

Sustainability Report & Sustainability Statement (CSRD)

FY 2025

Sustainability
Report
KBC Group

Our voluntary
sustainability report

2025



Annual Report
KBC Group

2025




Moving forward
together.

The KBC Sustainability Report 2025 should be read together with the Sustainability Statement *(which is published as part of the KBC Annual Report 2025)*.



Sustainability Statement
CSRD – published as part of the KBC Annual Report 2025

- Since 2024, we included the **mandatory** Sustainability Statement in the KBC Annual Report via which we adhere to the **Corporate Sustainability Reporting Directive (CSRD)**.
- For this purpose, we conducted **double materiality assessment (DMA)** to identify which information would be required for inclusion in the mandatory Sustainability Statement. The necessary information is included there in line with the European Sustainability Reporting Standards (ESRS). 
- The Sustainability Statement is subject to limited assurance, provided by our auditor KPMG.



The **goal** of the **voluntary Sustainability Report** is **twofold**:

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



The KBC Sustainability Report 2025 has been discussed with and approved by **the Internal Sustainability Board, the Executive Committee and the Board of Directors**.

KBC Sustainability Report 2025

Our voluntary report

Sustainability
Report

KBC Group

Our voluntary
sustainability report

2025



2025 sustainability highlights



Commitment to the environment

2025 interim targets achieved

New thematic White Papers
on Water

12 climate targets for our
lending portfolio

€500 million Green Bond
Issuance

Sustainable business

€34 billion in loans with
environmental objectives

€64.4 billion in Responsible
Investing funds

Expanded customer
engagement through digital
tool integrations

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



Social responsibility

Commitment to diversity &
inclusion

33 000 employees
participated in the 2025 Team
Blue Challenge

Integrating Just Transition
considerations into sectoral
White Papers

€8.25 billion is social sectors
and tailored social targets in
all core countries



Our 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.

Four focus areas

to turn our strategy into business



**Environmental
responsibility**



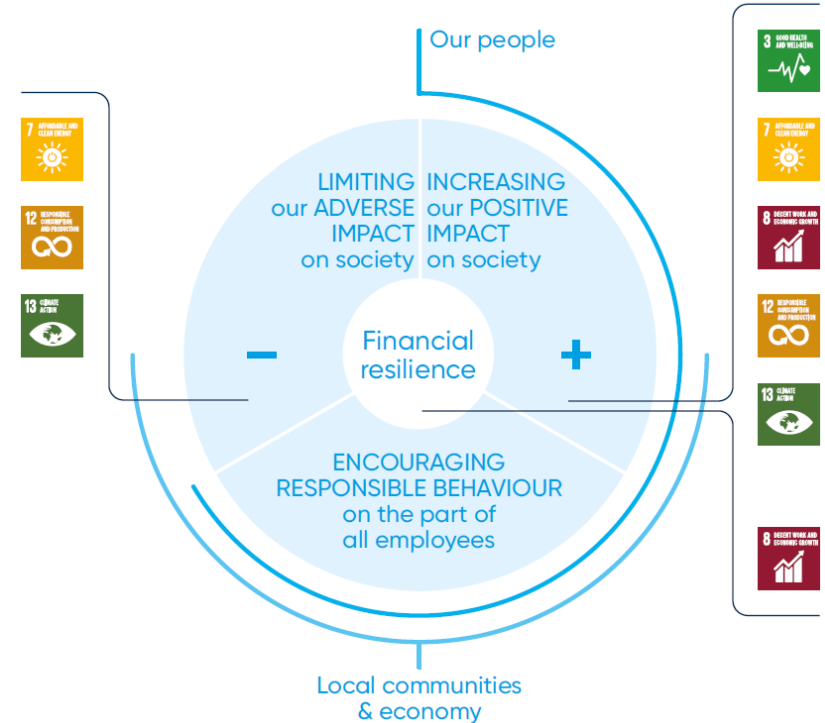
Entrepreneurship



Financial literacy



Longevity and health





Our sustainability strategy

Four focus areas



Environmental responsibility

Climate change and other environmental challenges relating to biodiversity loss, pollution, water and circular economy are global challenges that require appropriate action.



Financial literacy

We believe it is our responsibility to contribute to improving public understanding of financial concepts and products.



Entrepreneurship

We want to support entrepreneurship, stimulate job creation and to contribute to sustainable economic growth through our core activities and partnerships.



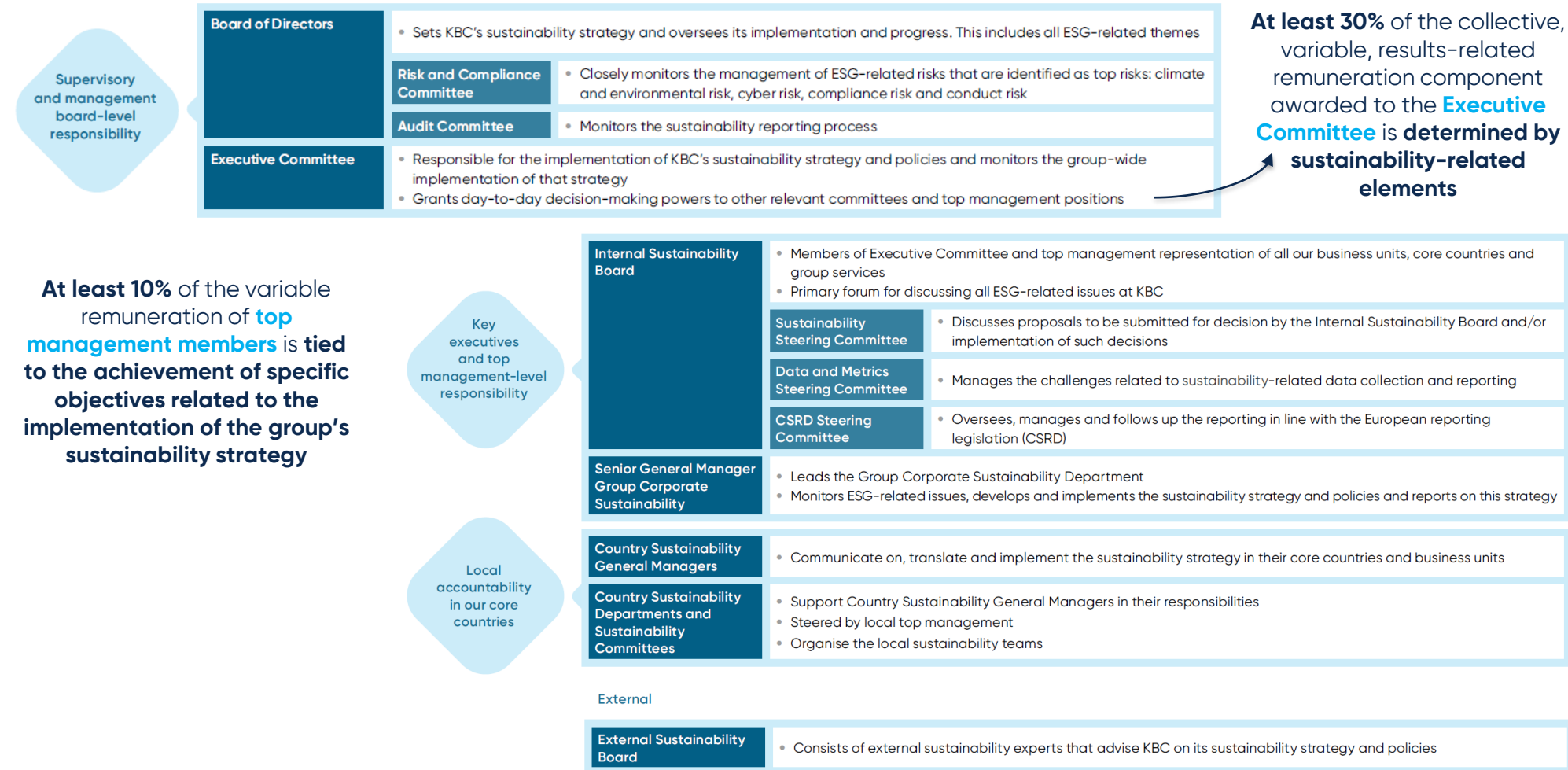
Longevity and health

In Belgium and the Czech Republic, our focus is on longevity. In our other core markets, the focus is on improving the quality of life, healthcare and health in general.



Our sustainability governance

No substantial changes
compared to previous year



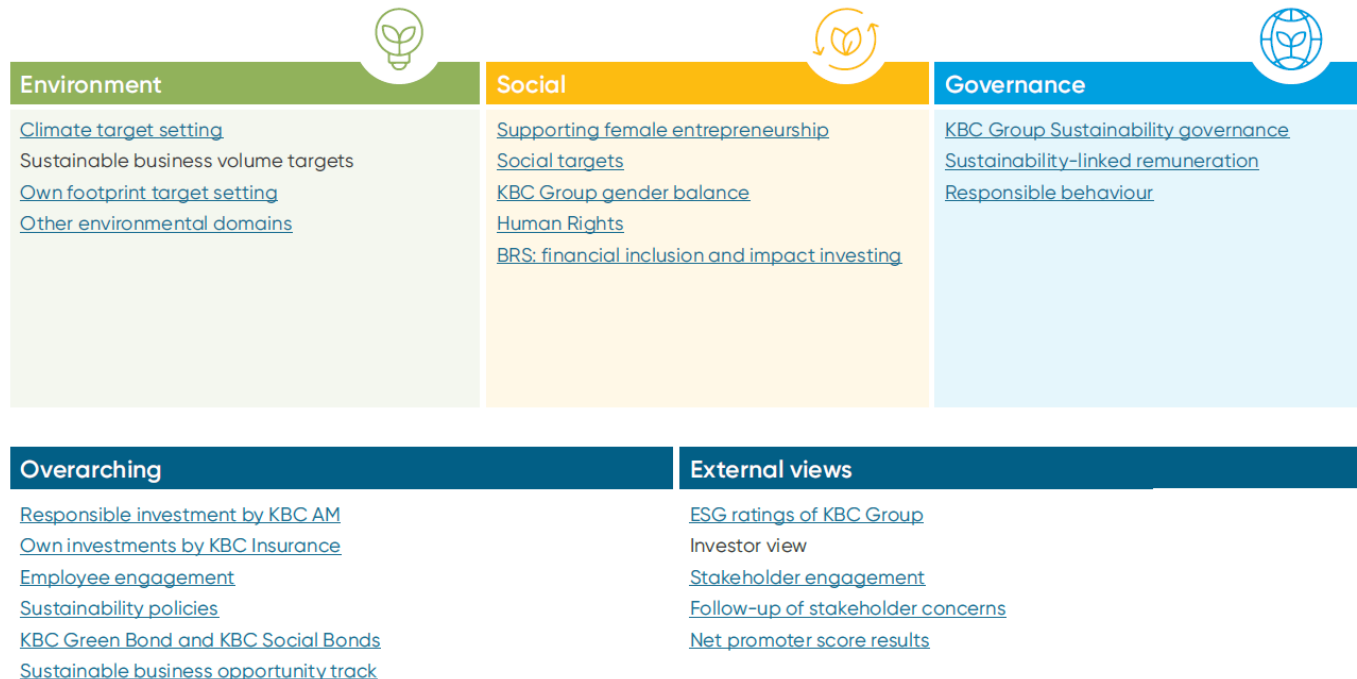


Our sustainability governance

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.



Our people



The Employee Experience Lifecycle at KBC

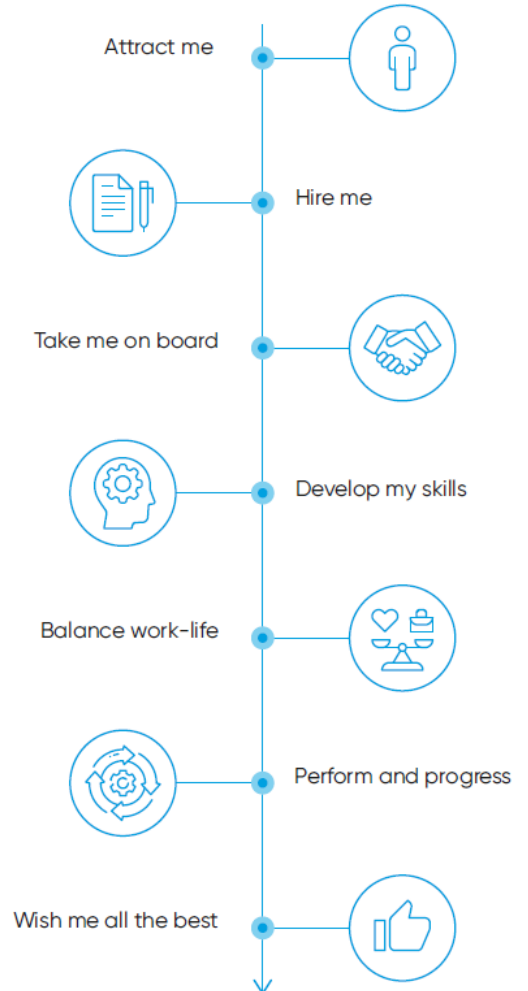
KBC has a total of **40 000 employees**. We see our workforce as one of the key stakeholders of our Group, our biggest asset and our main driving force. That's why we aim to foster a work environment that not only attracts highly qualified employees but also inspires them to build a long-term career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



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



Our people

Diversity & 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.



In 2025, **KBC established a threefold 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.

The target is set annually and reviewed at group level.

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)*.

In 2025, KBC met all three target criteria, with 58% in recruitment, 46% in talent pools and 51% in promotions to leadership positions.



Our responsibility

Five pillars

1 Responsible behaviour

- The way in which we expect our employees to behave responsibly is outlined in our **Code of Conduct for employees**.
- We have put in place **several initiatives to raise awareness of responsible behaviour**, both at the group and local levels.

2 Business ethics

We strictly follow our **corporate policies and guidelines to ensure ethical business, ethical behaviour, transparency, discretion and privacy**. These policies relate, a.o., to whistleblowing and speaking up, trustworthy AI, and anti-money laundering.

3 Human rights

- To **prevent and mitigate potential human rights impacts**, we:
- Develop human rights-related policies
 - Perform human rights screening and risk assessments
 - Take actions by, for example, developing targeted training
 - Monitor potential human rights-related risks

4 Information security & cyber risk

We aim to **ensure that our clients and our entities are protected against cybercrime**. Therefore, we use a variety of proactive security controls to stop all cyber-attacks before they can cause any harm to our ICT systems.

5 Privacy & 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.



Sustainable finance

Our approach to sustainable finance is **strongly rooted in our overall sustainability strategy**. It explains how we respond to our main environmental, social and governance (ESG) challenges and consists out of four parts.

1

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.

2

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.

3

Our commitment to a positive social impact

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).

4

Our commitment to the environment

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.



Sustainable finance

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.**

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 to further adapt to the changing geopolitical environment and to enable more adequate support of the Western defence capacity. 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 to enhance its clarity and conciseness by describing the due diligence process for addressing potential human rights infringements by clients in more detail.



Our energy policy 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.

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.



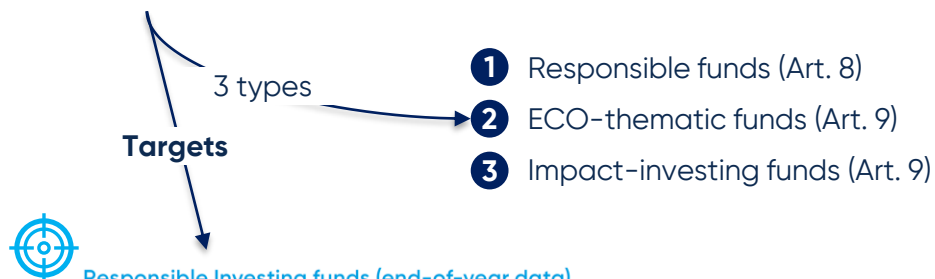
Sustainable finance

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.



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% |

Sustainability in our own investments

Sustainability is also important in the way we manage our own investments which are managed by:

Group Treasury

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'. Furthermore, all of the exclusions that are applicable to RI funds also apply to corporate investments done by KBC Group for its own account.

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.

Pensioenfond KBC

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








Sustainable finance

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 targets have been established across all our core countries.

| 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.



Sustainable finance

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.

Via our **TCFD** and **TNFD** reports, we address our direct and indirect impact on climate and nature

Governance

Our environmental governance is fully embedded in our overall sustainability governance.

Risk management

Climate and other environmental risks are a top risk for KBC.

Strategy

The strategy of our Sustainable Finance Programme is embedded within our overall sustainability strategy to the fullest possible extent.

Metrics & targets

We use a variety of methodologies to track the climate-related impact on as well as of our own operations and our portfolios. 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



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. However, we will continue to work on the commitments we have made under the CCCA initiative. We report on how we do this throughout our Sustainability Report. Furthermore, 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.



Sustainable finance

Our commitment to the environment - Strategy

Our Sustainable Finance strategy has some **specific actions**:

White Paper approach

Every year, we produce several sustainability-related analyses that we refer to as 'White Papers'. We write White Papers in response to relevant developments affecting the sector.

Product development & service offering

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

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). We currently use ICP in the context of larger credit files and for companies reporting under CSRD.

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.

We are currently also raising awareness and initiating customer engagement on ESG topics for our clients from the social profit and government sectors.

Social & Green bonds issues by KBC

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.



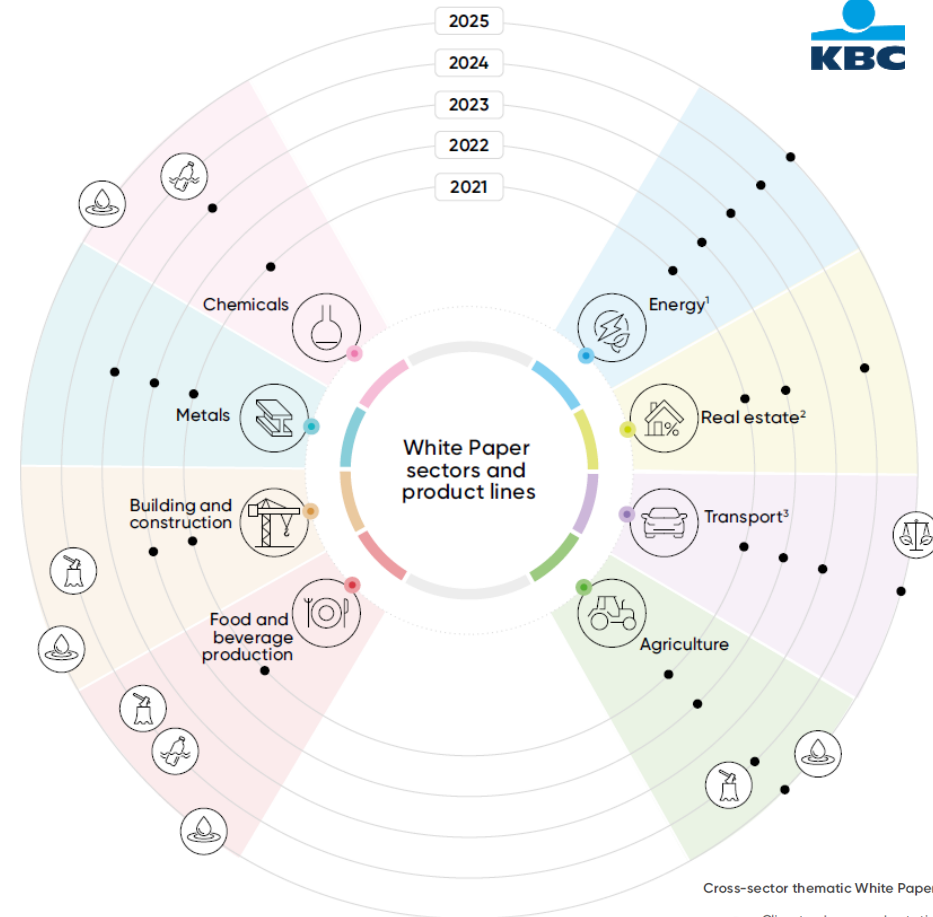
Sustainable finance

Our commitment to the environment – Strategy

White Paper approach

Every year, we produce several sustainability-related analyses that we refer to as 'White Papers'. We write White Papers in response to relevant developments affecting the sector.

- Since 2023, the scope has expanded from climate change to also other environmental objectives (biodiversity, pollution, water and circularity).
- **In 2025,**
 - We wrote cross-sectoral **White Papers on Water Stress and Water Pollution***, and
 - 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.



Overview of the White Paper cycle since 2021



Sustainable finance

Our commitment to the environment - Strategy

Product development & service offering

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

1 Via **lending**, we support our clients with 'green' and 'social' loan products. 

2 For **insurance business**, 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 (43 million euros in 2024).

3 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.



Sustainable finance

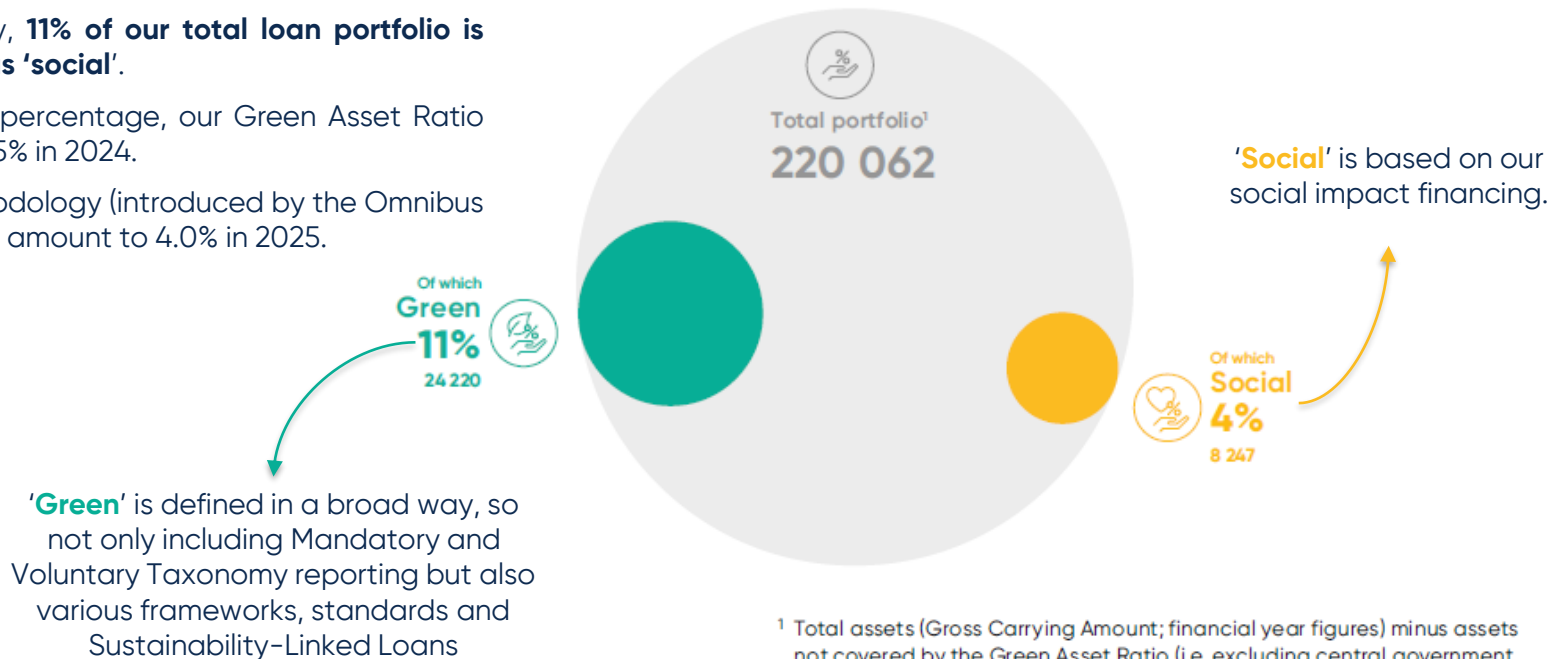
Our commitment to the environment – Strategy

Product development & service offering

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

- 1 Via **lending**, we support our clients with 'green' and 'social' loan products.

- Looking at it in a broad way, **11% of our total loan portfolio is classified as 'green' and 4% as 'social'**.
- Our 2025 Taxonomy Aligned percentage, our Green Asset Ratio (GAR) is 0.9%, compared to 0.5% in 2024.
- The GAR under the new methodology (introduced by the Omnibus simplification package) would amount to 4.0% in 2025.



'Green' is defined in a broad way, so not only including Mandatory and Voluntary Taxonomy reporting but also various frameworks, standards and Sustainability-Linked Loans



Sustainable finance

Our commitment to the environment – Strategy

Product development & service offering

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

- 1 Via **lending**, we support our clients with 'green' and 'social' loan products.

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 220¹ | 15 158 | 8 138 |

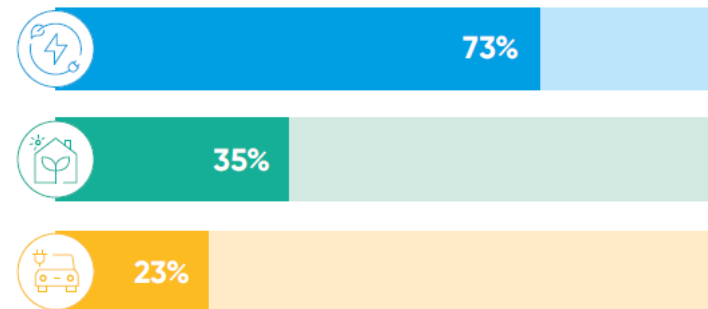
¹ Mandatory, Voluntary EU Taxonomy and others (2025) and Sustainability-Linked Loans (2025) reporting are based on financial year figures. All other figures are based on 30 September data.

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.

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



■ Percentage of **renewable energy** within the total energy portfolio (excluding transmission and distribution).

■ Percentage of **mortgages for energy-efficient housing** within the total mortgages portfolio (private use, residential property).

■ Percentage of **low-carbon vehicles** within the total transport portfolio (bicycles, motorbikes, passenger cars & light commercial vehicles).



Sustainable finance

Our commitment to the environment – Metrics & 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.

Actions to reduce our climate impact

- 1 We aim to reduce our negative environmental impact by setting group-wide reduction targets,
- 2 We aim to amplify our positive contributions, and
- 3 We offset 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.

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

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).



| 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](#)).



Sustainable finance

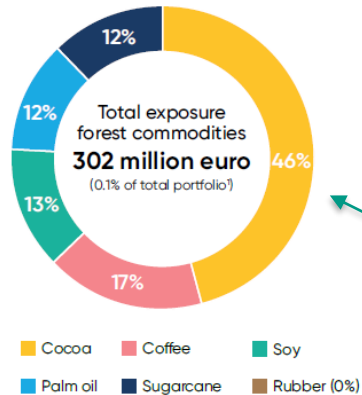
Our commitment to the environment – Metrics & targets


Our indirect environmental footprint

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.

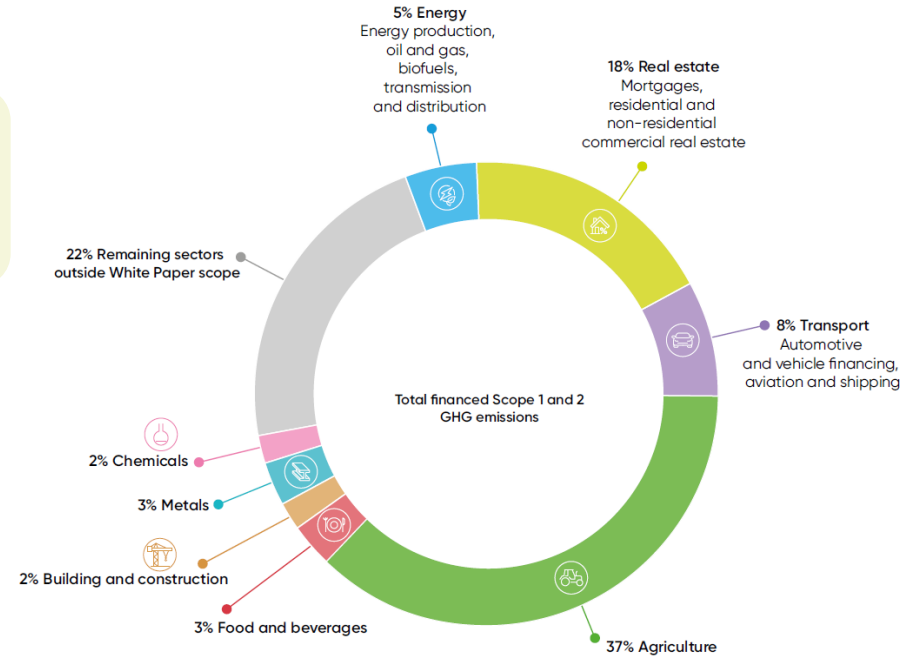
Related to our **lending portfolio**, we have ...

- 1 been calculating the **financed emissions** (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,



- 2 enhanced our **biodiversity impact and dependency analysis** by leveraging the updated ENCORE database and refining our calculation methodology, and
- 3 conducted a pilot review for counterparties involved in the production or trade of **forest commodities**.
- 4 set intermediate **climate targets** for 2030 and long-term targets for 2050 for a subset of our White Paper (sub-sectors). 

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



Sustainable finance

Our commitment to the environment – Metrics & targets

Our 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 addition, we have set targets for emission intensities rather than absolute financed emissions. *It allows for better monitoring and engagement on emission drivers of our clients. It also incentivises transition finance and avoids merely lowering exposure to certain sectors*

Via our **Climate Progress Dashboard**, we show the relevant baseline emission intensities of the subject target and their progress. It also indicates the level of alignment of our progress with scenario-based decarbonization pathways.

- **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.



Alignment indicators per scope & product line



White Paper sectors (Sub-) sector within scope of target setting

| | | |
|--|---|---|
| | Energy | ● Energy (whole sector) |
| | | ● Electricity |
| | Real estate ¹ | N/A Commercial real estate and mortgages ² |
| | | N/A Mortgages and commercial residential real estate ³ |
| | Transport | ● 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 |
| | Agriculture | ● Agriculture (whole sector) |
| | Building and construction | ● Cement producers |
| | Metals | ● Steel producers |
| | | ● 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.

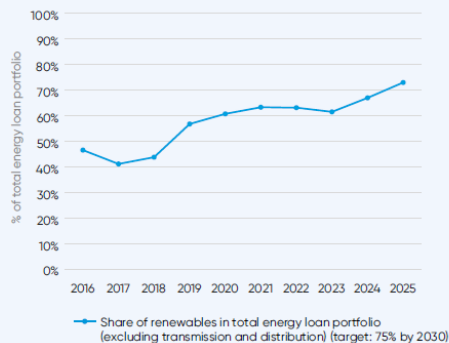
³ This target includes mortgages (incl. mandates), income-producing commercial residential real estate of third parties and social housing. Reported emissions and targets are linked to the operational emissions of financed buildings.

KBC's Climate Progress Dashboard

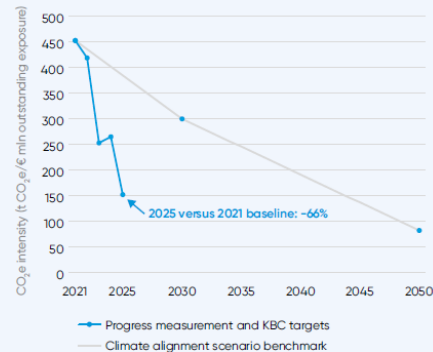


Energy

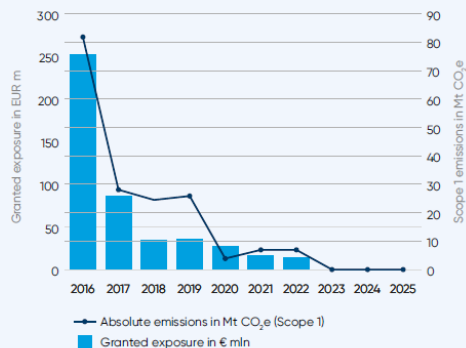
Renewable energy financing



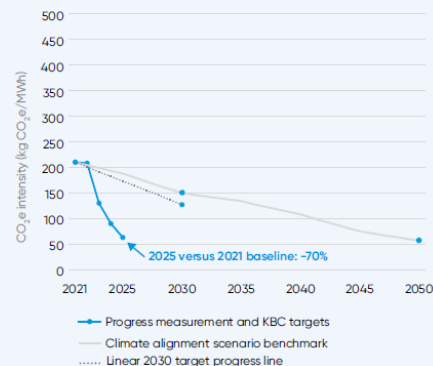
Energy sector portfolio



Direct coal exposure



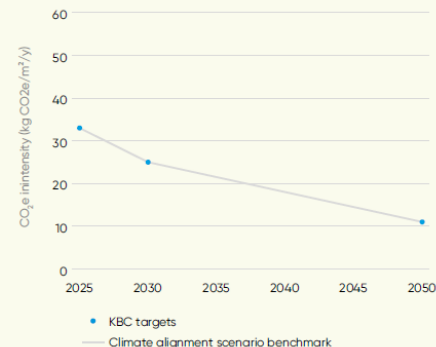
Electricity sector portfolio



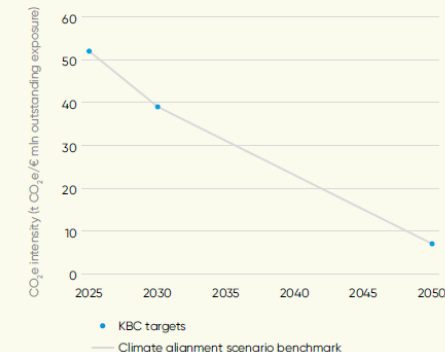
The GHG emissions outlined in the graph are estimations of the absolute emissions associated with the underlying companies financed. They are not a representative of KBC's share in those emissions through financing the relevant companies. Please refer to the [2023 Sustainability Report](#) for more information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

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. The main drivers behind the volatility – and the need to rebase – are:

- The update to the emission factors published by PCAF.
- A change from portfolio-level emission calculation to an asset-level-based calculation, in line with PCAF's methodological recommendations.

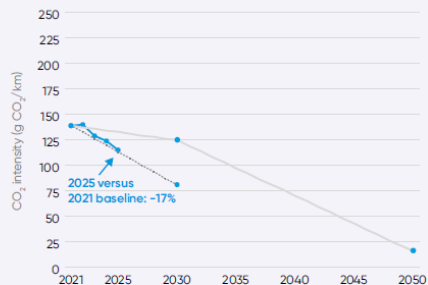
KBC cannot restate the 2024 value accounting for those two updates, as asset-level data required to conduct the second adjustment is not available for the historical portfolio. However, the 2030 intermediate target has been set by **keeping the reduction ambition from our initial target constant** (up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

KBC's Climate Progress Dashboard



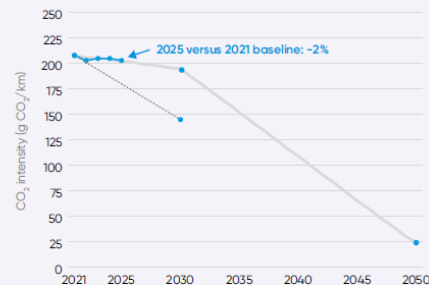
Transport

Passenger cars financial lease and loan portfolio



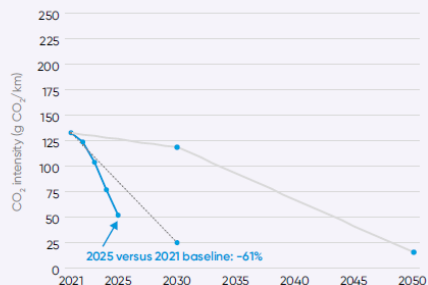
— Progress measurement and KBC targets
— Climate alignment scenario benchmark
..... Linear 2030 target progress line

LCVs financial lease and loan portfolio



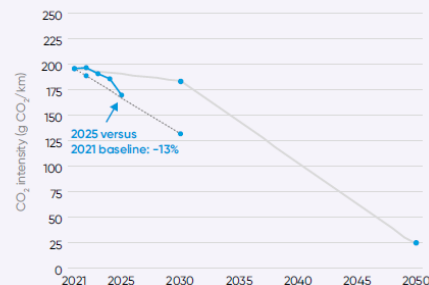
— Progress measurement and KBC targets
— Climate alignment scenario benchmark
..... Linear 2030 target progress line

Passenger cars operational lease portfolio



— Progress measurement and KBC targets
— Climate alignment scenario benchmark
..... Linear 2030 target progress line

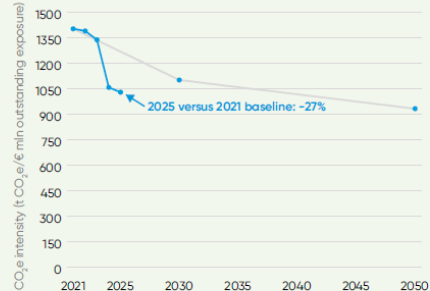
LCVs operational lease portfolio



— Progress measurement and KBC targets
— Climate alignment scenario benchmark
..... Linear 2030 target progress line

Agriculture

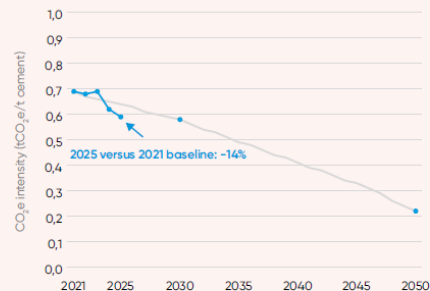
Agriculture portfolio



— Progress measurement and KBC targets
— Climate alignment scenario benchmark

Building and Construction

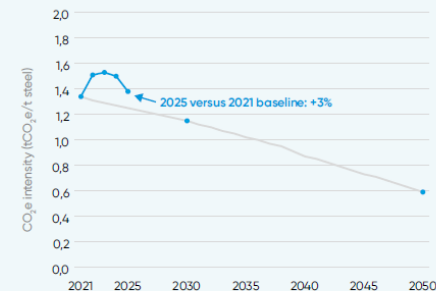
Cement sector portfolio



— Progress measurement and KBC targets
— Climate alignment scenario benchmark

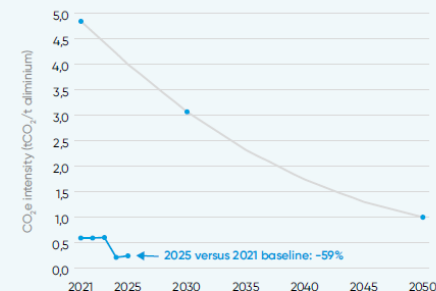
Metals

Steel sector portfolio



— Progress measurement and KBC targets
— Climate alignment scenario benchmark

Aluminium sector portfolio



— Progress measurement and KBC targets
— Climate alignment scenario benchmark

KBC Sustainability Statement 2025

(as part of the KBC Annual Report 2025)

Our mandatory reporting in line with the European Corporate Sustainability Reporting Directive (CSRD)



Annual Report
KBC Group

2025

KBC's Sustainability Statement 2025

Our mandatory reporting in line with the CSRD

The Corporate Sustainability Reporting Directive (CSRD) is a mandatory EU legislation designed to enhance the transparency and consistency of sustainability reporting on environmental, social and governance (ESG) topics among companies.

- Companies are required to perform a **Double Materiality Assessment (DMA)** in order to define which ESG topics are material. The outcome of this assessment defines the mandatory datapoints to report upon.
- These mandatory datapoints (both qualitative and quantitative) are defined in the **European Sustainability Reporting Standards (ESRS)**.



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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- By reading this presentation, each investor is deemed to represent that they possess sufficient expertise to understand the risks involved.