# Sustainability Report
## KBC Group

2024 Sustainability
**Facts and Figures**

KBC

# Sustainability **Facts and Figures**

This report is part of our overall Sustainability Report and 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 2024.

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 relevant sustainability-related information of KBC Group into one cohesive report for our stakeholders. This report 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 end of September 2024, unless stated otherwise.

For some datapoints 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 European Sustainability Reporting Standards (ESRS) oblige us to report beyond the financial consolidation scope for certain datapoints. This means that for certain datapoints, the Sustainability Statement also includes entities that are not fully consolidated. In this report we provide more detail on the differences in scope.

## Data gathering and reporting period

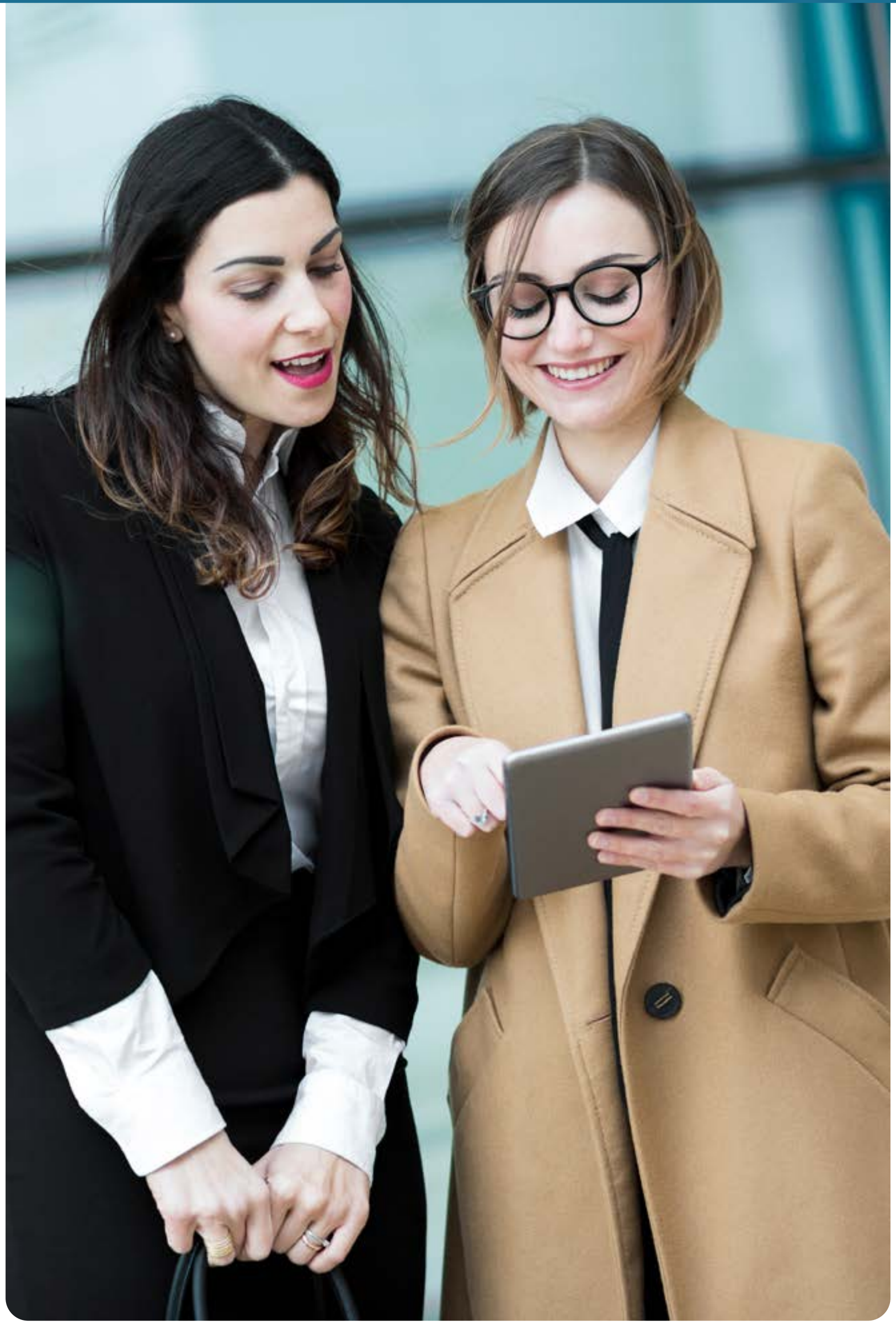
We have collected our sustainability data through a group-wide process that involves strict, hierarchical validation. All KBC entities in our core countries report on the non-financial areas of human capital, own footprint, our clients and community involvement. We gather climate-related data on our 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.

**The reporting period is 1 October of the previous year until 30 September of the current year, unless otherwise stated. A general exception applies to HR-related data, for which the reporting period for 2024 is 1 January 2024 – 31 December 2024.**

## External assurance

**Starting in 2024, our sustainability reporting will be 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 will 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.

Please note that we have done everything reasonably possible to avoid differences between identical datapoints 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.



## Main ESG ratings KBC Group

| | ESG rating | Score and rank[1] |
|---|---|---|
| | CDP[2] | A<br>Leader in addressing climate change |
| | S&P Global CSA Score | 67/100<br>Top 8% of 669 banks assessed<br>Included in the S&P Global Sustainability Yearbook |
| | Sustainalytics | 10.9<br>Low-risk rating<br>5th of 262 diversified banks assessed (3rd percentile) |
| | MSCI One ESG Rating | AAA<br>Leader among 482 banks |
| | ISS ESG Corporate Rating | C+<br>1st decile rank of 314 Commercial Banks & Capital Markets assessed |
| | FTSE 4 Good ESG Score | 100th percentile of banks assessed |

[1] End-of-year
[2] CDP 2024 scores released on February 6, 2025.

# Direct economic value generated and distributed

## Suppliers

We connect with our suppliers on environmental and social topics during 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 (environmental, social, governance) questionnaire.

Selected suppliers are asked to sign our KBC Group Code of Conduct for Suppliers.

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Operating costs | 1 | m euros | 1 384 | 1 375 | 1 224 |

1 Financial year (FY) data, see note 3.7 of the 2024 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 | 2024 | 2023 | 2022[3] |
|---|---|---|---|---|---|
| Total number of suppliers | 1 | number | 2 037 | 2768 | - |
| Number of suppliers that signed the KBC Code of Conduct for suppliers | 1, 2 | number | 1 752 | 2064 | - |
| Percentage of suppliers with a signed KBC Code of Conduct for Suppliers | | % | 86% | 75% | - |

1 Only the targeted suppliers, managed by the central procurement department, with 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 data systems.
3 New data gathered since 2023, therefore no comparison possible with 2022.

## Employees

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Staff expenses | 1 | m euros | 2 708 | 2 677 | 2 561 |

1 FY data, see note 3.7 of the 2024 KBC Group Annual Report.

## Shareholders

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Net result | 1 | m euros | 3 415 | 3 402 | 2 818 |
| Gross dividend per share | 2 | euros | 4.85 | 4.15 | 4.0 |

1 FY data, see 'Consolidated income statement' in the 2024 KBC Group Annual Report.
2 FY data, see 'Consolidated statement of changes in equity' in the 2024 KBC Group Annual Report.

## Clients

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Interest paid to clients (interest expense) | 1 | m euros | 14 172 | 14 697 | 6 063 |

1 FY data, see note 3.1 of the 2024 KBC Group Annual Report.

## Governments (tax)

For detailed country-by-country reporting on tax, please refer to the 2024 KBC Group Annual Report.

## Community

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Total corporate community investment | 1 | m euros | 18.8 | 20.3 | 18.3 |

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 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Lobbying, interest representation or similar | 1 | 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 | 5.49 | 5.25 | 5.03 |
| Largest contributions: | | | | | |
| Febelfin (Belgium Financial Sector Federation) | 1 | m euros | 2.01 | 1.96 | 1.81 |
| Assuralia (Belgian Professional Association of Insurers) | 1 | m euros | 1.04 | 0.98 | 0.94 |
| Česká bankovní asociace (Czech Banking Association) | 1 | m euros | 0.49 | 0.48 | 0.41 |
| Česká asociace pojišťoven (Czech Association of Insurance Companies) | 1 | m euros | 0.32 | 0.25 | 0.20 |
| VOKA (Flanders' Chamber of Commerce and Industry) | 1 | m euros | 0.21 | 0.20 | 0.19 |
| Others | 1 | m euros | 1.42 | 1.38 | 1.48 |
| Other (e.g. spending related to ballot measures or referendums) | 1 | m euros | 0 | 0 | 0 |
| Total contributions and other spending | 1 | m euros | 5.59 | 5.35 | 5.13 |

[1] Financial year (FY) data

# Sustainable finance

## Sustainable investing

### Responsible Investing (RI) on behalf of our clients

| | Note | Unit | Target | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| Total RI direct client money | 1 | bn euros | | 50.8 | 40.7 | 32.3 |
| RI funds in % of total direct client money | 1 | % | 45% (2025)<br>55% (2030) | 44 | 41 | 37 |
| RI funds in % of total annual fund production (gross sales) | 1 | % | 65% (2030) | 51 | 35 | 48 |

[1] FY data

## Our commitment concerning our social impact

### Social impact finance

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Loan portfolio in healthcare and senior living sector (granted amount) | 1 | bn euro | 6.17 | 6.23 | 6.20 |
| Loan portfolio in education sector (granted amount) | 1 | bn euro | 1.23 | 1.17 | 1.15 |

[1] FY data

### KBC social bond

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Current year** | | | | | |
| Total amount of social bonds issued | 1 | m euros | 0 | 750 | 750 |
| **Aggregated** | | | | | |
| Total amount of social bonds issued | 1 | m euros | 1 500 | 1 500 | 750 |

[1] FY data

### Financial inclusion and impact investing

#### BRS vzw

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Number of projects in the Global South | 1 | number | 15 | 15 | 14 |
| Number of countries | 1 | number | 8 | 8 | 9 |
| Financial support for projects | 1 | euros | 277 116 | 293 698 | 145 005 |
| Number of days of coaching and training (mainly by KBC staff volunteering for BRS) | 1 | number | 500 | 491 | 408 |
| Number of days of training via Microfact.org providing e-learning, on-site assistance and free tools for financial performance analysis and business planning | 1 | number | 98 | 82 | 105 |
| Budget spent on coaching and training | 1 | euros | 198 786 | 241 489 | 101 983 |

[1] FY data

#### BRS Microfinance Coop

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Cooperative share capital | 1 | m euros | 21.5 | 21.8 | 22.2 |
| Share of capital contributed by KBC | | % | 34.87 | 34.43 | 33.77 |
| Outstanding balance (loans to microfinance institutions and investment in microfinance funds) | 1 | m euros | 11.6 | 10.5 | 9.7 |
| Number of microfinance institutions financed | 1 | number | 3 | 3 | 6 |

[1] FY data

# 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 further in this section.

| | Note | Unit | Target | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| Loan portfolio in renewable energy and biofuel sector (granted amount) | | bn euros | | 3.18 | 2.57 | 2.26 |
| of which renewable energy project finance (granted amount) | 1 | bn euros | | 2.04 | 1.98 | 1.73 |
| Avoided greenhouse gas emissions through renewable energy project finance | 2 | tonnes $CO_2e$ | | 1 079 587 | 769 893 | 601 368 |
| Loan portfolio in renewable energy and biofuel sector, share in total energy portfolio (excluding transmission and distribution) | 3 | % | 75 (2030) | 67 | 62 | 63 |
| Mortgages for energy efficient housing (outstanding amount) | 4 | bn euros | | 21.0 | 15.2 | 11.7 |
| Low-carbon vehicles financing (outstanding amount) | 5, 6 | m euros | | 1 257 | 714 | 319 |
| Exposure to coal-related activities: remaining direct coal-related financing (granted amount at year-end) | | m euros | 0 (2021) | 0 | 0 | 14 |

[1] FY data for 2024; for KBC Bulgaria only new granted financing was included in 2023.
[2] Part of the new financed renewable assets were not yet in production in 2023. As projects came into production in 2024, avoided emissions increased significantly in 2024.
[3] The share of renewable financing increased significantly to 67% of our total energy portfolio in 2024. 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 again towards the 2030 target, though some volatility is possible along the way as country transition plans are being reviewed.
[4] Includes data for 2023 and 2024 of Belgium, the Czech Republic, Bulgaria, Hungary and Slovakia. The 2022 data do not include KBC Bank Bulgaria EAD. 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 first 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 $CO_2$/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 previous report as a result of a standardisation of definition that is aligned across different reporting periods .

## Sustainability-linked loans

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Sustainability-linked loans | 1 | m euros | 1 200 | 927 | – |

[1] Last year we began using a new methodology to categorise our contribution to environmental objectives. As 2024 marks the second year we are applying this methodology, this results in two years of available data.

## Loans aligned to the EU Taxonomy criteria and to criteria of other external frameworks

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. 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 above table are aligned with the EU Taxonomy criteria and are for that reason not fully included in the table below.

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Mandatory EU Taxonomy reporting** | 1, 2, 3 | m euros | 1 028 | 406 | – |
| **Voluntary EU Taxonomy reporting** | 1, 2 | m euros | 4 029 | 3 750 | – |
| EU Taxonomy-aligned loans to non-NFRD companies and Special Purpose Vehicles (SPVs) and subsidiaries of NFRD companies | 1, 2, 4 | m euros | 1 587 | 1 371 | – |
| Estimated EU Taxonomy-alignment of our Belgian and Bulgarian mortgage portfolio | 1, 2 | m euros | 2 442 | 2 379 | – |
| **Others** | 1, 2 | m euros | 8 901 | 3 055 | – |
| Loans only complying with the Substantial Contribution criteria of the EU Taxonomy | 1, 2 | m euros | 8 052 | 2 597 | – |
| Loans that comply with other third-party sustainability frameworks | 1, 2 | m euros | 849 | 458 | – |

[1] Last year we began using a new methodology to categorise our contribution to environmental objectives. As 2024 marks the second year we are applying this methodology, this results in two years of available data.
[2] Mandatory and Voluntary EU Taxonomy reporting are based on end-of-year figures. All other figures are based on 30 September figures.
[3] Mandatory EU Taxonomy reporting is based on turnover KPI published by the CSRD counterparties.
[4] Only the SPVs and subsidiaries of CSRD companies that are not consolidated by the CSRD company are included here.

## Non-life insurance portfolio aligned with the EU Taxonomy criteria for climate change adaptation

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Taxonomy-aligned premium (gross written premium (GWP)) | 1, 2, 3 | m euros | 43 | 156 | – |

[1] Last year we began using a new methodology to categorise our contribution to environmental objectives. As 2024 marks the second year we are applying this methodology, this results in two years of available data.
[2] 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).
[3] Based on the experience gained through last year's reporting and after a thorough assessment of our initial interpretation of the EU Taxonomy in the course of 2024, we further fine-tuned our approach with regard to both taxonomy eligibility and alignment. As a result of the latter, whereas we previously reported taxonomy alignment related to all segments of KBC Insurance's 'Fire and other damage to property' insurance portfolio in 2023, we now specifically limit such reporting to the corporate segment.

## Own investments of KBC Bank: Green Bonds, Sustainability and Social Bonds

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Own investments in Green Bonds and Sustainability Bonds issued by SSAs (Supranational, Sovereign and Agency), FIs (Financial Institutions) and corporates (nominal value) | 1, 2, 3 | m euros | 1 588 | 1 476 | – |
| Own investments in Social Bonds issued by SSAs and FIs | 4 | m euros | 540 | – | – |

[1] Last year we began using a new methodology to categorise our contribution to environmental objectives. As 2024 marks our second year applying this methodology, this results in two years of available data.
[2] Green Bonds (bonds of which the proceeds are used to (re)finance green assets or projects) in line with the International Capital Market Association (ICMA) Green Bond Principles (GBP).
[3] Sustainability Bonds (bonds of which the proceeds 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.
[4] We are reporting our Social Bonds for the first time this year. Social Bonds exclusively fund social assets or projects, in line with the ICMA SBP.

## KBC Green Bonds issued by KBC

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Current year** | | | | | |
| Total amount of green bonds issued | 1 | m euros | 750 | 0 | 0 |
| **Aggregated** | | | | | |
| Total amount of Green Bonds outstanding at year end | 1, 2 | m euros | 2 000 | 1 250 | 1 750 |
| Total annual avoided emissions | 1, 2, 3 | tonnes CO2e | 430 256 | 252 286 | 279 862 |
| Total renewable energy produced | 1, 2, 3 | MWh | 1 735 314 | 1 293 173 | 1 581 435 |
| Total energy saved | 1, 2, 3 | MWh | 195 410 | 60 440 | 82 656 |

[1] FY data

[2] Emissions avoided, renewable energy produced, and energy saved all increased significantly compared to 2023 thanks to the issue of a new 750m Green Bond in 2024, as well as due to renewable finance projects becoming operational.

[3] Figures in this table are subject to limited assurance by the auditor of these green bonds, PWC. 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 Bond Impact Report (as of reporting year 2024 integrated in The Green and Social Bond Report), published on our website. Please refer to the KBC Green Bond Impact Report 2024 for final figures.

## Advice provided by experts on sustainability-related matters in 2024 (end-of-year data)

**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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controversial weapons (including nuclear and white phosphorous weapons) | 12 | 10 | 0 | 2 | 12 | 0 | 0 |
| Defence-related activities with exception of controversial weapons | 63 | 43 | 9 | 11 | 55 | 8 | 0 |
| Controversial regimes | 6 | 4 | 2 | 0 | 6 | 0 | 0 |
| Biodiversity | 16 | 15 | 1 | 0 | 14 | 2 | 0 |
| Soft commodity speculation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| Energy | 103 | 84 | 12 | 7 | 98 | 5 | 0 |
| Gambling | 9 | 6 | 1 | 2 | 7 | 2 | 0 |
| Tobacco | 18 | 11 | 0 | 7 | 12 | 6 | 0 |
| Others | 36 | 29 | 6 | 1 | 29 | 7 | 0 |
| **Total** | **263** | **202** | **31** | **30** | **233** | **30** | **0** |

Since 2023, part of the expert advice function has shifted to local country level. In practical terms, this means that where the decision is taken locally, requests for advice related to our sustainability policies are also processed at a local level. Below is a breakdown of the advice, by level: Group Corporate Sustainability level or local, core country level.

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Advice provided by** | | | | | |
| Group Corporate Sustainability | | number | 157 | 174 | 270 |
| Belgium | | number | 35 | 49 | – |
| Bulgaria | | number | 27 | 29 | – |
| Czech Republic | | number | 29 | 43 | – |
| Hungary | | number | 4 | 6 | – |
| Slovakia | | number | 11 | 17 | – |
| **Total** | | **number** | **263** | **318** | **270** |

## 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 table below.

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Project finance, number of transactions** | 1 | number | 20 | 6 | 11 |
| of which Category A transactions* | 1 | number | 0 | 0 | 0 |
| of which Category B transactions** | 1 | number | 7 | 4 | 3 |
| of which Category C transactions*** | 1 | number | 13 | 2 | 8 |
| **Project-related corporate loans, number of transactions** | 1 | number | 13 | 15 | 13 |
| of which Category A transactions* | 1 | number | 0 | 0 | 0 |
| of which Category B transactions** | 1 | number | 0 | 2 | 0 |
| of which Category C transactions*** | 1 | number | 13 | 13 | 13 |
| **Project finance advisory** | 1 | number | 0 | 0 | 0 |
| **Project finance and project-related corporate loans, by sector** | 1 | | | | |
| Real estate | 1, 2 | number | 11 | 9 | 13 |
| Infrastructure | 1 | number | 8 | 2 | 2 |
| Power | 1 | number | 13 | 10 | 8 |
| Other | 1 | number | 1 | 0 | 1 |
| **Project finance and project-related corporate loans, by region** | 1 | | | | |
| Europe, Middle East and Africa | 1 | number | 33 | 21 | 24 |
| **Project finance and project-related corporate loans, designated country** | 1 | | | | |
| Yes | 1 | number | 27 | 15 | 18 |
| No | 1 | number | 6 | 6 | 6 |
| **Project finance and project-related corporate loans, independent review** | 1 | | | | |
| Yes | 1 | number | 27 | 9 | 6 |
| No | 1 | number | 6 | 12 | 18 |

*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] FY data
[2] From 2020 onwards our Equator Principles reporting also includes large real estate development and real estate re-development projects, albeit confined to projects with investment costs exceeding 30 million euros.

## 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 Principles for Responsible Banking (PRB) in the Responsible Banking Progress Statement.

## 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 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| Number of start-ups supported through Start it @KBC in Belgium | 1 | number | | 152 | 148 | 142 |
| Female entrepreneurs selected (as a % of total entrepreneurs) | 1, 2 | % | 50% | 39% | 35% | 34% |

[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).

## Financial literacy of young adults on mortgages in Belgium

| Indicator | Note | Unit | Target | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| Number of young adults reached (increasing our positive impact) | | number | 35 000 (by 2030) | 823 | - | - |
| Performance of KBC on the relative share of young adults in a situation of over-indebtedness compared to our peers (limiting our negative impact) | | % | Minimum 50% better than our peers (by 2030) | 68.5% | - | - |

## Anti-money laundering, anti-corruption, data protection and cyber security

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Employees that have completed training in:** | | | | | |
| Anti-money laundering (as a % of target audience) | 1, 2 | % | 98 | 96 | 97 |
| General Data Protection Regulation (GDPR) (as a % of target audience) | 1, 2 | % | 99 | 98 | 96 |
| Anti-corruption | 1, 2 | % | 99 | 98 | 98 |
| 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 3 years for 95% of cases.

# Employees

We collect data on our employees and report on these on an annual basis. Starting in 2024, we will include mandatory HR data in the Sustainability Statement of our Annual Report in line with the ESRS. The Corporate Sustainability Reporting Directive (CSRD) has changed our reporting. We have aligned voluntary Human Resources data reporting in our Sustainability Report accordingly. Consequently, **the 2024 employee data scope differs from previous years and is not fully comparable, for two reasons:**

- **The scope of our data gathering changed with effect from 2024** to align with the reporting boundaries required by the CSRD. In our 2024 reporting, we excluded several entities that are not part of the financial consolidation of KBC Group, which previously were included. This concerns, for example, specific entities in VAB Group.
- **2024 figures on our employees relate to the period 1 January 2024 – 31 December 2024** as opposed to 1 October – 31 September.

## Number of employees

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Full-time equivalents (FTE) | 1 | number | 37 588 | 38 786 | 39 215 |
| Headcount | 1 | number | 39 929 | 41 447 | 41 873 |
| FTE excluding flexible DPP and DPC contracts (temporary contracts primarily for students) in the Czech Republic and Slovakia | | number | 37 448 | 38 645 | 39 081 |
| Headcount excluding flexible DPP and DPC contracts (temporary contracts primarily for students) in the Czech Republic and Slovakia | | number | 39 788 | 40 666 | 41 071 |

1 FTE and headcount figures include flexible DPP and DPC contracts (temporary contracts primarily for students) in the Czech Republic and Slovakia, unless indicated otherwise. Entity scope has been aligned to the CSRD entity scope, leading most notably to a decrease due to the exclusion of a number of entities in the VAB group, which are also not included in the financial consolidation of KBC Group NV.

## Non-employee workers

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Non-employee workers | 1, 2 | number | 3 191 | 3 257 | 3 342 |

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

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Belgium | | % (number) | 36.4 (14 553) | 38.7 | 38.2 |
| Bulgaria | | % (number) | 15.9 (6 338) | 16.0 | 15.9 |
| Czech Republic | | % (number) | 28.6 (11 432) | 25.5 | 24.9 |
| Hungary | | % (number) | 9.8 (3 912) | 9.9 | 9.3 |
| Ireland | 1 | % (number) | - | - | 2.6 |
| Slovakia | | % (number) | 8.2 (3 279) | 7.9 | 8.1 |
| Rest of the world | 1,2 | % (number) | 1.0 (415) | 2.0 | 1.0 |

1 Remaining entities of KBC Ireland are included under 'Rest of the world' from 2023 onwards.
2 The decrease in percentage for 'Rest of the World' is due to the gradual phase-out of our workforce in Ireland.

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## Employees (FTE), by age group

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Total employees** | | | | | |
| < 30 years | | % | 14 | 15 | 14 |
| 30-50 years | | % | 56 | 55 | 56 |
| > 50 years | | % | 30 | 30 | 30 |
| **Board of Directors** | | | | | |
| < 30 years | | % | 0 | 0 | 0 |
| 30-50 years | | % | 6 | 6 | 12 |
| > 50 years | | % | 94 | 94 | 88 |
| **Executive Committee** | | | | | |
| < 30 years | | % | 0 | 0 | 0 |
| 30-50 years | | % | 0 | 14 | 28 |
| > 50 years | | % | 100 | 86 | 72 |

## Employees (FTE), by employment type

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Permanent | | % (number) | 96 (35 765) | 96 | 95 |
| Temporary | | % (number) | 4 (1 683) | 4 | 5 |
| Non-guaranteed hours employees | | % (number) | 0 (140) | | |
| Full-time | | % (number) | 87 (32 764) | 84 | 84 |
| Part-time | | % (number) | 13 (4 824) | 16 | 16 |

## Employees (FTE), by employment type, by gender

| | Note | Unit | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | | | Men | Women | Men | Women | Men | Women |
| Permanent | | % (number) | 44 (15 896) | 56 (19 869) | 44 | 56 | 44 | 56 |
| Temporary | | % (number) | 40 (665) | 60 (1 017) | 37 | 63 | 33 | 67 |
| Non-guaranteed hours employees | | % (number) | 0 (48) | 0 (93) | | | | |
| Full-time | | % (number) | 47 (15 443) | 53 (17 321) | 47 | 53 | 47 | 53 |
| Part-time | | % (number) | 24 (1 166) | 76 (3 657) | 24 | 76 | 24 | 76 |

## Employees (headcount), by employment type, by country

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Belgium** | | | | | |
| Permanent | | % | 99.8 | 99.5 | 99.6 |
| Temporary | | % | 0.2 | 0.5 | 0.4 |
| **Bulgaria** | | | | | |
| Permanent | | % | 97.6 | 97.4 | 97.1 |
| Temporary | | % | 2.4 | 2.6 | 2.9 |
| **Czech Republic** | | | | | |
| Permanent | | % | 83.8 | 89.5 | 89.4 |
| Temporary | | % | 16.2 | 10.5 | 10.6 |
| **Hungary** | | | | | |
| Permanent | | % | 99.8 | 99.7 | 99.2 |
| Temporary | | % | 0.2 | 0.3 | 0.8 |
| **Ireland** | 1 | | | | |
| Permanent | | % | - | - | 97.7 |
| Temporary | | % | - | - | 2.3 |
| **Slovakia** | | | | | |
| Permanent | | % | 82.7 | 87.6 | 85.3 |
| Temporary | | % | 17.3 | 12.4 | 14.7 |
| **Rest of the world** | 1 | | | | |
| Permanent | | % | 99.8 | 97.6 | 98.9 |
| Temporary | | % | 0.2 | 2.4 | 1.1 |

[1] Remaining entities of KBC Ireland are included under 'Rest of the world' from 2023 onwards.

## Employees (headcount), by function classification

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Top management (Top 300) | | % | 0.7 | 0.6 | 0.5 |
| Middle and junior management | | % | 44.2 | 42.1 | 40.8 |
| White and blue collar | | % | 55.1 | 57.3 | 58.7 |

## New employees and employee turnover

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| New employee hires, total headcount | | number | 5 117 | 5 166 | 5 120 |
| Employee turnover, total headcount | 1, 2, 3 | % (number) | 13.5 (5 394) | 13.1 | 15.3 |
| Proportion of voluntary leavers | 4 | % | 65.5 | 81.2 | 89.2 |
| Internal mobility | 5 | % | 17.7 | 21.1 | 14.6 |
| 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] The figure reported in 2022 excludes the employees migrated from KBC Group to KBC Global Services in 2022. This migration of employees is part of a larger project to comply with the subordination requirement for MREL (Minimum Requirements for own funds and Equity Liabilities), as defined by the Single Resolution Board and applicable from January 2024 and is hence not considered employee turnover.
[3] We refer to the table 'New employee hires and employee turnover, by country' for more information on per-country employee turnover.
[4] The significant drop in the proportion of voluntary leavers in 2024 can be explained by the use of a new calculation formula compared to 2022 and 2023.
[5] Internal mobility is the internal mobility divided by the total headcount at the end of the reporting period.

## New employee hires and employee turnover (headcount), by country

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **New employee hires** | | | | | |
| Belgium | | Number | 890 | 1 163 | 1 156 |
| Bulgaria | | Number | 827 | 1 318 | 1 392 |
| Czech Republic | 1 | Number | 2 272 | 1 395 | 1 394 |
| Hungary | | Number | 751 | 769 | 694 |
| Ireland | 2 | Number | – | – | 16 |
| Slovakia | | Number | 357 | 488 | 417 |
| Rest of the world | 2 | Number | 20 | 33 | 51 |
| **Employee turnover** | 3 | | | | |
| Belgium | 4 | % | 5.7 | 9 | 11.5 |
| Bulgaria | 5 | % | 19.4 | 19.7 | 23.5 |
| Czech Republic | 1 | % | 17.7 | 13.8 | 13.9 |
| Hungary | | % | 19 | 14 | 18.7 |
| Ireland | 2 | % | – | – | 11 |
| Slovakia | 6 | % | 13.8 | 16.7 | 18.4 |
| Rest of the world | 2 | % | 14 | 15.7 | 13.8 |

1 The steep increase in 2024 in new employee hires and in employee turnover can be explained by the difference in scope. The 2024 figure includes DPP and DPC contracts (temporary contracts primarily for students) which allow a greater degree of flexibility for the employer and the employee.
2 Remaining entities of KBC Ireland are included under 'Rest of the world' from 2023 onwards.
3 Turnover rates vary between our core countries due to differences in labour market dynamics, economic conditions and job opportunities.
4 The figure reported in 2022 excludes the employees migrated from KBC Group to KBC Global Services in 2022. This migration of employees is part of a larger project to comply with the subordination requirement for MREL (Minimum Requirements for own funds and Equity Liabilities), as defined by the Single Resolution Board and applicable from January 2024.
5 The increased turnover in Bulgaria in 2022 was mainly due to the merger with the Bulgarian operations of Raiffeisen Bank International and staff anticipation of expected, structural changes.
6 The increased turnover in Slovakia in 2022 was mainly due to the merger with OTP Bank taking full effect.

## New employee hires (headcount), by age

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| < 30 years | | % | 50.8 | 47.6 | 45.5 |
| 30–50 years | | % | 42.5 | 45.7 | 45.1 |
| > 50 years | | % | 6.7 | 6.7 | 9.4 |

## New employee hires (headcount), by gender

| | Note | Unit | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | | | Men | Women | Men | Women | Men | Women |
| New employee hires | | % | 43.7 | 56.3 | 42.5 | 57.5 | 40.2 | 59.8 |

## Diversity and inclusion (headcount)

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Employees by gender** | | | | | |
| Male | | % (number) | 43 (17 241) | 43 | 43 |
| Female | | % (number) | 57 (22 688) | 57 | 57 |
| Women promoted as a % of total promotions | | % | 60 | 62 | 59 |
| Women in non-managerial functions | 1 | % | 58 | 59 | 60 |
| Women in IT & Engineering | 2 | % | 31 | 31 | 28 |

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 | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | | | Men | Women | Men | Women | Men | Women |
| Board of Directors | | % | 69 | 31 | 69 | 31 | 62 | 38 |
| Group Executive Committee | 1 | % | 86 | 14 | 86 | 14 | 86 | 14 |
| Top management | 2 | % | 74 | 26 | 75 | 25 | 76 | 24 |
| Middle and junior management | | % | 57 | 43 | 57 | 43 | 57 | 43 |
| White and blue collar | | % | 32 | 68 | 33 | 67 | 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 at KBC currently remain underrepresented – we have set a goal of having one female candidate and one male candidate for every new top management nomination.

## Diversity of nationalities[1] (headcount)

| | Note | Unit | 2024 | | 2023 | | 2022 |
|---|---|---|---|---|---|---|---|
| | | | Top management | Middle and junior management | Top management | Middle and Junior management | Top, middle and junior Management |
| Belgian | | % | 50 | 43 | 43 | 43 | 37 |
| Czech | | % | 18 | 31 | 29 | 31 | 24 |
| Slovak | | % | 10 | 9 | 8 | 9 | 9 |
| Bulgarian | | % | 11 | 3 | 10 | 3 | 16 |
| Hungarian | | % | 9 | 11 | 8 | 12 | 9 |
| Other | | % | 2 | 3 | 2 | 2 | 5 |

1 For details on the diversity of nationalities of our Group Executive Committee and our Board of Directors, please refer to the 2024 KBC Group Annual Report.

## Compensation metrics (headcount)

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Unadjusted gender pay gap | 1 | % | 31.2 | | |
| Adjusted gender pay gap | 1 | % | 3.2 | | |
| Annual total remuneration ratio | 2 | number | 93 | | |

1 We refer to the 'Our people' section for more information on how we measure the gender pay gap.
2 For the Annual Total Remuneration ratio, the specific structure of KBC should be taken into account. Our core countries have large differences in local remuneration in absolute figures. Every country has its own CEO. The annual total remuneration ratio is therefore more meaningful and comparable if we consider such ratio at country level, by comparing the local highest paid individual with the local median remuneration.

## Health and workplace (headcount)

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Sick leave (days) | | number | 6.8 | 8.0 | 9.0 |
| Sick-leave rate (share of working days) | | % | 3.3 | 3.8 | 4.2 |
| Lost-time injury frequency rate (LTIFR) (per million hours worked) | 1 | number | 1.17 | 1.75 | 1.91 |
| Work-related accidents | | number | 79 | | |
| Fatalities as a result of work-related injuries and work-related ill health | | number of employees | 0 | | |
| Fatalities as a result of work-related injuries and work-related ill health | | number of other workers working on our sites | 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 | | |

1 LTIFR is the number of injuries as a result of work-related injury/number of hours worked x 1 000 000.

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## Inclusive culture (headcount)

| | Note | Unit | 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Belgium | Bulgaria | Czech Republic | Hungary | Slovakia | Rest of the world |
| Number of weeks of fully paid maternity leave for employees in the core countries across the group | | number | 15 | 19 | 28 | 24 | 34 | 9.82 |
| Number of weeks of fully paid paternity leave for employees in the core countries across the group | | number | 4 | 2 | 2 | 1 | 28 | 2.3 |
| Employees with access to on-site lactation rooms | | % | 100 | 22 | 100 | 100 | 100 | 36.3 |

## Labour relations (headcount)

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Employees covered by collective bargaining agreements | | % | 87 | 86 | 77 |
| Employees covered by employee representation structures | | % | 88 | 80[1] | 74 |

[1] The 2023 percentage was recalculated due to inconsistencies between local data provided for 2023 and 2024.

# Competence, learning and development and engagement

## Highest educational level achieved (headcount)

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Master's degree and higher | | % | 40.2 | 37.9 | 38.4 |
| Bachelor's degree | | % | 35.2 | 35 | 34.4 |
| Secondary education certificate | | % | 24.6 | 26.9 | 27 |
| Primary education certificate | | % | 0 | 0.2 | 0.2 |

## Learning and development (headcount)

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Total time spent on learning and development per FTE** | 1, 2 | days | 5.2 | 5.4 | 4.0 |
| Training to female employees | | % | 59 | 50.4 | - |
| Training to male employees | | % | 41 | 49.6 | - |
| **Employees participating in (top) talent development programmes (end-of-year data)** | | Number | 20 | 23 | 24 |
| Male | | Number | 8 | 13 | 11 |
| Female | | Number | 12 | 10 | 13 |
| **KBC University Programme** | | | | | |
| Total time spent by top management and top talent on KBC University training programmes and events | 3 | days | 822 | 452 | 408 |

[1] This excludes KBC University training programmes completed by top management and top talent, as these are reported separately.

[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 is often not formally registered, while – based on relevant literature – it is assumed that employees spend up to one third of their working hours on 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] In 2024 there was a one-off, two-day programme on the strategy update for all top management.

## Group employee survey (headcount)

| | Note | Unit | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| **Response rate**[1] | | | 2nd half year | 1st half year | 2nd half year | 1st half year | 2nd half year | 1st half year |
| Belgium | | % | 82 | 81 | 80 | 81 | 77 | 75 |
| Bulgaria | 2 | % | 90 | 88 | 76 | 72 | 78 | 76 |
| Czech Republic | 2 | % | 81 | 80 | 77 | 73 | 80 | 74 |
| Hungary | | % | 83 | 83 | 85 | 84 | 87 | 85 |
| Slovakia | | % | 86 | 87 | 80 | 85 | 43 | 50 |
| Group Services branches Czech Republic and Bulgaria | | % | 96 | 95 | 98 | 94 | 88 | 88 |

[1] For more information on the employee engagement survey, please refer to the 'Our people' part of the 2024 Sustainability Report.
[2] Excluding KBC's own shared service centres in Czech Republic and Bulgaria, which are reported separately.

| | Note | Unit | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| **Engagement score**[1] | | | Q3-Q4 | Q1-Q2 | Q3-Q4 | Q1-Q2 | Q3-Q4 | Q1-Q2 |
| Belgium | | % | 82 | 80 | 77 | 76 | 72 | 69 |
| Bulgaria | 2 | % | 63 | 66 | 64 | 69 | 65 | 70 |
| Czech Republic | 2 | % | 74 | 75 | 75 | 76 | 76 | 73 |
| Hungary | | % | 61 | 66 | 65 | 68 | 68 | 64 |
| Slovakia | | % | 75 | 76 | 65 | 65 | 58 | 62 |
| Group Services branches Czech Republic and Bulgaria | | % | 76 | 70 | 74 | 74 | 70 | 66 |

[1] For more information on the employee engagement survey, please refer to the 'Our people' part of the 2024 Sustainability Report. The engagement score is the sum of the engaged and strongly engaged employees. This represents the sum of the employees who – on a 6-point scale going from strongly disagree to strongly agree – gave a score of 4.5 or higher, on average, for the three defined engagement questions (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.

# Incidents, complaints and severe human rights impacts

## Number of incidents of discrimination including harassment (headcount)

| | Note | Unit | 2024 |
|---|---|---|---|
| Total number of incidents of discrimination, including harassments (of which number of justified incidents/complaints of discrimination, including harassments) | | number | 17 (4) |
| Number of complaints filed through channels for people in own workforce to raise concerns (other work-related complaints) | | number | 9 |
| Number of complaints filed through the National Contact Points for OECD | | number | 0 |

# 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 rather situated in the various countries and aligned 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 outline examples of ways in which we are involved in the communities in which we operate.

| | Note | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| **Total corporate community investment** | 1, 2 | m euros | 18.8 | 20.3 | 18.3 |
| **By country** | | | | | |
| Belgium | | m euros | 13.4 | 14.6 | 13.0 |
| Bulgaria | | m euros | 0.2 | 0.2 | 0.1 |
| Czech Republic | | m euros | 3.6 | 4.2 | 4.3 |
| Hungary | | m euros | 0.6 | 0.5 | 0.5 |
| Slovakia | | m euros | 1.0 | 0.8 | 0.4 |
| **By type of contribution** | | | | | |
| Cash contributions | | m euros | 10.2 | 10.5 | 9.5 |
| Time: employee volunteering during paid working hours | | m euros | 6.5 | 7.4 | 5.6 |
| In-kind giving: product or service donations, projects/partnerships or similar | | m euros | 0.3 | 0.5 | 0.8 |
| Management overheads | | m euros | 1.8 | 1.9 | 2.4 |
| **By motivation for contribution** | | m euros | | | |
| Charitable donations | | m euros | 3.7 | 3.4 | 4.3 |
| Community Investments | | m euros | 13.3 | 15.4 | 12.4 |
| Commercial activities | | m euros | 1.8 | 1.5 | 1.6 |
| Employee volunteering hours (estimated number) | | number | 32 000 | 30 000 | 20 000 |

[1] Based on the B4SI (Business for Societal Impact) Framework.

# 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 below 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 Trucost 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' Report and the Sustainability Statement in the KBC Group Annual Report.

We report detailed GHG emissions and activity data on the following pages.

| Source of GHG emissions | Scope and boundary of KBC GHG emissions | Data quality[1] |
|---|---|---|
| **Scope 1** | | |
| Fuel combustion | Includes emissions from fuel combustion in all company-owned or -controlled, group-wide operations | Score 1 |
| Company-owned or -controlled, non-electric vehicle fleet | Includes emissions from company-owned or -controlled, non-electric vehicle fleets of all group-wide operations[2] | Score 1 |
| Refrigeration and air-conditioning equipment | Includes 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 or-controlled, electric vehicle fleet | Includes emissions from company-owned or -controlled, electric vehicle fleet of all group-wide operations[2] | 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) | Includes emissions from waste generation and waste processing of all group-wide operations | Score 1 |
| Business travel (Category 6) | Includes 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) | Includes 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 sold products (Category 10) | Not relevant/material to KBC as a financial services company | |
| Use of sold products (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[3] | Score ranges from 1–5 (detailed scores are available in the 'Indirect environmental impact' section of this chapter) |
| | Emissions from KBC's insurance own investments (Scope 1 and 2)[4] | |
| | Emissions from KBC's bank sovereign bond portfolio (Scope 1 and 2)[4] | |
| Investments (Optional Category 15) | Emissions from KBC's insurance underwriting portfolio (Scope 1 and 2)[5] | 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 and 2)[4] | |
| | Emissions from the investments of *Pensioenfonds* KBC[4] | |

[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 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] As from reporting year 2023 we include GHG emissions from KBC's total own fleet. This means that we include not only the GHG emissions from commuter and business travel with KBC's own fleet, but also the GHG emissions from the private use of KBC's own fleet by its employees.
[3] Please note that debt securities issued by companies or banks (such as bonds) held by KBC Bank and managed by Group Treasury are included. Government debt securities are not part of the loan portfolio scope and intensities as those are calculated separately.
[4] The climate-related impact of KBC Insurance's own investments, KBC Bank's sovereign bond portfolio, the investments of Pensioenfonds KBC, as well as indirect emissions stemming from the Assets under Management of KBC Asset Management are reported in carbon intensities. The absolute emissions corresponding to our investment portfolios were not available at the reporting date.
[5] We report only on the part of the insurance underwriting portfolio that is in scope of the PCAF guidance, which currently only covers personal motor lines and commercial lines.

## 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 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.

| GHG emissions | Unit | 2024 |
|---|---|---|
| **Scope 1 GHG emissions** | | |
| Gross Scope 1 GHG emissions | $tCO_2e$ | 40 717 |
| **Scope 2 GHG emissions** | | |
| Gross location-based Scope 2 GHG emissions | $tCO_2e$ | 35 361 |
| Gross market-based Scope 2 GHG emissions | $tCO_2e$ | 4 626 |
| **Significant Scope 3 GHG emissions** | | |
| Total Gross indirect (Scope 3) GHG emissions | $tCO_2e$ | 45 825 058 |
| 1 Purchased goods and services | $tCO_2e$ | 1 552 |
| 2 Capital goods | | N/A |
| 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) | | N/A |
| 4 Upstream transportation and distribution | | N/A |
| 5 Waste generated in operations | $tCO_2e$ | 812 |
| 6 Business travelling | $tCO_2e$ | 4 506 |
| 7 Employee commuting | $tCO_2e$ | 16 794 |
| 8 Upstream leased assets | | N/A |
| 9 Downstream transportation | | N/A |
| 10 Processing of sold products | | N/A |
| 11 Use of sold products | | N/A |
| 12 End-of-life treatment of sold products | | N/A |
| 13 Downstream leased assets | | N/A |
| 14 Franchises | | N/A |
| 15 Investments[1] | $tCO_2e$ | 45 801 394 |
| of which White Paper sectors and product lines | $tCO_2e$ | 26 822 564 |
| of which remaining sectors | $tCO_2e$ | 18 978 830 |
| **Total GHG emissions** | | |
| Total GHG emissions (location based) | $tCO_2e$ | 45 901 136 |
| Total GHG emissions (market based) | $tCO_2e$ | 45 870 401 |

| Significant Scope 3 GHG emissions | Unit | 2024 |
|---|---|---|
| **GHG emissions from insurance underwriting** | | |
| 15 Investments (optional) | | |
| insurance-associated emissions[2] | $tCO_2e$ | 457 229 |
| of which Belgian portfolio[2] | $tCO_2e$ | 199 719 |

| Significant Scope 3 GHG emissions | Unit | 2024 |
|---|---|---|
| **GHG emissions from investment portfolios** | | |
| 15 Investments (required) | | |
| Own investments of KBC Insurance | | |
| investments in corporates | t $CO_2e$/ m USD of revenues | 27 |
| investments in sovereigns | t $CO_2e$/ m USD of GDP | 522 |
| Own investments of KBC Bank | | |
| investments in sovereigns | t $CO_2e$/ m USD of GDP | 623 |
| 15 Investments (optional) | | |
| Emissions from Asset Management portfolio | | |
| investments in corporates | t $CO_2e$/ m USD of revenues | 58 |
| investments in sovereigns | t $CO_2e$/ m USD of GDP | 532 |
| Own investments of *Pensioenfonds* KBC[3] | | |
| investments in corporates | t $CO_2e$ per m US dollar of revenues | 47 |
| investments in sovereigns | t $CO_2e$ per m US dollar of GDP | 410 |

[1] Please note that this figure also includes operational leasing, which is not included in the scope of loan book reporting. Financed emissions associated with vehicle financing may be double counted due to vehicle loans granted in sectors for which separate financed emission calculations are made. Also, for an approximate 5% of the outstanding loan book, no PCAF calculation could be made.
[2] The figures comprise the KBC Group portfolio, albeit limited to the business lines for which guidance on how to calculate insurance-associated emissions is available in PCAF Standard Part C (i.e. Personal Motor Lines and Commercial Lines). Only figures from the Belgian portfolio are reported in the Sustainability Statement in the Annual Report.
[3] Own investments of *Pensioenfonds* KBC are not included in the Sustainability Statement as these are not required by CSRD regulation.

## 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 by the operational control approach.**

### Scope and boundary

Emissions are calculated by collecting primary activity data of emission sources from all >100-FTE entities in our core countries. For <100-FTE entities either primary activity data is collected because of a deviating business context or emissions are extrapolated.

This way we can 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.
- **Scope 3**: Indirect emissions from business travel and commuter travel and other emissions from sources over which we have direct operational control (i.e. paper and water consumption and waste generation).

The greenhouse gases included are $CO_2$, $CH_4$, $N_2O$, HFC's, PFC's, $SF_6$ and $NF_3$.

### 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 on emissions sources over which we have operational control.

### Methodological changes compared to previous year

For financial year 2024, there were **some small changes in the measurement methodologies compared to previous years:**

- We began using net caloric value emission factors for fuel consumption, instead of gross caloric emission factors.
- We began reporting emissions for water supply under Scope 3 –Category 1 (previously: Scope 3 – Category 5). Emissions for water treatment are still reported under Scope 3 – Category 5.
- We changed our extrapolation rationale for smaller legal entities (<100 FTEs). Where before we used only FTE as a parameter to extrapolate emissions, we now use FTE for transport-related emissions and floor area for building-related emissions. The number of extrapolated emissions account for approximately 1.5% of our total emissions.

**Since the combined impact of these changes was below our recalculation threshold, no restatement of the target or previous year's numbers was needed.**

## 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 GHG inventory was broadened in 2024 due to CSRD reporting requirements and is also reported in the Sustainability Statement of the Annual Report.
- The own footprint target scope – originally set in 2016 – is aligned with the financial consolidation scope and excludes activities other than bank-insurance to increase comparability with peers.

### Own footprint emissions, difference between inventory and target scope

| | Own footprint GHG inventory (in $tCO_2e$) 2024 | Own footprint target scope (in $tCO_2e$) 2024 | Proportion target scope, compared to calculated inventory (in %) |
|---|---|---|---|
| Scope 1 | 40 717 | 27 486 | 68 |
| Scope 2 (market based) | 4 626 | 4 488 | 97 |
| Scope 3 | 22 481 | 21 959 | 98 |
| Total (market based) | 67 825 | 53 934 | 80 |

### Own footprint intensity, difference between inventory and target scope

| | Own footprint GHG inventory (in $tCO_2e$/FTE) | Own footprint target scope (in $tCO_2e$/FTE) |
|---|---|---|
| GHG intensity per FTE (market based) | 1.76 | 1.46 |

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 GHG inventory was broadened in 2024 due to CSRD reporting requirements, we nevertheless decided to maintain our previously decided own footprint target scope to preserve consistency in our progress tracking. Action plans that are in place in each of our core countries to reduce GHG emissions from their operations are also focused on their 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 immediately following tables, we spotlight our own footprint targets and related progress, providing more details on the breakdown of the emissions in Scope 1, Scope 2 and Scope 3.

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## Own footprint targets

| Indicator | Unit | Target | 2015 Baseline[1] | 2024 | 2023 | 2022[1] |
|---|---|---|---|---|---|---|
| Total GHG emissions from own operations in tonnes $CO_2e$ (% change) | $tCO_2e$ (% reduction versus baseline 2015) | -80% by 2030 | 170 735 | 53 934 (-68%) | 55 377 (-68%) | 55 417 (-68%) |
| Renewable electricity (in % of purchased electricity) | % | 100% by 2030 | | 100% | 100% | 100% |
| Carbon credits purchased (in % of remaining GHG emissions) | % | Net climate neutrality as of 2021 | | 100% | 100% | 100% |

[1] The 2015 base year and 2022 data were both recalculated in 2023, in line with our internal restatement policy. This recalculation was prompted by two important changes, as compared to previous years:
- Private use of KBC's own company fleet by our employees is included from 2023 onwards
- Structural changes in the reporting organisation (i.e. the disinvestment of KBC Bank Ireland).

The targets (expressed in percentages) were unchanged in relation to the restated baseline.

## Progress on our own footprint target

### Own footprint (target scope), breakdown Scope 1

| | Note | Unit of activity data | 2024 | | 2023 | |
|---|---|---|---|---|---|---|
| | 1, 2 | | Activity data | Emissions (in $tCO_2e$) | Activity data | Emissions (in $tCO_2e$) |
| **Scope 1** | | | | | | |
| On site stationary combustion | | | | 9 199 | | 9 169 |
| of which natural gas | | MWh | 44 590 | | 49 552 | |
| of which diesel | | MWh | 321 | | 441 | |
| Company-owned or -controlled, non-electric vehicle fleet | 3 | | – | 17 317 | – | 18 655 |
| Refrigerants/ozone-depleting substances | | kg | 575 | 970 | 752 | 1 222 |
| **Total Scope 1** | | | | 27 486 | – | 29 047 |

[1] Source emission factors: Supplier-specific; DESNZ; KBC-specific emission factor based on EEA (European Energy 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), breakdown Scope 2

| | Note | Unit of activity data | 2024 | | | | 2023 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1, 2 | | Activity Data | Market-based emission (in $tCO_2e$) | Location-based emissions (in $tCO_2e$) | | Activity data | Market-based emissions (in $tCO_2e$) | Location-based emissions (in $tCO_2e$) |
| **Scope 2** | | | | | | | | | |
| Purchased electricity | | | | 0 | 30 373 | | | 0 | 31 157 |
| of which renewable | | MWh | 111 211 | | | | 119 985 | | |
| of which non-renewable | | MWh | 0 | | | | 0 | | |
| Purchased cooling | | MWh | 117 | 52 | 52 | | 205 | 87 | 87 |
| Purchased heat | | MWh | 9 051 | 1 640 | 1 640 | | 9 993 | 1 795 | 1 795 |
| Purchased steam | | MWh | 6 708 | 1 215 | 1 215 | | 8 414 | 1 512 | 1 512 |
| Company-owned or -controlled, electric vehicle fleet | 3 | | | 1 580 | 1 580 | | | 601 | 601 |
| **Total Scope 2** | | | | **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.

## Own footprint (target scope), breakdown Scope 3

| | Note | Unit of activity data | 2024 | | 2023 | |
|---|---|---|---|---|---|---|
| | 1, 2 | | Activity data | Emissions (in $tCO_2e$) | Activity data | Emissions (in $tCO_2e$) |
| **Scope 3** | | | | | | |
| **Category 1 – Purchased goods and services** | | | | 1 531[2] | | 1 299 |
| Paper consumption | | metric ton | 1 218 | | 1 503 | |
| of which recycled | | metric ton | 506 | | 650 | |
| of which non-recycled | | metric ton | 711 | | 853 | |
| Water supply | | $m^3$ | 240 259 | | 268 289 | |
| **Category 5 – Waste generated in operations** | | | | 805 | | 843 |
| Non-hazardous waste | | metric ton | 3 661 | | 3 897 | |
| of which recycled | | metric ton | 1 416 | | 1 705 | |
| of which recovered in another way | | metric ton | 12 | | 13 | |
| of which incinerated | | metric ton | 788 | | 692 | |
| of which landfilled | | metric ton | 1 444 | | 1 485 | |
| Hazardous waste | | metric ton | 19 | | 3 | |
| of which recycled | | metric ton | 19 | | 3 | |
| of which incinerated | | metric ton | 0 | | 0 | |
| of which landfilled | | metric ton | 0 | | 0 | |
| Waste water treatment | | $m^3$ | 240 259 | | 268 289 | |
| **Category 6 – Business travel** | | | | 3 300 | | 3 531 |
| of which by bus | | km | 490 691 | | 424 502 | |
| of which by car (electric) | | km | 48 433 | | 21 599 | |
| of which by car (non-electric) | | km | 8 324 736 | | 10 413 780 | |
| of which by plane | | km | 10 560 136 | | 10 084 502 | |
| of which by train | | km | 4 154 226 | | 4 861 960 | |
| **Category 7 – Employee commuting** | | | | 16 322 | | 16 663 |
| of which by bus | | km | 19 088 909 | | 19 658 080 | |
| of which by electric car | | km | 3 708 319 | | 2 614 224 | |
| of which by non-electric car | | km | 76 100 731 | | 80 987 807 | |
| of which by train | | km | 54 272 624 | | 54 007 605 | |
| of which by bicycle | | km | 9 661 918 | | 10 233 366 | |
| **Total Scope 3** | | | | 21 959 | | 22 336 |

1 Source emission factors: DESNZ; KBC-specific emission factor based on EEA data per country for non-electric passenger cars.
2 Even though the consumption in Scope 3 – Category 1 has decreased, the associated emissions still show a significant increase. The reason for this is a rather high rise of the emission factors linked to paper consumption, reported by DESNZ.

## Own footprint (target scope), energy consumption breakdown[1]

| | Note | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Renewable energy | 2 | MWh | 114 780 | 124 085 |
| Non-renewable energy | 3 | MWh | 60 787 | 68 605 |
| Renewable energy share | | % | 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.

## Own footprint (target scope), breakdown per country

| | Note | Unit | 2024 | 2023 |
|---|---|---|---|---|
| Belgium | | tonnes $CO_2e$ | 26 307 | 25 901 |
| Bulgaria | | tonnes $CO_2e$ | 4 659 | 5 055 |
| Czech Republic | | tonnes $CO_2e$ | 13 670 | 13 736 |
| Hungary | | tonnes $CO_2e$ | 5 394 | 5 554 |
| Slovakia | | tonnes $CO_2e$ | 3 803 | 3 973 |
| Rest of the world | | tonnes $CO_2e$ | 101 | 1 159 |
| **Total own footprint** | | tonnes $CO_2e$ | 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 the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF). For further reading on this methodology, please refer to Parts A and C 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 can be explained via 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 $CO_2e$) (share as a % covered by a climate target) | | | | |
|---|---|---|---|---|---|---|
| | | Scope 1 | Scope 2 | Scope 3 | Total | Emission intensity per million euros outstanding (tonnes $CO_2e$/m euros) |
| **White Paper sectors and product lines** | | | | | | |
| Agriculture | 4.9 | 5 917 692 | 86 666 | 2 893 378 | 8 897 737 | 1 550 |
| Building and construction[2] | 5.0 | 239 033# | 23 323 | 1 859 927 | 2 122 283 | 217 |
| Energy | 3.8 | 1 331 091# | 83 809 | 908 071 | 2 322 970 | 414 |
| Real estate[3] | 3.1 | 2 031 097# | 17 150 | 546 934 | 2 595 181 | 28 |
| Food producers | 5 0 | 246 366 | 160 085 | 2 419 900 | 2 826 351 | 750 |
| Beverages | 5.0 | 19 466 | 12 586 | 108 692 | 140 744 | 140 |
| Metals[4] | 4.8 | 428 167# | 71 998 | 1 260 523 | 1 760 689 | 583 |
| Transport (passenger car/LCV financing[5], automotive, shipping[6] and aviation) | 4.0 | 1 152 485 | 180 539 | 3 935 478 | 5 268 503 | 371 |
| Chemicals | 5.0 | 256 023 | 70 923 | 561 159 | 888 105 | 326 |
| **Total White Paper sectors and product lines** | | 11 621 420 | 707 081 | 14 494 063 | 26 822 564 | 196 |
| Share as a % covered by a climate target | | (79%) | | (0%) | (36%) | |
| **Remaining sectors** | | | | | | |
| Services | 5 | 618 458 | 175 018 | 3 713 488 | 4 506 964 | 204 |
| Distribution | 5 | 1 051 261 | 935 385 | 9 180 999 | 11 167 645 | 652 |
| Finance and insurance | 5 | 15 168 | 3 868 | 185 296 | 204 332 | 17 |
| Machinery and heavy equipment | 5 | 63 663 | 49 410 | 571 535 | 684 608 | 337 |
| Authorities | 5 | 45 119 | 19 213 | 290 735 | 355 067 | 61 |
| Water | 5 | 7 456 | 1 336 | 89 815 | 98 606 | 113 |
| Timber and wooden furniture | 5 | 8 970 | 4 253 | 54 568 | 87 791 | 90 |
| Electrotechnics | 5 | 26 940 | 8 136 | 293 851 | 328 928 | 284 |
| Textile and apparel | 5 | 30 169 | 4 207 | 186 195 | 220 571 | 287 |

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| Product lines and sectors | Data quality level score[1] | Financed GHG emissions (tonnes $CO_2e$) (share as a % covered by a climate target) | | | | |
|---|---|---|---|---|---|---|
| | | Scope 1 | Scope 2 | Scope 3 | Total | Emission intensity per million euros outstanding (tonnes $CO_2e$/m euros) |
| **Remaining sectors** | | | | | | |
| Catering and hospitality | 5 | 4 440 | 6 313 | 77 727 | 88 480 | 56 |
| Paper and pulp | 5 | 18 412 | 12 720 | 141 803 | 172 936 | 282 |
| Traders | 5 | 133 877 | 22 882 | 416 858 | 573 618 | 691 |
| Consumer products | 5 | 50 705 | 1 846 | 102 467 | 155 018 | 637 |
| IT | 5 | 6 228 | 1 283 | 156 041 | 163 552 | 286 |
| Media | 5 | 12 493 | 12 360 | 100 348 | 125 202 | 360 |
| Telecom | 5 | 2 964 | 837 | 37 708 | 45 510 | 84 |
| Tobacco | 5 | 0 | 0 | 3 | 4 | 135 |
| **Total remaining sectors** | | **2 116 325** | **1 263 068** | **15 599 437** | **18 978 830** | **281** |
| **Total** | | **13 737 745** | **1 970 149** | **30 093 500** | **45 801 394** | **224**[7] |
| Share as a % covered by a climate target | | (62%) | | (0%) | (21%) | |

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.
# Includes a 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 30 September 2024 as the calculations also include operational leasing, which is not included in the scope of loan book reporting. Also, for an approximate 5% of the outstanding loan book, no PCAF calculation could be made.

## Financed GHG emissions in scope of climate lending targets

| Target product lines and sectors | Data quality level score | Financed GHG emissions (tonnes $CO_2e$) | | | | |
|---|---|---|---|---|---|---|
| | | Scope 1 | Scope 2 | Scope 3[1] | Total | Outstanding exposure in m euro[2] |
| **Agriculture[3]** | 4.9 | 5 418 896 | 78 189 | 2 608 740 | 8 105 825 | 5 190 |
| **Energy** | 3.8 | 1 259 999 | 66 300 | 825 020 | 2 151 319 | 4 997 |
| of which electricity | 3.2 | 913 570 | 2 796[1] | 438 503 | 1 354 869 | 2 732 |
| **Real estate** | 3 | 1 985 288 | | N/A | 1 985 288 | 85 496 |
| of which mortgages | 3 | 1 513 916 | | N/A | 1 513 916 | 73 936 |
| of which commercial real estate | 3 | 471 373 | | N/A | 471 373 | 11 560 |
| **Vehicle financing financial lease and loans** | 3.4 | 369 001 | N/A | N/A | 369 001 | 5 124 |
| **Vehicle financing: operational leasing[5]** | 1.0 | 123 094 | N/A | N/A | 123 094 | 1 677[4] |
| **Cement** | 3.7 | 64 180 | | 5 777 | 69 957 | 21 |
| **Steel** | 2.6 | 360 058 | | 212 539 | 572 597 | 250 |
| **Aluminium** | 3.6 | 7 929 | | 11 160 | 19 088 | 21 |
| **Total target sectors and product lines** | | **9 588 445[5]** | **144 489** | **3 663 236** | **13 396 170** | **102 776** |

1 Added for information purposes only as the reference 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.

## Climate-related targets for our loan and lease portfolios

| Overview of the climate-related targets for our loan and lease portfolios | Unit | Base year value (2021) | 2024 | 2030 Target | 2050 Target |
|---|---|---|---|---|---|
| **Energy** | | | | | |
| Electricity – GHG intensity[1] | kg $CO_2$e/MWh | 210 | 93 | 127 | 49 |
| % change versus 2021 baseline | % | - | -56% | -39% | -77% |
| Energy whole sector – GHG intensity[2] | t $CO_2$e/m euros | 453 | 265 | 300 | 82 |
| % change versus 2021 baseline | % | - | -42% | -34% | -82% |
| **Real estate** | | | | | |
| Residential real estate – GHG intensity[2] | kg $CO_2$e/$m^2$ | 50 | 45 | 29 | 7 |
| % change versus 2021 baseline | % | - | -10% | -43% | -85% |
| Real estate (whole sector) – GHG intensity[2] | t $CO_2$e/m euros | 27 | 23 | 17 | 8 |
| % change versus 2021 baseline | % | - | -15% | -38% | -72% |
| **Agriculture** | | | | | |
| GHG intensity[2] | t $CO_2$e/m euros | 1405 | 1059 | 1103 | 934 |
| % change versus 2021 baseline | % | - | -25% | -21% | -34% |
| **Transport** | | | | | |
| Passenger car loan and financial leasing – GHG intensity[1] | g $CO_2$/km | 139 | 124 | 81 | 0 |
| % change versus 2021 baseline | % | - | -11% | -42% | -100% |
| Light commercial vehicle loan and financial leasing – GHG intensity[1] | g $CO_2$/km | 208 | 205 | 145 | 33 |
| % change versus 2021 baseline | % | - | -1% | -30% | -84% |
| Passenger car operational leasing – GHG intensity[1] | g $CO_2$/km | 133 | 77 | 25 | 0 |
| % change versus 2021 baseline | % | - | -42% | -81% | -100% |
| Light commercial vehicle operational leasing – GHG intensity[1] | g $CO_2$/km | 196 | 186 | 132 | 19 |
| % change versus 2021 baseline | % | - | -5% | -33% | -90% |
| **Cement** | | | | | |
| GHG intensity[2] | t $CO_2$e/t cement | 0.69 | 0.62 | 0.58 | 0.22 |
| % change versus 2021 baseline | % | - | -9% | -16% | -68% |
| **Steel** | | | | | |
| GHG intensity[2] | t $CO_2$e/t steel | 1.34 | 1.50 | 1.15 | 0.59 |
| % change versus 2021 baseline | % | - | +12% | -14% | -56% |
| **Aluminium** | | | | | |
| GHG intensity[2] | t $CO_2$e/t aluminium | 0.59 | 0.21 | Stay well below the global sectoral intensity climate benchmark | |
| % change versus 2021 baseline | % | - | -63% | | |

[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 part of the insurance underwriting portfolio that is in scope of the PCAF Standard Part C, which currently only covers 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.

Furthermore, while consolidated figures are reported here, it should be noted that the maturity of the reporting process varies between countries. We began with our largest business unit, Belgium. The accuracy, reliability, and reconciliation of the data there have been ensured and included in the assured Sustainability Statement. Other countries are still in a pilot phase, but a phased approach is in progress to improve data quality.

| Product lines and sectors | Data quality level score | Insurance-associated GHG emissions (tonnes $CO_2e$) |
|---|---|---|
| **Personal motor lines** | 3.5 | 283 382 |
| **Commercial lines**[1] | 5 | 173 847 |
| Agriculture, farming and fishing | | 35.2% |
| Oil, Gas & Other fuels[2] | | 14.1% |
| Distribution | | 7.1% |
| Services | | 5.8% |
| Automotive | | 5.3% |
| Other sectors and unknown | | 32.5% |

[1] Commercial lines are all types of insurance purchased by companies.
[2] The emissions from the Oil, Gas and Other fuels sector account for 14.1% 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 *Pensioenfonds* KBC.

KBC uses an internal GHG methodology based on data from Trucost (an S&P subsidiary) to assess and disclose the GHG intensity 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.

## 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 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| All KBC Funds | 1, 2, 3 | $tCO_2e$/m USD revenue | | 58 | 75 | 89 |
| KBC Responsible Investing Funds | 1, 2, 3 | $tCO_2e$/m USD revenue | | 57 | 60 | 73 |
| Corporate investees in Responsible funds | 1, 2, 3, 4 | $tCO_2e$/m USD revenue (% reduction versus 2019 benchmark) | 98 (-50% versus 2019 benchmark (196) (2030) | 55 (-72%) | 48 (-75%) | 66 (-67%) |
| MSCI AC World Index (equities benchmark) | 1, 5 | $tCO_2e$/m USD revenue | | 136 | 151 | 188 |
| Iboxx EUR corporates (corporate bonds benchmark) | 1, 5 | $tCO_2e$/m USD revenue | | 101 | 129 | 157 |

[1] Source S&P Trucost Limited © Trucost (2024).
[2] The scope includes all open investment products for retail and institutional clients, managed by KBC Asset Management. Structured products were added in 2024. This addition did not have a major impact on the calculated result.
[3] We also only included direct investments in equities, corporate bonds and government-linked 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] 2022 and 2023 data are end-of-year 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 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 (corporate bonds).** This comparison is, however, imperfect, as not all funds can be compared to a broad benchmark. However, we would like to stress that, since 2020, all of KBC AM'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).
- **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. In 2024, the GHG intensity for all KBC funds showed a significant drop versus 2023, mainly due to the improvement of emissions by materials and energy companies. As these companies are almost all already excluded from RI funds, the latter showed a more modest decline. Similarly, evolutions of GHG intensity of RI funds compared to benchmarks must be interpreted with caution as decreases in GHG intensity of previously excluded companies and changes in product mix or asset allocation may explain why the GHG intensity of RI funds shows lower decrease than the GHG intensity of global benchmarks.

## Weighted average GHG intensity of total sovereign bond portfolio

| Weighted average GHG intensity sovereigns | Note | Unit | Target | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| KBC all funds | 1 | $tCO_2e$/m USD of GDP | | 532 | 506 | 480 |
| KBC Responsible Investing funds | 1 | $tCO_2e$/m USD of GDP | | 463 | 365 | 368 |
| JPM EMU Govies (benchmark) | 1 | $tCO_2e$/m USD of GDP | | 365 | 328 | 328 |
| World benchmark Govies (benchmark) | 1, 2 | $tCO_2e$/m USD of GDP | | 574 | 555 | 573 |

[1] Source S&P Limited © Trucost (2024). 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 $CO_2e$ 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 JPM Government Bond Index Global and 1/3 JPM 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.** However, over the past year we observed a divergence between some EU countries increasing and the figures for the US decreasing, which explains why the EMU benchmark increased more than the world benchmark.
- **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 Belgium, the Netherlands, 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 more geared to lower GHG intensity Eurozone sovereigns. The weighted average GHG intensity of these RI funds increased more than the EMU benchmark due to increased GHG intensity scores of France, Spain and Italy, in which these funds are more invested. Note that US sovereign bonds are not allowed in RI funds due to our RI exclusion policy.

However, 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.

## 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 + Scope 2 | Note | Unit | Target | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| KBC Insurance | 1, 2 | $tCO_2e$/m USD revenue (% reduction versus 2019 baseline (112)) | 84 (-25%) (2025) 67 (-40%) (2030) | 27 (-75%) | 38 (-66%) | 49 (-56%) |
| MSCI AC World Index (equities benchmark) | 1, 3 | $tCO_2e$/m USD revenue | | 136 | 151 | 188 |
| Iboxx EUR corporates (corporate bonds benchmark) | 1, 3 | $tCO_2e$/m USD revenue | | 101 | 129 | 157 |

[1] Source S&P Trucost Limited © Trucost (2024).
[2] As part of our standard review process, 2019 baseline, 2022 and 2023 GHG intensities have undergone minor adjustments compared to previously reported figures. Due to the new 2019 baseline GHG intensity, nominal target levels were also slightly altered as targeted % changes versus baseline did not change.
[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, as well as the MSCI All Countries World Index (equities) and Iboxx EUR corporates (corporate bonds) benchmarks, showed a sizeable decrease in GHG intensity in 2024.** At the end of September 2024, the GHG intensity of the equity and corporate bonds portfolio of KBC Insurance consolidated stood at around 25% of the benchmark. Moreover, this measure has seen a 75% decline since 2019.

### Weighted average GHG intensity of total sovereign bond portfolio

| Weighted average GHG intensity sovereigns | Note | Unit | Target | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| KBC Insurance | 1 | $tCO_2e$/m USD GDP | | 522 | 520 | 510 |
| JPM EMU Govies (benchmark) | 1 | $tCO_2e$/m USD GDP | | 365 | 328 | 328 |
| World benchmark Govies (benchmark) | 1, 2 | $tCO_2e$/m USD GDP | | 574 | 555 | 573 |

[1] Source S&P Trucost Limited © Trucost (2024). 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 JPM Government Bond Index Global and 1/3 JPM 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 10.4 billion euros in September 2024. The GHG intensity of the portfolio has declined by 5% since 2019, to stand at 143% of the JPM EMU government bond benchmark.

The results can be explained by the composition of this portfolio. The Belgian insurance company, KBC Insurance NV, holds most of the investments and is traditionally overweighted in Belgian government bonds, including Flanders, Brussels and Wallonia. Together, these make up 41% of the government bond portfolio. Belgium has a high GHG intensity score, which explains the high GHG intensity compared to the benchmark.

## 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 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| Sovereign Bonds of KBC Bank | 1, 2 | $tCO_2e$/m USD GDP | | 623 | - | - |

[1] No data available for 2022 and 2023.
[2] Source S&P Trucost Limited © Trucost (2024). 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 2024, we calculated the GHG emission intensity of the own sovereign bond portfolio of KBC Bank for the first time. **The emission intensity is 623 $tCO_2e$/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.

## Emissions from *Pensioenfonds* KBC

### Weighted average carbon GHG intensity of all equity and corporate bond investments

| Weighted average GHG intensity Scope 1 + Scope 2 | Note | Unit | Target | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| KBC Pension Fund | 1 | $tCO_2e$/m USD revenue | | 47 | 52 | 85 |
| MSCI AC World Index (equities benchmark) | 1, 2 | $tCO_2e$/m USD revenue | | 136 | 151 | 188 |
| Iboxx EUR corporates (corporate bonds benchmark) | 1, 2 | $tCO_2e$/m USD revenue | | 101 | 129 | 157 |

[1] Source S&P Trucost Limited© Trucost (2024). The calculations include the listed equities, government and corporate bonds invested by *Pensioenfonds* KBC with KBC AM, 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 has seen a sizeable decrease in 2024** as measured by both the MSCI All Countries World Index (-9.9%) for equity markets, and the iBoxx EUR Corporates index (-21.7%) for corporate bonds. Furthermore, they have seen strong decreases when compared to 2019, respectively -62% and -43%. At the end of September 2024, the GHG intensity of the portfolio of Pensioenfonds KBC was approximately 65% lower than the composite benchmark, and approximately 10% lower compared to 2023. Overall, the GHG intensity for equity and corporate bonds has reduced by over 60% since 2019.

## Weighted average GHG intensity of total sovereign bond portfolio

| Weighted average GHG intensity sovereigns | Note | Unit | Target | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|---|
| KBC Pensioenfonds | 1 | $tCO_2e$/m USD GDP | | 410 | 399 | 407 |
| JPM EMU Govies (benchmark) | 1 | $tCO_2e$/m USD GDP | | 365 | 328 | 328 |
| World benchmark Govies (benchmark) | 1, 2 | $tCO_2e$/m USD GDP | | 574 | 555 | 573 |

[1] Source S&P Trucost Limited © Trucost (2024). 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 $CO_2e$ 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 JPM Government Bond Index Global and 1/3 JPM 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 2024, the GHG intensity of the government bond portfolio stood at 114% of the JPM EMU government bond benchmark. Moreover, it has declined by 27% since 2019.

**The relatively high GHG intensity can be explained by the bond themes in the portfolio**, namely Emerging Market Bonds and High Interest Bonds. Moreover, the LDI[1] portfolio includes several higher-emitting government bonds, such as Belgium, Netherlands, Austria, Poland and Slovenia.

[1] 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.