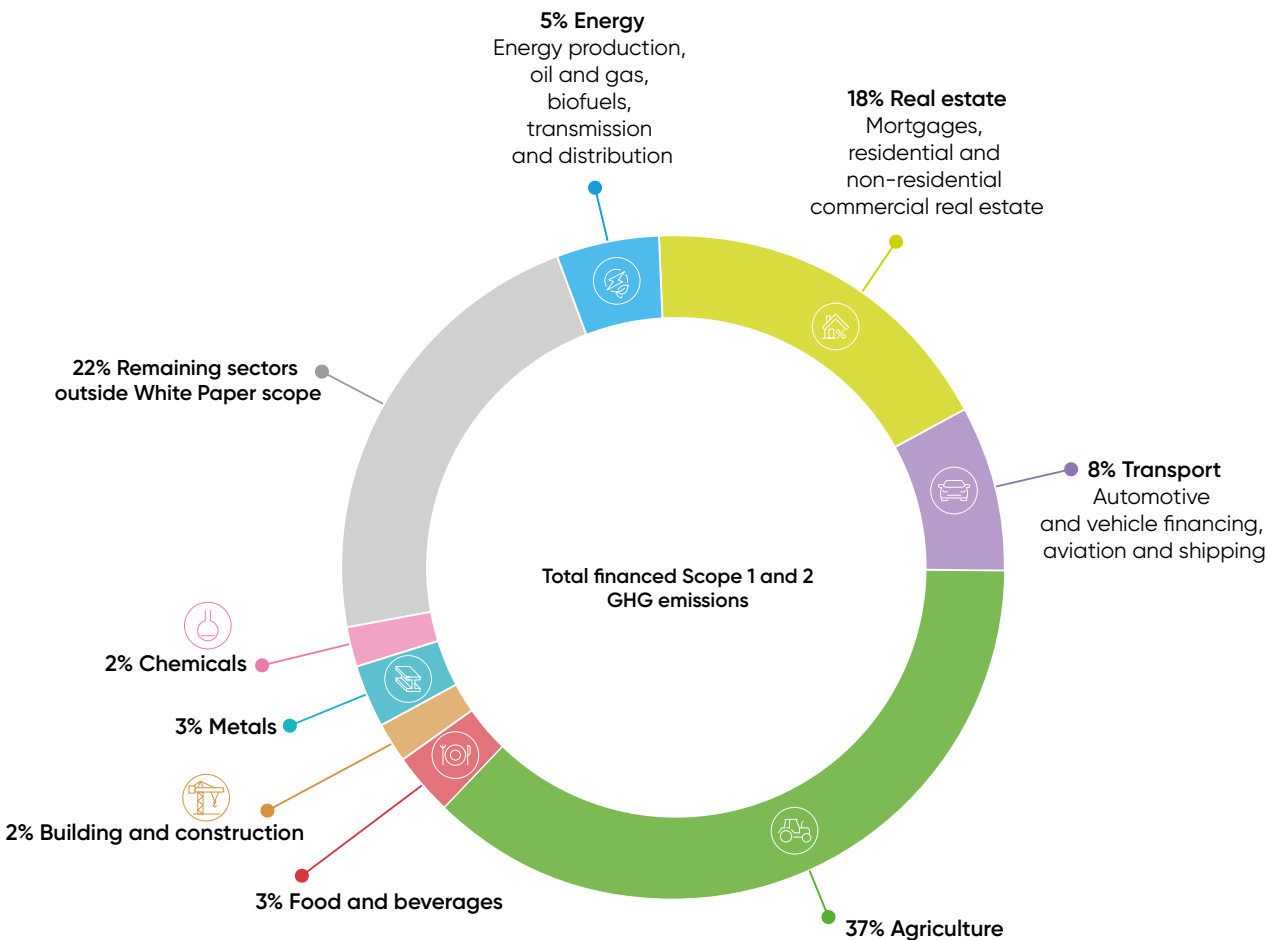
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Figure 5.4: Financed Scope 1 and 2 GHG emissions, expressed as a percentage of KBC Group's total financed Scope 1 and 2 GHG emissions



Most material climate-sensitive sectors and product lines (White Paper sectors). Overview of the financed emissions distribution includes our clients' Scope 1 and 2 emissions. Loan book data is as per the end of September 2025. Operational vehicle leasing is not included in the total loan portfolio of KBC Group (financed emissions are based on the net book value of leased vehicles). More details are available in the [Sustainability facts and figures](#).

For further reading on our financed emission calculation approach, please refer to the Sustainability Statement in the [Annual Report](#). The overview of these financed emissions is based on the PCAF Global Standard and is not comparable to similar information in some of the other reports released by KBC (such as EBA Pillar 3 reporting), due to differences in scope and calculation methods. KBC prepared its financed emissions disclosures for the 2025 reporting year in accordance with Part A of the Second Edition of the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry, which remained the most recent version until 2 December 2025. Since then, a new edition has been released, which we are currently assessing.

Work in progress

The calculations in this part should be interpreted with caution and are mostly intended to provide a high-level insight into our environmental impact. This because:

- Our calculations for certain parts of our portfolio are based on the use of proxies and estimations, because collecting climate-related data on our portfolios remains a major challenge. This is especially the case for private individuals, SMEs and mid-caps. Most of these clients do not yet have basic, climate-related data or calculations of their GHG emissions available. Moreover, there are currently no or limited regulations mandating the collection and availability of these data. Larger companies are often already required to disclose

non-financial data and are consequently able to share climate-related data more easily. Yet, overall, there is still a long way to go in improving data collection on climate and nature related issues.

- The methodologies applied are largely consistent with market standards but also remain subject to ongoing development.

We have a dedicated Data and Metrics Project to deal with these challenges and to continuously improve the quality of the calculations that enable transparent reporting on the estimated indirect climate impact associated with our lending business. We also strive to make our calculations as accurate as possible, by investing in improved data quality, and by updating emission factors and proxies to align with market evolutions.

Within the Data and Metrics Project, we aim to identify the data that need to be collected. In a subsequent step, we want to integrate the gathering of these data in all relevant processes in our core countries. **This year we continued to further expand our ESG data ecosystem with investments that included further increasing the quality level of the emission calculations and improving the tools that support reporting.**

Finally, we have an internal recalculation policy to accommodate dynamics in financed emission

calculations. These dynamics can be related to evolutions in company consolidation, or methodological changes in underlying data. More information on our recalculation policy is available in the [Sustainability Statement in the Annual Report](#).

Nature impact assessment

This year, **we enhanced our biodiversity impact and dependency analysis** by leveraging the updated Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) database and refining our calculation methodology. ENCORE provides insights into how economic activities, across sectors and subsectors – both of which depend on and impact nature. The updated dataset enabled us to map our portfolio at a more granular level. We were able to generate detailed scores at the subsector level by integrating impact and dependency ratings with our industrial lending portfolio exposures.

The sectors with the highest exposure-weighted impacts and dependencies remained consistent with last year’s findings. Agriculture continues to show the greatest impacts and dependencies within our lending portfolio, followed by building and construction. The energy sector ranks third in terms of impact, while the food and beverage sector holds the third-highest dependency score.

To deepen our understanding, we conducted an in-depth analysis of the most material impact drivers and ecosystem services for the energy and agriculture sectors, supported by dedicated [White Papers on these industries](#). Similarly, our analysis showed that water is a material dependency for our lending portfolio. Therefore we conducted an in-depth analysis of water-related impacts and dependencies in a [thematic White Paper on water](#).

Our exposure to forest commodities

Last year witnessed a record level of global forest loss, underscoring the need to address deforestation risks within our value chain. Following the extension of our deforestation policy to include traders, we conducted a pilot review of our lending portfolio for counterparties involved in the production or trade of forest commodities. We are transparent about the distribution of our exposure to both producers and traders covered by our biodiversity policy, with a particular emphasis on tropical commodities. It is important to note that timber and beef are not featured in this overview, as the vast majority of our portfolios are based in Europe. While worldwide, beef, palm oil and soy are contributing most to deforestation, in KBC’s portfolio, Latin American beef production is excluded and palm oil and soy represent smaller fractions of our exposure on forest commodities.



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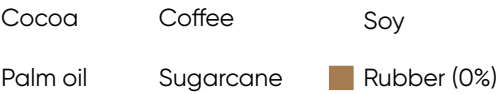
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In line with our policies, we assess our counterparties' commitments to removing deforestation from their supply chains. In line with our overall approach to help our clients in their sustainable transition, client engagement remained a central focus throughout the past year, as we continue to drive progress towards deforestation-free practices.

Figure 5.5: Identified exposure to companies producing or trading forest commodities

Total exposure
forest commodities
302 million euro
(0.1% of total portfolio¹)



¹ Total assets (Gross Carrying Amount; end-of-year figures) minus assets not covered by the Green Asset Ratio (i.e. excluding central government and supranational issuers, central bank exposure and trading book).

In the spotlight

Thematic conference on biodiversity ČSOB

In September 2025, ČSOB CZ, organised a 'Business and Biodiversity' conference in Prague, in collaboration with the Association for Sustainable Business and the Business and Sustainability platform. The aim of the conference was to show that nature protection is becoming a strategic priority for businesses. Biodiversity loss brings real risks, such as supply chain disruptions, reputational damage and regulatory pressure. However, it also brings opportunities to leverage extensive data, invest in regenerative practices for soil health and supplier resilience, as well as for building partnerships across government, business and agriculture. The conference aimed to share best practices and shape recommendations for impactful corporate action on nature.

The event highlighted some of the practical steps companies can take to support nature protection. These included the sharing of biodiversity data, integrating nature positive principles into strategies, launching bank-financed regenerative agriculture projects to improve soil and water, and expanding ESG education via workshops and online courses. Finally, by connecting finance, innovation and nature, ČSOB confirmed its role as an active partner in biodiversity support.



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Read more

- Detailed portfolio and financed GHG emissions data
- [Sustainability Facts and Figures: Environmental data and emissions](#)

Climate targets

We have set intermediate targets for 2030 and long-term targets for 2050 for a subset of our White Paper (sub-)sectors. The White Paper sectors and product lines represent 78% of the total financed Scope 1 and 2 GHG emissions associated with our loan and lease portfolio, of which the majority is covered by dedicated climate targets. Moreover, they represent around 66% of KBC Group’s total outstanding loan portfolio. **The scope of our existing climate targets currently covers about 63% of our total financed Scope 1 and 2 emissions.** In [Sustainability facts and figures](#) we give a detailed overview of the climate target coverages, per sector. While we are deeply committed to doing our part to achieve these climate targets, we emphasise that our efforts depend on action being taken by all stakeholders in society, including governments. We further note that an analysis developed by a globally recognised research provider shows that, with the above-mentioned percentages, KBC is already considered well-positioned compared to industry standards in this respect.

Currently, our climate targets are limited to our clients’ Scope 1 and 2 GHG emissions. Many concerns remain with respect to the quality and reliability of our clients’ Scope 3 emissions data, making them unsuitable for target-setting purposes.

In addition, **we have set targets for emission intensities rather than absolute financed emissions.** Only our thermal coal target is set on absolute financed emissions, namely zero emissions from direct, coal-related lending. **The intensity approach is presently considered the most valuable to us because it allows for better monitoring and engagement on the emission drivers of our clients. It also incentivises transition finance and avoids merely lowering exposure to certain sectors.**

For some White Paper (sub-)sectors¹² no climate targets have been set, due to a lack of usable, climate-relevant data, non-existent or premature target-setting methodologies, lack of climate-scenario data or a combination of these. Notwithstanding the lack of climate targets, these sectors are still part of our overall White Paper approach. When possible and relevant, we will extend our target scope to include these sectors.

This report includes our fourth annual progress report with respect to our emission reduction targets for our lending portfolio. We report on our climate targets and our 2025 progress in the [White Paper sectors](#) part of this section. More details on our progress measurement, its assurance and how we go about it are available in the [Sustainability Statement](#) in the Annual Report.

KBC is already
considered
well-positioned
compared to
industry standards.

¹² This is specifically relevant for the automotive, building and construction (excluding cement producers), metals (excluding steel and aluminium producers), chemicals, shipping and aviation sectors.



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Read more

- More details on our target-setting approach: climate-scenario choices, 2021 baseline calculations and methodologies used
[KBC Group Annual Report: Sustainability Statement](#)
[KBC Group Climate Report](#)
- More details on the data and measurement choices of our progress measurement
[KBC Group Annual Report: Sustainability Statement](#)
- Detailed portfolio and financed GHG-emissions data
[Sustainability facts and figures: Environmental data and emissions](#)

KBC’s Climate progress dashboard

In this section, we outline all of our existing climate lending targets. The ‘Climate progress dashboard’ shows the relevant baseline emission intensities of the subject target portfolios and their progress. It also indicates the level of alignment of our progress with scenario-based, decarbonisation pathways.

We measure KBC’s portfolio climate alignment by comparing 2025 emission intensities against the values of the KBC portfolio-specific and scenario-based, sectoral, decarbonisation pathways (KBC benchmark value) for that same year.¹³ We apply conservative thresholds to indicate a misalignment with the scenario-based benchmarks, as described below. The result of this assessment is expressed in following colour-coded alignment indicators:

- **Green:** KBC portfolio value is currently at or below the scenario-based benchmark.
- **Amber:** KBC portfolio value is currently maximum 5% higher than the scenario-based benchmark.
- **Red:** KBC portfolio value is currently more than 5% above the scenario-based benchmark.

Our 2030 electricity and vehicle financing targets are more ambitious than the relevant scenario-based benchmark. So, to provide a full and comprehensive picture of the progress and evolution of these targets, we also report the theoretical, linear progress line as a supplement to the expressed alignment indicator.

Please keep in mind that our climate targets are directed towards a convergence with 2030 and 2050 goals. Intermediate and short-term fluctuations in our progress (i.e. in measurements) cannot be excluded, given the many uncertainties related to the climate transition and the developments within the portfolios. **Progress towards reaching the climate targets is monitored each quarter at the highest management levels, based on internal forecasting models.** Targets for the volume and emission intensity of new loans granted are set for the main sectors, thus closely linking the financial planning cycle to the management of climate targets.

For each in-scope sector or product line, we provide further details regarding our climate performance, progress and plans in the White Paper parts of this section.

Table 5.8: Alignment indicators per sector and product line

White Paper sectors (Sub-) sector within scope of target setting		
 <u>Energy</u>	 Energy (whole sector)	
	 Electricity	
 <u>Real estate</u> ¹	N/A Commercial real estate and mortgages ²	
	N/A Mortgages and commercial residential real estate ³	
 <u>Transport</u>	 Vehicle loans and financial lease – Passenger cars	
	 Vehicle loans and financial lease – Light commercial vehicles	
	 Vehicle operational lease – Passenger cars	
	 Vehicle operational lease – Light commercial vehicles	
 <u>Agriculture</u>	 Agriculture (whole sector)	
 <u>Building and construction</u>	 Cement producers	
	 Steel producers	
 <u>Metals</u>	 Aluminium producers	

¹ For more details on why an alignment indicator is not included for the real estate sector this year, please see the [White Paper section on real estate](#).

² This target includes mortgages (incl. mandates), income-producing commercial real estate (for third parties), social housing (classified as commercial real estate), REITS and corporate-based lending for general purposes in the income-producing commercial real estate sector. Owner-occupied real estate belonging to companies in sectors outside of the income-producing commercial real estate sector, the financing of land, pure development as well as building construction and real estate services are not covered by this target. Reported emissions and targets are linked to the operational emissions of financed buildings.

³ This target includes mortgages (incl. mandates), income-producing commercial residential real estate of third parties and social housing. Reported emissions and targets are linked to the operational emissions of financed buildings.

¹³ While progress values reported in this chapter are rounded figures, the delta between 2025 measurements and benchmark values, as well as the resulting alignment indicators, is based on unrounded calculations.



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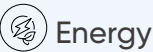
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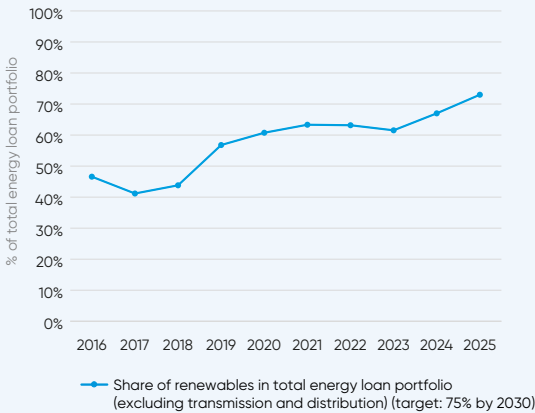
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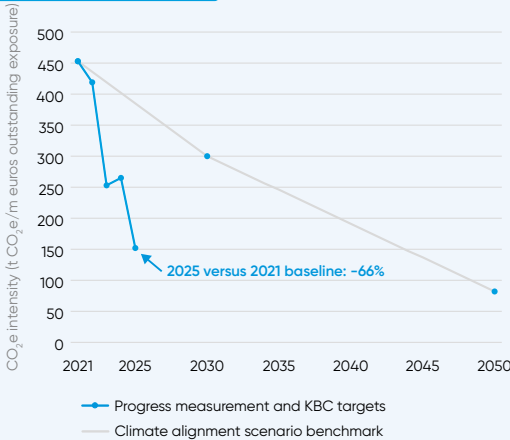


Energy

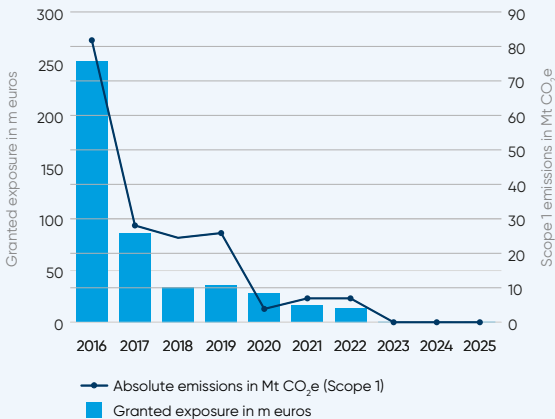
Renewable energy financing



Energy sector portfolio

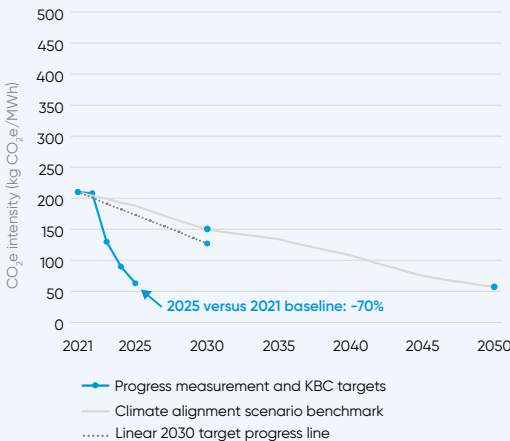


Direct coal exposure



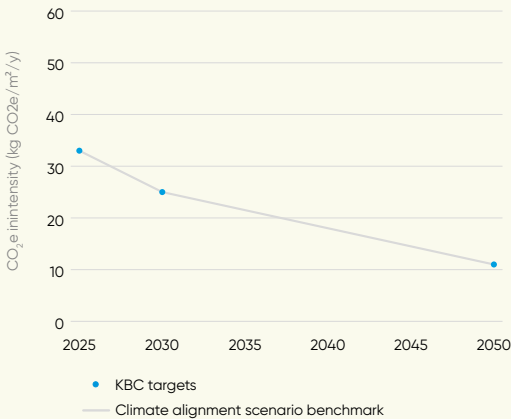
The GHG emissions outlined in the graph are estimations of the absolute emissions associated with the underlying companies financed. They are not a representative of KBC's share in those emissions through financing the relevant companies. Please refer to the [2023 Sustainability Report](#) for more information on calculation of the 2016 GHG emissions associated with direct financing.

Electricity sector portfolio

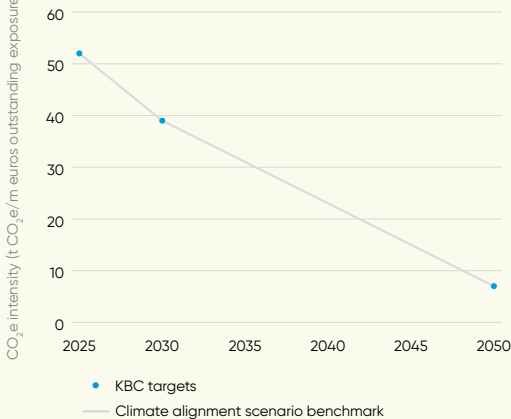


Real Estate

Real Estate portfolio



Residential Real Estate portfolio



For financial year 2025, a new target baseline was set for the two Real Estate KPIs to improve data and measurement quality. With these updates, KBC cannot restate historical values which explains the notion of "N/A" in Table 5.8 on Alignment Indicators for this sector. Full details on the rebaselining is available in the subsequent real estate chapter.



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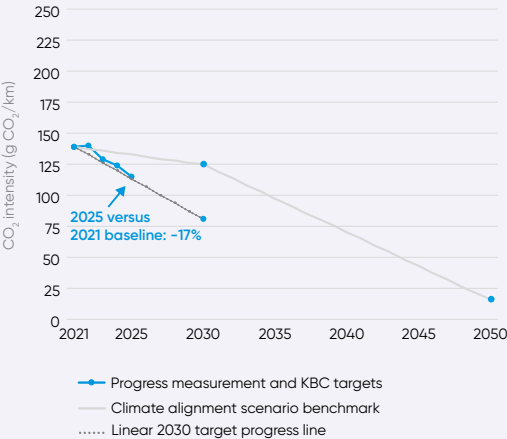
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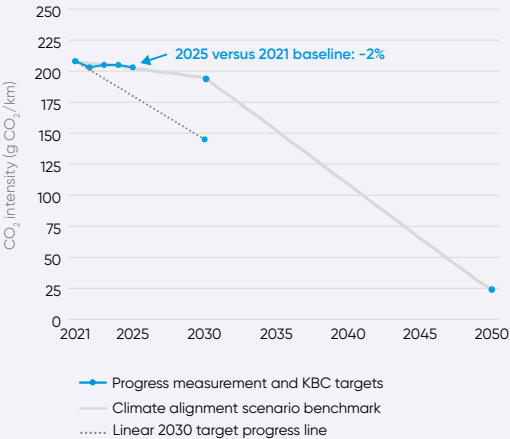


Transport

Passenger cars financial lease and loan portfolio

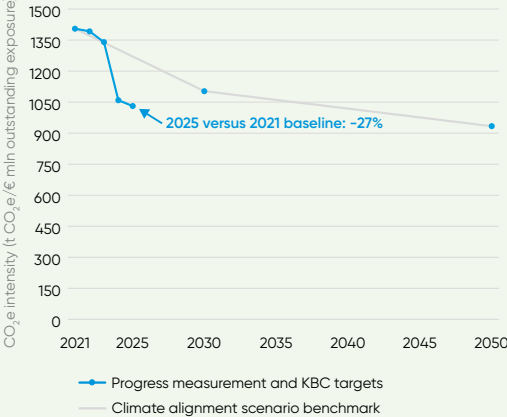


LCVs financial lease and loan portfolio



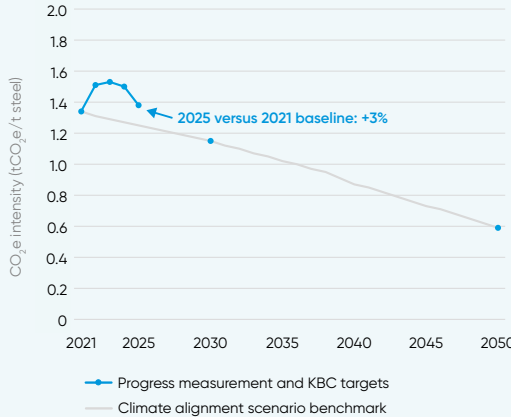
Agriculture

Agriculture portfolio

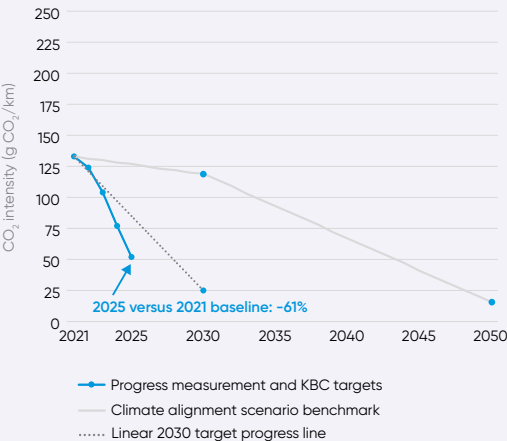


Metals

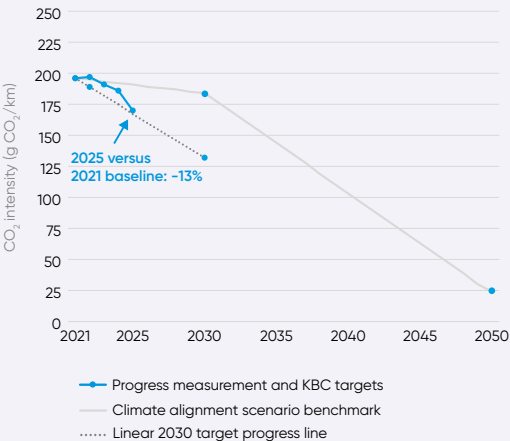
Steel sector portfolio



Passenger cars operational lease portfolio

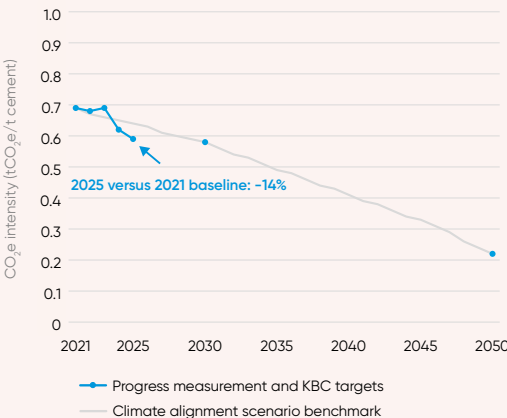


LCVs operational lease portfolio

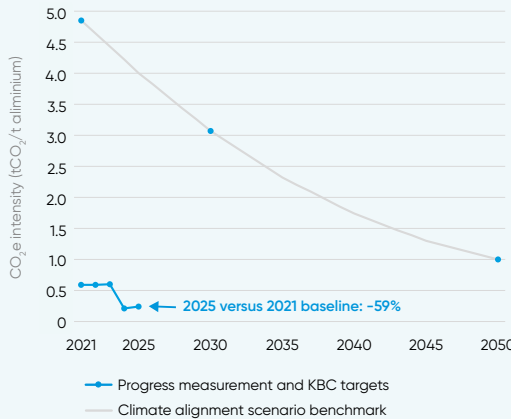


Building and Construction

Cement sector portfolio



Aluminium sector portfolio





White Paper sectors¹⁴

This section elaborates on our White Papers for the eight most carbon-intensive sectors. We use a symbol  to indicate the sectors for which we have set climate-related targets. Initially, the focus of the White Papers was on climate change , but the scope has been expanded for some sectors to also address biodiversity, pollution, water and/or circularity . The strategic approach for each sector and progress towards targets are discussed, where relevant.

We report on the findings of the thematic White Paper on Water Stress and Water Pollution in a separate section under the Agriculture sector as this is one the most impacted sectors for this theme. Furthermore and for the first time, this year's White Paper on Transport includes a Just Transition lens .

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Agriculture



Metals



Real Estate



Food and Beverages



Chemicals



Transport



Building and Construction



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- Other thematic White Papers
 - [Sustainability Report 2024: Thematic White Paper on Deforestation](#)
 - [Sustainability Report 2024: Thematic White Paper on Plastics](#)

¹⁴ The baseline emission intensities of the targets mentioned in this section reflect the Scope 1 and 2 GHG emissions associated with our lending to the sector. More details about this are available in the Sustainability Statement in the [Annual Report](#). Reported exposures throughout this section may differ from those appearing in other sections of this report, due to differences in scope of sub-sectors.



Energy

Energy production, oil and gas, biofuels, transmission and distribution



Energy supply is the single largest global source of GHG emissions. In the EU, it accounts for around 26% of total emissions.¹⁵ Decarbonising the energy sector is one of the key measures for curbing global GHG emissions. KBC does its part in this transition by applying strict policies. Our zero direct exposure to coal-related activities since 2023 is testimony to this. Similarly, KBC’s 2021 decision to stop financing the exploration and extraction of all new oil and gas fields is another clear example of our strict stance. In addition, vertically integrated energy companies that operate in the field of oil and gas extraction are subject to additional requirements.

¹⁵ EEA (consulted January 2026).

Portfolio overview

Our energy loan portfolio scope includes power production, oil and gas, biofuels, transmission and distribution. At the end of September 2025, our outstanding loan volume to the energy sector was 6.5 billion euros, representing 3% of the lending portfolio. **This portfolio also accounts for around 5% of our total financed Scope 1 and 2 GHG emissions (0.9 Mt CO₂e) at group level. Within that portfolio, 89% of the exposure and 98% of the financed Scope 1 and 2 GHG emissions are in scope of our below-outlined targets.**

Oil and gas producers represent only 0.5 % of the total energy sector financing. The full sector overview of our outstanding exposures and target coverage overview is available in the [Sustainability Facts and Figures: Environmental data and emissions](#).



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Portfolio climate targets

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Energy sector climate targets and progress

Renewable energy		2021 Baseline		2025 Progress	2030 Target	
Share of renewables in total energy loan portfolio (excluding transmission and distribution)		63%		73%	Minimum 75%	

Electricity	Emission scope	2021 Baseline (kg CO ₂ e/MWh)	2025 Progress (kg CO ₂ e/MWh)	2025 KBC pathway value (EU NGFS ¹ Phase 2 – Below 2°C)	2030 Target	2050 Target
Aggregated KBC Group target	Scope 1	210	63	188	127	49
% change		-70%			-39%	-77%

Energy whole sector	Emission scope	2021 Baseline (t CO ₂ e/m euros)	2025 Progress (t CO ₂ e/m euros)	2025 KBC pathway value ²	2030 Target	2050 Target
Aggregated KBC Group target	Scope 1 + 2	453	152	385	300	82
% change		-66%			-34%	-82%

The financial targets (t CO₂e/m euros) are not inflation adjusted.

¹ The Network for Greening the Financial System (NGFS) is a global coalition of central banks and financial supervisors that aims to strengthen the financial system's response to climate and environmental risks and to support the transition toward a sustainable, low-carbon economy.

² The KBC pathway value reflects the 2025 value in the linear reduction path between our 2021 baseline and our first intermediate (2030) target.

We have several targets in place for this sector. Firstly, our goal is to achieve a minimum of 75% renewables in our total energy portfolio (excluding transmission and distribution) by 2030. Secondly, we have GHG emission reduction targets in place for both the electricity generation subsector and the entire energy sector. **Finally, in 2016, we set a target to reduce our exposure to zero for direct coal-related activities.** This target was achieved in 2023. The evolution of both exposure and associated absolute emissions of this target is available in our [Climate progress dashboard](#).



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The GHG-emission intensity of our electricity portfolio has decreased by 70% since the base-year of 2021. There are three main reasons for this large decrease. First, we continued to finance new, renewable energy assets. Second, more existing renewable energy assets became operational as of this year, meaning that the attribution of their zero emissions could be included in the calculation. Third, our exposure to fossil fuel-based power production decreased over the past years, including through the accelerated wind-down of two of our international legacy files.

The financed emission intensity of our overall energy portfolio decreased by 66% compared to our 2021 baseline. This decrease was mainly driven by the previously mentioned reduction in financed emissions within our electricity portfolio. Additionally, most countries are decreasing their exposure to the upstream oil and gas sub-sector. They are also shifting their exposure towards lower-emission activities such as the storage, transmission and distribution of oil, gas and electricity.

This positive evolution in our energy climate targets should be evaluated with care. **We remain committed to supporting the energy transition plans in our core countries.** Consequently, there may be volatility in our energy target progress over the course of next few years. Our efforts in pursuit of our 2030 target values will remain unaffected.

Lastly, the share of renewable financing increased significantly to 73% of our total energy portfolio excluding transmission and distribution. This was driven by a large increase in renewable energy loans whilst the volume of non-renewable loans remained stable in 2025. We are on track towards our 2030 target, though some volatility is possible along the way as country transition plans are being reviewed, as noted above.

Portfolio actions and portfolio steering

KBC supports the swift transition to a renewable energy system. In support of EU Green Deal ambitions and the execution of the 'Fit for 55' package, we use the local energy transition plans in all our core countries as a guiding compass. Furthermore, we mainly steer our energy portfolio based on the input from dialogues with our clients.



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In all our client segments, we stimulate lower energy consumption and a transition towards a low-carbon economy. We do this in several ways:

- By offering financing for **energy efficiency improvements**.
- By encouraging the decarbonisation of the energy system through financing **renewable energy capacity** additions. The 73% of our energy sector financing going to renewable energy is testimony to this. We are also deeply committed to addressing the remaining gap towards our existing 2030 business target of 75%.
- By being a leading bank in the financing of **offshore wind farms** in Belgium and in providing financing to clients increasing wind energy capacity in the United Kingdom, Germany and the Netherlands. In 2025 we also financed more **battery park** projects, further supporting the energy transition by providing a more stable supply of renewable energy for grid operators.
- By providing assistance to our clients in corporate and SME segments with their **energy optimisation strategies**.

- By helping our retail clients via our award-winning mobile app when they seek **energy-efficient solutions** for their homes, and by offering private individuals lower-rate loans for energy-efficient investments.
- By allowing **financing for nuclear energy projects** when nuclear energy is part of the country's National Energy and Climate Plan (NECPs).

We will continue to focus on supporting the shift to a renewable energy system. Our approach includes:

- **Increasing our positive climate impact** through our existing 75% renewable energy financing target.
- **Reducing our negative climate impact** through our emission intensity targets and financing policies for the electricity and energy sector. Our exit from the thermal coal sector, our policy to stop financing the exploration and extraction of all new oil and gas fields, as well as our setting of strict financing requirements for vertically integrated energy companies that operate in the field of oil and gas extraction are a clear demonstration of this.

” Battery systems play a key role in further increasing the sustainability of electricity production. Batteries enable entrepreneurs, for example, to better match their own renewable energy production to their energy needs. By offering a leasing formula, we offer entrepreneurs an opportunity to finance investment in batteries, alongside the existing option of working with an investment loan.”



GUY ELAUT,
Board member KBC Lease Belgium



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Read more

- More information on our energy policies
[KBC Group Energy Credit, Insurance and Advisory Services Policy](#)
- More details on our progress towards our climate-related targets
[KBC's climate progress dashboard](#)
- More details on loan volumes and financed GHG emissions
[Sustainability Facts and Figures: Environmental data and emissions](#)



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Real estate

Mortgages, residential and non-residential commercial real estate



Portfolio overview

Real estate¹⁷ is responsible for around 18% of KBC's total financed Scope 1 and 2 GHG emissions. This sector represents 44% of our total outstanding loan exposure, with an outstanding loan volume of 98 billion euros at the end of September 2025.

For these reasons, we are committed to leveraging our influence to drive significant progress in the decarbonisation of this sector. Nonetheless, to achieve our decarbonisation objectives several challenges must be addressed, including the necessity for governments to take appropriate and timely action to establish the regulatory and policy frameworks that enable meaningful transition.

Firstly, **decarbonising the residential real estate sector is, to a great extent, dependent on the energy mix of the country.** This requires governments and institutions to accelerate installation of low-emission electricity capacity and shift away from fossil fuels. This is relevant for the electricity consumption of buildings within our real estate portfolio. It is even more important in the Czech Republic, which represents approximately 30% of our mortgage portfolio. In that market, many households rely on district heating and therefore have limited control at the property level over emissions associated with their heating systems.

Secondly, **the combined lack of incentives to renovate existing buildings, combined with the lack of transparency regarding government plans to achieve their decarbonisation objectives by 2050 for real estate, jeopardises the successful transition of the sector.** The lack of incentives mostly applies to older building stock, as regulators are already imposing high standards on newly built real estate. In addition, some governments are backtracking from their previous real estate decarbonisation

The real estate sector accounts for around 13% of total EU GHG emissions.¹⁶ As the majority of the existing European building stock is highly energy inefficient, the potential energy savings in this sector are tremendous. However, successfully decarbonising the real estate sector requires the coordination of multiple stakeholders, including government and homeowners.

¹⁶ EEA (consulted January 2026).

¹⁷ Within the portfolio and target setting sections, 'real estate' refers to financed buildings or financed commercial real estate companies. This scope does not correspond to the real estate scope in other KBC reports. Reported emissions and targets are linked to the operational emissions of buildings. This includes mortgages (including mandates), income-producing commercial real estate (including social housing and Real Estate Investment Trusts) and corporate lending to companies in the commercial real estate sector. Financing of owner-occupied real estate to companies outside the real estate sector is excluded, as is the financing of land and the pure development of buildings and real estate services.





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plans and do not provide transparency on their plans to achieve net zero by 2050 for real estate, for example, by removing incentives or postponing the implementation of regulations mandating achieving a given EPC rating in rental property. A thorough implementation of the EPBD (European Performance of Buildings Directive), which will require local governments to take action by mid-2026, would support KBC in developing its real estate decarbonisation strategy, in line with government decarbonisation plans.

Thirdly, KBC continues to face limited availability of energy-performance information for properties underlying older mortgage loans. KBC has implemented a policy requiring the collection of EPC labels for all new mortgages. Due to this initiative and others, roughly 35% of our residential real estate exposure is now covered by actual EPC data.¹⁸ However, EPC information remains largely unavailable for legacy loans issued before this policy was introduced. This constrains our ability to proactively engage with customers who could benefit from our energy-renovation solutions. Access to national EPC registries would help address this gap significantly, but such access is currently not permitted in most of our core markets.

Finally, KBC wants to ensure a balance between the necessary decarbonisation of its real estate portfolio and a just transition in line with our social responsibility, as we observe a higher concentration of people with lower incomes in less energy-efficient properties. For instance, in Belgium, 6.7% of people at risk of poverty or social exclusion have single glazed windows, compared to 1.9% observed among people not at risk.

Within this portfolio,¹⁹ 94% of the exposure and 98% of the financed Scope 1 and 2 GHG emissions are in

scope of our below-outlined targets. The full overview of our sector outstanding exposures and target coverage overview is available in the [Sustainability Facts and Figures: Environmental data and emissions](#).

Portfolio climate targets

For this sector, we set two separate reduction targets:

- A financial GHG intensity target per million euros financed for the entire real estate sector
- A physical GHG intensity per financed square metre per year for privately and commercially financed residential properties.

Targets

Real estate climate targets and progress

Residential real estate ¹	2025 Baseline (kg CO ₂ e/m ²)	2025 Progress (kg CO ₂ e/m ²)	2025 KBC pathway value	2030 Target	2050 Target
Aggregated KBC Group target	52	52 ²	52 ²	39	7
% change				-26%	-86%
Real estate (whole sector)	2025 Baseline (t CO ₂ e/m euros)	2025 Progress (t CO ₂ e/m euros)	2025 KBC pathway value	2030 Target ³	2050 Target ³
Aggregated KBC Group target	33	33 ²	33 ²	25	11
% change				-23%	-66%

¹ This target includes mortgages (including mandates), income-producing commercial residential real estate for third parties and social housing. Reported emissions and targets are linked to the operational emissions of financed buildings.

² For Real Estate KPIs a new baseline was set for 2025. Hence, the 2025 progress and the pathway (as we are using a convergence approach) have the same values as the baseline.

³ The financial targets (t CO₂e/m euros) are not inflation adjusted.

¹⁸ Including: Actual labels, labels obtained for construction projects and EPC labels defined based on regulations.

¹⁹ Mortgages financing and financing of companies active in the real estate sector.



For financial year 2025, a new target baseline was set for the two Real Estate KPIs.²⁰ To ensure consistency and comparability of our reported figures, KBC has implemented a recalculation policy. The main factors driving the observed volatility, and ultimately necessitating the rebaselining, of our real estate progress indicators are:

- **The update to the emission factors published by PCAF.** In line with our commitment to accuracy and transparency, we have adopted the most recent emission factors to ensure our data reflects the latest available insights and keeps our disclosures relevant.
- **A change from portfolio-level emission calculation to an asset-level-based calculation,** in line with PCAF’s methodological recommendations.

KBC cannot restate the 2024 value accounting for those two updates, as asset-level data required to conduct the second adjustment is not available for the historical portfolio. However, the 2030 intermediate target has been set by **keeping the reduction ambition from our initial target constant** (up to 2050) but applied to the new baseline. We monitor the progress on our targets on a regular basis and have received a limited assurance on

the target metrics that we have disclosed since 2021. Furthermore, following the UNEP FI guidelines on climate target setting, we will review our targets at least every five years.

Between 2021 and 2024, the financed emission intensity (t CO₂e/m euros of lending) of our overall real estate portfolio decreased by 15%. During the same period, the emission intensity of our residential real estate portfolio (kg CO₂e/m²) saw a decrease of 10%.

Nevertheless, these advances cannot be compared against the new 2025 baseline due to the methodological changes outlined above. It is therefore not possible to assess progress on the targets between 2024 and 2025.

Finally, despite KBC’s efforts to improve the EPC distribution in its real estate origination and to promote renovation loans, the decarbonisation of the sector has been slower than anticipated. This is mainly due to factors beyond KBC’s control. One reason is the delayed shift to a low-carbon energy mix in the countries in which KBC operates. Additionally, there are limited incentives from local governments for renovating existing buildings. Finally, a lack of transparency on government plans

to achieve their decarbonisation objectives for real estate is also a factor.

Portfolio actions and portfolio steering

In KBC, we steer our real estate portfolio using a diverse set of measures and incentives. **First, we provide our clients with information and support on sustainable construction and renovation.** For example, we work together with partners that can provide tailored energy advice to our clients. We also provide guidance on subsidy schemes.

In Belgium, KBC has partnered with Setle since 2022 to offer a comprehensive renovation report with cost estimates free of charge and without obligation. This service is integrated into KBC Mobile to assist clients with keeping building renovations within budget.

Second, we incentivise clients, for example, by adjusting mortgage pricing based on the EPC label of the real estate. This adjustment can apply either to the current EPC label or to the label after renovation, within a set timeframe.

Thirdly, we leverage our insurance activities to promote sustainable and resilient reconstruction among our policy holders through our ‘build back

²⁰ All other targets and corresponding metrics or underlying measurement methodologies related to our loan and lease portfolios remained the same.



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We pursue a low-carbon and a **just transition** for all. Our inclusive strategies to empower our mortgage clients in enhancing their energy performance are testimony to this.

better' clause. When policy holders experience significant damages, for example from floods, we provide information on rebuilding in a more sustainable and/or resilient manner. In certain cases, KBC may also cover a portion of the associated costs.

Fourthly, we have implemented data accuracy exercises across countries, aiming to maximise the collection of accurate EPC certificates, and – where certificates are unavailable – to estimate the emissions of the financed properties in the most granular way possible.

Finally, we are working with banking associations in our core countries to communicate the challenges financial institutions encounter in decarbonising their real estate portfolios to relevant government bodies. We also collaborate to improve access to property energy efficiency data. However, our incentive packages and restrictions will most likely not be enough. **Government schemes must support our targets and progress.** We therefore closely monitor the evolution of European and national regulatory frameworks, as the affordability of renovation costs and support for a just transition are essential. Achieving our emission targets depends on these factors.

In the spotlight



Financing sustainable buildings

In 2025, CBC played a pivotal role in the financing of two cutting-edge logistics halls located in Charleroi, with a total credit facility of 36 000 000 euros. These buildings are aiming for BREEAM Excellent certification with support from KBC's partner Encon, underscoring their outstanding environmental performance and commitment to sustainability. This project aligns with our ambition to promote modern, sustainable logistics infrastructure and demonstrates our commitment to advancing sustainable real estate solutions.



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Transport

Automotive and vehicle financing, aviation and shipping



The domestic transport sector is responsible for approximately 27% of the EU total GHG emissions.²¹ Road transport accounts for the majority of these emissions, reaching up to 75% of total transport emissions, most of which (roughly 75%) relate to passenger cars and light commercial vehicles.²² Our current focus therefore is predominantly our target scope for the finance portfolios of passenger cars and light commercial vehicles. The automotive industry is facing a major transition due to ongoing electrification. Additionally, the evolving geopolitical landscape and regulatory rollbacks in the EU add further uncertainty to strategic planning and investment decisions. We are therefore following developments in this sector very closely. Our White Paper portfolio analysis for the transport sector also includes shipping and aviation, given these sectors' indisputably high GHG emissions.

²¹ [EEA](#) (consulted January 2026)

²² [EEA Web Report 2024: Sustainability of Europe's Mobility Systems](#)

Portfolio overview

Road transport

Overall, passenger car and light commercial vehicle financing accounts for around 2% of our total financed Scope 1 and 2 GHG emissions (0.4 Mt CO₂e). As of end September 2025, the amount of outstanding vehicle loans (loans and financial leasing) reached 5.6 billion euros. The outstanding book value of operational vehicle lease amounted to 1.8 billion euros. **The full overview of our outstanding exposures in this sector and our target coverage per sector is available in [Sustainability Facts and Figures: Environmental data and emissions](#).**

Shipping and aviation

Together, shipping and aviation only represented around 1% of our total loan portfolio at the end of September 2025 in terms of outstanding exposure. As of then, the outstanding amount for shipping reached 2.2 billion euros and 290 million euros for aviation. In terms of emissions, shipping and aviation together account for around 1% of our total financed Scope 1 and 2 GHG emissions (0.1 Mt CO₂e).

KBC Group's credit exposure to these sectors is mainly to sea and coastal transporters, cargo-handling seaport operators, airports and aviation operators. Moreover, **the majority of this portfolio is concentrated across a relatively limited number of clients. Although we have started engagement discussions with these clients regarding their current and future transition plans, we have not formulated any targets.** For these sectors we perform a PACTA analysis on the specific subsectors of shipping operators and owners and aviation operators. For more information, we refer to the part [Methodologies explained: PACTA](#).



Portfolio climate targets

KBC has set physical emission intensity targets for loans, financial and operational leasing of passenger cars and light commercial vehicles. For the time being, we have not set climate targets for the aviation and shipping sectors as our direct outstanding exposure to respectively airline and ship operators is not material. Neither have targets been set for the automotive manufacturing industry. This is because our exposure is largely concentrated in the automotive supplier segment, for which emission intensity is a less relevant metric. We diligently monitor the transition from internal combustion engines to electric engines for our major clients through a comprehensive screening of credit applications.

The emission intensity of our passenger car portfolio is structurally decreasing compared to our 2021base year. The biggest decrease is in our operational lease passenger car portfolio, where we recorded a reduction of 61% compared to our 2021 base year. We note different rates of electric vehicle (EV) adoption across our KBC Group core countries. Nevertheless, the majority of all new vehicles financed within the operational passenger car lease portfolio by KBC are EVs. This is in line with our 2030 targets. In the operational lease light

commercial vehicle (LCV) portfolio, the decrease is more gradual (-13% compared to the 2021 base year), reflecting the still-limited availability of electrified vans and highlighting that additional government support for the adoption of electric LCVs will be important to achieve our targets. In our loans and financial leasing portfolio for both passenger cars and LCVs, the decline is occurring at a slower pace, mainly due to limited government incentives and the relatively high cost of EVs.

Targets

Transport climate targets and progress

Passenger cars and light commercial vehicles		2021 Baseline (g CO ₂ /km)	2025 Progress (g CO ₂ /km)	2025 KBC pathway value (EC MIX ²³ scenario) (g CO ₂ /km)	2030 Target	2050 Target
Passenger cars loans and financial leasing	Aggregated KBC Group target	139	115	133	81	0
	% change		-17%		-42%	-100%
Light commercial vehicle loans and financial leasing	Aggregated KBC Group target	208	203	202	145	33
	% change		-2%		-30%	-84%
Passenger cars operational leasing	Aggregated KBC Group target	133	52	127	25	0
	% change		-61%		-81%	-100%
Light commercial vehicle operational leasing	Aggregated KBC Group target	196	170	191	132	19
	% change		-13%		-33%	-90%

²³ European Commission Model Suite (PRIMES) – MIX scenario. More information available on this scenario in our [2022 Climate report](#).



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Thematic chapter: Just transition in the transport sector

Rationale

Transport plays a central role in the transition to a low-carbon economy, as it is one of the most climate-sensitive and socially impactful sectors. Decarbonising transport is essential for environmental progress, but raises social challenges linked to workforce resilience, regional economic stability and affordability. These challenges highlight the need for a just transition that maximises social benefits, mitigates risks for vulnerable groups and leaves no one behind.

Scope

In response to these challenges, we launched our first sector-specific pilot of the Just Transition lens within the transport sector. Our analysis combines sector-based insights on the potential impact on stakeholders, affected populations and vulnerable groups, including place-based assessments of the social and economic effects across the regions where we operate. It also explored the role financial institutions can play in ensuring that climate action is both fair and inclusive.

Findings

Overall, the European automotive sector is undergoing a challenging transition. The studies in our core countries show that local strategies

and partnerships are essential for developing sustainable mobility solutions and transforming carbon-intensive transport activities. Specifically, our findings show that:



Placed-based considerations

- Workforce transitions vary across regions. While some areas and local plants of car manufacturers have reconfigured their production lines to accommodate electric-vehicle (EV) production capacity, others, especially in Central Europe, face additional challenges and possible threats to job security. Delayed EV adoption also hinders local emissions reductions. These regional disparities highlight the need for coordinated investment in training and upskilling to bridge skill gaps, support long-term employability and prevent broader regional socio-economic challenges.



Sector-specific considerations

- Traditional car manufacturers are facing significant economic challenges, including declining global market share, overcapacity and difficulties adapting to EV production processes. These pressures have led to production cuts and plant closures, significantly impacting workers in some of our core countries.

- Affordability concerns around EVs, which are currently still more expensive than internal combustion engine (ICE) cars, compounded by tariffs and regulatory changes, may deepen transport poverty, especially among vulnerable groups and micro-enterprises.
- The European Union’s upcoming second Emissions Trading System (ETS2) will introduce carbon pricing on fuels and may increase mobility costs. This could disproportionately affect those with limited access to cleaner alternatives. Without targeted support, these groups risk being excluded from the transition to sustainable transport.

Actions

- Nevertheless, we believe the electrification of cars is still the right way forward. By embedding social equity into climate action, we aim to foster a transition that is not only green, but also just and inclusive. To that end:
- We will continue to incorporate Just Transition in upcoming White Papers.
 - We will continue tracking policy developments including Social Climate Plans and ETS2-related social and economic impacts.
 - We have launched an awareness session on Just Transition for relevant staff.



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In the spotlight



Continued progress on electrification

As of 2025, 95% of cars recently ordered at KBC Autolease in Belgium were electric. More than half of the portfolio of KBC Autolease now consists of EVs. Bike leasing is also on the rise, with around 11 000 newly leased bicycles recorded in 2025.



Portfolio actions and portfolio steering

As a leading bank in our core markets, KBC has an important role to play in financing road transport activities. Consequently, **our position provides a significant opportunity to facilitate the decarbonisation of this sector.**

In our core markets, we take practical portfolio actions by stimulating clients to transition to EVs. One of the ways we do this is by offering advantageous financing schemes, including beneficial insurance coverage terms for EVs. We also support our clients in making informed choices about switching from a combustion engine to an EV.

Concerning road freight transport, within Europe, KBC no longer finances trucks that do not meet Euronorm VI.

Road transportation is a rapidly evolving area. We therefore closely monitor the sector in terms of technological developments, trends and regulatory changes. When necessary, we update our approach and roadmap accordingly. For example, we are closely monitoring the developments in drivetrain technologies for heavy-duty vehicles and the needed infrastructure. Once technological progress is sufficiently mature, we foresee offering the essential support and financing to our clients for these low-carbon alternatives.

We have been collecting climate-relevant data from our clients from the shipping and aviation sub-sectors (including port and airport infrastructure) since 2023. At that time, we also analysed the physical and transition risks for these sectors, to be better equipped to support to our clients in their transition efforts.



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Agriculture



Around 12% of the total GHG emissions in Europe originates from the agricultural sector.²⁴ The sector is unique in the sense that most emissions result from biological processes. Additionally, the sector is particularly vulnerable to climate change, while at the same time being a major source of GHG emissions. Similarly, while the sector relies on biodiversity and ecosystem functions, some agricultural practices are major drivers of biodiversity loss.

²⁴ EEA (consulted January 2026).

Portfolio overview

KBC's outstanding loan exposure for the total agricultural sector (including forestry, hunting, fishing and landscape services) amounts to 6.0 billion euros, representing around 3% of the total loan portfolio, per 30 September 2025. Although it has a relatively small share in our loan portfolio, **the total associated financed Scope 1 and 2 emissions represent a significant 37% (6.1 Mt CO₂e) of our total financed Scope 1 and 2 emissions. The majority of this portfolio is composed of mixed, arable and cattle farming.**

In this portfolio, 92% of the exposure and 93% of the financed Scope 1 and 2 GHG emissions are in scope of our below-outlined target. The full overview of our outstanding exposures in this sector and our target coverage per sector is available in the [Sustainability Facts and Figures: Environmental data and emissions](#).

Targets

Agriculture climate targets and progress

Agriculture	2021 Baseline (t CO ₂ e/m euros)	2025 Progress (t CO ₂ e/m euros)	2025 KBC pathway value (EU NGFS Phase 2 – Below 2°C)	2030 Target ¹	2050 Target ¹
Aggregated KBC Group target	1 405	1 031	1 271	-21%	-34%
% change		-27%			

¹ The financial targets (t CO₂e/m euros) have not been inflation adjusted.



Several factors contributed to this year's decrease in financed emission intensity. These include the effects of the PCAF Global Standard itself, such as the updating and inflation-adjustment of emission factors, as well as portfolio evolutions and improvements in emissions data quality. Notwithstanding the fact that **we are currently on track to reach the 2030 target**, KBC remains committed to continue to improve emission data quality.



Portfolio actions and portfolio steering

In addition to our efforts to enhance the resilience of the agricultural sector against the effects of climate change, KBC is placing greater emphasis on the broader environmental impact of agriculture.

Agriculture represents the sector with the highest environmental impact within KBC's industrial portfolio. These impacts stem from crop, livestock and mixed farming activities. Key environmental concerns include nutrient pollution, water use, land use and ammonia emissions. These were identified as more material impact drivers than greenhouse gas emissions.

While several country-level initiatives have already been implemented to address these challenges, KBC is committed to further investment in the monitoring and evaluation of their effectiveness. This will help ensure that our actions contribute meaningfully to reducing agriculture's environmental footprint.

In the spotlight



Supporting sustainable and innovative farming

In Belgium, the biennial 'Klimaatkoploper' (climate front runner) competition recognises farmers who promote sustainable, climate-friendly agriculture using innovative techniques. With this initiative, KBC and its partners Boerenbond and Cera aim to showcase inspiring and innovative farmers and to give the sector a strong climate voice. The winner of the 'Climate Champion' campaign was announced in December, during four KBC Climate Evenings attended by around 1 300 farmers.



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Thematic white paper: Water

Rationale

Water is an essential resource and faces increasing challenges from shortages and pollution. In 2025, we created two focused White Papers to explore how these issues relate to our lending, investing and insurance activities. This effort demonstrates our dedication to environmental responsibility and ensures we keep up with changing stakeholder expectations and regulations.

Scope

The work was divided into two thematic papers. One focused on **water availability and access**, the other on **water pollution**. Both papers analysed how water scarcity and pollution affect our lending portfolio, sector exposure, and possible transition risks and opportunities, using methodologies like ENCORE ²⁵. The White Papers' scope was limited to sectors most relevant to our business and excluded topics such as flooding and drought, which are addressed separately in the context of climate-oriented sector based White Papers.

Findings

Our analysis revealed several key insights. First, water availability is under severe pressure. In high-income economies, the fact that 50% of water is being used to produce goods and crops is unsustainable. In our home countries, freshwater exploitation often exceeds renewable supply, placing long-term strain on industrial and agricultural operations. Sectors such as agriculture, food production as well as building and construction are particularly vulnerable due to their high dependency on water. Second, water pollution presents a complex and undervalued risk. About 70% of EU surface waters and 30% of groundwater are contaminated by discharges from chemical, building and construction sites as well as agricultural runoff. These sectors are expected to face increasing regulatory scrutiny and financial burdens due to their high impact on water quality. Transition risks are difficult to quantify at present, due to data gaps and the difficulties of identifying where pollution sources originate, but the cost of inaction is likely to be high. Importantly, our internal assessments show that water-related risks are material for our downstream value chain.

Actions

We are currently integrating water-related concerns into our sustainability strategy. As a part of this, we first developed a Water Policy to guide responsible financing in areas of extreme water stress. We have also initiated internal efforts to collect water-related indicators for large companies and monitoring of regulatory developments. In parallel, we launched a study focusing on water-related opportunities in our home countries to explore how we can make a positive contribution in this domain, while remaining aware of variations in countries' water strategies.

²⁵ Exploring Natural Capital Opportunities, Risks and Exposure. More information is available at <https://www.encorenature.org/en>.



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In the spotlight

UBB's commitment to water and biodiversity in Bulgaria

UBB invests in projects that protect water resources and support biodiversity. For example, in partnership with the Bulgarian Biodiversity Foundation, UBB launched a project to restore traditional mountain fountains and micro-wetlands outside urban areas, starting in Vitosha Nature Park and expanding to other biodiversity-rich areas. In almost every part of Bulgaria mountain run-off resources are unmanaged, despite droughts becoming more frequent due to climate change. Proper run-off management helps create the right conditions for minor wetlands to evolve naturally. These habitats support rare aquatic plants, amphibians, insects and mammals, enhancing ecosystem services and biodiversity conservation. Restoration efforts include repairing water pipes, rebuilding structures and improving drainage. In another example, UBB and Mastercard launched the VODIM programme which

focuses on providing access to clean water and protection of natural environments. The goal of the programme is to restore mountain run-off resources and to create micro-wetlands, supporting biodiversity and providing improved access to clean drinking water by installing filtered water dispensers in school, universities and other institutions. The goal is to include coastal areas and pollution treatment of water bodies in coastal areas.



Food and Beverages



The food and beverages sector is highly diverse, accommodating all types of manufacturing processes from basic agricultural products to packaged food, bottled beverages, dairy, meat, fish and bakery products. This sector requires a significant amount of energy and rising energy prices have led to efforts to optimise process efficiency. Additionally, the food and beverages sector faces climate-related physical risks due to its reliance on agriculture. Disruptions in the agriculture supply chain can affect the entire food production and processing industry.

Portfolio overview

KBC's portfolio for this sector represents around 2% of the total loan portfolio. As of 30 September 2025, the amount of outstanding loans amounted to 5.1 billion euros. In terms of emissions, **food and beverages account for around 3% of our total financed Scope 1 and 2 GHG emissions (0.5 Mt CO₂e).**

For the time being, we have not set any climate targets for the food and beverages sector. The reason for this is that the heterogeneity of the sector does not allow for the definition of a consistent and uniform, climate-relevant metric.

Portfolio actions and portfolio steering

We support our clients in the food and beverages sector in the domain of energy optimisation. This fits within KBC's general approach of promoting and supporting renewable energy and energy-saving solutions. Also, because of this sector's dependency on agriculture, we are closely monitoring climate-related physical risks (e.g. water stress or extreme heat) in the agrifood sector as well as the potential impacts these can have on our clients in this sector.

Our ultimate goal is to serve as a partner in our clients' transition journey and support them in creating a resilient and sustainable business model.



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Building and Construction



The European building and construction sector accounts for 5–12% of national GHG emissions. This comprises activities such as material extraction, manufacturing of construction materials, as well as construction and renovation of buildings.²⁶ Within the building and construction sector, the production of cement forms the single largest source of emissions. The direct emissions from cement production form approximately 26% of industrial emissions worldwide.²⁷

Portfolio overview

KBC’s portfolio for the building and construction sector represents around 5% of the total loan portfolio. As of 30 September 2025, outstanding loans amounted to 11.0 billion euros. In terms of emissions, **the building and construction sector accounts for around 2% of our total financed Scope 1 and 2 GHG emissions (0.3 Mt CO₂e).** Within this portfolio, 0.2% of the exposure (16.0 million euros) and 20% of the financed Scope 1 and 2 GHG emissions are in scope of our below-outlined target

on cement producers. The remaining part of the Building and construction portfolio consists of a variety of subsectors, going from contractors, over construction companies to finished building material producers. The full overview of our outstanding exposures to this sector and our target coverage per sector is available in the [Sustainability Facts and Figures: Environmental data and emissions](#).

Targets

Cement climate targets and progress

Cement	2021 Baseline (t CO ₂ e/t cement)	2025 Progress (t CO ₂ e/t cement)	2025 KBC pathway value (PACTA Global IEA ETP 2020 SDS) (t CO ₂ /t cement)	2030 Target	2050 Target
Aggregated KBC Group target ¹	0.69	0.59 ²	0.64	0.58	0.22
% change		-14%		-16%	-68%

¹ We factor in corporate industrial counterparties only, excluding SME portfolios.

² Data source: Asset Impact physical asset-level data and client data. We compare Asset Impact data with publicly and/or bilaterally disclosed data from our clients. In the event of discrepancies between the two sources, we request accurate and up-to-date data from Asset Impact and our clients.

²⁶ [European Commission](#) (consulted January 2026).

²⁷ [IEA](#) World Energy Outlook 2025.



Portfolio climate targets

KBC has a relatively small and concentrated lending exposure to the cement sector, and we therefore base our climate targets on granted exposure to this sector. The granted exposure in scope of our targets amounted to 124 million euros. Despite this, we have set a physical GHG-intensity reduction target for this sector due to its unequivocal climate impact. For the time being, however, we have not set climate targets for the remaining portion of the building and construction sector. The reason for this is that the heterogeneity of sub-sectors does not allow for the definition of a consistent and uniform, climate-relevant metric.

The cement sector is one of the **hard-to-abate industries**. Despite this, we note a further decrease in our portfolio emission intensity. This decrease is due to our investments in better data quality, leading to improved accuracy of our calculations, and the improved emission intensity compared to last year of one of the largest clients in our cement portfolio. This improvement reflects the company’s public commitment to decarbonising its cement production through a defined strategy that supports the achievement of its targets. The progress made in 2025 reflects this evolution.

Portfolio actions and portfolio steering

KBC uses its climate targets to steer customer engagement discussions and to benchmark existing clients’ GHG-reduction progress. Since 2022, new clients in the cement sector are only onboarded if their transition plans are in line with our climate target.

In 2023, our White Paper mainly focused on the cement sub-sector and on other building and construction sub-sectors such as contractors, construction companies and finished building material producers. For these sub-sectors, the integration of **circularity principles** forms one of the main decarbonisation routes.



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Metals



Within the metals sector, we focus on two sub-sectors: steel and aluminium. The steel industry represents 7-8% of global GHG emissions.²⁸ The aluminium sub-sector contributes around 3% of the world's direct industrial CO₂ emissions.²⁹

Portfolio overview

KBC's portfolio for the metals sector represents around 2% of the total loan portfolio. As of 30 September 2025, outstanding loans to this sector amounted to 3.6 billion euros. In terms of emissions, **the metals sector accounts for around 3% of our total financed Scope 1 and 2 GHG emissions (0.5 Mt CO₂e).**

Steel sector

KBC's outstanding exposure to the steel sub-sector at group level is 0.1% (227 million euros) of the loan portfolio. The sector makes up around 2% of our total financed Scope 1 and 2 GHG emissions. This corresponds to 0.3 Mt of CO₂e.

Aluminium sector

Our loan exposure to the aluminium sub-sector is very minor. It represents approximately 0.01% (25 million euros) of KBC Group's total outstanding loan portfolio. The total financed Scope 1 and 2 GHG emissions from this sub-sector amount to around 0.01% of our total financed Scope 1 and 2 GHG emissions or approximately 1.8 kt CO₂e.

²⁸ World Steel Association - [Sustainability Performance of the steel Industry \(2025\)](#). The main GHG released from the steel production is CO₂. Also, emissions measured in tonnes of CO₂ and tonnes of CO₂e are roughly the same. Therefore, we use the terms CO₂, CO₂e and GHG interchangeably in this section of the report.

²⁹ [IEA \(consulted December 2025\)](#).



Portfolio climate targets

Given the significant climate impact of the metal **sector**, **we have established specific targets for the steel and aluminium sub-sectors**, despite KBC’s relatively limited and highly concentrated lending exposure to these areas. These targets are based on the granted exposure, reflecting the small size and concentrated nature of the portfolios. The granted exposure in scope of our targets amounted to 771 million euros for steel and 31 million euros for aluminium.

For the steel sector, we have set a physical GHG intensity-reduction target. For the aluminium sector, we currently use a qualitative target.

At this stage, we are not defining climate targets for the remaining metals sub-sectors. This decision is driven by the high heterogeneity within these sub-sectors, which prevents the development of a consistent and meaningful climate-relevant metric.



Targets

Steel climate targets and progress

Steel	2021 Baseline (t CO ₂ e /t steel)	2025 Progress (t CO ₂ e/t steel)	2025 KBC pathway value (PACTA Global IEA ETP 2020 SDS) (t CO ₂ /t steel)	2030 Target	2050 Target
Aggregated KBC Group target ¹	1.34	1.38 ²	1.25	1.15	0.59
% change		+3%		-14%	-56%

¹ We factor in corporate industrial counterparties only, excluding SME portfolios.
² Data source: Asset Impact physical asset-level data and client data. We compare Asset Impact data with publicly and/or bilaterally disclosed data from our clients. In the event of discrepancies between the two sources, we request accurate and up-to-date data from Asset Impact and our clients.

Aluminium climate targets and progress

Aluminium	2021 Baseline (t CO ₂ e/t aluminium)	2025 Progress (t CO ₂ e/t aluminium)	2030 Target	2050 Target
Aggregated KBC Group target ¹	0.59	0.24	Stay well below the global sectoral intensity climate benchmark	
% change		-59%		

¹ We factor in corporate industrial counterparties only, excluding SME portfolios.



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The carbon-emission intensity of our aluminium portfolio remains significantly below the global market. In 2025, our tCO₂e emissions per aluminium production went slightly up due to a new client engagement. Nevertheless, our portfolio remains well below the global market level. This evolution solidifies the limited indirect climate impact of this portfolio and the dedication to staying well below the global emission intensity level of the sector.

In 2025, the emission intensity of our steel loan portfolio improved to 1.38 tCO₂e per ton of steel, down from 1.50 tCO₂e last year, reflecting better data quality and measurement accuracy. The portfolio remains concentrated, with a few major corporate groups whose performances remain pivotal to overall results. While these groups are progressing at different paces, most have committed to a net-zero pathway supported by a technology roadmap and planned capital investments. The current portfolio composition has been defined with the objective of supporting KBC to meet its 2030 climate target, contingent on clients meeting



their own climate commitments. However, recent delays in critical capital expenditures have been observed, and this may impact the evolution of our overall portfolio (in its current composition) emission intensity until 2030. Through active client engagement and sustainability-linked investments, KBC closely monitors the implementation of the transition plans by its clients to ensure their activities remain consistent with our well-below 2°C commitment.

Portfolio actions and portfolio steering

The steel and aluminium sectors are widely recognised as **hard-to-abate industries**. At KBC, we rely on client transition plans and climate action strategies to guide our portfolios in these sectors towards alignment with our climate objectives. Our climate targets serve as a benchmark for assessing clients’ progress in reducing greenhouse gas emissions and as a foundation for engagement discussions. Since 2022, we have applied a strict onboarding policy: new clients are only accepted if their transition plans are consistent with our climate targets. For existing steel-sector clients above our 2030 carbon-intensity target, new or extended lending requires prior clearance of the Country Sustainability general managers to ensure alignment with our climate goals.

KBC remains committed to pursuing its climate ambitions in the steel and aluminium sectors, primarily through lending policies and proactive client engagement. To support this, we closely monitor technological developments related to decarbonisation, circularity and pollution reduction within metal sector, while evaluating how our clients integrate these innovations into their transition strategies.



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- More details on our progress towards our climate-related targets
[KBC's climate progress dashboard](#)
- More details on loan volumes and financed GHG emissions
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Chemicals



Portfolio overview

KBC’s outstanding loan exposure to the chemical sector amounts to 2.9 billion euros, which accounts for 1% of KBC’s lending portfolio. **The associated financed Scope 1 and 2 GHG emissions represent around 2% (or 0.3 Mt of CO₂e) of KBC’s total financed Scope 1 and 2 GHG emissions.**

We have not set climate targets for the chemical sector because of the considerable variety among its sub-sectors. In particular, emission intensity varies widely depending on production processes, making it impractical to define a single, uniform climate-relevant metric for this sector.

Portfolio action and portfolio steering

Our chemical industry portfolio spans multiple sub-sectors, reflecting significant diversity. Existing sectoral decarbonisation pathways do not fully account for this heterogeneity, making portfolio steering complex. Nevertheless, the industry has several viable decarbonisation routes. **KBC is committed to supporting its clients through engagement and tailored financing solutions to help integrate these pathways into their operations.**

The chemical sector plays a critical role in the climate transition as it provides a wide range of raw materials and commodities for other industries. It is the largest industrial energy consumer and the third-largest industrial sub-sector in terms of direct global CO₂ emissions.³⁰ Additionally, the chemical sector indirectly affects the environment through the use and disposal of chemical products, as it supplies various other industries.



³⁰ IEA (consulted December 2025). Direct CO₂ emissions include energy and process emissions. Primary chemicals include ethylene, propylene, benzene, toluene, mixed xylenes, ammonia and methanol.



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[Sustainability Facts and Figures: Environmental data and emissions](#)
- Deeper insights on our approach for Plastics
[Sustainability Report 2024: White Paper on Plastics](#)

In the spotlight



Financing a groundbreaking Plastics2chemicals installation

KBC Bank participated as one of the lenders providing a loan to Katoen Natie/Indaver for the construction of Europe's first 'Plastics2Chemicals' plant in Antwerp. This pioneering facility will convert hard-to-recycle plastics, such as yoghurt pots and meat trays, into pure chemical building blocks for new plastics, including food-grade packaging. Representing a 105-million-euro investment and creating 100 jobs, the plant will initially focus on recycling polystyrene and supports the EU target

of a 10% recycled content for plastic packaging by 2030. It is the first of several sites Katoen Natie/Indaver plans to develop across Europe. Key decarbonisation pathways for this sector include electrification, adoption of green hydrogen, carbon capture and storage, as well as circular solutions such as chemical recycling. Collaboration across the value chain and targeted financing are essential to accelerate this transition.



We also address the soil and water pollution challenges associated with the chemical industry, with particular attention to plastic and PFAS contamination. Based on acute and chronic incidents, there can be varying environmental and operational impacts. We assess the legal, reputational and business risks that companies may face when pollution incidents occur. Depending on the type and severity of contamination, the industry can implement targeted mitigation strategies, ranging from process improvements and advanced treatment technologies to enhanced monitoring and compliance frameworks.

For example, plastics manufacturers have been facing significant challenges due to legal, reputational and other changes in the past years, prompting us to analyse plastics packaging as a separate [White Paper](#) topic in 2024. We continue to engage with clients to drive progress in this area, reinforcing our commitment to sustainable practices.





Investing
KBC aims to reduce its indirect climate impact by reducing the GHG intensity of its investment portfolios. This is true for both the investments we make on behalf of our clients and our own investments. To track our progress on this goal, we have assessed the GHG intensity of our investment portfolios since 2020 using the Trucost methodology and data.

We discuss the main outcomes in this section. Specifically, we outline the investment products offered by KBC Asset Management, KBC Insurance’s own investments, KBC Bank’s own investments in sovereign bonds and the investments of *Pensioenfond KBC*. For each of these portfolios we provide detail on our equity, corporate and government bond portfolios, comparing our own portfolios to predefined market benchmarks.



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- More information on sustainable investing
[Sustainable Investing](#)
- Details on the results and methodology to map the climate impact of our investment portfolios
[KBC Group Annual Report: Sustainability Statement](#)
- More information on our climate-related impact from investment portfolios
[Sustainability Facts and Figures: Environmental data and emissions](#)

Investment products offered by
KBC Asset Management

Equity and corporate bonds

KBC Asset Management has set a target for lowering the (Scope 1 + 2) GHG intensity of the corporate investees in RI funds by 50% by 2030, compared to end-of-2019 reference values. Since 2024, we have added an additional relative GHG-intensity target for corporate investees at the management level of each individual Responsible fund. The GHG intensity of each Responsible fund must always be 15% lower than the current GHG intensity of its market benchmark. The target of a 50% reduction by 2030 and the relative target as compared against the current market reference are both monitored. The most stringent of the two targets is applied. For more details on the target and methodology, please refer to the part on [Responsible investing on behalf of our clients](#).

The GHG intensity of our equity and corporate bonds investments has decreased since 2019. Moreover, we have benchmarked our funds and mandates against broad market benchmarks such as MSCI All Countries World Index (equities) and iBoxx EUR corporates (corporate bonds). **This benchmarking has demonstrated that our funds and mandates have lower GHG intensity measures than such market benchmarks.**

KBC’s RI funds have generally recorded low weighted average GHG intensity scores. This is due to our responsible investing methodology incorporating ESG portfolio targets, such as a GHG intensity-reduction target in the Responsible funds, and to an even stricter policy regarding fossil fuels, which excludes the extraction and burning of fossil fuels to produce electricity.



Responsible funds climate targets and progress

Indicator	2019 Benchmark	2023 ¹	2024 ²	2025 ¹	2030 Target
GHG intensity (Scope 1 + 2) of corporate investees in Responsible funds (t CO ₂ e/million USD revenue) ³	196	48 (-75%)	55 (-72%)	57 (-71%)	98 (-50% versus 2019 benchmark)

¹ End-of-year data.
² Data as of 30 September 2024.
³ The responsible investing methodology introduced in 2022 assigns a 50% GHG intensity-reduction target to Responsible funds versus their specific reference portfolio value at year-end 2019 (the target being 98 t CO₂e/million USD revenue). The aggregated reduction target for Asset Management combines the specific targets of these funds under the assumption of a neutral asset allocation. At year-end 2025, as in 2024, the Responsible funds’ combined score on GHG intensity was already below its target of a 50% reduction by 2030 versus 2019. However, potential changes in asset allocation, such as regional and sectoral views, may lead to changes in the aggregated reduction achieved at that point. Changes in this allocation may also occur due to a significant change in the product mix offered to our clients and may lead to a restatement of the target by 2030.

Government bonds

The assessment of our government bond portfolio suggests that the GHG intensity of our aggregated portfolio is higher than the Economic and Monetary Union of the European Union (EMU) benchmark. This outcome was expected due to high exposure to emerging market sovereigns and to countries with relatively higher GHG-intensity scores, such as Belgium, the Netherlands, Hungary and the Czech Republic.

The GHG intensities of our RI funds are lower compared to conventional funds investing in government bonds, reflecting the relative GHG target at the portfolio level, our exclusion policies, and the fact that these funds are mainly geared to lower GHG-intensity eurozone sovereigns.



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- More information on our targets per fund
[ICB: Overview of the ESG carbon intensity and sustainable development targets per fund](#)
- More information on the actual emission levels for each fund
[KBC Fund Finder](#)
- More information on the emissions from KBC Asset Management portfolio
[Sustainability Facts and Figures: Equity and corporate bond investments](#)

Own investments of KBC Insurance

We have calculated the weighted average GHG intensity of KBC Insurance NV’s own (standalone) investments since 2021. In 2023, we set targets for the Scope 1 and 2 emission intensity of the combined equity and corporate bond portfolio of KBC Insurance consolidated. KBC Insurance consolidated represents all insurance entities within KBC Group: KBC Insurance NV and its subsidiaries Group Re, ČSOB Pojišťovna Czech Republic, ČSOB Poistovňa Slovakia, DZI and K&H Insurance.

An overview of the targets and our progress towards our targets can be found in the table below. The table is based on the results derived from the Trucost calculations.



Climate targets for the equity and corporate bond portfolio of KBC Insurance consolidated and progress

Indicator	2019 Baseline	2023 ¹	2024 ¹	2025 ²	2025 Target	2030 Target
GHG intensity (Scope 1 + 2) of equity and corporate bonds portfolio (t CO ₂ e/million USD revenue)	112	38	27	27	84	67
% Change versus baseline		-66%	-75%	-76%	-25%	-40%

¹ Data as of 30 September.
² Year-end data.

”

We are encouraged to see how our continued efforts to steer our investment portfolio towards a low-carbon economy are delivering real, measurable progress. By 2025, KBC Insurance consolidated had reduced the GHG intensity of its listed equity and corporate bond portfolio by 76%, **outperforming our interim 2025 target** of a 25% reduction and even surpassing our 2030 objective of a 40% reduction in GHG intensity.”



RIK JANSSEN,
KBC Group Treasurer



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Our calculations show that since 2019, we have made a consistent progress towards our targets. This is the result of various actions and the sustained execution of our GHG reduction strategy. For example, we excluded new investments in thermal coal and fossil fuel. Also, since 2024 we have further tightened our exclusion criteria, leading to an extra decrease in emission intensity.

The calculations show that the GHG intensity of the combined equity and corporate bond portfolio of KBC Insurance consolidated is substantially lower than its combined benchmark. We use MSCI All Countries World Index as the benchmark for the equity portfolio and IBoxx EUR Corporates for the corporate bond portfolio. The 2025 GHG intensity of the combined equity and corporate bond portfolio is 76% lower than the benchmark portfolio.

At the same time, we are aware that this decreasing trend will not necessarily continue nor remain linear. Our current asset allocation is overweighted in investments in financial institutions compared to the asset allocation in the benchmark. This means that future changes in asset allocation may result in strong fluctuations in GHG intensity even if best-in-class corporates are selected. We nevertheless remain strongly committed to our predetermined reduction targets.

Government bonds

In line with its geographical activity profile, KBC Insurance consolidated has large exposures in government bonds issued by our core countries, which have relatively higher GHG intensities. Consequently, the GHG intensity of our government bond portfolio is higher than the benchmark.

Own investments in sovereign bonds of KBC Bank

In 2025, we again calculated the GHG emission intensity of the own sovereign bond portfolio of KBC Bank. The emission intensity is 496 tCO₂e/million USD of gross domestic product, significantly down on the 623 reported for 2024.

The GHG intensity of the sovereign bond portfolio exceeds that of its EMU benchmark. This is mainly due to significant exposures in our core countries, specifically in Czech Republic and Belgium, both of which have relatively high carbon intensities.

Pensioenfonds KBC investments

Pensioenfonds KBC manages the supplementary pensions of our Belgium-based staff.

Equity and corporate bonds

At the end of 2025, the GHG intensity of the portfolio of Pensioenfonds KBC increased compared to 2024 due to higher emission intensity of a number of existing investments as well as through selective investments in higher emitting corporates. Overall the GHG intensity for equity and corporate bonds was still approximately 45% lower than the composite benchmark and has reduced by over 50% since 2019.

Government bonds

The government bond portfolio of Pensioenfonds KBC performed slightly worse than its benchmark, standing at 115% of the EMU government bond benchmark by the end of 2025. Despite this, the portfolio's GHG intensity has decreased by an annual average of 7% since 2019. The comparatively higher GHG intensity is due to the bond themes within the portfolio (Emerging Market Bonds and High Interest Bonds) as well as some higher emitting government bonds in the LDI³¹ portfolio (Poland, Slovenia, Belgium, Netherlands and Austria).



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³¹ The primary goal of a Liability Driven Investment (LDI) bond portfolio is to match the interest rate and inflation rate risk of the pension fund assets with that of current and future liabilities

Insurance underwriting

In 2025, we again calculated the emissions of an important part of our insurance portfolio. We used the PCAF Standard Part C for insurance-associated emissions to do so.

Although PCAF published a new version of its guidance on 2 December 2025, we applied the First Edition of the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry (Part C), when preparing our insurance-associated emissions disclosures for the reporting year 2025. In line with the methodological guidance offered by PCAF in this First Edition, we calculated the insurance-associated emissions for two business segments, being KBC Group’s ‘personal motor lines insurance’ and ‘commercial lines’³² portfolios, which – in terms of gross written premium – represent a major part of our total non-life insurance portfolio. These calculations have been verified through the assurance of our Sustainability Statement in the [Annual Report](#). More details on the methodology and differences in scope can be found in the [Sustainability Facts and Figures](#).

The personal motor lines portfolio of KBC Group covers all private cars, motorcycles, motorhomes and private, light-commercial vehicles. In total, this portfolio consisted of 2 755 145 vehicles, as of the end of September 2025. For our personal motor lines, we enhanced our methodology



by transitioning from country-specific attribution factors to globally weighted averages. This update aligns with PCAF guidance and prevailing market practices, ensuring greater consistency and comparability across insurers operating in different regions. Under the updated PCAF methodology, this results in 451 069 t CO₂e of insurance-associated emissions.

The total insurance-associated emissions for the commercial lines in KBC Group’s insurance portfolio stands at 162 723 t CO₂e. A more conservative interpretation of the PCAF guidance for commercial lines was applied, resulting in a greater number of coverage types being included in the calculations.

Due to the broadened scope in the commercial lines portfolio and the update of the attribution factor in

the personal motor lines portfolio, the 2024 figures are not directly comparable to those for 2025. A restatement of the 2024 figures is not feasible, as the data required to isolate the changes is no longer available.

Table 5.9 indicates that the agricultural sector is a significant contributor to the insurance-associated emissions of our commercial lines portfolio. However, the underlying data availability was limited. For example, information on companies’ turnover is often not available to us. As a result, the current calculations rely heavily on estimates and proxies. The results should therefore be interpreted with caution.

Table 5.9: Insurance-associated emissions percentage per sector for the commercial lines insurance portfolio

Sector	Percentage of the insurance-associated emissions of the sector versus the total commercial lines portfolio
Agriculture, farming and fishing	42.3%
Oil, Gas and Other fuels ¹	12.7%
Distribution	6.8%
Services	6.0%
Automotive	5.9%
Other sectors and unknown	26.3%

¹ The emissions from the Oil, Gas and Other fuels sector account for 12.7% of the total, yet this sector represents only 0.1% of our gross written premium. Bio-gas production is included in this sector.

³² Commercial lines are all types of insurance purchased by companies.



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Read more

- More information on the insurance-associated emissions methodology [KBC Group Annual Report: Sustainability Statement](#)
- More information on the EU taxonomy alignment of our insurance portfolios [KBC Group Annual Report: Sustainability Statement](#)
- [Our contribution to environmental objectives](#)



Capital market business lines

In December 2023, PCAF published its [Facilitated Emissions Standard](#). It allows financial institutions to consistently measure and disclose emissions associated with capital market business lines, in particular from the underwriting of bonds and equities. As KBC is not very active in international capital markets on behalf of our large corporate clients, the portion of our portfolio subject to the PCAF Facilitated Emissions Standard relative to the outstanding exposure in our loan portfolio is only 0.49%. We therefore consider this to be immaterial and do not calculate nor publish the facilitated emissions associated with this portfolio.



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Sustainability Facts and Figures

This section of the report contains comprehensive non-financial and sustainability-related facts and figures with respect to our own operations and our portfolios. It presents information on our direct and indirect environmental impact, sustainable finance, employees, suppliers and community involvement. Additionally, it includes our sustainability targets, where applicable, and the progress made towards these targets in 2025.



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We strive to provide a comprehensive overview that includes both the voluntary data from our Sustainability Report and the mandatory data from our Sustainability Statement, where applicable. Our goal is to consolidate all of KBC Group's relevant sustainability-related information into one cohesive report for our stakeholders. This section is also intended to clarify any discrepancies in reporting scope between specific data points in the Sustainability Report and those in the mandatory Sustainability Statement found in the Annual Report.

Scope

In general, this report covers the KBC Group organisation as a whole. It matches the scope of consolidation used for financial information as per the end of September 2025, unless stated otherwise.

For some data points the reporting scope in the Sustainability Report differs from the scope of the mandatory Sustainability Statement in the Annual Report. This is due, for example, to the fact that the ESRS oblige us to report beyond the financial consolidation scope for certain data points. This means that for certain data points, the Sustainability Statement also includes entities that are not fully consolidated. We provide more detail about the differences in scope in this section.

Data gathering and reporting period

We have collected our sustainability data through a group-wide process that involves strict, hierarchical validation. All KBC entities in our core countries report on the non-financial areas of human capital, own footprint, our clients and community involvement. We gather climate-related data on our loan, insurance and investment portfolios. This is part of the Data and Metrics project established under the KBC Sustainable Finance Programme.

We acknowledge that the data collection process is as yet incomplete. This is especially true for the granular, climate-related data of our business portfolios. We will therefore continue to improve data quality going forward.

Consistent with previous years, the reporting period is 1 October 2024 – 30 September 2025, unless stated otherwise in the report. Where possible we have already transitioned towards reporting in alignment with our financial year, with year-end figures being clearly indicated as such throughout this report. For those data points where this was not yet feasible, we continue to explore possibilities for further alignment with the financial year. Future reports may reflect this change.

External assurance

As from 2024, our sustainability reporting is verified through the limited assurance of the Sustainability Statement, which is integrated in the Annual Report. This includes environmental, social and governance-related data points. Throughout this report we indicate these data points with the adjoining symbol  and refer to the Annual Report for the assurance statement. For an overview of external assurance on our own footprint and climate-related target progress in previous years, we refer to past [Sustainability Reports](#) and [Annual Reports](#).

Please note that we have done everything reasonably possible to avoid differences between identical data points included in the Sustainability Statement and the Sustainability Report. However, if there are any differences, the externally assured Sustainability Statement included in the Dutch version of the Annual Report takes precedence.



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	ESG rating	Score and rank ¹
	CDP	A score for Climate for the fourth consecutive year B score for Forests (new) B score for Water (new)
	S&P Global CSA Score	73/100 Top 9% of 629 banks assessed 25 years of active participation Included in the S&P Global Sustainability Yearbook for the seventh consecutive year
	Sustainalytics	10.2 Low-risk rating 3rd percentile of 215 diversified banks assessed
	MSCI ESG Rating	AAA Leader among 606 banks
	ISS ESG Corporate Rating	C+ 1st decile rank of 324 Commercial Banks & Capital Markets assessed
	FTSE 4 Good ESG Score	ESG Score: 5.0 Percentile rank of banks assessed: 100 (i.e. top-performing company)

¹ Year-end data.



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Suppliers

We connect with our suppliers on environmental and social topics at different stages of our engagement and procurement process:

- Sustainability criteria can be added to the initial request for proposal.
- Screening of potential suppliers against exclusion criteria.
- Potential suppliers are asked to fill out an ESG questionnaire covering topics related to, for example, environment, workforce, anti-corruption or human rights.
- Selected suppliers are asked to sign our KBC Group Code of Conduct for Suppliers.

	Note	Unit	2025	2024	2023
Operating costs	1	m euros	1 396	1 384	1 375

¹ Financial year data, see note 3.7 of the [2025 KBC Group Annual Report](#). This includes general administrative expenses such as repair and maintenance expenses, advertising costs, rent, professional fees, utilities and other similar expenses.

	Note	Unit	2025	2024	2023
Total number of suppliers	1	number	2 076	2 037	2 768
Number of suppliers that signed the KBC Code of Conduct for suppliers	2	number	1 911	1 752	2 064
Percentage of suppliers with a signed KBC Code of Conduct for Suppliers		%	92%	86%	75%

¹ Only the targeted suppliers, managed by a central procurement department, and having an active agreement in the reporting period and an annual spend > 25 000 euros are included.

² Number of suppliers that have signed either the KBC Code of Conduct or an equivalent own alternative that has been screened by KBC. This number is an underestimate, as signed, alternative codes of conduct cannot always be collected from the relevant data systems.

Employees

	Note	Unit	2025	2024	2023
Staff expenses	1	m euros	2 801	2 708	2 677

¹ Financial year data, see note 3.7 of the [2025 KBC Group Annual Report](#).

Shareholders

	Note	Unit	2025	2024	2023
Net result	1	m euros	3 568	3 415	3 402
Gross dividend per share	2	euros	5.10	4.85	4.15

¹ Financial year data, see 'Consolidated income statement' in the [2025 KBC Group Annual Report](#).

² Financial year data, see 'Consolidated statement of changes in equity' in the [2025 KBC Group Annual Report](#).

Clients

	Note	Unit	2025	2024	2023
Interest paid to clients (interest expense)	1	m euros	11 284	14 172	14 697

¹ Financial year data, see note 3.1 of the [2025 KBC Group Annual Report](#).

Governments (tax)

For detailed, country-by-country reporting on tax, please refer to the [2025 KBC Group Annual Report](#).

Community

	Note	Unit	2025	2024	2023
Total corporate community investment	1	m euros	19.5	18.8	20.3

¹ Based on the [B4SI \(Business for Societal Impact\) Framework](#).

Policy influence

We prohibit political involvement of any kind within the Group. We remain impartial by adopting a strict policy of not expressing political convictions. Neither do we make financial or other contributions to political parties, government organisations, politicians or campaign events. Readers are referred to [KBC Group Corporate Public Affairs Policy](#).

	Note	Unit	2025	2024	2023
Political donations			0	0	0
Lobbying, interest representation or similar	1, 2	m euros	0.1	0.1	0.1
Local, regional or national political campaigns/ organisations/candidates	1	m euros	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	1	m euros	5.44	5.49	5.25
Largest contributions:					
Febelfin (Belgium Financial Sector Federation)	1	m euros	2.07	2.01	1.96
Assuralia (Belgian Professional Association of Insurers)	1	m euros	1.13	1.04	0.98
Česká bankovní asociace (Czech Banking Association)	1	m euros	0.42	0.49	0.48
Česká asociace pojišťoven (Czech Association of Insurance Companies)	1	m euros	0.29	0.32	0.25
VOKA (Flanders' Chamber of Commerce and Industry)	1	m euros	0.22	0.21	0.20
Others	1	m euros	1.31	1.42	1.38
Other (e.g. spending related to ballot measures or referendums)	1	m euros	0	0	0
Total contributions and other spending	1	m euros	5.54	5.59	5.35

¹ Financial year data.
² Expenses solely related to accreditation as reported in the EU Transparency Register.



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Responsible Investing (RI) on behalf of our clients

	Note	Unit	Target		2025	2024	2023
Total RI direct client money	1	bn euros			64.4	50.8	40.7
RI funds as a % of total direct client money	1	%	45% (2025)		51	44	41
			55% (2030)				
RI funds as a % of total annual fund production (gross sales)	1	%	65% (2030)		55	51	35

¹ Financial year data.

Our commitment concerning our social impact

Social impact finance

	Note	Unit	2025	2024	2023
Loan portfolio in healthcare and senior living sector	1	bn euro	6.91	6.17	6.23
Loan portfolio in education sector	1	bn euro	1.34	1.23	1.17

¹ Financial year data.

Social Bonds issued by KBC

	Note	Unit	2025	2024	2023
Current year					
Total amount of social bonds issued	1	m euros	0	0	750
Aggregated					
Total amount of social bonds issued	1	m euros	1 500	1 500	1 500

¹ Financial year data.

Financial inclusion and impact investing

BRS vzw

	Note	Unit	2025	2024	2023
Number of projects in the Global South	1	number	14	15	15
Number of countries	1	number	7	8	8
Financial support for projects	1	euros	293 797	277 116	293 698
Number of days of coaching and training (mainly by KBC staff volunteering for BRS)	1	number	594	500	491
Number of days of training through Microfact.org providing eLearning, on-site assistance and free tools for financial performance analysis and business planning	1	number	108	98	82
Coaching and training budget	1	euros	246 217	198 786	241 489

¹ Financial year data.

BRS Microfinance Coop

	Note	Unit	2025	2024	2023
Cooperative share capital	1	m euros	21.24	21.5	21.8
Share of capital contributed by KBC		%	35.30	34.87	34.43
Outstanding balance (loans to microfinance institutions and investment in microfinance funds)	1	m euros	11.1	11.6	10.5
Number of microfinance institutions financed	1	number	3	3	3

¹ Financial year data.



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Our commitment to the environment

Financing contributing to environmental objectives

Lending portfolio contributing to environmental objectives per type of financed activity or asset

This overview provides a summary of the amounts of our loan portfolios that contribute to renewable energy, mortgages for energy-efficient housing and low-carbon vehicles. To reflect trends of previous reports, this table uses the definitions we have used in past reporting. These are not aligned with EU (European Union) Taxonomy criteria, but do give an accurate picture of the trends in sustainable lending in our portfolios over the years. Our EU Taxonomy reporting is explained in detail later in this section.

	Note	Unit	Target	2025	2024	2023
Loan portfolio in renewable energy sector (granted amount)		bn euros		4.18	3.18	2.57
Of which renewable energy project finance (granted amount)	1	bn euros		2.64	2.04	1.98
Avoided greenhouse gas emissions through renewable energy project finance	2	tonnes CO ₂ e		1 260 725	1 079 587	769 893
Loan portfolio in renewable energy sector, share of total energy portfolio (excluding transmission and distribution)	3	%	75 (2030) 	73	67	62
Mortgages for energy-efficient housing (outstanding amount)	4	bn euros		28.1	21.0	15.2
Low-carbon vehicles financing (outstanding amount)	5, 6, 7	m euros		1 710	1 257	714
Of which zero-emission vehicles				1 181		
Of which bikes				104		
Exposure to coal-related activities: remaining direct coal-related financing (granted amount at year-end)		m euros	0 (2021) 	0	0	0

¹ Financial year data.

² Avoided emissions increased in line with the overall increase in the renewable energy portfolio.

³ The share of renewable financing increased significantly to 73% of our total energy portfolio in 2025. This was driven by both a substantial increase in renewable energy loans and a (smaller) decrease in non-renewable loans. This means that we are on track to meet our 2030 target, though some volatility is possible along the way as country transition plans are being reviewed.

⁴ The reported amounts correspond to dwellings with A and B EPC (Energy Performance Certificate) labels, considered as energy-efficient housing. The data are based on actual EPC labels or on approximation where no labels are available.

⁵ Includes data on financial leasing, loans and operational leasing for Belgium, the Czech Republic, Bulgaria, Hungary and Slovakia (vehicles with emissions < 50g CO₂/km and in alignment with substantial contribution criteria of the EU Taxonomy, such as bicycles, motorbikes, passenger cars and light commercial vehicles).

⁶ 2023 figure has been adjusted compared to the previous report because of a standardisation of definition that is aligned across different reporting periods.

⁷ Starting in January 2026, only vehicles with 0 gCO₂/km emissions will meet the EU Taxonomy’s Substantial Contribution criteria for vehicles and light commercial vehicles. This is why we have already begun reporting this value separately.

Loans aligned to the EU Taxonomy criteria, to criteria of other external frameworks/standards and Sustainability-Linked Loans

This table lists the loan volumes that we can align to a certain extent with EU Taxonomy criteria. In addition, we summarise the loans we have provided that meet the criteria of sustainable frameworks from other external parties such as the European Investment Bank, Loan Market Association or local governments. To complete the overview we also added the Sustainability-Linked Loans to the table. Please note that the volumes we report in this table may partially overlap with those reported in the table on our 'Lending portfolio contributing to environmental objectives per type of financed activity or asset' as different methodologies were used. However, not all volumes reported in the aforementioned table are aligned with the EU Taxonomy criteria and are for that reason not fully included in the table below.

	Note	Unit		2025	2024	2023
Mandatory EU Taxonomy reporting	1, 2	m euros		1 896	1 028	406
Voluntary EU Taxonomy reporting	1	m euros		8 841	4 029	3 750
EU Taxonomy-aligned loans to non- CSRD companies, SPVs and subsidiaries of CSRD companies	1, 3	m euros		2 212	1 587	1 371
Estimated EU Taxonomy alignment of our mortgage portfolio	1, 4	m euros		6 629	2 442	2 379
Others	1	m euros		11 530	8 901	3 055
Loans complying only with the Substantial Contribution criteria of the EU Taxonomy	1	m euros		9 769	8 052	2 597
Loans that comply with other third-party sustainability frameworks	1	m euros		1 761	849	458
Sustainability-Linked Loans	1	m euros		1 953	1 200	927
Total				24 220	15 158	8 138

¹ Mandatory and Voluntary EU Taxonomy, Others (2025) and Sustainability-linked Loans (2025) reporting are based on financial year figures. All other figures are based on end of September data.

² Mandatory EU Taxonomy reporting is based on turnover KPI published by the CSRD counterparties.

³ Only the Special Purpose Vehicles and subsidiaries of CSRD companies that are not consolidated by the CSRD company are included here.

⁴ As of 2025, we also include the relevant mortgage portfolio of Czech Republic, Hungary and Slovakia. The 2024 and 2023 figures include only Belgium and Bulgaria.

Non-life insurance portfolio aligned with the EU Taxonomy criteria for climate change adaptation

	Note	Unit		2025	2024	2023
Taxonomy-aligned premium (gross written premium (GWP))	1, 2	m euros		77	43	156

¹ GWP includes the total amount of premiums recognised for the whole period of coverage, provided by the insurance contract, regardless of whether such premiums relate in whole or in part to a later financial year or accounting period and irrespective of premium payment conditions (e.g. monthly versus quarterly versus yearly premium payments).

² Building on the experience gained through last year's reporting, which included taxonomy-alignment for KBC Insurance's 'Fire and other damage to property' insurance portfolio for the corporate segment, initiatives were taken – and continue to be taken – to further align our product offering with the technical screening criteria put forward by the EU Taxonomy. The increase in reported alignment compared to last year is due to a review of the retail 'fire and other damage to property' insurance product offering by our Czech insurance company ČSOB Pojišťovna.

Own investments of KBC Bank: Green Bonds, Sustainability and Social Bonds

	Note	Unit		2025	2024	2023
Own investments in Green Bonds and Sustainability Bonds issued by SSAs, FIs (Financial Institutions) and corporates (nominal value)	1, 2, 3	m euros		1 531	1 588	1 476
Own investments in Social Bonds issued by SSAs and FIs	3,4	m euros		522	540	-

¹ Green Bonds (the proceeds of which are used to (re-)finance green assets or projects) in line with the International Capital Market Association (ICMA) Green Bond Principles (GBP).

² Sustainability Bonds (the proceeds of which are used to (re-)finance a combination of green and social assets or projects) in line with the ICMA GBP, ICMA Social Bond Principles (SBP) as well as the Sustainability Bond Guidelines.

³ Reporting 2025 based on financial year figures. All other figures are based on end of September data.

⁴ Social Bonds exclusively fund social assets or projects, in line with ICMA Social Bond Principles.



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Green Bonds issued by KBC

	Note	Unit		2025	2024	2023
Current year						
Total amount of Green Bonds issued	1	m euros		500	750	0
Aggregated						
Total amount of Green Bonds outstanding at year end	1, 2	m euros		2 500	2 000	1 250
Total annual avoided emissions	1, 2, 3	tonnes CO ₂ e		478 740	430 256	252 286
Total renewable energy produced	1, 2, 3	MWh		1 992 561	1 735 314	1 293 173
Total energy saved	1, 2, 3	MWh		337 030	195 410	60 440

¹ Financial year data.

² Emissions avoided, renewable energy produced and energy saved all increased significantly compared to 2024 due to the issue of a new 500-million-euro Green Bond in 2025.

³ KPMG gives a limited assurance on the allocation of proceeds from the Green Bonds. Any recommendation from the auditor may impact current asset allocation, which in turn may affect impact calculations reported here. The avoided emission reductions are reported each year in our Green and Social Bond Report, published on our [website](#). Please refer to the KBC Green & Social Bond Report 2025 for final figures (expected to be available by mid-2026).

Advice provided by experts on sustainability-related matters in 2025

Where doubts exists about whether a transaction is in scope of a certain sustainability policy, KBC colleagues are instructed to request a specialist advice. If a transaction is deemed not to be within the scope of the policy, positive advice is the result.

Policy domain	Total	Conclusion of advice			Type of advice		
		Positive	Positive with conditions	Negative	Related to lending	Related to insurance	Related to advisory services
Human rights	3	2	0	1	2	1	0
Controversial weapons	8	6	0	2	7	1	0
Defence-related activities with exception of controversial weapons	73	60	6	7	65	7	1
Controversial regimes	5	1	0	4	5	0	0
Biodiversity	25	20	3	2	22	3	0
Soft commodity speculation	0	0	0	0	0	0	0
Energy	88	71	11	6	83	5	0
Gambling	6	3	0	3	3	3	0
Tobacco	23	8	0	15	16	7	0
Others	45	37	4	4	36	9	0
Total	276	208	24	44	239	36	1

From 2023, a portion of the expert advice function was transitioned to the country level. When credit decision-making is delegated, requests for sustainability-related policy advice are likewise handled at the country level. This approach builds local ownership and ensures that advice is grounded in the specific context. As in previous years, the local level quality and consistency of advice remained constant in 2025.

Below is a breakdown of the advice, by level: Group Corporate Sustainability level or core country level.

	Unit	2025	2024	2023
Advice provided by				
Group Corporate Sustainability	number	183	157	174
Belgium	number	32	35	49
Bulgaria	number	25	27	29
Czech Republic	number	20	29	43
Hungary	number	3	4	6
Slovakia	number	13	11	17
Total	number	276	263	318



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Equator Principles

We provide project financing or advisory services only when the borrower is willing to comply with the processes and policies of the Equator Principles (EP). Our central credit department reviews the environmental and social aspects of projects and works closely with EP coordinators appointed in the entities. Detailed EP reporting can be found in the following table.

	Note	Unit	2025	2024	2023
Project financing, number of transactions	1	number	24	20	6
Of which Category A transactions*	1	number	0	0	0
Of which Category B transactions**	1	number	7	7	4
Of which Category C transactions***	1	number	17	13	2
Project-related corporate loans, number of transactions	1	number	8	13	15
Of which Category A transactions*	1	number	0	0	0
Of which Category B transactions**	1	number	0	0	2
Of which Category C transactions***	1	number	8	13	13
Project financing advisory	1	number	0	0	0
Project financing and project-related corporate loans, by sector	1				
Real estate	1	number	8	11	9
Infrastructure	1	number	8	8	2
Power	1	number	12	13	10
Other	1	number	4	1	0
Project finance and project-related corporate loans, by region	1				
Europe, Middle East and Africa	1	number	32	33	21
Project finance and project-related corporate loans, designated country	1, 2				
Yes	1	number	27	27	15
No	1	number	5	6	6
Project finance and project-related corporate loans, independent review	1				
Yes	1	number	26	27	9
No	1	number	6	6	12

*Category A projects are projects with potential significant adverse environmental and social risks and/or severe impacts.

**Category B projects are projects with potential limited adverse environmental and social risks and/or impacts that are less severe.

***Category C projects are projects with minimal risks and projects in legal compliance in the country of execution.

¹ Financial year data.

² These are 'designated countries' as included in the official Equator Principles list, which consists of high-income OECD countries recognised as having a robust environmental and social governance, legislative systems, and institutional capacity to protect people and the environment.



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UNEP FI Principles for Sustainable Insurance (PSI)

KBC became a signatory to the UNEP FI (United Nations Environmental Programme Finance Initiative) PSI in 2018. These principles serve as the global framework for insurance companies to better manage ESG risks and opportunities in their core business strategies and operations.

As a PSI signatory, we report on our progress in embedding the principles into all aspects of our operations in the [PSI Sustainable Insurance Progress Statement](#).

UNEP FI Principles for Responsible Banking (PRB)

KBC was a founding signatory of the UNEP FI PRBs in September 2019. The principles set out the framework for a sustainable banking system. They help embed sustainability at the strategic, portfolio and transactional levels and across all business areas. In addition to this, they help us demonstrate how we make a positive contribution to society.

We report on our commitment and our progress regarding the implementation of the UNEP FI PRB’s in the [Responsible Banking Progress Statement](#), a section of this Report

UN Principles for Responsible Investment (PRI)

We have been a signatory to the PRIs since 2016. As part of this engagement, we report on the actions taken in relation to the six principles for responsible investment. The report is available for consultation on the [UN PRI website](#).

Entrepreneurship

	Note	Unit	Target	2025	2024	2023
Number of start-ups supported through Start it @KBC in Belgium	1	number		183	152	148
Female entrepreneurs selected (as a % of total entrepreneurs)	1, 2	%	50%	30%	39%	35%

¹ Scope: Start it @KBC in Belgium.
² Number of start-ups with a minimum of one female co-founder at the last pitch of the year (October).



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Social targets on financial literacy and financial health in our core countries

Country	Indicator	Unit	Target ¹	Baseline ²	2025	2024	2023
Belgium	Improve the financial skills and attitudes to mortgages of young adults	Number of young adults reached	35 000 (by 2030)	-	9 601	823	-
	Performance of KBC on the relative share of young adults in over-indebtedness compared to our peers	%	Minimum 50% better than our peers (by 2030)	68.5%	61.8%	68.5%	-
Bulgaria	Increase the percentage of clients aged 18–25 with savings (savings accounts and term deposits) and investment products	%	12.5%	9.8%	12.8%	-	-
Czech Republic	Improve young adults' financial skills and literacy regarding financial products, for example mortgages	Number of young adults reached	50 000	-	36 182	-	-
	Ensure that the share of unpaid mortgage loans to young adults (< 35 years) compares favourably to the rest of the portfolio by at least 0.1%	%	0.1%	0.1%	0.1%	-	-
Hungary	Increase the share of retail clients with at least one long-term pension savings product provided by K&H	%	6.3%	5%	5.2%	-	-
Slovakia	Increase the percentage of new, regularly investing clients (young adults)	%	7.5%	-	7.2%	-	-

¹ Target date is 2027, unless stated otherwise.

² The baseline represents the first year in which a consistent and comparable measurement methodology was applied in each country. For certain targets, the baseline is zero or not available as the initiative was launched after the baseline year or data were not yet collected in a comparable manner.

Anti-money laundering, anti-corruption, data protection and cyber security

	Note	Unit	2025	2024	2023
Employees that have completed training in:					
Anti-money laundering (as a % of target audience)	1, 2	%	97	98	96
General Data Protection Regulation (GDPR) (as a % of target audience)	1, 2	%	99	99	98
Anti-corruption	1, 2	%	99	99	98
Training module on tax prevention policy for bank experts (as a % of target audience)	1		97	97	87
Cyber security		%	100	100	100

¹ Based on the average employee coverage as a % of target audience at all entities rather than the employee coverage as a % of target audience at the group level.

² The frequency of training varies by country and training content. In Belgium, for example, the standard repeat frequency is three years in 95% of cases.

Employees

We collect and report data on our employees on an annual basis. Since 2024, we have included mandatory HR data in the Sustainability Statement of our [Annual Report](#) in line with the European Sustainability Reporting Standards (ESRS). We have aligned voluntary Human Resources data reporting in our Sustainability Report accordingly. Consequently, **the scope and reporting period of employee data for 2024 and 2025 differ from those of 2023 and are therefore not fully comparable. From 2024 onwards, employee figures are reported on a full financial-year basis.**

Number of employees

	Note	Unit		2025	2024	2023
Full-time Equivalent (FTE)	1	number		37 490	37 588	38 786
Headcount	2	number		39 803	39 929	41 447
FTE excluding flexible DPP and DPC contracts		number		37 352	37 448	38 645
Headcount excluding flexible DPP and DPC contracts		number		38 961	39 788	40 666

¹ FTE and headcount figures include flexible DPP and DPC contracts in the Czech Republic and Slovakia, unless indicated otherwise.

² DPP (Agreement on Work Performance) and DPC (Agreement on Work Activity) contracts are used for flexible or part-time work (primarily for students).

Non-employee workers

	Note	Unit	2025	2024	2023
Non-employee workers	1, 2	number	3 202	3 191	3 257

¹ Scope: This includes external employees in the category of 'Capacity Services Belgium' and the KBC- and CBC-independent, affiliated insurance agents in Belgium (including their employees).

² The KBC and CBC insurance agencies qualify as independent, affiliated insurance agents. In performing their insurance distribution activities, they act as commercial agents in the name and on behalf of their principal, KBC Insurance NV. The KBC and CBC insurance agencies, their directors and their staff members do not act in any way as employees of KBC Insurance NV, or by extension, of any other entities of the KBC Group.

Employees (headcount), by country

	Unit		2025 ¹	2024 ¹	2023
Belgium	% (number)		35.5 (14 141)	36.4 (14 553)	38.7
Bulgaria	% (number)		16.1 (6 400)	15.9 (6 338)	16.0
Czech Republic	% (number)		29.1 (11 597)	28.6 (11 432)	25.5
Hungary	% (number)		9.9 (3 952)	9.8 (3 912)	9.9
Slovakia	% (number)		8.3 (3 309)	8.2 (3 279)	7.9
Rest of the world	% (number)		1.0 (404)	1.0 (415)	2.0

¹ Percentages are calculated based on country-level headcounts. Therefore, totals may deviate from 100% due to rounding.



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Employees (FTE), by age group

	Unit		2025	2024	2023
Total employees					
< 30 years	% 		14	14	15
30–50 years	% 		55	56	55
> 50 years	% 		31	30	30
Board of Directors					
< 30 years	%		0	0	0
30–50 years	%		11	6	6
> 50 years	%		89	94	94
Executive Committee					
< 30 years	%		0	0	0
30–50 years	%		0	0	14
> 50 years	%		100	100	86

Employees (FTE), by contract type

	Note	Unit		2025	2024	2023
Permanent	1	% (number) 		96 (35 675)	96 (35 765)	96
Temporary	1	% (number) 		4 (1 675)	4 (1 683)	4
Non-guaranteed hours employees		% (number) 		0 (140)	0 (140)	-
Full-time	1	% (number) 		87 (32 682)	87 (32 764)	84
Part-time	1	% (number) 		13 (4 808)	13 (4 824)	16

¹ Percentages in this table exclude flexible DPP and DPC contracts.

Employees (FTE), by contract type and by gender

	Note	Unit		2025		2024		2023	
				Men	Women	Men	Women	Men	Women
Permanent	1	% (number) 		44 (15 687)	56 (19 988)	44 (15 896)	56 (19 869)	44	56
Temporary	1	% (number) 		39 (651)	61 (1 025)	40 (665)	60 (1 017)	37	63
Non-guaranteed hours	1	% (number) 		0 (48)	0 (92)	0 (48)	0 (93)	-	-
Full-time	1	% (number) 		47 (15 217)	53 (17 465)	47 (15 443)	53 (17 321)	47	53
Part-time	1	% (number) 		24 (1 169)	76 (3 640)	24 (1 166)	76 (3 657)	24	76

¹ Percentages in this table exclude flexible DPP and DPC contracts



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Employees (headcount), by contract type and by country

	Note	Unit	2025	2024	2023
Belgium					
Permanent	1	%	99.8	99.8	99.5
Temporary	1	%	0.2	0.2	0.5
Bulgaria					
Permanent	1	%	97.4	97.6	97.4
Temporary	1	%	2.6	2.4	2.6
Czech Republic					
Permanent	1	%	89.1	83.8	89.5
Temporary	1	%	10.9	16.2	10.5
Hungary					
Permanent	1	%	99.7	99.8	99.7
Temporary	1	%	0.3	0.2	0.3
Slovakia					
Permanent	1	%	88.9	82.7	87.6
Temporary	1	%	11.1	17.3	12.4
Rest of the world					
Permanent	1	%	99.1	99.8	97.6
Temporary	1	%	0.9	0.2	2.4

¹ Percentages in this table exclude flexible DPP and DPC contracts.

Employees (headcount), by function classification

	Unit	2025	2024	2023
Top management (Top 300)	%	0.6	0.7	0.6
Middle and junior management	%	44.7	44.2	42.1
White- and blue-collar	%	54.7	55.1	57.3

New employees and employee turnover (headcount)

	Note	Unit	2025	2024	2023
New employee hires, total headcount		number	4 628	5 117	5 166
Employee turnover, total headcount	1, 2	% (number)	12.8 (5 090)	13.5 (5 394)	13.1
Proportion of voluntary leavers	3	%	53.2	65.5	81.2
Internal mobility	4	%	10.1	17.7	21.1
Average seniority		Years	13	13	13

¹ Employee turnover is the total number of leavers (excluding internal mobility within a specific legal entity but including the staff moving between different legal entities within the Group) divided by total headcount at the end of the reporting period.

² We refer to the ‘New employee hires and employee turnover, by country’ table for more information on per-country employee turnover.

³ The significant drop in the proportion of voluntary leavers in 2024 as compared to 2023 is due to the use of a new calculation formula.

⁴ Internal mobility is calculated as the internal mobility divided by the total headcount at the end of the reporting period.



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New employee hires and employee turnover (headcount), by country

	Note	Unit	2025	2024	2023
New employee hires					
Belgium		number	842	890	1 163
Bulgaria		number	1 094	827	1 318
Czech Republic		number	1 537	2 272	1 395
Hungary		number	815	751	769
Slovakia		number	301	357	488
Rest of the world		number	39	20	33
Employee turnover					
	1				
Belgium		%	6.3	5.7	9.0
Bulgaria		%	16.5	19.4	19.7
Czech Republic		%	16.6	17.7	13.8
Hungary		%	19.7	19.0	14.0
Slovakia		%	11.6	13.8	16.7
Rest of the world		%	14.8	14.0	15.7

¹ Turnover rates vary between our core countries due to differences in labour market dynamics, economic conditions and job opportunities.

New employee hires (headcount), by age

	Unit	2025	2024	2023
< 30 years	%	47.3	50.8	47.6
30–50 years	%	45	42.5	45.7
> 50 years	%	7.7	6.7	6.7

New employee hires (headcount), by management level

	Note	Unit	2025	2024	2023
Top management	1	%	0.2	-	-
Middle and junior management	1	%	22.2	-	-
White- and blue-collar employees	1	%	77.6	-	-

¹ 2023 and 2024 data are unavailable, as data collection was not conducted in those years.

New employee hires (headcount), by gender

	Unit	2025		2024		2023	
		Men	Women	Men	Women	Men	Women
New employee hires	%	42.1	57.9	43.7	56.3	42.5	57.5



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Diversity and inclusion (headcount)

	Note	Unit	2025	2024	2023
Employees by gender					
Male		% (number) 	43 (17 011)	43 (17 241)	43
Female		% (number) 	57 (22 792)	57 (22 688)	57
Women promoted as a % of total promotions		%	59	60	62
Women in non-managerial functions	1	%	59	58	59
Women in IT & Engineering	2	%	31	31	31

¹ We define women in non-managerial functions as women working directly in a team as an individual contributor and with no responsibility as a manager to others.

² We define women in IT & Engineering as women working in functional roles in the Information Technology, Transformation and Data departments.

Gender diversity (headcount), by management level

	Note	Unit	2025		2024		2023	
			Men	Women	Men	Women	Men	Women
Board of Directors		%	61	39	69	31	69	31
Group Executive Committee	1	%	86	14	86	14	86	14
Top management	2	% 	73	27	74	26	75	25
Middle and junior management		%	56	44	57	43	57	43
White and blue collar		%	30	70	32	68	33	67

¹ We aim to achieve a more balanced gender representation on our Executive Committee. For more information, please refer to our Corporate Governance Charter.

² To support gender diversity in the higher levels of our organisation – where women in KBC currently remain underrepresented – we uphold the requirement of having one female candidate and one male candidate for every new top management nomination.



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Gender diversity (headcount), target criteria

	Note	Unit	Target	2025
	1,2			
Women recruited as a % of total recruitments		% 	40	57.9
Women in talent pools		% 	40	45.7
Women appointed to leadership positions		% 	40	51.2

¹ KBC adopted the following threefold target in 2025: our goal is to achieve at least 40% representation of the underrepresented gender in recruitment, talent pools, and appointments to leadership positions (except the Executive Committee and the Board of Directors).

² For more information, we refer to the [Our people section](#) of this report.

Diversity of nationalities¹ (headcount)

	Note	Unit	2025		2024		2023	
			Top management	Middle and Junior management	Top management	Middle and Junior management	Top management	Middle and Junior management
Belgian		%	46	44	50	43	43	43
Czech		%	17	30	18	31	29	31
Slovak		%	10	9	10	9	8	9
Bulgarian		%	16	3	11	3	10	3
Hungarian		%	9	11	9	11	8	12
Other		%	2	3	2	3	2	2

¹ For details on the diversity of nationalities of the Executive Committee and the Board of Directors, please refer to the [2025 KBC Group Annual Report](#).



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Compensation metrics (headcount)

	Note	Unit	2025	2024	2023
Unadjusted gender pay gap	1	%	30.2	31.2	-
Adjusted gender pay gap	1	%	3.2	3.2	-
Annual total remuneration ratio	2	Number	94	93	-

¹ We refer to the [Our people section](#) of this report for more information on how we measure the gender pay gap.

² To assess the Annual Total Remuneration ratio, the specifics of the local social fabric should be taken into account. Our core countries have specific aspects that condition local remuneration. The annual total remuneration ratio is therefore more meaningful and comparable if we consider such ratios at country level, by comparing the local highest-paid individual with the local median remuneration.

Health and workplace (headcount)

	Note	Unit	2025	2024	2023
Sick leave (days) per FTE		number	6.5	6.8	8.0
Sick-leave rate (share of working days)		%	2.9	3.3	3.8
Lost-time injury frequency rate (LTIFR) (per million hours worked)	1	number	1.08	1.17	1.75
Work-related accidents		number	72	79	-
Fatalities resulting from work-related injuries and work-related ill health		number of employees	0	0	-
Fatalities resulting from work-related injuries and work-related ill health		number of other workers working on our sites	0	0	-
Employees entitled to workplace flexibility options (as a % of total headcount)		%	99	99	99
Employees able to control and/or vary the start or end times of the working day or working week (as a % of total headcount)		%	99	99	99
Employees able to control and/or vary the location where they work (as a % of total headcount)		%	99	99	99
% of Employees covered by a health and safety management system		%	100	100	-

¹ LTIFR is the number of injuries resulting from a work-related injury/number of hours worked x 1 000 000.

Inclusive culture (headcount)

	Unit	2025					
		Belgium	Bulgaria	Czech Republic	Hungary	Slovakia	Rest Of World
Number of weeks of fully paid maternity leave for employees in the core countries across the Group	number	15	19	28	24	34	10
Number of weeks of fully paid paternity leave for employees in the core countries across the group	number	4	2	2	1	1	2
Employees with access to on-site lactation rooms	%	100	23.3	100	60.0	45.0	29.5



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Labour relations (headcount)

	Note	Unit		2025	2024	2023
Employees covered by collective bargaining agreements		%		90	87	86
Employees covered by employee representation structures	1	%		91	88	80

¹ The 2023 percentage was recalculated due to inconsistencies in local data provided for 2023 and 2024.

Competence, learning and development and engagement

Highest educational level achieved (headcount)

	Unit	2025	2024	2023
Master's degree and higher	%	42.9	40.2	37.9
Bachelor's degree	%	31.4	35.2	35.0
Secondary education certificate	%	25.7	24.6	26.9
Primary education certificate	%	0.0	0.0	0.2

Learning and development (headcount)

	Note	Unit		2025	2024	2023
Total time spent on learning and development	1, 2, 3	days (hours)		5.3 (38.9)	5.2 (-)	5.4 (-)
Training to female employees		% (hours)		57 (39)	59 (-)	50 (-)
Training to male employees		% (hours)		43 (38.7)	41 (-)	50 (-)
Employees participating in (top) talent development programmes (year-end data)		number		20	20	23
Male		number		8	8	13
Female		number		12	12	10
KBC University Programme						
Total time spent by top management and top talent on KBC University training programmes and events	4	days		480	822	452

¹ This excludes KBC University training programmes completed by top management and top talent, as these are reported separately below.

² Learning and development data include only training courses for which there is a formal registration in the local learning management system. On-the-job learning and knowledge sharing amongst employees are often not formally registered, although, based on relevant literature, it is assumed that employees spend up to one third of their working hours involved in informal learning activities. Formally registered training courses therefore only cover a small part of total learning activities, and it is fair to assume that the actual time spent on learning and development is much higher than the figure reported in the table above.

³ The unit 'hours' represents the average number of hours spent on learning and development per headcount.

⁴ In 2024 a one-off, two-day programme on the strategy update was organised for all top management.



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Group employee survey (headcount)

	Note	Unit	2025		2024		2023	
			2 nd half year	1 st half year	2 nd half year	1 st half year	2 nd half year	1 st half year
Response rate	1							
Belgium		%	83	82	82	81	80	81
Bulgaria	2	%	93	90	90	88	76	72
Czech Republic	2	%	81	83	81	80	77	73
Hungary		%	80	83	83	83	85	84
Slovakia		%	90	87	86	87	80	85
Group Services branches Czech Republic and Bulgaria		%	96	97	96	95	98	94

¹ For more information on the employee engagement survey, please refer to the [Our people section of this report](#).
² Excluding KBC’s own shared service centres in the Czech Republic and Bulgaria, as these are reported separately below.

	Note	Unit	2025		2024		2023	
			Q3-Q4	Q1-Q2	Q3-Q4	Q1-Q2	Q3-Q4	Q1-Q2
Engagement score	1							
Belgium		%	86	86	82	80	77	76
Bulgaria	2	%	75	71	63	66	64	69
Czech Republic	2	%	76	75	74	75	75	76
Hungary		%	79	73	61	66	65	68
Slovakia		%	77	74	75	76	65	65
Group Services branches Czech Republic and Bulgaria		%	78	76	76	70	74	74

¹ For more information on the employee engagement survey, please refer to the [Our people](#) section of this report. The engagement score is the sum of the engaged and strongly engaged employees. This represents the sum of the employees who – on a six-point scale with ratings from strongly disagree to strongly agree – gave a score of 4.5 or higher, on average, for three specific questions on engagement (i.e. feeling proud, motivated and committed).
² This excludes KBC’s own, shared service centres in the Czech Republic and Bulgaria, which are reported separately below.

Incidents, complaints and severe human rights impacts

Incidents of discrimination including harassment

	Note	Unit		2025	2024
Total number of discrimination incidents, including harassment (of which the number of justified incidents/ discrimination complaints, including harassment incidents)	1	number		39 (5)	12 (4)
Number of complaints filed through channels for own workforce to raise concerns (other work-related complaints)		number		4	9
Number of complaints filed through OECD National Contact Points		number		0	0

¹ The 2024 figure has been restated from 17 to 12 after identifying an inconsistency in the application of the regulatory guidance in one of our countries.

Community involvement

We support various projects and activities that contribute to the needs of the local communities where we are active. KBC community involvement is not centralised in one department, but is instead situated at the country level and to facilitate alignment with local priorities and strategies.

For more information please refer to the [KBC Group Community Involvement Policy](#) and to the [local Reports to Society](#) published on our corporate website. These reports also document examples of how we are involved in the communities in which we operate.

	Note	Unit	2025	2024	2023
Total corporate community investment	1	m euros	19.5	18.8	20.3
By country					
Belgium		m euros	13.3	13.4	14.6
Bulgaria		m euros	0.2	0.2	0.2
Czech Republic		m euros	4.1	3.6	4.2
Hungary		m euros	0.9	0.6	0.5
Slovakia		m euros	1.0	1.0	0.8
By type of contribution					
Cash contributions		m euros	11.2	10.2	10.5
Time: employee volunteering during paid working hours		m euros	6.5	6.5	7.4
In-kind giving: product or service donations, projects/partnerships or similar		m euros	0.4	0.3	0.5
Management overheads		m euros	1.4	1.8	1.9
By motivation for contribution		m euros			
Charitable donations		m euros	4.0	3.7	3.4
Community Investments		m euros	13.8	13.3	15.4
Commercial activities		m euros	1.7	1.8	1.5
Employee volunteering hours (estimated number)	2	number	66 000	32 000	30 000

¹ Based on the [B4SI \(Business for Societal Impact\) Framework](#).
² The increase compared to 2024 is due to the broad campaign, which combined volunteer support for non-profits with first-aid training, as well as blood and plasma donation initiatives. For more details we refer to the [Our people section](#) of this report.

Environmental data and emissions

Scope and boundary of KBC Group GHG emissions inventory

We report on our direct and indirect greenhouse gas (GHG) emissions and in order to be as comprehensive as possible, we report on KBC Group’s Scope 1, Scope 2 and Scope 3 emissions. The table on the next page provides a schematic overview of the scope and boundary of KBC Group’s GHG emissions and the respective data quality of the GHG emissions calculations.

- We use different methodologies to serve several reporting purposes:
- The reporting of **our own emissions** is in accordance with the requirements of the GHG protocol corporate standard.
 - As regards **financed emissions (loan and lease portfolio) and insurance-associated emissions (insurance underwriting portfolio)**, we apply the methodology outlined in the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF).
 - We apply the Trucost¹ data and methodology to **our asset management and our own investment portfolios**.

For further reading on the methodologies used, please refer to the [Methodologies Explained](#) section and the [Sustainability Statement in the Annual Report KBC Group](#).

We report detailed GHG emissions and activity data on the following pages.

¹ Trucost is a subsidiary of S&P.



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Source of GHG emissions	Scope and boundary of KBC GHG emissions	Data quality ¹
Scope 1		
Fuel combustion	Emissions from fuel combustion in all company-owned or -controlled, group-wide operations	Score 1
Company-owned transport	Emissions from company-owned or -controlled, non-electric vehicle (EV) fleets of all group-wide operations, including commuter travel, business travel and private use of such vehicles	Score 1
Refrigeration and air-conditioning equipment	Fugitive emissions from refrigeration and air-conditioning equipment in all group-wide operations	Score 1
Scope 2		
Purchased electricity, steam, heating and cooling for own use	Emissions from purchased electricity, steam, heat and cooling of all group-wide operations	Score 1
Company-owned transport	Emissions from company-owned or -controlled, EV fleet of all group-wide operations, including commuter travel, business travel and private use of such vehicles	Score 1
Upstream Scope 3		
Purchased goods and services (Category 1)	Includes emissions from paper and water consumption from all group-wide operations	Score 1
Capital goods (Category 2)	Not relevant/material to KBC as a financial services company	
Fuel- and energy-related activities (Category 3)	Not relevant/material to KBC as a financial services company	
Upstream transportation and distribution (Category 4)	Not relevant/material to KBC as a financial services company	
Waste generated in operations (Category 5)	Emissions from waste generation and waste processing of all group-wide operations	Score 1
Business travel (Category 6)	Emissions from business travel by not-own fleet (vehicles, public transport and air travel) across all group-wide operations	Score 1
Employee commuting (Category 7)	Emissions from employee commuting travel by not-own fleet (vehicles and public transport) across all group-wide operations	Score 1
Upstream leased assets (Category 8)	Not relevant/material to KBC as a financial services company	
Downstream Scope 3		
Downstream transportation and distribution (Category 9)	Not relevant/material to KBC as a financial services company	
Processing of products sold (Category 10)	Not relevant/material to KBC as a financial services company	
Use of products sold (Category 11)	Not relevant/material to KBC as a financial services company	
End-of-life treatment of sold products (Category 12)	Not relevant/material to KBC as a financial services company	
Downstream leased assets (Category 13)	Emissions from KBC's operational lease portfolio (Scope 1) included in Category 15	
Franchises (Category 14)	Not relevant/material to KBC as a financial services company	
Investments (Category 15)	Emissions from KBC's loan (Scope 1, 2 and 3) and lease (Scope 1) portfolio ²	Score ranges from 1–5 (detailed scores are available in the 'Indirect environmental impact' section of this report)
	Emissions from KBC's insurance own investments (Scope 1, 2 and 3) ³	
	Emissions from KBC's bank sovereign bond portfolio (Scope 1, 2 and 3) ³	
Investments (Optional Category 15)	Emissions from KBC's insurance underwriting portfolio (Scope 1 and 2) ³	Score ranges from 2–5 (detailed scores are available in the 'Indirect environment impact' section of this chapter)
	Emissions from KBC's Assets under Management (Scope 1, 2 and 3)	
	Emissions from the investments of <i>Pensioenfond</i> s KBC (Scope 1, 2 and 3)	

¹ Data quality scores are in accordance with the PCAF data quality scoring method, as specified in the PCAF's 'Global GHG Accounting and Reporting Standard for the Financial Industry'. A score of 1 reflects the highest data quality and a score of 5 the lowest data quality. We note here that the collection process related to climate-related data of our business portfolios is ongoing work and that the data quality should improve going forward along with our further development in this field.

² This category includes both business loans, project finance, commercial real estate, mortgage loans and motor vehicle loans. Debt securities issued by companies or banks (such as bonds) held by KBC Bank and managed by Group Treasury are included.

³ We calculate the GHG emissions linked to our insurance underwriting portfolio in line with the PCAF Standard Part C. In its first edition, PCAF offers methodological guidance for measuring GHG emissions in two business segments: personal motor lines and commercial lines.



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Summary of KBC Group’s GHG emissions inventory

The table on the following page provides an overview of our overall Scope 1, Scope 2 and Scope 3 GHG emissions, taking into account the specificity of our bank-insurance business model, which combines banking, insurance and asset management activities. Figures are the same as reported in our mandatory Sustainability Statement and aligned with CSRD requirements.

In the following sections, we provide further breakdowns of our GHG emissions inventory and give more detailed information on scope and methodology:

- **Own environmental footprint:** GHG emissions related to Scope 1, Scope 2 and a selection of Scope 3 emissions sources over which we have direct influence.
- **Indirect environmental impact:** financed Scope, 1, Scope 2 and Scope 3 GHG emissions from leasing and lending portfolio and emission intensity.
- **Indirect environmental impact:** insurance-associated GHG emissions from insurance underwriting portfolio.
- **Indirect environmental impact:** climate-related impact from investment portfolios.



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GHG emissions	Unit		2025	2024 ¹
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	tCO ₂ e		36 625	40 717
Own footprint target scope ²			23 677	27 486
Of which KBC Group consolidated			32 257	36 059
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control			4 368	4 658
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)			0%	0%
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions	tCO ₂ e		30 706	35 361
Own footprint target scope ²			30 201	34 860
Of which KBC Group consolidated			30 228	34 870
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control			478	491
Gross market-based Scope 2 GHG emissions	tCO ₂ e		5 402	4 626
Own footprint target scope ²			5 260	4 488
Of which KBC Group consolidated			5 263	4 467
Of which not fully consolidated entities other than joint ventures and associated companies where KBC has operational control			140	159
Significant Scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions	tCO ₂ e		78 405 565	77 232 214
1 Purchased goods and services	tCO ₂ e		1 284	1 552
Own footprint target scope ²			1 268	1 531
2 Capital goods			-	-
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)			-	-
4 Upstream transportation and distribution			-	-
5 Waste generated in operations	tCO ₂ e		786	812
Own footprint target scope ²			763	805
6 Business travelling	tCO ₂ e		4 096	4 506
Own footprint target scope ²			4 053	3 300
7 Employee commuting	tCO ₂ e		16 062	16 794
Own footprint target scope ²			15 503	16 322
8 Upstream leased assets			-	-
9 Downstream transportation			-	-
10 Processing of sold products			-	-
11 Use of sold products			-	-
12 End-of-life treatment of sold products			-	-
13 Downstream leased assets (Included in 15 Investments (of which White Paper sectors & product lines))			-	-
14 Franchises			-	-



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GHG emissions	Unit		2025	2024 ¹
15 Investments from banking activities ³	tCO ₂ e		78 383 337	77 208 550
From KBC's loan and lease portfolio ⁴			48 520 533	45 801 394
of which White Paper sectors and product lines ⁴	tCO ₂ e		28 556 661	26 822 564
of which remaining sectors ⁴	tCO ₂ e		19 963 872	18 978 830
From KBC Bank's sovereign bond portfolio			29 862 804	31 406 616
KBC Group own GHG emissions + KBC Bank Scope 3 GHG emissions				
Total GHG emissions (location based)	tCO ₂ e		78 472 896	77 308 292
Total GHG emissions (market based)	tCO ₂ e		78 447 592	77 277 557
Investments from Insurance activities			6 964 860	7 259 775
From KBC Insurance's own investments ⁵			6 964 860	7 259 775
Grand total GHG emissions				
Grand Total GHG emissions (location based) ³	tCO ₂ e		85 437 756	84 568 067
Grand Total GHG emissions (market based) ³	tCO ₂ e		85 412 452	84 537 332
Insurance-associated emissions ⁶				
	tCO ₂ e		613 792	- ⁷
Asset management activities ⁸				
	tCO ₂ e		48 820 216	52 063 567

¹ The 2024 column presents a like-for-like restatement of the reported 2024 figures, recalculated to reflect the expanded reporting boundaries introduced in 2025. In 2025, absolute GHG emissions data became available for our asset management activities, KBC Insurance's own investments and KBC Bank's sovereign bond portfolio, leading to an increase in the total emissions reported. To ensure full transparency, the 2024 figures as originally reported are mentioned in footnote 3.

² We refer to the [Own environmental footprint](#) section of this report for more information on our own footprint target scope.

³ The 2024 figures have been restated. The original 2024 figures under previous scope were: for Total Gross indirect (Scope 3) GHG emissions: 45 825 058 tCO₂e; for Category 15 Investments: 45 801 394 tCO₂e; for Total GHG emissions (location based): 45 901 136 tCO₂e, for Total GHG emissions (market based) 45 870 401 tCO₂e.

⁴ For more details see [Indirect environmental impact: financed Scope 1, 2 and 3 GHG emissions from the leasing and lending portfolios, including emission intensity](#).

⁵ The figures in the 2025 column represent the total of GHG emissions from our Corporates (1 399 832 tCO₂e) and Sovereigns (5 565 028 tCO₂e). The corporate portfolio is the sum of Scope 1 (33 902 tCO₂e), Scope 2 (15 474 tCO₂e) and Scope 3 (1 350 455 tCO₂e) emissions. The figures in the 2024 column represent the total of GHG emissions from our Corporates (1 292 993 tCO₂e) and Sovereigns (5 966 762 tCO₂e). The corporate portfolio is the sum of Scope 1 (50 901 tCO₂e), Scope 2 (20 339 tCO₂e) and Scope 3 (1 221 753 tCO₂e) emissions.

⁶ Calculations are made using the PCAF Global Standard Part C. The data quality score for Personal Motor Lines is 3.2 while the data quality score for commercial lines is 5. See [Insurance underwriting](#) in this report for more information.

⁷ The switch from country-specific attribution factors to globally weighted averages, combined with a more conservative interpretation of the PCAF guidance – which results in a wider inclusion of coverage types – makes it practically impossible to restate the 2024 figures. See section [Insurance underwriting](#) of this report for more information.

⁸ The figures in the 2025 column represent the total of GHG emissions from our Corporates (27 821 917) and Sovereigns (20 998 299). The corporate portfolio is the sum of Scope 1 (1 379 860), Scope 2 (487 855) and Scope 3 (25 954 202) emissions. The figures in the 2024 column represent the total of GHG emissions from our Corporates (29 846 968) and Sovereigns (22 216 599). The corporate portfolio is the sum of Scope 1 (1 685 544), Scope 2 (595 275) and Scope 3 (27 566 149) emissions.



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Own environmental footprint

KBC Group’s own operational footprint is calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The organisational boundaries were defined using an operational control approach.

Scope and boundary

Emissions are calculated by collecting primary activity data of emission sources from all > 100-FTE (Full-time equivalent) entities in our core countries. For < 100-FTE entities, either primary activity data is collected due to a deviating business context or emissions are extrapolated.

This approach enables us to account for 100% of the emissions from entities over which we have operational control. The percentage of emissions calculated using primary data is > 98%.

Our own footprint inventory includes:

- **Scope 1:** Direct emissions from fuel combustion and refrigerant gases in our office buildings and from our own non-electric company car fleet (including business travel, commuter travel and private use).
- **Scope 2:** Indirect emissions from purchased energy (i.e. electricity, heat, cooling and steam consumption) and electricity used to charge company-owned or -controlled electric vehicles (EVs).
- **Scope 3:** Indirect emissions from business travel and commuter travel and other emissions from sources over which we have direct influence (i.e. paper and water consumption and waste generation).

The greenhouse gases included are CO₂, CH₄, N₂O, HFC’s, PFC’s, SF₆ and NF₃.

Calculation method

For Scope 1 and Scope 2 GHG emissions, we apply the hybrid calculation method: We use supplier-specific emission factors where available and standard emission factors from the International Energy Agency (IEA), Reliable Disclosure (RE-DISS), the Association of Issuing Bodies (AIB), Department for Energy Security & Net Zero (DESNZ), with KBC-specific emission factors as a fallback option.

For the Scope 3 emissions related to our own operations, we use the average-data method for Categories 1, 5, 6 and 7. These categories are not material in KBC’s footprint, but are mainly measured and tracked to raise awareness amongst staff about emissions sources over which we have direct influence.

Methodological changes compared to previous year

There are no methodological changes compared to previous year.

Explanation of difference between our GHG inventory and our own footprint target scope

There is a difference in organisational boundary between our calculated GHG inventory and the scope on which our own footprint target was set:

- The broadest calculated GHG inventory includes all consolidated entities and those entities which are not fully consolidated, but where KBC has operational control. This inventory is reported in the [Sustainability Statement of the Annual Report](#).
- The own footprint target scope covers the financial consolidation but excludes activities other than bank-insurance to increase comparability with peers.



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Own footprint emissions, difference between inventory and target scope

		Own footprint GHG inventory (in tCO ₂ e) 2025	Own footprint target scope (in tCO ₂ e) 2025	Proportion target scope, compared to calculated inventory (in %)
Scope 1		36 625	23 677	65
Scope 2 (market based)		5 402	5 260	97
Scope 3		22 228	21 586	97
Total (market based)		64 256	50 523	79

Own footprint intensity, difference between inventory and target scope

		Own footprint GHG inventory (in tCO ₂ e/FTE)	Own footprint target scope (in tCO ₂ e/FTE)
GHG intensity per FTE (market based)		1.66	1.37

The substantial difference between our own footprint GHG inventory and our own footprint target scope is mainly linked with non-consolidated subsidiaries that are active in the travel and mobility sector, and which therefore have a different emission profile to bank-insurance subsidiaries. Entities having activities other than bank-insurance were previously excluded from both our inventory and target scope to increase comparability with peers, as they pursue their own sustainability pathway.

Even though our calculated GHG inventory was broadened in 2024 due to CSRD reporting requirements, we chose to retain the previously defined scope of our own footprint reduction target in order to ensure consistency in progress monitoring. Action plans that are in place in each of our core countries to reduce GHG emissions from their operations are focused on bank-insurance activities.

We track the implementation of these action plans and our progress on an annual basis. As a consequence, we closely monitor our own footprint target scope. In the tables below, we spotlight our own footprint targets and related progress, providing more details on the breakdown of the Scope 1, Scope 2 and Scope 3 emissions.

Own footprint targets

Indicator	Unit	Target	2015 Baseline		2025	2024	2023
Total GHG emissions from own operations in tonnes CO ₂ e (% change, market-based)	tCO ₂ e (% reduction versus baseline 2015)	-80% by 2030	170 735		50 523 (-70%)	53 934 (-68%)	55 377 (-68%)
Renewable electricity (in % of purchased electricity)	%	100% by 2030			100%	100%	100%
Carbon credits purchased (in % of remaining GHG emissions)	%	100% as of 2021			100%	100%	100%



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Progress on our own footprint target
Own footprint (target scope), Scope 1 breakdown

	Note	Unit of activity data	2025		2024		2023	
			Activity data	Emissions (in tCO ₂ e)	Activity data	Emissions (in tCO ₂ e)	Activity data	Emissions (in tCO ₂ e)
	1, 2							
Scope 1								
On site stationary combustion				8 266		9 199		9 169
of which natural gas		MWh	39 379		44 590		49 552	
of which diesel		MWh	781		321		441	
Company-owned or -controlled, non-EV fleet	3		-	14 335	-	17 317	-	18 655
Refrigerants/ozone-depleting substances		kg	622	1 075	575	970	752	1 222
Total Scope 1			-	23 677	-	27 486	-	29 047

¹ Source emission factors: Supplier-specific; DESNZ; KBC-specific emission factor based on European Environment Agency data per country for non-electric passenger cars.
² The activity data in this table reflects only primary data collected, linked emissions also include the extrapolated data.
³ Data is gathered by volume or distance depending on availability. For that reason we state only the linked emissions, not activity data. Hybrid cars are catalogued as non-electric and are included here.

Own footprint (target scope), Scope 2 breakdown

	Note	Unit of activity data	2025			2024			2023		
			Activity data	Market-based emission (in tCO ₂ e)	Location-based emissions (in tCO ₂ e)	Activity data	Market-based emission (in tCO ₂ e)	Location-based emissions (in tCO ₂ e)	Activity data	Market-based emissions (in tCO ₂ e)	Location-based emissions (in tCO ₂ e)
	1, 2										
Scope 2											
Purchased electricity, renewable		MWh	107 173	0	24 812	111 211	0	30 373	119 985	0	31 157
Purchased electricity, non-renewable		MWh	0	0	0	0	0	0	0	0	0
Purchased cooling		MWh	137	54	54	117	52	52	205	87	87
Purchased heat		MWh	8 842	1 435	1 565	9 051	1 640	1 640	9 993	1 795	1 795
Purchased steam		MWh	6 530	1 156	1 156	6 708	1 215	1 215	8 414	1 512	1 512
Company-owned or -controlled EV fleet	3, 4			2 615	2 615		1 580	1 580		601	601
Total Scope 2				5 260	30 201		4 488	34 860		3 995	35 152

¹ Source emission factors: Supplier-specific; DESNZ; IEA.
² The activity data in this table reflects only primary data collected, linked emissions also include the extrapolated data.
³ Data is gathered by volume or distance depending on the availability. For that reason, we state only the linked emissions, not activity data.
⁴ The increase in Scope 2 emissions for company-owned or -controlled vehicles is the expected and direct consequence of the electrification of our own fleet. The consequent result is a more substantial decrease in Scope 1 emissions.



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Own footprint (target scope), Scope 3 breakdown

Note	Unit of activity data	2025		2024		2023	
		Activity data	Emissions (in tCO ₂ e)	Activity data	Emissions (in tCO ₂ e)	Activity data	Emissions (in tCO ₂ e)
1							
Scope 3							
Category 1 – Purchased goods and services			1 268		1 531		1 299
Paper consumption	tonne	989		1 218		1 503	
of which recycled	tonne	422		506		650	
of which non-recycled	tonne	566		711		853	
Water supply	m ³	264 822		240 259		268 289	
Category 5 – Waste generated in operations			763		805		843
Non-hazardous waste	tonne	3 513		3 661		3 897	
of which recycled	tonne	1 215		1 416		1 705	
of which recovered in another way	tonne	8		12		13	
of which incinerated	tonne	881		788		692	
of which landfilled	tonne	1 408		1 444		1 485	
Hazardous waste	tonne	28		19		3	
of which recycled	tonne	25		19		3	
of which incinerated	tonne	3		0		0	
of which landfilled	tonne	0		0		0	
Waste water treatment	m ³	264 822		240 259		268 289	
Category 6 – Business travel			4 053		3 300		3 531
of which by bus	km	343 430		490 691		424 502	
of which by car (electric)	km	53 393		48 433		21 599	
of which by car (non-electric)	km	7 849 375		8 324 736		10 413 780	
of which by plane	km	12 257 787		10 560 136		10 084 502	
of which by train	km	5 099 494		4 154 226		4 861 960	
Category 7 – Employee commuting			15 503		16 322		16 663
of which by bus	km	19 022 344		19 088 909		19 658 080	
of which by electric car	km	5 127 312		3 708 319		2 614 224	
of which by non-electric car	km	71 091 125		76 100 731		80 987 807	
of which by train	km	56 218 565		54 272 624		54 007 605	
of which by bicycle	km	9 771 518		9 661 918		10 233 366	
Total Scope 3			21 586		21 959		22 336

¹ Source emission factors: DESNZ; KBC-specific emission factor based on EEA data per country for non-electric passenger cars.



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Own footprint (target scope), energy consumption breakdown

	Note	Unit		2025	2024	2023
Renewable energy	1, 2	MWh		111 851	114 780	124 085
Non-renewable energy	1, 3	MWh		54 936	60 787	68 605
Renewable energy share	1	%		67%	65%	64%

¹ The energy consumption of company-owned or -controlled vehicles is not included.
² Includes renewable energy generated on site and purchased renewable electricity.
³ Includes on-site stationary fuel combustion, purchased heat, steaming and cooling. No electricity is included here, as all our purchased electricity is renewable and is therefore included under 'Renewable energy'.

Own footprint (target scope), breakdown per country

	Unit		2025	2024	2023
Belgium	tonnes CO ₂ e		24 681	26 307	25 901
Bulgaria	tonnes CO ₂ e		3 674	4 659	5 055
Czech Republic	tonnes CO ₂ e		13 397	13 670	13 736
Hungary	tonnes CO ₂ e		5 037	5 394	5 554
Slovakia	tonnes CO ₂ e		3 632	3 803	3 973
Rest of the world	tonnes CO ₂ e		102	101	1 159
Total own footprint	tonnes CO ₂ e		50 523	53 934	55 377

Indirect environmental impact: financed Scope, 1, 2 and 3 GHG emissions from the leasing and lending portfolios, including emission intensity

This section reports the financed emissions from our loan and lease portfolio. The emissions are broken down into emissions related to [White Paper sectors](#) and emissions related to other sectors. To calculate the financed emissions from our loan and lease portfolio, we apply the methodology outlined in Part A of the Second Edition of the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF), which remained the most recent version until 2 December 2025. For further reading on this methodology, please refer to Parts A of the [PCAF Global Standard](#) and the relevant sections in the [Sustainability Statement of our Annual Report](#). As financed emission calculations are an outcome of both portfolio evolutions as well as evolutions in emissions data, caution is needed when comparing the financed emissions in the table below with those in our previous Sustainability Reports. Generally speaking, this is due to the underlying data quality of these calculations. The worse the PCAF data quality score, the higher our dependency on general emission factors and subsequently the higher the level of uncertainty associated with the figures.



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Financed GHG emissions of KBC Group’s total lease and loan portfolio

Product lines and sectors	Data quality level score ¹	Financed GHG emissions (tonnes CO ₂ e)					Emission intensity per million euros outstanding (tonnes CO ₂ e/m euros)	
		Scope 1	Scope 2	Scope 3	Total			
White Paper sectors and product lines								
Agriculture	4.8	6 057 184	79 766	2 632 841	8 769 791	1 461		
Building and construction ²	5.0	243 874#	26 777	2 008 025	2 278 676	207		
Energy	3.8	789 183	104 693	1 322 602	2 216 478	343		
Real estate ³	3.1	3 050 232#	3 839	594 487	3 648 558	37		
Food producers	5.0	261 900	171 408	2 580 612	3 013 920	731		
Beverages	5.0	19 417	12 600	106 974	138 991	139		
Metals ⁴	4.8	392 143#	96 627	1 686 654	2 175 424	610		
Transport (passenger car/LCV financing ⁵ , automotive, shipping ⁶ and aviation)	4.0	1 100 591	195 797	4 079 577	5 375 965	345		
Chemicals	5.0	274 109	74 011	590 738	938 858	324		
Total White Paper sectors and product lines		12 188 632	765 518	15 602 510	28 556 661	192		
Share as a % covered by a climate target		80%		0%	36%			
Remaining sectors								
Services	5.0	648 567	181 378	3 828 558	4 658 503	198		
Distribution	5.0	1 036 982	926 273	9 194 202	11 157 457	636		
Finance and insurance	5.0	8 879	3 708	66 592	79 179	7		
Machinery and heavy equipment	5.0	64 805	48 046	567 986	680 837	333		
Authorities	5.0	52 094	29 764	360 476	442 334	63		
Water	5.0	8 330	1 783	88 525	98 638	110		
Timber and wooden furniture	5.0	181 910	9 201	371 897	563 008	575		
Electrotechnology	5.0	31 163	7 783	399 606	438 551	329		



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Product lines and sectors	Data quality level score ¹	Financed GHG emissions (tonnes CO ₂ e)					Emission intensity per million euros outstanding (tonnes CO ₂ e/m euros)	
		Scope 1	Scope 2	Scope 3	Total			
Textiles and apparel	5.0	23 119	26 486	399 860	449 465	644		
Catering and hospitality	5.0	5 252	7 854	96 743	109 849	58		
Paper and pulp	5.0	16 178	11 210	124 443	151 832	274		
Traders	5.0	136 902	22 883	420 487	580 273	674		
Consumer products	5.0	46 812	1 825	94 688	143 325	598		
IT	5.0	6 938	1 892	161 595	170 426	278		
Media	5.0	18 141	15 923	143 427	177 491	335		
Telecom	5.0	3 864	6 496	52 341	62 702	80		
Tobacco	5.0	0	0	3	3	133		
Total remaining sectors		2 289 938	1 302 504	16 371 429	19 963 872	279		
Total		14 478 570	2 068 023	31 973 940	48 520 533	220 ⁷		
Share as a % covered by a climate target		63%		0%	21%			

Note: The overview of these financed emissions is based on the PCAF Global Standard Part A and is not comparable with similar information in other reports released by KBC (such as the EBA Pillar 3 reporting) due to differences in scope and calculation methods. Also, the continuous improvement of our data quality scores may affect the outcomes of the calculations and artificially impact our GHG emissions performance, without being attributable to an improvement of our portfolio performance. Financed emissions in this table include business loans, project finance, commercial real estate, mortgage loans and motor vehicle loans. Debt securities issued by companies or banks (such as bonds) held by KBC Bank and managed by Group Treasury are also included.

Includes the fraction of Scope 2 emissions that could not be further subdivided and is therefore stated under Scope 1 for presentation purposes.

¹ Data quality scores are in accordance with the PCAF data quality scoring method, as specified in the Global GHG Accounting and Reporting Standard for the Financial Industry. A score of 1 reflects the highest data quality and a score of 5 denotes the lowest data quality. Scores reflect the overall quality levels of associated Scope 1, 2 and 3 financed GHG emissions calculations, and may therefore differ from the quality scores stated in the table below outlining financed emissions related to the sectors and subsectors for which we have established climate targets. We acknowledge that the data collection process related to climate-related data of our business portfolios is ongoing work and we will continue to improve the data quality going forward.

² A separate PCAF calculation is performed for the cement sector, but no subdivision is available for Scope 1 and 2 financed emissions. The share of financed emissions covered by the climate target applies to total financed Scope 1 plus Scope 2 GHG emissions but is stated under Scope 1 for presentation purposes.

³ Separately reported Scope 2 and 3 financed emissions relate to real estate development financing that is not included in our climate target scope. Please note that the associated PCAF quality score for real estate development financing is 5. As there are no separate Scope 1 and 2 emission factors for residential real estate, Scope 1 financed emissions also include a fraction of Scope 2 associated emissions for residential real estate.

⁴ A separate PCAF calculation is performed for the steel sector, but no subdivision is available for Scope 1 and 2 financed emissions. The share of financed emissions covered by the climate target is calculated with total financed Scope 1 plus Scope 2 GHG emissions, but it is stated under Scope 1 for presentation purposes.

⁵ Financed emissions associated with vehicles may be double counted due to vehicle loans granted in the sectors specified separately in this table. For vehicle operational leasing, Scope 1 emissions associated with our own fleet are not reported here to avoid double counting, since they are included in our direct environmental footprint calculations.

⁶ This includes maritime transportation and other shipping-related activities.

⁷ This figure was calculated based on aggregated outstanding exposure, as used for PCAF calculation purposes. Please note that this aggregated exposure does not mirror the same scope of the reported outstanding loan book of KBC as per end of September 2025 as the calculations also include operational leasing, which is not included in the scope of loan book reporting. Also, for an approximate 4.6% of the outstanding loan book, no PCAF calculation could be made.



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Financed GHG emissions in scope of climate lending targets

Target product lines and sectors	Data quality level score	Financed GHG emissions (tonnes CO ₂ e)					Outstanding exposure in m euro ²	
		Scope 1	Scope 2	Scope 3 ¹	Total			
Agriculture ³	4.8	5 629 757	73 040	2 396 277	8 099 075	5 532		
Energy	3.6	787 671	89 318	1 254 768	2 131 757	5 762		
of which electricity	3.0	357 600	31 893	526 776	916 268	3 058		
Real estate	4.2	2 999 462		–	2 999 462	91 926		
of which mortgages	4.2	2 511 785		–	2 511 785	79 699		
of which commercial real estate	4.3	487 677		–	487 677	12 227		
Vehicle financing financial lease and loans	3.4	348 841	–	–	348 841	5 570		
Vehicle financing: operational leasing	1.0	60 913	–	–	60 913	1 815 ⁴		
Cement	1.9	54 000		2 157	56 157	16		
Steel	2.5	318 714		425 684	744 398	227		
Aluminium	4.8	1 791		16 307	18 098	25		
Total target sectors and product lines		10 201 149 ⁵	162 358	4 621 969	18 374 430	110 874		

¹ Added for information purposes only as the referenced Scope 3 financed emissions are not in scope of our target.

² Outstanding exposures exclude guarantees.

³ Forestry, hunting, fishing and landscape service activities are not included in this scope.

⁴ Net book value of leased vehicles.

⁵ Includes a fraction of Scope 2 emissions that could not be further subdivided and is therefore stated under Scope 1 for presentation purposes.



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Climate-related targets for our loan and lease portfolios

Overview of the climate-related targets for our loan and lease portfolios	Unit	Base year	Base year value		2025	2030 Target	2050 Target
Energy							
Electricity – GHG intensity ¹	kg CO ₂ e/MWh	2021	210		63	127	49
% change versus 2021 baseline	%		-		- 70%	-39%	-77%
Energy whole sector – GHG intensity ²	t CO ₂ e/m euros	2021	453		152	300	82
% change versus 2021 baseline	%		-		- 66 %	-34%	-82%
Real estate							
Residential real estate – GHG intensity ²	kg CO ₂ e/m ²	2025	52		52	39	7
% change versus 2021 baseline	%		-		-	-26%	-86%
Real estate (whole sector) – GHG intensity ²	t CO ₂ e/m euros	2025	33		33	25	11
% change versus 2021 baseline	%		-		-	-23%	-66%
Agriculture							
GHG intensity ²	t CO ₂ e/m euros	2021	1 405		1 031	1 103	934
% change versus 2021 baseline	%		-		- 27 %	-21%	-34%
Transport							
Passenger car loan and financial leasing – GHG intensity ¹	g CO ₂ /km	2021	139		115	81	0
% change versus 2021 baseline	%		-		- 17 %	-42%	-100%
Light commercial vehicle loan and financial leasing – GHG intensity ¹	g CO ₂ /km	2021	208		203	145	33
% change versus 2021 baseline	%		-		- 2 %	-30%	-84%
Passenger car operational leasing – GHG intensity ¹	g CO ₂ /km	2021	133		52	25	0
% change versus 2021 baseline	%		-		- 61 %	-81%	-100%
Light commercial vehicle operational leasing – GHG intensity ¹	g CO ₂ /km	2021	196		170	132	19
% change versus 2021 baseline	%		-		- 13 %	-33%	-90%



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Overview of the climate-related targets for our loan and lease portfolios	Unit	Base year	Base year value		2025	2030 Target	2050 Target
Cement							
GHG intensity ²	t CO ₂ e/t cement	2021	0.69		0.59	0.58	0.22
% change versus 2021 baseline	%		-		- 14 %	-16%	-68%
Steel							
GHG intensity ²	t CO ₂ e/t steel	2021	1.34		1.38	1.15	0.59
% change versus 2021 baseline	%		-		+ 3 %	-14%	-56%
Aluminium							
GHG intensity ²	t CO ₂ e/t aluminium	2021	0.59		0.24	Stay well below the global sectoral intensity climate benchmark	
% change versus 2021 baseline	%		-		- 59 %		

¹ Includes Scope 1 emissions.
² Includes Scope 1 and 2 emissions.

Indirect environmental impact: insurance-associated emissions from the insurance underwriting portfolio

In this section we report the climate-related impact of the insurance underwriting portfolio of KBC Group. More specifically, we report on the portion of our insurance underwriting portfolio that falls within the scope of the First Edition of the PCAF Standard Part C – the most recent version available until 2 December 2025 – which covers only personal motor lines and commercial lines. To calculate the insurance-associated emissions, we apply the methodology outlined in the Global GHG Accounting and Reporting Standard for the Financial Industry developed by PCAF. For information on the methodology used, please consult Part C of the PCAF Global Standard, as well as the relevant sections in the Sustainability Statement of our [Annual Report](#).

Product lines and sectors	Data quality level score	Insurance-associated GHG emissions (tonnes CO ₂ e)
Personal motor lines	3.2	451 069
Commercial lines ¹	5	162 723
Agriculture, farming and fishing		42.3%
Oil, Gas & Other fuels ²		12.7%
Distribution		6.8%
Services		6.0%
Automotive		5.9%
Other sectors and unknown		26.3%

¹ Commercial lines are all types of insurance purchased by companies.
² The emissions from the Oil, Gas and Other fuels sector account for 12.7% of the total, yet this sector represents only 0.1% of our Gross Written Premium (GWP). Bio-gas production is included in this sector.

Indirect environmental impact: climate-related impact from investment portfolios

This section covers the climate-related impact of our investment portfolios, including:

- Emissions from KBC Asset Management portfolio
- Emissions from own investments of KBC Insurance
- Emissions from sovereign bond portfolio of KBC Bank
- Emissions from *Pensioenfond*s KBC.

KBC uses an internal GHG methodology based on data from Trucost to assess and disclose the GHG emissions of its most significant investment portfolios. For further reading on this methodology, please refer to the relevant sections in the [Sustainability Statement of our Annual Report](#).



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Emissions from KBC Asset Management portfolio

Weighted average carbon GHG intensity of all equity and corporate bond investments

Weighted average GHG intensity Scope 1 + Scope 2	Note	Unit	Target		2025	2024	2023
All KBC Funds	1, 2, 3	tCO ₂ e/m USD revenue			60	58	75
KBC Responsible Investing Funds	1, 2, 3	tCO ₂ e/m USD revenue			56	57	60
Corporate investees in Responsible funds	1, 2, 3, 4	tCO ₂ e/m USD revenue (% reduction versus 2019 benchmark)	98 (-50% versus 2019 benchmark (196)) (2030)		57 (-71%)	55 (-72%)	48 (-75%)
MSCI AC World Index (equities benchmark)	1, 5	tCO ₂ e/m USD revenue			112	136	151
iBoxx EUR Corporates Index (corporate bonds benchmark)	1, 5	tCO ₂ e/m USD revenue			99	101	129

¹ Source Trucost (2025).
² The scope includes all open investment products for retail and institutional clients, managed by KBC Asset Management. Structured products were added as of 2024. This addition did not have a major impact on the calculated result.
³ We also only include direct investments in equities and corporate bonds within the investment products. This means that indirect investments via third-party funds, cash and exposures via derivatives were not included in the calculations.
⁴ 2023 and 2025 data are year-end data; 2024 figures are based on end of September data.
⁵ Please note that figures calculated for indices do not necessarily coincide with disclosures of index providers, as this depends on the data provider used.

The calculations are based on a large set of portfolios and therefore need to be interpreted with caution. Nevertheless, the results suggest the following:

- **The GHG intensity of our corporate and equity bond portfolio has decreased since 2019.**

- **Our funds and mandates have lower GHG intensity measures than broad benchmarks such as MSCI All Countries World Index (equities) and iBoxx EUR Corporates Index (corporate bonds).** This comparison is imperfect, as not all funds can be compared to a broad benchmark. However, we would like to stress that, since 2020, all of KBC Asset Management’s active investment products exclude companies involved in the extraction of thermal coal and in the generation of electricity based on thermal coal (25% threshold at the end of 2020 and 0% threshold since the second half of 2021). Overall, we see a stable weighted average GHG intensity for Scope 1 and 2 emissions of the aggregate investments of KBC Asset Management. We observe a more pronounced decline in the global equity benchmark MSCI All Countries mainly driven by a decrease in high intensity utility companies which are excluded from all active funds by the thermal coal policy.
- **In general, KBC’s Responsible Investing (RI) funds have lower weighted average GHG intensity scores than comparable KBC conventional funds.** This is due to stricter portfolio targets related to the GHG intensity of our RI funds and a stricter exclusion of fossil fuels. For further reading on our RI methodology, we refer to the [Responsible Investing on behalf of our clients](#) part of the Sustainability Report. It is important to note that investment characteristics such as the sectoral and regional allocations of non-RI funds may differ from the allocations of the RI funds. Short-term evolutions of all funds compared to RI funds should therefore be interpreted with caution. Overall, we see a stable weighted average GHG intensity of Scope 1 and 2 emissions across the RI funds of KBC Asset Management. There is a more pronounced decline in the global equity benchmark MSCI All Countries mainly driven by a decrease in high intensity utility companies which are excluded from RI funds due to our fossil fuel policy. Similarly, evolutions of GHG intensity of RI funds compared to benchmarks must be interpreted with caution. This is because the lower decrease in the GHG intensity of RI funds relative global benchmarks may be due to decreases in GHG intensity of previously excluded companies and changes in product mix or asset allocation.



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Weighted average GHG intensity of total sovereign bond portfolio

Weighted average GHG intensity sovereigns	Note	Unit	Target	2025	2024	2023
KBC all funds	1	tCO ₂ e/m USD of GDP		431	532	506
KBC Responsible Investing funds	1	tCO ₂ e/m USD of GDP		389	463	365
J.P. Morgan EMU Govies (benchmark)	1	tCO ₂ e/m USD of GDP		302	365	328
World benchmark Govies (benchmark)	1, 2	tCO ₂ e/m USD of GDP		530	574	555

¹ Source: Trucost (2025). We measure the weighted average GHG intensity related to the domestic production and imports of our total sovereigns, sub-sovereigns and supranationals bond portfolio based on CO₂e per million US dollars of Gross Domestic Product (GDP). Calculations for 2024 are based on end of September data with the exception of imported emissions of the countries where November data was used.

² The world benchmark for government bonds is composed of 2/3 J.P. Morgan Government Bond Index Global and 1/3 J.P. Morgan Government Bond Index Emerging Markets. Please note that a change in modelling methodology (for countries' emissions) by our data provider may influence comparison with the previous year.

The calculations are based on a large set of portfolios. We therefore draw the following conclusions with caution:

- **The GHG intensities of sovereigns appear to be more stable over time than for companies.** Overall the weighted GHG intensity of our sovereign investments decreased in line with benchmarks. This evolution is driven by a broad-based reduction in country-level emissions intensities and by using more qualitative information regarding LULUCF (land use, land use change and forestry) emissions, by switching from PRIMAP to Climate Watch (2023) as the primary source.
- **The GHG intensities of our aggregated portfolios are higher than the EMU benchmark.** This is due to our exposure to emerging market sovereigns and to developed markets sovereigns with higher GHG intensity scores, such as our core markets Belgium, Czech Republic and Hungary.
- **The GHG intensities of our Responsible Investing funds are lower compared to all funds.** This reflects the GHG target at portfolio level, our exclusion policies and the fact that these funds are oriented to lower GHG intensity Eurozone sovereigns. We also observe here that the average is higher than the EMU benchmark, which, as with all of our portfolios, is mainly due to higher exposures in our core markets Belgium, Czech Republic and Hungary.

It is important to note that potential changes in asset allocation, such as regional and sectoral views, may lead to changes in the aggregated reduction achieved at any point in the future. Substantial changes in this allocation may also occur due to a significant change in the product mix offered to our clients and may lead to a restatement of the target by 2030.



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Emissions from own investments of KBC insurance

Weighted average carbon GHG intensity of all equity and corporate bond investments

Weighted average GHG intensity Scope 1 and Scope 2	Note	Unit	Target	2025	2024	2023
KBC Insurance	1, 2	tCO ₂ e/m USD revenue (% reduction versus 2019 baseline (112))	84 (-25%) (2025) 67 (-40%) (2030)	27 (-76%)	27 (-75%)	38 (-66%)
MSCI AC World Index (equities benchmark)	1, 3	tCO ₂ e/m USD revenue		112	136	151
iBoxx EUR Corporates Index (corporate bonds benchmark)	1, 3	tCO ₂ e/m USD revenue		99	101	129

¹ Source: Trucost (2025).
² Data for 2023 and 2024 are based on end of September values; 2025 reporting is based on year-end data.
³ Please note that calculated figures for indices do not necessarily coincide with disclosures of index providers, as this depends on the data provider used.

The equity and corporate bond portfolio of KBC Insurance consolidated continues to have significantly lower GHG intensity measures than the MSCI All Countries World Index (equities) and iBoxx EUR Corporates Index (corporate bonds) benchmarks. At the end of 2025, the GHG intensity of the equity and corporate bonds portfolio of KBC Insurance consolidated stood at around 26% of the benchmark. Moreover, for this measure we note a decline of 76% since 2019, clearly exceeding the interim target of a 25% decline set for 2025.

Weighted average GHG intensity of total sovereign bond portfolio

Weighted average GHG intensity sovereigns	Note	Unit	Target	2025	2024	2023
KBC Insurance	1	tCO ₂ e/m USD GDP		426	522	520
J.P. Morgan EMU Govies (benchmark)	1	tCO ₂ e/m USD GDP		302	365	328
World benchmark Govies (benchmark)	1, 2	tCO ₂ e/m USD GDP		530	574	555

¹ Source: Trucost (2025). We measure the weighted average GHG intensity related to the domestic production and imports of our total sovereigns, sub-sovereigns and supranationals bond portfolio based on CO₂e per million US dollars of Gross Domestic Product (GDP). Calculations for 2024 are based on end of September data, with the exception of imported emissions of the countries where November data was used.
² The world benchmark for government bonds is composed of 2/3 J.P. Morgan Government Bond Index Global and 1/3 J.P. Morgan Government Bond Index Emerging Markets. Please note that a change in modelling methodology (for countries' emissions) by our data provider may influence comparison with the previous year.

The government bond portfolio of KBC Insurance consolidated represented a market value of 11.7 billion euros in December 2025. The GHG intensity of the portfolio has declined by 23% since 2019, to stand at 141% of the J.P. Morgan EMU government bond benchmark.

The results are due to the composition of this portfolio. In line with its geographical activity profile, KBC Insurance consolidated has large exposures in government bonds issued by our core countries, which have relatively higher GHG intensities. Consequently, the GHG intensity of our government bond portfolio is higher than the benchmark. The weighted GHG intensity of our sovereign investments decreased in line with market benchmarks. This development is driven by a general decline in the GHG intensity of the countries and by using more qualitative information regarding LULUCF (land use, land use change and forestry) emissions, by switching from PRIMAP to Climate Watch (2023) as primary source.



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Own investments in Sovereign Bonds of KBC Bank

Weighted average carbon GHG intensity of the own sovereign bond portfolio of KBC Bank

Weighted average GHG intensity Scope 1 + Scope 2	Note	Unit	Target	2025	2024	2023
Sovereign Bonds of KBC Bank	1, 2	tCO ₂ e/m USD GDP		496	623	-
J.P. Morgan EMU Govies (benchmark)	2	tCO ₂ e/m USD GDP		302	365	328

¹ No data available for 2023.
² Source: Trucost (2025). We measure the weighted average GHG intensity related to the domestic production and imports of our total sovereigns, sub-sovereigns and supranationals bond portfolio based on CO₂e per million US dollars of Gross Domestic Product (GDP). Calculations for 2024 are based on end of September data, with the exception of imported emissions of the countries where November data was used.

In 2025, we calculated the GHG emission intensity of the own sovereign bond portfolio of KBC Bank. **The emission intensity declined to 496 tCO₂e/million USD of GDP.** This calculation measures the weighted average GHG intensity of our total sovereigns, sub-sovereigns and supranationals bond portfolio.

The GHG intensity of the sovereign bond portfolio exceeds that of its EMU benchmark. This is mainly due to significant exposures in our core countries, specifically in Czech Republic and Belgium, which have relatively high carbon intensities. At the same time, the weighted GHG intensity decreased in line with market benchmarks, reflecting a general decline in country level intensities and the switch by our data provider Trucost from the PRIMAP database to the Climate Watch data platform (2023) as the primary source of sovereign emissions data.

Emissions from Pensioenfond KBC

Weighted average carbon GHG intensity of all equity and corporate bond investments

Weighted average GHG intensity Scope 1 and Scope 2	Note	Unit	Target	2025	2024	2023
KBC Pension Fund	1	tCO ₂ e/m USD revenue		58	47	52
MSCI AC World Index (equities benchmark)	1, 2	tCO ₂ e/m USD revenue		112	136	151
iBoxx EUR corporates (corporate bonds benchmark)	1, 2	tCO ₂ e/m USD revenue		99	101	129

¹ Source: Trucost (2025). The calculations include the listed equities and corporate bonds invested by Pensioenfond KBC with KBC Asset Management, Amundi and Robeco. This makes up approximately 80% of the entire portfolio.
² Please note that calculated figures for indices do not necessarily coincide with disclosures of index providers, as this depends on the data provider used.

The GHG intensity of corporates as measured by both the MSCI All Countries World Index (-17.7%) for equity markets, and the iBoxx EUR Corporates Index (-4.7%) of corporate bonds further declined in 2025. At the end of 2025, the GHG intensity of the portfolio of Pensioenfond KBC increased compared to 2024 due to higher emission intensity of a number of existing investments as well as through selective investments in higher emitting corporates. Overall, the GHG intensity for equity and corporate bonds was still approximately 45% lower than the composite benchmark, a reduction of over 50% since 2019.



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Weighted average GHG intensity of total sovereign bond portfolio

Weighted average GHG intensity sovereigns	Note	Unit	Target	2025	2024	2023
KBC Pensioenfond	1	tCO ₂ e/m USD GDP		346	410	399
J.P. Morgan EMU Govies (benchmark)	1	tCO ₂ e/m USD GDP		302	365	328
World benchmark Govies (benchmark)	1, 2	tCO ₂ e/m USD GDP		530	574	555

¹ Source: Trucost (2025). We measure the weighted average GHG intensity related to the domestic production and imports of our total sovereigns, sub-sovereigns and supranationals bond portfolio based on CO₂e per million US dollars of Gross Domestic Product (GDP). Calculations for 2024 were based on end of September data.

² The world benchmark for government bonds is composed of 2/3 J.P. Morgan Government Bond Index Global and 1/3 J.P. Morgan Government Bond Index Emerging Markets. Please note that a change in modelling methodology (for countries' emissions) by our data provider may influence comparison with the previous year.

In 2025, the GHG intensity of the government bond portfolio had declined by 35% since 2019, standing at 115% of the J.P. Morgan EMU government bond benchmark. The weighted GHG intensity of our sovereign investments decreased in line with market benchmarks. This development is driven by a general decline in the GHG intensity of the countries and by using more qualitative information regarding LULUCF (land use, land use change and forestry) emissions, by switching from PRIMAP to Climate Watch (2023) as primary source.

The relatively high GHG intensity is due to the bond themes in the portfolio, namely Emerging Market Bonds and High Interest Bonds. Moreover, the LDI² portfolio includes several higher-emitting government bonds, such as Belgium, Netherlands, Austria, Poland and Slovenia.

² The primary goal of a Liability Driven Investment (LDI) bond portfolio is to match the interest-rate and inflation-rate risk of the pension fund assets with that of current and future liabilities.

Appendix 1

Methodologies explained

We use various methodologies to monitor and report the climate-related impact on and of our portfolios. The majority of these methodologies are explained and discussed in detail in the mandatory Sustainability Statement, which is integrated into our Annual Report. This is the case for our climate target progress measurement for our lending portfolio, Partnership for Carbon Accounting Financials (PCAF) and the Trucost data and methodology used for our investment portfolios. In this section, we elaborate on:

- PACTA (Paris Agreement Capital Transition Assessment)
- Voluntary EU Taxonomy reporting on mortgages.

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We adopt a variety of methodologies to track and disclose the climate-related impact of our portfolios. The choice of the selected methodologies is based on a combination of relevance and applicability to our business activities, as well as data availability. We use the outcomes to monitor and steer our portfolios in climate-related areas. They are also used to set targets, where relevant, and to meet the reporting requirements of regulatory and supervisory bodies.

This section provides an overview of the methodologies adopted for portfolio assessment and eventual target setting for our lending, insurance and investment portfolios. We also indicate where additional information on these methodologies can be found.

Our climate target progress measurement for our lending portfolio	KBC Group Annual Report: Sustainability Statement
PCAF	KBC Group Annual Report: Sustainability Statement
PACTA	Methodologies Explained: PACTA
Trucost data and methodology used for our investment portfolios	KBC Group Annual Report: Sustainability Statement
EU Taxonomy voluntary reporting for mortgages	Methodologies Explained: Voluntary EU Taxonomy reporting for mortgages



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PACTA

KBC has been using PACTA since 2019 to understand and assess its indirect impact on the climate. The release of our [Climate Report](#) in 2022 established our 2021 baseline and targets for 2030 and 2050, and not least our commitment to climate target setting. As a methodology, PACTA is a good fit with our overall target-setting approach, helping us to calculate and set climate targets for our cement and steel lending portfolios. With respect to the energy sector, the PACTA results continue to help us understand certain portfolio evolutions. This appendix gives a concise overview of the results of our 2025 PACTA analysis. Please refer to the dedicated [PACTA website](#) for a comprehensive overview of the sector scope and application approach of PACTA.

Portfolio overview

In the 2025 analysis, as calculated within the scope of PACTA, KBC Group’s granted exposure was 4.7% (7 238 million euros) of the total industrial loan book compared to 4.0% (5 963 million euros) reported last year.¹ The results of this exercise confirm that KBC Group’s non-retail managed industrial loan portfolio has limited exposure to companies that contribute the most to global CO₂ emissions, in line with the existing activity scope of PACTA. **This finding is consistent with the general risk appetite of KBC Group, as the loan books do not include large, single-name exposures to activities that contribute the most to global CO₂ emissions.**

For the fossil fuels, cement and steel sectors, all relevant PACTA results are included or considered in the sector parts of the [Climate Targets section of the Sustainability Report](#). We also use PACTA results in our White Paper analyses, where relevant. Currently no climate targets are set by KBC for the car manufacturing, aviation and maritime transportation sectors. The sections below give a brief overview of the key take-aways from our PACTA analysis.

¹ As KBC uses metrics for the power sector that differ from those available within the PACTA analysis in any of its processes, reports and disclosures, it was decided to exclude this sector from our 2025 PACTA analysis. Nevertheless, the granted exposure within the power sector that falls within the scope of the PACTA exercise is still calculated for this year’s analysis and reflected in Table 7.1.

Table 7.1: Overview of the sector activities within the scope of PACTA – Reported figures per 30 September 2025

Sector	Granted exposure (in m euros) ¹	In % of KBC total industrial loan portfolio	Granted exposure (in m euros) matched to physical assets ²
Power	4 548	2.9%	No matching performed (see footnote at the bottom of the page)
Maritime transportation	1 588	1.0%	1 036
Steel	771	0.5%	730
Fossil fuels	70	0.05%	70
Heavy-duty vehicles (HDVs)	57	0.04%	42
Cement	124	0.08%	124
Light-duty vehicles (LDVs)	47	0.03%	47
Aviation	33	0.02%	16
TOTAL	7 238	4.7% ³	2 065

¹ Identified exposure to the subject sub-sector is based on PACTA’s specific methodological scope and consequently may differ from sector exposures mentioned elsewhere in this Sustainability Report. The PACTA scopes for sectors that are relevant for KBC are: oil and gas extraction (of fossil fuels), raw material producers (of steel and cement), vehicle manufacturers (of HDVs and LDVs), as well as aviation operators and owner-operators (of maritime transportation) and operators (aviation). Unless specifically mentioned, upstream activities in these sectors’ supply chains are not in scope for this analysis.

² Identified exposure for which relevant and specific physical-asset level PACTA information was available.

³ The totals deviate from the sum of all categories due to rounding.



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Table 7.2: Overview of the reference scenarios used in the PACTA analysis

Scenario description ¹	Sector coverage
STEPS – CO₂ Intensity IEA JRC ISF Steel Cement Aviation and STEPS – IEA JRC ISF Auto Fossil Fuel Power: This Stated Policies Scenario (STEPS) is designed to provide a sense of the prevailing direction of energy system progression, based on a detailed review of the current policy landscape . It looks in detail at what governments are actually doing to reach their targets and objectives across the energy economy. Aspirational energy or climate targets are not automatically assumed to be met. This STEPS scenario is currently associated with a temperature rise of 2.4 °C in 2100 (with a 50% probability). The slight but steady decline in demand from the late 2020s is anticipated to keep the oil price in check. Natural gas demand first plateaus and then decreases after 2030. In this STEPS scenario, low-emissions electricity generation increases overall from 39% of total electricity generation today to 57% by 2030. By 2030, the share of oil in road transport energy demand is expected to drop from 92% today to 88%. Steel production increases by 10% in 2030, while cement production is projected to increase by 8%.	Steel, Cement, Aviation, Power, Oil & Gas and Light-duty Vehicles (LDVs)
NZE 2050 – CO₂ Intensity IEA JRC ISF Steel Cement Aviation and NZE 2050 – IEA JRC ISF Auto Fossil Fuel Power: This normative 2050 Net-zero Emission (NZE) scenario outlines a pathway for the energy sector to help limit the global temperature rise to 1.5°C above pre-industrial levels in 2100 (with at least a 50% probability), with limited overshoot. The NZE scenario has been fully updated. It also meets the key energy-related UN Sustainable Development Goals (SDGs). In it, universal access to reliable, modern energy services is reached by 2030 and major improvements in air quality are secured. The NZE scenario also envisions oil and gas prices quickly falling to the costs of the marginal project required to meet falling demand, which is around USD 40/barrel for oil in 2030, before declining further to USD 25/barrel in 2050. Demand for gas declines by nearly 20% by 2030 in the face of very large clean energy investments, combined with efficiency gains. Low-emission electricity generation increases overall from 39% of total electricity generation today to 71% by 2030. Global energy and demand declines by 15% per person. More widespread deployment of measures promoting material efficiency leads to a peak in steel and cement within the next 15 years. Stronger measures to minimise emissions reduce the activity in aviation by 20% and car stocks by 15% by 2050, compared to the STEPS (see more on STEPS above). The share of oil in road transport energy demand drops from 92% today to 78% by 2030. In the NZE scenario, the share of oil in energy demand in shipping falls to 80% by 2030.	Steel, Cement, Aviation, Power, Oil & Gas and LDVs
1.5°C – CO₂ Intensity IEA JRC ISF Steel Cement Aviation and 1.5°C – IEA JRC ISF Auto Fossil Fuel Power: This scenario was developed by the Joint Research Centre, which is the European Commission’s science service in support of policy-making and is published as part of the JRC’s annual Global Energy and Climate Outlook (GECO). It is designed to limit global temperature increase over the century to 1.5°C at the end of the century with a limited overshoot of 1.5°C in the intervening decades. In this scenario, the global carbon budget (accumulated net CO ₂ emissions) from 2020 until the year when net-zero CO ₂ emissions are achieved is of approximately 530 GtCO ₂ . Along with non-CO ₂ emissions and air-pollutant-emissions projections, this results in an approximately 77% probability of not exceeding the 1.5°C temperature limit in 2100.	Steel, Cement, Aviation, Power, Oil & Gas, Heavy-duty Vehicles (HDVs)
NDC – IEA JRC ISF Auto Fossil Fuel Power: This scenario represents the Nationally Determined Contribution (NDC) targets , including countries’ Long-Term Strategies (LTS) for low greenhouse-gas-emission development. This scenario assumes that the objectives in the NDCs (including conditional objectives) are reached in their relevant target year (2030 in most cases). To this end, carbon values and other regulatory instruments are put in place – in addition to the existing, legislative measures of the reference scenario – to reach sector-specific or economy-wide targets. Beyond 2030, the objectives of the countries’ LTS, where they exist, will be pursued. If the country has not announced an LTS, it is assumed that no additional decarbonisation effort will be made, and that carbon values, if any, will be kept constant at their 2030 level. This scenario includes the net-zero targets announced by many countries.	HDVs
Reference – CO₂ Intensity IEA JRC ISF Steel Cement Aviation and Reference – IEA JRC ISF Auto Fossil Fuel Power: This scenario corresponds to a world in which existing energy supply- and-demand policies and targets, as well as legislated greenhouse gas policies and targets that are backed by supporting energy-sector policies, are enacted. No additional policies are considered beyond what was legislated as of June 2023. Exogenous macroeconomic projections (gross domestic product and population), with endogenously calculated energy prices and technological development specific to the POLES-JRC model, are combined with the effect of enacted policies, resulting in projections of the energy system and greenhouse gas emissions.	Power, Oil & Gas and HDVs

¹ Paris-aligned scenarios are shaded in the table. These scenarios integrate the 2023 decarbonisation pathway updates for all sectors – except for HDVs, where the 2022 decarbonisation pathways are used, in the absence of a 2023 update. For more information about the scenarios, see the ‘Methodology and Documents’ section of the dedicated [PACTA webpage](#). For more information on the IEA scenarios, see [World Energy Outlook 2023 – Analysis – IEA](#). For more information on the JRC GECO scenarios, see [JRC Publications Repository – Global Energy and Climate Outlook 2023](#).



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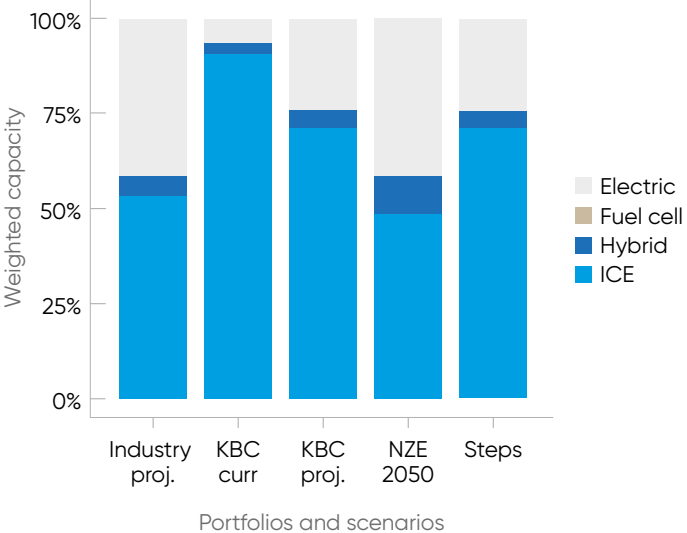
Vehicle manufacturers

Light-duty Vehicle (LDV) manufacturers

- Within the restricted scope of PACTA, we can infer that KBC’s corresponding projected technology distribution mix within its portfolio of industrial lending to LDV manufacturers aligns reasonably well with the STEPS scenario pathway only, while the NZE 2050–projected distribution mix is not reached.
- KBC Group’s total granted exposure to the LDV manufacturing segment (i.e. the PACTA scope within the LDV sector) is 47 million euros, which is in line with 48 million euros of total granted exposure reported last year. When comparing this figure to KBC Group’s overall industrial loan book, it is safe to conclude that KBC is only minimally (0.03%) exposed to this significant climate-relevant activity.
- All eleven corporates (nine last year) in KBC Group’s loan portfolio could be matched to the PACTA’s physical asset-level database. This means that 100% (47 million euros) of the granted exposure to the LDV manufacturer segment could be matched to the physical asset-level database.
- The PACTA model combines asset-level data from car manufacturers with our loan portfolio to create the technology mix analysis presented below. The relevant asset-level data comprises company information about current production capacity as well as new production capacity up to 2030, distributed across annual production volumes of LDV drivetrain technologies (Internal Combustion Engine (ICE), hybrid, fuel cell or electric vehicles (EVs)).
- The technology mix analysis (Graph 7.1) outlines our portfolio’s current and projected relative financial exposure to the different drivetrain technologies. When comparing current and projected drivetrain technology mixes, we observe that the share of EVs in our loan portfolio increases, as the share of ICE vehicles in our loan portfolio decreases. Although KBC’s projected drop in the share of ICE vehicles does not fully align with the NZE 2050–prescribed climate scenario pathway and its share also remains above the industry projections, the projected increase in the share of electric vehicles does move in the right direction.

Graph 7.1: LDV sector results – Technology mix (Source: KBC, RMI and Asset Impact)

2030 Industry–projected portfolio, KBC’s current portfolio, KBC’s projected 2030 portfolio and two 2030–scenario targets (NZE 2050 and STEPS). The technology mix for all but the ‘Industry projection’ is weighted by loan size per 30 September 2025.





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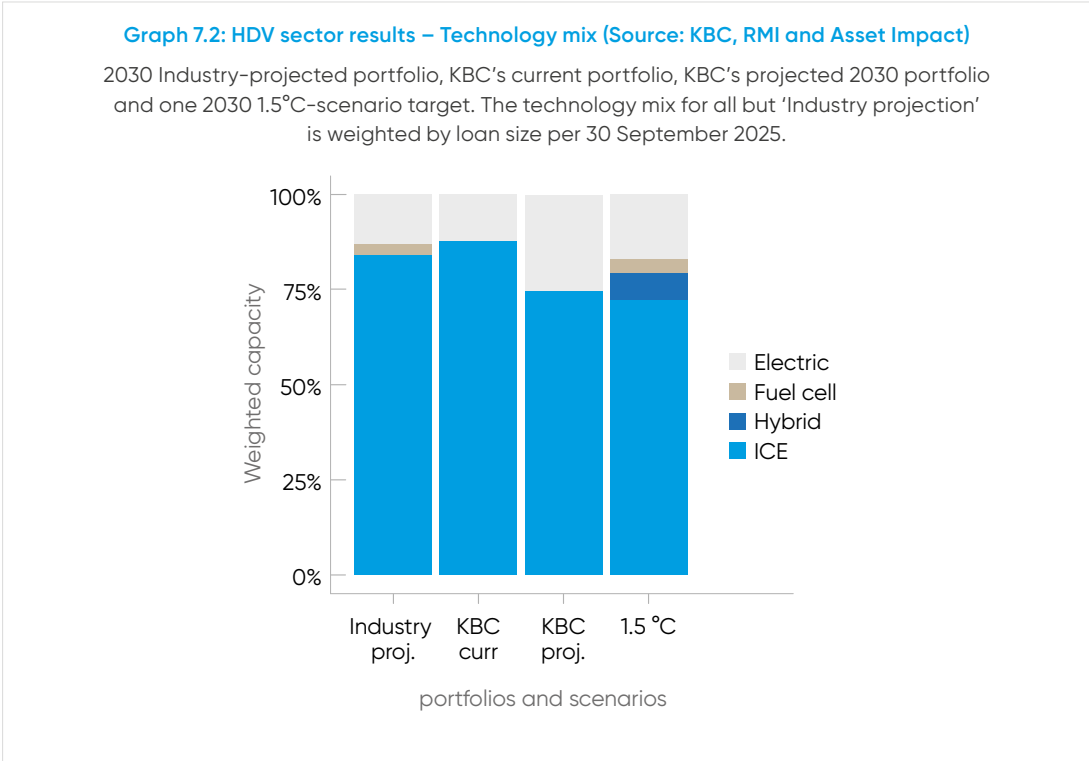
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Heavy-duty vehicle (HDV) manufacturers

- Within the restricted scope of PACTA, we can infer that KBC’s corresponding projected technology distribution mix of its portfolio of industrial lending to HDV manufacturers aligns reasonably with the 1.5°C-scenario pathway.
- KBC Group’s total granted exposure to the HDV manufacturers segment (i.e. the PACTA scope within the HDV sector) is 61 million euros,² compared to the 65 million euros total granted exposure reported last year. When comparing this figure to KBC Group’s overall industrial loan book, it is safe to conclude that KBC is only minimally (0.04%) exposed to this significant climate-relevant activity.
- Twelve corporates (thirteen last year) in KBC Group’s loan portfolio could be matched to the physical asset-level database. KBC Group’s total exposure to these corporates represents 76% (46 million euros) of KBC Group’s HDV manufacturers sector exposure within the PACTA scope. Of the matched exposure, 45% is concentrated to a single company group, which means that the results below are particularly influenced by that group’s investment plans.
- The PACTA model combines asset-level data from HDV manufacturers with our loan portfolio to create the technology mix analysis presented below. The relevant asset-level data comprises company information about current production capacity and new production capacity up to 2030, distributed across annual production volumes of HDV drivetrain technologies (i.e. ICE, fuel cell, hybrid or electric vehicles).
- The technology mix analysis (Graph 7.2) outlines our portfolio’s current and projected relative financial exposure to various drivetrain technologies. From this, we observe a substantial increase of the share of EVs in our loan portfolio. This projection, as well as the relative drop in the share of ICE vehicles, aligns reasonably with the 1.5°C-scenario path. The fuel cell share is negligible and no hybrid vehicle production is reported in Asset Impact’s available physical asset-level data for either KBC’s portfolio or for the industry.

² Note that the total granted exposure of the PACTA analysis for the HDV sector is 3.7 million euros higher than reported in Table 7.1. This surplus exposure is also part of the PACTA analysis for the LDV sector and reported within LDV in Table 7.1. The reason for this is that the underlying exposure is to a company group whose activities and production are in scope of both the PACTA LDV and HDV sector. Since the relevant loans have been granted to the top holding companies, whereas the operational activities are situated at a subsidiary level, it is not possible to correctly allocate the exposure across these two sectors.





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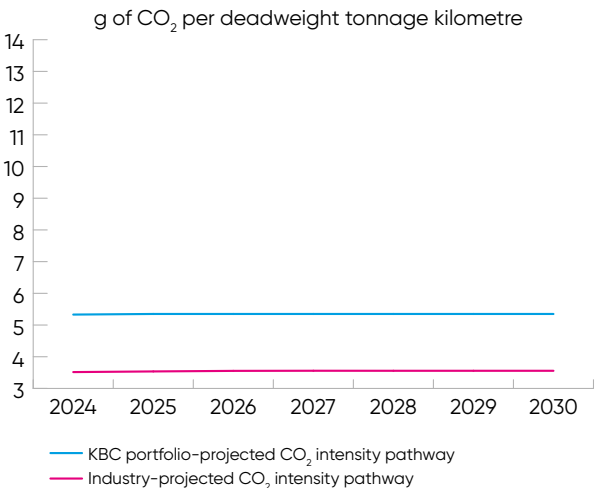
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Maritime transportation

- KBC Group’s total granted exposure to the ship owner-operator sector³ is 1 588 million euros. When comparing this figure to KBC Group’s overall industrial loan book, it can be concluded that KBC is not heavily (1.0%) exposed to this significant climate-relevant activity.
- Twenty-four corporates (compared to twenty-three last year) in KBC Group’s loan portfolio could be matched to Asset Impact’s available physical asset-level data. KBC Group’s total exposure towards them represents 65% (1 036 million euros) of KBC Group’s maritime transportation exposure in scope of PACTA.
- A total of 75% (781 million euros) of the matched exposure is concentrated to three company groups, which means that the results below are particularly influenced by these groups’ investment plans.
- The PACTA model combines physical asset-level data (i.e. the CO₂ intensity per deadweight tonnage kilometre up to 2030 of maritime transportation owners and operators) with our loan portfolio data. The result of this is a loan portfolio weighted emission intensity per deadweight tonnage kilometre.
- We engage with the largest clients in our portfolio on technology pathways as companies in the ship owner-operator sector are currently likely to be constrained by technological factors. For this reason, the ‘Industry-projected CO₂-intensity pathway’ and the ‘KBC portfolio-projected CO₂-intensity pathway’ are nearly horizontal lines on Graph 7.3. Compared to last year, KBC’s financed emission intensity decreased slightly from 5.4 to 5.3 g of CO₂ per deadweight tonnage kilometre.

Graph 7.3: Maritime transportation sector results – Emission intensities, weighted by loan size (data per end September 2025) for KBC’s pathway (Source: KBC, RMI and Asset Impact)

Industry-projected portfolio and KBC-projected portfolio (weighted by loan size)



³ i.e. the PACTA scope within the shipping sector due to vessel parts suppliers and ship manufacturers being out of scope of PACTA.



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Aviation

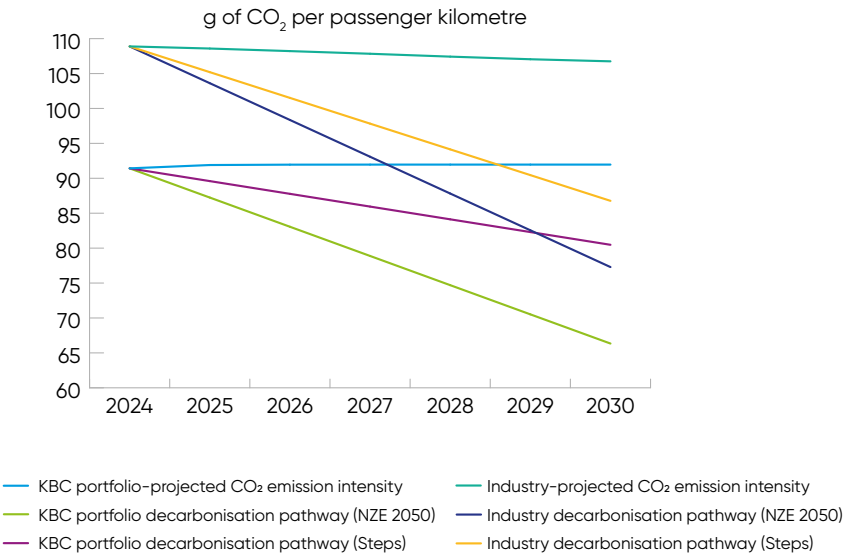
- Within the restricted scope of PACTA, and in observance of the limitations in our analysis (described below), we can infer that KBC’s corresponding current emission intensity is below current and projected figures for industry emission intensity. Given the level of technological constraints, both KBC’s projected portfolio as well as the industry’s projected portfolio are not aligned with either a 1.5°C-pathway, an NZE 2050-pathway or a STEPS-pathway.
- Since companies in the aviation operator segment are currently likely to be constrained by technological factors, the ‘Industry-projected, CO₂-intensity pathway’ and the ‘KBC portfolio-projected CO₂-intensity pathway’ hardly show any evolution in Graph 7.4 over the next few years.
- KBC Group’s total granted exposure to the aviation operator segment⁴ is 33 million euros, compared to the 66 million euros of total granted exposure reported last year.⁵ When comparing this figure to KBC Group’s overall industrial loan book, it can be concluded that KBC is only minimally (0.02%) exposed to this significant climate-relevant activity.
- Eight corporates (compared to eleven last year) in KBC Group’s loan portfolio could be matched to Asset Impact’s available physical asset-level data. KBC Group’s total exposure to this sector represents 49% (16 million euros) of KBC Group’s aviation exposure within scope of PACTA, therefore the results may not be representative of KBC Group’s total exposure in the aviation sector.
- The PACTA model combines physical asset-level data (i.e. the emission intensity of aviation operators per passenger kilometre up to 2030) with our loan portfolio data. The result of this is a loan portfolio-weighted emission intensity per passenger kilometre.
- As the KBC portfolio’s current CO₂ intensity is somewhat below that of the industry (similar to last year’s results), the pathway that the companies in KBC’s loan portfolio need to follow is less steep than the industry average in the climate risk scenario used. Note also that this year’s KBC portfolio emission intensity of 91.4 g of CO₂ per passenger

kilometre (based on 2023 asset-level data) is slightly lower than the 93.9 portfolio emission intensity reported last year.

- However, as mentioned above, the matching rate in this sector is relatively low, as only 49% of the sector exposure could be matched to company physical asset-level data. Consequently, the results presented may not be representative for the whole aviation sector exposure of KBC Group.

Graph 7.4: Aviation sector results – Emission intensities, weighted by loan size (data per 30 September 2025) for KBC projections (Source: KBC, RMI and Asset Impact)

Industry-projected portfolio, 1.5°C-pathways, NZE2050-pathways, STEPS-pathways and KBC-projected portfolio (weighted by loan size)



⁴ This refers to the PACTA scope within the aviation sector, since aircraft parts suppliers, aircraft manufacturers and aircraft owners are out of scope of PACTA.

⁵ In contrast to last year, this year we excluded both defaulted counterparties (as their emission intensities are no longer representative) and freight-only companies (as the emission intensity is expressed in g of CO₂ per passenger kilometre).

Voluntary EU Taxonomy reporting on mortgages

KBC offers loans for assets and activities that fully meet EU Taxonomy criteria. For further information on our mandatory reporting, we refer to the part on [Our contribution to environmental objectives](#) and the [KBC Group Annual Report](#).

We also offer loans that fully meet the criteria of the EU Taxonomy to corporate clients with no CSRD obligations. Those loans are included in our 'Voluntary EU Taxonomy reporting'.

Our 'Voluntary EU Taxonomy reporting' also includes mortgage loans in cases where KBC cannot access all the data for each individual file that is required for such loans to be included in the 'Mandatory EU Taxonomy Reporting'. Consequently, we estimate the share of our mortgage portfolio that complies with the EU Taxonomy alignment criteria based on reliable proxies and statistical evidence.

A methodology was developed for the Voluntary EU Taxonomy reporting for the mortgage portfolios of all our core countries: Belgium, the Czech Republic, Slovakia, Hungary and Bulgaria.

-  Belgium
-  the Czech Republic
-  Slovakia
-  Hungary
-  Bulgaria

- In all countries, our methodology is based on two elements:
- **Substantial Contribution criteria:** For the Substantial Contribution criteria, the rules as specified in the EU Taxonomy Compass for Activity 7.7, 'Acquisition and ownership of buildings,' are followed. However proxies often need to be used to determine:
 - **the building permit request date**, which is used in the EU Taxonomy to determine the energy efficiency criteria applicable to assess taxonomy alignment,
 - **and/or the primary energy demand.** While KBC systematically collects EPC (Energy Performance Certificate) data for all new origination – the value cannot always be retrieved for the existing portfolio stock.
 - **DNSH criteria:** For general Do No Significant Harm criteria regarding climate change adaptation, the focus is on the flood risk of residential buildings in the mortgage portfolio. Flooding was identified as the most material climate related risk driver for our real estate exposure based on a transition and physical risks analysis performed by sector, risk, sustainability and insurance experts. More specifically, all mortgages for houses located in flood-prone areas are excluded.



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Belgium

In Belgium, KBC has limited data available for the houses in our historic mortgage portfolio. A methodology was therefore developed to allow us to estimate the share of the mortgage portfolio that can be reported under ‘Voluntary EU Taxonomy Reporting’.

The methodology is based on Febelfin’s definition of energy efficient. This definition is agreed upon by the Belgian banking sector and is in line with our [Green Bond framework](#), which is publicly available and verified by a Second Party Opinion (SPO). In addition, KBC has identified additional, conservative criteria to prevent an overestimation of the numbers reported. The selection criteria are specified in detail in Table 7.3

- . The methodology is based on the following elements:
- **Substantial Contribution criteria:** These are assessed using Febelfin guidelines, which assist in estimating the building date and the primary energy demand (PED) based on a methodology agreed upon by all Belgian banks. Furthermore, KBC applies a 10% ‘haircut’ to the new building mortgage portfolio to account for buildings with older building permits or buildings that do not meet the criterion of being 10% more efficient than the NZEB (Nearly Zero-Energy Building) standard.
 - **DNSH criteria:** KBC uses publicly available flood map data for the Flanders region to determine whether the houses in our mortgage portfolio are in flood-prone regions.

Table 7.3: Selection criteria for eligibility of mortgages under Voluntary EU Taxonomy reporting in Belgium

Substantial Contribution criteria			DNSH criteria
	Buildings built before 31/12/2020 ¹	Buildings built after 31/12/2020 ¹	
New building mortgage	First drawdown of mortgage after 1/1/2016, but before 31/12/2022 (this categorisation assumes financing for a new building meeting energy efficiency norms that rank within the top 15% for Belgian building stock) + 'Haircut' of 10% applied to buildings with an older building permit	First drawdown of mortgage after 31/12/2022 + 'Haircut' of 10% applied due to the fact that <10% of new buildings registered do not meet NZEB -10% standard ²	Exclude all mortgages for which an average building lies in a flood-prone area. Flood map used for flood-risk assessment: Flanders: 2023 official flood map ³
Mortgage for purchase (+ renovation)	Include mortgages with a PED ≤ 159 kWh/m ² /year ⁴ and with a deed date before 1/1/2022 (this categorisation implies that the building permit was most likely requested before 1/1/2021)	Deed date after 1/1/2022 (this categorisation assumes a building permit requested before 1/1/2021) + PED value ≤ 47 kWh/m ² /year. This PED value is an approximation equivalent to the NZEB -10% standard	

¹ The date of 31/12/2020 mentioned in the EU Taxonomy is interpreted as the building permit request date. It is assumed that on average: (building permit request date + 2 years) = (deed date + 1 year) = (first drawdown year/first year of occupancy).
² Source: <https://opendata.vlaanderen.be/dataset/overzicht-resultaten-epb-aangiftes>.
³ Source: <http://www.waterinfo.be/informatieplicht>.
⁴ The PED value of 159 kWh/m²/year has been calculated and agreed upon by all Belgian banks as the top 15% PED quantile in Belgium.



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Czech Republic

The availability of certified EPC data in the Czech Republic remains limited, as there is no centralised, public database. To bridge this gap and to estimate the energy performance of financed buildings, we use several proxy methods based on residential real estate attributes, such as building type, (re)construction year, floor area, energy source, etc. For the assessment of DNSH criteria, we relied on a specialised forward-looking tool provided by an external supplier to ensure alignment with EU Taxonomy and methodological robustness.

The selection criteria for our Czech portfolio are reported in detail in Table 7.4.

The assessment in the Czech Republic consists of:

- Substantial Contribution criteria:** Asset-specific data on the energy performance of the residential real estate are only available for a small portion of the portfolio. For the remainder of the portfolio, ČSOB Czech Republic uses several proxy methods to conservatively assess the energy performance of the analysed building. These models comply with Czech legislation (Decree no. 78/2013 and 264/2020). For the identification of the top 15% of the building stock of the national or regional Primary Energy Demand (PED) we use the threshold established by the 'Study Top 15% of the Most Energy-Efficient Buildings in the Czech Republic,' prepared by CEVRE Consultants and EnergySim. The study, which is recognised as a market standard, is sponsored by the Czech Banking Association (ČBA), the Czech Green Building Council (CZGBC) and the Ministry of Industry and Trade (MPO).
- DNSH criteria:** To determine whether the houses in our mortgage portfolio are in flood-prone regions, we used forward-looking maps with forward-looking elements provided by Intermap with the Aquarius tool.

Table 7.4: Selection criteria for eligibility of mortgages under Voluntary EU Taxonomy reporting in Czech Republic

	Substantial Contribution criteria		DNSH criteria
	Buildings built before 31/12/2020 ¹	Buildings built after 31/12/2020 ¹	
Residential building	Energy performance certificate class A ² or max. specific PNE ³ 157 kWh/m ² /year energy consumption (top 15% of the building stock) ³	10% better than PNE of the reference building ^{4,5}	Exclude all mortgages with high and medium flood risks. Flood map used for flood-risk assessment: Intermap (with the Aquarius tool) ⁶
Residential apartment building	EPC label A ² or max specific PNE ³ 102 kWh/m ² /year energy consumption	10% better than PNE of the reference building ^{4,5}	

¹ To distinguish between buildings constructed before and after 31/12/2020, as required by the EU Taxonomy, ČSOB uses the property's final inspection date (occupancy permit) as an alternative reference point. This date serves as a proxy indicator. Information on the building permit request date is very limited and difficult to obtain under local conditions. Therefore, we consider this approach more conservative, while still applying a proxy method.

² EPC label A is based on the EPC data – the official energy performance certificate for the property or well-defined conservative proxies.

³ The building is within the top 15% of the national building stock expressed as PNE (Primary Non-renewable Energy). The threshold performance is calculated based on information published in 'Study of the Top 15% Most Energy-Efficient Buildings in the Czech Republic,' prepared by consulting companies CEVRE Consultants and EnergySim.

⁴ EPC score (10% better than PNE of the reference building) is determined based on the EPC - the official energy performance certificate for the property or well-defined conservative proxies.

⁵ The reference building is a theoretical model calculated in line with the regulation and used as a benchmark for evaluating the assessed building.

⁶ Flood map used: <https://www.intermap.com/european-solutions#aquarius>.



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Slovakia

In Slovakia, the voluntary reporting of the mortgage portfolios aligns with the EU Taxonomy framework, employing conservative proxies and assumptions to ensure methodological robustness.

The selection criteria for our Slovak portfolio are reported in detail in Table 7.5.

The approach is grounded in the following principles:

- **Substantial Contribution criteria:** In Slovakia, the national register of Energy performance certificates (Inforeg) publishes only limited EPC information such as issuance date and EPC label. The minimum energy efficiency requirement for new buildings built in Slovakia between 31 December 2015 and 31 December 2020 meets

energy class A1/A0, meaning that all new buildings built between those dates should automatically fulfill the Substantial Contribution criteria for buildings built before 31 December 2020. As the legislator applied a transitional period for new buildings with a building permit issued before 31 December 2015, we include only buildings with a building permit between 2018 and 2020 for alignment with the Substantial Contribution criteria. In addition, KBC includes mortgages for which real data is available or for which we have received data from Inforeg.

- **DNSH criteria:** To determine whether the houses in the mortgage portfolio are in flood-prone regions, we used forward-looking maps from Intermap with the Aquarius tool.

Table 7.5: Selection criteria for eligibility of mortgages under Voluntary EU Taxonomy reporting in Slovakia

	Substantial Contribution criteria		DNSH criteria
	Buildings built before 31/12/2020 ¹	Buildings built after 31/12/2020 ¹	
All mortgages	EPC label A1/A0 (data received via Inforeg or collected EPCs)	EPC label A0–10% PED ³	Exclude all mortgages with high and medium flood risks. Flood map used for flood-risk assessment: Intermap (with the Aquarius tool) ⁴
	New buildings built between 2018 and 2020 (regulation) ²	Residential buildings with PED value ≤ 48.6 kWh/m ² /year Apartments with PED value ≤ 28.8 kWh/m ² /year	

¹ The date of 31 December 2020 mentioned in the EU Taxonomy is interpreted as the building permit request date. We use the occupation permit date instead of the building permit date. This occupation permit date is always issued after the building permit date which makes it a more conservative approach when using this proxy in that context.

² The minimum energy-efficiency requirement for new buildings built in Slovakia between 31 December 2015 and 31 December 2020 was the upper limit of the energy class A1. Taking a conservative approach, we restricted new buildings to those built between 2018 and 2020.

³ The PED is at least 10% lower than the threshold set for the NZEB requirements.

⁴ Flood map used: <https://www.intermap.com/european-solutions#aquarius>.



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Hungary

In Hungary, validated Energy Performance Certificate (EPC) label data are available for over 65% of the properties in our total mortgage portfolio. This was facilitated by collecting up-to-date EPCs from every customer during the loan application process, as well as through an initial bulk upload from the publicly accessible Lechner Knowledge Centre database ([Lechner Tudásközpont](#)), which has provided EPC labels for properties since 2013.

The selection criteria for the Hungarian portfolio are provided in detail in Table 7.6 and consist of:

- **Substantial Contribution criteria:** Building permit application submission dates are not available in the Hungarian dataset. To determine whether a building was built before or after 31 December 2020, we used the date of the occupancy permit as a proxy, applying a standard expert-based assumption of a two-year construction period. In line with the Hungarian National Bank’s guidance, we currently use thresholds of 123 kWh/m²/year for apartment buildings and 195 kWh/m²/year for single-family houses (primary energy demand or PED) to identify the top 15% of residential buildings.
- **DNSH criteria:** To determine whether the houses in the mortgage portfolio are in flood-prone regions or not, we use forward-looking maps from Intermap with the Aquarius tool.

Table 7.6: Selection criteria for eligibility of mortgages under Voluntary EU Taxonomy reporting in Hungary

	Substantial Contribution criteria		DNSH criteria
	Buildings built before 31/12/2020 ¹	Buildings built after 31/12/2020 ¹	
All mortgages	Top 15% of the building stock ² based on EPC score, EPC label and based on statistical estimation in a smaller portion of the portfolio. Based on validated data from EPC	10% better than NZEB: EPC score < 68.4 kWh/m ² /year ³ Based on validated data from EPC	Exclude all mortgages with high and medium flood risks. Flood map used for flood-risk assessment: Intermap (with the Aquarius tool) ⁴

¹ The date of 31/12/2020 mentioned in the EU Taxonomy is interpreted as the building permit request date. However, we use the occupancy permit issue date instead of the building permit request date, applying a standard expert-based assumption of a two-year construction period. We also take January 1, 2023 as the reference date.

² The top 15% of the building stock include all EPC A properties.

³ There are two different classification systems in place (e.g., A, AA) because on November 1, 2023, the legislator changed the rating system. The indicated EPC score value is valid as from November 1, 2023.

⁴ Flood map used: <https://www.intermap.com/european-solutions#aquarius>.



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Bulgaria

In Bulgaria, KBC has access to extensive information about the energy performance of its mortgage lending. However, as building permit request date data is unavailable, full Taxonomy alignment is not possible.

The selection criteria for our Bulgarian portfolio are provided in detail in Table 7.7.

- Our assessment in Bulgaria consisted of:
- Substantial Contribution criteria:** In Bulgaria, we have access to asset-specific data on the energy performance of the houses in our portfolio (both for new and existing stock). We have therefore defined a benchmark to determine whether the houses in our portfolio fulfilled the criteria specified by the EU Taxonomy using data from the Bulgarian Agency for Sustainable Development and Eurointegration (ASDE). The construction date is used as a proxy for the building permit request date (with a conservative estimate to account for the delay between the permit application and construction completion).
 - DNSH criteria:** To determine whether the houses in our mortgage portfolio are in flood-prone regions, we used forward-looking maps from Intermap with the Aquarius tool.

Table 7.7: Selection criteria for eligibility of mortgages under Voluntary EU Taxonomy reporting in Bulgaria

	Substantial Contribution criteria		DNSH criteria
	Buildings built before 31/12/2020 ¹	Buildings built after 31/12/2020 ¹	
Single-family building	EPC class A or max. 105.4 kWh/m ² /year energy consumption (EPmax.) ^{2, 5}	1) EPC class A 2) Energy consumption (EPmax) ^{3, 5} ≤ 74.7 kWh/m ² /year	Exclude all mortgages with high and medium flood risks. Flood map used for flood-risk assessment: Intermap (with the Aquarius tool) ⁴
Multifamily residential building	EPC class A or max. 142 kWh/m ² /year energy consumption (EPmax) ^{2, 5}	1) EPC class A 2) Energy consumption (EPmax) ^{3, 5} ≤ 81 kWh/m ² /year	

¹ The date of 31 December 2020 mentioned in the EU Taxonomy is interpreted as the building permit request date. We use the construction date of a building as a proxy to distinguish between buildings constructed before and after 31 December 2020. In Bulgaria, it is common practice to submit the building permit approximately two years prior to the start of construction. Therefore, we apply a slightly more conservative approach when using this proxy in that context.

² The building is within the top 15% of the national building stock expressed as operational PED. The threshold performance is calculated based on information published by ASDE (Bulgarian Agency for Sustainable Development and Eurointegration).

³ The PED is at least 10% lower than the threshold set for the NZEB requirements. The threshold performance is calculated based on information published by ASDE.

⁴ Flood map used: <https://www.intermap.com/european-solutions#aquarius>.

⁵ EPmax (Energy Performance max.): sets the upper limit for annual primary energy consumption in a certain energy class.

Appendix 2

PRB Responsible Banking Progress Statement

In this statement, we report on our commitment and our progress towards implementing the UNEP FI (United Nations Environment Programme Finance Initiative) Principles for Responsible Banking (PRB) in compliance with the Principles for Responsible Banking Report.

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In 2019, KBC participated in the launch of the UNEP FI Principles for Responsible Banking (hereinafter referred to as 'Principles' or 'PRBs') and became a Founding Signatory. The Principles clearly represent the key elements of our vision on sustainability and reinforce our commitment to the Paris Agreement and the United Nations Sustainable Development Goals (SDGs). We report on our commitment and our progress regarding the implementation of the Principles in this Responsible Banking Progress Statement.

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Principle 1

Alignment

KBC is an integrated bank-insurance group active in its core markets of Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia. We offer a wide range of loan, insurance and asset management products and services to private individuals, SMEs and corporates. Our approach to sustainability is integrated into our corporate strategy.

In 2019 we launched the KBC Sustainable Finance Programme. The focus of this programme has been expanded in recent years from climate to the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, as well as the protection and restoration of biodiversity and ecosystems. Our reporting is in alignment with Task Force on Climate-related Disclosures (TCFD) and Task Force on Nature-related Disclosures (TNFD).

KBC’s sustainability strategy is integrated into our corporate strategy and aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We are also a signatory of the UN Global Compact.

For more details, please refer to the following sections of the [KBC Group Sustainability Report 2025: Sustainable finance](#), [Our responsibility](#) and [Our sustainability strategy sections](#).

Principle 2

Impact and target setting

In 2024 we performed an impact analysis of our corporate banking portfolio in all our core markets. The results of this analysis were used as input for our double materiality assessment (DMA). The impact areas of climate change and biodiversity were prioritised for the PRBs and have also been identified as material topics for our CSRD disclosures. The challenges and priorities for our retail portfolio were identified in 2023 as housing, mobility and finance. For more information on our retail impact analysis, please refer to the [KBC Sustainability Report 2023: Appendices: Principles for Responsible Banking](#). For more information on our updated 2025 DMA, please refer to the [KBC Group Annual Report 2025: Sustainability Statement](#).

We have established group-wide climate targets and, in addition to the existing social target for housing in Belgium, we also defined local social targets on financial health and inclusion in each core country in 2025. These targets are based on local societal needs, determined through stakeholder engagement and market analysis. A range of actions have been undertaken in pursuit of our targets. For more information on our targets, target implementation and monitoring, please refer to the [KBC Group Sustainability Report 2025: Sustainable finance](#) section.

Principle 3

Clients and customers

Customer engagement is a central part of our sustainability strategy, focusing on climate change and other environmental issues such as circularity, deforestation, water stress and management as well as plastics – depending on the sector. Thousands of conversations with clients have been conducted to raise awareness and to support their sustainable transition. This engagement has gradually evolved from corporate clients to include SMEs. For more information on our customer engagement track, we refer to the [KBC Group Sustainability Report 2025: Sustainable finance section](#).

We have issued social and green bonds to finance our clients’ sustainable projects and we continue to grant Sustainability-Linked Loans to our clients. In addition, our work to improve the alignment of these financial products to EU Taxonomy criteria is ongoing. Other climate and environmental objectives and related opportunities are described in the [KBC Group Sustainability Report 2025: Sustainable finance section](#), as are our products and services focusing on financial health and inclusion and affordable housing, among other themes.

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Principle 4

Stakeholders

As part of our process in undertaking our DMA, we have consulted different internal and external stakeholders to identify and assess the most relevant impacts related to sustainable development in all our core countries. Stakeholders were identified through a robust stakeholder identification and mapping exercise.

We regularly consult with experts from the academic world to understand their views and the challenges that we face. In 2025 we hosted a roundtable discussion for the third year in a row. This year’s focus was on customer behaviour and online safety.

In addition to consulting and engaging with stakeholders, we also set up partnerships to steer the economy towards a low-carbon future. For more details on our stakeholder engagement process and initiatives, please refer to the [KBC Group Sustainability Report 2025: Our sustainability strategy section](#).

Principle 5

Governance and culture

KBC has implemented a hybrid organisational structure and governance to ensure the group-wide implementation of our sustainability strategy. The implementation of our principles is overseen by our highest decision-making bodies. Sustainability is integrated into the remuneration policy of our management bodies and currently determines at least 30% of the collective, variable, results-related remuneration component awarded to the members of the Executive Committee. At least 10% of variable remuneration of top management is linked to sustainability performance.

We prioritise responsible behaviour among our employees, guided by our [KBC Group Code of Conduct for Employees](#) and the My Responsible Behaviour Compass. To ensure this, we have implemented a mandatory eLearning course on ethical decision-making that is part of our onboarding programme. In early 2025, we launched an internal website that brings together all available resources on responsible behavior and business ethics.

Our Sustainability Framework guides our due diligence process, helping us identify and mitigate potentially adverse impacts while managing impacts on the environment, climate and human rights.

For more information, please refer to the [KBC Group Sustainability Policy Framework](#), KBC Group Sustainability Report 2025: [Our sustainability strategy](#) and [Our responsibility section](#).

Principle 6

Transparency and accountability

Limited independent assurance has been undertaken on our DMA, our climate targets and their implementation and monitoring, as well as on our governance structure. For more information on assurance, we refer to the [KBC Group Annual Report 2025](#).

KBC also discloses sustainability information in line with other standards and frameworks, for example, the Carbon Disclosure Project (CDP), TCFD and TNFD. For more information on other standards and frameworks, we refer to the [KBC Group Annual Report 2025: Sustainability Statement](#) and our [Sustainability Accounting Standards Board disclosures](#).

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Appendix 3

PSI Sustainable Insurance Progress Statement

This report outlines our self-assessment regarding the implementation of UNEP FI's (United Nations Environment Programme Finance Initiative) Principles for Sustainable Insurance. It includes a high-level overview of KBC Insurance's activities, demonstrating our commitment to these principles as one of the signatories.

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In 2018, KBC Insurance became a signatory to the UNEP FI's (United Nations Environment Programme Finance Initiative) Principles for Sustainable Insurance (PSI). PSI is the global framework for insurance companies to embed environmental, social and governance risks and opportunities into their core business strategies and operations. The following sections provide a high-level overview of KBC Insurance activities and demonstrates our commitment, as a signatory, to the PSI and its objectives.

Principle 1

Decision-making/Governance
We will embed in our decision-making regarding environmental, social and governance issues that are relevant to our insurance business.

At KBC Group, sustainability is an integral part of the overall corporate strategy and is embedded within the strategic cornerstones of our business. Accordingly, at KBC, we:

- Put our clients first, offering them a unique bank-insurance experience
- Focus on our long-term development
- Pursue sustainable and profitable growth
- Take our responsibility for society and local economies seriously.

Our sustainability governance, policies and restrictions fully apply to our insurance activities and cover both our insurance underwriting and investment activities. KBC's Internal Sustainability Board, chaired by our Group CEO, decides on all insurance-related sustainability topics. In addition, our Sustainable Finance Programme covers the insurance-related businesses.

Throughout this report, we demonstrate that climate action is a top priority for KBC Insurance, encompassing both climate change mitigation and climate change adaptation. While we continue our efforts to strengthen our insurance-associated emissions reporting process, we also continue to explore ways of embedding climate change adaptation into our product offering. We were able to report on taxonomy-alignment for part of KBC Insurance's 'fire and other damage to property' portfolio in Belgium last year. And following a product update performed at ČSOB Pojišťovna, we are now able to include premiums related to part of the 'fire and other damage to property' insurance portfolio of our Czech insurance subsidiary as well.

Our work to expand alignment of our product offering with the EU Taxonomy criteria is also actively ongoing.

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[Sustainable finance: Assessment of the insurance underwriting portfolio](#)
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Principle 2

Awareness-raising and risk management
We will work together with our clients and business partners to raise awareness of environmental, social and governance issues and to manage risks and develop solutions.

KBC’s Insurance companies have launched several initiatives to raise awareness about sustainability among our clients, stakeholders and employees. Committed to supporting the transition to a more sustainable future, we integrate environmental and social considerations into our products and services, aiming to encourage responsible choices and resilience. This includes developing solutions that promote sustainable mobility, renewable energy adoption, and environmentally conscious rebuilding and claims practices. We also explore opportunities to help businesses manage environmental risks and adapt to climate change, ensuring our offerings align with evolving sustainability standards and expectations.

With respect to life insurance, KBC Insurance fully complies with the [KBC Group Investment Policy](#), which includes clear ESG-related investment criteria. In this year’s [Sustainability Report](#), we provide an update on our progress toward reducing the carbon intensity of KBC Insurance’s consolidated equity and corporate bond portfolio, including the achievement of our 2025 interim target. As illustrated throughout this report, and in line with longevity and health being one focus areas within our sustainability strategy, KBC Insurance also actively engages in prevention, as well as providing life and health insurance solutions.

Principle 3

Collaboration
We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

KBC Insurance collaborates with the local insurance associations to, amongst other things, exchange feedback on ESG matters and to jointly explore ways to strengthen the role of insurance companies. Such collaborations also provide us with a platform to reach out to policy makers, regulators and government bodies at EU, national and regional levels.

We also engage in dialogue with internal and external stakeholders through our materiality assessment and identify the material topics that are most relevant to our insurance business. This facilitates our collaboration with all parties. For further information on how we engage with our stakeholders, our materiality assessment process and how we define the topics that are most material to our business, we refer to the [Our sustainability strategy section of the Sustainability Report](#).

Principle 4

Accountability and transparency
We will demonstrate accountability and transparency in publicly disclosing our progress and by implementing the principles on a regular basis.

This report is KBC Insurance’s eighth progress report. We will continue to disclose our progress publicly and to be fully transparent regarding our implementation of the PSIs. This report is fully aligned with KBC Group 2025 Sustainability Report.

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AI	Artificial intelligence	
ATM	Automated Teller Machine	
BREEAM	Building Research Establishment Environmental Assessment Method	
BRS	Belgian Raiffeisen Foundation	
CCCA	Collective Commitment to Climate Action	
CDP	Formerly the Carbon Disclosure Project	
CH ₄	Methane	
CO ₂	Carbon dioxide	
CO ₂ e	Carbon dioxide equivalent	
CSR	Corporate Social Responsibility	
CSRD	Corporate Sustainability Reporting Directive	
DCM	Direct Client Money	Total assets distributed across all segments in public and non-public funds, unit-linked products as well as pension products and discretionary mandates offered to external clients.
DMA	Double materiality assessment	
DNSH	Do No Significant Harm	
EBA	European Banking Authority	
EEA	European Environmental Agency	
EIB	European Investment Bank	
EMU	Economic and Monetary Union of the European Union	
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure	
EPC	Energy Performance Certificate	
ERIM	Environmental Risk Impact Map	
ES Heatmap	Environmental and Social Heatmap	
ESG	EU Green Deal	The EU Green Deal was adopted in December 2019. It is the European Union's new growth strategy that aims to transform the Union into a modern, resource-efficient and competitive economy with no net emissions of greenhouse gases by 2050.

ESRS	European Sustainability Reporting Standards	
EU	European Union	
EUDR	EU Deforestation Regulation	
	EU Taxonomy	The Taxonomy Regulation was published in 2020 (2020/852) and establishes an EU-wide framework for sustainable economic activities. The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.
EV	Electric vehicle	
FI	Financial Institution	
FTE	Full-time equivalent	
g	gram	
GAR	Green Asset Ratio	
GDPR	General Data Protection Regulation	A regulation in EU law on data protection and privacy.
GHG	Greenhouse gas	
GRI Standards	Global Reporting Initiative Standards	
GWh	Gigawatt hour	
GWP	Gross Written Premium	
HR	Human Resources	
ICAAP	Internal Capital Adequacy Assessment Process	
ICMA	International Capital Markets Association	
ICP	Internal carbon pricing	
ICT	Information and Communication Technology	
IEA	International Energy Agency	
ILAAP	Internal Liquidity Adequacy Assessment Process	
IPO	Initial Public Offering	
ISB	Internal Sustainability Board	
ISO	International Organization for Standardization	



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IT	Information technology	
IUCN	International Union for Conservation of Nature	
KBC AM	KBC Asset Management	
Kt CO ₂ e	Kilotonne of carbon-dioxide equivalent	
KPI	Key Performance Indicator	
Kt	Kilotonne	
KWh	Kilowatt hours	
LDI	Liability-Driven Investment	The primary goal of an LDI portfolio is to match the interest rate and inflation rate risk of the pension fund assets with that of current and future liabilities.
LGBTQIA+	Lesbian Gay Bisexual Transgender Queer Intersex Asexual, Plus	
LMA	Loan Market Association	
M	Million	
MFI	Microfinance institution	
Mt CO ₂ e	Mega tonnes of carbon-dioxide equivalent	
MW	Megawatt	
N ₂ O	Nitrous oxide	
NAPP	New and Active Products Process	
NATO	North Atlantic Treaty Organisation	
NGFS	Network for Greening the Financial System	
NGO	Non-governmental Organisation	
OECD	Organisation for Economic Cooperation and Development	
PACTA	Paris Alignment Capital Transition Assessment	
PCAF	Partnership for Carbon Accounting Financials	
PEARL+	Performance, Empowerment, Accountability, Responsiveness, Local Embeddedness. The plus reflects our increased focus on collaboration, on the joint development and smart copying of solutions, initiatives and ideas within the Group	
PFAS	Per- and polyfluoroalkyl substances	
PRB	UNEP FI Principles for Responsible Banking	
PSI	UNEP FI Principles for Sustainable Insurance	

REITS	Real Estate Investment Trusts	
RI funds	Responsible Investing funds	
SASB	Sustainability Accounting Standards Board	
SDGs	Sustainable Development Goals	
SBTi	Science-Based Targets Initiative	
SFDR	Sustainable Finance Disclosure Regulation	The EU SFDR introduced various disclosure-related requirements for financial market participants and financial advisors at entity, service and product levels. It aims to provide more transparency on sustainability within the financial markets in a standardised way, thus preventing greenwashing and ensuring comparability.
SLL	Sustainability-Linked Loan	
SME	Small and Medium-sized Enterprise	
SPV	Special Purpose Vehicle	
SSA(s)	Supranational, Sovereign and Agency	
S.T.E.M.	Save Time Earn Money	
STiPPLE	Skills to Improve Performance Progression Learning and Employability	
t	tonne	
TCFD	Taskforce on Climate-related Financial Disclosures	
TNFD	Taskforce on Nature-related Financial Disclosures	
UN	United Nations	
UNEP FI	United Nations Environmental Programme Finance Initiative	
USD	US Dollar	