KBC GROEP

2025 CDP Corporate Questionnaire 2025

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
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10/16/2025, 06:15 am

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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☑ EUR

(1.3) Provide an overview and introduction to your organization.

(1.3.1) Type of financial institution

Select from:

☑ Bank

(1.3.2) Organization type

Select from:

☑ Publicly traded organization

(1.3.3) Description of organization

KBC Group is an integrated bank-insurance group catering mainly for retail, private banking, SME, and mid-cap clients in its core markets of Belgium, the Czech Republic, Slovakia, Hungary, and Bulgaria. We offer our clients a unique bank-insurance+ experience, combining traditional banking and insurance with non-financial solutions. We implement our strategy within a strict risk, capital and liquidity management framework. KBC is committed to sustainable value creation, embedding ESG principles across its operations and reporting in line with the European Sustainability Reporting Standards (ESRS) as part of the Corporate Sustainability Reporting Directive (CSRD). Sustainability is an integral part of our business, embedded as one of the four pillars of our corporate strategy and day-to-day operations. We aim to continue on this path in the years to come and to build upon the foundations we have laid over the past decades.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

09/29/2024

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:
☑ No

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:
☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:
☑ 1 year

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:
☑ 1 year

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:
☑ 1 year

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

11167000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

BE0003565737

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

KBC:BRU

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

213800X3Q9LSAKRUWY91

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No
[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply
☑ Belgium
☑ Bulgaria
☑ Czechia
☑ Hungary
☑ Slovakia

(1.9) What was the size of your organization based on total assets value at the end of the reporting period?

373048000000

(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

Banking (Bank)

(1.10.1) Activity undertaken

Select from:

☑ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

☑ Yes, the value of the portfolio based on total assets

(1.10.4) Portfolio value based on total assets

338085000000

(1.10.6) Type of clients

Select all that apply

☑ Retail clients

☑ Institutional investors

☑ Business and private clients (banking)

☑ Family offices / high network individuals

☑ Corporate and institutional clients (companies)

☑ Government / sovereign / quasi-government / sovereign wealth funds

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- ☑ Retail
- ☑ Apparel
- ☑ Services
- ☑ Materials
- ☑ Hospitality
- ☑ Transportation services
- ☑ Food, beverage & agriculture
- ☑ Biotech, health care & pharma
- ☑ Fossil Fuels
- ☑ Manufacturing
- ☑ Infrastructure
- ☑ Power generation
- ☑ International bodies

Investing (Asset manager)

(1.10.1) Activity undertaken

Select from:

- ☑ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

- ☑ Yes, the value of the portfolio based on total assets

(1.10.4) Portfolio value based on total assets

136497070626

(1.10.6) Type of clients

Select all that apply

- ☑ Asset owners
- ☑ Corporate and institutional clients (companies)

☑ Retail clients
☑ Institutional investors
☑ Business and private clients (banking)
☑ Family offices / high network individuals

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

Investing (Asset owner)

(1.10.1) Activity undertaken

Select from:

☑ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

☑ Yes, the value of the portfolio based on total assets

(1.10.4) Portfolio value based on total assets

74314859747.23

(1.10.6) Type of clients

Select all that apply

☑ Asset owners

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

Insurance underwriting (Insurance company)

(1.10.1) Activity undertaken

Select from:

☑ Yes

(1.10.2) Insurance types underwritten

Select all that apply

☑ General (non-life)
☑ Life and/or Health

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

☑ No

(1.10.6) Type of clients

Select all that apply

☑ Government / sovereign / quasi-government / sovereign wealth funds

☑ Retail clients

☑ Corporate and institutional clients (companies)

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

☑ Retail

☑ Apparel

☑ Services

☑ Materials

☑ Hospitality

☑ Transportation services

☑ Food, beverage & agriculture

☑ Biotech, health care & pharma

☑ Fossil Fuels

☑ Manufacturing

☑ Infrastructure

☑ Power generation

☑ International bodies

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Portfolio

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 2 suppliers

(1.24.5) Portfolios covered in mapping

Select all that apply

☑ Banking (Bank)

☑ Investing (Asset manager)

☑ Investing (Asset owner)

☑ Insurance underwriting (Insurance company)

(1.24.7) Description of mapping process and coverage

KBC mapped its value chain and focused on areas with likely material environmental impacts, risks and opportunities. As an integrated bank-insurance group and asset manager we serve retail, private banking, SME's and mid-caps in Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia. We are aware that major environmental impacts, risks and opportunities mainly derive from impacts or dependencies of the companies we finance, insure or invest in rather than in our own operations or in our upstream value chain. We measure the direct and indirect impacts and risks of our lending and insurance portfolio, i.o. the sectors and product lines that are most carbon intensive: energy, real estate, transport, agriculture, chemicals, metals, building and construction and foods and beverages. We also avoid financing and investing in certain types of activities. To address deforestation-related challenges, we authored a strategical paper to (1) identify sectors and clients using forest commodities, (2) assess the impact of the EU Deforestation Regulation and (3) propose mitigating actions and opportunities. The White Paper focused on high-impact commodities: palm oil, soy, beef, cocoa, coffee, wood, and natural rubber. A heatmap helped identify sectors with clients involved in these commodities. Agriculture and food & beverage were key, with construction (wood) and chemicals (palm oil, rubber) also relevant. We prepared a first strategical paper to assess water-related challenges based on (1) the existing status of water bodies in our home countries and assessment of the surrounding policy framework, (2)

an evaluation of which sectors depend highly or put pressure on water bodies using the ENCORE method ultimately ending in the identification of highly water-exposed sectors in our loan portfolio and (3) a proposal of mitigating actions and opportunities. This paper focused in first instance on the dimensions of water availability and accessibility, with a second paper being in the making which will focus on water pollution. Through our retail banking portfolio we promote energy efficiency and a low-carbon economy. We offer responsible funds as a preferred investment solution and actively engage with corporates to reduce the carbon intensity of the corporate investees in our Responsible Funds. We also monitor out Tier 1 suppliers, requiring compliance with our environmental and social guidelines and relevant laws.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Portfolios covered in mapping
	Select from: ☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain	*Select all that apply* ☑ Banking (Bank)

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This time horizon corresponds with our Alignment of Planning Cycles (APC) process which is driving our strategic and financial planning. The yearly process aims to create an integrated 3y plan in which business, strategy, finance, treasury and risk perspectives are collectively taken into account. As part of production planning, all business entities have to report expected commercial production that contributes to the green transition of our customers. Through our White Papers (WP), we identify potential environmental-related opportunities for particular sectors. These annual WP are decided by the Internal Sustainability Board and are sectoral or thematic (e.g. deforestation). They include an analysis of relevant legislative initiatives, technological evolutions, risks, impacts, dependencies and opportunities. Detected opportunities are translated in concrete service offerings and products in the planning. Risks are identified for different time horizons, which defines the type of actions that are needed, ranging from immediate remedial actions to further analysing potential impacts, up to initiating structural change to timely mitigate the risk. This is also the case for emerging environmental dependencies, impacts and risks, which are already impacting the APC horizon. In APC, the risk appetite of the group is set and cascaded by a.o. risk limits at group or entity level (e.g. see our energy policy).

Medium-term

(2.1.1) From (years)

4

(2.1.3) To (years)

9

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Risks can also materialize in the medium term. Next to a sound capital position to withstand stress on a 1y time horizon, KBC needs to generate sustainable returns over a longer horizon to safeguard its future capital base in a way that allows us to continue our core activities. Environmental dependencies, impacts and risks pose challenges and opportunities, now and in the future. We acknowledge that, while the timing and impacts of environmental risks and the speed of transition are difficult to estimate, they are relevant in today's decisions as well as in the medium and long term. Therefore, we also consider the medium horizon when assessing environmental dependencies, impacts, opportunities and risks on our assets and activities when setting targets. Our climate targets have been set for 2030 and 2050. To achieve them, actions have been defined for various sectors in each home country to further develop 'green' activities in our portfolio and to support the 'greening' of our customers. Indicators for climate risks and opportunities are integrated into the KBC Sustainability Dashboard (presented to the BoD twice a year) which allows us to monitor progress in the implementation of our sustainability strategy and to make adjustments when necessary. In our Environmental Risk Impact Map, we yearly evaluate the potential impacts of transition/physical risks for different scenarios, also explicitly differentiating between short, medium and long term expected potential impact.

Long-term

(2.1.1) From (years)

10

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Risks can also materialize in the long term. Next to a sound capital position to withstand stress on a 1y time horizon, KBC also needs to generate sustainable returns over a longer horizon to safeguard its future capital base in a way that allows us to continue our core activities. Environmental dependencies, impacts, risks pose challenges and opportunities, now and in the future. We acknowledge that, while the timing and impacts of environmental risks and the speed of transition are difficult to estimate, they are relevant in today's decisions as well as in the medium and long term. Therefore, we also consider the long horizon when assessing environmental dependencies, impacts, opportunities and risks on our assets and activities when setting targets. Our climate targets have been set for 2030 and 2050. To achieve them, actions have been defined for various sectors in each home country to further develop 'green' activities in our portfolio and to support the 'greening'

of our customers. Indicators for climate risks and opportunities are integrated into the KBC Sustainability Dashboard (presented to the BoD twice a year) which allows us to monitor progress in the implementation of our sustainability strategy and to make adjustments when necessary. In our Environmental Risk Impact Map, we yearly evaluate the potential impacts of transition/physical risks for different scenarios, also explicitly differentiating between short, medium and long term expected potential impacts.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ Local

☑ Sub-national

☑ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ Encore tool

☑ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD

☑ TNFD – Taskforce on Nature-related Financial Disclosures

☑ WWF Biodiversity Risk Filter

☑ WWF Water Risk Filter

Enterprise Risk Management

☑ Enterprise Risk Management

☑ Internal company methods

☑ Risk models

☑ Stress tests

International methodologies and standards

☑ IPCC Climate Change Projections

☑ Paris Agreement Capital Transition Assessment (PACTA) tool

Databases

☑ Other databases, please specify :Copernicus

Other

☑ Scenario analysis

☑ Desk-based research

Accounting Financials)

☑ External consultants

☑ Materiality assessment

☑ Internal company methods

☑ Partner and stakeholder consultation/analysis

☑ Other, please specify **:- External flood maps - PCAF (Partnership for Carbon**

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☑ Drought
- ☑ Tornado
- ☑ Landslide
- ☑ Wildfires
- ☑ Heat waves
- ☑ Heavy precipitation (rain, hail, snow/ice)
- ☑ Flood (coastal, fluvial, pluvial, ground water)
- ☑ Storm (including blizzards, dust, and sandstorms)
- ☑ Subsidence
- ☑ Toxic spills
- ☑ Cold wave/frost
- ☑ Pollution incident
- ☑ Cyclones, hurricanes, typhoons

Chronic physical

- ☑ Heat stress
- ☑ Soil erosion
- ☑ Water stress
- ☑ Sea level rise
- ☑ Coastal erosion
- ☑ Temperature variability
- ☑ Scarcity of land resources
- ☑ Declining ecosystem services
- ☑ Increased ecosystem vulnerability
- ☑ Precipitation or hydrological variability
- ☑ Soil degradation
- ☑ Change in land-use
- ☑ Groundwater depletion
- ☑ Changing wind patterns
- ☑ Declining water quality
- ☑ Increased severity of extreme weather events
- ☑ Changing temperature (air, freshwater, marine water)
- ☑ Changing precipitation patterns and types (rain, hail, snow/ice)
- ☑ Increased levels of environmental pollutants in freshwater bodies

Policy

- ☑ Carbon pricing mechanisms
- ☑ Increased pricing of water
- ☑ Changes to national legislation
- ☑ Regulation of discharge quality/volumes
- ☑ Poor enforcement of environmental regulation
- ☑ Changes to international law and bilateral agreements
- ☑ Increased difficulty in obtaining water withdrawals permit
- ☑ Statutory water withdrawal limits/changes to water allocation
- ☑ Mandatory water efficiency, conservation, recycling, or process standards
- ☑ Introduction of regulatory standards for previously unregulated contaminants

☑ Other policy, please specify **:EPC regulation**

Market

☑ Changing customer behavior

☑ Uncertainty in the market signals

☑ Availability and/or increased cost of raw materials

☑ Inadequate access to water, sanitation, and hygiene services (WASH)

☑ Rise in risk-based pricing of insurance policies (beyond demand elasticity)

☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment

☑ Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit

☑ Loss of clients due to a fund's poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs)

Reputation

☑ Impact on human health

☑ Stigmatization of sector

☑ Lending that could create or contribute to systemic risk for the economy

☑ Investing that could create or contribute to systemic risk for the economy

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

☑ Insurance underwriting that could create or contribute to systemic risk for the economy

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Unsuccessful investment in new technologies

☑ Dependency on water-intensive energy sources products

☑ Data access/availability or monitoring systems

☑ Transition to lower emissions technology and products

☑ Inability to increase yield of existing production areas

☑ Transition to water intensive, low carbon energy sources

☑ Transition to water efficient and low water intensity technologies and

Liability

☑ Exposure to litigation

☑ Non-compliance with regulations

☑ Regulation and supervision of environmental risk in the financial sector

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ Yes

(2.2.2.16) Further details of process

ESG risks are being gradually embedded in our risk mgmt. framework. When assessing potential impacts of ESG risks, we consider (in)direct impacts and impacts through outsourced activities. ESG controls are in place for managing business continuity and legal risk (incl. litigation). RISK IDENTIFICATION: Risk signals are regularly reported to the GExCo, the Risk & Compliance Committee and the BoD via the Integrated Risk Report (IRR). Besides, we yearly update the Environmental Risk Impact Map, our process for assessing the materiality of environmental risk drivers (in)directly impacting KBC, for different time horizons and scenarios. For operational risk, we (1) assess the impact of physical drivers on critical buildings and (2) integrate additional environmental controls in the Business Continuity Management process and (3) monitor ESG losses. KBC also screens its outsourced entities and suppliers by using the Sustainability Code of Conduct which is in line with UN Global Compact Principles. All outsourcing decisions are subject to a risk assessment that also covers ESG. Environmental policies are considered in our New and Active Products Process (NAPP), our tool to identify and mitigate risks related to new/existing products and services which may negatively impact clients and/or KBC. In NAPP governance, particular attention is paid to the adequate 'green' labelling of products, aligned with regulatory frameworks such as the EU Taxonomy and the ICMA Green Bond framework. RISK MEASUREMENT: We use several tools and methodologies to strengthen the measurement of climate risks by leveraging industry practices (e.g. PCAF and PACTA) and internal tools: exposure-based (e.g., ESG assessment for our loan book), portfolio alignment-based (e.g. for our climate targets, PACTA, TRUCOST) and scenario-based methodologies incl. physical risk assessments and stress testing: e.g. in 2024 we performed an

internal climate stress test. Results of all these exercises provide insights into the impact of ESG on our business model, as well as the impact of our activities on the environment (double materiality). This enables us to improve underwriting & investment policies and supports us in engaging with clients. RISK APPETITE: ESG has been included in our Risk Appetite Statement via a specific objective: KBC is committed to embedding ESG considerations into its decision making, risk management processes and client & third-party interactions, with the aim of contributing positively to society and safeguarding KBC's long-term sustainability. Next to short-term impacts, warning signals are given if material impacts are expected in the MT/LT, with the aim of steering strategic debate and timely initiating risk-mitigation actions (e.g. policy adjustments or setting limits). RISK ANALYSIS, MONITORING AND REPORTING: ESG risks are being integrated into internal (and external) reports, such as ICAAP/ILAAP/ORSA and reporting on related processes (e.g. financial planning). Twice a year, the Climate Risk Dashboard is included in the IRR, including an analysis and monitoring of financial and non-financial climate transition/physical risk metrics for KBC's most relevant portfolios and business lines. Indicators for climate risks and opportunities are integrated into the KBC Sustainability Dashboard and allow us to monitor progress in the implementation of our sustainability strategy and to make adjustments when necessary.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools
☑ EcoVadis
☑ WRI Aqueduct

International methodologies and standards
☑ IPCC Climate Change Projections
☑ Paris Agreement Capital Transition Assessment (PACTA) tool

Other
☑ Materiality assessment

(2.2.2.14) Partners and stakeholders considered

Select all that apply
☑ Customers
☑ Investors
☑ Regulators
☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ No

(2.2.2.16) Further details of process

Through our White Papers (WP), we identify potential environmental-related opportunities for particular sectors. These WP are either sectoral WP for multiple environmental objectives or environmental thematic WP for multiple sectors, (such as for example the 2024 Deforestation WP) and include in the analysis the relevant legislative initiatives, technological evolutions, risks, impacts, dependencies and opportunities. Annually, the Internal Sustainability Board decides which WP to set up. The choice is based on the most recent evolutions in these sectors or specific environmental themes, but also on our materiality analysis. Based on these detected opportunities, all business entities translate this to their local context and include the development of these opportunities in concrete service offerings and products in the planning. Innovative solutions are also included in the innovation roadmap of the business entities. Together with our innovation teams, we organize various initiatives to identify and develop possible innovative climate or nature-related solutions, both for our own activities and for our customer portfolios. In many cases,

partnerships with external suppliers are also set up in order to be able to offer a full range of services to support our customers in their own transition. Examples include the sustainability scan offer for our corporate clients, including advice on energy optimization. We also offer renovation budgeting for our private customers, as well as the possibility of installing solar panels, etc. In addition, we have our climate targets (determined based on our commitment to the Paris Agreement and relevant scientific scenarios) that help guide how we want to further green our portfolios. These targets have been set for 2030 and for 2050. In order to achieve them, actions have also been defined for the various sectors in each home country regarding which initiatives should be set up to increase the 'green' activities in our portfolio and to support the 'greening' of our customers. In the energy sector, among others, this is even followed up at transaction level to ensure that we can achieve our goal of 75% renewables in our energy portfolio on the one hand, and our decarbonization goals on the other. Indicators for climate risks and opportunities are integrated into the KBC Sustainability Dashboard (presented to the BoD twice a year), which allows us to monitor progress in the implementation of our sustainability strategy and to make adjustments when necessary. Via the annual Alignment of Planning Cycles (APC), the expected commercial production is budgeted, among other things. Since two years, all business entities also have to disclose their expected commercial production that contributes to the green transition of our customers. This includes production aligned with the EU Taxonomy, with other reliable green frameworks (EIB, LMA,.... as well as local frameworks such as this of the Hungarian National Bank). this also includes Sustainability Linked Loans.
[Add row]

(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?

Banking (Bank)

(2.2.4.1) Process in place covering this portfolio

Select from:
☑ Yes

(2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:
☑ Both dependencies and impacts

Investing (Asset manager)

(2.2.4.1) Process in place covering this portfolio

Select from:

☑ Yes

(2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:
☑ Impacts only

(2.2.4.3) Primary reason for not evaluating dependencies and/or impacts related to this portfolio

Select from:
☑ No standardized procedure

(2.2.4.4) Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to evaluate this in the future

There are no standardized methodologies at this point in time to map the dependencies of our investment portfolios for the various environmental objectives.

Investing (Asset owner)

(2.2.4.1) Process in place covering this portfolio

Select from:
☑ Yes

(2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:
☑ Impacts only

(2.2.4.3) Primary reason for not evaluating dependencies and/or impacts related to this portfolio

Select from:
☑ No standardized procedure

(2.2.4.4) Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to evaluate this in the future

There are no standardized methodologies at this point in time to map the dependencies of our investment portfolios for the various environmental objectives.

Insurance underwriting (Insurance company)

(2.2.4.1) Process in place covering this portfolio

Select from:
☑ Yes

(2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:
☑ Both dependencies and impacts
[Fixed row]

(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Banking (Bank)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes
Investing (Asset manager)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Investing (Asset owner)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes
Insurance underwriting (Insurance company)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.6) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

Banking (Bank)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Plastics

☑ Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks
☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

(2.2.6.4) Type of assessment

Select from:
☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply
☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(2.2.6.6) Frequency of assessment

Select from:
☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply

☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:
☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply
☑ Site-specific
☑ Local
☑ Sub-national
☑ National

(2.2.6.10) Tools and methods used

Select all that apply
☑ ENCORE
☑ Risk models
☑ Stress tests
☑ Scenario analysis
☑ WWF Water Risk Filter
☑ Internal tools/methods
☑ CDP Disclosure Framework
☑ WWF Biodiversity Risk Filter
☑ Transition Assessment (PACTA) tool
☑ UNEP FI Portfolio Impact Analysis Tool for Banks
☑ Other, please specify **:external floods maps, externally available reports and data**

(2.2.6.11) Risk type and criteria considered

Acute physical
☑ Drought
☑ Subsidence

☑ Tornado
☑ Landslide
☑ Wildfires
☑ Heat waves
☑ Heavy precipitation (rain, hail, snow/ice)
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Storm (including blizzards, dust, and sandstorms)
☑ Toxic spills
☑ Cold wave/frost
☑ Pollution incident
☑ Cyclones, hurricanes, typhoons

Chronic physical

☑ Heat stress
☑ Soil erosion
☑ Water stress
☑ Sea level rise
☑ Coastal erosion
☑ Temperature variability
☑ Scarcity of land resources
☑ Declining ecosystem services
☑ Increased ecosystem vulnerability
☑ Water quality at a basin/catchment level
☑ Increased levels of environmental pollutants in freshwater bodies
☑ Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies
☑ Soil degradation
☑ Change in land-use
☑ Groundwater depletion
☑ Changing wind patterns
☑ Declining water quality
☑ Precipitation or hydrological variability
☑ Increased severity of extreme weather events
☑ Water availability at a basin/catchment level
☑ Changing temperature (air, freshwater, marine water)
☑ Changing precipitation patterns and types (rain, hail, snow/ice)

Policy

☑ Carbon pricing mechanisms
☑ Increased pricing of water
☑ Changes to national legislation
☑ Regulation of discharge quality/volumes
☑ Limited or lack of river basin management
☑ Lack of mature certification and sustainability standards
☑ Increased difficulty in obtaining water withdrawals permit
☑ Poor enforcement of environmental regulation
☑ Limited or lack of transboundary water management
☑ Increased difficulty in obtaining operations permits
☑ Lack of globally accepted and harmonized definitions
☑ Changes to international law and bilateral agreements
☑ Other policy, please specify **:EPC regulation**

☑ Statutory water withdrawal limits/changes to water allocation
☑ Mandatory water efficiency, conservation, recycling, or process standards
☑ Introduction of regulatory standards for previously unregulated contaminants

Market
☑ Changing customer behavior
☑ Uncertainty in the market signals
☑ Uncertainty about commodity origin and/or legality
☑ Availability and/or increased cost of raw materials
☑ Inadequate access to water, sanitation, and hygiene services (WASH)
☑ Rise in risk-based pricing of insurance policies (beyond demand elasticity)
☑ Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit
☑ Loss of clients due to a fund's poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs)

Reputation
☑ Impact on human health
☑ Stigmatization of sector
☑ Lending that could create or contribute to systemic risk for the economy
☑ Investing that could create or contribute to systemic risk for the economy
☑ Stakeholder conflicts concerning water resources at a basin/catchment level
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology
☑ Transition to reusable products
☑ Transition to recyclable plastic products
☑ Transition to increasing recycled content
☑ Transition to increasing renewable content
☑ Unsuccessful investment in new technologies
☑ Dependency on water-intensive energy sources
☑ Data access/availability or monitoring systems
☑ Transition to lower emissions technology and products
☑ Inability to increase yield of existing production areas
☑ Transition to water intensive, low carbon energy sources

☑ Transition to water efficient and low water intensity technologies and products

Liability

☑ Exposure to litigation

☑ Non-compliance with regulations

☑ Regulation and supervision of environmental risk in the financial sector

(2.2.6.12) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Investors

☑ Local communities

☑ Regulators

☑ Other commodity users/producers at a local level

(2.2.6.13) Further details of process

The Environmental Risk Impact Map identifies the most relevant environmental risk drivers for KBC's credit portfolios (100% coverage) and is reviewed yearly. In the White Papers, we regularly assess environmental challenges for the sectors and product lines with the largest impact, taking into account the specific context of our home countries. A key tool for risk identification is the E&S Heatmap. It provides a qualitative score for environmental and social risks at sector level. For material credit files, a high risk score triggers a dedicated ESG assessment at counterparty level. Such an assessment can take place both in the loan origination process and in the review process. The Internal Carbon Pricing is leveraged upon for larger clients. Client dialogues are essential in these assessments. The PACTA methodology helps us to assess the transition risk in our loan portfolio. Continuous efforts are made to improve the overall quality and availability of ESG-related data and industry standards (e.g. PCAF methodology) are leveraged upon to cover data gaps. We keep developing and improving our modelling exercises when evaluating our credit portfolios. Gained insights serve as input for target setting and monitoring, for initiating policy adjustments and for climate risk stress testing. Management has the ability to overrule the expected credit losses and to capture elements that are not part of the financial assessment. The reputational and credit risk playing field is made tangible through group-wide sustainability policies and Credit Risk Standards that impose restrictions and provide recommendations with regard to credit risk. KBC aims to limit the adverse impact of its activities on the environment and society and to encourage a positive impact based on a responsible lending culture. Dedicated ESG monitoring instruments have been set up, such as the E&S Portfolio Report, in which we monitor our exposure towards sectors prone to ES risks, and Climate-related Key Risk Indicators, that we introduced in the Risk Appetite Process. We keep screening our lending portfolio and other climate relevant investments from the opportunity side, and encourage the development of 'green' loans by e.g. smart-copying the green loan development of Business Unit Belgium to our other core countries. We are closely following up on the EU Taxonomy evolutions. Further details can be found in the KBC Sustainability Report and KBC Risk Report.

Investing (Asset manager)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Plastics

☑ Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

96

(2.2.6.4) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

☑ Retail

☑ Apparel

☑ Fossil Fuels

☑ Manufacturing

☑ Services
☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Infrastructure
☑ Power generation
☑ Transportation services

(2.2.6.6) Frequency of assessment

Select from:
☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply
☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:
☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply
☑ Local
☑ Sub-national
☑ National

(2.2.6.10) Tools and methods used

Select all that apply

☑ Internal tools/methods

☑ Other, please specify :ESG Risk Rating of Sustainalytics

(2.2.6.11) Risk type and criteria considered

Acute physical

☑ Pollution incident

☑ Toxic spills

Policy

☑ Lack of mature certification and sustainability standards

Market

☑ Changing customer behavior

☑ Loss of clients due to a fund's poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs)

Reputation

☑ Impact on human health

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

☑ Stigmatization of sector

Technology

☑ Transition to lower emissions technology and products

Liability

☑ Exposure to litigation

☑ Non-compliance with regulations

☑ Regulation and supervision of environmental risk in the financial sector

(2.2.6.12) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Suppliers

(2.2.6.13) Further details of process

ESG risk is considered as part of our sustainability risk assessment. Sustainability risk is one of the elements considered in active investment solutions. The proportion reported in this question is taken as the percentage of active investment solutions versus the overall assets under distribution. Moreover approximately 50% follow the more strict Responsible Investing methodology. Firstly, we have an exclusion policy for active investment solutions. For all these we exclude companies extracting thermal coal and companies burning thermal coal to produce electricity. The exclusion policy for Responsible Investing funds is even more strict and excludes, amongst others, all companies involved in the extraction of fossil fuels and companies producing electricity by burning fossil fuels. Secondly, the Responsible Investing research team shares the ESG Risk Score of corporates with Portfolio Managers and Strategists. This information is used in the investment decision-making process. Thirdly, we also set a target to reduce the carbon intensity (scope 1 2) of the corporate investees in Responsible funds by 50% compared to the end of 2019 reference values by 2030. These same funds will also promote the integration of sustainability into the policy decisions of issuers, by preferring issuers with a better ESG Risk Score. In terms of opportunities, KBC manages ECO-thematic funds, which are funds that invest in companies that provide a solution to a specific sustainability challenge. One of these funds focuses on Climate Change and invests in companies active in, amongst others, water, alternative energy, energy savings, recycling and waste processing. The impact of fossil fuels and especially of thermal coal on climate change is important and our strict exclusion policies (both for Responsible Investing solutions as for all active investment solutions) makes our product offering very clear for our clients. Next to the risk side of things related to our risk and return assessment of investments, we see this as part of our duty not to invest in companies significantly contributing to environmental change in our active investment solutions. While the above refers to the investment process for funds, KBC AM also constructed an Environmental Risk Impact Map, in which we yearly evaluate the potential impacts of physical and transition risk on KBC AM, for different scenarios, also explicitly differentiating between short, medium and long term expected potential impact.

Investing (Asset owner)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Plastics

☑ Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

(2.2.6.4) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

☑ Retail

☑ Apparel

☑ Services

☑ Materials

☑ Hospitality

☑ Transportation services

☑ Food, beverage & agriculture

☑ Biotech, health care & pharma

☑ Fossil Fuels

☑ Manufacturing

☑ Infrastructure

☑ Power generation

☑ International bodies

(2.2.6.6) Frequency of assessment

Select from:

☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

☑ Site-specific

☑ Sub-national

☑ National

(2.2.6.10) Tools and methods used

Select all that apply

☑ Internal tools/methods

☑ Risk models

☑ Scenario analysis

☑ Stress tests

☑ Other, please specify :external floods maps, ESG Risk rating of Sustainalytics, GHG data from Trucost (S&P)

(2.2.6.11) Risk type and criteria considered

Acute physical

☑ Drought

☑ Heat waves

☑ Tornado
☑ Avalanche
☑ Landslide
☑ Wildfires
☑ Glacial lake outburst
☑ Cyclones, hurricanes, typhoons
☑ Heavy precipitation (rain, hail, snow/ice)
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Storm (including blizzards, dust, and sandstorms)
☑ Subsidence
☑ Toxic spills
☑ Cold wave/frost
☑ Pollution incident

Chronic physical

☑ Heat stress
☑ Soil erosion
☑ Solifluction
☑ Water stress
☑ Sea level rise
☑ Ocean acidification
☑ Groundwater depletion
☑ Changing wind patterns
☑ Declining water quality
☑ Temperature variability
☑ Rationing of municipal water supply
☑ Water quality at a basin/catchment level
☑ Precipitation or hydrological variability
☑ Increased severity of extreme weather events
☑ Water availability at a basin/catchment level
☑ Coastal erosion
☑ Saline intrusion
☑ Soil degradation
☑ Change in land-use
☑ Permafrost thawing
☑ Poorly managed sanitation
☑ Scarcity of land resources
☑ Declining ecosystem services
☑ Land loss to desertification
☑ Increased ecosystem vulnerability
☑ Leaching of hazardous substances from plastics
☑ Seasonal supply variability/interannual variability
☑ Changing temperature (air, freshwater, marine water)
☑ Changing precipitation patterns and types (rain, hail, snow/ice)
☑ Increased levels of environmental pollutants in freshwater bodies
☑ Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies

Policy

☑ Carbon pricing mechanisms
☑ Poor coordination between regulatory bodies

☑ Increased pricing of water
☑ Changes to national legislation
☑ Regulation of discharge quality/volumes
☑ Limited or lack of river basin management
☑ Changes to international law and bilateral agreements
☑ Lack of mature certification and sustainability standards
☑ Increased difficulty in obtaining water withdrawals permit
☑ Statutory water withdrawal limits/changes to water allocation
☑ Mandatory water efficiency, conservation, recycling, or process standards
☑ Poor enforcement of environmental regulation
☑ Limited or lack of transboundary water management
☑ Increased difficulty in obtaining operations permits
☑ Lack of globally accepted and harmonized definitions
☑ Uncertainty and/or conflicts involving land tenure rights and water rights
☑ Introduction of regulatory standards for previously unregulated contaminants
☑ Other policy, please specify **:EPC regulation**

Market
☑ Changing customer behavior
☑ Uncertainty in the market signals
☑ Availability and/or increased cost of raw materials
☑ Inadequate access to water, sanitation, and hygiene services (WASH)
☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment
☑ Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit

Reputation
☑ Impact on human health
☑ Stigmatization of sector
☑ Investing that could create or contribute to systemic risk for the economy
☑ Stakeholder conflicts concerning water resources at a basin/catchment level
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology
☑ Unsuccessful investment in new technologies
☑ Dependency on water-intensive energy sources
☑ Transition to water intensive, low carbon energy sources

☑ Data access/availability or monitoring systems
☑ Transition to lower emissions technology and products
☑ Inability to increase yield of existing production areas

Liability
☑ Exposure to litigation
☑ Non-compliance with regulations
☑ Regulation and supervision of environmental risk in the financial sector

(2.2.6.12) Partners and stakeholders considered

Select all that apply
☑ Customers
☑ Employees
☑ Investors
☑ Local communities
☑ Regulators

(2.2.6.13) Further details of process

KBC Group own assets are managed by group treasury for banking and insurance books, and all listed investments are in scope of the screening and monitoring performed or planned by KBC Asset Management (see answer to "Investing (Asset Manager)"). The exclusion criteria for RI funds defined by our asset management also apply to our own investments meaning that activities relating to fossil fuels, power generating facilities, controversial and conventional weapons, and many other activities are excluded. This policy applies immediately for all new investments, for the existing portfolio some transitional measures are defined (for equities) and some grandfathering (for hold to maturity bonds). Since 2021, an assessment of the GHG intensity of investments is performed on the equity, corporate and financial bonds, government bonds and other public bonds portfolio of KBC Insurance Group. The portfolio represents a market value of 17 billion euros (March 2025) and covers 85% of total investments of KBC Insurance Group. - At Pensioenfonds KBC, which manages the supplementary pensions of our Belgium-based staff, an explicit ESG policy has been embedded in the Statement of Investment Principles which includes a list of excluded industries. GHG intensity portfolio assessments are made on an annual basis based on the Trucost data and methodology. Since 2019, all relevant asset types (listed equity, corporate and sovereign bonds) have seen more than 25% decline in carbon intensity. (listed equity 56%; corporate bonds 40%; and sovereign bonds 25%) - Additionally, KBC's 'Environmental Risk Impact Map' reflects to what extent KBC's bond and equity positions (investment book) and direct/indirect real estate might be affected by transition and physical risks, considering three scenarios, and this for the short, medium and long term. Conclusions of this Impact Map are taken into account in other risk processes such

as risk appetite and consequently also in our business plans. Environmental risks are assessed for the total investment portfolio and real estate investments (e.g. via the Environmental Risk Impact Map), therefore the proportion of the portfolio covered by the assessment process was put to 100%.

Insurance underwriting (Insurance company)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Plastics

☑ Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

(2.2.6.4) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(2.2.6.6) Frequency of assessment

Select from:

☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply

☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

☑ Site-specific
☑ Local

☑ Sub-national
☑ National

(2.2.6.10) Tools and methods used

Select all that apply

☑ Risk models
☑ Stress tests
☑ Scenario analysis
☑ WWF Water Risk Filter
☑ Internal tools/methods
☑ WWF Biodiversity Risk Filter
☑ Other, please specify :**External flood maps**

(2.2.6.11) Risk type and criteria considered

Acute physical

☑ Drought
☑ Tornado
☑ Landslide
☑ Wildfires
☑ Heat waves
☑ Heavy precipitation (rain, hail, snow/ice)
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Storm (including blizzards, dust, and sandstorms)
☑ Subsidence
☑ Toxic spills
☑ Cold wave/frost
☑ Pollution incident
☑ Cyclones, hurricanes, typhoons

Chronic physical

☑ Heat stress
☑ Soil erosion
☑ Water stress
☑ Sea level rise
☑ Coastal erosion
☑ Soil degradation
☑ Change in land-use
☑ Groundwater depletion
☑ Changing wind patterns
☑ Declining water quality

☑ Temperature variability
☑ Scarcity of land resources
☑ Declining ecosystem services
☑ Land loss to desertification
☑ Increased ecosystem vulnerability
☑ Changing precipitation patterns and types (rain, hail, snow/ice)
☑ Increased levels of environmental pollutants in freshwater bodies
☑ Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies
☑ Rationing of municipal water supply
☑ Precipitation or hydrological variability
☑ Increased severity of extreme weather events
☑ Leaching of hazardous substances from plastics
☑ Changing temperature (air, freshwater, marine water)

Policy

☑ Carbon pricing mechanisms
☑ Increased pricing of water
☑ Changes to national legislation
☑ Regulation of discharge quality/volumes
☑ Poor enforcement of environmental regulation
☑ Lack of globally accepted and harmonized definitions
☑ Changes to international law and bilateral agreements
☑ Introduction of regulatory standards for previously unregulated contaminants

Market

☑ Changing customer behavior
☑ Uncertainty in the market signals
☑ Uncertainty about commodity origin and/or legality
☑ Availability and/or increased cost of raw materials
☑ Availability and/or increased cost of recycled or renewable content
☑ Inadequate access to water, sanitation, and hygiene services (WASH)
☑ Availability and/or increased cost of certified sustainable material
☑ Rise in risk-based pricing of insurance policies (beyond demand elasticity)
☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment
☑ Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit
☑ Loss of clients due to a fund’s poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs)

Reputation

☑ Impact on human health

☑ Stigmatization of sector

☑ Lending that could create or contribute to systemic risk for the economy

☑ Investing that could create or contribute to systemic risk for the economy

☑ Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers)

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

☑ Insurance underwriting that could create or contribute to systemic risk for the economy

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Transition to reusable products

☑ Transition to recyclable plastic products

☑ Transition to increasing recycled content

☑ Transition to increasing renewable content

☑ Unsuccessful investment in new technologies

☑ Transition to water efficient and low water intensity technologies and products

☑ Dependency on water-intensive energy sources

☑ Data access/availability or monitoring systems

☑ Transition to lower emissions technology and products

☑ Inability to increase yield of existing production areas

☑ Transition to water intensive, low carbon energy sources

Liability

☑ Exposure to litigation

☑ Moratoria and voluntary agreement

☑ Non-compliance with regulations

☑ Regulation and supervision of environmental risk in the financial sector

(2.2.6.12) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Regulators

☑ Local communities

☑ Employees
☑ Investors
☑ Suppliers

(2.2.6.13) Further details of process

- KBC signed the UNEP FI Principles for Sustainable Insurance. Our Insurance entities work in close collaboration with our banking and leasing entities. - As of 2020, we launched strategic industry tracks for the most carbon-intensive industrial sectors/business lines to further integrate environmental-related risks, opportunities and targets into the strategy of these sectors and business lines. We take tangible steps to align the insurance business with the Paris Agreement. We have cooperations with thirds parties to support our customers in greening their assets and activities (ecoWise), also after a claim we put, together with our preferent partners, repairment as first choice instead of replacement. Our insurance activities are in scope of the KBC Sustainability policies. In principle, our Insurance entities apply the same exclusions and sectoral limitations in the underwriting policies as KBC's bank entities for lending. -Qualitative and quantitative tools are used to analyse and monitor the impact of environmental risks on insurance activities. E.g., exposure to acute natural catastrophe risks are continuously monitored and analysed in collaboration with re-insurers. The impact of changing weather patterns and potential natural catastrophe events, pollution and biodiversity/nature loss are included in our stress test exercises (as part of ORSA). Furthermore, the impact of three distinct NGFS climate scenarios on the capital position and P&L of KBC Insurance is calculated. Additionally, we also use our in-house Insurance Portfolio model Non-Life as an input. Forward-looking trends, such as changes in storm and precipitation patterns and flood frequency are analysed and monitored as part of our internal risk framework and processes and reported to management. Additionally, an update of the 'Environmental Risk Impact Map' (ERIM) was performed in 2024. The ERIM reflects to what extent KBC's Insurance activities' risk profile might be affected by transition and physical risks resulting from climate change, nature loss or other environmental issues, considering three climate/nature loss scenarios and this for the short, medium and long term. Conclusions of the ERIM are taken into account in other risk processes such as risk appetite and consequently also in our business plans. Risk and opportunities in the insurance activities are included in KBC's Double Materiality Assessment under CSRD, covering all environmental topics as included in CSRD.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:
☑ Yes

(2.2.7.2) Description of how interconnections are assessed

KBC uses different methodologies to map the interaction between these different elements. The main tool we have been using for several years is that of the White Papers (WP). For the most important sectors in our portfolios, which are also the most impactful for the various environmental aspects, we describe in these WP all the major legal and technological trends, local contexts and expectations in terms of sustainability (starting with climate change, later also including other environmental topics). We analyze for our banking, insurance and advisory portfolios the dependencies, impacts, risks and opportunities and how they affect each other. Finally, we translate this into concrete actions that KBC should take. These actions are presented to the Internal Sustainability Board for decision. Since last year, in addition to the sectoral WPs, we also launched thematic WPs (e.g. on deforestation, plastic pollution, water stress), in which we examined all the dependencies, impacts, risks and opportunities for a particular environmental theme, across all the sectors in our portfolios, and proposed actions. Next to the WP, through the ENCORE methodology, we mapped the impact and dependency of different nature-related ecosystems for our lending portfolio. We used the outcome of the ENCORE analysis to decide for which sectors additional impact and dependency analyses were needed.
[Fixed row]

(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?

	We consider environmental information
Banking (Bank)	*Select from:* ☑ Yes
Investing (Asset manager)	*Select from:* ☑ Yes
Investing (Asset owner)	*Select from:* ☑ Yes
Insurance underwriting (Insurance company)	*Select from:* ☑ Yes

[Fixed row]

(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply

☑ Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ Emissions data

☑ TCFD disclosures

☑ Energy usage data

☑ Climate transition plans

☑ Emissions reduction targets

☑ Other, please specify **:All other information publicly available and/or bilaterally provided by the client, including controversies.**

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee

☑ Data provider

☑ Public data sources

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Retail

☑ Manufacturing

☑ Apparel
☑ Services
☑ Materials
☑ Fossil Fuels
☑ Biotech, health care & pharma
☑ Infrastructure
☑ Power generation
☑ Transportation services
☑ Food, beverage & agriculture

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

65

(2.2.9.6) Total portfolio value covered by the process

219755250000

Investing (Asset manager)

(2.2.9.1) Environmental issues covered

Select all that apply
☑ Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply
☑ Emissions data

(2.2.9.3) Process through which information is obtained

Select all that apply
☑ Data provider

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

91

(2.2.9.6) Total portfolio value covered by the process

124212334269.66

Investing (Asset owner)

(2.2.9.1) Environmental issues covered

Select all that apply

☑ Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ Emissions data

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Data provider

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

87

(2.2.9.6) Total portfolio value covered by the process

64653927980.090096

Insurance underwriting (Insurance company)

(2.2.9.1) Environmental issues covered

Select all that apply

☑ Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ Emissions data
☑ Energy usage data
☑ Other, please specify :Physical climate risk information; climate adaptation information

(2.2.9.3) Process through which information is obtained

Select all that apply
☑ Directly from the client/investee
☑ Data provider

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply
☑ Food, beverage & agriculture
☑ Infrastructure
☑ Retail
☑ Transportation services

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

66

(2.2.9.6) Total portfolio value covered by the process

0

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply
☑ Forests

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ CDP questionnaire response

☑ Commitment to eliminate deforestation and conversion of other natural ecosystems

☑ Certification of commodities

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee

☑ Data provider

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Food, beverage & agriculture

☑ Materials

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

5

(2.2.9.6) Total portfolio value covered by the process

3715742987.3615

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply

☑ Water

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ TNFD disclosures

☑ Water withdrawal and/or consumption volumes

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Biotech, health care & pharma

☑ Food, beverage & agriculture

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

3

(2.2.9.6) Total portfolio value covered by the process

2229445792.4168997
[Add row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

[Definition] Specifically for environmental risks, the potential impact of environmental risks on different risk types is also assessed by KBC's Environmental Risk Impact Map (ERIM). This map reflects, for every risk type, the impact of transition and physical risk, by distinguishing between different drivers of transition risk (policy, technology, consumer preference) and physical risk (split according to different environmental perils), by considering three distinct climate/nature scenarios (Orderly Transition, Delayed Transition and Current Policies), which are widely adopted within the financial industry, for three different time horizons: short (0-3y, APC horizon), medium (4-9y), long term (>10y). The assessment is mainly expert based, underpinned by already available measurements and insights (i.e. portfolio insights, methodological tracks, scenario analyses, stress tests, monitoring reports etc.). Evolution of the environmental risk divers provided in the 3 scenarios are combined with KBC-specific insights such as current portfolio (sector) compositions, geographical location of KBC's physical assets, current balance sheet composition, models, current policies and frameworks, current risk mitigation measures, the nature of current products offered by KBC, etc. [Indicator]: For each risk type, horizon and scenario, an environmental risk impact assessment is made, with scores ranging from no or negligible to mild, significant or high to critical. If the impact on a certain risk type is assessed as significant or high to critical, the risk is considered as substantial, if not sufficiently mitigated. The results of KBC's ERIM are used as a basis for the environmental-related underpinning and quantification (e.g. determining relevant environmental stresses to consider into stress testing) included in the internal quantitative Pillar 2 (QP2) approach and earnings assessment.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :new production volumes of 'towards green' products higher than new production of 'neutral' products

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Other, please specify :New production volumes in 'towards green' products above new production of non-'towards green' products (next to: Market share in 'towards green' solutions and products above 'normal' market share)

(2.4.7) Application of definition

In the quarterly follow-up of the Alignment of Planning Cycles (APC), we monitor the new production of 'towards green' solutions and products. KBC Group has set ambitious targets for this and as such these are also considered substantial. By growing this 'towards green' production higher than the 'neutral' production, we want our contribution to the greening of our customers to grow faster than our other business. As a result, the share of 'towards green' in our portfolios is growing from year to year. We also want in this way to aim for a market share that is higher than our regular market share in the relevant product lines (e.g. mortgages, car loans and insurance, investment funds, etc.).

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :Pillar 2 going concern capital (CET1)

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ Less than 1%

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

[Definition]: KBC's internal quantitative Pillar 2 (QP2) approach aims to give management and the supervisor an increased level of confidence in our ability to remain viable by maintaining adequate capitalisation in view of the risks it is, or may be, exposed to and by timely and effectively managing its risks. Materiality is a key concept in this approach. [Quantifiable indicator]: A substantive or material financial or strategic impact on our business is defined in our QP2 approach as impacts above a threshold of 0.5% of Pillar 2 going concern capital (CET1) or above an absolute threshold of 200m EUR, whichever threshold is most restrictive. This materiality concept is rolled out over all different risk types and is also applicable for environmental risk. The Environmental Risk Impact Map (see other qualitative risk identification tool) assessment showed that the material impacts are mostly expected in the long(er) term. In the short term, potential impacts for environmental risk could occur for reputational risk and technical insurance risk (regulation could impact pricing, underwriting and claim management of insurance products, claims might rise and the reinsurance market might harden) under an Orderly Transition scenario. [Definition] Note that the QP2 approach also covers an earnings based view. The Earnings Assessment (EA) is designed to assess KBC's earnings capability and sustainability over a longer time horizon under the base case and over longer term structural stress. This EA estimates the impact of (mild/medium/severe) structural trends – including climate-related risks - on future profitability.

[Quantifiable indicator]: The impact is seen as material if the through-the-cycle view on P&L in comparison to the capital needed to generate that return falls below a pre-defined internal or external warning level such as the Cost of Equity.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

Forests

(3.1.1) Environmental risks identified

Select from:

☑ Yes, only in our portfolio

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Due to the nature of a financial institution's activities, forest related risks are not expected to have a financial impact on our direct operations or upstream value chain. Regarding our downstream operations, the European Deforestation Regulation's (EUDR) complex and still unclear due diligence requirements could financially burden counterparties active in the sectors concerned and thus impact their creditworthiness. This might ultimately affect KBC's credit risk exposure and, via increased impairments, its financial position. With respect to reputational risk, a negative reputational risk event can be an amplifier for other risk types (e.g., leading

to a liquidity outflow). Reputational risk events can adversely affect KBC's ability to maintain existing, or establish new, business/customer relationships and have continued access to sources of funding.

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ Yes, only in our portfolio

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Due to the nature of a financial institution's activities, plastic related risks are not expected to have a financial impact on our direct operations or upstream value chain. Regarding our downstream operations, in 2024 we drafted a first White Paper on plastic pollution, identifying legislative initiatives, risks and opportunities for our corporate customers in our lending portfolio. Main focus was on plastic packaging, with the chemicals sector (as plastic producers) and the food & beverage sector (as plastic packaging users) as main targeted sectors.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.1.1.9) Organization-specific description of risk

As carbon emissions continue to rise there is an increasing risk of legal constraints and policy actions such as tightening carbon pricing mechanisms. Such carbon pricing mechanisms can indirectly impact KBC group via the performance of its industrial loan book. Emerging carbon regulations could have a substantial impact on our clients in those sectors and thus impact their PD and LGD, ultimately affecting the credit risk KBC is exposed to. We investigate this impact as well through our Sustainable Finance program, in which most material industrial sectors for KBC group were analysed in more detail via strategic tracks. The sectors addressed are agriculture, automotive, building & construction, chemicals, energy, electricity, food producers, metals and commercial real estate. Thematic deep dives (White Papers) are performed on the impacts, opportunities and risks within each sector. These strategic tracks are being reviewed and updated regularly. For more details we refer to our Sustainability Report. KBC has estimated the possible impact of increased impairments and defaults for the most carbon intensive sectors through a range of stress test exercises based on disruptive scenarios which also factor in carbon pricing.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 31-40%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The transition towards a green economy increases the likelihood of legal constraints and policy actions such as tightening carbon pricing mechanisms. Such initiatives are expected to drive up company costs, as such affecting the creditworthiness of our counterparties active in sectors vulnerable to transition risk. This could affect the bank's P&L via increasing impairments and related operational expenses.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

814000000

(3.1.1.25) Explanation of financial effect figure

As a part of KBC's stress test mix, a very severe transition risk scenario has been simulated. Under this scenario, we assume policies targeting fossil fuels increasing energy prices, affecting corporate and households' financial condition, a shortage of critical minerals used in green technologies, excessive sovereign debt as a result of governments trying to soften the blow, a spike in risk premia and a decline in stock valuations, especially in polluting sectors. Under this very severe scenario, the resulting estimated increase in impairments is 814 000 000 Euro. It must be noted that KBC remains profitable and well capitalized even under this severe scenario.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of upstream and downstream activities

(3.1.1.27) Cost of response to risk

720622

(3.1.1.28) Explanation of cost calculation

The estimated total cost of response is mostly based on the average staff expenses per FTE and other expenses include data packages of external data providers and pilot projects.

(3.1.1.29) Description of response

[Situation] As carbon-based pricing is expected to impact the costs of carbon intensive companies significantly, [Task] this risk should be carefully managed. [Action] This risk is managed via KBCs Climate Strategy as part of its Sustainability Strategy. Within the Sustainable Finance Program we focus on a.o. reducing the risks to high-carbon clients and activities and engaging with and supporting our clients in their transition towards climate resilience. As part of this program we analyse the most carbon-intensive industrial sectors and product lines to investigate climate-related risks and opportunities. Via these strategic tracks we are measuring the direct and indirect impact of our portfolio. [Result] We have set targets for a subset of our White Paper (sub-) sectors that we aim to reach by 2030 and 2050, based on emission intensities. An example of such a target applies on our total electricity loan portfolio where we aim for a 39% reduction of our 2021 portfolio value of 210 kg CO2e/MWh by 2030. Next to our already existing strict sustainability policies to limit the negative environmental impact of our activities (such as specific policy for the energy sector), we have integrated climate risks into our overall risk management. We use a variety of approaches to identify emerging and changing climate risks. Therefore, we cooperate with external parties in pilot projects such as PACTA and UNEP FI to implement new instruments and better understand the potential financial impact of climate-related transition risks. We also perform various stress tests throughout the year. For material credit files a dedicated ESG assessment is performed for counterparties operating in vulnerable sectors. Such an assessment can take place both in the loan origination process and in the review process. To understand how business clients deal with ESG challenges and to support them in this transition client dialogues is an essential part of such a counterparty assessment.

Forests

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.2) Commodity

Select all that apply

☑ Soy

☑ Cocoa

☑ Timber products

☑ Cattle products

☑ Coffee
☑ Rubber
☑ Palm oil

(3.1.1.3) Risk types and primary environmental risk driver

Policy
☑ Changes to international law and bilateral agreements

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply
☑ Credit risk
☑ Reputational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply
☑ Belgium
☑ Bulgaria
☑ Czechia
☑ Hungary
☑ Slovakia

(3.1.1.9) Organization-specific description of risk

The financial sector faces increasing pressure to disclose impact on deforestation (e.g. via CSRD, TNFD and CDP) and needs to respond to growing allegations regarding the financing of deforestation. On the other hand, the EU deforestation regulation (EUDR) requires operators and traders dealing with commodities like cattle, cocoa, coffee, oil palm, rubber, and soy to prove that their products do not originate from recently deforested land or contribute to forest degradation. While the EUDR partially reduces our deforestation risk, the complex and still unclear due diligence requirements might affect our clients financially and could pose a potential credit and reputational risk for KBC. Therefore, it is important to have adequate due diligence to manage exposure to deforestation.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Brand damage

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The European Deforestation Regulation's (EUDR) complex and still unclear due diligence requirements could financially burden counterparties active in the sectors concerned and thus impact their creditworthiness. This might ultimately affect KBC's credit risk exposure and, via increased impairments, its financial position. With respect to reputational risk, a negative reputational risk event can be an amplifier for other risk types (e.g., leading to a liquidity outflow). Reputational risk events can adversely affect KBC's ability to maintain existing, or establish new, business/customer relationships and have continued access to sources of funding.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of upstream and downstream activities

(3.1.1.27) Cost of response to risk

104000

(3.1.1.28) Explanation of cost calculation

In order to obtain a clear view on which of KBCs clients are involved in the value chain of forest commodities, KBC set up a white paper exercise on deforestation in 2024. In this pilot exercise, we have developed a heatmap to identify sectors with a high potential to include clients producing, trading, or using forest commodities. We estimate the cost of this exercise at 104 004 EUR, calculated as the average staff expenses per FTE of EUR 69 336 (2 677 million EUR total staff expenses in 2023 / 38 609 total average FTE employed) x 6 FTE x 3/12 (3 months) involved EUR 104 004, rounded to EUR 104 000.

(3.1.1.29) Description of response

Regarding the reputational risk of financing clients involved in deforestation, we are continuously increasing our knowledge on client activities in order to identify clients active in the value chain of forest commodities. Part of our reputational risk will be mitigated by the upcoming EU Deforestation Regulation (EUDR) as forest commodities entering the EU market should be deforestation-free from 30 December 2024 onwards. Nevertheless, the heavy administrative requirements of the EUDR put a potentially high burden on our clients' businesses, which could lead to increased credit risk for KBC. Engagement with customers needing to comply with EUDR can help mitigating the impact of this regulation on clients. Regarding credit risk, our policies already contained restrictions on the production of forest commodities, such as palm oil, since these activities often involve deforestation. This year, the existing biodiversity policy on producers was expanded to include more forest commodities and to also include traders of these commodities. This means that we require our clients active in the production and/or trade of those forest

commodities to have 100% of their activities certified under an internationally recognized sustainable certification scheme. And this within a time frame of four years. Moreover, given the significant risk for deforestation, KBC will no longer finance cattle farming in Latin America. In this way, the goal of the KBC biodiversity policy is to mitigate deforestation risk originating from activities outside the EU.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary
☑ Slovakia

(3.1.1.7) River basin where the risk occurs

Select all that apply
☑ Danube
☑ Meuse
☑ Schelde (Escaut)
☑ Other, please specify :Yser

(3.1.1.9) Organization-specific description of risk

Water stress occurs when there is not enough qualitative (to the extent that it is unfit for use) and accessible water available to meet the demands of people and the environment. For KBC, credit risk may arise indirectly through KBC's counterparties via their impact and dependency on water sources. For counterparties that are impacting freshwater sources, additional credit risk could arise from transitions risk related to emerging regulations, technological change or consumer preferences. Also counterparties with a high dependency on freshwater sources could suffer from acute and chronic physical risks related to water supply. For instance, companies that use water in their manufacturing process, use water in their products or are dependent on water via their supply chain, risk having to deal with increasing costs if water stress risk were to materialize. In extreme cases reallocation of their activities might even be necessary further increasing the costs. Examples of sectors that heavily impact and/or are highly dependent on water are agriculture, food and beverage producers, the chemical industry and the energy sector. Dwindling water supply can also cause supply chain disruptions as well as water and food insecurity, potentially impacting the economy as a whole.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:
☑ 21-30%

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Water stress occurs when there is not enough qualitative and accessible water available to meet the demand. For KBC, credit risk may arise through its counterparties as emerging regulations or securing water supply might drive up costs and affect creditworthiness. This could affect the bank's P&L via increasing impairments and related operational expenses as well as decreasing net interest income further to lower lending volumes.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

326000000

(3.1.1.25) Explanation of financial effect figure

As part of KBC's stress test mix, a very severe (worst case) drought risk scenario has been simulated. Under this scenario, we assume a widespread drought hit Europe after a year of already below average water levels. Costs for industrial water usage increase and governments restrict the usage of water for certain activities, impacting specific economic sectors. An equally severe drought across all of Europe is assumed. The attributed sectoral shocks are in the same range as the worst historically observed sectoral declines. Under this very severe drought scenario, the resulting estimated increase in impairments is 326 000 000 Euro. It must also be noted that KBC remains profitable and well capitalized even under this very severe scenario.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of upstream and downstream activities

(3.1.1.27) Cost of response to risk

104000

(3.1.1.28) Explanation of cost calculation

In order to obtain a clear view on which of KBCs clients are in highly vulnerable water sectors, KBC set up a white paper exercise on water stress in 2024. In this pilot exercise, we have developed a heatmap to identify sectors vulnerable to water stress. We estimate the cost of this exercise at 104 004 EUR, calculated as the average staff expenses per FTE of EUR 69 336 (2 677 million EUR total staff expenses in 2023 / 38 609 total average FTE employed) x 6 FTE x 3/12 (3 months) involved EUR 104 004, rounded to EUR 104 000.

(3.1.1.29) Description of response

A key tool for detecting the related risks in the corporate and SME loan portfolios is the Environmental and Social Heatmap. It provides a qualitative score for environmental as well as social risks at sector level. One of the underlying parameters of the environmental risk at sector level is driven by the water risk associated with a particular subsector. For material credit files in sectors with a high risk score according to the abovementioned Heatmap a dedicated ESG assessment is performed at counterparty level. Such an assessment can take place both in the loan origination process and in the review process. To understand how business clients deal with ESG challenges and to support them in the transition towards more sustainable practices, client dialogues is an essential part of such a counterparty assessment. We continue to develop our identification, measurement and monitoring capabilities with respect to ESG risks and continue to evaluate how transition and physical risks affect our credit portfolios. For example, water stress has been and will be evaluated for relevant sectors in our White Paper exercises.

Plastics

(3.1.1.1) Risk identifier

Select from:

☑ Risk7

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to international law and bilateral agreements

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Credit risk

☑ Reputational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.1.1.9) Organization-specific description of risk

Legislation on the use of plastic packaging may become more stringent, which could affect the turn-over and/or P&L of chemical producers and food & beverages companies in our portfolio (transition risk, a.o. by not timely anticipating on new rules and regulation). This could also imply reputational risks for these customers. And eventually, this could also impact our loan portfolio

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We expect companies to anticipate on legislation. So we also expect this to be a low risk in KBC's loan portfolio.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of upstream and downstream activities

(3.1.1.29) Description of response

[Situation] As legislation on the use of plastic packaging may become more stringent, which could affect the turn-over and/or P&L of chemical producers and food & beverages companies in our portfolio, [Task] this risk should be carefully managed. [Action] Increased monitoring and client engagement with relevant counterparties in affected sectors will reduce the risk.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Insurance underwriting portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Insurance risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.1.1.9) Organization-specific description of risk

Specific for KBC, as we have non-life insurance activities in all our core countries with Belgium being the point of gravity, an increased severity and frequency of extreme weather events such as storms and floods could result in a substantial increase of related claims for KBC. Based on the climate flood maps available for Flanders, flood claims in the Property portfolio of KBC Insurance NV are expected to increase between 50% to 80% by 2050, which is in line with external analysis performed by other parties such as the Vlaamse Milieumaatschappij (VMM). Also in the other core countries an increase of the flood claims is expected. It is important to note that these results are gross losses without any form of reinsurance. In reality, KBC Insurance is (partially) reinsured for extreme weather events and can adjust the charged premium on yearly basis. Nevertheless the increase of smaller events falling under the reinsurance retention limits can gradually impact the loss ratios and thus profit on the longer term. Additionally reinsurance premiums could increase as (smaller) reinsurance companies might stop/limit their business following changing weather patterns and increasing claims, as sometimes observed in the past.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased insurance claims liability

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

An increased severity and frequency of extreme weather events such as storms and floods could result in a substantial increase of related claims, impacting P&L. Furthermore, an increase in severity and frequency of extreme weather events can result in a hardening of the reinsurance market, leading to higher reinsurance premiums, higher risk retention or a combination of both. A structural increase in severity and frequency of extreme weather events likewise impacts the insurance liabilities Best Estimate, decreasing the solvency ratio.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

11000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

123000000

(3.1.1.25) Explanation of financial effect figure

An increase in the frequency and intensity of meteorological disruptions potentially causes rising numbers of damage claims. We have non-life insurance activities in all our core countries with Belgium being the point of gravity. An increased severity and frequency of extreme weather events such as storms and floods could result in a substantial increase for KBC of related claims. As part of KBC's stress test mix, a very severe 1/100 flood-event scenario has been simulated for each KBC country. The figure given for the maximum anticipated effect is the estimated loss after reinsurance following the increase in insurance claims when the risk materializes in all our home countries at the same time. The minimum anticipated figure represents the estimated loss after reinsurance when the risk only materializes in the least affected country. It must also be noted that KBC remains profitable and well capitalized even under even these severe scenarios.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of upstream and downstream activities

(3.1.1.27) Cost of response to risk

178000

(3.1.1.28) Explanation of cost calculation

The monitoring and managing of this risk is predominantly BAU. On top of our BAU, we estimate the cost of management of the additional tasks at 177 812 EUR, calculated as the average staff expenses per FTE of EUR 71 125 (2 708 million EUR total staff expenses in 2024 / 38 074 total average FTE employed) x 2,5 FTE involved. EUR 177 812, rounded to EUR 178 000.

(3.1.1.29) Description of response

[Situation] KBC acknowledges the risk of more damage claims as a result of the increasing frequency and intensity of floods.[Task] KBC aims to manage this risk by considering expected flood risk next to current flood risk.[Action] We factor the impact of more extreme weather conditions on our insurance activities by using internal and external measures & models, backed up with stress tests, to calculate the potential impact on our non-life (property) portfolio. However, climate change impact on KBC Insurance is partly mitigated by the diversified nature of our activities, the focus on our core markets in Belgium and Central Europe and the annual renewal of policies. Additionally, part of the risk is transferred to external parties via reinsurance contracts. Nevertheless, forward-looking trends such as flood frequency changes are monitored in the Insurance Risk Management Framework and related processes. E.g., conclusions of the Environmental Risk Impact Map (our yearly environmental risk identification process) are considered in processes as risk appetite and business plans. Furthermore, we purchased new detailed flood maps for our core countries to gain a more accurate view on the current flood risk per property. Additionally, local entities took action to mitigate the impact of increasing flood risk by revising tariffs to better reflect the expected flood risk, while tail risks have been phased out from the portfolio. As a next step, risk and business will cooperate to optimize the current approach, i.e. by combining the forward looking aspect with the more detailed flood maps which are typically used for underwriting purposes.[Result] In Belgium tail risks are no longer insured and tariffs have be revised to better reflect the expected flood risk. Besides, all insurance entities must

include flood risk into acceptance criteria for property insurance. Our risk management approach demonstrates forward-looking planning and enables us to manage flood risk effectively

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Changing customer behavior

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Investing (Asset manager) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Reputational risk

☑ Other non-financial risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary
☑ Slovakia

(3.1.1.9) Organization-specific description of risk

As customers are looking to invest their money in a responsible way and taking into account ESG into their investment decisions, there is an increasing demand of investors and customers in Responsible Investing products. We see this increased demand for RI products happening in our own investments products and asset management business lines (RI funds represented slightly more than 50% of our annual fund production in 2024 (gross sales)). This poses a potential risk of losing between 10- 40% of our clients with sustainability preferences, and therefore business, if we fail to continue to develop corresponding products for our clients interested in such investment products These could turn to other market players, such as other European retail banks, offering RI products more responding to their preferences.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:
☑ 41-50%

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply
☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ Unlikely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The medium term risk is related to a loss of revenues due to lower sales in Responsible Investing funds in the next years. This is anticipated to be medium as changes in ESG methodologies at peers and in client behaviour is difficult to predict and can have a larger cumulative effect over time.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

7100000

(3.1.1.25) Explanation of financial effect figure

The change in consumer behaviour is expected to take place gradually with a reduced demand for conventional investment products, and thus decreased revenues as a result of decreased demand. Assumed is a financial impact of 0.5% per year (maximum) on our asset management services if we should fail to develop Responsible Investing products responding to the client's preferences. KBC reported over 2024 a fee and commission income on asset management services of EUR 1 420 million. Hence, we calculate a potential financial impact figures in terms of decreased revenues (fee and commission income) due to reduced demand for products and services of 7.1 million euros on annual basis (an impact of 0.5% x EUR 1 420 million 7.1 EUR million on annual basis).

(3.1.1.26) Primary response to risk

Policies and plans

☑ Other policies or plans, please specify :yearly update of Responsible Investing methodology taking into account regulatory and market evolutions

(3.1.1.27) Cost of response to risk

85000

(3.1.1.28) Explanation of cost calculation

In order to mitigate this risk and in order to maintain top notch ESG methodologies, we monitor evolutions on the market and at peers. This includes scanning of new data points that become available, new regulatory requirements and evolving methodologies of measuring environmental and/or social impacts. We estimate the cost of management of the these tasks at 35 000 EUR, calculated as the average staff expenses per FTE of EUR 71 125 (2 708 million EUR total staff expenses in 2024 / 38 074 total average FTE employed) x 0,5 FTE involved EUR 35 563, rounded to EUR 35 000. Next to this, we need to monitor the need of new ESG data points. As a new data package is estimated to cost 100 000 EUR, we expect a potential yearly cost increase of 50 000 EUR. Both combined we arrive at a rounded cost estimate of 85 000 EUR.

(3.1.1.29) Description of response

[Situation] KBC acknowledges risks from shifting customer behavior, as this might result in lower revenues due to decreased demand for products and services when our product offer is not aligned with these changing consumer preferences. [Task] The risk is managed throughout the Group via the application of the KBC Sustainability Strategy. One of the cornerstones of our sustainability strategy is our focus on Responsible Investing (RI) for which climate policy is an important element. We aim on increasing awareness of RI among both our staff and clients. [Action] We mitigate the risk of losing clients by having a suitable RI product offer and being able to properly explain the RI methodology used. To achieve RI volume targets we continue to promote RI towards our clients. We see the RI offer as our first offer and preferred investment solution. KBC Asset Management continues to work on its product offering of RI funds, aiming to provide a broad RI product offering meeting our client's needs for investing and their sustainability preferences. Additionally we yearly monitor the RI methodology taking into account regulatory and market evolutions. The proposals for an update are presented and discussed at an independent external advisory board. Upon the advice of the advisory board proposals can be finetuned or new elements can be investigated aiming to keep our RI methodology up to market standards and client expectations. [Result] By the end of 2024, the volume invested in these RI funds had already increased to 50 billion euros. This represented more than 40% of total direct client money and slightly more than 50% of annual fund production in 2024 (gross sales). KBC's Sustainability Dashboard ensures regular monitoring of these targets, which the ExCo and Board of Directors review on a semi-annual basis. An example of an update of the RI methodology is a shift in 2023 from a Best-in-Class approach to portfolio targets including a GHG reduction target.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk6

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Investing (Asset owner) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Market risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.1.1.9) Organization-specific description of risk

Positions in the banking and insurance book are followed up on based on those which are deemed to be most carbon intensive: direct equity, corporate bonds, sovereign bonds. For corporate bonds, revenues of high-impact companies could decline if they do not opt to decarbonize. This could lead to a re-pricing of corporate bonds due to higher credit spreads on sectors more sensitive to transition risk. This has impact on the economic value of the portfolio, and consequently, negatively impacts the PnL in case of sale. Equity positions can similarly lose value in high risk sectors. For KBC, we identified the sectors prone to low, medium and high transition risk. The biggest part of the portfolios (corporate bonds and equity positions) are classified under low transition risk. The highest exposure under high transition risk is within the C – All other manufacturing sector (NACE classification) however, it presents limited potential impact (13% of the direct equity portfolio and no bonds held at fair value). Overall, KBC has relatively low exposure to the high transition risk sectors due to the internal policies in place, in order to, anticipate

changes in the market (reputation risk), as well as devaluation of assets. In the scope of "Asset Owner," these risks are quantifiable only for positions on the balance sheet of the banking and insurance entities. Positions under the pension fund are followed up on separately. This is reflected in all financial figures presented here.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Risk is assessed per asset type, for positions in the banking and insurance books. Bonds, both corporate and sovereign which are held at amortized cost have the least among of asset types as contractual cashflows should be reliable within the credit classification of these assets, and increased strain on credit worthiness is out of the scope of asset ownership assessment with regards to assets held to maturity. Value effects of assets held at market value such as equity, the fair value

portfolio of corporate and sovereign bonds, and direct real estate are deemed more prone to climate risk as impairments directly related to climate change could in theory immediately affect PnL. To that end, these positions are monitored based on sector or geography where applicable, and shocks are used as a monitoring tool to understand the granular exposure of these positions. These shocks are derived from the 2022 EBA Climate stress test, and consider each sector. Sovereign bonds are treated differently, followed up by classifying countries by low, medium, and high based on KBC's own internal sustainability barometer. The figure presented represents and aggregated, worst case scenario effect of these shocks of all positions monitored. This should be understood as a stressed, worst case scenario. As these positions are all covered by various internal investment requirements, and are followed up on, it is unlikely that a maximum stress could occur, rather this is simply a snapshot of the risk on the balance sheet at the present moment, projected into the future, under an internal stress.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

35000000

(3.1.1.25) Explanation of financial effect figure

This financial effect figure represents the potential impact of a climate stress for climate stress prone assets (corporate bonds, sovereign bonds, and direct equity) in the banking and insurance book. This is a measure followed up on quarterly internally as a barometer of the climate stress to our portfolio. KBC developed our sustainability risk dashboards for corporate bonds and equity positions, where a "disorderly transition scenario" of the Network for Greening the Financial System ("NGFS") was followed. Under this scenario, policy measures to reduce carbon emissions are delayed. The scenario consists of market risk shocks for corporate credit spreads and equity values on sector level, using the NACE sector codes as identifiers. Those corporate credit spread shocks vary per sector depending on their estimated transition risk. A similar approach is taken for equity positions where equity prices are lowered based on the inherent transition risk of the underlying corporate (shock is determined by sector). Those corporate credit spread shocks vary between 1bp up (low transition risk) to 130bps up (high transition risk) and the equity shocks vary between - 18% (high transition risk) to - 5% (low transition risk).The lower credit spread and equity shock provided by ECB was used for sectors which ECB deemed to not be subject to transition risk (within the short term disorderly transition scenario). The potential financial impact is calculated based on the ECB scenario, transition risk allocation (low, medium and high transition risk) and the assumptions presented above. This figure represents these relevant shocks per asset class, for high risk assets, aggregated into one sum (18m direct equity, 4,8m corporate bonds and 8,6m EUR sovereign bonds). It should be understood as an absolute worst case impact, as it does not distinguish accounting classification or maturity date; however, it is a useful measurement of the exposure to high risk assets.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Greater due diligence

(3.1.1.27) Cost of response to risk

114578

(3.1.1.28) Explanation of cost calculation

The monitoring and managing of this risk is predominantly business as usual, without additional dedicated cost. On top of our business as usual, we estimate the cost of management of the additional tasks at 114 578 EUR, calculated as the average salary of one Belgian FTE.

(3.1.1.29) Description of response

Investment decisions are made in accordance with a binding framework which has a number of considerations aligned with ESG considerations. As regulation targeting carbon emissions are expected to impact credit spreads of corporate bonds and equity values, KBC Group aims to manage this risk by applying strict ethical restrictions with regard to investments. Following the KBC Group Investment Policy, installed in 2020 and reviewed annually, KBC Group does not invest for its own account in financial instruments (shares, bonds and any other financial instrument) issued by "excluded counterparties". These include a.o. counterparties which are in any way involved in the extraction of thermal coal and/or are power generation companies using thermal coal. Additionally, since 2020, KBC Group does not make any new investments in fossil fuel sectors for both banking and insurance portfolios. However, we keep the corporate bonds until the end of maturity to avoid PnL volatility ('Grandfathering Principle'). Exposure to excluded counterparties has decreased more than 40% since 2022 through maturing bonds and the sale of certain equity positions

Forests

(3.1.1.1) Risk identifier

Select from:

☑ Risk8

(3.1.1.2) Commodity

Select all that apply

☑ Not applicable

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Increased severity of extreme weather events

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Insurance underwriting portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Insurance risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.1.1.9) Organization-specific description of risk

KBC offers both life (including health) and non-life insurance (including property insurance). In the life insurance portfolio portfolio, deforestation, through a decline in provisioning services, regulation services (e.g. lower air quality) and cultural services, can lead to an increase in mortality (↑), morbidity (↑) and hospitalization (↑) risk, affecting health and risk life products and related claims. In the non-life portfolio, deforestation can have an impact mainly through a decline in regulating services

(climate regulation, flood mitigation). As such, deforestation can increase both the frequency and severity of natural catastrophes, impacting claims in the property insurance.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased insurance claims liability

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

An increased severity and frequency of extreme weather events could result in an increase of related claims, impacting P&L.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of upstream and downstream activities

(3.1.1.27) Cost of response to risk

18000

(3.1.1.28) Explanation of cost calculation

The monitoring and managing of this risk is predominantly BAU. On top of our BAU, we estimate the cost of management of the additional tasks at 17 781 EUR, calculated as the average staff expenses per FTE of EUR 71 125 (2 708 million EUR total staff expenses in 2024 / 38 074 total average FTE employed) x 0,25 FTE involved. EUR 17 781, rounded to EUR 18 000.

(3.1.1.29) Description of response

KBC acknowledges the risk of more life and health claims as a result of decreasing provisioning, regulating and cultural services, and damage claims as a result of a decline in regulating services (resulting in a increasing frequency and intensity of natural catastrophes, mainly floods. KBC aims to manage this risk by considering expected and worst case future risk next to current risk. We factor the impact on our insurance activities by internal and external models, backed up with stress tests, to calculate the potential impact on our life and non-life (property) portfolio. Part of the risk is transferred to external parties via reinsurance contracts.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk9

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Drought

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Insurance underwriting portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Insurance risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Belgium

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Meuse

☑ Schelde (Escaut)

☑ Other, please specify :Yser

(3.1.1.9) Organization-specific description of risk

The crop protection insurance offered in Belgium covers damages due to drought. Therefore, (an increase in) droughts can result in (an increase in) crop insurance claims in the non-life portfolio. The insurance underwriting risk is limited through limitations in the terms and conditions of the policies (only a fixed % of the damages are insured, with deductible), and a stop loss reinsurance contract.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:
☑ Less than 1%

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Increased insurance claims liability

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply
☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ More likely than not

(3.1.1.14) Magnitude

Select from:
☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

An increase in droughts will result, under constant crop insurance portfolio assumptions, in an increase of crop insurance claims, negatively impacting p&l.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of upstream and downstream activities

(3.1.1.27) Cost of response to risk

18000

(3.1.1.28) Explanation of cost calculation

The monitoring and managing of this risk is predominantly BAU. On top of our BAU, we estimate the cost of management of the additional tasks at 17 781 EUR, calculated as the average staff expenses per FTE of EUR 71 125 (2 708 million EUR total staff expenses in 2024 / 38 074 total average FTE employed) x 0,25 FTE involved. EUR 17 781, rounded to EUR 18 000.

(3.1.1.29) Description of response

KBC acknowledges the risk of more crop insurance claims in the non-life portfolio as a result of droughts. KBC follows up closely the exposures via crop insurance policies, including total sums insured, gross and net max payouts. Part of the risk is transferred to external parties via reinsurance contracts.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :Total Gross Carrying amount for loans towards corporate clients

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

43632000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 21-30%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

34890000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ 21-30%

(3.1.2.7) Explanation of financial figures

KBC attributes to each client a specific economic activity (credit activity code). A detailed mapping table has been constructed to identify which economic activities have low, medium or high vulnerability to climate transition risk and physical risk. Based on this, Gross Carrying Amounts of clients with high vulnerability were compared to the total exposure.

Forests

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :Total Gross Carrying amount for loans towards corporate clients

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

4800000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.7) Explanation of financial figures

Within the KBC's 2024 White Paper exercise regarding deforestation, a deforestation heatmap was created where (as a result) sectors are included with clients which are potentially exposed to the EUDR (EU Deforestation Regulation) and/or the KBC biodiversity policy. High risk scores were assigned to sectors which are likely in scope of the EUDR, being producers and processors of relevant commodities (operators - e.g., forestry), traders (incl. wholesale) of relevant commodities and relevant products (e.g., wholesale of coffee, cocoa) and manufacturers of relevant products (e.g., manufacture of cocoa and chocolate). It is important to note that if a sector is classified as high risk, this means that this sector contains activities (and therefore clients) likely to be in scope of EUDR and/or our biodiversity policy. It does not mean that the whole sector is at risk. In other words, identifying clients based on the heatmap will include many false positives. For example: production of soy is included in the same sector as growing of cereals and leguminous crops. The exposure (gross carrying amount, in absolute numbers) of clients in high-risk sectors based on our industrial portfolio (i.e., corporates and SMEs) is 4.8 billion EUR at the end of 2023 (note that the exercise was performed based on end of 2023 data and is not yet updated). This amount is used as a financial metric for transition risks related to deforestation. For physical risks, currently the exposure is indicated at 0 EUR since we do not expect material physical risks in our portfolio related to deforestation.

Water

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :Total Gross Carrying amount for loans towards corporate clients

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

3974087798

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

9711019714

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.7) Explanation of financial figures

Within the KBC's 2025 White Paper Water, we used ENCORE to calculate pressure and dependency scores for each sector based on their ENCORE materiality ratings to water-related pressures and ecosystem services. We identified the most material sectors in our portfolio based on these scores and the exposure of these sectors in our portfolio. We selected the most material (high risk) subsectors within the four selected priority sectors (agriculture, building and construction, chemicals & food and beverages) in terms of highest water dependencies (physical risk) and water pressures (transition risk) based on the ENCORE database classification. Based on that, Gross Carrying Amounts for these most material subsectors were filled in and compared against the total exposure.
[Add row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Forests	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services
☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.6.1.8) Organization specific description

Via our close and personal relationships with our customers, KBC can play an important role in the transition to lower the emissions of our customers in all our core countries by financing assets and activities which lower the carbon footprint of our customers, both for private individuals and companies. KBC's strategy is to support the financing of such activities and the development of solutions, tailored to the transition pathway of our customers. This provides KBC the opportunity to increase its sustainable and low-carbon lending product portfolio. The identification of the focus of the sustainable finance portfolio is being undertaken as part of KBC's Sustainable Finance Program and reported in our 2024 Sustainability report. Through the development of specific sustainable products in the domain of real estate (including mortgages), renewable energy and mobility (including operational lease), in which we have a large market share and profound expertise, we can generate additional revenues.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The sustainable and low-carbon lending portfolio contains material volumes of real estate (including mortgages), renewable energy and mobility (including operational lease), in which we have a large market share and profound expertise. 1. Mortgages for energy efficient residential buildings that comply with the European energy efficiency requirements. Combined in all our core countries, KBC identified a portfolio of mortgages for energy efficient houses of EUR 21 billion outstanding amount as of 30 September 2024. These are defined as mortgages related to newly built houses and apartments with energy performance labels A and B and represents 27 percent or our outstanding mortgage loan portfolio. As an example, in Slovakia, clients who own a property with an EPC label A or above are eligible for a benefit in the form of one monthly instalment. Additionally, they have the option of activating property and home insurance with an ECO bonus. 2. Project finance for renewable energy assets. combined in all our countries, this portfolio stood at 2.04 billion granted amount resulting in 1 079 587 tonnes CO2e avoided at the end of 2024. As an example UBB in Bulgaria granted 21 million EUROs of financing for Tesy, a manufacturer of thermodynamic heaters. This investment is anticipated to position the company as the leading producer of such appliances in Europe. The company's projected annual production capacity exceeds 200 000 thermodynamic heaters. 3. Low carbon vehicles and bicycle financing. Combined in all our core countries, this portfolio stood at EUR 1 257 million gross carrying amount as of 30 September 2024. As an example, in Belgium, KBC Autolease closed 2024 with a fleet of more than 33 000 bicycles. More examples can be found in the KBC Sustainability report 2024, section white paper sectors (p118-143).

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

95000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

95000000

(3.6.1.23) Explanation of financial effect figures

Based on the forecasts made that new lending business can generate up to EUR 4 531 million granted amount per year, we calculate a potential financial impact in terms of revenue of EUR 95 million. Calculation breakdown: EUR 4 531 million (forecasted annual new granted amount) x 2.09 % (the net interest margin for bank activities in 2024, see KBC annual report 2024 page 360) = rounded to EUR 95 million (net interest income).

(3.6.1.24) Cost to realize opportunity

15149625

(3.6.1.25) Explanation of cost calculation

We are not able to provide an earmarked cost to realize this specific climate-related opportunity track. But given the expanded scope of staff involved in sustainability and climate we estimate a related cost of EUR 15 149 625 to reflect 213 dedicated FTE (excluding head-office, bank and insurance together, distributed among the 5 core countries). The cost is calculated based on the average staff expenses per FTE of EUR 71 125 (EUR 2 708 000 000 total staff expenses in 2024 / 38 074 total average FTE employed) x 213 FTE is EUR 15 149 625.

(3.6.1.26) Strategy to realize opportunity

Since 2019 KBC Group is committed to support the UN Paris climate agreements by limiting climate change to below 2°C striving for 1.5°C. The sustainable finance programme (SFP) was set up to integrate KBC's climate ambitions into actions across the group. All KBC Group's local entities are working on sustainability-linked solutions for the key priority domains for lending: buildings, energy and mobility. Via our Whitepaper approach we are taking the necessary actions to streamline our portfolio with the climate commitment made. These actions includes: 1. business development of financial products 2. emission target setting. Starting from 2021 and based on sector-specific and scientific transition pathways we have defined and communicated externally targets for 2030 and 2050 for our financed emissions. 3. Setup of local sustainability teams in each or our core countries to guarantee the integration of all objectives of the SFP, also starting from 2021. All core countries make forecasts and set commercial targets for sustainable products in the domain of energy, buildings and mobility. This resulted in the forecast of the EUR 95 million additional net interest income. 4. All our 2030 and 2050 targets have been published in our 2024 KBC Sustainability Statement (part of the KBC Annual Report) page 185 and are assured by our auditor. Starting from 1 January 2023, a general manager sustainability was appointed in each of our core countries, who has the mandate to steer the countries activities and to guarantee the integration of all objectives of the SFP and the proper execution of all decisions of the Internal Sustainability Board (ISB).

Forests

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.2) Commodity

Select all that apply

☑ Soy
☑ Cocoa
☑ Coffee
☑ Rubber
☑ Palm oil
☑ Timber products
☑ Cattle products

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

☑ Access to new financing options

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Belgium
☑ Bulgaria

☑ Czechia
☑ Hungary
☑ Slovakia

(3.6.1.8) Organization specific description

Global deforestation accounts for nearly 20 percent of all CO2 emissions and deforestation driven by commodities such as palm oil, soy, cattle and timber is a major source of emissions. Food companies or wood importers will have to visualize their supply chain and make sure their supplies are not linked to deforestation. In order to help those clients, KBC offers sustainability-linked loans or bonds with KPIs linked to avoiding deforestation in the supply chain. Given the increased scrutiny on the sustainable sourcing by the EU we expect the demand for this product to increase over the coming years. Expanding the use of SLLs (and deforestation related KPIs) can therefore lead to increased revenue.

(3.6.1.9) Primary financial effect of the opportunity

Select from:
☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply
☑ Short-term
☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:
☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:
☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Given the increased scrutiny on the sustainable sourcing by the EU we expect the demand for this product to increase over the coming years. Expanding the use of SLLs (and deforestation related KPIs) particularly in the food producing sector can therefore lead to increased revenue.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

500000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

500000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

0

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

500000

(3.6.1.23) Explanation of financial effect figures

We assume a modest EUR 25 million granted amount per year. Based on the net interest margin for bank activities in 2024 of 2.09% (see KBC annual report 2024 page 360) this results in EUR 500.000 net interest income.

(3.6.1.24) Cost to realize opportunity

15149625

(3.6.1.25) Explanation of cost calculation

We are not able to provide an earmarked cost to realize this specific forest-related opportunity track. But given the expanded scope of staff involved in sustainability and climate we estimate a related cost of EUR 15 149 625 to reflect 213 dedicated FTE (excluding head-office, bank and insurance together, distributed among the 5 core countries). The cost is calculated based on the average staff expenses per FTE of EUR 71 125 (EUR 2 708 000 000 total staff expenses in 2024 / 38 074 total average FTE employed) x 213 FTE is EUR 15 149 625.

(3.6.1.26) Strategy to realize opportunity

The opportunity to engage in SLL is discussed during customer engagement with clients in relevant sectors. For clients using forest commodities KPIs on deforestation will be proposed.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

☑ Access to new financing options

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Belgium

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Meuse

☑ Schelde (Escaut)

☑ Other, please specify :Yser riverbasin

(3.6.1.8) Organization specific description

In 2025, our organization identified several water-related environmental opportunities that are expected to have a substantive effect on our operations and strategic direction. These opportunities are rooted in both regulatory developments and operational needs across our home countries. The primary driver behind this opportunity type relates to the increasing water stress our operating regions experience, especially in Flanders (Belgium), where water scarcity, pollution, and flooding presents business continuity challenges for companies. This context has prompted us to proactively address water-related challenges through strategic initiatives.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In 2025, our organization identified water-related opportunities that are expected to have a substantive but currently non-quantified impact on our financial position, performance, and cash flows. In Belgium a water opportunity track is piloted where the focus is on supporting water-intensive corporates by providing water audit and advisory services and linking those to financing solutions. This proposition is worked out together with our partner Encon, an independent consultancy firm in sustainable transitions. This opportunity track may initiate new revenue streams. While implementation costs related to awareness campaigns, data collection, and client engagement may temporarily offset gains, the long-term outlook is positive. However, the financial effects have not been quantified due to the early stage of implementation, high measurement uncertainty, and the fact that water-specific impacts are not yet separately identifiable in our financial statements. We anticipate that future reporting cycles will enable better quantification and integration of these effects into our financial disclosures

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

15149625

(3.6.1.25) Explanation of cost calculation

We are not able to provide an earmarked cost to realize this specific water-related opportunity track. But given the expanded scope of staff involved in sustainability and climate we estimate a related cost of EUR 15 149 625 to reflect 213 dedicated FTE (excluding head-office, bank and insurance together, distributed among the 5 core countries). The cost is calculated based on the average staff expenses per FTE of EUR 71 125 (EUR 2 708 000 000 total staff expenses in 2024 / 38 074 total average FTE employed) x 213 FTE is EUR 15 149 625.

(3.6.1.26) Strategy to realize opportunity

We want to help our customers address the growing challenge of water-related risks by offering client-centric solutions for water-intensive companies. The approach described in this section focuses on ensuring business continuity and enabling growth through a four-pillar model: raising awareness via campaigns and events; engaging with clients with water audits and providing advisory services in partnership with Encon. A phased go-to-market strategy is currently pursued starting with a pilot in 2025 and taking lessons from it to assess next steps.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☑ Increased diversification of financial assets [e.g., green bonds and infrastructure]

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Investing (Asset owner) portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.6.1.8) Organization specific description

KBC is dedicated to increase its positive environmental impact by financing and insuring assets with zero or very low greenhouse gas emissions. The issuance of Green Bonds also embeds this approach in KBC's funding mix. In addition, it also creates a further dimension of transparency, which is why we plan to continue issuing Green Bonds.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased access to capital at lower/more favorable rates

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

KBC was the first Belgian financial institution in 2018 to issue a green bond (with a value of EUR 500 million and a term of 5 years). In June '22, we issued our second EUR 500 million green bond with a term of 7 years. In December '22, we issued a third EUR 750 million green bond with a term of 6.25 years. In November '23, KBC has amended its Green Bond Framework with updated eligibility criteria, aligned with the ICMA Green Bond Principles 2021 and further aligning it to the criteria for environmentally sustainable economic activities, including in the EU Taxonomy Climate Delegated Act (June '21). In March '24 KBC has issued his 4th green bond according to this New Green Bond Framework with a value of EUR 750 million and a term of 8 year. The Green Bonds KBC has issued at group level are only related to Belgium assets. The proceeds are used to invest in projects that have a positive impact on the environment by reducing and avoiding greenhouse gas emissions. All issues comply with the Green Bond Principles, a set of guidelines issued by the ICMA, under which the proceeds of the bond can only be used to (re)finance sustainable projects. PwC provided assurance on the allocation of proceeds. This report can be found in the KBC Green and Social Bond Report on our website.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

600000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

600000

(3.6.1.23) Explanation of financial effect figures

It is estimated that the pricing benefit can amount to some basis points versus regular corporate bond pricing, depending on the market conditions and maturity. Calculation breakdown: assuming a cost advantage in average of 3 bps for green bonds gives a benefit of EUR 600 000 on annual basis related to 3 green bonds issues for EUR 2000 million EUR in total (EUR 2000 million green bond x 0.03 percent)

(3.6.1.24) Cost to realize opportunity

1000000

(3.6.1.25) Explanation of cost calculation

This cost reflects the amount that KBC pays to investment banks who support KBC during the transaction and other administration fees. Calculation breakdown based on the 3 issuances: assuming a cost advantage in average of 5 basis points on a total issuances of 2000 million EUR0 in total gives a cost of approximately 1 million EURO (0.05 percent x 2000).

(3.6.1.26) Strategy to realize opportunity

The Green Bond market is rapidly growing as more and more people and institutions are looking to invest in a more sustainable way. It is considered as an effective tool in support of green projects and investments. The proceeds have to be exclusively used to finance or refinance eligible green projects which have to comply with stringent criteria in order to receive Climate Bonds Initiative (CBI) certification and to be supported by a second opinion provider. Furthermore the overall sustainability profile of the issuer has to be solid and credible to attract investors. The support of green finance is embedded in our sustainability strategy, our focus domain "environmental responsibility", and in our commitment to pursuit the Paris Agreement targets. A project team was set up in 2018 to develop the Green Bond Framework and prepare the issuance of Green Bond transactions. The KBC Green Bond Framework complies with the Green Bond Principles, amongst others with a clear demonstration of positive CO2 impact of the allocated assets via an impact report. In November 2023, KBC amended its Green Bond Framework with updated

eligibility criteria, and further aligned it with the EU Taxonomy Climate Delegated Act. From 2024 onwards, new KBC Green Bonds will be issued under this updated KBC Green Bond Framework. Sustainalytics gave Second-Party Opinion to verify the compliance of the Green Bond Framework with the Green Bond Principles. KBC has a solid sustainability profile as we can refer to our ESG ratings, amongst others at CDP, Sustainalytics and S&P, as mentioned in our 2024 Sustainability Report (p 13) 4 Green bonds have been issued since 2018 for in total EUR 2 500 million (already 1 Bond is expired). At year-end 2024 the annual emissions avoided amounted to 430 256 tonnes of CO2e. In the context of its certification with the Climate Bonds Initiative standards, PwC provided assurance on the allocation of proceeds. The assurance report can be found in the KBC Green and Social Bond Report on our website.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Insurance underwriting portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.6.1.8) Organization specific description

Climate action is a top priority for KBC insurance, both from a climate change mitigation and a climate change adaptation perspective. Accordingly, at KBC, we put our clients first, offering them a unique bank-insurance experience - focus on our long-term development - pursue sustainable and profitable growth & take our responsibility for society and local economies seriously. In 2018 KBC Insurance became a signatory to the Principles for Sustainable Insurance (PSI)

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

KBC's Insurance companies have launched several initiatives to raise awareness of sustainability among the clients, stakeholders and employees. All insurance companies have developed specific insurance solutions/conditions for electric vehicles in an effort to support the electrification of mobility. Next to that, all insurance companies, and in most cases within the standard home insurance policies - cover renewable energy sources for private use. And in the event of severe damage, they all cover the additional costs (up to a certain limit) of reconstructing residential buildings in accordance with the latest building regulations and/or using more

environmentally friendly materials. With respect to the life insurance, KBC insurance fully complies with the KBC Group Investment Policies, which includes clear ESG related investment criteria.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

180000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

180000

(3.6.1.23) Explanation of financial effect figures

We are not able to quantify all opportunities. We chose to focus for this exercise on agriculture and specifically in Belgium. As agriculture is in full transition, we believe that we, as market leader in bank as well as in insurance in some of our core countries, can increase our sustainable product offering. The estimation about advisory services is still premature. With regard to the multi-crop insurance in BE, knowing that the profitability can be very volatile, we expect our revenues in 2024 to be around EUR 180 000 based on a gross written premium of EUR 2 376 194.

(3.6.1.24) Cost to realize opportunity

15149625

(3.6.1.25) Explanation of cost calculation

We are not able to provide an earmarked cost to realize this specific insurance-related opportunity track. But given the expanded scope of staff involved in sustainability and climate we estimate a related cost of EUR 15 149 625 to reflect 213 dedicated FTE (excluding head-office, bank and insurance together, distributed among the 5 core countries). The cost is calculated based on the average staff expenses per FTE of EUR 71 125 (EUR 2 708 000 000 total staff expenses in 2024 / 38 074 total average FTE employed) x 213 FTE is EUR 15 149 625.

(3.6.1.26) Strategy to realize opportunity

All insurance companies have developed specific insurance solutions/conditions: In 2024 K&H Insurance introduced a specific assistance service for electric vehicles (EV) and plug-in hybrids in the event of unexpected battery discharge. They also began providing favorable tariffs for micromobility devices subject to third-party liability insurance by local regulation. CSOB poistovna in Slovakia for instance offers additional coverage options for EV including insurance of a home-wall charger and waives deductibles for damage caused by climate-related perils, such as flood, hail and windstorm. KBC Insurance NV's, K&H Insurance & CSOB Pojistovna offer the multi-crop insurance for farmers insuring their crops against hail, storm, frost, rain and drought (the latter only for BE). In Czech Republic, CSOB Pojistovna won in the VISA Best Insurance company competition's category recognising the ESG achievements of financial institutions for its apartment building insurance product.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp4

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Shift in consumer preferences

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Investing (Asset manager) portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Belgium

☑ Bulgaria

☑ Czechia

☑ Hungary

☑ Slovakia

(3.6.1.8) Organization specific description

KBC has been a pioneer in the field of Responsible Investing (RI) for over 30 years. As such, we believe we are very well placed to successfully address the growing interest of our clients in this type of investments. We consider RI to be another powerful tool to help achieve a more sustainable society. We want to enable our clients to invest in companies and countries that recognize their social and environmental responsibility. This allows us to jointly contribute towards a more sustainable society and to help limit the adverse impact that businesses can have on society We see RI funds as our first offer and preferred investment solution in all our core countries. We therefore actively promote them among our clients, especially in our digital sales channels. Needless to say, the final decision remains with the client.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Our RI funds offering is available in all core countries following a successful launch in Bulgaria in the first quarter of 2022. It is also worth noting that since November 2021 all Belgian KBC pension savings funds invest in responsible assets. In 2022, we reviewed our RI related targets. We tightened the targets on the share of RI funds in total annual fund production. We also introduced a new target on the share of RI in total assets under distribution, replacing the former volume target. Our

goal is for RI funds to account for at least 55 percent of total assets under distribution (AUD) (direct client money) and 65 percent of total annual fund production by 2030. On top of that, we also set a new target to reduce the carbon intensity of the corporate investees in Responsible funds by 50 percent compared to the end of 2019 reference values by 2030. By the end of 2024, the volume invested in these RI funds had already increased to 50 billion euros. This represented more than 40% of direct client money and slightly more than 50% of annual fund production in 2024 (gross sales). Also by year end 2024, the carbon intensity of the funds in scope for the carbon reduction target was already lower than the 2030 target.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

3700000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

11000000

(3.6.1.23) Explanation of financial effect figures

Because RI funds are our first offer and preferred investment solution it is estimated that our increased RI volumes will result in an estimated revenue of EUR 11 million. Calculation breakdown: we estimate an increase in net sales in RI funds of 1 billion EUR which represents just below 1 percent of total assets. We multiply this number by 1.1 percent which is the average margin expected by Asset Management on these investment products. The calculated number 1000 million times 1.1 percent is 11 million EUR.

(3.6.1.24) Cost to realize opportunity

920063

(3.6.1.25) Explanation of cost calculation

The cost is calculated based on the average staff expenses per FTE of EUR 71 125 (EUR 2 708 000 000 total staff expenses in 2024 / 38 074 total average FTE employed) x 4.5 FTE EUR = 320 063. Next to that the recurrent data cost is equal to 600 000 euro. So the total cost to realize this opportunity comes to 920 063 EURO.

(3.6.1.26) Strategy to realize opportunity

We consider RI to be another powerful tool to help achieve a more sustainable society
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

95000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ 21-30%

(3.6.2.4) Explanation of financial figures

There is an increased demand for sustainable and low emission products and services. The Sustainable finance programme (SFP) was set up to integrate KBC's climate ambitions into actions across the group, including the exploration of new business opportunities. All KBC Group's local entities are working on sustainability - linked solutions for the key priority domains for lending: buildings- energy and mobility. Starting from 2022 and inspired by sector-specific emission targets, all core countries are asked to set business targets for sustainable products with energy, real estate and mobility as key sectors. These forecast both include new lending business volumes for sustainable business and the ratio of the sustainable volumes versus total volumes. New sustainable business can generate up to EUR 4531 million granted amount per year, which represents around 29% of total business volume in these 3 domains. For this new business volume of EUR 4531 million

granted amount per year, we calculate a potential financial impact in terms or revenues of EUR 95 million. Calculation breakdown: EUR 4531 million (forecasted annual new granted amount) x 2,09% (the net interest margin for bank activities in 2024, see KBC annual 2024 report page 360) rounds up to EUR 95 million.

Forests

(3.6.2.1) Financial metric

Select from:

☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ Less than 1%

(3.6.2.4) Explanation of financial figures

Not possible to calculate

Water

(3.6.2.1) Financial metric

Select from:

☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ Less than 1%

(3.6.2.4) Explanation of financial figures

not possible to calculate
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The diversity policy has been drawn up regarding the desired amount of diversity in the composition of the Board itself and in the Executive Committee. The policy stipulates that the Board should have a balanced composition to ensure that it has suitable expertise in the area of banking and insurance, the requisite experience in executive management and a broad awareness of societal and technological developments. The policy also stipulates that: (1) at least one-third of the Board's members must be of a different gender than the other members; (2) the members of the Board must be of different nationalities, with due account being taken of the

different geographical areas where KBC is active; (3) three members of the Executive Committee must sit on the Board; (4) at least one member of the Executive Committee must be of a different gender than the other members to have a more balanced gender composition; (5) the Executive Committee should strive towards achieving diversity in terms of the nationality and age of its members; (6) all members of the Executive Committee have the necessary and diverse financial knowledge and professional integrity with management experience but different career paths.

(4.1.6) Attach the policy (optional)

jvs-2024-gr-en.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Forests	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

☑ Chief Financial Officer (CFO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Corporate Governance Charter

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Overseeing and guiding public policy engagement

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Monitoring compliance with corporate policies and/or commitments
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations
☑ Risks and opportunities to our banking activities
☑ The impact of our own operations on the environment
☑ Risks and opportunities to our investment activities
☑ The impact of our banking activities on the environment
☑ The impact of our investing activities on the environment
☑ Risks and opportunities to our insurance underwriting activities
☑ The impact of our insurance underwriting activities on the environment

(4.1.2.7) Please explain

The Group Executive Committee (ExCo) has the highest level of direct responsibility for ESG related matters and reports to the Board of Directors (BoD) on the sustainability strategy. Twice a year the BoD reviews a comprehensive overview of all sustainability-related domains (including climate targets and KPI's) targets by means of the Sustainability Dashboard. The responsibilities of the ExCo include assessing climate-related physical and transitional risks, impacts and opportunities. It's the direct responsibility of the ExCo to monitor the implementation of our sustainability strategy. The ExCo has granted decision-making power on sustainability and climate-related issues to the Internal Sustainability Board (ISB) and the Steering Committee Sustainable Finance (Steerco SF). However, the ultimate decision-making authority remains with the ExCo. The ISB is chaired by the Group CEO and comprises of the Group CFO, the Group Senior Sustainability Manager and senior managers from all business units and core countries. All ExCo members are either members of or represented on the ISB. The ISB is the primary forum for discussing all ESG-related issues, including climate-related issues, particularly on a strategical level. Environmental issues are a standing agenda item on all ISB meetings (ISB met 8 times in 2024). It is with this in mind that the "frequency" question was scored. The members of the ISB are responsible for communicating on sustainability matters within their respective business lines and country, for creating a support-sponsorship base and for making the group's sustainability strategy work. The Steerco SF is chaired by the Group CFO and comprises of representatives from the Group Sustainability Division and Finance, Group Reporting Services, Risk and Credit Risk Functions. The Steerco SF oversees the progress and technical implementation of the Sustainable Finance Programme (SFP) such as methodologies and reporting details. The Steerco's responsibility lies in further implementing and elaborating on the strategic aspects decided by the ISB. Progress of the SFP is discussed regularly within the ISB, the ExCo and the BoD by means of the KBC Sustainability Dashboard. Examples of climate-related decisions made by: 1.the CFO (chairman of the Steerco SF) in 2024: integration of physical risk components in real estate collateral valuations (climate adjusted modelling roadmap) 2.

the CEO (chairman of the ISB) in 2024: approval of strengthened approach to monitor/forecast/steer realization of emission targets 3. the BoD in 2024: approval of Sustainability Report 2024.

Forests

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

☑ Chief Financial Officer (CFO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Corporate Governance Charter

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing and guiding value chain engagement

☑ Approving corporate policies and/or commitments

☑ Monitoring the implementation of the business strategy

☑ Overseeing and guiding the development of a business strategy
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
☑ Other, please specify :reviewing and guiding the ESG risk management process

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations
☑ Risks and opportunities to our banking activities
☑ The impact of our own operations on the environment
☑ Risks and opportunities to our investment activities
☑ The impact of our banking activities on the environment
☑ The impact of our investing activities on the environment
☑ Risks and opportunities to our insurance underwriting activities
☑ The impact of our insurance underwriting activities on the environment

(4.1.2.7) Please explain

The Group Executive Committee (ExCo) has the highest level of direct responsibility for ESG related matters and reports to the Board of Directors (BoD) on the sustainability strategy. It's the direct responsibility of the ExCo to monitor the implementation of our sustainability strategy. Whereas, the ultimate decision-making authority remains with the ExCo, it has granted decision-making power on sustainability issues to the Internal Sustainability Board (ISB) and the Steerco Sustainable Finance (Steerco SF). The ISB is chaired by the Group CEO and comprises of the Group CFO, the Group Senior Sustainability Manager and senior managers from all business units. All ExCo members are either members of or represented on the ISB. The members of the ISB are responsible for communicating on sustainability matters within their respective business lines and country, for creating a support-sponsorship base and for making the group's sustainability strategy work. The ISB is the primary forum for discussing all ESG-related issues, particularly on a strategical level. The Steerco SF is chaired by the Group CFO and comprises of representatives from the Group Sustainability Division and Finance, Group Reporting Services, and (Credit) Risk Functions. The Steerco SF oversees the progress and implementation of the Sustainable Finance Programme (SFP) such as methodologies and reporting details. The Steerco's responsibility lies in further implementing and elaborating on the strategic aspects decided by the ISB, which includes overseeing the progress and implementation of the Sustainable Finance Programme (SFP). Progress of the SFP is discussed regularly within the ISB, the ExCo and the BoD – at least twice per year – by means of the KBC Sustainability Dashboard. Whereas the initial focus was mainly (and – as reflected in the frequency of discussion at ISB level – to some extent still is) on climate change, other environmental issues are becoming increasingly important. Forest issues are included in the biodiversity aspect of our strategy. We updated our biodiversity policy to align with EU's latest legislative developments on forest commodities. We have specific rules in place to ensure that we only finance producers and traders of certain forest commodities with activities outside the EU (i.e. those not covered by EU regulations), if their supply chain complies with internationally recognised certification schemes. In our Sustainability Report over 2024 we included information about nature and other environmental topics, for the first time disclosed in alignment with the TNFD framework. We produced a White Paper on deforestation, examining the impact of the EU Deforestation Regulation and the risk of deforestation on our clients, as well as potential opportunities of DCF commodities. Finally, we engaged with clients and sector organisations on deforestation, with a particular focus on the food and beverages industry.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

☑ Chief Financial Officer (CFO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Corporate Governance charter

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing and guiding value chain engagement

☑ Approving corporate policies and/or commitments

☑ Monitoring the implementation of the business strategy

☑ Overseeing and guiding the development of a business strategy

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Other, please specify :Reviewing and guiding the risk management process

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations
☑ Risks and opportunities to our banking activities
☑ The impact of our own operations on the environment
☑ Risks and opportunities to our investment activities
☑ The impact of our banking activities on the environment
☑ The impact of our investing activities on the environment
☑ Risks and opportunities to our insurance underwriting activities
☑ The impact of our insurance underwriting activities on the environment

(4.1.2.7) Please explain

The Group Executive Committee (ExCo) has the highest level of direct responsibility for ESG related matters and reports to the Board of Directors (BoD) on the sustainability strategy. It's the direct responsibility of the ExCo to monitor the implementation of our sustainability strategy. Whereas, the ultimate decision-making authority remains with the ExCo, it has granted decision-making power on sustainability issues to the Internal Sustainability Board (ISB) and the Steerco Sustainable Finance (Steerco SF). The ISB is chaired by the Group CEO and comprises of the Group CFO, the Group Senior Sustainability Manager and senior managers from all business units. All ExCo members are either members of or represented on the ISB. The members of the ISB are responsible for communicating on sustainability matters within their respective business lines and country, for creating a support-sponsorship base and for making the group's sustainability strategy work. The ISB is the primary forum for discussing all ESG-related issues, particularly on a strategical level. The Steerco SF is chaired by the Group CFO and comprises of representatives from the Group Sustainability Division and Finance, Group Reporting Services, and (Credit) Risk Functions. The Steerco SF oversees the progress and implementation of the Sustainable Finance Programme (SFP) such as methodologies and reporting details. The Steerco's responsibility lies in further implementing and elaborating on the strategic aspects decided by the ISB, which includes overseeing the progress and implementation of the Sustainable Finance Programme (SFP). Progress of the SFP is discussed regularly within the ISB, the ExCo and the BoD – at least twice per year – by means of the KBC Sustainability Dashboard. Water is starting to play an increasingly important role in our sustainability strategy. Following a first white paper in 2024, focused on soil and water pollution problems caused by the chemical industry, particularly plastic and PFAS pollution, ISB approved two additional, cross-sectoral white paper exercises on Water to be performed in 2025. One finalized in June 2025, resulting in ISB decision to draft a (first-step) policy to further embed Water issues in our core business activities (cfr. question 4.7.1), and the other focuses on Water pollution. The sustainable use and protection of water and marine resources is also getting increased attention in discussions with clients. Our biodiversity policy excludes lending activities that irreversibly damage aquatic habitats and ecosystems, as well as for shark finning and commercial whaling. Furthermore, water-related risks are increasingly integrated into the analyses of business and strategic risks that are reported to ExCo as part of the strategic planning process, as well as into the yearly structured top (non-)financial risks identification process and into the (at least) quarterly published integrated risk reports.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

☑ Chief Financial Officer (CFO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Corporate Governance Charter

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing and guiding value chain engagement

☑ Approving corporate policies and/or commitments

☑ Monitoring the implementation of the business strategy

☑ Overseeing and guiding the development of a business strategy

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Other, please specify :reviewing and guiding the risk management process

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations
☑ Risks and opportunities to our banking activities
☑ The impact of our own operations on the environment
☑ Risks and opportunities to our investment activities
☑ The impact of our banking activities on the environment
☑ The impact of our investing activities on the environment
☑ Risks and opportunities to our insurance underwriting activities
☑ The impact of our insurance underwriting activities on the environment

(4.1.2.7) Please explain

The Group Executive Committee (ExCo) has the highest level of direct responsibility for ESG related matters and reports to the Board of Directors (BoD) on the sustainability strategy. It's the direct responsibility of the ExCo to monitor the implementation of our sustainability strategy. Whereas, the ultimate decision-making authority remains with the ExCo, it has granted decision-making power on sustainability issues to the Internal Sustainability Board (ISB) and the Steerco Sustainable Finance (Steerco SF). The ISB is chaired by the Group CEO and comprises of the Group CFO, the Group Senior Sustainability Manager and senior managers from all business units. All ExCo members are either members of or represented on the ISB. The members of the ISB are responsible for communicating on sustainability matters within their respective business lines and country, for creating a support-sponsorship base and for making the group's sustainability strategy work. The ISB is the primary forum for discussing all ESG-related issues, particularly on a strategical level. The Steerco SF is chaired by the Group CFO and comprises of representatives from the Group Sustainability Division and Finance, Group Reporting Services, and (Credit) Risk Functions. The Steerco SF oversees the progress and implementation of the Sustainable Finance Programme (SFP) such as methodologies and reporting details. The Steerco's responsibility lies in further implementing and elaborating on the strategic aspects decided by the ISB, which includes overseeing the progress and implementation of the Sustainable Finance Programme (SFP). Progress of the SFP is discussed regularly within the ISB, the ExCo and the BoD – at least twice per year – by means of the KBC Sustainability Dashboard. After an initial assessment in 2023, we have put action plans in place to further reduce the (already minor) potential biodiversity impact of the largest office buildings in our core countries from 2024 onwards. In 2024 we updated the exclusion policy for Responsible Investing funds with a new biodiversity policy, ensuring that companies with serious land use, biodiversity controversies and companies having a negative biodiversity impact and not taking sufficient measures to reduce it, are excluded. In preparation of our TNFD reporting, we have performed a first high-level biodiversity impact and dependency assessment of our corporate lending portfolio using the ENCORE methodology in 2024. Our future White Paper work will gradually integrate the findings of this assessment. Biodiversity is also increasingly becoming an element in client engagements. From risk perspective, the climate risk impact map has evolved into the environmental risk impact map, as the main internal risk identification process for identifying and assessing the materiality of several environmental risks within KBC Group, and also includes risks related to biodiversity loss.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience
☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

Water

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience
☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Forests	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group CFO chairs the Sustainable Finance Steering Committee (SF Steerco). The CFO is also a member of ExCo/BoD and participates as a permanent guest at all meetings of the Risk & Compliance Committee (a committee of the BoD).The SF steerco oversees the Sustainable Finance Programme (SFP) that was set up in 2019 to integrate KBC's climate approach across the group and to develop a structural approach for the management and reporting of climate-related issues. The Steerco's responsibility lies in the further elaboration of the strategic aspects decided by the Internal Sustainability Board (ISB), the content and methodological approach and results of the methodological tracks. Progress on the SFP is discussed regularly within the ISB, which met 8 times in 2024. ISB decisions are ratified by ExCo. The KBC Sustainability Dashboard, including performance objectives and climate-related metrics and targets, is reported twice a year to ExCo/BoD, and once a year the SFP status report is discussed in depth within the BoD. The SFP is headed by a programme manager belonging to GCS, and consists of specialists from relevant other departments. The core team meets weekly to ensure swift action and works with staff in the core markets of our group. A separate Data and Metrics Steerco (SC D&M) was set up to specifically manage climate-related data collection and reporting. It is chaired by the Group CFO as well and additionally includes representatives from all core countries. It convened 10 times in 2024, and frequency scoring is based on this particular governance body. There is a quarterly reporting put in place from the SC D&M to the ISB, so that ISB can monitor progress in this regard.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Implementing the business strategy related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group CFO chairs the Sustainable Finance Steering Committee (SF Steerco). The CFO is also a member of ExCo/BoD and participates as a permanent guest at all meetings of the Risk & Compliance Committee (a committee of the BoD).The SF steerco oversees the Sustainable Finance Programme (SFP), initially set up in

2019 with a focus on climate change but broadened to include other environmental issues such as the protection and restoration of biodiversity and ecosystems in 2022, aiming to integrate KBC Group's sustainability approach and to develop a structural approach for the management and reporting of sustainability-related issues. The Steerco's responsibility lies in the further elaboration of the strategic aspects decided by the Internal Sustainability Board (ISB), the content and methodological approach and results of the methodological tracks. Progress on the SFP is discussed regularly within the ISB, which met 8 times in 2024, and once a year the SFP status report is discussed in depth within the BoD. The SFP is headed by a programme manager belonging to GCS, and consists of specialists from relevant other departments. The core team meets weekly to ensure swift action and works with staff in the core markets of our group. A separate Data and Metrics Steerco (SC D&M) was set up to specifically manage sustainability-related data collection and reporting. It is chaired by the Group CFO as well and additionally includes representatives from all core countries. While focus is still predominantly on climate (SC D&M met 10 times in 2024, but not always focusing on Forest), forest-related aspects are gaining importance as well. There is a direct reporting line put in place from the SC D&M to the ISB, so that ISB can monitor progress in this regard.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Implementing the business strategy related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group CFO chairs the Sustainable Finance Steering Committee (SF Steerco). The CFO is also a member of ExCo/BoD and participates as a permanent guest at all meetings of the Risk & Compliance Committee (a committee of the BoD).The SF steerco oversees the Sustainable Finance Programme (SFP), initially set up in 2019 with a focus on climate change but broadened to include other environmental issues such as the sustainable use and protection of water and marine resources in 2022, aiming to integrate KBC Group's sustainability approach and to develop a structural approach for the management and reporting of sustainability-related issues. The Steerco's responsibility lies in the further elaboration of the strategic aspects decided by the Internal Sustainability Board (ISB), the content and methodological approach and results of the methodological tracks. Progress on the SFP is discussed regularly within the ISB, which met 8 times in 2024, and once a year the SFP status report is discussed in depth within the BoD. The SFP is headed by a programme manager belonging to GCS, and consists of specialists from relevant other departments. The core team meets weekly to ensure swift action and works with staff in the core markets of our group. A separate Data and Metrics Steerco (SC D&M) was set up to specifically manage sustainability-related data collection and reporting. It is chaired by the Group CFO as well and additionally includes representatives from all core countries. While focus is still predominantly on climate (SC D&M met 10 times in 2024, but not always focusing on Water), water-related aspects are gaining importance as well. There is a direct reporting line put in place from the SC D&M to the ISB, so that ISB can monitor progress in this regard.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Implementing the business strategy related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group CFO chairs the Sustainable Finance Steering Committee (SF Steerco). The CFO is also a member of ExCo/BoD and participates as a permanent guest at all meetings of the Risk & Compliance Committee (a committee of the BoD).The SF steerco oversees the Sustainable Finance Programme (SFP), initially set up in 2019 with a focus on climate change but broadened to include other environmental issues such as the protection and restoration of biodiversity and ecosystems, the transition to a circular economy and pollution prevention and control in 2022, aiming to integrate KBC Group's sustainability approach and to develop a structural approach for the management and reporting of sustainability-related issues. The Steerco's responsibility lies in the further elaboration of the strategic aspects decided by the Internal Sustainability Board (ISB), the content and methodological approach and results of the methodological tracks. Progress on the SFP is discussed regularly within the ISB, which met 8 times in 2024, and once a year the SFP status report is discussed in depth within the BoD. The SFP is headed by a programme manager belonging to GCS, and consists of specialists from relevant other departments. The core team meets weekly to ensure swift action and works with staff in the core markets of our group. A separate Data and Metrics Steerco (SC D&M) was set up to specifically manage sustainability-related data collection and reporting. It is chaired by the Group CFO as well and additionally includes representatives from all core countries. While focus is still predominantly on climate (SC D&M met 10 times in 2024, but not always focusing on Biodiversity), biodiversity-related aspects are gaining importance as well. There is a direct reporting line put in place from the SC D&M to the ISB, so that ISB can monitor progress in this regard.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Conducting environmental scenario analysis

☑ Developing a business strategy which considers environmental issues

☑ Developing a climate transition plan
☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:
☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Corporate Sustainability (GCS) Division is headed by the Group Corporate Sustainability Senior General Manager (SGM), who reports directly to the Group CEO (mandatory BoD member) and who meets regularly with the Chairman of the BoD. GCS is responsible for developing KBC's group-wide sustainability strategy, for initiating the implementation of this strategy across the group and for informing ISB on progress thereof. This includes: - formulation and monitoring of sustainability policies - In-house awareness raising and education - Monitoring direct/indirect environmental footprint and setting targets and developing strategies to decrease its climate impact (e.g. KBC's target to become climate neutral with regards to its direct environmental footprint) - Target setting: oversight on setting climate-targets for the most carbon intensive sectors in KBC's lending portfolio as part of its CCCA commitment, resulting from an in-depth analysis of portfolios and an extensive analysis of climate-related scenarios and reduction pathways. KBC also set targets on reducing the GHG intensity of its investment portfolios, both for investments we make on behalf of our clients and our own investments. GCS, together with Group Finance, ensures continuous progress monitoring. - Climate-related reporting: GCS coordinates most of the voluntary sustainability reporting for KBC, including annual sustainability report, TCFD/TNFD reporting and CDP and is a key contributor in mandatory (CSRD) sustainability reporting. GCS is the point of reference for sustainability in KBC Group and works together with partners across the group, a.o. the local Sustainability Managers who are responsible for integrating sustainability-related decisions and objectives of KBC's Sustainable Finance Program within their country. As such, all countries of KBC are involved in both strategic decisions (country representation at ISB level) and operational implementation of our sustainability strategy.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Implementing a climate transition plan

☑ Implementing the business strategy related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify :Corporate Sustainability/CSR reporting line

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

In each of the core countries, a General Manager Sustainability is appointed. The goal of this is that accountability for the implementation of the sustainability strategy is placed on management level in our core countries. Before, each country was already accountable and responsible for the implementation of the decisions that are made by the ISB. Through this decision, this responsibility is now placed on management level. The Country Sustainability Managers are responsible for integrating the decisions of the ISB on KBC's sustainability strategy in their country. They work closely and frequently with the Group Corporate Sustainability division, and functionally report to the Senior General Manager of KBC Group's Corporate Sustainability Division. These local accountabilities ensure KBC's core countries are duly involved in both the strategic discussions and the operational implementation of the strategy. The organisation of the local sustainability teams varies from country to country. However, in general, country sustainability departments and committees provide support with the integration of the sustainability strategy and the organisation and communication of local initiatives in this area. Amongst other things, the relevant staff and committees supply and validate non-financial information.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Setting corporate environmental policies and/or commitments

Strategy and financial planning

☑ Conducting environmental scenario analysis

☑ Developing a business strategy which considers environmental issues

☑ Developing a climate transition plan

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Corporate Sustainability (GCS) Division is headed by the Group Corporate Sustainability Senior General Manager (SGM), who reports directly to the Group CEO (mandatory BoD member) and who meets regularly with the Chairman of the BoD. GCS is responsible for developing KBC's group-wide sustainability strategy, for initiating the implementation of this strategy across the group and for informing ISB on progress thereof. This includes: - formulation and monitoring of sustainability policies - In-house awareness raising and education - Monitoring direct/indirect environmental footprint and setting targets and developing strategies to decrease its climate impact (e.g. KBC's target to become climate neutral with regards to its direct environmental footprint) - Target setting: oversight on setting climate-targets for the most carbon intensive sectors in KBC's lending portfolio as part of its CCCA commitment, resulting from an in-depth analysis of portfolios and an extensive analysis of climate-related scenarios and reduction pathways. KBC also set targets on reducing the GHG intensity of its investment portfolios, both for investments we make on behalf of our clients and our own investments. GCS, together with Group Finance, ensures continuous progress monitoring. - Climate-related reporting: GCS coordinates most of the voluntary sustainability reporting for KBC, including annual sustainability report, TCFD/TNFD reporting and CDP and is a key contributor in mandatory (CSRD) sustainability reporting. GCS is the point of reference for sustainability in KBC Group and works together with partners across the group, a.o. the local Sustainability Managers who are responsible for integrating sustainability-related decisions and objectives of KBC's Sustainable Finance Program within their country. As such, all countries of KBC are involved in both strategic decisions (country representation at ISB level) and operational implementation of our sustainability strategy.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Implementing a climate transition plan

☑ Implementing the business strategy related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify :Corporate Sustainability/CSR - CSO reporting line

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

In each of the core countries, a General Manager Sustainability is appointed. The goal of this is that accountability for the implementation of the sustainability strategy is placed on management level in our core countries. Before, each country was already accountable and responsible for the implementation of the decisions that are made by the ISB. Through this decision, this responsibility is now placed on management level. The Country Sustainability Managers are responsible for integrating the decisions of the ISB on KBC's sustainability strategy in their country. They work closely and frequently with the Group Corporate Sustainability division, and functionally report to the Senior General Manager of KBC Group's Corporate Sustainability Division. These local accountabilities ensure KBC's core countries are duly involved in both the strategic discussions and the operational implementation of the strategy. The organisation of the local sustainability teams varies from country to country. However, in general, country sustainability departments and committees provide support with the integration of the sustainability strategy and the organisation and communication of local initiatives in this area. Amongst other things, the relevant staff and committees supply and validate non-financial information.

Water

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Setting corporate environmental policies and/or commitments

Strategy and financial planning

☑ Conducting environmental scenario analysis

☑ Developing a business strategy which considers environmental issues

☑ Developing a climate transition plan

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Corporate Sustainability (GCS) Division is headed by the Group Corporate Sustainability Senior General Manager (SGM), who reports directly to the Group CEO (mandatory BoD member) and who meets regularly with the Chairman of the BoD. GCS is responsible for developing KBC's group-wide sustainability strategy, for initiating the implementation of this strategy across the group and for informing ISB on progress thereof. This includes: - formulation and monitoring of sustainability policies - In-house awareness raising and education - Monitoring direct/indirect environmental footprint and setting targets and developing strategies to decrease its climate impact (e.g. KBC's target to become climate neutral with regards to its direct environmental footprint) - Target setting: oversight on setting climate-targets for the most carbon intensive sectors in KBC's lending portfolio as part of its CCCA commitment, resulting from an in-depth analysis of portfolios and an extensive analysis of climate-related scenarios and reduction pathways. KBC also set targets on reducing the GHG intensity of its investment portfolios, both for investments we make on behalf of our clients and our own investments. GCS, together with Group Finance, ensures continuous progress monitoring. - Climate-

related reporting: GCS coordinates most of the voluntary sustainability reporting for KBC, including annual sustainability report, TCFD/TNFD reporting and CDP and is a key contributor in mandatory (CSRD) sustainability reporting. GCS is the point of reference for sustainability in KBC Group and works together with partners across the group, a.o. the local Sustainability Managers who are responsible for integrating sustainability-related decisions and objectives of KBC's Sustainable Finance Program within their country. As such, all countries of KBC are involved in both strategic decisions (country representation at ISB level) and operational implementation of our sustainability strategy.

Water

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Implementing a climate transition plan

☑ Implementing the business strategy related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify :Corporate Sustainability/CSR - CSO reporting line

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

In each of the core countries, a General Manager Sustainability is appointed. The goal of this is that accountability for the implementation of the sustainability strategy is placed on management level in our core countries. Before, each country was already accountable and responsible for the implementation of the decisions that are made by the ISB. Through this decision, this responsibility is now placed on management level. The Country Sustainability Managers are responsible for integrating the decisions of the ISB on KBC's sustainability strategy in their country. They work closely and frequently with the Group Corporate Sustainability division, and functionally report to the Senior General Manager of KBC Group's Corporate Sustainability Division. These local accountabilities ensure KBC's core countries are duly involved in both the strategic discussions and the operational implementation of the strategy. The organisation of the local sustainability teams varies from country to country. However, in general, country sustainability departments and committees provide support with the integration of the sustainability strategy and the organisation and communication of local initiatives in this area. Amongst other things, the relevant staff and committees supply and validate non-financial information.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities
☑ Assessing environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement
☑ Managing value chain engagement related to environmental issues

Strategy and financial planning
☑ Developing a business strategy which considers environmental issues
☑ Implementing a climate transition plan
☑ Implementing the business strategy related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply
☑ Dependencies, impacts, risks, and opportunities related to our banking activities
☑ Dependencies, impacts, risks, and opportunities related to our investing activities
☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:
☑ Other, please specify :Corporate Sustainability/CSR - CSO reporting line

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ More frequently than quarterly

(4.3.1.6) Please explain

In each of the core countries, a General Manager Sustainability is appointed. The goal of this is that accountability for the implementation of the sustainability strategy is placed on management level in our core countries. Before, each country was already accountable and responsible for the implementation of the decisions that are made by the ISB. Through this decision, this responsibility is now placed on management level. The Country Sustainability Managers are responsible for integrating the decisions of the ISB on KBC's sustainability strategy in their country. They work closely and frequently with the Group Corporate Sustainability division, and functionally report to the Senior General Manager of KBC Group's Corporate Sustainability Division. These local accountabilities ensure KBC's core countries are duly involved in both the strategic discussions and the operational implementation of the strategy. The organisation of the local sustainability teams varies from country to country. However, in general, country sustainability departments and committees provide support with the integration of the sustainability strategy and the organisation and communication of local initiatives in this area. Amongst other things, the relevant staff and committees supply and validate non-financial information.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Setting corporate environmental policies and/or commitments

Strategy and financial planning

☑ Conducting environmental scenario analysis

☑ Developing a business strategy which considers environmental issues

☑ Developing a climate transition plan

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks, and opportunities related to our investing activities

☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Corporate Sustainability (GCS) Division is headed by the Group Corporate Sustainability Senior General Manager (SGM), who reports directly to the Group CEO (mandatory BoD member) and who meets regularly with the Chairman of the BoD. GCS is responsible for developing KBC's group-wide sustainability strategy, for initiating the implementation of this strategy across the group and for informing ISB on progress thereof. This includes: - formulation and monitoring of sustainability policies - In-house awareness raising and education - Monitoring direct/indirect environmental footprint and setting targets and developing strategies to decrease its climate impact (e.g. KBC's target to become climate neutral with regards to its direct environmental footprint) - Target setting: oversight on setting climate-targets for the most carbon intensive sectors in KBC's lending portfolio as part of its CCCA commitment, resulting from an in-depth analysis of portfolios and an extensive analysis of climate-related scenarios and reduction pathways. KBC also set targets on reducing the GHG intensity of its investment portfolios, both for investments we make on behalf of our clients and our own investments. GCS, together with Group Finance, ensures continuous progress monitoring. - Climate-related reporting: GCS coordinates most of the voluntary sustainability reporting for KBC, including annual sustainability report, TCFD/TNFD reporting and CDP and is a key contributor in mandatory (CSRD) sustainability reporting. GCS is the point of reference for sustainability in KBC Group and works together with partners across the group, a.o. the local Sustainability Managers who are responsible for integrating sustainability-related decisions and objectives of KBC's Sustainable Finance Program within their country. As such, all countries of KBC are involved in both strategic decisions (country representation at ISB level) and operational implementation of our sustainability strategy.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

The variable remuneration of Executive Committee members is linked to factors including the achievement of a number of collective targets. Aspects such as sustainability are an increasingly important factor and currently determine at least 30% of the collective result related variable remuneration. Given the current focus on Climate, 1/3 of this is considered to relate to Climate specifically. Progress in the area of sustainability is evaluated, for example, via the KBC Sustainability Dashboard report every six months. The Board of Directors evaluates, via the Remuneration Committee, the criteria by which Executive Committee members are assessed in this regard. More information is provided under 'Remuneration report' in the 'Corporate governance statement' section of the Annual Report.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

1

(4.5.3) Please explain

The variable remuneration of EXCO members is linked to factors including the achievement of a number of collective targets. Aspects such as sustainability are an increasingly important factor and currently determine at least 30% of the collective result related variable remuneration (for the entire scope of sustainability targets combined). Progress in the area of sustainability is evaluated, for example, via the KBC Sustainability Dashboard report every 6 months. The BoD evaluates, via the

Remuneration Committee, the criteria by which EXCO members are assessed in this regard. More information is provided under 'Remuneration report' in the 'Corporate governance statement' section of the Annual Report. In line with our business strategy, focus is currently more on climate change than on other environmental objectives (EO's), as illustrated by the lower (indicative) percentage in the previous column. It can be expected that relative weight of these other EO's might increase going forward

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

1

(4.5.3) Please explain

The variable remuneration of EXCO members is linked to factors including the achievement of a number of collective targets. Aspects such as sustainability are an increasingly important factor and currently determine at least 30% of the collective result related variable remuneration (for the entire scope of sustainability targets combined). Progress in the area of sustainability is evaluated, for example, via the KBC Sustainability Dashboard report every 6 months. The BoD evaluates, via the Remuneration Committee, the criteria by which EXCO members are assessed in this regard. More information is provided under 'Remuneration report' in the 'Corporate governance statement' section of the Annual Report. In line with our business strategy, focus is currently more on climate change than on other environmental objectives (EO's), as illustrated by the lower (indicative) percentage in the previous column. It can be expected that relative weight of these other EO's might increase going forward
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Board/Executive board

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

☑ Emissions reductions across portfolio companies

Resource use and efficiency

☑ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Sustainability determines at least 30% of the collective, variable, results-related component of the remuneration of the Executive Committee (ExCo) members including the Group CEO. This component is set on the basis of an assessment of a number of pre-agreed criteria relating to the performances of the ExCo and the company. These criteria are centred on four broad areas: implementing strategy, realising financial plans, strengthening the risk control environment and the satisfaction of all stakeholders. The performance of the ExCo in each of these four areas determines the size of the collective, variable, results-related component. The variable remuneration of ExCo members is linked to progress in the area of sustainability - including climate-related issues - through two out of four aforementioned areas, namely the implementation of the strategy, and stakeholder satisfaction. Progress on these sustainability indicators is a.o. evaluated via the KBC Sustainability Dashboard. The dashboard contains numerous parameters that are used for measuring sustainability in a range of areas, including our banking, insurance activities and investing activities. This relates a.o. to target setting w.r.t. Responsible Investing and targets related to our own ecological footprint. The Sustainability Dashboard also includes a progress report on the KBC Sustainable Finance Programme set up to integrate KBC's climate approach across the group. For more details on the remuneration policy please refer to the KBC Group Annual Report 2024 p208. Please refer to the Sustainability Report 2024 p22 for a schematic overview of the KBC Sustainability Dashboard.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By linking a share of the variable remuneration of the members of the ExCo to sustainability KPI's, the members are incentivised to actively steer KBC's activities in the direction of these sustainability KPIs. The progress on the KPIs that are set is tracked twice per year with the use of the KBC Sustainability Dashboard, which ensures the diligent follow-up and progress towards these goals. It also allows to steer KBC's activities to comply with the Sustainability Dashboard. Moreover, although the variable remuneration is granted each year, it is not awarded straight away. Instead, 60% of the variable remuneration is spread over a period of five years. Moreover, half of the total amount of variable remuneration is awarded in the form of equity-related instruments (phantom stocks or other instruments specified by local regulators). This ensures that the size of the variable remuneration partly depends on the longer term effects of the policies pursued.

Forests

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Board/Executive board

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Sustainability determines at least 30% of the collective, variable, results-related component of the remuneration of the Executive Committee (ExCo) members including the Group CEO. This component is set on the basis of an assessment of a number of pre-agreed criteria relating to the performances of the ExCo and the company. These criteria are centred on four broad areas: implementing strategy, realising financial plans, strengthening the risk control environment and the satisfaction of all stakeholders. The performance of the ExCo in each of these four areas determines the size of the collective, variable, results-related component. The variable remuneration of ExCo members is linked to progress in the area of sustainability - including climate-related issues - through two out of four aforementioned areas, namely the implementation of the strategy, and stakeholder satisfaction. Progress on these sustainability indicators is a.o. evaluated via the KBC Sustainability Dashboard. The dashboard contains numerous parameters that are used for measuring sustainability in a range of areas, including our banking, insurance activities and investing activities. This relates a.o. to target setting w.r.t. Responsible Investing and targets related to our own ecological footprint. The Sustainability Dashboard also includes a progress report on the KBC Sustainable Finance Programme set up to integrate KBC's climate approach across the group. For more details on the remuneration policy please refer to the KBC Group Annual Report 2024 p208. Please refer to the Sustainability Report 2024 p22 for a schematic overview of the KBC Sustainability Dashboard.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By linking a share of the variable remuneration of the members of the ExCo to sustainability KPI's, the members are incentivised to actively steer KBC's activities in the direction of these sustainability KPIs. The progress on the KPIs that are set is tracked twice per year with the use of the KBC Sustainability Dashboard, which ensures the diligent follow-up and progress towards these goals. It also allows to steer KBC's activities to comply with the Sustainability Dashboard. Moreover, although the variable remuneration is granted each year, it is not awarded straight away. Instead, 60% of the variable remuneration is spread over a period of five

years. Moreover, half of the total amount of variable remuneration is awarded in the form of equity-related instruments (phantom stocks or other instruments specified by local regulators). This ensures that the size of the variable remuneration partly depends on the longer term effects of the policies pursued.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Board/Executive board

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Sustainability determines at least 30% of the collective, variable, results-related component of the remuneration of the Executive Committee (ExCo) members including the Group CEO. This component is set on the basis of an assessment of a number of pre-agreed criteria relating to the performances of the ExCo and the company. These criteria are centred on four broad areas: implementing strategy, realising financial plans, strengthening the risk control environment and the satisfaction of all stakeholders. The performance of the ExCo in each of these four areas determines the size of the collective, variable, results-related component.

The variable remuneration of ExCo members is linked to progress in the area of sustainability - including climate-related issues - through two out of four aforementioned areas, namely the implementation of the strategy, and stakeholder satisfaction. Progress on these sustainability indicators is a.o. evaluated via the KBC Sustainability Dashboard. The dashboard contains numerous parameters that are used for measuring sustainability in a range of areas, including our banking, insurance activities and investing activities. This relates a.o. to target setting w.r.t. Responsible Investing and targets related to our own ecological footprint. The Sustainability Dashboard also includes a progress report on the KBC Sustainable Finance Programme set up to integrate KBC's climate approach across the group. For more details on the remuneration policy please refer to the KBC Group Annual Report 2024 p208. Please refer to the Sustainability Report 2024 p22 for a schematic overview of the KBC Sustainability Dashboard.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By linking a share of the variable remuneration of the members of the ExCo to sustainability KPI's, the members are incentivised to actively steer KBC's activities in the direction of these sustainability KPIs. The progress on the KPIs that are set is tracked twice per year with the use of the KBC Sustainability Dashboard, which ensures the diligent follow-up and progress towards these goals. It also allows to steer KBC's activities to comply with the Sustainability Dashboard. Moreover, although the variable remuneration is granted each year, it is not awarded straight away. Instead, 60% of the variable remuneration is spread over a period of five years. Moreover, half of the total amount of variable remuneration is awarded in the form of equity-related instruments (phantom stocks or other instruments specified by local regulators). This ensures that the size of the variable remuneration partly depends on the longer term effects of the policies pursued.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Management group

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Other targets-related metrics, please specify :ESG related targets linked to the domain in which a manager is active

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Sustainability is also integrated in management's variable remuneration. At least 10% of the variable remuneration received by senior management depends on the achievement of individual targets agreed in advance as part of the group's sustainability policy, including climate policy. This way the Group Executive Committee wants to increase the sustainability awareness among all KBC Senior Managers and encourage all KBC Senior Managers to take concrete actions in the domain of Sustainability, especially within the field in which the manager is active and has particular influence. Please refer to the KBC Group 2024 Sustainability Report p. 22, the KBC Group Risk Report 2024 p. 119 ('integration sustainability into our remuneration policy'). Depending on the position of the manager, the goal can be E, S or G related. Agreed individual targets can be: (i) Concrete actions in the defined focus domains: financial literacy, environmental responsibility, stimulating entrepreneurship, longevity or health. (ii) Collaboration within projects that were defined on a corporate level: KBC Sustainable Finance Programme (SFP), update of the different sustainability policies, project to decrease KBC's own environmental impact, process of gathering non-financial data, …. (iii) Increasing the sustainability-awareness amongst all staff: putting sustainability on the agenda of different meetings, encouraging employees to take initiatives in the envisaged focus domains. (iv) Initiatives for a further concretization of what "responsible behaviour" really means for the different functions within KBC. The individual goals are registered in an HR tool.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

By linking a share of the variable remuneration of the group's management, the management is incentivised to actively steer KBC's activities towards these sustainability KPIs. The progress on the KPIs is tracked individually. KPI's are cascaded down in the organization starting from GEXCO members to Senior General Manager to General Managers. Moreover, although the variable remuneration is granted each year, it is not awarded straight away. 40 – 60% is paid over a period of four to five years. Moreover, half of the total amount of variable remuneration is awarded in the form of non-cash instruments with a one-year retention period. This ensures that the size of the variable remuneration partly depends on the longer term effects of the policies pursued.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Other senior-mid manager, please specify :All Employees

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Achievement of environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Since 2012 the non-recurrent results based bonus (tax friendly part of the variable wage) of KBC employees in Belgium is partly linked to environmental targets (representing ca. 40% of KBC Group staff). The non-recurrent result based targets (NRRV) are laid down in a collective labour agreement every two years for a period of two years. In 2024, the targets were linked to our GHG footprint and focused on total distance of commuter travel by foot, bicycle, public transport or electric vehicle in relation to the total distance of commuter travel. Furthermore, this bonus takes into account other important sustainability indicators such as employee development (training days, digitality and progress management) and to cybersecurity (phishing tests).

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The targets are decided upfront for a period of 2 years, thereby providing a form of long-term sustainability-linked incentive to Belgian employees of KBC
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Portfolio

(4.6.1.4) Explain the coverage

In 2019 KBC signed the Collective Commitment to Climate Action. Through this commitment we have agreed to align our portfolios and business strategy (organization-wide) with the Paris Agreement and to engage with all stakeholders, incl. our customers. We have also set group-wide targets for our own direct operations to reduce our own emissions (-80% by 2030 compared to base year 2015) and to use 100% renewable energy. Our climate report and sustainability report give a detailed overview of how KBC is steering our own operations and portfolios in line with the Paris Agreement. Complementing these climate targets and in order to embed our corporate sustainability strategy into all activities, we have also developed a sustainability policy framework. We have stringent sustainability policies in place for all our business activities. Our sustainability policy framework defines activities with a harmful impact on the environment, human rights and other important issues, for which we have clear restrictions in place for our credit, insurance and advisory services. KBC abstains a.o. from any direct financing or insurance of projects related to thermal coal. KBC refrains also from financing, insuring or providing advisory services with regard to: oil-fired power generation, exploration and development of unconventional oil&gas, exploration of any other new oil or gas fields, specialised companies that are only active in the development and extraction of oil&gas fields.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to not invest in fossil-fuel expansion

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

CSD_KBCGroup_SustainabilityPolicyFramework_EN.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Forests

☑ Water

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Portfolio

(4.6.1.4) Explain the coverage

Recognising the importance of nature-related action, KBC had endorsed the TNFD recommendations in 2023. As a TNFD endorser, we are setting up actions to analyse our group-wide (direct and portfolio-related) dependencies, impacts, risks and opportunities. We report KBC's ongoing actions in our Sustainability Report of 2023. As from our 2024 report we also report structured according to the pillars of the TNFD Framework. In order to embed our corporate sustainability strategy into all activities, we have also developed a sustainability policy framework. We have stringent sustainability policies in place for all our business activities. Our sustainability policy framework defines activities with a harmful impact on the environment, human rights and other important issues, for which we have clear restrictions in place for our credit, insurance and advisory services. KBC has made a commitment to reducing its direct and indirect impact on biodiversity and to increasing its contribution to the sustainable use and management of biodiversity. We therefore have a dedicated biodiversity policy in place, including restrictions regarding deforestation-related, commodities, protected areas (e.g. Wetlands of international importance on Ramsar List, IUCN-protected areas cat 1 and 2), endangered and invasive species, cattle farming and fishing practices that irreversibly damage aquatic habitats and ecosystems, shark finning or commercial whaling.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to avoidance of negative impacts on threatened and protected species

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to no trade of CITES listed species

☑ Commitment to respect legally designated protected areas

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Forests-specific commitments

☑ Commitment to no-conversion of natural ecosystems by target date, please specify :Since 2022, KBC is not financing activities located in or significantly impacting the following protected areas: wetlands of international importance on the RAMSAR list; IUCN-listed protected areas (category I and II).

☑ Commitment to no-deforestation by target date, please specify :Material producers and traders of forest commodities need to have 100% of their value chain certified with sustainable labels within 4 years or latest by 2030. Sustainable certifications comprise no-deforestation requirements.

☑ Commitment to the use of the High Conservation Value (HCV) approach

Water-specific commitments

☑ Other water-related commitment, please specify :Commitment to engage with customers on water management

Social commitments

☑ Adoption of the UN International Labour Organization principles

☑ Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

Additional references/Descriptions

☑ Description of commodities covered by the policy

☑ Description of dependencies on natural resources and ecosystems

☑ Description of impacts on natural resources and ecosystems

☑ Other additional reference/description, please specify :Commitment not to finance fishing practices that irreversibly damage aquatic habitats and ecosystems, not to finance shark finning and commercial whaling. Specific restrictions regarding palm oil, soy, sugarcane, cocoa, coffee and cattle farming

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify :EU Deforestation Regulation / SDGs on water

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

CSD_KBCGroup_SustainabilityPolicyFramework_EN.pdf
[Add row]

(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
Banking (Bank)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies
Investing (Asset manager)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies
Investing (Asset owner)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
Insurance (Insurance company)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

[Fixed row]

(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.7.1.2) Type of policy

Select all that apply

☑ Credit/lending policy

☑ Risk policy

☑ Other banking policy, please specify :Energy credit, insurance and advisory services policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Annual Report_Sustainability Report_Energy Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Fossil Fuels

☑ Power generation

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Climate change is integrated as a material risk in KBC Group's general risk framework (see AR p. 178-179). Specific approach towards climate risk is outlined in our SR p. 106-109 and Energy policy. KBC's risk framework applies to the entire lending portfolio. These policies aim to reduce the climate-impact of our portfolio. Therefore the financing of certain activities are either excluded (such as thermal coal-related activities and the development of new oil/gas fields, see 4.7.1 for more details) or restricted, and specific commitments are requested from certain counterparties: - all existing counterparties which still have coal-based energy production capacity should commit (1) to phase out coal entirely by 2030 and (2) not to add any new coal-based capacity; they should also provide a plan explaining how they will phase out coal by 2030 - limited exceptions apply to purpose-driven financing of renewable energy projects, under strict conditions; - financing to vertically integrated oil/gas companies must mature by 2030, unless companies commit not to start operating new oil/gas fields and confirm that the loan proceeds will not be used to finance new oil/gas fields - limited exceptions however apply to purpose-driven financing of renewable energy projects, under strict conditions; - biomass/biofuel/bioliquids projects must comply with the current EU GHG reduction criteria and be expected to comply with more stringent requirements set for the future. Every financing which is in scope of these policies is subject to a mandatory advice by a sustainability policy expert prior to acceptance, thus ensuring that no files not compliant with the policy are accepted.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Climate-specific commitments

☑ Other climate-related commitment, please specify :Specific, timebound commitments are required from counterparties still involved in thermal coal or in the exploration and development of new oil and gas fields, as described in column 12.

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

☑ Already met

Investing (Asset manager)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.7.1.2) Type of policy

Select all that apply

☑ Risk policy

☑ Sustainable/Responsible Investment Policy

☑ Investment policy/strategy

☑ Active ownership policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Investment Policy_Exclusion Policy RI Funds_Proxy Voting Policy_Annual Report_Sustainability Report.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Fossil Fuels

☑ Power generation

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Climate change is integrated as a material risk in KBC Group's general risk framework. General risk approach is explained in our AR, pg. 178-179. Specific approach towards climate risk is outlined in our SR, pg. 106-108, with a dedicated section on investing on behalf of our clients on pg. 68-71. All investments by KBC AM are in scope of the general KBC Group Investment policy. Since 2022, this policy excludes all companies involved in any way in thermal coal extraction or power generation using thermal coal. Strict exclusion criteria apply for all responsible investing (RI) funds, which can be found in our RI policy. The policy regarding fossil fuels can be found on pages 9-10 of that policy (https://multimediafiles.kbcgroup.eu/ng/published/kbc/zip/Uitsluitingsbeleid_voor_fondsen_die_verantwoord_beleggen_EN.pdf). Considering climate-related risks, all companies that can be linked to fossil fuels have been excluded from all sustainable investment funds as of 2019. These are defined as the companies classified in the MSCI world share index as belonging to the energy sector. Utilities that generate electricity based on fossil fuels or nuclear energy are also excluded from RI funds, as are utilities that transport gas or oil. The same applies to mining companies extracting coal, oil and gas. Since 2020, KBC AM follows the KBC AM Proxy Voting Guidelines to the ISS Benchmark Policy, as outlined in the Proxy Voting and Engagement Policy. Details can be found in the ISS Proxy Voting Guidelines. With regard to social and environmental proposals, the guidelines cover a wide range of topics, including consumer and product safety, environment and energy, labor standards and human rights, workplace and board diversity, and corporate political issues. While a variety of factors goes into each analysis, the overall principle guiding all vote recommendations focuses on how the proposal may enhance or protect shareholder value in either the short-term or long-term. KBC AM is also a signatory of Climate Action 100+, an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Climate-specific commitments

☑ Other climate-related commitment, please specify :KBC signed up to Climate 100+.

Additional references/Descriptions

☑ Other additional reference/description, please specify :Selection based on (1) exclusions (climate: exclusion of all companies involved in thermal coal extraction or power generation using coal from ALL funds, and companies involved in fossil fuels from RI funds) and (2) positive ESG criteria (RI funds).

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met

Investing (Asset owner)

(4.7.1.1) Environmental issues covered

Select all that apply
☑ Climate change

(4.7.1.2) Type of policy

Select all that apply
☑ Risk policy
☑ Sustainable/Responsible Investment Policy
☑ Investment policy/strategy
☑ Active ownership policy

(4.7.1.3) Public availability

Select from:
☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Investment Policy_Exclusion Policy RI Funds_Proxy Voting Policy_Annual Report_Sustainability Report.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Fossil Fuels

☑ Power generation

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Climate change is integrated as a material risk in KBC Group's general risk framework. General risk approach is explained in our AR, pg. 178-179. Specific approach towards climate risk is outlined in our SR, pg. 106-109, with a dedicated section on own investments on pg. 72-73. All investments by KBC are in scope of the general KBC Group Investment policy. Since 2022, this policy excludes all companies involved in any way in thermal coal extraction or power generation using thermal coal. KBC furthermore applies mots of KBC AM's strict responsible investing (RI) funds exclusions criteria to its own investments. These criteria can be found in our RI policy. The policy regarding fossil fuels can be found on pages 9-10 of that policy. Considering climate-related risks, all companies that can be linked to fossil fuels have been excluded from all sustainable investment funds as of 2019. These are defined as the companies classified in the MSCI world share index as belonging to the energy sector. Utilities that generate electricity based on fossil fuels or nuclear energy are also excluded from RI funds, as are utilities that transport gas or oil. The same applies to mining companies extracting coal, oil and gas. Over 3/4 of the investments are managed by KBC AM and thus covered by KBC AM's proxy voting guidelines. Since 2020, KBC AM follows the KBC AM Proxy Voting Guidelines to the ISS Benchmark Policy, as outlined in the Proxy Voting and Engagement Policy. Details can be found in the ISS Proxy Voting Guidelines. With regard to social and environmental proposals, the guidelines cover a wide range of topics, including consumer and product safety, environment and energy, labor standards and human rights, workplace and board diversity, and corporate political issues. While a variety of factors goes into each analysis, the overall principle guiding all vote recommendations focuses on how the proposal may enhance or protect shareholder value in either the short-term or long-term. KBC AM is also a signatory of Climate Action 100+, an investor initiative to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Climate-specific commitments

☑ Other climate-related commitment, please specify :KBC signed up to Climate 100+.

Additional references/Descriptions

☑ Other additional reference/description, please specify :Selection based on (1) exclusions (climate: exclusion of all companies involved in thermal coal extraction or power generation using coal from ALL funds, and companies involved in fossil fuels from RI funds) and (2) positive ESG criteria (RI funds).

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

☑ Already met

Insurance (Insurance company)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.7.1.2) Type of policy

Select all that apply

☑ Risk policy

☑ Insurance underwriting policy

☑ Other insurance policy, please specify :Energy credit, insurance and advisory services policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Annual Report_Sustainability Report_Energy Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Fossil Fuels

☑ Power generation

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Climate change is integrated as a material risk in KBC Group's general risk framework (see AR p. 178-179). Specific approach towards climate risk is outlined in our SR p. 106-109 and Energy policy. KBC's risk framework applies to the entire insurance portfolio. These policies aim to reduce the climate-impact of our portfolio. Therefore the insurance of certain activities are either excluded (such as thermal coal-related activities and the development of new oil/gas fields, see 4.7.1 for more details) or restricted, and specific commitments are requested from certain counterparties: - all existing counterparties which still have coal-based energy production capacity should commit (1) to phase out coal entirely by 2030 and (2) not to add any new coal-based capacity; they should also provide a plan explaining how they will phase out coal by 2030 - limited exceptions apply to the insurance of renewable energy projects, under strict conditions; - insurance of vertically integrated oil/gas companies must mature by 2030, unless companies commit not to start operating new oil/gas fields - limited exceptions however apply to the insurance of renewable energy projects, under strict conditions; - biomass/biofuel/bioliquids projects must comply with the current EU GHG reduction criteria and be expected to comply with more stringent requirements set for the future. Every insurance underwriting which is in scope of these policies is subject to a mandatory advice by a sustainability policy expert prior to acceptance, thus ensuring that no files not compliant with the policy are accepted.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Other environmental commitment, please specify :Specific, timebound commitments are required from counterparties still involved in thermal coal or in the exploration and development of new oil and gas fields, as described in column 12.

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply
☑ Forests

(4.7.1.2) Type of policy

Select all that apply
☑ Credit/lending policy
☑ Risk policy
☑ Other banking policy, please specify :Biodiversity policy

(4.7.1.3) Public availability

Select from:
☑ Publicly available

(4.7.1.4) Attach the policy

CSD_KBCGroup_Biodiversity Policy_May 2024.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:
☑ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Food, beverage & agriculture

☑ Manufacturing

(4.7.1.7) Commodities covered by the policy

Select all that apply

☑ Soy

☑ Cocoa

☑ Rubber

☑ Coffee

☑ Palm oil

☑ Timber products

☑ Cattle products

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

☑ Production

☑ Trading

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Producers of the commodities covered by the policy with any production capacity outside the EU and traders in such commodities, providing that they source and sell the commodities outside the EU, must commit to have their plantation and/or supply chain fully certified under an internationally recognized certification scheme by 31 May 2028 for existing clients, and by 1 January 2030 for new clients. Acceptable certificates are: Roundtable on Sustainable Palm Oil, Roundtable on Sustainable Soy, Forest Stewardship Council, Programme for the Endorsement of Forest Certification, Rainforest Alliance. Producers in scope must also commit to abstain from producing or harvesting the forest commodity at the expense of old growth forests or peatland, High Conservation Value (HCV) or High Carbon Stocks (HCS) areas, and to take measures to reduce and prevent soil erosion and water use and pollution. Counterparties in scope of the EU Deforestation Regulation will be required to fully comply with that regulation as soon as it has become effective (expected from January 2026 on). Next to that, we do not finance farms with more than 200.000 ruminants nor any cattle farming in Latin America nor traders in beef or cattle if they source the cattle or beef from Latin America and also sell it outside the EU. Every

financing which is in scope of these policies is subject to a mandatory advice by a sustainability policy expert prior to acceptance, thus ensuring that no files not compliant with the policy are accepted.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to respect legally designated protected areas

Forests-specific commitments

☑ Commitment to no development on peat regardless of depth

☑ Commitment to best management practices for soils and peat

☑ Commitment to no land clearance by burning or clearcutting

☑ Commitment to the use of the High Conservation Value (HCV) approach

☑ Commitment to facilitate the inclusion of smallholders into the value chain

☑ Commitment to conduct or support restoration and/or compensation to remedy for past deforestation or conversion

☑ Commitment to no deforestation, to no planting on peatlands, and to no exploitation (NDPE) by target date, please specify :May 2028 (existing clients) or January 2030 (new clients)

☑ Commitment to no-conversion of natural ecosystems by target date, please specify :May 2028 (existing clients) or January 2030 (new clients)

☑ Commitment to no-deforestation by target date, please specify :May 2028 (existing clients) or January 2030 (new clients)

☑ Other forests-related commitment, please specify :Counterparties must commit to have their plantations and supply chain fully certified by 2028/2030 (cf cln 12), indirectly ensuring they engage in the forest commitments described here, including labour, human rights and rights of indigenous people

Social commitments

☑ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities

☑ Commitment to respect internationally recognized human rights

☑ Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply
☑ Biodiversity

(4.7.1.2) Type of policy

Select all that apply
☑ Credit/lending policy
☑ Risk policy
☑ Other banking policy, please specify :Biodiversity policy

(4.7.1.3) Public availability

Select from:
☑ Publicly available

(4.7.1.4) Attach the policy

CSD_KBCGroup_Biodiversity Policy_May 2024.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Food, beverage & agriculture

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

KBC will not finance activities located in or significantly impacting areas designated and protected as UNESCO World Heritage Sites, Wetlands of International importance on the Ramsar List or IUCN- listed protected areas (category I and II areas). KBC will also not finance activities involving the use of endangered species or non-human primates for any testing and experimental purposes, nor will KBC finance trade for commercial purposes in endangered species of animals and plants or derived products as regulated under the CITES Convention and trade (wholesale and retail) in invasive alien species. Every financing which is in scope of these policies is subject to a mandatory advice by a sustainability policy expert prior to acceptance, thus ensuring that no files not compliant with the policy are accepted.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met

Investing (Asset manager)

(4.7.1.1) Environmental issues covered

Select all that apply
☑ Forests

(4.7.1.2) Type of policy

Select all that apply
☑ Risk policy
☑ Sustainable/Responsible Investment Policy
☑ Investment policy/strategy
☑ Active ownership policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Investment Policy_Exclusion Policy RI Funds_Proxy Voting Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(4.7.1.7) Commodities covered by the policy

Select all that apply

☑ Timber products
☑ Palm oil
☑ Cattle products
☑ Soy
☑ Cocoa

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

☑ Production

☑ Trading

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

44

(4.7.1.10) Basis of exceptions to policy

Select all that apply

☑ Other, please specify :This policy applies only to Responsible Investing funds, which by end 2024 represented 44% of total assets under management. KBC targets that by 2030 these funds should represent at least 50% and hence become the standard option.

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Within Responsible Investing, KBC Asset Management (KBC AM) invests systematically in companies or governments from Responsible Investing universes, compiled by a team of analysts. All issuers must have been screened on a pre-determined set of criteria, which are defined by the Responsible Investing research team of KBC AM on the advice of the (independent) Responsible Investing Advisory Board. The criteria can be grouped into two categories: a negative screening and a positive selection methodology. All companies and countries that are included must have been screened based on all criteria of the negative screening and comply with the positive selection methodology. The Responsible Investing research team shares the ESG Risk Score of corporates of our data provider Sustainalytics with the Portfolio Management and Strategists team. Forest-related risk is partly contributing to this assessment. Please refer to page 12 of our Responsible Investing policy. Companies operating in palm oil, soy, beef cattle ranching farming, cocoa or sugarcane and who do not meet certain industry standards are systematically excluded. In addition, this ESG Risk Score is also used as part of the Exclusion Policy for Responsible Investing funds, excluding companies with a high or severe ESG Risk Score.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to respect legally designated protected areas

Forests-specific commitments

☑ Other forests-related commitment, please specify :ESG Risk Score of our data-provider Sustainalytics

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ No, and we do not plan to measure this in the next two years

(4.7.1.17) Explain why your organization does not measure the % of clients/investees compliant with the policy

The policy applies only to Responsible Investing (RI) funds, which by definition are 100% compliant. Investees in other funds may or may not comply, but this is not measured, as this policy is not part of the investment criteria for these funds. RI funds represented 44% of total assets under management by the end of 2024. Hence we can say with certainty that 44% of the total assets under management are compliant with the policy. We have however set a target to increase this figure to 55% by 2030 and it is expected to grow even further in the years thereafter.

Investing (Asset manager)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Biodiversity

(4.7.1.2) Type of policy

Select all that apply

☑ Risk policy

☑ Sustainable/Responsible Investment Policy

☑ Investment policy/strategy

☑ Active ownership policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Investment Policy_Exclusion Policy RI Funds_Proxy Voting Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:
☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply
☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

44

(4.7.1.10) Basis of exceptions to policy

Select all that apply
☑ Other, please specify :This policy applies only to Responsible Investing funds, which by end 2024 represented 44% of total assets under management. KBC targets that by 2030 these funds should represent at least 50% and hence become the standard option.

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Within Responsible Investing, KBC Asset Management (KBC AM) invests systematically in companies or governments from Responsible Investing universes, compiled by a team of analysts. All issuers must have been screened on a pre-determined set of criteria, which are defined by the Responsible Investing research team of KBC AM on the advice of the (independent) Responsible Investing Advisory Board. The criteria can be grouped into two categories: a negative screening and a positive selection methodology. All companies and countries that are included must have been screened based on all criteria of the negative screening and comply with the positive selection methodology. The Responsible Investing research team shares the ESG Risk Score of corporates of our data provider Sustainalytics with the Portfolio Management and Strategists team. Biodiversity-related risk is partly contributing to this assessment. Please refer to page 12 of our Responsible Investing policy. In addition, this ESG Risk Score is also used as part of the Exclusion Policy for Responsible Investing funds, excluding companies with a high or severe ESG Risk Score.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to respect legally designated protected areas

☑ Other environmental commitment, please specify :ESG Risk Score of our data-provider Sustainalytics

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ No, and we do not plan to measure this in the next two years

(4.7.1.17) Explain why your organization does not measure the % of clients/investees compliant with the policy

The policy applies only to Responsible Investing (RI) funds, which by definition are 100% compliant. Investees in other funds may or may not comply, but this is not measured, as this policy is not part of the investment criteria for these funds. RI funds represented 44% of total assets under management by the end of 2024. Hence we can say with certainty that 44% of total assets under management are compliant with the policy. We have however set a target to increase this figure to 55% by 2025 and it is expected to grow even further in the years thereafter.

Investing (Asset owner)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Forests

(4.7.1.2) Type of policy

Select all that apply

☑ Risk policy

☑ Sustainable/Responsible Investment Policy

☑ Investment policy/strategy

☑ Active ownership policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Investment Policy_Exclusion Policy RI Funds_Proxy Voting Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail

☑ Apparel

☑ Services

☑ Materials

☑ Hospitality

☑ Fossil Fuels

☑ Manufacturing

☑ Infrastructure

☑ Power generation

☑ International bodies

☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma

(4.7.1.7) Commodities covered by the policy

Select all that apply
☑ Timber products
☑ Palm oil
☑ Cattle products
☑ Soy
☑ Cocoa

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply
☑ Production
☑ Trading

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

KBC applies most of KBC AM's strict responsible investing (RI) funds exclusions criteria to its own investments. Hence the same methodology is applied as for KBC's investments as an asset manager. Therefore please refer to the above section on investing as an asset manager and forests for more details.

(4.7.1.12) Requirements for clients/investees

Environmental commitments
☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to respect legally designated protected areas

Forests-specific commitments

☑ Other forests-related commitment, please specify :ESG Risk Score of our data-provider Sustainalytics

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

☑ Already met

Investing (Asset owner)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Biodiversity

(4.7.1.2) Type of policy

Select all that apply

☑ Risk policy
☑ Sustainable/Responsible Investment Policy
☑ Investment policy/strategy
☑ Active ownership policy

(4.7.1.3) Public availability

Select from:
☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Investment Policy_Exclusion Policy RI Funds_Proxy Voting Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:
☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply
☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

KBC applies most of KBC AM's strict responsible investing (RI) funds exclusions criteria to its own investments. Hence the same methodology is applied as for KBC's investments as an asset manager. Therefore please refer to the above section on investing as an asset manager and biodiversity for more details.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to respect legally designated protected areas

☑ Other environmental commitment, please specify :ESG Risk Score of our data-provider Sustainalytics

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

☑ Already met

Insurance (Insurance company)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Forests

(4.7.1.2) Type of policy

Select all that apply

☑ Risk policy

☑ Insurance underwriting policy

☑ Other insurance policy, please specify :KBC Group Biodiversity Policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

CSD_KBCGroup_Biodiversity Policy_May 2024.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Food, beverage & agriculture

☑ Manufacturing

(4.7.1.7) Commodities covered by the policy

Select all that apply

☑ Soy
☑ Cocoa
☑ Rubber
☑ Coffee
☑ Palm oil
☑ Timber products
☑ Cattle products

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

☑ Production
☑ Trading

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Producers of the commodities covered by the policy with any production capacity outside the EU and traders in such commodities, providing that they source and sell the commodities outside the EU, must commit to have their plantation and/or supply chain fully certified under an internationally recognized certification scheme by 31 May 2028 for existing clients, and by 1 January 2030 for new clients. Acceptable certificates are: Roundtable on Sustainable Palm Oil, Roundtable on Sustainable Soy, Forest Stewardship Council, Programme for the Endorsement of Forest Certification, Rainforest Alliance. Producers in scope must also commit to abstain from producing or harvesting the forest commodity at the expense of old growth forests or peatland, High Conservation Value (HCV) or High Carbon Stocks (HCS) areas, and to take measures to reduce and prevent soil erosion and water use and pollution. Counterparties in scope of the EU Deforestation Regulation will be required to fully comply with that regulation as soon as it has become effective (expected from January 2026 on). Next to that, we do not insure farms with more than 200.000 ruminants nor any cattle farming in Latin America nor traders in beef or cattle if they source the cattle or beef from Latin America and also sell it outside the EU. Every insurance underwriting which is in scope of these policies is subject to a mandatory advice by a sustainability policy expert prior to acceptance, thus ensuring that no files not compliant with the policy are accepted.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to respect legally designated protected areas

Forests-specific commitments
☑ Commitment to no development on peat regardless of depth
☑ Commitment to best management practices for soils and peat
☑ Commitment to no land clearance by burning or clearcutting
☑ Commitment to the use of the High Conservation Value (HCV) approach
☑ Commitment to facilitate the inclusion of smallholders into the value chain
☑ Commitment to conduct or support restoration and/or compensation to remedy for past deforestation or conversion
☑ Commitment to no deforestation, to no planting on peatlands, and to no exploitation (NDPE) by target date, please specify :May 2028 (existing clients) or January 2030 (new clients).
☑ Commitment to no-conversion of natural ecosystems by target date, please specify :May 2028 (existing clients) or January 2030 (new clients).
☑ Commitment to no-deforestation by target date, please specify :May 2028 (existing clients) or January 2030 (new clients).
☑ Other forests-related commitment, please specify :Counterparties must commit to have their plantations and supply chain fully certified by 2028/2030 (cf cln 12), indirectly ensuring they engage in the forest commitments described here, including labour, human rights and rights of indigenous people

Social commitments
☑ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
☑ Commitment to respect internationally recognized human rights
☑ Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:
☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met

Insurance (Insurance company)

(4.7.1.1) Environmental issues covered

Select all that apply
☑ Biodiversity

(4.7.1.2) Type of policy

Select all that apply
☑ Risk policy
☑ Insurance underwriting policy
☑ Other insurance policy, please specify :KBC Group Biodiversity Policy

(4.7.1.3) Public availability

Select from:
☑ Publicly available

(4.7.1.4) Attach the policy

CSD_KBCGroup_Biodiversity Policy_May 2024.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Food, beverage & agriculture

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

KBC will not insure activities located in or significantly impacting areas designated and protected as UNESCO World Heritage Sites, Wetlands of International importance on the Ramsar List or IUCN- listed protected areas (category I and II areas). KBC will also not insure activities involving the use of endangered species or non-human primates for any testing and experimental purposes, nor will KBC insure trade for commercial purposes in endangered species of animals and plants or derived products as regulated under the CITES Convention and trade (wholesale and retail) in invasive alien species. Every insurance underwriting which is in scope of these policies is subject to a mandatory advice by a sustainability policy expert prior to acceptance, thus ensuring that no files not compliant with the policy are accepted.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to avoidance of negative impacts on threatened and protected species

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to no trade of CITES listed species

☑ Commitment to respect legally designated protected areas

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply
☑ Water

(4.7.1.2) Type of policy

Select all that apply
☑ Credit/lending policy
☑ Risk policy

(4.7.1.3) Public availability

Select from:
☑ Not publicly available

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Food, beverage & agriculture

☑ Infrastructure

☑ Manufacturing

☑ Materials

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

1

(4.7.1.10) Basis of exceptions to policy

Select all that apply

☑ Geography

☑ Industry sector

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

A management decision is taken to draft and establish this year a first lending policy on Water. At time of disclosure this Water Policy is under preparation targeted to be disclosed in reporting year 2025 explaining the 1% of portfolio covered by the policy which is merely serving a signaling function. As a basis for defining the scope of the policy we used a.o. the ENCORE method to identify which sectors in our industrial loan portfolio are most material based on their water-related dependencies and/or pressures.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Additional references/Descriptions

☑ Description of dependencies on natural resources and ecosystems

☑ Description of impacts on natural resources and ecosystems

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ No, but we plan to measure this within the next two years

(4.7.1.17) Explain why your organization does not measure the % of clients/investees compliant with the policy

Policy is under preparation at time of disclosure.

Investing (Asset manager)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Water

(4.7.1.2) Type of policy

Select all that apply

☑ Risk policy

☑ Sustainable/Responsible Investment Policy

☑ Investment policy/strategy

☑ Active ownership policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Investment Policy_Exclusion Policy RI Funds_Proxy Voting Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

44

(4.7.1.10) Basis of exceptions to policy

Select all that apply

☑ Other, please specify :This policy applies only to Responsible Investing funds, which by end 2024 represented 44% of total assets under management. KBC targets that by 2030 these funds should represent at least 50% and hence become the standard option.

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Within Responsible Investing, KBC Asset Management (KBC AM) invests systematically in companies or governments from Responsible Investing universes, compiled by a team of analysts. All issuers must have been screened on a pre-determined set of criteria, which are defined by the Responsible Investing research team of KBC AM on the advice of the Responsible Investing Advisory Board. The criteria can be grouped into two categories: a negative screening and a positive selection methodology. All companies and countries that are included must have been screened based on all criteria of the negative screening and comply with the positive selection methodology. The Responsible Investing research team shares the ESG Risk Score of corporates of our data provider Sustainalytics with the Portfolio Management and Strategists team. Water-related risk is partly contributing to this assessment. Please refer to page 12 of our Responsible Investing policy. In addition, this ESG Risk Score is also used as part of the Exclusion Policy for Responsible Investing funds, excluding companies with a high or severe ESG Risk Score.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to respect legally designated protected areas

☑ Other environmental commitment, please specify :ESG Risk Score of our data-provider Sustainalytics

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ No, and we do not plan to measure this in the next two years

(4.7.1.17) Explain why your organization does not measure the % of clients/investees compliant with the policy

The policy applies only to Responsible Investing (RI) funds, which by definition are 100% compliant. Investees in other funds may or may not comply, but this is not measured, as this policy is not part of the investment criteria for these funds. RI funds represented 44% of total assets under management by the end of 2024. Hence we can say with certainty that 44% of total assets under management are compliant with the policy. We have however set a target to increase this figure to 55% by 2025 and it is expected to grow even further in the years thereafter.

Investing (Asset owner)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Water

(4.7.1.2) Type of policy

Select all that apply

☑ Risk policy
☑ Sustainable/Responsible Investment Policy
☑ Investment policy/strategy
☑ Active ownership policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

Binder_Investment Policy_Exclusion Policy RI Funds_Proxy Voting Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

☑ Biotech, health care & pharma

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

KBC applies most of KBC AM's strict responsible investing (RI) funds exclusions criteria to its own investments. Hence the same methodology is applied as for KBC's investments as an asset manager. Therefore please refer to the above section on investing as an asset manager and water for more details.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to respect legally designated protected areas

☑ Other environmental commitment, please specify :ESG Risk Score of our data-provider Sustainalytics

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.7.1.2) Type of policy

Select all that apply

☑ Credit/lending policy

☑ Risk policy

☑ Other banking policy, please specify :Energy credit, insurance and advisory services policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Materials

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Climate change is integrated as a material risk in KBC Group's general risk framework (see AR p. 178-179). Specific approach towards climate risk is outlined in our SR p. 106-109 and Energy policy. These policies aim to reduce the climate-impact of our portfolio. Specifically regarding companies involved in steel, cement and aluminium, we require them to disclose their emission intensities, as according to our policy they must demonstrate that their emissions are at or below KBC's own 2030 emission targets.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Climate-specific commitments

☑ Commitment to disclose Scope 1 emissions

☑ Commitment to disclose Scope 2 emissions

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

☑ Already met

[Add row]

(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Thermal coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

☑ Midstream

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

☑ Other, please specify :General corporate financing

(4.7.2.5) Year of complete phaseout

2030

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of thermal-coal projects (including mining) is excluded. Any type of financing (including general corporate financing) to new counterparties (energy companies or not) who still have coal-based capacity is excluded (direct, purpose-driven financing of renewable energy projects and gas-as-a transition projects however remains possible, but under strict conditions). Any type of financing (including general corporate financing) to energy companies (existing counterparties) with a coal-based energy capacity of 25% or more is excluded (direct, purpose-driven financing of renewable energy projects and gas-as-a-transitions projects however remains possible, but under strict conditions). Any type of financing to existing counterparties (energy companies or not) with any coal-based energy capacity is excluded unless they commit to phase out coal by 2030 and not to add any new coal-based capacity until then. All financing to such companies must mature by 2030 at the latest (in this respect, limited exceptions apply with regard to financing of renewable energy and gas-as-a-transition projects). Contractors and suppliers to coal-fired power plants and coal-mines are excluded from financing regarding specific transactions related to the supply of equipment and services which are deemed essential to that plant or mine. Whether equipment or services are essential or not, is left to the appreciation of the Group corporate sustainability department.

Investing (Asset manager)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Thermal coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

☑ Midstream

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2019

(4.7.2.4) Phaseout pathway

Select all that apply

☑ Other, please specify :All types of active investments

(4.7.2.5) Year of complete phaseout

2019

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Companies or groups which are in any way involved in the extraction of thermal coal or power generation using thermal coal are excluded from ALL active investment funds, as mentioned in the KBC Group Investment Policy. However, KBC can advise its clients to invest in Green Bonds issued by companies or groups who are involved in the extraction of thermal coal or power generation using thermal coal, provided that a set of strict conditions (a.o. be in accordance with the use of proceeds principles of the International Capital Market Association and be labeled is a Green Bond according to the framework of Bloomberg) are fulfilled, as described in the KBC Group Investment Policy. This implies that coal projects can never be funded via such a Green Bond.

Investing (Asset owner)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Thermal coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream
☑ Midstream
☑ Downstream

(4.7.2.3) Year of exclusion implementation

2019

(4.7.2.4) Phaseout pathway

Select all that apply
☑ Other, please specify :All types of investments

(4.7.2.5) Year of complete phaseout

2019

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply
☑ Worldwide

(4.7.2.7) Description

Companies or groups which are in any way involved in the extraction of thermal coal or power generation using thermal coal are excluded from KBC's own investments, as mentioned in the KBC Group Investment policy.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:
☑ Thermal coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

☑ Midstream

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2030

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of thermal-coal projects (including mining) is excluded. Any type of insurance of new counterparties (energy companies or not) who still have coal-based capacity is excluded (direct, purpose-driven insurance of renewable energy projects and gas-as-a-transition projects however remains possible, but under strict conditions). Any type of insurance of energy companies (existing counterparties) with a coal-based energy capacity of 25% or more is excluded (direct, purpose-driven insurance of renewable energy projects and gas-as-a-transition projects however remains possible, but under strict conditions). Any type of insurance of existing counterparties (energy companies or not) with any coal-based energy capacity is excluded unless they commit to phase out coal by 2030 and not to add any

new coal-based capacity until then (direct, purpose-driven insurance of renewable energy projects and gas-as-a-transition projects however remains possible, but under strict conditions). Contractors and suppliers to coal-fired power plants and coal-mines are excluded from insurance regarding specific transactions related to the supply of equipment and services which are deemed essential to that plant or mine. Whether equipment or services are essential or not, is left to the appreciation of the Group corporate sustainability department.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Fuel from liquified coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

☑ Midstream

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of projects involving fuel from liquified coal is excluded.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Coal mining

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

☑ Other, please specify :General corporate financing

(4.7.2.5) Year of complete phaseout

2030

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of thermal-coal projects (including mining) is excluded. Any type of financing (including general corporate financing) to new counterparties (energy companies or not) who still have coal-based capacity is excluded (direct, purpose-driven financing of renewable energy projects and of gas-as-a-transition projects however remains possible, but under strict conditions). Any type of financing (including general corporate financing) to energy companies (existing counterparties) with a coal-based energy capacity of 25% or more is excluded (direct, purpose-driven financing of renewable energy projects and of gas-as-a-transition projects however remains possible, but under strict conditions). Any type of financing to existing counterparties (energy companies or not) with any coal-based energy capacity is excluded unless they commit to phase out coal by 2030 and not to add any new coal-based capacity until then. All financing to such companies must mature by 2030 at the latest (in this respect, limited exceptions apply with regard to financing of renewable energy projects). Contractors and suppliers to coal-fired power plants and coal-mines are excluded from financing regarding specific transactions related to the supply of equipment and services which are deemed essential to that plant or mine. Whether equipment or services are essential or not, is left to the appreciation of the Group corporate sustainability department.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Power from coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

☑ Other, please specify :General corporate financing

(4.7.2.5) Year of complete phaseout

2030

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of thermal-coal projects (including mining) is excluded. Any type of financing (including general corporate financing) to new counterparties (energy companies or not) who still have coal-based capacity is excluded (direct, purpose-driven financing of renewable energy projects and of gas-as-a-transition projects however remains possible, but under strict conditions). Any type of financing (including general corporate financing) to energy companies (existing counterparties) with a coal-based energy capacity of 25% or more is excluded (direct, purpose-driven financing of renewable energy projects and of gas-as-a-transition projects however remains possible, but under strict conditions). Any type of financing to existing counterparties (energy companies or not) with any coal-based energy capacity is excluded unless they commit to phase out coal by 2030 and not to add any new coal-based capacity until then. All financing to such companies must mature by 2030 at the latest (in this respect, limited exceptions apply with regard to financing of renewable energy projects). Contractors and suppliers to coal-fired power plants and coal-mines are excluded from financing regarding specific transactions related to the supply of equipment and services which are deemed essential to that plant or mine. Whether equipment or services are essential or not, is left to the appreciation of the Group corporate sustainability department.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Oil from tar sands

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of tar sands projects is excluded.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Oil from shale

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of shale oil projects is excluded.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Gas from shale

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of shale gas projects is excluded.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Arctic oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of Arctic oil and gas projects is excluded.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:
☑ Ultra-deepwater oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply
☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply
☑ New business/investment for new projects
☑ New business/investment for existing projects
☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of deepwater oil and gas projects is excluded.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Fracked oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of fracked oil and gas projects is excluded.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Other, please specify :Coal-to-gas and coalbed methane

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any direct financing of coal-to-gas and coalbed methane projects is excluded.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Fuel from liquified coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of projects involving fuel from liquified coal is excluded.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Coal mining

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2030

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of thermal-coal projects (including mining) is excluded. Any type of insurance of new counterparties (energy companies or not) who still have coal-based capacity is excluded (direct, purpose-driven insurance of renewable energy projects and of gas-as-a transition projects however remains possible, but under strict conditions). Any type of insurance of energy companies (existing counterparties) with a coal-based energy capacity of 25% or more is excluded (direct, purpose-driven insurance of renewable energy projects and of gas-as-a-transition projects however remains possible, but under strict conditions). Any type of insurance of existing counterparties (energy companies or not) with any coal-based energy capacity is excluded unless they commit to phase out coal by 2030 and not to add any new coal-based capacity until then. Contractors and suppliers to coal-fired power plants and coal-mines are excluded from insurance regarding specific transactions related to the supply of equipment and services which are deemed essential to that plant or mine. Whether equipment or services are essential or not, is left to the appreciation of the Group corporate sustainability department.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Power from coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2030

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of thermal-coal projects (both power generation and mining) is excluded. Any type of insurance of new counterparties (energy companies or not) who still have coal-based capacity is excluded (direct, purpose-driven insurance of renewable energy projects and of gas-as-a-transition projects however remains possible, but under strict conditions). Any type of insurance of energy companies (existing counterparties) with a coal-based energy capacity of 25% or more is excluded (direct, purpose-driven insurance of renewable energy projects and of gas-as-a-transition projects however remains possible, but under strict conditions). Any type of insurance of existing counterparties (energy companies or not) with any coal-based energy capacity is excluded unless they commit to phase out coal by 2030 and not to add any new coal-based capacity until then. Contractors and suppliers to coal-fired power plants and coal-mines are excluded from insurance regarding specific transactions related to the supply of equipment and services which are deemed essential to that plant or mine. Whether equipment or services are essential or not, is left to the appreciation of the Group corporate sustainability department.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Oil from tar sands

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of oil from tar sands projects is excluded.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Oil from shale

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of oil from shale projects is excluded.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Gas from shale

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of gas from shale projects is excluded.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Arctic oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of Arctic oil and gas projects is excluded.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Ultra-deepwater oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of deepwater oil and gas projects is excluded.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Fracked oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2018

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2018

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of fracked oil and gas projects is excluded.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Other, please specify :Coal-to-gas and coalbed methane

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Any insurance of coal-to-gas and coalbed methane projects is excluded.

Investing (Asset manager)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Coal mining

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2019

(4.7.2.4) Phaseout pathway

Select all that apply

☑ Other, please specify :All types of investments

(4.7.2.5) Year of complete phaseout

2019

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Companies or groups which are in any way involved in the extraction of thermal coal or power generation using thermal coal are excluded from ALL investment funds, as mentioned in the KBC Group Investment Policy. However, KBC can advise its clients to invest in Green Bonds issued by companies or groups who are involved in

the extraction of thermal coal or power generation using thermal coal, provided that a set of strict conditions (a.o. be in accordance with the use of proceeds principles of the International Capital Market Association and be labeled is a Green Bond according to the framework of Bloomberg) are fulfilled, as described in the KBC Group Investment Policy. This implies that coal projects cannot be financed via a Green Bond.

Investing (Asset manager)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Power from coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2019

(4.7.2.4) Phaseout pathway

Select all that apply

☑ Other, please specify :All types of investments

(4.7.2.5) Year of complete phaseout

2019

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Companies or groups which are in any way involved in the extraction of thermal coal or power generation using thermal coal are excluded from ALL investment funds, as mentioned in the KBC Group Investment Policy. However, KBC can advise its clients to invest in Green Bonds issued by companies or groups who are involved in the extraction of thermal coal or power generation using thermal coal, provided that a set of strict conditions (a.o. be in accordance with the use of proceeds principles of the International Capital Market Association and be labeled is a Green Bond according to the framework of Bloomberg) are fulfilled, as described in the KBC Group Investment Policy. This implies that coal projects can never be financed via a Green Bond.

Investing (Asset manager)

(4.7.2.1) Type of exclusion policy

Select from:

☑ All fossil fuels

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

☑ Midstream

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2019

(4.7.2.4) Phaseout pathway

Select all that apply

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2019

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Strict exclusion criteria apply for all responsible investing (RI) funds, which can be found in our Responsible investment policy (general) and the RI Policy on fossil fuels (specific). All companies that can be linked to fossil fuels have been excluded from all RI funds as of 2019. These are defined as the companies classified in the MSCI world share index as belonging to the energy sector. Utilities that generate electricity based on fossil fuels or nuclear energy are also excluded from RI funds, as are utilities that transport gas or oil. The same applies to mining companies extracting coal, oil and gas. Companies active in unconventional oil and gas, such as oil from tar sands, shale oil and gas, Artic oil and gas etc are also excluded from all RI funds.

Investing (Asset owner)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Coal mining

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2019

(4.7.2.4) Phaseout pathway

Select all that apply

☑ Other, please specify :All types of investments

(4.7.2.5) Year of complete phaseout

2019

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Companies or groups which are in any way involved in the extraction of thermal coal or power generation using thermal coal are excluded from KBC's own investments, as mentioned in the KBC Group Investment policy.

Investing (Asset owner)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Power from coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2020

(4.7.2.4) Phaseout pathway

Select all that apply

☑ Other, please specify :All types of investments

(4.7.2.5) Year of complete phaseout

2020

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

Companies or groups which are in any way involved in the extraction of thermal coal or power generation using thermal coal are excluded from KBC's own investments, as mentioned in the KBC Group Investment policy.

Investing (Asset owner)

(4.7.2.1) Type of exclusion policy

Select from:

☑ All fossil fuels

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

☑ Midstream

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2020

(4.7.2.4) Phaseout pathway

Select all that apply

☑ Other, please specify :All types of investments

(4.7.2.5) Year of complete phaseout

2020

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

The strict exclusion criteria applicable for all responsible investing (RI) funds, which can be found in our Responsible investment policy (general) and the RI Policy on fossil fuels (specific), also apply to KBC's own investments. Hance all companies that can be linked to fossil fuels have been excluded from KBC's own investments as of 2019. These are defined as the companies classified in the MSCI world share index as belonging to the energy sector. Utilities that generate electricity based on fossil fuels or nuclear energy are also excluded, as are utilities that transport gas or oil. The same applies to mining companies extracting coal, oil and gas. Companies active in unconventional oil and gas, such as oil from tar sands, shale oil and gas, Artic oil and gas etc are also excluded from KBC's own investments. [Add row]

(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?

	Covenants included in financing agreements to reflect and enforce policies
	Select from: ☑ Yes

[Fixed row]

(4.8.1) Provide details of the covenants included in your organization’s financing agreements to reflect and enforce your environmental policies.

Row 1

(4.8.1.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(4.8.1.2) Types of covenants used

Select all that apply

☑ Margin or pricing depends on sustainability criteria

☑ Other, please specify **:Covenants may include that certain certifications are to be received in relation to the assets financed. Eg. Minimum BREAAM or LEED certification in relation to the asset/project financed. SBTi validation in relation to greenhouse gas targets.**

☑ Minimum level of taxonomy aligned assets are mandated

☑ Covenants related to compliance with your environmental policies

☑ Legal mandate to obtain third party verification of sustainability criteria

☑ A purpose or use of proceeds clause that refers to a taxonomy aligned activity

(4.8.1.3) Asset class/product types covered by covenants

Select all that apply

☑ Corporate loans

☑ Debt and equity underwriting

(4.8.1.4) Criteria for how covenants are applied

Select from:

☑ Selected clients

(4.8.1.5) % of clients covered by covenants

1

(4.8.1.6) % of portfolio covered in relation to total portfolio value

1

(4.8.1.7) Provide details on which environmental policies your covenants enforce and how

° Purpose or use of proceeds clause refers to sustainable project: KBC provides to its corporate clients Green Loans in accordance with the Green Loan Principles of the LMA. For such green loan, it is required that the proceeds are exclusively used for the assets and projects as described in a green financing framework or the loan agreement (in line with the LMA guidelines) which provide clear environmental benefits. • Margin or pricing depends on sustainability criteria: KBC is active as arranger and participant to syndicated sustainability-linked loans in accordance with the Sustainability-linked Loan Principles of the LMA. Such loans entail that, on top of the customary terms and conditions for corporate loans, one or more company-specific sustainability KPI's and targets are included in the loan financing agreement as such that part of the margin of the facilities will depend on the performance of the borrower on these ESG KPI's. The ESG KPI's and targets are to be set in accordance with the guidelines of the LMA for sustainability-linked loans. To the extent that the borrower will achieve the sustainability performance targets ("SPT's"), a discount will apply. In case the SPT's would not be achieved, a sustainability premium would be applicable. • Minimum level of green assets mandated: Eg. A minimum green asset ratio (ie. The ratio of green assets value to green debt) to be at least 1:1. • Legal mandate to obtain third-party verification: In relation to the reporting with respect to the performance of the borrower on the ESG KPI's as included in sustainability-linked loans. It could also be envisaged that KBC requests a third party verification in relation to the green financing framework (in relation to a green loan) and/or the sustainability-linked features (in relation to a sustainability-linked loan). • Covenants in relation to compliance with your policies: It is customary to include covenants (representation and undertakings) in relation to compliance with laws, including environmental laws. With regard to underwriting, please note that KBC only provides debt underwriting, no equity. As of 31 December 2024, a total of EUR 1.24 bln of sustainability linked loans had been granted by KBC, groupwide.

Row 2

(4.8.1.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(4.8.1.2) Types of covenants used

Select all that apply

☑ A purpose or use of proceeds clause that refers to a taxonomy aligned activity

☑ Minimum level of taxonomy aligned assets are mandated

☑ Legal mandate to obtain third party verification of sustainability criteria

☑ Covenants related to compliance with your environmental policies

☑ Other, please specify :Eg: All projects have to comply with environmental laws

(4.8.1.3) Asset class/product types covered by covenants

Select all that apply

☑ Project finance

(4.8.1.4) Criteria for how covenants are applied

Select from:

☑ Selected clients

(4.8.1.5) % of clients covered by covenants

1

(4.8.1.6) % of portfolio covered in relation to total portfolio value

1

(4.8.1.7) Provide details on which environmental policies your covenants enforce and how

• Purpose or use of proceeds clause refers to sustainable project: In project financings the use of proceeds is clearly defined and refers to the project financed. Many of our credits finance sustainable projects (eg renewable energy investments, public transport, …). • Minimum level of green assets mandated: Eg. in renewable energy projects the borrower's activity is limited to renewable energy assets. In combination to the clause wrt purpose and use of proceeds, they only can be allocated to the green asset. So hence in our renewable energy transactions, the allocation towards = green asset => 100% level • Legal mandate to obtain third party verification: Eg. (1) assessment of Equator principles; (2) KBC green bond: underlying project finances (renewable energy): external audit and external verification of

compliance with green bond criteria is performed on the credits. • Covenants related to compliance with your policies: Eg. (1) in term sheets of CRM gas-fired plants it was a condition that the gas plant will have to meet all the requirements of the CRM framework (which includes environmental requirements); (2) policy: project have to be Equator principle compliant; (3) ESG reporting covenant; (4) in addition, we include a set of "conditions precedents", "conditions subsequent", covenants and representations & warranties in our credit facilities all of them to be sure that the project and the related financing is in line with the applicable laws and regulations. But moreover, while assessing providing a credit facility, part of the assessment made by the commercial teams and credit advisors as well is verifying if the project and its financing fits within KBC's Lending Policy.

Row 3

(4.8.1.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(4.8.1.2) Types of covenants used

Select all that apply

☑ Other, please specify :Covenants included in general corporate facilities

(4.8.1.3) Asset class/product types covered by covenants

Select all that apply

☑ Trade finance

☑ Asset finance

(4.8.1.4) Criteria for how covenants are applied

Select from:

☑ Selected clients

(4.8.1.5) % of clients covered by covenants

1

(4.8.1.6) % of portfolio covered in relation to total portfolio value

1

(4.8.1.7) Provide details on which environmental policies your covenants enforce and how

Such covenants are not included at the level of a specific asset or trade finance transaction (e.g. issuance of a bank guarantee). However, acceptance of such transactions are linked to the availability of a general corporate facility, in which this type of covenants might be included. Hence, indirectly, covenants may also apply to asset or trade finance transactions. Please refer to the first row of this section for more details regarding covenants in corporate loans. Please also note that our policy does not allow to take part to trade finance transactions which are specifically related to thermal coal.
[Add row]

(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?

Climate change

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:
☑ Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

The need for a long-term ESG investment strategy has been acknowledged by Pensioenfonds KBC, which manages the supplementary pensions of our Belgium-based staff. An explicit ESG policy has been embedded in the Statement of Investment Principles since 2017. The most important elements of the ESG investment policy, as decided by the Board of Directors of KBC Pensioenfonds, include zero tolerance of certain non-sustainable companies (e.g., blacklisted companies, human rights offenders and companies with a significant involvement in the tobacco industry, coal-related business and gambling), and since 2020, a gradual increase in actively managed "Responsible Investing" funds has been implemented, along with the long-term goal of achieving a climate-neutral investment portfolio. In 2021, the EU Sustainable Finance Disclosure Regulation (SFDR) came into force which led to a new policy on sustainability risks and a paragraph on sustainability risks in the pre-contractual information provided to new hires. Pensioenfonds KBC also mapped the SFDR classification of the various funds in the investment portfolio. As of 31

May 2024 about 5% of the portfolio is invested in Article 9 funds, 85% in Article 8 funds and 10% either is an Article 6 fund or does not fall within the scope of the SFDR regulation (e.g. direct real estate positions). We further acted on the long-term goal of a climate-neutral investment portfolio by measuring the GHG-intensity of the listed equity and bond portfolio compared to their respective benchmarks. New commitments in third-party funds were screened on specific ESG criteria (such as certifications, labels, ESG KPI reporting and impact).

Forests

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☑ Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

Article 8 funds are also incorporating various environment-related elements into the Responsible Investing investment policy (including broader ESG risk scoring, SDG alignment and a minimum percentage of ESG bonds). This includes more than just climate policy, but also other elements related to biodiversity, deforestation, water management, circularity and pollution prevention.

Water

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☑ Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

Article 8 funds are also incorporating various environment-related elements into the Responsible Investing investment policy (including broader ESG risk scoring, SDG alignment and a minimum percentage of ESG bonds). This includes more than just climate policy, but also other elements related to biodiversity, deforestation, water management, circularity and pollution prevention.
[Fixed row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ UNEP FI

☑ Terra Carta

☑ UN Global Compact

☑ Equator Principles

☑ Climate Action 100+

☑ Partnership for Carbon Accounting Financials (PCAF)

☑ Paris Agreement Capital Transition Assessment (PACTA)

☑ Task Force on Nature-related Financial Disclosures (TNFD)

☑ Task Force on Climate-related Financial Disclosures (TCFD)

☑ CDP Investor Signatory

☑ Collective Commitment to Climate Action

☑ Principles for Responsible Investment (PRI)

☑ UNEP FI Principles for Responsible Banking

☑ UNEP FI Principles for Sustainable Insurance

☑ Other, please specify **:Towards Sustainability Label; Trucost data and methodology; Nature Action 100**

(4.10.3) Describe your organization’s role within each framework or initiative

- As part of its engagement strategy, KBC Asset Management signed Climate Action 100+, an investor-led initiative to engage systemically important GHG emitters and other companies across the global economy, which have significant opportunities to drive the clean energy transition and help achieve the goals of the Paris Agreement. -KBC is also a investor signatory of CDP - KBC is a signatory of the UN Environment Programme Finance Initiative, the UN Principles for Responsible Investment and the UNEP FI Principles for Sustainable Insurance. KBC was an Early Endorser of the UNEP FI Principles for Responsible Banking (PRB) in 2018 and it goes without saying that we signed up as a Founding Signatory at the UN Climate Action Summit in September 2019. The Principles are familiar territory to us and clearly reflect the key elements of our own, well established sustainability vision, which we have been developing, communicating, implementing and improving for several years now. Committing to the UNEP FI Principles therefore flows logically from KBC’s sustainability strategy. Please refer to the KBCGroup Sustainability Report 2024 which includes a weblink to our reporting regarding the implementation of the PRI's in the UN PRI website and our self-assessment regarding our progress towards implementing the UNEP FI PRBs and the UNEP FI PSI's. - KBC has observed the Equator Principles (EP) – a voluntary set of guidelines for the financial industry to determine, assess and manage the social and environmental impact of large projects – since 2004. Our EP reporting can be found on our website

and in our KBC Sustainability Report 2024. - We are committed and use several methodologies to measure the climate-related impact of our portfolios and we report on those tracks in detail in our sustainability report: PCAF, PACTA, Trucost UNEP FI pilot on climate-related physical and transition risk assessment). - Recognising the importance of climate action, KBC had already endorsed the TCFD recommendations at the end of 2017. As a TCFD endorser, we report KBC's ongoing climate change actions as structured according to the four pillars of the TCFD Framework: governance, strategy, risk management, metrics and targets. Please refer to the KBC Annual Report 2024 and KBC Sustainability Report 2024. The latter also includes our first reporting according to the TNFD framework. - In 2006, we joined the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour and anti-corruption. Our communication on progress is published on our corporate website.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

20220930-climate-report.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☑ Voluntary government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

KBC Group NV is registered in the EU Transparancy Register. REG number 7452259 10014-90.

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Consistency of KBC's climate engagement initiatives is ensured by our group-wide Sustainability Strategy, embedded in the overall KBC Group Corporate Strategy and deployed group-wide via our Sustainability Governance. The Group Corporate Sustainability department (GCS) is responsible for developing the Sustainability Strategy and implementing it across the group. All sustainability-related projects and actions are steered by the Steerco Sustainability (headed by the Senior General Manager GCS - mandated by the KBC Group CFO - and with all business units and all relevant central departments represented). ESG data and metrics related projects are steered by the Steerco Data & Metrics (headed by the Senior General Manager of Group Finance - mandated by the KBC Group CFO, with GCS, all business units and relevant central departments represented). Both Steercos are A hybrid organisational structure and governance, with strong central steering and clear local accountability in each of our core countries, ensures that all sustainability topics, and especially climate and environmental topics, receive the necessary attention and resources in our business operations and strategies. The Internal Sustainability Board (ISB), chaired by the Group CEO, is the main platform for driving ESG, climate and environmental approach at group level. The ISB also decided and monitors the climate targets for our credit and investment portfolios, steering the decarbonization of these portfolios in line with our commitments. The country representatives of the ISB have been assigned clear country accountabilities for these topics. In each country we appointed a local Sustainability general manager with a mandate to steer the country's activities in line with the decisions of the ISB. Actions are also supported by the Corporate Public Affairs Policy dept. This ensures a consistent group-wide implementation of centrally decided ESG and climate matters. This approach ensures the central decisions are translated into local actions, taking into account the local context, and engagement with the various local stakeholders (clients, trade organizations, authorities, etc.). The central departments in turn are responsible for contacts on a global and European level (UNEP FI,

EU, ECB, other banks,...). GCS informs the Executive Committee and Board of Directors on the progress twice a year via the Sustainability Dashboard, which is also communicated group-wide to all senior managers.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

We engage with policy makers (local government) on the implementation of the Czech National Climate and Energy Plan. And more specifically how we can contribute to the transition plan by financing the needed investments, in line with KBC Group's own climate commitments and climate-related targets, as well as our targets on renewable energy). This is assessed for all of KBC's core countries and is part of our yearly White Paper analysis on Energy.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables
☑ Low-carbon, non-renewable energy generation
☑ New fossil fuel energy generation capacity
☑ Renewable energy generation

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Czechia

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation

KBC Group will refrain from any investment that could potentially compromise our climate-related targets for the energy sector. Consequently, any investment will still be subject to an ex-ante check that these decarbonization targets and the targets in terms of share of renewable energy are not compromised. These could therefore potentially be exceptions to the rule that KBC Group will support the Czech Republic's National Climate and Energy Plan.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The National Climate and Energy Plan (NECP) of Czechia has a direct impact on KBC Group's climate goals, both in terms of our global commitment and our direct climate targets for the energy sector. The NECP has been endorsed by the European Commission and in that sense fits into Europe's climate goals. As a large local bank, KBC Group's subsidiary CSOB CR, wants to contribute to Czechia's energy transition. But since this transition includes gas-fired installations as an interim step away from the current coal-fired electricity and heating installations, clear agreements need to be made on a regular basis (internally KBC Group, but also with local government) on what and to what extend KBC Group can contribute in terms of financing. Also financing of potential nuclear energy projects is part of this

assessment. This must be done without jeopardising KBC Group's commitment to the Paris Agreement and the associated targets. Simulations of the impact of the decisions on our portfolios and targets are on a regular basis assessed In preparation of the yearly White Paper on Energy, our Czech bank (CSOB CR) consults with local ministries, as well as with local NGOs (Greenpeace) who confirmed CSOB CR's role in this NECP. Decisions are taken at group level in the Internal Sustainability Board (ISB) and validated by KBC Group EXCO. KBC Group's Energy policy is adapted accordingly (when needed). The decisions and the impact on the targets are continuously reported and followed up the ISB. Individual files above a certain threshold also have to demonstrate quantitatively that they fit within the provided pathways and targets.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify :EBF (European Banking Federation)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

KBC is an active member of Febelfin, the business federation for the Belgian financial sector. It represents the interests of its members towards policymakers, supervisors, professional federations and interest groups at national and European level. Febelfin is a promoter of the leverage a financial institution can provide for society and economy in Belgium at large in order to realize the Paris Agreement. It also plays an active role in promoting the importance of integrating sustainability and ESG factors into financial products and services. For example, Febelfin also initiated the Belgian 'Towards Sustainability' quality label for responsible investing investment funds in 2019. The label aims to install trust and reassure potential investors that the financial product is managed with sustainability in mind and is not exposed to very unsustainable practices, without requiring of investors to do a detailed analysis themselves. A specific body, the Febelfin Sustainable Finance Committee has been established for this purpose. KBC's Belgian General Manager Sustainability is a member of this committee. This committee is a.o. actively

working to refine and standardize at Belgian level the data collection and to translate international methodologies, needed to measure and manage the impact of climate change as a financial institution, to the local context. E.g. an initiative has been taken to be able to directly retrieve data from EPC buildings via central government databases. Febelfin is also the contact point for policy makers to discuss and work out concrete initiatives and projects that contribute to a sustainable transition. E.g. the specific initiatives of the government for subsidizing the investments in renewable energy infrastructure. Moreover, Febelfin also cooperates on European level with the sector organizations of other European countries in the European Banking Federation (EBF), e.g on the EU Deforestation Regulation.. EBF is a direct and active contact point for European policymakers and regulators. KBC's Group CEO is a member of the Board of Directors of Febelfin. Through this representation, a clear commitment to contribute to the objectives formulated in the Paris Agreement and the UN Sustainable Development Goals (including SDGs related to water management) was actively pursued, as well as active cooperation between the banks where possible.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

2007606

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The funding of the national trade organizations (such as Febelfin in Belgium) and the European Banking Federation (EBF) allows us to cooperate with other banks within the structures of these organizations. For example, on certain sustainability issues, we cooperate on methodologies (for example, on determining the most energy-efficient homes according to the criteria of the EU taxonomy for a specific country). Joint positions are also taken on certain legislative initiatives (e.g. on the European Corporate Sustainability Reporting Directive, EU Deforestation Regulation) and questions for clarification are worked out together with other European banks (e.g. on the concrete application of the EU taxonomy criteria). In this way, standards are developed and, in consultation with national and European legislators, greater clarity and uniformity is brought to various sustainability-related legislations.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Another global environmental treaty or policy goal, please specify :EU Deforestation Regulation
[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:
☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:
☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply
☑ TCFD
☑ TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change
☑ Forests
☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Risks & Opportunities

(4.12.1.6) Page/section reference

Pg. 15 to 27: "ESG in our Risk Management"

(4.12.1.7) Attach the relevant publication

risk-report-2024.pdf

(4.12.1.8) Comment

The Risk Report of KBC group includes reporting on climate-related and other ESG risk management: governance, integration into risk management framework and processes, risk identification, risk measurement, scenario analysis and stress testing, setting and cascading risk appetite and risk analysis, monitoring, reporting and followup

Row 2

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ ESRS

☑ TCFD

☑ TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Dependencies & Impacts

(4.12.1.6) Page/section reference

Sustainability Statement: pages 132 - 243 of Annual Report 2024

(4.12.1.7) Attach the relevant publication

jvs-2024-gr-en.pdf

(4.12.1.8) Comment

In the Sustainability Statement, embedded in our annual report, we report in a more comprehensive manner on our response to environmental and climate-related risks and GHG emissions performance. In this externally verified sustainability statement we try to keep as close as possible to the requirements set out in the ESRS's, while we provide more details/narratives in our Sustainability Report, so that both reports are complimentary to each other.

Row 3

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ TCFD

☑ TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy
☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities
☑ Value chain engagement
☑ Dependencies & Impacts
☑ Public policy engagement
☑ Content of environmental policies

(4.12.1.6) Page/section reference

p. 10: Sustainablility highlights 2024; p. 15-29: Our Sustainability Strategy (including our Sustainability Governance, Sustainability Dashboard); p. 63-148: Sustainable Finance (including our commitment to the environment, our approach to Sustainable Finance, our policies and Sustainable investing); Appendices (Sustainability Facts & Figures, including environmental data and emissions; methodologies explained; UNEP FI PRB; UNEP FI PSI)

(4.12.1.7) Attach the relevant publication

csr-sr-2024.pdf

(4.12.1.8) Comment

In our Sustainability Report we report in detail and in all transparency in our response to environmental and climate-related risks, opportunities and GHG emissions performance. It is complementary to our externally verified Sustainability Statement, as - for instance - we also provide relevant insights into topics that are non-material, but considered relevant for our stakeholders nonetheless, in our Sustainability Report. It also contains our TCFD/TNFD report.
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☑ Yes

(5.1.2) Frequency of analysis

Select from:

☑ More than once a year

Forests

(5.1.1) Use of scenario analysis

Select from:

☑ No, and we do not plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☑ Lack of available methodologies

(5.1.4) Explain why your organization has not used scenario analysis

To our knowledge, there are no standardized scenarios available for financial institutions for this domain.

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Not defined
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios
☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:
☑ Quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

☑ Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This normative Net Zero Emission (NZE) 2050 scenario portrays a pathway for the energy sector to help limit the global temperature rise to 1.5 °C above preindustrial levels in 2100 (with at least a 50% probability) with limited overshoot. The NZE Scenario has been fully updated. It also meets the key energy-related UN Sustainable Development Goals (SDGs): universal access to reliable modern energy services is reached by 2030, and major improvements in air quality are secured. In the NZE Scenario, oil and gas prices quickly fall to the costs of the marginal project required to meet falling demand, which is around USD 40/barrel for oil in 2030, before declining further to USD 25/barrel in 2050; gas demand declines by nearly 20% by 2030 in the face of very large clean energy investments and efficiency gains. Low-emissions electricity generation overall increases from 39% of total electricity generation today to 71%; global energy demand per capita declines by 15%. More widespread deployment of measures promoting material efficiency leads steel and cement to peak within the next fifteen years. Stronger measures to minimise emissions reduce the activity in aviation by 20% and the car stock by 15% compared to the STEPS in 2050. By 2030, the share of oil in road transport energy demand drops from 92% today to 78%. [In the NZE Scenario, the share of oil in energy demand in shipping falls to 80% by 2030.]

(5.1.1.11) Rationale for choice of scenario

The IEA NZ 2050 is one of the flagship net zero 2050 scenarios available in the climate scenario landscape and subsequently used as one of the scenarios to understand plausible future outcomes in case of a net zero 2050 transition. It is one of the 'PACTA for Banks' scenarios that are aligned with the 2015 Paris Agreement. In KBC's annual PACTA exercise, we strive for a mixture of Paris-aligned and non-Paris-aligned scenarios. Also the IEA NZ 2050 scenario is a.o. used as a reference benchmark scenarios for regulatory reporting pursposes such as the EBA Pillar 3 Template 3 ESG reporting on alignment metrics.

Water

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify :Below 2°C

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact
☑ Impact of nature footprint on reputation
☑ Impact of nature service delivery on consumer

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Other macro and microeconomy driving forces, please specify :e.g. inflation rates

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on scientific literature (e.g., PESETA IV, Copernicus, World Bank Climate Portal) Physical risk severity varies by scenario: Below 2 °C gradually increases the stringency of climate policies, giving a 67 % chance of limiting global warming to below 2 °C. This scenario assumes that climate policies are introduced immediately and become gradually more stringent though not as high as in Net Zero 2050. CDR is deployment is relatively low. Net-zero CO2 emissions are achieved after 2070. Physical and transition risks are both relatively low.

(5.1.1.11) Rationale for choice of scenario

These scenarios are aligned with the NGFS framework and reflect plausible climate futures relevant to our operations. They are used to assess the resilience of our business strategy to water-related physical risks, apart from flooding and drought. The scenarios are consistent with our broader climate strategy and financial planning assumptions.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA SDS

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation
☑ Technology
☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets

☑ Methodologies and expectations for science-based targets

Relevant technology and science

☑ Data regime (from closed to open)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This Sustainable Development Scenario aims to meet stricter sustainable development goals than the IEA SPS Stated Policies Scenario which takes into account the influence of energy and climate related policy commitments that have already been made or which have been announced as of 2019. It is aligned with the goals set out in the Paris Agreement, with a 50% chance of limiting global temperature rise to 1.65°C by the end of the century, as well as objectives related to universal energy access and cleaner air. These efforts are shared amongst multiple fuels and technologies.

(5.1.1.11) Rationale for choice of scenario

This scenario was used as a basis to calculate climate scenario benchmarks for our steel and cement climate lending targets.(Por12 and Por13 as outlined under question 7.53.4). The scenario choice was driven by the well-below 2°C temperature alignment of the scenario which is in our line with our well-below 2°C climate ambitions.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify :Net Zero 2050

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy
☑ Market
☑ Liability
☑ Reputation
☑ Technology
☑ Acute physical
☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050
☑ 2060
☑ 2070
☑ 2080
☑ 2090
☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact
☑ Impact of nature footprint on reputation
☑ Impact of nature service delivery on consumer

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Other macro and microeconomy driving forces, please specify :E.g. inflation rates.

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The NGFS scenarios assume SSP2 (middle of the road). The latest NGFS scenarios take into account latest trend in renewable energy technologies, key mitigation technologies and recent economic evolutions, such as the COVID crisis and the Russia – Ukraine War (incl. energy-market implications of the war). The NGFS models have, by design, different calibration years, mostly 2015 or 2020. All policy scenarios are however assumed to follow the trajectory of the Current Policies scenario until 2020 so that stringent mitigation is only happening in 2030. The NGFS Scenarios rely on a damage function to compute GDP impacts of climate change, but do not account for tipping points or feedback effects.

(5.1.1.11) Rationale for choice of scenario

NGFS scenarios are becoming the standard for use in the financial sector, with a broad application range including portfolio steering, risk management, carbon price assessments and regulatory exercises. NGFS scenarios cover the diverse potential impacts of climate risk, both from a transition and physical risk perspective. This ensures their adoption in our processes provides a holistic view, which takes into account all potential future situations. We use NGFS scenarios for a variety of purposes such as target setting, stress testing and qualitative risk identification and assessment (climate risk impact map). Also, the performed 2022 ECB Climate Stress Test was based on NGFS scenario work. In the context of target setting, the NGFS scenarios provide a common reference point of how climate policy and technology trends may evolve in different futures. In the target setting work, the parameters that are mostly relevant relate to the sector-specific emission reduction pathways as well as the evolution of energy production and end-use energy consumption. NGFS scenarios serve as the basis for internal stress test exercises of varying nature, such as an Earnings Assessment which gauges long-term profitability, or more severe & concentrated shocks which could deplete capital. They are also used in sensitivity calculations of the (re)insurance business. NGFS scenarios are used in one of the main pillars of the climate risk identification process; the climate risk impact map, which assesses which transition risks could potentially impact different risk types and portfolios under different pathways.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify :Delayed transition

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Liability

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ 2060

☑ 2070

☑ 2080

☑ 2090

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact
☑ Impact of nature service delivery on consumer
☑ Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Other macro and microeconomy driving forces, please specify :E.g. inflation rates.

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

See above.

(5.1.1.11) Rationale for choice of scenario

See above.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify :Current policies

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Liability

☑ Reputation

☑ Acute physical

☑ Chronic physical

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 3.0ºC - 3.4ºC

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050
☑ 2060
☑ 2070
☑ 2080
☑ 2090
☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Consumer sentiment

☑ Consumer attention to impact

☑ Impact of nature service delivery on consumer
☑ Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Other macro and microeconomy driving forces, please specify :E.g. inflation rates.

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

See above.

(5.1.1.11) Rationale for choice of scenario

See above.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050
☑ 2060
☑ 2070
☑ 2080
☑ 2090
☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

PESETA IV assesses socioeconomic impacts of global warming within a specific setting of the state of the economy.: either the economy as of today (known as a 'static' approach), or the economy of the future ('dynamic' approach). The static approach portrays how global warming and climate change would impact today's population and economy. The dynamic assessment evaluates how climate at the different global warming levels would impact EU society as projected for 2050 and 2100 according the ECFIN Ageing Report projections of population and economy (European Commission, 2014). As a 3°C warming scenario is unlikely to occur by mid-century, only the Paris targets are considered in 2050, while in 2100 the three warming levels are considered. The climate models used in PESETA IV simulate physical climate processes on a grid that covers the whole of Europe. The climate models used are known as 'regional climate models', which mean that they produce climate projections at a relatively fine scale. Simulations of the climate will differ between climate models, even when the forcings that drive the climate, such as greenhouse gas emissions, are the same. This is known as climate modelling uncertainty. To account for this uncertainty, PESETA IV uses an ensemble of 11 regional climate models that took part in a large, on-going climate model inter-comparison project called Coordinated Regional-climate Downscaling Experiment over Europe (EURO-CORDEX)

(5.1.1.11) Rationale for choice of scenario

PESETA IV uses state-of-the art biophysical impact models to quantify the effects of climate change on several sectors across Europe. It is a project sponsored by the European Union and focuses on making forecast specifically for Europe. The study provides credible, granular information for different sectors, as well as geographic regions. The study provides forecasts on i.a. wind storm losses, river flooding, heat and cold mortality, etc. under different global average temperature increases. PESETA IV impact forecasts are used in one of the main pillars of the climate risk identification process; the climate risk impact map. In this process, PESETA IV forecasts support the assessment of which physical risks under different RCPs (2.6, 3.4 and 6.0) could potentially impact different risk types, portfolios and regions.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 3.4

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ 2060

☑ 2070

☑ 2080

☑ 2090

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

See above.

(5.1.1.11) Rationale for choice of scenario

See above.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios
☑ RCP 6.0

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:
☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:
☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Acute physical
☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 3.0ºC - 3.4ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050
☑ 2060
☑ 2070
☑ 2080
☑ 2090
☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation
☑ Level of action (from local to global)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

See above.

(5.1.1.11) Rationale for choice of scenario

See above.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :IEA JRC ISF 1.5°C scenario

(5.1.1.3) Approach to scenario

Select from:

☑ Quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario is developed by the Joint Research Centre, which is the European Commission's science service in support of policy making, and is published as part of the JRC's annual Global Energy and Climate Outlook (GECO). It is designed to limit global temperature increase over the century to 1.5°C at the end of the century and limit overshoot of 1.5°C in the intervening decades. In this scenario, the global carbon budget (cumulated net CO2 emissions) from 2020 until the year when net-zero CO2 emissions are reached is of approximately 530 GtCO2. Along with non-CO2 emissions and air pollutant emissions projections, this results in an approximately 77% probability of not exceeding the 1.5°C temperature limit in 2100.

(5.1.1.11) Rationale for choice of scenario

This is one of the 'PACTA for Banks' scenarios that are aligned with the 2015 Paris Agreement. In KBC's annual PACTA exercise, we strive for a mixture of Paris-aligned and non-Paris-aligned scenarios.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :IEA JRC ISF Reference scenario

(5.1.1.3) Approach to scenario

Select from:

☑ Quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.5ºC - 2.9ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario corresponds to a world where existing policies related to energy supply and demand policies and targets, as well as legislated GHG policies and targets that are backed by supporting energy-sector policies, are enacted. No additional policies are considered compared to what had been legislated as of June 2023. Exogenous macroeconomic projections (GDP and population), with endogenously calculated energy prices and technological development specific to the POLES-JRC model, combine with the effect of enacted policies resulting in projections of the energy system and GHG emissions.

(5.1.1.11) Rationale for choice of scenario

This is one of the 'PACTA for Banks' scenarios that are aligned with the 2015 Paris Agreement. In KBC's annual PACTA exercise, we strive for a mixture of Paris-aligned and non-Paris-aligned scenarios.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :IEA JRC ISF Steps scenario

(5.1.1.3) Approach to scenario

Select from:

☑ Quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Policy
☑ Market
☑ Reputation
☑ Technology
☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This Stated Policies Scenario (Steps) is designed to provide a sense of the prevailing direction of energy system progression, based on a detailed review of the current policy landscape. It looks in detail at what governments are actually doing to reach their targets and objectives across the energy economy; aspirational energy or climate targets are not automatically assumed to be met. The Steps is now associated with a temperature rise of 2.4 °C in 2100 (with a 50% probability). The slight but steady decline in demand from the late 2020s keeps the oil price in check. Natural gas demand first plateaus and then decreases after 2030. Low-emissions electricity generation overall increases from 39% of total electricity generation today to 57% by 2030 in the Steps. By 2030, the share of oil in road transport energy demand drops from 92% today to 88%. Production of steel increases by 10% in 2030, while cement production increases by 8%.

(5.1.1.11) Rationale for choice of scenario

This is one of the 'PACTA for Banks' scenarios that are aligned with the 2015 Paris Agreement. In KBC's annual PACTA exercise, we strive for a mixture of Paris-aligned and non-Paris-aligned scenarios.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ Customized publicly available climate physical scenario, please specify :The Flemish Environmental Agency (Vlaamse Milieumaatschappij, VMM) updated in 2019 flood hazard maps

(5.1.1.3) Approach to scenario

Select from:

☑ Quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Acute physical
☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 4.0°C and above

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The Flemish Environmental Agency (Vlaamse Milieumaatschappij, VMM) updated in 2019 flood hazard maps for pluvial floods, fluvial floods and coastal floods. Each of these maps displays the area within Flanders that is susceptible to flood-related hazards with a certain return period expressed in years (once in 10 years, once in 100 years and once in 1000 years). As part of the update, the VMM also adjusted these hazard maps to take account of projected climate conditions in 2050 assuming a high temperature scenario. The high-impact scenario calculated through for the time horizon up until 2100 assumed a global warming of 5.4°C for 2100 (source: https://klimaat.vmm.be/faq/vind-ik-op-klimaatportaal-ook-data-voor-lagere-temperatuurtoenames).

(5.1.1.11) Rationale for choice of scenario

Flood hazard maps are useful tools when assessing flood risk of different portfolios (especially related to property insurance portoflios). This scenario and associated flood maps can be linked with portfolio-specific location information to determine the total amount of exposure at risk.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :European MIX scenario (E-3 modelling - PRIMES model)

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.5°C or lower

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands
☑ Consumer sentiment

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)

☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The MIX scenario from the PRIMES model (E-3 modelling) is one of the core policy scenarios used by the European Commission for analysis across the impact assessments of various initiatives of the "Fit for 55" policy package. The scenario relies on both carbon price signal extensions to road transport and buildings and strong intensification of energy and transport policies. With its uniform carbon price (as of 2025), it reflects either an extended and fully integrated EU Emission Trading Scheme or an existing EU ETS and a new ETS established for road transport and buildings with emission caps set in line with cost-effective contributions of the respective sectors. Maritime transport sector is assumed to be included in the existing EU ETS in MIX. More information available on https://energy.ec.europa.eu/data-andanalysis/ energy-modelling/policy-scenarios-delivering-european-green-deal_en

(5.1.1.11) Rationale for choice of scenario

The scenario was used for analytical purposes during our climate target setting process and formed the basis of calculating sector-specific climate scenario benchmarks.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios
☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide excluding portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Level of action (from local to global)

☑ Global targets

☑ Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario presents a 2023 update to the IEA Net Zero Emissions by 2050 (NZE) Scenario. Its central purpose is still to reach net zero emissions from the energy sector by 2050, but this updated version takes into account the latest information about energy markets and technologies, and reflects concerns about energy security. Total electricity generation should grow faster than the global rate of economic growth across the period. Annual capacity additions of all renewables should quadruple between 2021 and 2030 and reach over 60% of total generation in 2030 and, hence no new unabated coal-fired plants are needed. By 2030, 60% of global car sales are electric and, by 2050, oil use in passenger cars and trucks falls sharply as nearly all cars are electric. The threshold for Steel is a function of the proportion of scrap use in total metallic inputs – the more scrap used, the lower the threshold – as the use of scrap in steel making inherently reduces emissions intensity incentivised. For steel with no scrap use, the proposed threshold is 400 kilogrammes CO2-equivalent per tonne (kg CO2-eq/t) of crude steel, and for 100% scrap use it is 50 kg CO2-eq/t. Similarly, the threshold for Cement is a function of the proportion of clinker use – the more clinker used, the higher the threshold – given that use of supplementary cementitious materials (SCMs) leads to lower emissions intensity. For cement with 100% clinker use, the proposed threshold is 125 kg CO2-eq/t cement, while for full use of SCMs the threshold is 40 kg CO2-eq/t.

(5.1.1.11) Rationale for choice of scenario

This flagship scenario has been particularly used to evaluate the ambition level of KBC's -80% own emission footprint target (see question 7.53.1).

Water

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify :Net Zero 2050

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Acute physical
☑ Chronic physical
☑ Policy
☑ Market
☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.5°C or lower

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact
☑ Impact of nature footprint on reputation
☑ Impact of nature service delivery on consumer

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth

☑ Other macro and microeconomy driving forces, please specify :e.g. inflation rates

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on scientific literature (e.g., PESETA IV, Copernicus, World Bank Climate Portal) Physical risk severity varies by scenario: Net Zero 2050 assumes mitigation success. Net Zero 2050 limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO2 emissions around 2050. Uncertainty remains around regional adaptation capacity and effectiveness of mitigation infrastructure.

(5.1.1.11) Rationale for choice of scenario

These scenarios are aligned with the NGFS framework and reflect plausible climate futures relevant to our operations. They are used to assess the resilience of our business strategy to water-related physical risks, apart from flooding and drought. The scenarios are consistent with our broader climate strategy and financial planning assumptions.

Water

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify :Delayed transition

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical
☑ Chronic physical
☑ Policy
☑ Market
☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact
☑ Impact of nature footprint on reputation
☑ Impact of nature service delivery on consumer

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Other macro and microeconomy driving forces, please specify :e.g. inflation rates

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Based on scientific literature (e.g., PESETA IV, Copernicus, World Bank Climate Portal) Physical risk severity varies by scenario: Delayed Transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2 °C. Negative emissions are limited. This scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. The availability of CDR technologies is assumed to be low pushing carbon prices higher than in a scenario with similar climate ambition such as Below 2 °C. As a result, emissions

exceed the carbon budget temporarily and decline more rapidly than in Below 2 °C after 2030 to ensure a 67 % chance of limiting global warming to below 2 °C. This leads to both higher transition and physical risks than the Net Zero 2050 and Below 2 °C scenarios.

(5.1.1.11) Rationale for choice of scenario

These scenarios are aligned with the NGFS framework and reflect plausible climate futures relevant to our operations. They are used to assess the resilience of our business strategy to water-related physical risks, apart from flooding and drought. The scenarios are consistent with our broader climate strategy and financial planning assumptions.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The outcomes of our scenario analysis have influenced several business processes and decisions. Within the risk identification process, KBC has developed an internal Environmental Risk Impact Map (ERIM) to identify environmental risks. This instrument aims to identify the climate risk drivers that are most significant for KBC. The ERIM considers different time horizons, risk drivers, and is built upon 3 NGFS climate scenarios (Net Zero 2050, Delayed transition, and a Current Policies

scenario). Based on these scenarios, it is assessed which activities have the risk of suffering the highest financial loss. The results of this detailed risk identification exercise form the basis of other risk processes such as stress testing, risk appetite & strategy, reporting, etc. In addition, we measure climate risks through various scenario-based modelling exercises of transition and physical risks in our portfolios. E.g. the PACTA exercise is an example of how we assess transition risks in our loan portfolio. The ERIM's scenario-based conclusions also influence our strategy and financial planning as they are used as a basis for integrating environmental risk considerations into KBC's Risk Appetite process and financial planning. (Early) warning signals are given in case of expected 'significant' to 'high/critical' impacts which aim to steer the strategic debate and timely initiate risk mitigating actions. In this respect, even in case of limited expected impact within the short-term, a call for action can be made within the planning process with the objective to reduce the risk on medium/longer time horizon. In 2024, the financial plans and Risk Appetite, which included the scenario-based insights, were approved by the Group Executive Committee and the Board of Directors. The outcomes of these scenario analysis serve as input for target setting and monitoring and for initiating policy adjustments. These outcomes have strongly influenced our climate target setting and transition planning as they have formed the basis of all of our expressed climate targets, all of which having been decided by and being subject to monitoring of the Group Executive Committee and the Board of Directors. An overview of the climate targets that have been subject to formal management decisions and which have been based on extensive scenario analysis are available under question 7.53.4. Another element in which scenario analysis provides key insights is KBC's yearly earnings assessment. In this exercise the impact of mild to severe trends is estimated which might have a material long lasting or structural impact on future profitability. This assessment is a cornerstone in assessing our business model and strategy resilience. In the context of this yearly earnings assessment, three NGFS climate scenarios are selected to reflect different climate transition pathways: a Net Zero 2050 Orderly transition, a Disorderly Delayed transition and a Hot house world Current Policies scenario. The scenarios were applied on KBC's internal financial forecast of 2026, such as operational expenses, interest income, credit impairments, etc. For example, stress on expenses and credit volumes was determined by looking at respectively inflation and GDP evolutions indicated by the public NGFS climate scenarios compared to the "base case" (i.e. a world without impacts of physical and transition risks). The outcome of the Earnings Assessment exercise is integrated in the yearly financial planning exercise which is discussed at Group Executive and Board of Directors level. It thereby ensures that the top management approved financial planning and strategy sufficiently (and quantitatively) consider the effects of potential climate pathways.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

For the first time, we used scenario analysis from the NGFS scenario suites to guide our risk management approach. Our review of these scenarios confirmed that our business model is robust and resilient to water-related risks. Moving forward, we will update this analysis annually to ensure we continuously monitor and effectively manage any emerging risks in this area.
[Fixed row]

(5.2) Does your organization’s strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:
☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:
☑ Yes

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:
☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

Through our Sustainability Dashboard we report to and collect feedback from our Board of Directors on a biannual basis on (i) the management of our direct environmental footprint (in which we already achieved a 68% reduction in 2024 compared to our baseline year 2015 and have committed to achieving net climate neutrality by offsetting our remaining GHG emissions from 2021 onwards, 16 years earlier than required under Net Zero 2050 global pathways) and (ii) the progress we make on the targets of our indirect climate impact. Shareholders have the opportunity to provide their feedback on the contents and progress of our climate targets through elected Board Members via abovesaid feedback mechanism. Also shareholders are informed about KBC’s sustainability strategy in general and our climate targets and progress in specific through the Annual Shareholders Meeting.

(5.2.9) Frequency of feedback collection

Select from:

☑ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Our transition plan depends on a number of factors and outcomes. We list the most important assumptions here within the context of our climate lending targets: (i) a rapid acceleration of renewable energy production to bring down electricity generation emission intensity (Scope 1 + 2) to a level consistent with an EU-wide electricity generation intensity of around 150 kg CO2e/MWh by 2030 (to put this into perspective, latest IEA NZ 2050 modelling requires an electricity generation emission intensity of 186 kg CO2e/MWh by 2030), (ii) a consistent and deep renovation of buildings between now and 2030 with government policy paying close attention to social inclusiveness to allow the absorption of investment costs, (iii) a rapid market uptake of electric vehicles to create a cleaner passenger car and light commercial vehicle fleet, (iv) scaling up of CO2 efficiency in heavy industrial processes such as steel and cement production with clear prospects of deeper CO2 emission reduction potential between 2030 and 2050.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

We disclose in detail on our transition plan progress via our Sustainability Report filings as well as our CSRD-compliant Sustainability Statement included in our 2024 Annual Report. Specifically we refer to - Pages 91 and 110-146 of our 2024 Sustainability Report where the progress against our climate targets is reported. - Pages 180-189 of our 2024 Annual Report.

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ Forests

☑ Plastics

☑ Water

☑ Biodiversity

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

We continued to expand our focus on sustainability by including also themes of biodiversity, circularity, pollution and water, and report on them. By extension, we also became an early adopter of the TNFD recommendations.
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*A sustainability strategy is in place covering environmental responsibility supported by a Sustainability Dashboard to track the implementation and progress of various indicators and targets. In 2024 we continued the Sustainable Finance Program (SFP), to identify, manage and report on climate-related risks and opportunities across KBC Group. *We continued with White Papers on the most carbon-intensive industrial sectors and product lines to integrate climate-related risks, opportunities and targets into the strategy developing methodologies used in this respect to implement measuring instruments and this over the short, medium and long term horizon. White Paper sectors represent around 78% of the total financed Scope 1 and 2 GHG emissions associated with our loan and lease portfolio and around 66% of KBC Group's total outstanding loan portfolio *We gradually restrict the most harmful activities (e.g. upstream oil&gas activities) through strict environmental policies. *ESG risks are integrated in our credit assessment processes and modelling. *In 2024, we did the two-yearly update of our sustainability policies, particularly in the areas of energy and biodiversity. *Our energy policy now allows the financing of renewable energy projects for new clients and companies still involved in coal-related activities under strict conditions. The aim of this adjustment is to support as widely as possible the energy transition of our clients, irrespective of their existing activities. This type of financing is, however, subject to strict conditions, such as the strict ring-fencing of this financing from the company's other activities. This ensures we do not support coal-fired electricity or heat generating activities in any shape or form, whether directly or indirectly. *We aim to reduce large-scale operations resulting in methane emissions and inappropriate land-use. We decided to not finance or insure activities located in protected areas (defined by international union for conservation of nature) *We also have updated our biodiversity policy to align with Europe's latest legislative developments on forest commodities. We have specific rules in place to ensure that we only finance producers and traders of certain forest commodities with activities outside the EU (i.e. those not covered by EU regulations), if their supply chain complies with internationally recognised certification schemes *We continued supporting our clients in their transition in retail and agriculture and SME's by providing green loans, sustainability-linked loans, green bonds and in retail by offering clients "energy insights " at KBC mobile in Belgium *In Czech Republic we offer our corporate and SME clients the opportunity to digitally calculate their direct and indirect CO2 footprint via a collaboration with Green0meter, providing them an objective view of their environmental impact. We finetuned our offer in mortgages for energy efficient housing together with renovation loans.*

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Climate-related risks and opportunities (CRR&O) and the time horizon(s) have influenced our strategy: - Supply chain: CRR&O impacts our strategy towards suppliers. Our procurement process implemented environmental, ethical and social aspects in its procurement decisions. Short and medium term time horizons are considered. A procedure for the different purchasing phases is in place with a formal procedure for supplier assessment and performance monitoring, including a.o. C&E-related aspects. -Value chain: 'Sustainable and responsible service and product offering' is a high priority topic. Due to our impact, strict policies and a due diligence process is in place banning controversial activities in products, services in all business lines in our value chain. We gradually build in more C&E-risk assessments in our portfolio. Working with and supporting our clients in their transition is part of the KBC Sustainable Finance Program. Partnering and engaging with clients creates awareness, environmental responsibility and stimulate climate action and is an extra dimension in our value chain and proposition hereby both on the short and medium term time frame. *We recognize that business and ESG issues all determine the value of a company in the medium and long term. CRR&O also influences KBC AM's investment strategies and investee selection. Case study of substantial strategic decision(s) made in AM' area influenced by CRR&O: *Commitment to offer clients a full range of responsible investment (RI) funds as first offer. Target raised to 55 percent RI of total assets under distribution. By year-end 2024, RI represented 44 percent of total assets under distribution and 51 percent of annual fund production in 2024 (gross sales). *A target was defined to reduce the carbon intensity of the corporate investees in Responsible funds by 50 percent compared to the end of 2019 reference value by 2030. By year-end 2024, the carbon intensity of the funds in scope for the carbon reduction target was already lower (2030 target). *Application of strict exclusion criteria regarding to climate-related risks: Since early 2021, banning of utility and other companies using or extracting thermal coal and this from all its actively managed funds. *Our engagement strategy is dialogue with business clients supporting their transition to a greener economy and with investees raising awareness to stimulate action in the event of ESG issues (AM signed Climate Action 100+).*

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Situation:CRR&O have influenced our strategy wrt to investment in R&D on the transition to a low-carbon society on ST & MT. Task:Innovative business solutions in supporting clients in their transition is an integral part of the KBC Sust.Fin.Program(SFP), setting-up to manage CRR&O focusing on integrating our climate strategy across the group and monitoring that climate related opportunities have to be incorporated in our products –such as bonds, loans, investments and insurance contracts–. Action: *We invest in innovation centres, (Surf Studio) where trends in technology and society (incl. energy efficiency and smart energy solutions) are*

*captured,discussed and translated into cross border concrete business solutions. Sustainable solutions are recognized as important for which immediate action is required. *We continued cooperation between third parties (eg. VITO an organization in the area of cleantech and sust. development) together with Start it @KBC.be Case study of most substantial strategic decision(s) made in this area to date that have been influenced by the climate-related R&D: *Engagement with dairy farmers in Flanders on how to accelerate the roll-out of the "Klimrek" tool proposing actions reducing their carbon footprint. *Through our subsidiary ecoWise, we advise SME's and agricultural clients on sustainable and rational energy production and use. *Partnership with Encon (an independent agency) aiming to perform energy scans and implementing for optimalisation. *Partnership in Belgium with WatchITgrow for a comprehensive weather insurance. It entails an online tool to enable farmers to report crop damages but also enables the farmers to act timely, make adjustments, improve their harvests in a sustainable way. *KBC joined EnergyVille's first Strategic Advisory Council (STAC). By joining we had the opportunity to share perspectives on the energy transition, give feedback on EnergyVille's amibition as energy innovation hub and provide expert advice on effectively monitoring strategic impact. *KBC entered into a joint venture with GreenOmeter. Green0meter focuses on sustainability services and providing CO2 footprint calculation and ESG services to Czech SMEs. *We are actively working to implement our 'S.T.E.M. the Ecosphere' strategy, within which we aim to create business ecosystems around themes like mobility and housing. Within these ecosystems, we are joining forces with a range of partners to leverage our distribution channels so we can provide clients with integrated solutions that go beyond financial services. Our objective in this is to make our clients' search for day-to-day housing and mobility solutions easier (where S.T.E.M. stands for 'Save Time and Earn Money). This model increases the potential to create an additional lever for society's sustainable transition.*

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Description of how our strategy in this area has been influenced by climate-related risks and opportunities and the time horizon(s) it covers: our dependence on natural resources is relatively limited compared to industrial companies. Our largest environmental impact is indirect, through the financing and insuring of and the investing in other parties. They could have a direct impact (whether positive or negative) on the climate. Nevertheless we are committed to manage our direct environmental impact of our own operations. In response to climate-related risks and opportunities - and through our commitment to the CCCA - we agreed not only to align our portfolios and business strategy with the Paris Agreement, but our direct environmental impact as well. This is embedded in our aim to reduce our negative impact on society being one of the three cornerstones of our sustainability strategy: we manage our direct GHG emissions with the goal of steadily reducing

*them in line with fixed targets, considering MT and LT time horizons. Case study of most substantial strategic decision(s) made in this area to date that have been influenced by the climate-related risks and opportunities: the most important strategic decision to date in this respect, is strengthening of our ambitions in relation to our direct environmental footprint in 2020: *We are committed to a 80 percent reduction of our total GHG emissions by 2030 compared to 2015 (2024 realization: -68 percent). *Furthermore, we included commuter travel in our target scope, as it is a significant part of our direct footprint. In doing so, we aim to green our policy on employee mobility. *Last but not least, we achieved our target to increase our own green electricity consumption to 100 percent by 2030. *In 2024, we again chose to invest in high quality climate projects (SR 2024 Page 93) to offset the remaining emissions emanating from our own operations. We selected projects of the highest quality that are certified under internationally recognised standards. We try to invest in projects that address climate change, whilst simultaneously ensuring additional benefits for local communities and biodiversity conservation. The chosen projects are aimed at broadening the range of ecosystems included by investing in the protection of tropical rainforests as well as mangroves and peat swamp forests*

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Forests

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

KBC Group has a Sustainability strategy in place covering different domains of which Environmental Responsibility is one of these domains.In 2022, KBC broadened the scope of the KBC Sustainable Finance Program (SFP) to identify, manage and report on environmental (including forest-related) risks and opportunities. To do so, we included forest-related risks and opportunities along with several other environmental topics in the strategic industry analyses (the White Papers). The 2024 White Paper on deforestation resulted in a set of actions aimed at mitigating deforestation risk by targeting high-risk sectors and clients; gradually increasing the availability of deforestation-related data on KBC clients; and mitigating EUDR related challenges by informing clients in scope of the regulation. We aim to gradually restrict the most harmful activities through our strict environmental policies. Further ESG risks are integrated in our credit assessment processes and modelling, and we continued to further develop products and services that have a positive impact on the environment. For instance, since 2022, KBC excludes the financing or insuring of farms that have more than 200 000 ruminants. So, we aim to reduce large-scale operations resulting in methane emissions and (often) deforestation. In addition, we decided not to finance or insure activities located in protected areas (Category I and II, defined by the IUCN) or having a potentially negative impact on these areas. Increasing our positive impact is part of the sustainability strategy of KBC, which is why KBC has developed several products that can help clients in mitigating their forest related risks. Examples are green loans (or bonds) and sustainability-linked loans (SLL). Green loans are corporate loans which can be

exclusively used for the (re)financing of green assets and/or projects. Usually these green assets/projects are defined in a financing framework or specified in the credit agreement. The eligible project categories can (among others) include assets/projects are linked to the mitigation of deforestation. SLL are corporate loans which integrate a borrower's ESG strategy – in the form of ESG KPI's and associated targets – in loan financing. Depending on whether or not the borrower achieves these ESG KPIs, an ESG margin discount or premium will be applicable. As a result, this type of financing provides an incentive to the company to improve their sustainability performance on material ESG topics. Hence, in this context, we have set up several sustainability-linked loans with incentives to increase the number of suppliers which have taken commitments in relation to deforestation.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

KBC Group has a Sustainability strategy in place covering different domains of which Environmental Responsibility is one of these domains.In 2022, KBC broadened the scope of the KBC Sustainable Finance Program (SFP) to identify, manage and report on environmental (including water-related) risks and opportunities. To do so, we included water-related risks and opportunities along with several other environmental topics in the strategic industry analyses (the so-called White Papers). These white papers analyses are updated yearly and additional decisions resulting from these analyses are presented to the ISB. We aim to gradually restrict the most harmful activities through our strict environmental policies. Further ESG risks are integrated in our credit assessment processes and modelling, amongst other through the use of maps indicating the likelihood of buildings and land being flooded. These maps now guide KBC's decisions on insuring new construction projects. We also continued to further develop products and services that have a positive impact on the environment.We decided not to finance or insure activities located in protected areas (Category I and II, defined by the IUCN: International Union for Conservation of Nature) or having a potentially negative impact on these areas.Increasing our positive impact is part of the sustainability strategy of KBC, which is why KBC has developed several products that can help clients in mitigating their water related risks. Examples are green loans (or bonds), sustainability-linked loans (SLL) and the ecothematic water fund. Green loans are corporate loans which can be exclusively used for the (re)financing of green assets and/or projects. Usually these green assets/projects are defined in a financing framework or specified in the credit agreement. The eligible project categories can (among others) include assets/projects are linked to the mitigation of water insecurity. For example, we provided a green loan to a water purification company. SLL are corporate loans which integrate a borrower's ESG strategy – in the form of ESG KPI's and associated targets – in loan financing. Depending on whether or not the borrower achieves these ESG KPIs, an ESG margin discount or premium will be

applicable. As a result, this type of financing provides an incentive to the company to improve their sustainability performance on material ESG topics. Hence, in this context, we have set up several sustainability-linked loans with incentives to reduce water usage.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☑ Assets
- ☑ Revenues
- ☑ Liabilities
- ☑ Direct costs
- ☑ Indirect costs
- ☑ Access to capital
- ☑ Capital allocation
- ☑ Capital expenditures
- ☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

- ☑ Risks
- ☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- ☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*PART 1 - KBC's financial planning has been influenced by climate-related risks and opportunities on several levels such as: -In order to support the proper management of the identified climate-related risks and opportunities, specific action plans are translated in the annual and multi-year financial planning process APC (Alignment of Planning Cycles). As from 2021 the APC process already include actions, as proposed in the strategic White Papers (risk-mitigating actions as well as opportunities, such as the development and selling of towards green / sustainable products). In 2024 we continued and budgeted for 2025 a growth in "towards green products and services" versus the actuals of 2024. -The management of climate-related risks and opportunities have an impact on revenues across our organization in the short-, medium- and long-term. Revenues are for example impacted by the 2-yearly review of the sustainability policies. such as the strengthening of the KBC energy policy, resulting in the divestment from clients involved in carbon intensive sectors, increase of renewable energy financing, R&D investments (energy efficient business solutions), (new) products & services (further growth in SRI funds), etc. Going forward we expect to gradually increase our revenues of new solutions and partnerships (beyond our core activities, such as energy scans, sustainability advice,...). Since 2021, the energy policy excluded the financing of new clients that have coal-based electricity or heat generation activities. As a result, we were unable to provide support for certain projects that are much needed to enable the energy transition. The aim of this adjustment is to support as widely as possible the energy transition of existing as well as new clients, irrespective of their existing activities. This type of financing is, however, subject to strict conditions, such as the strict ring-financing of this financing from the company's other activities. In doing so, we want to make sure we do not support coal-fired electricity or heat generation activities in any shape or form, whether directly or indirectly. *In 2024 we further tightened the link between financial and ESG planning through the introduction of ex-ante checks on climate targets in the credit approval process and through quarterly follow-up reporting of targets and green sales volumes at the Internal Sustainability Board.*

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Assets
☑ Revenues
☑ Liabilities
☑ Direct costs
☑ Indirect costs
☑ Access to capital
☑ Capital allocation
☑ Capital expenditures
☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

☑ Risks
☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

PART 2 - Our indirect costs and capital expenditures are largely impacted by human capital & infrastructure. In order to support the proper management of identified risk and opportunities, direct costs have increased but still have a limited impact. We increased our operating expenses, indirect costs by upstaffing our Group Corporate Sustainability department (GCS) and through further upstaffing in CRO and CFO pillars. The increased budget needs to be used to comply with new climate and ESG related regulatory and reporting requirements, including the required uniform gathering of non-financial data, supporting our Sustainable Finance Program and developing new products where appropriate. This mainly in the domain of climate change but also in the other focus domains of KBC Group's sustainability strategy (financial literacy, entrepreneurship and longevity/health) whilst simultaneously preparing ourselves for future regulatory updates. As indicated, KBC has set up a Sustainable Finance Programme. The action plans for the objectives of this programme (with today's focus on climate change) and/or the preparatory actions on future mandatory requirements related to sustainability, are explicitly budgeted in KBC Group's APC process, with a dedicated budget reserved for these actions. Another example are the short and medium-term action plans of the facility management departments to meet our ambitious direct footprint targets (e.g. energy investment on existing buildings). -Climate-related opportunities offer possibilities wrt access to capital. KBC, for example, successfully issued a fourth Green Bond in 2024 with a term of 8 years of which the proceeds are being used to fund loans in the area of renewable energy, energy-efficient residential buildings and electric cars & bicycles, offering a diversification benefit/opportunity for investors.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Assets
☑ Revenues
☑ Liabilities
☑ Direct costs
☑ Indirect costs
☑ Access to capital
☑ Capital allocation
☑ Capital expenditures
☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

PART 3 - Assets & liabilities are and will be influenced on the short-, medium- and long-term horizon by the management of climate-related risks and opportunities. Financial assets are for example impacted by the exit from coal-related financing by 2030 while at the same time we continue to support the necessary energy transition (renewable energy financing, transition of coal-related companies under strict conditions). The impact on liabilities is especially important from an insurance perspective: Changing weather patterns can increase the frequency of small to medium sized floods and windstorms falling below the retention of reinsurance contracts and therefore increasing insurance claims. This does not represent a significant technical insurance risk for KBC in the short to medium term, mainly due to the diversified nature of KBC Insurances activities, the focus on our core markets in Belgium and Central Europe, and the annual renewal of policies and related reinsurance contracts. This is confirmed by a recent study on the impact of forward-looking flood risks (related to stressed climate scenarios) on KBC's insured properties in Belgium. Nevertheless (forward-looking) structural trends in the frequency and severity of these weather-related events is monitored and included in sensitivity exercises i.e. earnings assessment. This is a long term horizon and includes a high level of uncertainty. Also the Flemish mortgage portfolio has already been assessed, based on these forward-looking flood scenarios and showed only limited impact on the loan-to-value of these loans.
[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from:	*Select all that apply*

	Use of internal pricing of environmental externalities	Environmental externality priced
	☑ Yes	☑ Carbon

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Navigate regulations

☑ Drive low-carbon investment

☑ Conduct cost-benefit analysis

☑ Identify and seize low-carbon opportunities

☑ Influence strategy and/or financial planning

☑ Inform credit risk assessments for new loans

☑ Setting and/or achieving of climate-related policies and targets

☑ Incentivize consideration of climate-related issues in decision making

☑ Incentivize consideration of climate-related issues in risk assessment

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Alignment to international standards

☑ Alignment to scientific guidance

☑ Alignment with the price of a carbon tax

☑ Scenario analysis

(5.10.1.4) Calculation methodology and assumptions made in determining the price

In 2021we established a first internal carbon pricing (ICP) framework which is built around the 4-dimension framework of the 2017 "How-to Guide to Corporate Internal Carbon Pricing" report of CDP/Ecofys. We put in place our first ICP levels in 2021 and the Group Sustainability and Economic departments yearly review the prices. We made the choice of setting out evolutionary ICP trajectories which since our 2022 review extend up and until 2050 for two major EU-relevant transition pathways, i.e. a well-below 2°C (WB2D) and a net zero 2050 (NZ2050) pathway based on NGFS climate scenarios. The NGFS carbon price data are averaged over the different models, interpolated, adjusted to 2020 price levels and converted to euro.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 3, Category 15 – Investments

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

Based on our 2024 price review, under the WB2DS pathway we set out an ICP increase of respectively 77% by 2030 and 434% compared to the 2024 ICP level of €35 / t CO2. Under the NZ2050 pathway we set out an ICP increase of respectively 201% by 2030 and 747% compared to the 2024 ICP level of €99 / t CO2. Internal users commonly correct the ICP with actual market market ETS prices.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

35

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

99

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Impact management

☑ Risk management

☑ Opportunity management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for some decision-making processes, please specify :Carbon cost analyses are mandatory for credit applications for CSRD-obligated companies. This obligation is applicable for high-carbon sectors (metals, energy, chemicals, construction and car manufacturing).

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

0.2

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

In principle we review the ICP prices on a yearly basis and have price levels discussed and decided upon by our Data & Metrics Steering Committee. During the review process we take into account climate transition science by focusing on price information available in updated climate scenarios. During the review process the status of running pilot ICP application cases are discussed. Note that the "0.2% of total emissions covered" is an estimated percentage which is based on the

financed Scope 1, 2 and 3 emissions of the CSRD-obligated companies in scope of the mandatory business decision-making process described for loan origination set off against the total financed Scope 1, 2, and 3 emissions of our total loan book as reported under CDP question 12.1.1.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

Clients

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

Investees

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

(5.11.2) Environmental issues covered

Select all that apply
☑ Climate change

Smallholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☑ Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Smallholders are not present in our value chain, or only for a very immaterial part.

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

[Fixed row]

(5.11.3) Provide details of your environmental engagement strategy with your clients.

Row 1

(5.11.3.1) Type of clients

Select from:

☑ Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☑ Climate change

(5.11.3.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to make credible renewable energy usage claims

☑ Provide training, support and best practices on how to measure GHG emissions

☑ Support clients to develop public, time-bound action plans with clear milestones

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:

☑ Unknown

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

☑ 51-75%

(5.11.3.6) Explain the rationale for the coverage of your engagement

Our engagement is targeted at clients with the highest potential impact on the climate. Client engagement forms a central part of our climate strategy: we believe that we can only achieve significant change in collaboration with and by supporting our clients. We support and facilitate our customers' transition through e.g. our product offer, financial incentives and information sharing. We also go a step further and launched a client engagement approach in which we actively approach our clients. Via these diverse engagement types, we cover 65% of the outstanding. We piloted our engagement approach in 2020 on larger mid-cap clients in BE, extended the scope to larger SMEs and to all our core countries in 2021, and are still increasing the scope.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

We communicate yearly about our client engagement activities and progress in our publicly available Sustainability Report (and through CDP). Relationship managers first receive a training on sustainability, climate-related risks & opportunities. In some countries we organize an ESG academy together with a local university. For all client facing managers, we developed a climate business game to help employees to see the consequences of climate-related client decisions. Next, they enter into a dialogue with their clients, focusing on how KBC can serve as a partner in our clients' transition and on stimulating climate action. We also gather ESG data incl. GHG data supported by an inhouse carbon footprint calculator (providing insight and helping to define emission-reducing investments).

(5.11.3.8) Attach your engagement strategy

Binder_climate_report_&_2024_sustainability_report.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Specialized in-house engagement teams

☑ Other, please specify :External advisory service partners such as Encon in Belgium and Green0meter in Czech Republic.

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ Board members

☑ Board chair

☑ CEO

☑ Other, please specify :CFOs and staff working on sustainability

(5.11.3.11) Effect of engagement, including measures of success

In 2024 we further increased the number of conversations with corporates and SMEs that focus on creating awareness about environmental, social and governance topics, such as climate change and other environmental topics, and stimulating and incentivizing positive actions. Concrete results demonstrate the positive business impact, and clients have become more aware of their climate-related impact. For example, after introducing our clients to external partner in advisory services in Belgium (Encon) since the beginning of the offer 521 contracts were signed by the end of 2024. This is considered a successful result, as it exceeds our initial target of 466 contracts. Financing for products that sustainably contribute to climate change mitigation (internal definition that is only partly taxonomy-aligned) represented in 2024 more than 3,1 bln € (granted) for the renewable energy and biofuels sector and 1.3 bln € for financing of low carbon vehicles (outstanding amount lending, financial and operational leasing, compliant with the substantial contribution criteria of the EU taxonomy). We consider this as a successful results, exceeding the targets that were set at roughly 3 bln € for for the renewable and biofuel sector and 1 bln € for low-carbon vehicle financing.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☑ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

We have a strict due diligence process in place to monitor compliance of our operations with our sustainability policy framework (see https://www.kbc.com/content/dam/kbccom/doc/sustainability-responsibility/FrameworkPolicies/CSD_KBCGroup_SustainabilityPolicyFramework_EN.pdf). This process includes the possibility (and for certain domains obligation) of requesting advice on sustainability-related matters for individual cases by sustainability experts. For lending, advice requests related to our sustainability policies are processed locally, provided that the credit decision itself is also taken on the local level. Otherwise, advice is provided by the Group Corporate Sustainability department. For large corporate companies also a reputational risk assessment has to be made and a mandatory sustainability advice has to be provided in case of a high risk score (or worse). When our policies are infringed, KBC imposes specific conditions on the existing credit relationships. Depending on the nature of the infringement, we either reject new applications, impose specific conditions on or end existing relationships. In some cases, we start an engagement track with a specific company and monitor progress before taking a final decision. Also, if necessary, we have escalation processes in place up to the highest management level, including the Group Executive Committee.

Row 2

(5.11.3.1) Type of clients

Select from:

☑ Clients of Insurers

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☑ Climate change

(5.11.3.3) Type and details of engagement

Information collection

☑ Collect GHG emissions data at least annually from clients

☑ Other information collection activity, please specify :Among others product and process adjustments to stimulate sustainable behaviour/choices of clients.

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:

☑ Unknown

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

☑ 1-25%

(5.11.3.6) Explain the rationale for the coverage of your engagement

As signatory of the Principles for Sustainable Insurance (PSI), we commit to work together with our clients and business partners to raise awareness of ESG issues, manage risks and develop solutions. To incentivize our clients, initiatives are launched in all our core countries. For example, we gather insights necessary to make adequate insurance propositions that may incentivize sustainable choices of our clients, and we take next steps in (sustainability) data capture, e.g., for our patrimony policy, home insurances (EPC data) and motor lines. Such data have been captured on a yearly basis, i.e. roughly 20% of our 2024 Gross Written Premium amount.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

Our insurance agents are customers' trusted point of contact and the partner in their sustainability transition. The increasing engagement of employees and agents around sustainability is a great opportunity for KBC Insurance to innovate and lead the change. Engaging and upskilling them on the sustainability journey is part of our priorities. In Belgium, we developed extra support material to make employees and the sales network aware of our role, and our sustainable offer. Next to that we offered the agents a CO2 footprint calculator to make them aware of their own footprint, so they can also raise awareness among the clients. We reached the entire network, and will continue our efforts in the coming years. The KBC Group Corporate Sustainability report contains a high-level overview of KBC Insurance NV's activities demonstrating its commitment to the Principles for Sustainable Insurance and more information on the carbon sensitivity of KBC Insurance NV's investment portfolio.

(5.11.3.8) Attach your engagement strategy

csr-sr-2024.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Other, please specify :Insurance agents, policy writers, operations (back-office)

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ CEO

(5.11.3.11) Effect of engagement, including measures of success

Our engagement is shown in different ways. During product development, sustainability risks and opportunities are factored in, for example in Belgium: (i) Car insurance clients are rewarded for driving few km and have access to a sustainable repair network in case of damage. (ii) We dissuade high-emission trucks through adapted pricing and acceptation criteria. (iii) We have a product and process for electrification & car sharing. For passenger electric cars, the purchase price guarantee for casco insurances is extended by 1 year. In our price we also take into account the client drives an electric vehicle. With respect to car-sharing, we have extended the coverage for private policyholders with a 'sharing clausule' to protect them from the specific risks involved. Moreover, we aim to inform our clients even better on all the relevant aspects of an electric vehicle. We measure the success of our 'green offer' in sales numbers. (iv) The standard home insurance covers private use solar panels, home batteries and charging points. The patrimony insurance protects on top of that also small wind tribunes. In the event of severe damage, the additional costs of rebuilding residential buildings in accordance with the latest building regulations are also covered. Also entities in the other home countries made product and price adjustments (e.g., coverage of charging cables, charging stations and PV panels, or eco bonuses) to positively impact climate change mitigation, and are increasingly collecting energy efficiency and other data.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☑ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

We have a strict due diligence process in place to monitor compliance of our operations with our sustainability framework (see https://www.kbc.com/content/dam/kbccom/doc/sustainability-responsibility/FrameworkPolicies/CSD_KBCGroup_SustainabilityPolicyFramework_EN.pdf). This process includes the possibility (and for certain domains obligation) of requesting advice on sustainability-related matters for individual cases by sustainability experts. For insurance, the advice is always provided by the Group Corporate Sustainability department. When our policies are infringed, KBC imposes specific conditions on the existing insurance relationships. Depending on the nature of the infringement, we either reject new applications, impose specific conditions on or end existing relationships. In some cases, we start an engagement track with a specific company and monitor progress before taking a final decision. Also, if necessary, we have escalation processes in place up to the highest management level, including the Group Executive Committee.

Row 3

(5.11.3.1) Type of clients

Select from:

☑ Clients of Asset Managers

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☑ Climate change

(5.11.3.3) Type and details of engagement

Innovation and collaboration

☑ Facilitate adoption of a unified climate transition approach with clients

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:

☑ 100%

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:
☑ 100%

(5.11.3.6) Explain the rationale for the coverage of your engagement

For all our clients we propose the Responsible Investing solution as a first choice. We have a large diversified offering of Responsible Investing investment solutions to cover investment needs of our clients.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

In our aim to actively promote Responsible Investing funds, we have a clear focus on engagement by raising awareness and educate our Asset Management clients on ESG topics. Among our branch staff, awareness and understanding of these funds is raised via regular training and information. These staff members are in contact with our clients and help raising awareness and making duly considered choices.

(5.11.3.8) Attach your engagement strategy

csr-sr-2024.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply
☑ Other, please specify :Staff members in contact with our clients supported by members of the Responsible Investing research team.

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply
☑ Other, please specify :CFO

(5.11.3.11) Effect of engagement, including measures of success

We have external objectives in place to measure the success of our awareness campaigns. Firstly, by 2030 KBC aims to derive 65% of its gross sales from Responsible Investing funds at group level. Secondly, in terms of % in total AUD in Responsible Investing funds, KBC wants to reach a target of 55% by 2030. By the end of 2024, the volume invested in these RI funds had already increased to more than 50 billion euros. This represented 44% of total direct client money and slightly more than 50% of annual fund production in 2024 (gross sales).

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☑ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

Via our engagement, our proxy voting policy and our Climate100+ membership, we can decide to escalate certain cases to the investees on a more formal way. This includes voting for or against certain topics on the shareholder meeting's agenda, writing official letters to share our opinion on certain topics, etc.

Row 4

(5.11.3.1) Type of clients

Select from:

☑ Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☑ Forests

(5.11.3.3) Type and details of engagement

Capacity building

☑ Other capacity building activity, please specify :Encourage clients to obtain third-party certifications to verify positive impacts on forests.

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

☑ 100%

(5.11.3.6) Explain the rationale for the coverage of your engagement

We engage with all our clients. KBC engages to reduce its direct and indirect impact on biodiversity and to increase its contribution to the sustainable use and management of biodiversity. For those activities in scope of the biodiversity policy we encourage clients to comply with the restrictions (which often involves achieving third-party certification).

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

We communicate to the public through our yearly Sustainability Report (as well as e.g. CDP).

(5.11.3.8) Attach your engagement strategy

CSD_KBCGroup_Biodiversity Policy_May 2024.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Specialized in-house engagement teams

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ Board members

☑ Board chair

☑ CEO

☑ Other, please specify :CFOs and staff working on sustainability

(5.11.3.11) Effect of engagement, including measures of success

One example from our biodiversity policy is that KBC excludes the financing or insuring of farms that have more than 200 000 ruminants. In doing so, we aim to reduce large-scale operations resulting in methane emissions and inappropriate land use. Given the significant threat for deforestation through pasture expansion for

cattle farming, KBC is not willing to finance cattle farming in Latin America nor traders in beef or cattle if they source the cattle or beef from Latin America and also sell it outside the EU. Retailers are out of scope. Also, we strictly do not finance or insure activities located in protected areas or having a potentially negative impact on these areas.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☑ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

We have a strict due diligence process in place to monitor compliance of our operations with our sustainability framework (see https://www.kbc.com/content/dam/kbccom/doc/sustainability-responsibility/FrameworkPolicies/CSD_KBCGroup_SustainabilityPolicyFramework_EN.pdf). This process includes the possibility (and for certain domains obligation) of requesting advice on sustainability-related matters for individual cases by sustainability experts. For lending, advice requests related to our sustainability policies are processed locally, provided that the credit decision itself is also taken on the local level. Otherwise, advice is provided by the Group Corporate Sustainability department. When our policies are infringed, KBC imposes specific conditions on the existing credit relationships. Depending on the nature of the infringement, we either reject new applications, impose specific conditions on or end existing relationships. In some cases, we start an engagement track with a specific company and monitor progress before taking a final decision. Also, if necessary, we have escalation processes in place up to the highest management level, including the Group Executive Committee.

Row 5

(5.11.3.1) Type of clients

Select from:

☑ Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☑ Water

(5.11.3.3) Type and details of engagement

Capacity building

☑ Support clients to develop public, time-bound action plans with clear milestones

Information collection

☑ Collect water quality information at least annually from clients (e.g., discharge quality, pollution incidents, hazardous substances)

☑ Collect water quantity information at least annually from clients (e.g., withdrawal and discharge volumes)

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

☑ Less than 1%

(5.11.3.6) Explain the rationale for the coverage of your engagement

KBC Belgium is piloting a water management scan in collaboration with an external partner, with the aim to support our customers in drafting a water management plan (measuring, disclosing and drafting an action plan on water consumption water reuse and water purification). This is only in pilot phase and based on the first evaluations can be scaled to more companies in a later stage.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

Communication is to incorporated in our Sustainability Reporting and individual dialogues with companies, eligibile for such a pilot approach.

(5.11.3.8) Attach your engagement strategy

csr-sr-2024.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Specialized in-house engagement teams

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ CEO

☑ Other, please specify :CFO, Sustainability manager

(5.11.3.11) Effect of engagement, including measures of success

First evaluation of the pilot is planned for end-of-year 2025.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☑ No, we don’t have an escalation process

[Add row]

(5.11.4) Provide details of your environmental engagement strategy with your investees.

Row 1

(5.11.4.1) Environmental issues covered by the engagement strategy

Select all that apply

☑ Climate change

(5.11.4.2) Type and details of engagement

Capacity building

☑ Support investees to develop public time-bound action plans with clear milestones

Information collection

☑ Collect targets information at least annually from investees

(5.11.4.3) % of scope 3 investees associated emissions as reported in 12.1.1/12.1.3

Select from:
☑ 26-50%

(5.11.4.4) % of investing (Asset managers) portfolio covered in relation to total portfolio value

Select from:
☑ 1-25%

(5.11.4.5) % of investing (Asset owners) portfolio covered in relation to total portfolio value

Select from:
☑ 1-25%

(5.11.4.6) Explain the rationale for the coverage of your engagement

Engagement targeted at investees with increased climate-related risks via the collective engagement Climate Action 100+.

(5.11.4.7) Describe how you communicate your engagement strategy to your investees and/or to the public

KBC AM has a yearly reporting on proxy voting and engagement describing the focus points of the last year. In this document we highlight our view on proxy voting and engagement and describe specific engagement initiatives taken.

(5.11.4.8) Attach your engagement strategy

KBCAM-Proxy-Voting-and-Engagement-Activity-Report-2024-EN.pdf

(5.11.4.9) Staff in your organization carrying out the engagement

Select all that apply
☑ Specialized in-house engagement teams

(5.11.4.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ Corporate secretary

☑ Investor relations managers

(5.11.4.11) Effect of engagement, including measures of success

Annual assessment of progress made on setting GHG targets by the Climate Action 100+ benchmark assessment shows improvement or not on 10 indicators.Climate Action 100+ reports on improvement on a yearly basis. We see gradual improvements through time. A concrete example is Rio Tinto. Rio Tinto, one of the world's largest metals and mining corporations and a leading iron ore producer, has made new commitments to enhance disclosure on plans and progress to reduce scope 3 emissions from iron ore processing for steel production. The success of the overall CA100+ initiative is measured by whether effective progress (>0% y-o-y change) is recorded on metrics such as the share of companies in focus that have committed to achieve net zero emissions by 2050 or sooner across all or some of their emissions footprint. So, any yearly progress (i.e. more companies complying with the criterion to commit to achieve NZ emissions each year = a positive increase of more than a 0%) we consider a success. For 2024, 80% of focus companies have net zero commitments by 2050 or sooner on at least scope 1 and 2 emissions (up from 77% in 2023), 90% of focus companies have some level of board oversight (vs 90% in 2023) and 88% of focus companies have explicitly committed to align disclosures with TCFD recommendations (down from 90% in 2023). A detailed overview of the progress made in 2024 can be found via https://www.climateaction100.org/wp-content/uploads/2025/02/CA-100-Progress-Update-2024-PDF.pdf

(5.11.4.12) Escalation process for engagement when dialogue is failing

Select from:

☑ Yes, we have an escalation process

(5.11.4.13) Describe your escalation process

Companies not setting targets in the short nor medium term are individually informed by KBC AM that actions might be taken by voting on certain proxy voting items as long as this does not improve in the benchmark assessment of Climate Action 100+. KBC AM will focus on voting against re-election of board members on these AGMs.

Row 2

(5.11.4.1) Environmental issues covered by the engagement strategy

Select all that apply

☑ Forests

(5.11.4.2) Type and details of engagement

Capacity building

☑ Support investees to develop public time-bound action plans with clear milestones

Information collection

☑ Collect targets information at least annually from investees

(5.11.4.4) % of investing (Asset managers) portfolio covered in relation to total portfolio value

Select from:

☑ 1-25%

(5.11.4.5) % of investing (Asset owners) portfolio covered in relation to total portfolio value

Select from:

☑ 1-25%

(5.11.4.6) Explain the rationale for the coverage of your engagement

Engagement targeted at investees with increased climate-related risks via the collective engagement Nature Action 100.

(5.11.4.7) Describe how you communicate your engagement strategy to your investees and/or to the public

KBC AM has a yearly reporting on proxy voting and engagement describing the focus points of the last year. In this document we highlight our view on proxy voting and engagement and describe specific engagement initiatives taken.

(5.11.4.8) Attach your engagement strategy

KBCAM-Proxy-Voting-and-Engagement-Activity-Report-2024-EN.pdf

(5.11.4.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Specialized in-house engagement teams

(5.11.4.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ Corporate secretary

☑ Investor relations managers

(5.11.4.11) Effect of engagement, including measures of success

In 2023 KBC AM joined the Nature Action 100. Nature Action 100 is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. The initiative engages companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030.

(5.11.4.12) Escalation process for engagement when dialogue is failing

Select from:

☑ No, we don’t have an escalation process

[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Innovation and collaboration

☑ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 76-99%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 51-75%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

As a financial services company, we are strongly active in operational leasing in all our core countries. We stimulate our operational lease clients to make greener transport choices: using 100% or part-electric vehicles, public transport, cycling or a combination of these modes. Consequently, we create awareness with our partners and suppliers (supply follows demand) and encourage them to increase the share of sustainable vehicles in their portfolio and consider alternative mobility solutions such as bicycle leasing. Each country is adopting the electrification trend at its own pace, with the leasing of passenger cars as the fastest sub-segment in adoption. In some core countries, KBC already offers bicycle leasing and bicycle insurance. In those countries, we work closely together with the bicycle suppliers to integrate sustainability and climate-related aspects in the whole supply chain. As an example, we resolutely choose for local bicycle dealers and support them in the digitalization process. We have specific attention for recycling and re-use of parts and second life after the end of the lease contract. As part of its CCCA commitment, KBC has set climate targets for operational leasing of passenger cars and light commercial vehicles in 2022. For passenger cars, the target is set on -81% g Co2/km by 2030 and -100% Co2/km by 2050. For light commercial vehicles, the target it is set on -33%g CO2/km by 2030 and -90%g CO2/km by 2050. Success is measured against a linear reduction path value between our 2021 baseline and the 2030 g CO2/km target. We used this KBC 2024 pathway value to assess how well the subject portfolios are progressing towards reaching our 2030 science-based targets (more info in our KBC Group Sustainability Report 2024 on page 117). We seem to be well on track for operational lease of passenger cars, with a reduction of 42% of this portfolio's g CO2/km value in 2024, compared to the 2024 interpolated target of -27%. For light commercial vehicles we or not yet on track, with a reduction of 5% in 2024, compared to the 2024 linear interpolated target of -11%. Scope limited to operational lease suppliers of KBC Group.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Upstream value chain transparency and human rights

(5.11.7.3) Type and details of engagement

Innovation and collaboration

☑ Run a campaign to encourage innovation to reduce environmental impacts on products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 100%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We use our due diligence process and supplier selection procedure as a method of changing supplier behavior. We stimulate suppliers to integrate environmental criteria in their purchase, sale and outsourcing procedures, since we give preference, whenever possible, to suppliers who excel in environmental performance. We

furthermore welcome suggestions from our suppliers on sustainable products and services and encourage circularity. Our selection process entails: - screening against KBC Blacklist (publicly available) - screening against KBC Controversial Regimes list - screening against World-Check During the selection process, we engage with 100% of our Tier 1 suppliers, by asking them to: - sign our 'KBC Group Sustainability Code of Conduct for Suppliers' or valid alternative from the supplier (> 25 000 EUR spend) - fill out our 'ESG Questionnaire for Suppliers' (> 250 000 EUR spend) Above selection process is valid for both new tenders and re-negotiations of the contractual agreement. We don't continue with the supplier if these documents are not agreed upon, which means we a direct influence on 100% of our Tier-1 suppliers, which also covers 100% of the total procurement spend by these suppliers. The 'KBC Sustainability Code of Conduct for Suppliers' contains environmental and social criteria and is in line with the UN Global Compact Principles. It applies to all entities of the KBC Group and to all KBC's procurement and outsourcing activities. By actively engaging with all our Tier 1 suppliers (> 25 000 EUR spend) on ESG matters via our due diligence process and supplier selection procedure, we stimulate suppliers to integrate environmental criteria in their own processes (for example, a supplier starting to focus on GHG emission reductions or improved climate strategy changes). By engaging with our Tier 1 suppliers on ESG matters, we aim to also – indirectly- have an impact on our indirect suppliers. Our measure of success is engaging with 100% of our Tier 1 suppliers (> 25 000 EUR spend) for both new tenders and re-negotiations of the contractual agreement. Since our engagement is fully embedded in also the standard procedures, this measure of success has been achieved again in 2024.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify :Tied (independent) insurance agents

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Share information on environmental initiatives, progress and achievements

☑ Other education/information sharing, please specify :Awareness and information sessions for the largest tied agents with their most impactful customers

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:
☑ 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

The tied agents associated with our Belgian insurance company are the direct intermediaries for a large proportion of our insurance customers, both private and corporate. It is therefore of the utmost importance that these agents are also sufficiently aware of KBC's commitments, our goals, our products and services, and how they themselves can contribute. They are also expected to be a partner in the climate transition of their customers, to give them the right advice and to offer the right products and services. Moreover, they are the first line internal party to assist customers in prevention advice (in the context of climate change adaptation) and in qualitatively settling any climate or weather-related claims.

(5.11.9.6) Effect of engagement and measures of success

After initial awareness sessions and presentations for the tied insurance agents themselves in 2023, an additional step was taken last year. The 50 largest agencies were given the opportunity to invite their most impactful and/or most interested customers to an event on KBC's sustainability approach. These sessions also highlighted the support KBC, as a partner in transition, offers in terms of energy scans and partnerships for the effective realization of renewable energy investments, as well as the specific banking and insurance solutions in KBC's product offering. In 2024, 4 regional sessions were organized for this purpose, with a target of 80% of these agencies inviting at least 1 customer. This target was successfully achieved, with the participation of 40 agencies and their customers. Additionally, sustainability courses were assigned to 550 tied, insurance agents (KBC and CBC). Our agencies have successfully completed two sustainable e-learnings, demonstrating strong engagement with the topic. For e-learning sustainability level 1, the success rate reached an impressive 88.5%, reflecting a high level of understanding and commitment. The second e-learning, Sustainability – the next chapters: biodiversity, pollution, water, circularity achieved a solid 75.5% success rate. These results highlight our ongoing efforts to integrate sustainability into our learning culture.
[Add row]

(5.14) Do your external asset managers have to meet environmental requirements as part of your organization’s selection process and engagement?

	External asset managers have to meet specific environmental requirements as part of the selection process and engagement	Policy in place for addressing external asset manager non-compliance
	Select from: ☑ Yes	*Select from:* ☑ Yes, we have a policy in place for addressing non-compliance

[Fixed row]

(5.14.1) Provide details of the environmental requirements that external asset managers have to meet as part of your organization's selection process and engagement.

Row 1

(5.14.1.1) Environmental issues covered by the requirement

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(5.14.1.2) Coverage

Select from:

☑ All assets managed externally

(5.14.1.3) Environmental requirement that external asset managers have to meet

Select from:

☑ Other, please specify :Third party investment funds distributed by KBC should at least comply with restrictions of the KBC Group Investment Policy, which includes the climate-related restrictions described under 4.7.1 - Investing (Asset manager).

(5.14.1.4) Mechanisms used to include environmental requirement in external asset manager selection

Select all that apply

☑ Review investment manager's environmental policies

(5.14.1.5) Response to external asset manager non-compliance with environmental requirement

Select from:

☑ Exclude

[Add row]

(5.15) Does your organization exercise voting rights as a shareholder on environmental issues?

	Exercise voting rights as a shareholder on environmental issues
	Select from: ☑ Yes

[Fixed row]

(5.15.1) Provide details of your shareholder voting record on environmental issues.

Row 1

(5.15.1.1) Method used to exercise your voting rights as a shareholder

Select from:

☑ Exercise voting rights through an external service provider

(5.15.1.2) How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan?

Select all that apply

☑ Vote tracking

☑ Publish requirements of external service providers in relation to environmental issues

☑ Review external service provider's environmental performance (e.g. active ownership, proxy voting records)

(5.15.1.3) % of voting rights exercised

67

(5.15.1.5) Environmental issues covered in shareholder voting

Select all that apply

☑ Climate change

(5.15.1.6) Global environmental commitments that your shareholder voting is aligned with

Select all that apply

☑ Aligned with the Paris Agreement

(5.15.1.7) Issues supported in shareholder resolutions

Select all that apply

☑ Board oversight of environmental issues

☑ Emissions reduction targets

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

In general, reported sustainability and environmental data cover the KBC Group organisation as a whole. It matches the scope of consolidation used for financial information. The system boundaries for GHG emissions were determined by operational control and aligned with the financial consolidation scope of KBC Group. In addition, to further delineate the inventory boundary of KBC Group's direct footprint, we considered the 'business context: industry sector(s)' factor, as stipulated in the GHG Protocol. This means that we exclude operational activities from our inventory boundary in case they are not representative for the substance and economic reality of KBC Group's business relations and business logic in terms of our direct footprint. Hence, we exclude entities without FTE or entities with activities outside our traditional bank-insurance activities from our scope.

Forests

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Alignment with consolidation scope for climate change

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Alignment with consolidation scope for climate change
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply

	Change(s) in methodology, boundary, and/or reporting year definition?
	☑ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ The Greenhouse Gas Protocol: Scope 2 Guidance

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: ☑ We are reporting a Scope 2, location-based figure	*Select from:* ☑ We are reporting a Scope 2, market-based figure	/

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

09/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

76054.13

(7.5.3) Methodological details

Consumption data was gathered per country, missing data was estimated by using average consumption data per FTE. DESZN (previously: DEFRA) emission factors were used for coal, natural gas, heating oil and natural gas consumption. WLTP emission factors were used for transport by car (own car fleet).

Scope 2 (location-based)

(7.5.1) Base year end

09/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

75691.68

(7.5.3) Methodological details

Consumption data was gathered per country, missing data was estimated by using average consumption data per FTE. DESZN (previously: DEFRA) emission factors were used for heating, cooling and steam consumption. OECD emissions factors were used for electricity consumption.

Scope 2 (market-based)

(7.5.1) Base year end

09/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

61661.51

(7.5.3) Methodological details

Consumption data was gathered per country, missing data was estimated by using average consumption data per FTE. DESZN (previously: DEFRA) emission factors were used for heating, colling and steam consumption. RE-DISS emission factors where used for electricity consumption, when no specific supplier factor was available. If a supplier-specific emission factor was available, this one was used.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

09/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

4946.96

(7.5.3) Methodological details

Consumption data was gathered per country, missing data was estimated by using average consumption data per FTE. DESZN (previously: DEFRA) emission factors were used for paper and water.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

09/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

407.87

(7.5.3) Methodological details

Waste data was gathered per country, missing data was estimated using average waste data per FTE. DESZN (previously: DEFRA) emission factors were used.

Scope 3 category 6: Business travel

(7.5.1) Base year end

09/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

6435.2

(7.5.3) Methodological details

Travel data was gathered per country, missing data was estimated using average travel data per FTE. For business travel by car, we used an emission factor based on EEA emissions factors and the average age of passenger cars in Europe (source: FEBIAC). For travel by bus and rail, we used an emission factor based on input from De Lijn (Flemish public transportation company). For travel by air, emission factors from DESZN (previously: DEFRA) were used.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

09/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

21229.47

(7.5.3) Methodological details

Travel data was gathered per country, missing data was estimated using average travel data per FTE. For commuter travel by car, we used an emission factor based on EEA emission factors and the average age of passenger cars in Europe (source: FEBIAC). For travel by bus and rail, we used an emission factor based on input from De Lijn (Flemish public transportation company). For travel by air, emission factors from DESZN (previously: DEFRA) were used.
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

27486

(7.6.3) Methodological details

Consumption data is gathered per country. Emissions for company -owned or -controlled fleet under scope 1 include business travel, commuter travel and private use for non-electric vehicles. For natural gas, diesel and refrigerants we used DESZN emission factors. For our own car fleet, we use own calculations based on EEA data per country for non-electric passenger cars.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

29047

(7.6.2) End date

09/29/2023

(7.6.3) Methodological details

Consumption data is gathered per country. Emissions for company -owned or -controlled fleet under scope 1 include business travel, commuter travel and private use for non-electric vehicles. For natural gas, diesel and refrigerants we used DESZN emission factors. For our own car fleet, we use own calculations based on EEA data per country for non-electric passenger cars.
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

34860

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e)

4488

(7.7.4) Methodological details

Consumption data is gathered per country. Emissions for company -owned or -controlled fleet under scope 2 include business travel, commuter travel and private use for electric vehicles. For district heating, cooling and steam consumption, we use DESZN emission factors. For electricity, we use IEA, DESZN or RE-DISS emission factors, depending on the calculation (market-based/location-based), on the type of electricity (renewable/non-renewable) and on the availability of supplier specific emission factors.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

35152

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e)

3995

(7.7.3) End date

09/29/2023

(7.7.4) Methodological details

Consumption data is gathered per country. Emissions for company -owned or -controlled fleet under scope 2 include business travel, commuter travel and private use for electric vehicles. For district heating, cooling and steam consumption, we use DESZN emission factors. For electricity, we use IEA, DESZN or RE-DISS emission factors, depending on the calculation (market-based/location-based), on the type of electricity (renewable/non-renewable) and on the availability of supplier specific emission factors.
[Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1531

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

99.15

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other Scope 3 categories are considered relevant. We still track and report on some of the emissions under category 1 "Purchased goods and services", because we believe them to be relevant from an "influence" point of view. We have an immediate influence on our water and paper consumption and use this measurement also as a means to create awareness amongst staff.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other S3 categories are considered relevant.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other S3 categories are considered relevant.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other S3 categories are considered relevant.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

805

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

99.14

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other Scope 3 categories are considered relevant. We still track and report emissions for the full category 5 "waste generated in operations", because we believe them to be relevant from an 'influence' point of view. Even as a non-production company, we still have an immediate influence on our waste generation and use this measurement also as a means to create awareness amongst staff.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3298

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

98.84

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other Scope 3 categories are considered relevant. We still track and report emissions for the full category 6 "business travel", because we believe them to be relevant from an 'influence' point of view. We have immediate influence on business travel and implement actions to reduce the emissions related to it by. We, for example, try to avoid flying whenever possible.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

16322

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

98.81

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other Scope 3 categories are considered relevant. We still track and report emissions for the full category 7 "commuter travel", because it is our second largest category of emissions in scope 3 and we believe them to be relevant from an 'influence' point of view. We have immediate influence on commuter travel by, for example, promoting public transportation and bicycle leasing and by allowing telework.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other S3 categories are considered relevant.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other S3 categories are considered relevant.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

As per "CDP Technical Note: Relevance of Scope 3 Categories by Sector" for The Financial Services sector, the largest source of emissions come from its lending, investment, and insurance underwriting activities, i.e., portfolio emissions, accounted under Scope 3 category 15, “Investments”. For KBC, this is not different. Hence, in terms of 'size' none of the other S3 categories are considered relevant.
[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

09/29/2023

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

1299

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

843

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

3531

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

16663

(7.8.1.19) Comment

Our scope 3 emissions for 2023 were not restated.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.1.4) Attach the statement

Letter to the Board_Own footprint GHG_31072025_esigned.pdf

(7.9.1.5) Page/section reference

The official verification statement can be found in our 2024 Annual Report on pages 233 to 239, but the attached verification letter (all pages) provides more detailed information on the verification of our scope 1 emissions: - types of greenhouse gases included - scope alignement with financial consolidation - usage of Greenhouse Gas Protocol Standard

(7.9.1.6) Relevant standard

Select from:

☑ Other, please specify :ESRS

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

Letter to the Board_Own footprint GHG_31072025_esigned.pdf

(7.9.2.6) Page/ section reference

The official verification statement can be found in our 2024 Annual Report on pages 233 to 239, but the attached verification letter (all pages) provides more detailed information on the verification of our scope 2 emissions: - types of greenhouse gases included - scope alignement with financial consolidation - usage of Greenhouse Gas Protocol Standard

(7.9.2.7) Relevant standard

Select from:
☑ Other, please specify :ESRS

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Investments

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

jvs-2024-gr-en.pdf

(7.9.3.6) Page/section reference

233-239

(7.9.3.7) Relevant standard

Select from:

☑ ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Purchased goods and services

☑ Scope 3: Waste generated in operations

☑ Scope 3: Business travel

☑ Scope 3: Employee commuting

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Letter to the Board_Own footprint GHG_31072025_esigned.pdf

(7.9.3.6) Page/section reference

The official verification statement can be found in our 2024 Annual Report on pages 233 to 239, but the attached verification letter (all pages) provides more detailed information on the verification of our scope 2 emissions: - types of greenhouse gases included - scope alignement with financial consolidation - usage of Greenhouse Gas Protocol Standard

(7.9.3.7) Relevant standard

Select from:

☑ Other, please specify :ESRS

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Given that we already reached 100% renewable electricity consumption in 2021, and we are reporting a market-based S2 figure for the purpose of this question, the change in emissions as a result of the change in renewable electricity consumption is zero (no change). The absolute renewable energy consumption in our buildings remained fairly unchanged in 2024 compared to 2023 (decrease of 0.005%). However, the percentage of renewable energy in our total energy consumption increased from 64% in 2023 to 65% in 2024. We continue to invest in own production capacity.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

1067

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

3.23

(7.10.1.4) Please explain calculation

S1+2 emissions decreased from 33042 tonnes CO2e in 2023 to 31975 tonnes CO2e in 2024. This is a decrease with 3.23%. The main reasons for this reductions are: gas saving programs and heat transformation projects in Slovakia, Hungary and Czech Republic and the electrification of the company owned car fleet in all countries.
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ No

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes
Consumption of purchased or acquired steam	*Select from:* ☑ Yes
Consumption of purchased or acquired cooling	*Select from:* ☑ Yes
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

44911

(7.30.1.4) Total (renewable + non-renewable) MWh

44911.00

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

111211

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable + non-renewable) MWh

111211.00

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

9051

(7.30.1.4) Total (renewable + non-renewable) MWh

9051.00

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

6708

(7.30.1.4) Total (renewable + non-renewable) MWh

6708.00

Consumption of purchased or acquired cooling

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

117

(7.30.1.4) Total (renewable + non-renewable) MWh

117.00

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

3569

(7.30.1.4) Total (renewable + non-renewable) MWh

3569.00

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

114780

(7.30.1.3) MWh from non-renewable sources

60787

(7.30.1.4) Total (renewable + non-renewable) MWh

175567.00
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Belgium

(7.30.16.1) Consumption of purchased electricity (MWh)

42843

(7.30.16.2) Consumption of self-generated electricity (MWh)

1350

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

44193.00

Bulgaria

(7.30.16.1) Consumption of purchased electricity (MWh)

16109

(7.30.16.2) Consumption of self-generated electricity (MWh)

65

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

2222

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18396.00

Czechia

(7.30.16.1) Consumption of purchased electricity (MWh)

26330

(7.30.16.2) Consumption of self-generated electricity (MWh)

47

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

11498

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

37875.00

Hungary

(7.30.16.1) Consumption of purchased electricity (MWh)

20184

(7.30.16.2) Consumption of self-generated electricity (MWh)

2089

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

1215

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

23488.00

Slovakia

(7.30.16.1) Consumption of purchased electricity (MWh)

5745

(7.30.16.2) Consumption of self-generated electricity (MWh)

18

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

941

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

6704.00
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.00000286

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

31975

(7.45.3) Metric denominator

Select from:
☑ unit total revenue

(7.45.4) Metric denominator: Unit total

11167000000

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

2.73

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply
☑ Other emissions reduction activities
☑ Change in revenue

(7.45.9) Please explain

The decrease in intensity metric is the net result of a decrease in combined Scope 1 and Scope 2 emissions by 3,23% (numerator) and a decrease in total revenues by 0,51% (denominator). The main reasons for the reduction in scope 1 & 2 emissions were given in question 7.10.1: gas saving programs, heat transformation projects and electrification of the company owned car fleet.

Row 2

(7.45.1) Intensity figure

0.86638374

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

31975

(7.45.3) Metric denominator

Select from:
☑ full time equivalent (FTE) employee

(7.45.4) Metric denominator: Unit total

36906

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

1.75

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Other emissions reduction activities

(7.45.9) Please explain

The decrease in intensity metric is the net result of a decrease in combined Scope 1 and Scope 2 emissions by 3,23% (numerator) and a decrease in number of employees by 1,50% (denominator). The main reasons for the reduction in scope 1 & 2 emissions were given in question 7.10.1: gas saving programs, heat transformation projects and electrification of the company owned car fleet.
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

☑ Portfolio target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2020

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 5 – Waste generated in operations

☑ Scope 3, Category 6 – Business travel

☑ Scope 3, Category 7 – Employee commuting

(7.53.1.11) End date of base year

09/29/2016

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

76054.13

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

61661.51

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

4428.16

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

926.67

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

6435.2

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

21229.47

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

33019.500

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

170735.140

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

09/29/2030

(7.53.1.55) Targeted reduction from base year (%)

80

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

34147.028

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

27486

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

4488

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1531

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

805

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

3300

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

16322

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

21958.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

53932.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

85.51

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

100% is indicated in the columns 'emissions in reporting year covered by target' to reflect that our target scope is as following, without exclusions: Total Scope 1 emissions + total Scope 2 emissions + selection of scope 3 emissions over which we have direct influence: commuter travel, business travel, paper and water consumption and waste generation. Our coverage was defined by the operational control approach, as described in the GHG-protocol. For smaller entities (< 100 FTE) estimations are made, based on the average emission intensities. They account for less than 2% of our emissions. No exclusions are made. Please note that our own footprint target scope Abs4 & Abs5 excludes financed emissions from KBC Group's lease and loan portfolio (i.e. our client's GHG emissions reported as Scope 3 emissions cat. 15 investments). We have specific portfolio targets in place for these financed emissions (see question 7.53.4).

(7.53.1.83) Target objective

*We want to reduce the direct environmental impact from our own operations. To this end, we have been measuring our direct, groupwide emissions since 2015. Most important in our approach regarding our direct footprint, is that we are committed to reducing our negative, direct environmental impact. We have set group-wide reduction targets in 2016 (= Abs 5, long-term), and we have tightened them over the years. The most recent targets were set in 2020 and are aimed at our: * Direct emissions: we have the long-term ambition of achieving an 80% reduction in our direct emissions by 2030, as compared to 2015 (= Abs4, near-term). * Renewable electricity: we set a goal to use 100% energy from renewable resources by 2030. We achieved this goal in 2021 (= Low1). * Climate neutrality: we have committed to achieving climate neutrality as from 2021 by offsetting the balance (= NZ1). We consider this target (Abs4) to be aligned with 1.5°C scenario with the average annual reduction (i.e. 5.33% (= 80%/(2030-2015) surpassing the minimum annual linear reduction rates aligned with 1.5˚C scenario of 4.2% (as required by the SBTi, source: CDP Technical note on science-based targets).*

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

*We have taken several steps in the past years to move towards these targets, including * implementing an ISO 14001 environmental management system in all core countries * reducing GHG emissions from our energy consumption by transitioning to electricity from 100% renewable sources and investing in energy-saving solutions like insulation * transitioning to greener employee mobility by incentivizing (electric) bicycles, promoting public transport and supporting the transition to a greener and electric car fleet. As a result, in 2024, we managed to reduce our GHG emissions from our own operations by 68% compared to 2015 baseline. We are determined to further reduce our GHG emissions to reach an 80% reduction in 2030 compared to 2015. For this purpose, each country has made actions plans. In the future years we will continue to focus on: * greener mobility, since commuter travel is still a material part of our own operational footprint * further investments in solar panels, insulation, heat pumps,...*

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No

Row 2

(7.53.1.1) Target reference number

Select from:
☑ Abs 5

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:
☑ Well-below 2°C aligned

(7.53.1.5) Date target was set

12/30/2016

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- ☑ Methane (CH4)
- ☑ Nitrous oxide (N2O)
- ☑ Carbon dioxide (CO2)
- ☑ Perfluorocarbons (PFCs)
- ☑ Hydrofluorocarbons (HFCs)
- ☑ Sulphur hexafluoride (SF6)
- ☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

- ☑ Scope 1
- ☑ Scope 2
- ☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

- ☑ Market-based

(7.53.1.10) Scope 3 categories

Select all that apply

- ☑ Scope 3, Category 1 – Purchased goods and services
- ☑ Scope 3, Category 5 – Waste generated in operations
- ☑ Scope 3, Category 6 – Business travel
- ☑ Scope 3, Category 7 – Employee commuting

(7.53.1.11) End date of base year

09/29/2016

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

76054.13

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

61661.51

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

4428.16

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

926.67

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

6435.2

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

21229.47

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

33019.500

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

170735.140

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100.0

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100.0

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100.0

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100.0

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100.0

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100.0

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

(7.53.1.54) End date of target

09/29/2040

(7.53.1.55) Targeted reduction from base year (%)

80

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

34147.028

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

27486

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

4488

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1531

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

805

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

3300

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

16322

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

21958.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

53932.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

85.51

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

100% is indicated in the columns 'emissions in reporting year covered by target' to reflect that our target scope is as following, without exclusions: Total Scope 1 emissions + total Scope 2 emissions + selection of own operational scope 3 emissions over which we have direct influence: commuter travel, business travel, paper and water consumption and waste generation. Our coverage was defined by the operational control approach, as described in the GHG-protocol. For smaller entities (< 100 FTE) estimations are made, based on the average emission intensities. They account for less than 2% of our emissions. No exclusions are made. Please note that our direct footprint target scope Abs4 & Abs5 excludes financed emissions from KBC Group's lease and loan portfolio (i.e. our client's GHG emissions reported as Scope 3 emissions cat. 15 investments). We have specific portfolio targets in place for these financed emissions (see question 7.53.4).

(7.53.1.83) Target objective

*We want to reduce the direct environmental impact from our own operations. To this end, we have been measuring our own, groupwide emissions since 2015. Most important in our approach regarding our own footprint, is that we are committed to reducing our negative, direct environmental impact. We have set group-wide reduction targets in 2016 (= Abs 5, long-term), and we have tightened them over the years. The most recent targets were set in 2020 and are aimed at our: * Direct emissions: we have the long-term ambition of achieving an 80% reduction in our direct emissions by 2030, as compared to 2015 (= Abs4, near-term). * Renewable electricity: we set a goal to use 100% energy from renewable resources by 2030. We achieved this goal in 2021 (= Low1). * Climate neutrality: we have committed to achieving climate neutrality as from 2021 by offsetting the balance (= NZ1).*

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

*We have taken several steps in the past years to move towards these targets, including * implementing an ISO 14001 environmental management system in all core countries * reducing GHG emissions from our energy consumption by transitioning to electricity from 100% renewable sources and investing in energy-saving solutions like insulation * transitioning to greener employee mobility by incentivizing (electric) bicycles, promoting public transport and supporting the transition to a greener and electric car fleet. As a result, in 2024, we managed to reduce our GHG emissions from our own operations by 68% compared to 2015 baseline. We are determined to further reduce our GHG emissions to reach an 80% reduction in 2030 compared to 2015. For this purpose, each country has made actions plans. In the future years we will continue to focus on: * greener mobility, since commuter travel is still a material part of our own operational footprint * further investments in solar panels, insulation, heat pumps,...*

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.53.4) Provide details of the climate-related targets for your portfolio.

Row 1

(7.53.4.1) Target reference number

Select from:

☑ Por1

(7.53.4.2) Target type

Select from:
☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:
☑ A combination of the above

(7.53.4.5) Date target was set

12/31/2020

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Asset class level

(7.53.4.9) Portfolio

Select from:
☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply
☑ Loans
☑ Other, please specify :Operational leasing

(7.53.4.11) Sectors covered by the target

Select all that apply
☑ Retail
☑ Apparel
☑ Fossil Fuels
☑ Manufacturing

☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Infrastructure
☑ Power generation
☑ International bodies

(7.53.4.12) Target type: Absolute or intensity

Select from:
☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0

(7.53.4.15) % of asset class emissions covered by the target

0

(7.53.4.16) Metric (or target numerator if intensity)

Select from:
☑ Other, SDA metric please specify :g CO2e

(7.53.4.17) Target denominator

Select from:
☑ km

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0

(7.53.4.19) Total value of assets covered by the target

0

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

0

(7.53.4.21) Frequency of target reviews

Select from:

☑ Other, please specify :This target has been replaced by Por 9 and Por10 targets

(7.53.4.22) End date of base year

12/31/2020

(7.53.4.23) Figure in base year

132

(7.53.4.24) We have an interim target

Select from:

☑ Yes

(7.53.4.25) End of interim target year

12/31/2025

(7.53.4.26) Figure in interim target year

81

(7.53.4.27) End date of target

12/31/2030

(7.53.4.28) Figure in target year

58

(7.53.4.29) Figure in reporting year

0

(7.53.4.30) % of target achieved relative to base year

178.3783783783784

(7.53.4.31) Target status in reporting year

Select from:

☑ Replaced

(7.53.4.34) Is this a science-based target?

Select from:

☑ No, and we do not anticipate setting one in the next 2 years

(7.53.4.37) Please explain target coverage and identify any exclusions

This target has been replaced by Por9 and Por10 targets

(7.53.4.38) Target objective

This target has been replaced by Por9 and Por10 targets

Row 2

(7.53.4.1) Target reference number

Select from:

☑ Por2

(7.53.4.2) Target type

Select from:

☑ Other, please specify :Portfolio exposure to direct thermal coal-related financing

(7.53.4.4) Methodology used when setting the target

Select from:

☑ Other please specify :Exposure target

(7.53.4.5) Date target was set

12/30/2016

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Fossil Fuels

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

☑ Project finance

☑ Undrawn loan commitments

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Absolute

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Other, please specify :Remaining direct thermal-coal related financing in million euros

(7.53.4.18) % of portfolio covered in relation to total portfolio value

100

(7.53.4.21) Frequency of target reviews

Select from:

☑ Other, please specify :Target comprises a full exit of direct thermal coal-related activities

(7.53.4.22) End date of base year

12/31/2016

(7.53.4.23) Figure in base year

252

(7.53.4.24) We have an interim target

Select from:
☑ No

(7.53.4.27) End date of target

12/31/2021

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

0

(7.53.4.30) % of target achieved relative to base year

100

(7.53.4.31) Target status in reporting year

Select from:
☑ Achieved

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

We consider this a science-based target as our exit date of towards direct thermal coal-related financing is several years earlier than those foreseen by the vast majority of prevailing 1.5°C-aligned climate scenarios (such as the IEA NZ 2050 scenario which foresees a full phase-out of all unabated coal by 2040)

(7.53.4.38) Target objective

Exiting from financing the most polluting energy production technology fits within our existing sustainable and climate finance strategy.

Row 3

(7.53.4.1) Target reference number

Select from:

☑ Por3

(7.53.4.2) Target type

Select from:

☑ Portfolio emissions intensity

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Fossil Fuels

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

☑ Project finance

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

2.9

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ tCO2e

(7.53.4.17) Target denominator

Select from:
☑ Million invested (unit currency as reported in 1.2)

(7.53.4.18) % of portfolio covered in relation to total portfolio value

1.7

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/30/2021

(7.53.4.23) Figure in base year

453

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

300

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

82

(7.53.4.29) Figure in reporting year

265

(7.53.4.30) % of target achieved relative to base year

50.673854447439346

(7.53.4.31) Target status in reporting year

Select from:

☑ Achieved

(7.53.4.34) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.4.37) Please explain target coverage and identify any exclusions

Overall, the portfolio exposure coverage of this target reaches 1.7% and portfolio financed emissions coverage reaches 2.9% (numerator of the underlying equations includes respectively the outstanding exposures to abovesaid subsectors and associated Scope 1 and 2 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of the energy sector.

Row 4

(7.53.4.1) Target reference number

Select from:
☑ Por4

(7.53.4.2) Target type

Select from:
☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:
☑ A combination of the above

(7.53.4.5) Date target was set

09/29/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Sector level

(7.53.4.7) Sector

Select from:
☑ Power generation

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

☑ Project finance

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

2

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Other, SDA metric please specify :kg CO2e

(7.53.4.17) Target denominator

Select from:

☑ Other, SDA denominator please specify :MWh

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.8

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

210

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

127

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

49

(7.53.4.29) Figure in reporting year

93

(7.53.4.30) % of target achieved relative to base year

72.67080745341616

(7.53.4.31) Target status in reporting year

Select from:

☑ Achieved

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ Well-below 2°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The target includes electricity producers and excludes transmission, distribution and trade of electricity. Overall, the portfolio exposure coverage of this target reaches 0.8% and the portfolio financed emissions coverage reaches 2.0% (numerator of the underlying equations includes respectively the outstanding exposures to abovesaid subsectors and associated Scope 1 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of the electricity sector.

Row 5

(7.53.4.1) Target reference number

Select from:

☑ Por5

(7.53.4.2) Target type

Select from:

☑ Portfolio emissions intensity

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Infrastructure

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

☑ Project finance

☑ Real estate

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

4.3

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ tCO2e

(7.53.4.17) Target denominator

Select from:

☑ Million invested (unit currency as reported in 1.2)

(7.53.4.18) % of portfolio covered in relation to total portfolio value

26.9

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

27

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

17

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

8

(7.53.4.29) Figure in reporting year

23

(7.53.4.30) % of target achieved relative to base year

21.052631578947366

(7.53.4.31) Target status in reporting year

Select from:

☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.4.37) Please explain target coverage and identify any exclusions

The target excludes pure real estate development financing (as this relates to construction emissions and not to building operations emissions). Overall, the portfolio exposure coverage of this target reaches 26.9% and portfolio financed emissions coverage reaches 4.3% (numerator of the underlying equations includes respectively the outstanding exposures to abovesaid subsectors and associated Scope 1 and 2 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of the building sector.

Row 6

(7.53.4.1) Target reference number

Select from:

☑ Por6

(7.53.4.2) Target type

Select from:
☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:
☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Sector level

(7.53.4.7) Sector

Select from:
☑ Infrastructure

(7.53.4.8) Portfolios covered by the target

Select all that apply
☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply
☑ Other, please specify :Residential mortgage loans and Commercial Real Estate financing

(7.53.4.12) Target type: Absolute or intensity

Select from:
☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

3.4

(7.53.4.16) Metric (or target numerator if intensity)

Select from:
☑ Other, SDA metric please specify :kg CO2e

(7.53.4.17) Target denominator

Select from:
☑ Meters squared

(7.53.4.18) % of portfolio covered in relation to total portfolio value

22.7

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

50

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

29

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

7

(7.53.4.29) Figure in reporting year

45

(7.53.4.30) % of target achieved relative to base year

11.627906976744185

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ Well-below 2°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Non-residential real estate financing is not in scope of this target. The target scope also excludes pure real estate development financing (as this relates to construction emissions and not to building operations emissions). Overall, the portfolio exposure coverage of this target reaches 22.7% and portfolio financed emissions coverage reaches 3.4% (numerator of the underlying equations includes respectively the outstanding exposures to abovesaid subsectors/products and associated Scope 1 and 2 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of the residential building sector.

Row 7

(7.53.4.1) Target reference number

Select from:

☑ Por7

(7.53.4.2) Target type

Select from:

☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Asset class level

(7.53.4.9) Portfolio

Select from:

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Other, please specify :Vehicle loans and financial lease

(7.53.4.11) Sectors covered by the target

Select all that apply

☑ Retail

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0.5

(7.53.4.15) % of asset class emissions covered by the target

67.7

(7.53.4.16) Metric (or target numerator if intensity)

Select from:
☑ Other, SDA metric please specify :g CO2

(7.53.4.17) Target denominator

Select from:
☑ km

(7.53.4.18) % of portfolio covered in relation to total portfolio value

1.2

(7.53.4.19) Total value of assets covered by the target

4122415769

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

80.5

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

139

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

81

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

124

(7.53.4.30) % of target achieved relative to base year

10.79136690647482

(7.53.4.31) Target status in reporting year

Select from:

☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Overall, the portfolio exposure coverage of this target reaches 1.2% and portfolio financed emissions coverage reaches 0.5% (numerator of the underlying equations includes respectively the outstanding exposures of abovesaid product line and associated Scope 1 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The asset class coverage of this target reaches 80.5% and asset class financed emissions coverage reaches 67.7% (numerator of the underlying equations includes respectively the outstanding exposures of abovesaid product line and associated Scope 1 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's passenger car and LCV loans and lease portfolio at 30 September 2024 and associated Scope 1 financed emissions). We consider this to be a science-based target. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of road transport.

Row 8

(7.53.4.1) Target reference number

Select from:

☑ Por8

(7.53.4.2) Target type

Select from:

☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Asset class level

(7.53.4.9) Portfolio

Select from:

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Other, please specify :Light Commercial Vehicle loans and financial lease

(7.53.4.11) Sectors covered by the target

Select all that apply

☑ Retail

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0.3

(7.53.4.15) % of asset class emissions covered by the target

32.3

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Other, SDA metric please specify :kg CO2/km

(7.53.4.17) Target denominator

Select from:

☑ km

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.3

(7.53.4.19) Total value of assets covered by the target

1001411818

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

19.5

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

208

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

145

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

33

(7.53.4.29) Figure in reporting year

205

(7.53.4.30) % of target achieved relative to base year

1.7142857142857144

(7.53.4.31) Target status in reporting year

Select from:

☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Overall, the portfolio exposure coverage of this target reaches 0.3% and portfolio financed emissions coverage reaches 0.3% (numerator of the underlying equations includes respectively the outstanding exposures of abovesaid product line and associated Scope 1 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The asset class coverage of this target reaches 19.5% and asset class financed emissions coverage reaches 32.3% (numerator of the underlying equations includes respectively the outstanding exposures of abovesaid product line and associated Scope 1 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's passenger car and LCV loans and lease portfolio at 30 September 2023 and associated Scope 1 financed emissions). The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of road transport.

Row 9

(7.53.4.1) Target reference number

Select from:

☑ Por9

(7.53.4.2) Target type

Select from:

☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Asset class level

(7.53.4.9) Portfolio

Select from:
☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply
☑ Other, please specify :Passenger car operational leasing

(7.53.4.11) Sectors covered by the target

Select all that apply
☑ Retail

(7.53.4.12) Target type: Absolute or intensity

Select from:
☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0.2

(7.53.4.15) % of asset class emissions covered by the target

82.3

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Other, SDA metric please specify :g CO2

(7.53.4.17) Target denominator

Select from:
☑ km

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0

(7.53.4.19) Total value of assets covered by the target

1601726897

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

95.5

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

133

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

25

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

77

(7.53.4.30) % of target achieved relative to base year

42.10526315789473

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Overall, the portfolio financed emissions coverage of this target reaches 0.2% (numerator of the underlying equations includes the Scope 1 financed emissions associated with passenger car operational leasing, denominator is the sum of Scope 1, 2 and 3 financed emissions associated with KBC Group's total loan portfolio at 30 September 2024. The asset class coverage of this target reaches 95.5% and asset class financed emissions coverage reaches 82.3% (numerator of the underlying equations includes respectively the net book value of abovesaid product line and associated Scope 1 financed emissions, denominator is respectively the total net book value of KBC Group's passenger car and LCV operational leasing portfolio at 30 September 2024 and associated Scope 1 financed emissions).

(7.53.4.38) Target objective

Supporting the decarbonization of road transport.

Row 10

(7.53.4.1) Target reference number

Select from:

☑ Por10

(7.53.4.2) Target type

Select from:

☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:
☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Asset class level

(7.53.4.9) Portfolio

Select from:
☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply
☑ Other, please specify :Light Commercial Vehicle operational leasing

(7.53.4.11) Sectors covered by the target

Select all that apply
☑ Retail

(7.53.4.12) Target type: Absolute or intensity

Select from:
☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0.05

(7.53.4.15) % of asset class emissions covered by the target

17.7

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Other, SDA metric please specify :g CO2

(7.53.4.17) Target denominator

Select from:

☑ km

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0

(7.53.4.19) Total value of assets covered by the target

75679023

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

4.5

(7.53.4.21) Frequency of target reviews

Select from:

☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

196

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

132

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

19

(7.53.4.29) Figure in reporting year

186

(7.53.4.30) % of target achieved relative to base year

5.649717514124294

(7.53.4.31) Target status in reporting year

Select from:

☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Overall, the portfolio financed emissions coverage of this target reaches 0.05% (numerator of the underlying equations includes the Scope 1 financed emissions associated with light commercial vehicle operational leasing, denominator is the sum of Scope 1, 2 and 3 financed emissions associated with KBC Group's total loan portfolio at 30 September 2024. The asset class coverage of this target reaches 4.5% and asset class financed emissions coverage reaches 17.7% (numerator of the underlying equations includes respectively the net book value of abovesaid product line and associated Scope 1 financed emissions, denominator is respectively the total net book value of KBC Group's passenger car and LCV operational leasing portfolio at 30 September 2024 and associated Scope 1 financed emissions).

(7.53.4.38) Target objective

Supporting the decarbonization of road transport.

Row 11

(7.53.4.1) Target reference number

Select from:

☑ Por11

(7.53.4.2) Target type

Select from:

☑ Portfolio emissions intensity

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Food, beverage & agriculture

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

12

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ tCO2e

(7.53.4.17) Target denominator

Select from:

☑ Million invested (unit currency as reported in 1.2)

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.5

(7.53.4.21) Frequency of target reviews

Select from:

☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

1405

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

1103

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

934

(7.53.4.29) Figure in reporting year

1059

(7.53.4.30) % of target achieved relative to base year

73.46072186836517

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.4.37) Please explain target coverage and identify any exclusions

The agriculture sector target focuses on Scope 1 and 2 financed emissions occurring on farm and field. Financed emissions are calculated by multiplying country- and subsector-specific PCAF asset-based emission factors with the outstanding exposures to the agriculture subsectors in our loan portfolio. Overall, the portfolio exposure coverage of this target reaches 1.5% and portfolio financed emissions coverage reaches 12.0% (numerator of the underlying equations includes respectively the outstanding exposures to abovesaid subsectors and associated Scope 1 and 2 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of the agriculture sector.

Row 12

(7.53.4.1) Target reference number

Select from:

☑ Por12

(7.53.4.2) Target type

Select from:

☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Materials

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0.1

(7.53.4.16) Metric (or target numerator if intensity)

Select from:
☑ Metric tons CO2e

(7.53.4.17) Target denominator

Select from:
☑ Ton cement

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.01

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

0.685

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

0.578

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

0.219

(7.53.4.29) Figure in reporting year

0.624

(7.53.4.30) % of target achieved relative to base year

13.090128755364816

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ Well-below 2°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The cement sector target focuses on Scope 1 and 2 financed emissions of cement producers and applies to corporate loans only. Financed Scope 1 and 2 emissions calculations are based on asset level data. Overall, the portfolio exposure coverage of this target reaches 0.01% and portfolio financed emissions coverage reaches 0.1% (numerator of the underlying equations includes respectively the outstanding exposures to abovesaid sector and associated Scope 1 and 2 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of the cement sector.

Row 13

(7.53.4.1) Target reference number

Select from:

☑ Por13

(7.53.4.2) Target type

Select from:

☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Materials

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0.8

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Metric tons CO2e

(7.53.4.17) Target denominator

Select from:

☑ Other, SDA denominator please specify :Ton steel

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.1

(7.53.4.21) Frequency of target reviews

Select from:

☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

1.34

(7.53.4.24) We have an interim target

Select from:

☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

1.15

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

0.59

(7.53.4.29) Figure in reporting year

1.5

(7.53.4.30) % of target achieved relative to base year

-21.33333333333332

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:
☑ Well-below 2°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The steel sector target focuses on Scope 1 and 2 financed emissions of steel producers and applies to corporate loans only. Financed Scope 1 and 2 emissions calculations are based on asset level data. Overall, the portfolio exposure coverage of this target reaches 0.1% and portfolio financed emissions coverage reaches 0.8% (numerator of the underlying equations includes respectively the outstanding exposures to abovesaid sector and associated Scope 1 and 2 financed emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of the steel sector and further engaging with our clients on climate action.

Row 14

(7.53.4.1) Target reference number

Select from:

☑ Por14

(7.53.4.2) Target type

Select from:

☑ Other, please specify :Given the already low associated CO2e intensity of the aluminium loan portfolio the target is expressed as a commitment to stay well below the global sectoral intensity climate benchmark.

(7.53.4.4) Methodology used when setting the target

Select from:

☑ A combination of the above

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Materials

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Other, please specify :ton CO2e

(7.53.4.17) Target denominator

Select from:

☑ Other, please specify :Ton aluminium

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.01

(7.53.4.21) Frequency of target reviews

Select from:
☑ Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

0.59

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

3

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

1

(7.53.4.29) Figure in reporting year

0.21

(7.53.4.30) % of target achieved relative to base year

-92.68292682926828

(7.53.4.31) Target status in reporting year

Select from:

☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ Well-below 2°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The aluminium sector target focuses on Scope 1 and 2 financed emissions of aluminium producers and applies to corporate loans only. Financed Scope 1 and 2 emissions calculations are based on asset level data. Overall, the portfolio exposure coverage of this target reaches 0.01% and portfolio financed emissions coverage reaches 0.02% (numerator of the underlying equations includes respectively the outstanding exposures to abovesaid sector and associated Scope 1 and 2 financed

emissions, denominator is respectively the total outstanding exposure of KBC Group's loan portfolio at 30 September 2024 and associated Scope 1, 2 and 3 financed emissions. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

(7.53.4.38) Target objective

Supporting the decarbonization of the aluminium sector.

Row 15

(7.53.4.1) Target reference number

Select from:

☑ Por16

(7.53.4.2) Target type

Select from:

☑ Other, please specify :Carbon Intensity (Scope 1 + 2) of corporate investees in Responsible Funds (tCO2e/million US$ revenue)

(7.53.4.4) Methodology used when setting the target

Select from:

☑ Own methodology

(7.53.4.5) Date target was set

09/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Asset class level

(7.53.4.9) Portfolio

Select from:

☑ Investing (Asset manager)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Other, please specify :corporate exposures in Responsible funds

(7.53.4.11) Sectors covered by the target

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Other, please specify :carbon emissions scope 1 and 2 in tonnes CO2e

(7.53.4.17) Target denominator

Select from:

☑ Other, please specify :million US$ revenue

(7.53.4.18) % of portfolio covered in relation to total portfolio value

29

(7.53.4.19) Total value of assets covered by the target

39360187891

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

88

(7.53.4.21) Frequency of target reviews

Select from:

☑ Other, please specify :yearly reporting but no fixed frequency for reviewing the target

(7.53.4.22) End date of base year

12/30/2019

(7.53.4.23) Figure in base year

196

(7.53.4.24) We have an interim target

Select from:

☑ No

(7.53.4.27) End date of target

12/30/2030

(7.53.4.28) Figure in target year

98

(7.53.4.29) Figure in reporting year

55

(7.53.4.30) % of target achieved relative to base year

143.87755102040816

(7.53.4.31) Target status in reporting year

Select from:

☑ Achieved

(7.53.4.34) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.4.37) Please explain target coverage and identify any exclusions

We limit ourselves to corporate exposure in Responsible funds as we estimate it to be difficult to impose a GHG reduction target to clients who have chosen a fund outside the Responsible fund range. Moreover for sovereigns we believe setting a GHG target is challenging to combine with the offering of a broad diversified portfolio of sovereign exposures given for instance the limited number of sovereign issuers in a eurozone sovereign bond fund.

(7.53.4.38) Target objective

The objective is line with the portfolio GHG reduction targets of our Responsible funds. This reduction target is in our view a good balance between being able to offer our clients a broad diversified fund and at the same time incentive our investee corporates to decrease their GHG intensity.

Row 16

(7.53.4.1) Target reference number

Select from:

☑ Por15

(7.53.4.2) Target type

Select from:

☑ Portfolio emissions intensity

(7.53.4.4) Methodology used when setting the target

Select from:

☑ Own methodology

(7.53.4.5) Date target was set

09/29/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Portfolio level

(7.53.4.9) Portfolio

Select from:

☑ Investing (Asset owner)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Other, please specify :(listed) corporate exposures in Responsible Investment products in Life Insurance (branch 23)

(7.53.4.11) Sectors covered by the target

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

100

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ tCO2e

(7.53.4.17) Target denominator

Select from:

☑ Million revenues (unit currency as reported in 1.2)

(7.53.4.18) % of portfolio covered in relation to total portfolio value

4

(7.53.4.21) Frequency of target reviews

Select from:

☑ Annually

(7.53.4.22) End date of base year

12/30/2019

(7.53.4.23) Figure in base year

133

(7.53.4.24) We have an interim target

Select from:

☑ Yes

(7.53.4.25) End of interim target year

12/30/2025

(7.53.4.26) Figure in interim target year

110

(7.53.4.27) End date of target

12/30/2030

(7.53.4.28) Figure in target year

95

(7.53.4.29) Figure in reporting year

29

(7.53.4.30) % of target achieved relative to base year

273.6842105263158

(7.53.4.31) Target status in reporting year

Select from:

☑ Achieved

(7.53.4.34) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.4.37) Please explain target coverage and identify any exclusions

Since our GHG intensity target for the investments linked to the Responsible Investment products in Life Insurance (branch 23) is fully aligned with the GHG intensity target for responsible funds at KBC Asset Management, the scope is also limited to corporate exposure. Including the sovereigns would anyway be too restrictive, due to the limited investment universe. Please note that we assign a 100% coverage of portfolio emissions as the calculated GHG intensity covers all investments linked to the responsible life insurance products, which is the scope of this target. This roughly matches with the part of the portfolio for which we have calculated absolute financed emissions (for more information on this see 12.1.1).

(7.53.4.38) Target objective

The objective is line with the GHG intensity targets of our Responsible funds. This reduction target ensures our policyholders the GHG intensity of the investments does not exceed these limits and follows a long-term downward trend.

Row 17

(7.53.4.1) Target reference number

Select from:

☑ Por17

(7.53.4.2) Target type

Select from:

☑ Other, please specify :The target is a consequence of our Por6 target and linked to the home insurances associated with the buildings financed through residential mortgage loans

(7.53.4.4) Methodology used when setting the target

Select from:

☑ Own methodology

(7.53.4.5) Date target was set

09/29/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Portfolio level

(7.53.4.9) Portfolio

Select from:

☑ Insurance underwriting (Insurance company)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Real estate

(7.53.4.11) Sectors covered by the target

Select all that apply

☑ Retail

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Other, please specify :kg CO2e

(7.53.4.17) Target denominator

Select from:

☑ Other, please specify :m²

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0

(7.53.4.21) Frequency of target reviews

Select from:

☑ Annually

(7.53.4.22) End date of base year

09/29/2022

(7.53.4.23) Figure in base year

50

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

12/30/2030

(7.53.4.26) Figure in interim target year

29

(7.53.4.27) End date of target

12/30/2050

(7.53.4.28) Figure in target year

7

(7.53.4.29) Figure in reporting year

45

(7.53.4.30) % of target achieved relative to base year

11.627906976744185

(7.53.4.31) Target status in reporting year

Select from:

☑ Underway

(7.53.4.37) Please explain target coverage and identify any exclusions

As for the vast majority (90%) of houses financed through residential mortgages loans (calculation based on our activities in Business Unit Belgium), home insurance policies are contracted with KBC, we report under this section the same target references as the Por6 target.

(7.53.4.38) Target objective

Supporting the decarbonization of the residential building sector.
[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to increase or maintain low-carbon energy consumption or production

☑ Net-zero targets

☑ Other climate-related targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

03/31/2020

(7.54.1.3) Target coverage

Select from:
☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:
☑ Electricity

(7.54.1.5) Target type: activity

Select from:
☑ Consumption

(7.54.1.6) Target type: energy source

Select from:
☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

09/29/2018

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

127062.08

(7.54.1.9) % share of low-carbon or renewable energy in base year

77.5

(7.54.1.10) End date of target

09/29/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

100

(7.54.1.13) % of target achieved relative to base year

100.00

(7.54.1.14) Target status in reporting year

Select from:
☑ Achieved and maintained

(7.54.1.16) Is this target part of an emissions target?

Our renewable electricity target is related to our overall emission reduction targets Abs 4 & Abs 5 and should help achieve those targets.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply
☑ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

This target covers 100% or our scope, which was defined by the operational control approach, as described in the GHG-protocol. For smaller entities (< 100 FTE) estimations are made, based on the average emission intensities. They account for less than 2% of our emissions. No exclusions are made. Since our own emissions are calculated on end of september data, we have put the both 'end date of base year' and 'end data of target' on end of september.

(7.54.1.20) Target objective

In 2019 we set a target to achieve a 90% share of renewable electricity (in% of total electricity purchased) by 2030 for the whole KBC Group. In 2020, we have increased the target for green electricity purchased to 100% by 2030. In 2024, for the fourth year in a row, we have achieved 100% renewable electricity consumption and thus we indicate 'achieved and maintained' as 'target status in reporting year' in line with CDP question guidance.

(7.54.1.22) List the actions which contributed most to achieving this target

*We took several actions to achieve this target in the past years: * reducing our energy consumption (see Abs4 and Abs5) * investing in solar panels, geothermal installation, heat pumps, insulation,.. * renegotiation contracts with energy suppliers to ensure 100% renewable electricity*
[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:
☑ Oth 1

(7.54.2.2) Date target was set

09/30/2022

(7.54.2.3) Target coverage

Select from:
☑ Other, please specify

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Intensity

(7.54.2.5) Target type: category & metric (target numerator if reporting an intensity target)

Green finance

☑ Percentage of green investments

(7.54.2.6) Target denominator (intensity targets only)

Select from:

☑ Other, please specify :Total amount of granted loans to the energy sector (excluding transmission and distribution)

(7.54.2.7) End date of base year

12/31/2021

(7.54.2.8) Figure or percentage in base year

63

(7.54.2.9) End date of target

09/30/2030

(7.54.2.10) Figure or percentage at end of date of target

75

(7.54.2.11) Figure or percentage in reporting year

67

(7.54.2.12) % of target achieved relative to base year

33.3333333333

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

This target sits within and enforces our climate target setting approach for our electricity loan portfolio for which we have defined additionally an emission intensity target (kg CO2e/MWh) as referenced and explained under Por4 in question 7.53.4

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

The target focuses on granted loans in the energy sector. As the target objective is to use our lever to support the build-out of a renewable energy system the target coverage constitutes energy producers and therefore excludes the transmission and distribution subsector with a focus on energy producers. The target was first established in 2016, initially set at 65% by 2030 and strengthened in 2022 to 75%. The target supports and reinforces our Por4 emission intensity target on the electricity loan portfolio.

(7.54.2.19) Target objective

The target objective is to use our lever to support the build-out of a renewable energy system.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

As this is a target focuses on ensuring that our proportion of financing renewable energy exceeds conventional fossil energy production, our main efforts are focused on financing zero/low-carbon energy production (e.g. renewable energy projects). We monitor the progress on this target and report on it to our Internal Sustainability Board and Board of Directors two times per year. The anticipated progress on the target is 'variable' in that sense that we are evenly committed to support the national energy plans of our home countries which may intermediately create volatility in the progress of this target.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

03/31/2020

(7.54.3.3) Target Coverage

Select from:
☑ Organization-wide excluding portfolio

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Abs4

(7.54.3.5) End date of target for achieving net zero

09/29/2021

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

*In 2020 we have substantially increased our targets related to our own footprint: * We have enlarged the scope of the target to include commuter travel as well, which is a clear commitment towards greening our employee mobility policy, considering that commuter travel represents around 30% of our total GHG emissions. * We have committed to achieving net-climate neutrality as from 2021 by offsetting the balance (= NZ1). * At the same time, we will continue to reduce our actual own footprint and are committed to a -80% reduction of our total direct GHG emissions by 2030 (compared to base year 2015) (= Abs4 target). The Net-zero target reported in this question is linked to our absolute emission target to reduce our total own GHG emissions by -80% by 2030 (Abs4) and thus covers the following scope: Scope 1 emissions, Scope 2 emissions and Scope 3 emissions from commuter travel, business travel, paper and water consumption and waste generation. Since this target is linked to the emission reduction target Abs4, and we consider Abs4 to be science-based (aligned with 1.5°C scenario with the average annual reduction (i.e. 5.33%) surpassing the minimum annual linear reduction rates aligned with 1.5˚C scenario of 4.2% (as required by the SBTi, source: CDP Technical note on science-based targets)), we also consider this net-zero target to be science-based. In line with our commitment, we have reached net carbon neutrality with respect to our direct footprint for the fourth consecutive year in 2024 by investing in high-quality climate projects. We report on the latter in question 7.79.1.*

(7.54.3.11) Target objective

Neutralizing the climate impact associated with our own operational footprint.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we are currently purchasing and cancelling carbon credits for beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

In 2020 we committed to achieving net-climate neutrality with respect to our own operational footprint as from 2021 by offsetting the balance. We have taken 3 consecutive steps to achieve the goal of net climate neutrality as from 2021: 1) Measure: We have been calculating our GHG emissions from our own operations at group level since 2015. In doing so, we have gained insight into our direct impact on the climate and we have been able to pinpoint our main emission sources 2) Reduce: Based on the action plan of each core country, we have installed reduction plans and have set targets, which were tightened several times in previous' years. Thanks to the implementation of aforementioned action plans and related emission reduction initiatives, we have already yielded strong results in terms of GHG reductions. In recent years we have invested in switching to greener mobility. Additionally, we transitioned our own energy consumption to more sustainable sources. 3) Carbon offsetting: Whilst we will diligently continue our efforts to reduce our own footprint in line with our target to reach an 80% reduction in 2030 compared to 2015, which we consider to be 1.5C aligned (see Abs 4 in 7.53.1), we started to offset our residual own GHG emissions in 2021 to reach net-climate neutrality with respect to our own operational footprint. In 2024, we have chosen to invest in four climate projects (see question 7.79.1) which meet the highest standards.

(7.54.3.17) Target status in reporting year

Select from:

☑ Achieved

(7.54.3.19) Process for reviewing target

On an annual basis we calculate the emissions of our own operations, thereby measuring the progress that we make in reducing our own operational carbon emissions. The calculated carbon emissions are the basis for deciding on the amount of carbon offsets that we have to purchase.

Row 2

(7.54.3.1) Target reference number

Select from:
☑ NZ2

(7.54.3.2) Date target was set

09/29/2022

(7.54.3.3) Target Coverage

Select from:
☑ Banking (Bank)

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Por7

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply
☑ Scope 1

(7.54.3.9) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

See 7.53.4 Por7 target for further details on target coverage. As we have a target of 0 CO2/km by 2050 target we report it as a net zero target as well.

(7.54.3.11) Target objective

Supporting the decarbonization of road transport.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:
☑ No

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:
☑ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway

(7.54.3.19) Process for reviewing target

Our climate lending targets are minimally subject to 5-year review cycles.

Row 3

(7.54.3.1) Target reference number

Select from:
☑ NZ3

(7.54.3.2) Date target was set

09/29/2022

(7.54.3.3) Target Coverage

Select from:
☑ Banking (Bank)

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Por9

(7.54.3.5) End date of target for achieving net zero

03/10/2050

(7.54.3.6) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply
☑ Scope 1

(7.54.3.9) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

See 7.53.4 Por9 target for further details on target coverage. As we have a target of 0 CO2/km by 2050 target we report it as a net zero target as well.

(7.54.3.11) Target objective

Supporting the decarbonization of road transport.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:
☑ No

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:
☑ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway

(7.54.3.19) Process for reviewing target

Our climate lending targets are minimally subject to 5-year review cycles.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:
☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	*2*	*`Numeric input*
To be implemented	*4*	*500*
Implementation commenced	*19*	*1000*
Implemented	*10*	*1089*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Company policy or behavioral change
☑ Waste management

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

19

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply
☑ Scope 3 category 5: Waste generated in operations

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

671

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

0

(7.55.2.7) Payback period

Select from:
☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ Ongoing

(7.55.2.9) Comment

Waste reduction programs, in all core countries, lead to a reduction of 19 tons CO2e in scope 3 emissions (category 5 - waste). The investment price is included in budgets for training of staff (awareness) and in the regular waste management budget. We therefore indicated 0 as additional investment required.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings
☑ Heating, Ventilation and Air Conditioning (HVAC)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1069

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply
☑ Scope 1
☑ Scope 2 (location-based)
☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

37431

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

0

(7.55.2.7) Payback period

Select from:
☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

Gas and heat saving programs, mainly located in the Czech Republic, Hungary and Slovakia lead to a reduction of 772 tons CO2 in scope 1 emissions for on-site stationary combustion and scope 2 emissions for heating in 2024. We used the total emissions for these particular scope 1 and 2 emissions to calculate the emission reduction, since we believe that these gas and heating saving programs are the largest trigger for the emission reduction compared to previous reporting year.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Internal incentives/recognition programs

(7.55.3.2) Comment

Sustainability and environmental objectives are integrated into our remuneration policy: - We believe our top management has an important role in the implementation of our sustainability strategy. The variable remuneration of Executive Committee members is therefore partly linked to the progress in our sustainability strategy. In practical terms, one of the collective targets that determines their variable remuneration is related to the implementation of the sustainability strategy. The progress is evaluated every six months using the KBC Sustainability Dashboard. The ultimate assessment of the criteria used to evaluate the members of the Executive Committee lies with the Board of Directors via the Remuneration Committee. - Also, the variable remuneration of senior management is partly linked to sustainability performance. In concrete terms, at least 10% of the variable remuneration of senior management members is tied to the achievement of individual targets related to the implementation of the group's sustainability strategy. - Since 2012 the non-recurrent results based bonus (tax friendly part of the variable wage) of KBC employees in Belgium (representing ca. 40% of KBC Group staff) is linked to ESG-targets. The bonus scheme is based on their performance on a set of pre-determined targets. Some of these targets are linked to sustainability-related performance, including aspects of own footprint, employee development and cyber security. The targets are defined two years in advance and act as long-term incentives on the ESG goals.

Row 2

(7.55.3.1) Method

Select from:

☑ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

Compliance with regulatory standards such as ISO 14001 helps KBC to reduce the negative impact on the environment of its activities through an environmental management system. The KBC Group's operations in all core countries (Belgium, Bulgaria, Hungary, Slovakia and Czech Republic) are ISO 14001 certified at the end of current reporting year, resulting in a 100% coverage. Legal compliance audits have been executed. KBC Group Legal has built a register of environmental regulation which contains the applicable and for KBC relevant environmental legislation, on EU-level and the translation on the national levels.

Row 3

(7.55.3.1) Method

Select from:

☑ Employee engagement

(7.55.3.2) Comment

Training and awareness of employees: campaigns, actions with incentives, newsletters, internal sharepoint site,… Our employees are crucial in carrying out our sustainability philosophy. In this regard, we focus on creating a team spirit for 'Team Blue' on the topic of sustainability. We do so through training sessions specifically developed for our employees. We also want to incorporate sustainability in our daily business in a more playful manner. Which is why, we organized sustainability challenges in several of our core countries. Some examples: - In Belgium, KBC Brussels employees planted micro-forests in Uccle and Anderlecht, in collaboration with SOWoods - In Bulgaria, UBB and DZI employees planted 1000 spruce saplings on Vitosha mountain and committed to planting a tree for the first 1000 clients who asked a nature-related question via Kate - In Hungary, the K&H Animal Friendly Groves programme created green areas in 30 schools, planting 555 trees and 1110 shrubs to support biodiversity
[Add row]

(7.79) Has your organization retired any project-based carbon credits within the reporting year?

Select from:
☑ Yes

(7.79.1) Provide details of the project-based carbon credits retired by your organization in the reporting year.

Row 1

(7.79.1.1) Project type

Select from:
☑ Mangrove protection and restoration

(7.79.1.2) Type of mitigation activity

Select from:
☑ Carbon removal

(7.79.1.3) Project description

Project name (ID): Delta Blue Carbon – 1 (VCS2250) Location: The project is being implemented over an area of 350,000 ha in the Districts of Thatta and Sujawal in the Indus Delta Area, Sindh Province, Pakistan. Methodology: VM0033 Methodology for Tidal Wetland and Seagrass Restoration v2.0. Explanation: Mangrove forests provide valuable ecosystem services that contribute to human well-being. Besides storing carbon, they protect the coast from storms and form a nursery for many fish species. Over a number of decades, mangrove forests in the Indus Delta have experienced massive-scale deforestation and degradation. The Delta Blue Carbon Project will afforest and reforest a total of 224,997 hectares of degraded tidal wetlands in the Indus Delta Area (Sindh Province, Pakistan). As such, it leads to carbon removal. Next to this, this area holds great ecological value. By the afforestation and reforestation of degraded tidal wetlands, the project promotes climate change mitigation and adaptation. Furthermore, it contributes to the conservation of biodiversity as well as the protection of coastal areas, while also improving the livelihoods, wellbeing and employment of forest dependent local communities. Specifically, the project supports the livelihoods of 60 villages around the perimeter of the Project Area. These communities represent around 5,000 households and ca. 43,000 individuals.

(7.79.1.4) Credits retired by your organization from this project in the reporting year (metric tons CO2e)

5400

(7.79.1.5) Purpose of retirement

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at retirement?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at retirement

2017

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS/Verra (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Consideration of legal requirements

☑ Investment analysis

☑ Barrier analysis

☑ Standardized Approaches

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Activity-shifting

☑ Market leakage

☑ Ecological leakage

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Impact assessment: None of the implemented or proposed project activities are expected to have any negative impacts on biodiversity, including any of the areas HCVs. Interventions are specifically designed to restore mangrove forests and thus improve habitat, as well as reduce any direct threats to wildlife and biodiversity. Two main community groups are predicted to suffer potential costs from implementation of project activities. The project will mitigate for these negative impacts as follows: (1) Poachers, fuelwood collectors and illegal livestock grazers: although these are illegal activities, those undertaking them for basic livelihood support will be considered for direct employment in project restoration work. Regardless, they will have access to other general community benefits like improved ecosystem services, access to clean water and better education and health facilities. (2) Traders, middlemen and employers: this group will see diminished profits in the short-term, however, they should enjoy greater stability in the long-term from conducting legitimate business, leading to reduced conflicts with the law, employees and community. They will also benefit in the long term from sustainable ecosystem goods and services. Risks related to community participation e.g. reduced access to mangrove forests for fuelwood, fodder collection and open range grazing area for livestock by communities. Communities may feel deprived and get aggrieved. Risk

mitigation strategy: promotion and facilitation of alternative energy sources, alternative fodders, rotational grazing systems, promotion of alternative livelihood sources. Environmental risks: waste products from implementation of this project from construction/renovation activities (health centre construction, civic centre construction) and other infrastructure. Risk mitigation strategy: the project will adhere to the Provincial Environmental Law provisions and guidelines, as stipulated under the established Environmental Impact Assessment process in the applicable environmental law.

(7.79.1.14) Please explain

Serial number: 13912-534416098-534416843-VCS-VCU-466-VER-PK-14-2250-01012017-31122017-1; 13912-534423985-534428638-VCS-VCU-466-VER-PK-14-2250-01012017-31122017-1. Cancelation date: 11/03/2025. Business team: KBC Global Services – Group Corporate Sustainability. Project selection: Yearly, we launch a tender process related to the purchase of carbon credits for offsetting of our direct footprint. The participants hand in a proposal, that we review based on the criteria for partner and project selection. Based on a first analysis, the candidates are rejected, or invited for a call. During these calls, we ask the candidates more in-depth questions about a potential collaboration and their proposed projects. Based on the proposals and the Q&A session, each of the candidates is scored based on predetermined criteria. We specifically chose to invest in projects that address climate change, whilst simultaneously ensuring additional benefits for local communities and biodiversity conservation. Specifically this project also addresses SDG: 1, 2, 3, 4, 5, 6, 7, 8, 10,13, 14, 15. All the projects also have a clear link to our sustainability strategy. Please note that our due diligence process is aimed at selecting projects with a demonstrated real-world impact, but that ultimately this process relies on information supplied by third parties and is dependent on the availability of credits within those projects. This year we aimed to broaden the range of ecosystems included by investing in the protection of tropical rainforests as well as mangroves and peat swamp forests. Pricing information is withheld to protect commercially sensitive data

Row 2

(7.79.1.1) Project type

Select from:

☑ Landscape projects

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

Project name (ID): The Envira Amazonia Project - A Tropical Forest Conservation Project in Acre, Brazil (VCS1382) Location: The Envira Amazonia Project is located near Feijó in Acre Brazil. The property where the project area is located covers an area of 200000 hectares Methodology: VM0007: REDD Methodology Modules (REDD-MF) v1.5. Explanation: Tropical rainforests are home to many species and store large amounts of carbon. The Envira Amazonia Project aims to help protect

and preserve the rich biodiversity and wide range of ecosystem services provided by tropical forests. It does so by providing payments for ecosystem services. This is known as a Reducing Emissions from Deforestation and forest Degradation project (REDD project). Moreover, it will provide direct benefits to local communities and mitigate the release of about 12.6 million metric tonnes of carbon dioxide emissions over the first 10 years of the project. The project is registered under VCS and CCBS. The project involves engaging a large landowner that is willing to forgo the conversion of forest land to a ranching operation. Next to this it works together with the local communities that surround the area. The project generates GHG emission reductions by foregoing forest conversion to grassland in favor of conservation of the tropical forest. It also mitigates deforestation pressures in the region using a combination of environmental and social projects focused on improving the livelihoods of community members that live in the vicinity of the project area. Social programs and projects for the local communities generate sustainable economic opportunities and as a result lead to a reduction in deforestation in the region and the preservation of biodiversity.

(7.79.1.4) Credits retired by your organization from this project in the reporting year (metric tons CO2e)

16200

(7.79.1.5) Purpose of retirement

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at retirement?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at retirement

2012

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS/Verra (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Investment analysis

☑ Market penetration assessment

☑ Other, please specify :See column 13

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Activity-shifting

☑ Market leakage

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Certification: Next to the VCS label, the project is also certified by CCB-Biodiversity Gold, CCB-Climate Gold, CCB-Community Gold, CCB-Gold. Additionality: The tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project activities was used to: 1. identify the baseline scenario of the project. 2. Do a simple cost analysis 3. Do a common practice analysis Risk of reversal: The goals of the project are constantly being monitored. Furthermore, credits are only granted ex-post. There is also a buffer pool of credits. Furthermore, the project will mitigate deforestation pressures in the wider region using a combination of environmental programs and social programs intended to improve the livelihoods of community members living in the vicinity of the project area. Social projects and programs for the local communities will not only generate sustainable economic opportunities, but will also result in a reduction in deforestation in the region and the preservation of biodiversity. 1. Risk: encroachment by outside actors. Mitigation: ongoing forest patrols. 2. Risk: community members concerned about losing traditional livelihoods, which involves slash-and-burn agriculture, if they participate in the project. Mitigation: project offers agricultural extension training courses that will demonstrate alternatives to slash-and-burn agriculture. 3. Risk: community members concerned about potentially being removed from project area since they do not have title to the land. Mitigation: the Project shall grant official land title to the families to strengthen their land tenure. General: Next to choosing projects with benefits for the climate, we specifically choose projects that also have benefits for communities and biodiversity. Specifically, the Envira project addresses SDGs 3, 8, 11, 13 and 15.

(7.79.1.14) Please explain

Serial number: 12048-377954554-377970753-VCS-VCU-352-VER-BR-14-1382-01012017-31122017-1. Cancelation date: 11/03/2025. Business team: KBC Global Services – Group Corporate Sustainability. Project selection: Yearly, we launch a tender process related to the purchase of carbon credits for offsetting of our direct footprint. The participants hand in a proposal, that we review based on the criteria for partner and project selection. Based on a first analysis, the candidates are rejected, or invited for a call. During these calls, we ask the candidates more in-depth questions about a potential collaboration and their proposed projects. Based on the proposals and the Q&A session, each of the candidates is scored based on pre-determined criteria. We specifically chose to invest in projects that address climate change, whilst simultaneously ensuring additional benefits for local communities and biodiversity conservation. All the projects also have a clear link to our sustainability strategy. Please note that our due diligence process is aimed at selecting projects with a demonstrated real-world impact, but that ultimately this process relies on information supplied by third parties and is dependent on the availability of credits within those projects. This year we aimed to broaden the range of ecosystems included by investing in the protection of tropical rainforests as well as mangroves and peat swamp forests. Pricing information is withheld to protect commercially sensitive data

Row 3

(7.79.1.1) Project type

Select from:

☑ Landscape projects

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

Project name (ID): Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary (VCS1650) Location: The project takes place almost entirely within the Seima Protection Forest, which lies mainly in Mondulkiri Province with some sections extending into Kratie Province (Cambodia) Methodology: VM0015 Methodology for Avoided Unplanned Deforestation Explanation: The Keo Seima Wildlife Sanctuary (KSWS) is a haven for biodiversity and a vast storehouse of forest carbon. Spanning over 290,000 hectares, the protected area is home to a diverse array of wildlife, including 84 globally threatened species and the world's largest population of black-shanked douc and yellow-cheeked crested gibbon. The KSWS also holds a unique cultural significance for the Indigenous Bunong people, who have called this forest home for centuries and whose culture and livelihoods are deeply entwined with the forest. Despite the importance of this area, it faces a high threat of deforestation due to various factors, including forest conversion for agriculture and illegal logging. The Keo Seima Wildlife Sanctuary REDD Project (KSWS REDD), launched in 2010 as a collaboration between the Royal Government of Cambodia (RGC) and the Wildlife Conservation Society (WCS), has made impressive strides in reducing deforestation and promoting alternative livelihoods. The project has prevented the release of more than 20 million tons of CO2e

emissions and saved 25,000 hectares of forest from destruction. It has also created jobs, supported education and training initiatives, and established an ecotourism venture that supports local communities. The project has also distributed nearly 1 million through its Cash for Communities (C4C) program, a mechanism that shares the revenue of carbon credits sales. These funds go directly to local communities, who decide how they should be spent to support sustainable development activities such as healthcare, education, and infrastructure like wells and bridges. In Cambodia, the Ministry of Environment is at the forefront of protecting the country's protected areas, with a focus on preserving the nation's forests. The WCS is a leading global conservation organization operating in 60 countries and brings its extensive knowledge and experience in conservation to the project.

(7.79.1.4) Credits retired by your organization from this project in the reporting year (metric tons CO2e)

16200

(7.79.1.5) Purpose of retirement

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at retirement?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at retirement

2015

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS/Verra (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Investment analysis

☑ Market penetration assessment

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Activity-shifting

☑ Market leakage

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Additional certification: CCB-Biodiversity Gold; CCB-Gold Impact assessment: 1. Risk: restriction of income/development options as a result from project activities. Mitigation: investment in alternative and improved livelihoods. 2. Risk: selective enforcement or overly-harsh punishment of wildlife crime, conflict within community arising from community-based patrolling/monitoring systems. Mitigation: legal awareness and training, grievance mechanism, participatory approaches. 3. Risk: conflict over land allocation, tenure insecurity, changes in social dynamics. Mitigation: participatory approaches, grievance mechanism

(7.79.1.14) Please explain

Serial number: 9864-149852910-149864962-VCS-VCU-263-VER-KH-14-1650-01012015-31122015-1; 9864-149894980-149899126-VCS-VCU-263-VER-KH-14-1650-01012015-31122015-1. Cancelation date: 11/03/2025. Business team: KBC Global Services – Group Corporate Sustainability. Project selection: Yearly, we launch a tender process related to the purchase of carbon credits for offsetting of our direct footprint. The participants hand in a proposal, that we review based on the criteria for partner and project selection. Based on a first analysis, the candidates are rejected, or invited for a call. During these calls, we ask the candidates more in-depth questions about a potential collaboration and their proposed projects. Based on the proposals and the Q&A session, each of the candidates is scored based on pre-determined criteria. We specifically chose to invest in projects that address climate change, whilst simultaneously ensuring additional benefits for local communities and biodiversity conservation. All the projects also have a clear link to our sustainability strategy. Please note that our due diligence process is aimed at selecting projects with a demonstrated real-world impact, but that ultimately this process relies on information supplied by third parties and is dependent on the

availability of credits within those projects. This year we aimed to broaden the range of ecosystems included by investing in the protection of tropical rainforests as well as mangroves and peat swamp forests. Pricing information is withheld to protect commercially sensitive data

Row 4

(7.79.1.1) Project type

Select from:

☑ Peatland protection and restoration

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

Project name (ID): Katingan Restoration and Conservation Project (VCS1477) Location: Central Kalimantan, Indonesia. Methodology: VM0007 REDD+ methodological framework Explanation: The Katingan Mentaya Project is the world's largest forest-based avoided emissions initiative. Spanning 149,800 hectares of peatland, the project aims to prevent emissions by protecting and restoring the area, which is a critical carbon sink. Over 60 years (2010-2070), it is expected to generate more than 348 million tCO2e in emission reductions. The project collaborates with 34 local villages, fostering sustainable community development by helping them adapt to climate change impacts. Activities include improving access to clean water, promoting forest conservation, fostering women empowerment and supporting local livelihoods through initiatives like microfinancing and sustainable farming. By diversifying income sources and providing training in alternative careers, the project ensures long-term community involvement in forest protection.

(7.79.1.4) Credits retired by your organization from this project in the reporting year (metric tons CO2e)

16200

(7.79.1.5) Purpose of retirement

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at retirement?

Select from:
☑ Yes

(7.79.1.7) Vintage of credits at retirement

2010

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:
☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:
☑ VCS/Verra (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply
☑ Consideration of legal requirements
☑ Investment analysis
☑ Barrier analysis

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply
☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply
☑ Activity-shifting

☑ Market leakage

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Additional certifications: CCB-Gold. Impact assessment: The project area is home to numerous unique species, reflecting the region's diverse and sensitive ecosystem. The project protects at least 222 rare, threatened or endangered species such as the Bornean Gibbon, Orangutan, and Proboscis Monkey. Through initiatives like forest fire management, restoration of degraded lands, rewetting drained peatlands, and reducing deforestation, the project safeguards the natural forest ecosystem and its biodiversity. The project delivers exceptional community co-benefits through carbon-based finance and sustainable development initiatives. It has positively impacted over 3,700 individuals with improved livelihoods and increased well-being for 23,000 people. The project employs an average of 169 locals full-time per year and offers vocational and technical trainings. The project also supports the local government in improving the quality of basic education while encouraging more local community members to pursue higher education.

(7.79.1.14) Please explain

Serial numbers: 6359-307582140-307593142-VCU-016-APX-ID-14-1477-01012017-31122017-1; 6359-304121368-304126564-VCU-016-APX-ID-14-1477-01012017-31122017-1. Cancelation date: 11/03/2025. Business team: KBC Global Services – Group Corporate Sustainability. Project selection: Yearly, we launch a tender process related to the purchase of carbon credits for offsetting of our direct footprint. The participants hand in a proposal, that we review based on the criteria for partner and project selection. Based on a first analysis, the candidates are rejected, or invited for a call. During these calls, we ask the candidates more in-depth questions about a potential collaboration and their proposed projects. Based on the proposals and the Q&A session, each of the candidates is scored based on pre-determined criteria. We specifically chose to invest in projects that address climate change, whilst simultaneously ensuring additional benefits for local communities and biodiversity conservation. All the projects also have a clear link to our sustainability strategy. Please note that our due diligence process is aimed at selecting projects with a demonstrated real-world impact, but that ultimately this process relies on information supplied by third parties and is dependent on the availability of credits within those projects. This year we aimed to broaden the range of ecosystems included by investing in the protection of tropical rainforests as well as mangroves and peat swamp forests. Pricing information is withheld to protect commercially sensitive data.
[Add row]

C12. Environmental performance - Financial Services

(12.1) Does your organization measure the impact of your portfolio on the environment?

Banking (Bank)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

☑ Yes

(12.1.2) Disclosure metric

Select all that apply

☑ Financed emissions

☑ Other carbon footprinting and/or exposure metrics (as defined by TCFD)

(12.1.5) We measure the impact of our portfolio on forests

Select from:

☑ Yes

(12.1.8) We measure the impact of our portfolio on water

Select from:

☑ Yes

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☑ Yes

Investing (Asset manager)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

☑ Yes

(12.1.2) Disclosure metric

Select all that apply

☑ Financed emissions

☑ Other carbon footprinting and/or exposure metrics (as defined by TCFD)

(12.1.5) We measure the impact of our portfolio on forests

Select from:

☑ Yes

(12.1.8) We measure the impact of our portfolio on water

Select from:

☑ Yes

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☑ Yes

Investing (Asset owner)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

☑ Yes

(12.1.2) Disclosure metric

Select all that apply

☑ Financed emissions

☑ Other carbon footprinting and/or exposure metrics (as defined by TCFD)

(12.1.5) We measure the impact of our portfolio on forests

Select from:

☑ Yes

(12.1.8) We measure the impact of our portfolio on water

Select from:

☑ Yes

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☑ Yes

Insurance underwriting (Insurance company)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

☑ Yes

(12.1.2) Disclosure metric

Select all that apply

☑ Financed emissions

(12.1.5) We measure the impact of our portfolio on forests

Select from:

☑ Yes

(12.1.8) We measure the impact of our portfolio on water

Select from:

☑ No, and we do not plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:

☑ Lack of tools or methodologies available

(12.1.10) Explain why your organization does not measure its portfolio impact on water

Currently there is no tool or methodology available to measure the impact of insurance underwriting on water in the portfolio. However, we are closely monitoring developments in this area. In 2023 we also started a pilot exercise on water risks.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☑ Yes

[Fixed row]

(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.

Banking (Bank)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

☑ Loans

☑ Project finance

☑ Bonds

☑ Real estate

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

45801394

(12.1.1.3) % of portfolio covered in relation to total portfolio value

58.483

(12.1.1.4) Total value of assets included in the financed emissions calculation

197722250550.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

2.6

(12.1.1.6) Emissions calculation methodology

Select from:

☑ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

4

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

57045386

(12.1.1.9) Base year end

09/29/2021

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

All portfolio emission calculations are performed in line with the PCAF Global GHG Accounting Standard. For following asset classes we used asset- and subsector specific data: for the sectors and products subject of our portfolio targets Por3-Por14 as described under question 7.53.4 are based on asset- and subsector specific data. The calculations for the remainder of our portfolio are performed on a macro level rather than subsector-, company-financed or asset-specific emission factors or information. These thus only give a high-level indication about the emission weightiness of the different sectors and products in our loans portfolio. The real-world emissions of counterparty borrowers through our financing may differ. PCAF-based financed emission calculations shall improve over time and our endeavour is to continuously and transparently report on quality improvements and subsequent resulting restatements. For a small fraction of the portfolio no emissions could be calculated. This relates particularly to general purpose loans for private individuals which are excluded from the emission calculation due to the lack of indicative emission data.

Investing (Asset manager)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

☑ Bonds

☑ Equity investments

☑ Cash equivalents/money market instruments

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

29041916

(12.1.1.3) % of portfolio covered in relation to total portfolio value

61.43

(12.1.1.4) Total value of assets included in the financed emissions calculation

83850150485.55

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

78

(12.1.1.6) Emissions calculation methodology

Select from:

☑ Other, please specify :Trucost (S&P) data and methodology

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

30107767

(12.1.1.9) Base year end

12/30/2022

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

Absolute emission data from Trucost (S&P) in tonnes of CO2 equivalent are used to calculate this PAI (Principle Adverse Impact disclosure under the Sustainable Finance Disclosure Regulation). Please note that for scope 3 GHG emissions disclosure has improved but this still is based on some form of estimates for a significant portion of investments. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to report an entity level absolute emission number.

Investing (Asset owner)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

☑ Bonds

☑ Equity investments

☑ Cash equivalents/money market instruments

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

1459321

(12.1.1.3) % of portfolio covered in relation to total portfolio value

4

(12.1.1.4) Total value of assets included in the financed emissions calculation

2972594389.89

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

75

(12.1.1.6) Emissions calculation methodology

Select from:

☑ Other, please specify :Trucost (S&P) data and methodology

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

1835865

(12.1.1.9) Base year end

12/30/2022

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

Absolute emission data from Trucost (S&P) in tonnes of CO2 equivalent are used to calculate this PAI (Principle Adverse Impact disclosure under the Sustainable Finance Disclosure Regulation). Please note that for scope 3 GHG emissions disclosure has improved but this still is based on some form of estimates for a significant portion of investments. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to report an entity level absolute emission number. 4% of the total asset owner portfolio is covered, since this Principle Adverse Impact disclosure under the Sustainable Finance Disclosure Regulation only applies to the corporate investments linked to life insurance products.

Insurance underwriting (Insurance company)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

☑ Other, please specify :Insurance underwriting - private motor insurance and commercial lines (corporate insurance)

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

457229

(12.1.1.3) % of portfolio covered in relation to total portfolio value

67

(12.1.1.4) Total value of assets included in the financed emissions calculation

0.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

15

(12.1.1.6) Emissions calculation methodology

Select from:

☑ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

4.08

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

476615

(12.1.1.9) Base year end

09/29/2023

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

The methodology used and the calculation of our scope 1 and scope 2 insurance-associated emissions are fully based on the latest PCAF Guidance released. In November 2022, PCAF published its first standard for insurance to calculate insurance-associated Greenhouse gas emissions for commercial lines and personal lines. Other business lines are not yet included into this PCAF standard. In 2024, we reported our insurance-associated emissions for vehicles (a third time for our Belgian Insurance Company, but a second time for all other insurance companies in KBC Group) and for the commercial line (second time for all countries). All asset classes in scope of the PCAF standard were taken into account for this pilot. Since no PCAF standard calculations have yet been developed for the other business lines, they are therefore not included. The business lines that are in scope (personal motor insurance and commercial insurance) represent a major part of our total non-life insurance portfolio (e.g. 67% of the Belgian portfolio). We have used this percentage as a proxy to calculate the "% of portfolio covered in relation to total portfolio value". To determine the emissions per vehicle, we used a combination of own and proxy emission data per vehicle type. Currently, we lack data of our insured commercial clients. We therefore used the PCAF proxy emission factor database to identify their allocated emissions. The personal motor lines insurance portfolio of KBC Group covers all private cars, motorcycles, motorhomes and private, light-commercial vehicles. In total, this portfolio consisted of 2 699 160 vehicles at the end of September 2024. According to the PCAF methodology, this represents 283 382 tCO2e of insurance-associated emissions. The total insurance-associated emissions for the commercial lines in KBC Group's insurance portfolio stands at 173 847 t CO2e.
[Fixed row]

(12.1.3) Provide details of the other metrics used to track the impact of your portfolio on the environment.

Climate change

(12.1.3.1) Portfolio

Select from:
☑ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:
☑ Portfolio carbon footprint (tCO2e/Million invested)

(12.1.3.3) Metric value in the reporting year

224

(12.1.3.4) % of portfolio covered in relation to total portfolio value

60.5

(12.1.3.5) Total value of assets included in the calculation

204517686547

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

2.6

(12.1.3.7) Please explain the details and key assumptions used in your assessment

We calculated the total loan portfolio's carbon intensity (i.e. Scope 1 2 3 financed emissions over the total outstanding exposure in our loan portfolio). The figure disclosed in this row is the total loan portfolio emission intensity (we also calculate similar emission intensities for sector- or asset-specific loan portfolios). With this metric we are able to assess our portfolio carbon intensiveness and how it evolves over time. Per end- September 2024 the total loan portfolio carbon footprint stood at 224 tonnes CO2e / million euro outstanding exposure). Our approach to calculate loan portfolio carbon footprints is entirely driven and determined by available data. If and when available, we use the most detailed data available at client level. In absence of the latter we fall back on alternative PCAF-based calculation approaches based on emission factors. We report in detail in our Sustainability Report about the data quality of our calculations using the PCAF scorecard (1 (highest quality) to 5 (lowest quality). The metric reported above is for the total loan portfolio but the same portfolio carbon footprint metric is calculated for each sector in our loan portfolio. This helps us to detect carbon intensive hotspots in our loan portfolio. For a small fraction of the portfolio no emissions could be calculated. This relates particularly to general purpose loans for private individuals which are excluded from the emission calculation due to the lack of indicative emission data. For the portfolio footprint we used the PCAF Global GHG Accounting Standard to calculate the financed emissions (the numerator of the metric). For following asset classes we used asset- and subsector specific data for our financed emissions calculation: for the sectors and products subject of our portfolio targets Por3-Por14 as described under question 7.53.4 are based on asset- and/or subsector specific data. Portfolio emissions related to passenger car and light commercial vehicle financing and are based on asset-specific data. The calculations for the remainder of our portfolio are performed on a macro level rather than subsector-, company-financed or asset-specific emission factors or information. These thus only give a high-level indication about the emission weightiness of the different sectors and products in our loans portfolio. The real-world emissions of counterparty borrowers through our financing may differ. PCAF-based financed emission calculations shall improve over time and our endeavour is to continuously and transparently report on quality improvements and subsequent resulting restatements. The portfolio exposure percentage uses the in CDP question 1.10 reported value while in previous CDP questionnaire we used the loan portfolio value in the denominator.

Forests

(12.1.3.1) Portfolio

Select from:

☑ Investing (Asset manager)

(12.1.3.2) Portfolio metric

Select from:

☑ Share of investments in companies with sites/operations located in or near to biodiversity-sensitive areas or legally protected areas where activities of those investee companies negatively affect those areas (percentage)

(12.1.3.3) Metric value in the reporting year

17

(12.1.3.4) % of portfolio covered in relation to total portfolio value

56

(12.1.3.5) Total value of assets included in the calculation

76438359551

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

We use data from Trucost (S&P) to identify which companies have operations located in or near to biodiversity sensitive areas negatively affecting those areas. The reported number is the relative exposure of investments in these companies relative to total assets as reported in question 1.10.

Water

(12.1.3.1) Portfolio

Select from:

☑ Investing (Asset manager)

(12.1.3.2) Portfolio metric

Select from:

☑ Other metric for impact on water, please specify :Emissions to water (grammes of emissions to water generated by investee companies / Million invested)

(12.1.3.3) Metric value in the reporting year

4

(12.1.3.4) % of portfolio covered in relation to total portfolio value

21

(12.1.3.5) Total value of assets included in the calculation

28664384831

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

Data from Trucost is used to determine emissions to water in grammes. This is a sum of nutrients and organic pollutants, pesticides and fertilizers and acid and metal emissions to water. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to calculate an entity level absolute emission number. The calculated absolute number is then divided by total assets under management in million euro.

Biodiversity

(12.1.3.1) Portfolio

Select from:

☑ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:

☑ Other metric for impact on biodiversity, please specify :% of loan portfolio exposed material nature-related dependencies and impacts

(12.1.3.3) Metric value in the reporting year

13.3

(12.1.3.4) % of portfolio covered in relation to total portfolio value

100

(12.1.3.5) Total value of assets included in the calculation

338085000000

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

The Taskforce for Nature-related Financial Disclosures (TNFD) recommends that financial institutions disclose a metric that represents the exposure to a defined set of sectors considered to have material nature-related dependencies and impacts. For banks this is the absolute amount or percentage of lending volume. These sectors were identified by the TNFD based on input from knowledge partners and evidence of typical elevated dependencies and impacts in direct operations and upstream and downstream value chains. The sectors are listed in Annex 1 in TNFD's Additional guidance for financial institutions. We report the percentage of the total lending volume in TNFD sectors.

Water

(12.1.3.1) Portfolio

Select from:

☑ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:

☑ Other metric for impact on water, please specify :% of loan portfolio associated environmental impact from water-related pressures

(12.1.3.3) Metric value in the reporting year

40.5

(12.1.3.4) % of portfolio covered in relation to total portfolio value

60.5

(12.1.3.5) Total value of assets included in the calculation

204517686547

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

We calculated our loan portfolio's association with water-related environmental pressures by using the ENCORE method (Exploring Natural Capital Opportunities, Risks and Exposure). ENCORE is considered an industry standard. ENCORE sets out how the economy – sectors, subsectors and production processes – directly depend on and directly put pressure on nature. The methodology classifies nature pressures and ecosystem service dependencies from low to very high materiality for each production process. The figure of 40.5% reflects the portion of nature-related impact from our loan portfolio coming from water-related pressures. Largest water-related pressure identified came from 'emissions of toxic soil and water pollutants (26% of overall nature impacts of our loan portfolio) and 'emissions of nutrient soil and water pollutants' (7%).

Forests

(12.1.3.1) Portfolio

Select from:

☑ Investing (Asset owner)

(12.1.3.2) Portfolio metric

Select from:

☑ Share of investments in companies with sites/operations located in or near to biodiversity-sensitive areas or legally protected areas where activities of those investee companies negatively affect those areas (percentage)

(12.1.3.3) Metric value in the reporting year

1

(12.1.3.4) % of portfolio covered in relation to total portfolio value

15

(12.1.3.5) Total value of assets included in the calculation

10831522471

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

We use data from Trucost (S&P) to identify which companies have operations located in or near to biodiversity sensitive areas negatively affecting those areas. The reported number is the relative exposure of investments in these companies relative to total assets as reported in question 1.10.

Biodiversity

(12.1.3.1) Portfolio

Select from:

☑ Investing (Asset manager)

(12.1.3.2) Portfolio metric

Select from:

☑ Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas or legally protected areas where activities of those investee companies negatively affect those areas (percentage)

(12.1.3.3) Metric value in the reporting year

17

(12.1.3.4) % of portfolio covered in relation to total portfolio value

56

(12.1.3.5) Total value of assets included in the calculation

76438359551

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

We use data from Trucost (S&P) to identify which companies have operations located in or near to biodiversity sensitive areas negatively affecting those areas. The reported number is the relative exposure of investments in these companies relative to total assets as reported in question 1.10.

Biodiversity

(12.1.3.1) Portfolio

Select from:

☑ Investing (Asset owner)

(12.1.3.2) Portfolio metric

Select from:

☑ Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas or legally protected areas where activities of those investee companies negatively affect those areas (percentage)

(12.1.3.3) Metric value in the reporting year

1

(12.1.3.4) % of portfolio covered in relation to total portfolio value

15

(12.1.3.5) Total value of assets included in the calculation

10831522471

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

We use data from Trucost (S&P) to identify which companies have operations located in or near to biodiversity sensitive areas negatively affecting those areas. The reported number is the relative exposure of investments in these companies relative to total assets as reported in question 1.10.

Water

(12.1.3.1) Portfolio

Select from:

☑ Investing (Asset owner)

(12.1.3.2) Portfolio metric

Select from:

☑ Other metric for impact on water, please specify :Emissions to water (grammes of emissions to water generated by investee companies / Million invested)

(12.1.3.3) Metric value in the reporting year

0

(12.1.3.4) % of portfolio covered in relation to total portfolio value

15

(12.1.3.5) Total value of assets included in the calculation

10831522471

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

Data from Trucost is used to determine emissions to water in grammes. This is a sum of nutrients and organic pollutants, pesticides and fertilizers and acid and metal emissions to water. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to calculate an entity level absolute emission number. The calculated absolute number is then divided by total assets under management in million euro.

Forests

(12.1.3.1) Portfolio

Select from:

☑ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:

☑ Other metric for impact on forests, please specify :Percentage of loans to companies active in a forest commodity value chain.

(12.1.3.3) Metric value in the reporting year

0.46

(12.1.3.4) % of portfolio covered in relation to total portfolio value

27

(12.1.3.5) Total value of assets included in the calculation

90454051745.51

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0

(12.1.3.7) Please explain the details and key assumptions used in your assessment

We used the exposures reported in question 12.4 to determine the total exposure on companies active in the value chain of one or more commodities in scope (meaning, timber, palm oil, soy, cocoa, coffee, rubber, beef).
[Add row]

(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?

Banking (Bank)

(12.2.1) Portfolio breakdown

Select all that apply
☑ Yes, by asset class
☑ Yes, by industry
☑ Yes, by scope

Investing (Asset manager)

(12.2.1) Portfolio breakdown

Select all that apply
☑ Yes, by scope

(12.2.2) Please explain why you do not provide a breakdown of your portfolio impact on the climate

The setup of calculations allows for a breakdown by scope but not for a breakdown between equities and bonds or by industry type. Calculations at portfolio level combine all corporate exposures in one number.

Investing (Asset owner)

(12.2.1) Portfolio breakdown

Select all that apply

☑ Yes, by scope

(12.2.2) Please explain why you do not provide a breakdown of your portfolio impact on the climate

The setup of calculations allows for a breakdown by scope but not for a breakdown between equities and bonds or by industry type. Calculations at portfolio level combine all corporate exposures in one number.

Insurance underwriting (Insurance company)

(12.2.1) Portfolio breakdown

Select all that apply

☑ Yes, by asset class

☑ Yes, by industry

☑ Yes, by scope

[Fixed row]

(12.2.1) Break down your organization’s financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.

Row 1

(12.2.1.1) Portfolio

Select from:
☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:
☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:
☑ Power generation

(12.2.1.4) Asset class

Select from:
☑ Loans

(12.2.1.5) Clients'/investees' scope

Select from:
☑ Scope 1

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

2

(12.2.1.7) Value of assets covered in the calculation

2732159349

(12.2.1.8) Financed emissions or alternative metric

913570.13

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

We breakdown our absolute financed emissions into emission scopes (Scope 1, 2 and 3), by sector and by asset class. This row higlights the sector and scope breakdown foreseen for our electricity loan portfolio but we provide similar breakdowns for all sector loans and specific asset classes such as mortgage loans and vehicle financing. All of these breakdowns are available in the Facts & Figures of our 2024 Sustainability Report (see page 184-186).

Row 2

(12.2.1.1) Portfolio

Select from:

☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

☑ Power generation

(12.2.1.4) Asset class

Select from:

☑ Loans

(12.2.1.5) Clients'/investees' scope

Select from:
☑ Scope 2

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

0.01

(12.2.1.7) Value of assets covered in the calculation

2732159349

(12.2.1.8) Financed emissions or alternative metric

2796.26

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

We breakdown our absolute financed emissions into emission scopes (Scope 1, 2 and 3), by sector and by asset class. This row higlights the sector and scope breakdown foreseen for our electricity loan portfolio but we provide similar breakdowns for all sector loans and specific asset classes such as mortgage loans and vehicle financing. All of these breakdowns are available in the Facts & Figures of our 2024 Sustainability Report (see page 184-186).

Row 3

(12.2.1.1) Portfolio

Select from:

☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

☑ Power generation

(12.2.1.4) Asset class

Select from:

☑ Loans

(12.2.1.5) Clients'/investees' scope

Select from:

☑ Scope 3

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

1

(12.2.1.7) Value of assets covered in the calculation

2732159349

(12.2.1.8) Financed emissions or alternative metric

438503.11

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

We breakdown our absolute financed emissions into emission scopes (Scope 1, 2 and 3), by sector and by asset class. This row higlights the sector and scope breakdown foreseen for our electricity loan portfolio but we provide similar breakdowns for all sector loans and specific asset classes such as mortgage loans and vehicle financing. All of these breakdowns are available in the Facts & Figures of our 2024 Sustainability Report (see page 184-186).

Row 4

(12.2.1.1) Portfolio

Select from:

☑ Investing (Asset manager)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.5) Clients'/investees' scope

Select from:

☑ Scope 1

(12.2.1.7) Value of assets covered in the calculation

83263213082

(12.2.1.8) Financed emissions or alternative metric

1620054

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

Absolute emission data from Trucost (S&P) in tonnes of CO2 equivalent are used to calculate this disclosure for all industries combined. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to report an entity level absolute emission number.

Row 5

(12.2.1.1) Portfolio

Select from:

☑ Investing (Asset manager)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.5) Clients'/investees' scope

Select from:

☑ Scope 2

(12.2.1.7) Value of assets covered in the calculation

83263213082

(12.2.1.8) Financed emissions or alternative metric

589849

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

Absolute emission data from Trucost (S&P) in tonnes of CO2 equivalent are used to calculate this disclosure for all industries combined. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to report an entity level absolute emission number.

Row 6

(12.2.1.1) Portfolio

Select from:

☑ Investing (Asset manager)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.5) Clients'/investees' scope

Select from:

☑ Scope 3

(12.2.1.7) Value of assets covered in the calculation

83263213082

(12.2.1.8) Financed emissions or alternative metric

26832013

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

Absolute emission data from Trucost (S&P) in tonnes of CO2 equivalent are used to calculate this disclosure for all industries combined. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to report an entity level absolute emission number.

Row 7

(12.2.1.1) Portfolio

Select from:

☑ Investing (Asset owner)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.5) Clients'/investees' scope

Select from:

☑ Scope 1

(12.2.1.7) Value of assets covered in the calculation

3283824580

(12.2.1.8) Financed emissions or alternative metric

41565

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

Absolute emission data from Trucost (S&P) in tonnes of CO2 equivalent are used to calculate this disclosure for all industries combined. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to report an entity level absolute emission number.

Row 8

(12.2.1.1) Portfolio

Select from:

☑ Investing (Asset owner)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.5) Clients'/investees' scope

Select from:

☑ Scope 2

(12.2.1.7) Value of assets covered in the calculation

3283824580

(12.2.1.8) Financed emissions or alternative metric

16843

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

Absolute emission data from Trucost (S&P) in tonnes of CO2 equivalent are used to calculate this disclosure for all industries combined. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to report an entity level absolute emission number.

Row 9

(12.2.1.1) Portfolio

Select from:

☑ Insurance underwriting (Insurance company)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:
☑ Food, beverage & agriculture

(12.2.1.4) Asset class

Select from:
☑ Other, please specify :Commercial insurance lines (PCAF definition)

(12.2.1.5) Clients'/investees' scope

Select from:
☑ Scope 1

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

36

(12.2.1.7) Value of assets covered in the calculation

97837998

(12.2.1.8) Financed emissions or alternative metric

63108

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

In this breakdown we have shown the calculated insurance-associated emissions for the specific assets of the commercial lines in our Group portfolio specifically for the Agriculture, Food and Beverages portfolio (NACE codes 1,2,3, 10 and 11). The definition of Commercial Lines has been determined by PCAF (Property, Liability/Casualty, Commercial motor, Marine, Aviation, Agriculture, Trade credit, All other engineering lines, Other/Special lines (e.g. workers compensation)). In this line we have specifically disclosed the breakdown of insurance-associated emissions related to the mentioned commercial insurance lines for the scope 1 and 2 emissions of the mentioned sectors (based on the level 5 PCAF methodology).

Row 10

(12.2.1.1) Portfolio

Select from:

☑ Investing (Asset owner)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.5) Clients'/investees' scope

Select from:

☑ Scope 3

(12.2.1.7) Value of assets covered in the calculation

3283824580

(12.2.1.8) Financed emissions or alternative metric

1400913

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

Absolute emission data from Trucost (S&P) in tonnes of CO2 equivalent are used to calculate this disclosure for all industries combined. To assign absolute emission data to an investment the fraction of enterprise value we own is used. All assigned values in this way are summed to report an entity level absolute emission number. [Add row]

(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.

Lending to all fossil fuel assets

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

1852546539

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

381496476

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.9

(12.3.6) Details of calculation

The outstanding exposure data selection is based on the TCFD suggestion defining carbon-related assets as those assets tied to the energy and utilities sectors under GICS, excluding water utilities and independent power and renewable electricity producer industries (1). The GICS sectors in scope have been mapped to the

internal KBC credit activity codes. The resulting industries in scope are in the Energy sector coal, energy distribution, fuels, oil and gas and in the Utility sector the scope is limited to oil & gas utilities active in transmission and distribution activities. While electric utilities are in scope according to the GICS selection, we have no detail of the share of nuclear, gas and renewable energy production in the total production for utilities. It is assumed that the bulk of the generated power is nuclear and renewable energy, which are not in scope of fossil fuels and thus electric utilities exposure is not included in our data. KBC has EUR 98.8 mln exposure on companies active both in oil and gas, of which 95% related to one company). The EUR 98.8 mln exposure on these companies has been allocated in line with the share of respectively the oil and the gas activities for the company with the largest exposure, being 72% allocated to lending to oil and 28% to lending to gas. The largest part of the KBC carbon-related assets lending consists of lending to companies active in trading, distribution and storage of gas and oil. KBC has no exposure on thermal or metallurgical coal companies. (1) Task Force on Climate-related Financial Disclosures (2017). "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures. The percentage of portfolio value reflects the share in KBC's total outstanding loan portfolio - all figures are per 31DEC24.

Lending to thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

KBC has an exclusion policy in place with regards to thermal coal financing.

Lending to met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

See explanation in row 'lending to all fossil fuel assets'.

Lending to oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

212759173

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

54316415

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.1

(12.3.6) Details of calculation

See explanation in row 'lending to all fossil fuel assets'.

Lending to gas

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

1639787365

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

327180061

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.8

(12.3.6) Details of calculation

See explanation in row 'lending to all fossil fuel assets'.

Investing in all fossil fuel assets (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

1119223508

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.8

(12.3.6) Details of calculation

we took the sum of all assets described in the four below categories: thermal coal, metallurgical coal, oil and gas assets.

Investing in thermal coal (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

345151696

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.3

(12.3.6) Details of calculation

All companies involved in the extraction of thermal coal and power generating companies that use thermal coal to produce electricity. Data sources used are Morningstar Sustainalytics and Bloomberg. These companies are excluded for active investment solutions according to our exclusion policy on thermal coal. However some small exposures are reported here relating to positions in passive funds following a benchmark containing some of these companies.

Investing in met coal (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

26564645

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.1

(12.3.6) Details of calculation

Refinitiv screening on companies in GICS industry group "Metals and Mining" having coal in company description and not on thermal coal list. Some companies not related to coal mining are deliberated manually.

Investing in oil (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

713433737

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.5

(12.3.6) Details of calculation

All companies in GICS energy except the gas assets.

Investing in gas (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

34073429

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.1

(12.3.6) Details of calculation

All companies in GICS energy with "gas" in company description of Refinitiv and not "oil" and related to coal.

Investing all fossil fuel assets (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

24000446

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

We took the sum of all assets described in the four below categories: thermal coal, metallurgical coal, oil and gas assets. The selection criteria are detailed below.

Investing in thermal coal (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

13718649

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

All companies involved in the extraction of thermal coal and power generating companies that use thermal coal to produce electricity. Data sources used are Morningstar Sustainalytics and Bloomberg.

Investing in met coal (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

Refinitiv screening on companies in GICS industry group "Metals and Mining" having coal in company description and not on thermal coal list. Some companies not related to coal mining are deliberated manually.

Investing in oil (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

10281797

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

All companies in GICS energy except the gas assets.

Investing in gas (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

All companies in GICS energy with "gas" in company description of Refinitiv and not "oil" and related to coal.

Insuring all fossil fuel assets

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

612009976

(12.3.4) Total premium written in reporting year (unit currency - as specified in 1.2)

4086644

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.2

(12.3.6) Details of calculation

The methodology for determining the reported figures is based on the selection of relevant NACE codes to determine the exposure to fossil fuels. This approach by definition determines a broad scope as not necessarily fossil fuel assets are directly part of the underlying insurance contracts. The total premium written was assessed via 'gross written or earned premiums'. The value of fossil fuel assets was based on total sum insured in the property insurance (building and content). For other product lines, like motor and liability insurance, it is not possible to retrieve the value of the underlying asset as this is not registered in the insurance policy. Ultimately, the percentage of fossil fuel assets in the total insurance portfolio was based on the ratio of total premiums written to total Non-Life insurance gross premiums written.

Insuring thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.4) Total premium written in reporting year (unit currency - as specified in 1.2)

189

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

See above. The small premium relates to an MTPL insurance (Motor Third Party Liability Insurance) in one of our home country markets where the underlying insurance product is by law required to be provided by the insurer.

Insuring met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.4) Total premium written in reporting year (unit currency - as specified in 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

See above.

Insuring oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

400084665

(12.3.4) Total premium written in reporting year (unit currency - as specified in 1.2)

1835115

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.1

(12.3.6) Details of calculation

See above.

Insuring gas

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

211925311

(12.3.4) Total premium written in reporting year (unit currency - as specified in 1.2)

2251339

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.1

(12.3.6) Details of calculation

See above.
[Fixed row]

(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.

Lending to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

80104592.91

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

10499467.39

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production
☑ Processing
☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

16328844.63

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

89886286.35

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

14902626.31

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Processing
☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

9590948.78

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☑ Production

☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

6737895.85

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☑ Production

☑ Processing

☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

191317003.68

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☑ Production

☑ Processing

☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

96081320.66

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Investing (asset manager) to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset manager) to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

6147301

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Investing (asset manager) to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ No

Investing (asset manager) to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ No

Investing (asset manager) to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset manager) to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ No

Investing (asset manager) to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ No

Investing (asset owner) to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ No

Investing (asset owner) to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ No

Investing (asset owner) to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Insuring companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

1

(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

1496016.18

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Insuring companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production
☑ Processing
☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

1

(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

57474

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Insuring companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

1

(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

806760.06

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Insuring companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☑ Processing

☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

1

(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

52310

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Insuring companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☑ Production

☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

1

(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

5164

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Insuring companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production
☑ Processing
☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

1

(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

97649

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Insuring companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☑ Production

☑ Processing

☑ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

1

(12.4.5) Total premium written in reporting year (unit currency – as specified in 1.2)

5689

(12.4.6) % value of the exposure in relation to your total portfolio value

0

[Fixed row]

(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

Banking (Bank)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:

☑ Yes

(12.5.2) Taxonomy under which portfolio alignment is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(12.5.3) Total assets in your portfolio (unit currency as selected in 1.2)

338085000000.00

(12.5.4) Total assets covered in the calculation of the taxonomy KPIs in the reporting year

209067975825

(12.5.5) Total assets excluded from the calculation of your alignment KPIs in the reporting year

129016759529

(12.5.6) Aligned assets based on turnover of investees in the reporting year (unit currency as selected in 1.2)

1028247260

(12.5.7) Share of aligned assets based on turnover of investees out of total assets in the reporting year

0.5

(12.5.8) Eligible assets based on turnover of investees in the reporting year

85777803859

(12.5.9) Share of eligible assets based on turnover of investees in the reporting year out of total assets in the reporting year

41

(12.5.10) Aligned assets based on CAPEX of investees in the reporting year (unit currency as selected in 1.2)

890411192

(12.5.11) Share of aligned assets based on CAPEX of investees out of total asset in the reporting year

0.4

(12.5.12) Eligible assets based on CAPEX of investees in the reporting year

85989741172

(12.5.13) Share of eligible assets based on CAPEX of investees out of total asset in the reporting year

41.1

(12.5.14) Share of aligned assets contributing to climate change mitigation based on turnover of investees in the reporting year

98

(12.5.15) Share of aligned assets contributing to climate change mitigation that is transitional based on turnover of investees in the reporting year

53.3

(12.5.16) Share of aligned assets contributing to climate change mitigation that is enabling based on turnover of investees in the reporting year

19.4

(12.5.17) Share of aligned assets contributing to climate change adaptation based on turnover of investees in the reporting year

2

(12.5.18) Share of aligned assets contributing to climate change adaptation that is adapted based on turnover of investees in the reporting year

2

(12.5.19) Share of aligned assets contributing to climate change adaptation that is enabling based on turnover of investees in the reporting year

1.7

(12.5.20) Share of aligned assets contributing to climate change mitigation based on CAPEX of investees in the reporting year

96.5

(12.5.21) Share of aligned assets contributing to climate change mitigation that is transitional based on CAPEX of investees in the reporting year

26.8

(12.5.22) Share of aligned assets contributing to climate change mitigation that is enabling based on CAPEX of investees in the reporting year

34.9

(12.5.23) Share of aligned assets contributing to climate change adaptation based on CAPEX of investees in the reporting year

3.5

(12.5.24) Share of aligned assets contributing to climate change adaptation that is adapted based on CAPEX of investees in the reporting year

3.5

(12.5.25) Share of aligned assets contributing to climate change adaptation that is enabling based on CAPEX of investees in the reporting year

2.2

(12.5.32) “Do No Significant Harm” requirements met

Select from:
☑ Yes

(12.5.33) Details of “Do No Significant Harm” analysis

Our Green Asset Ratio is based on the Turnover and Capex KPI provided by our counterparties. The DNSH analysis is hence done by these counterparties.

(12.5.34) Details of calculation

Not applicable

Investing (Asset manager)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:
☑ Yes

(12.5.2) Taxonomy under which portfolio alignment is being reported

Select from:
☑ EU Taxonomy for Sustainable Activities

(12.5.3) Total assets in your portfolio (unit currency as selected in 1.2)

136497070626.00

(12.5.4) Total assets covered in the calculation of the taxonomy KPIs in the reporting year

87650507751

(12.5.5) Total assets excluded from the calculation of your alignment KPIs in the reporting year

27618875538

(12.5.6) Aligned assets based on turnover of investees in the reporting year (unit currency as selected in 1.2)

1604234324

(12.5.7) Share of aligned assets based on turnover of investees out of total assets in the reporting year

1.8

(12.5.8) Eligible assets based on turnover of investees in the reporting year

7668924939

(12.5.9) Share of eligible assets based on turnover of investees in the reporting year out of total assets in the reporting year

8.8

(12.5.10) Aligned assets based on CAPEX of investees in the reporting year (unit currency as selected in 1.2)

2269910615

(12.5.11) Share of aligned assets based on CAPEX of investees out of total asset in the reporting year

2.6

(12.5.12) Eligible assets based on CAPEX of investees in the reporting year

8408543256

(12.5.13) Share of eligible assets based on CAPEX of investees out of total asset in the reporting year

9.6

(12.5.14) Share of aligned assets contributing to climate change mitigation based on turnover of investees in the reporting year

96.4

(12.5.15) Share of aligned assets contributing to climate change mitigation that is transitional based on turnover of investees in the reporting year

4.9

(12.5.16) Share of aligned assets contributing to climate change mitigation that is enabling based on turnover of investees in the reporting year

56.6

(12.5.17) Share of aligned assets contributing to climate change adaptation based on turnover of investees in the reporting year

3.6

(12.5.18) Share of aligned assets contributing to climate change adaptation that is adapted based on turnover of investees in the reporting year

3.6

(12.5.19) Share of aligned assets contributing to climate change adaptation that is enabling based on turnover of investees in the reporting year

0.4

(12.5.20) Share of aligned assets contributing to climate change mitigation based on CAPEX of investees in the reporting year

95

(12.5.21) Share of aligned assets contributing to climate change mitigation that is transitional based on CAPEX of investees in the reporting year

7

(12.5.22) Share of aligned assets contributing to climate change mitigation that is enabling based on CAPEX of investees in the reporting year

50.5

(12.5.23) Share of aligned assets contributing to climate change adaptation based on CAPEX of investees in the reporting year

5

(12.5.24) Share of aligned assets contributing to climate change adaptation that is adapted based on CAPEX of investees in the reporting year

5

(12.5.25) Share of aligned assets contributing to climate change adaptation that is enabling based on CAPEX of investees in the reporting year

0.5

(12.5.32) “Do No Significant Harm” requirements met

Select from:
☑ Yes

(12.5.33) Details of “Do No Significant Harm” analysis

Our Green Assets under Management Ratio is based on the Turnover and Capex KPI provided by our counterparties. The DNSH analysis is hence done by these counterparties.

(12.5.34) Details of calculation

Not applicable

Investing (Asset owner)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:
☑ Yes

(12.5.2) Taxonomy under which portfolio alignment is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(12.5.3) Total assets in your portfolio (unit currency as selected in 1.2)

74314859747.23

(12.5.4) Total assets covered in the calculation of the taxonomy KPIs in the reporting year

26533255124

(12.5.5) Total assets excluded from the calculation of your alignment KPIs in the reporting year

11392813943

(12.5.6) Aligned assets based on turnover of investees in the reporting year (unit currency as selected in 1.2)

370920469

(12.5.7) Share of aligned assets based on turnover of investees out of total assets in the reporting year

1.4

(12.5.8) Eligible assets based on turnover of investees in the reporting year

3937751836

(12.5.9) Share of eligible assets based on turnover of investees in the reporting year out of total assets in the reporting year

14.8

(12.5.10) Aligned assets based on CAPEX of investees in the reporting year (unit currency as selected in 1.2)

479171350

(12.5.11) Share of aligned assets based on CAPEX of investees out of total asset in the reporting year

1.8

(12.5.12) Eligible assets based on CAPEX of investees in the reporting year

4221029053

(12.5.13) Share of eligible assets based on CAPEX of investees out of total asset in the reporting year

15.9

(12.5.14) Share of aligned assets contributing to climate change mitigation based on turnover of investees in the reporting year

95

(12.5.15) Share of aligned assets contributing to climate change mitigation that is transitional based on turnover of investees in the reporting year

5.6

(12.5.16) Share of aligned assets contributing to climate change mitigation that is enabling based on turnover of investees in the reporting year

45.5

(12.5.17) Share of aligned assets contributing to climate change adaptation based on turnover of investees in the reporting year

5

(12.5.18) Share of aligned assets contributing to climate change adaptation that is adapted based on turnover of investees in the reporting year

5

(12.5.19) Share of aligned assets contributing to climate change adaptation that is enabling based on turnover of investees in the reporting year

3.5

(12.5.20) Share of aligned assets contributing to climate change mitigation based on CAPEX of investees in the reporting year

96

(12.5.21) Share of aligned assets contributing to climate change mitigation that is transitional based on CAPEX of investees in the reporting year

8.4

(12.5.22) Share of aligned assets contributing to climate change mitigation that is enabling based on CAPEX of investees in the reporting year

41.3

(12.5.23) Share of aligned assets contributing to climate change adaptation based on CAPEX of investees in the reporting year

4

(12.5.24) Share of aligned assets contributing to climate change adaptation that is adapted based on CAPEX of investees in the reporting year

4

(12.5.25) Share of aligned assets contributing to climate change adaptation that is enabling based on CAPEX of investees in the reporting year

10.1

(12.5.32) “Do No Significant Harm” requirements met

Select from:
☑ Yes

(12.5.33) Details of “Do No Significant Harm” analysis

Our Green Investment Ratio is based on the Turnover and Capex KPI provided by our counterparties. The DNSH analysis is hence done by these counterparties.

(12.5.34) Details of calculation

Not applicable

Insurance underwriting (Insurance company)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:
☑ Yes

(12.5.2) Taxonomy under which portfolio alignment is being reported

Select from:
☑ EU Taxonomy for Sustainable Activities

(12.5.30) Gross premiums written for taxonomy-aligned non-life insurance and reinsurance activities

43104555

(12.5.31) Total premiums written

2564175215

(12.5.32) “Do No Significant Harm” requirements met

Select from:
☑ Yes

(12.5.33) Details of “Do No Significant Harm” analysis

Do Not Significantly Harm - Climate Mitigation: The activity does not include insurance of the extraction, storage, transport or manufacture of fossil fuels or insurance of vehicles, property or other assets dedicated to such purposes. KBC has a policy in place which excludes these kind of activities.

(12.5.34) Details of calculation

KBC has a policy in place which exclude these kind of activities.
[Fixed row]

(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	Select from: ☑ Yes

[Fixed row]

(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

Row 1

(12.6.1.1) Environmental issue

Select all that apply

☑ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☑ Mitigation

(12.6.1.3) Portfolio

Select from:

☑ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☑ Real estate

(12.6.1.5) Type of product classification

Select all that apply

☑ Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ Externally classified using other taxonomy or methodology, please specify :according to the EU Taxonomy - using estimates

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Energy efficiency measures

☑ Green buildings and equipment

(12.6.1.8) Description of product/service

We offer financing for energy efficient residential buildings. These mortgage loans meet the criteria of the EU Taxonomy, however we do not have access to all the required documentation for each individual file. Here, we used reliable proxies and estimates to calculate the share of our mortgage portfolio that complies with EU Taxonomy criteria. For example, we used rules of thumb to determine whether the financed houses are considered new constructions or acquisitions of an existing house. This allowed us to check the Substantial Contribution criteria for energy performance for these portfolios. An example of how we verify 'Do No Significant Harm' criteria is our use of available flood maps to exclude houses in flood-prone areas. We used proxies to estimate the Taxonomy Alignment of our mortgage portfolio in Belgium. For more details on the methodology used, we refer to the our 2024 Sustainability Report p203. In Belgium Flanders region these assets amounts to 2 442 million EURO which represents 5.3 percent of the total mortgage portfolio in Belgium (46 255 million EURO)

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0.7

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

5.3

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☑ Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

We estimated the share of our mortgage portfolio that complies with the EU Taxonomy alignment criteria based on reliable proxies and statistical evidence. For the substantial contribution criteria we follow the rules as specified in the EU Taxonomy. For the Do No Significant Harm DNSH criteria regarding Climate Change Adaptation we focus on the flood risk of the houses in our mortgages portfolio. More specifically we exclude all mortgages to houses located in floodprone areas. This focus was established based upon an internal physical and transition risk analysis that was performed by sector risk sustainability and insurance experts. The aim of the analysis was to assess the materiality of different risk drivers amongst other climate related hazards. We identified water related risks as the most material climate related risk for the Belgian real estate sectors.

Row 2

(12.6.1.1) Environmental issue

Select all that apply

☑ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☑ Mitigation

(12.6.1.3) Portfolio

Select from:

☑ Investing (Asset owner)

(12.6.1.4) Asset class

Select from:

☑ Equity investments

(12.6.1.5) Type of product classification

Select all that apply

☑ Other product classification, please specify :Including ESG criteria in our own investments including a.o. exclusion criteria regarding fossil fuels

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ Externally classified using other taxonomy or methodology, please specify :Considering ESG characteristics in conducting business operations

☑ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Carbon removal

☑ Energy efficiency measures

☑ Green buildings and equipment

☑ Renewable energy

(12.6.1.8) Description of product/service

At the end of 2020, the KBC Group Investment Policy was updated to reflect the increased level of KBC's ambitions in terms of sustainability and more particularly environment and climate related topics. Additionally, all new investments in equity and non-sovereign bonds made by KBC entities for their own account are now (as of February 2024) required to comply with the full list of exclusion criteria defined by KBC Asset Management for their responsible investment (RI) funds, alongside exclusion policies that were already in place for several years, such as KBC's blacklists of specific companies, human rights offenders and controversial regimes. As a consequence, additional exclusions apply to the group's own investments, such as exclusions for activities relating to fossil fuels (and thermal coal-related activities in particular), power generating facilities, controversial and conventional weapons, companies with activities in countries with controversial regimes, gambling, tobacco, adult entertainment, fur and specialty leather. Through this alignment with KBC Asset Management, KBC's own investments also benefit from the solid expertise and governance structure already applicable to our RI funds, including but not limited to the permanent external challenge of our policies and asset selection by the RI Advisory Board. This policy was applied from the beginning of 2021 (with only one exception for normative screening until February 2024) to all future investments (e.g. bonds as well as equities) made by KBC for its own account, for our group insurance companies or any other group entities. In the case of

existing investments, a grandfathering period was granted (until the end of 2022 for equities and the maturity date for bonds). However, bonds that fail to meet these new criteria generally have a short maturity profile (typically less than five years). Furthermore, as part of their regular investment decisions, the relevant committees have already decided to prematurely sell certain positions because of climate related concerns and appropriate risk management measures.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0.4

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

0.4

Row 3

(12.6.1.1) Environmental issue

Select all that apply

☑ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☑ Mitigation

(12.6.1.3) Portfolio

Select from:

☑ Investing (Asset manager)

(12.6.1.4) Asset class

Select from:

☑ Equity investments

(12.6.1.5) Type of product classification

Select all that apply

☑ Other product classification, please specify :Considering ESG characteristics in conducting business operations

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ Externally classified using other taxonomy or methodology, please specify :Towards Sustainability quality standard

☑ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Carbon removal

☑ Energy efficiency measures

☑ Green buildings and equipment

☑ Renewable energy

(12.6.1.8) Description of product/service

KBC has been a pioneer in the field of responsible investment (RI) for over 30 years. All of KBC's RI funds in Belgium comply with the 'Towards Sustainability' quality standard developed at the instigation of and monitored by the Central Labelling Agency. We want to enable our clients to invest in companies and countries that recognize their social and environmental responsibility. By the end of 2024, we had increased the volume invested in RI funds to EUR 50 billion. This represented more than 40 percent of direct client money and slightly more than 50 percent of annual fund productions in 2024 (gross sales). We ask investors to state their sustainability preferences and take these into account when providing investment advice. KBC Asset Management has signed up to Climate Action 100+. The purpose of this initiative is to reach out to companies that have significant potential to contribute to the transition to clean energy. Our responsible investment policy is supervised by the independent RI Advisory Board, consisting of academics. We remain to see RI funds as our first offer and preferred investment solutions. We therefore actively promote them among our clients, especially in our digital sales channels, even though the final choice remains with the client. In 2023, we reviewed our RI related targets. We tightened the targets on the share of RI funds in total annual fund production. We also introduced a new target on the share of RI in total assets under distribution, replacing the former volume target. Our goal is for RI funds to account for at least 55 percent of total assets under distribution (AUD), and 65 percent of total annual fund production by 2030. On top of that, we also set a new target to reduce the carbon intensity of the corporate investees in RI funds by 50 percent compared to the end of 2030. By year end 2024, the carbon intensity of the funds in scope for the carbon reduction target was already lower than the 2030 target. The disclosure and reduction of carbon intensity enables our clients to decrease their carbon intensity related to investments. Next to this we actively promote

sustainable development by selecting green bonds and investing in issuers having at least 20 percent revenue exposure to sustainable activities (which we collect from several data providers). RI funds commit to invest a minimum amount of the fund in these instruments thus enabling our clients to have an exposure to these instruments.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

40

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

90

Row 4

(12.6.1.1) Environmental issue

Select all that apply

☑ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☑ Adaptation

(12.6.1.3) Portfolio

Select from:

☑ Insurance underwriting (Insurance company)

(12.6.1.5) Type of product classification

Select all that apply

☑ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ The EU Taxonomy for environmentally sustainable economic activities

☑ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Ecosystem restoration

☑ Energy efficiency measures

☑ Green buildings and equipment

☑ Low-emission transport

☑ Renewable energy

(12.6.1.8) Description of product/service

All insurance companies have developed specific insurance solutions/conditions for electric vehicles in an effort to support the electrification of mobility. Next to that, all insurance companies, and in most cases within the standard home insurance policies - cover renewable energy sources for private use. And in the event of severe damage, they all cover the additional costs (up to a certain limit) of reconstructing residential buildings in accordance with the latest building regulations and/or using more environmentally friendly materials. In one core country we offer environmental impairment liability cover for small and medium sized enterprises which facilitates relevant policyholders' access to the statutorily required insurance for the costs of site clean-up or biodiversity restoration..

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

1.7

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

1.7

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☑ No

Row 5

(12.6.1.1) Environmental issue

Select all that apply

☑ Water

(12.6.1.3) Portfolio

Select from:

☑ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☑ Loans

(12.6.1.5) Type of product classification

Select all that apply

☑ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ WASH services

☑ Water supply and sewer networks infrastructure

☑ Flood/drought resilience
☑ Water treatment infrastructure
☑ Wastewater treatment infrastructure
☑ Water resources and ecosystem protection

(12.6.1.8) Description of product/service

In Belgium an opportunity track is initiated with the aim of being a partner in transition, also for water. The focus for this opportunity track will be on large water-intensive companies. This water opportunity track incorporates a client awareness campaign, an engagement strategy as well as a vision on water-related client product offer. For the engagement phase we partner up with Encon, our existing sustainability partner in Belgium, in the role of technology independent advisor. The offer consist of a Water Audit and Water Concept analysis in which Encon supports the customer in defining the challenge, selecting possible technologies and partners, making up the business case, project management,… This will be done in close cooperation with water technology companies who will ultimately implement the solution. This client journey should ultimately lead to more dedicated water-related financing and customers who are better prepared for the future.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

0

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:
☑ No

Row 6

(12.6.1.1) Environmental issue

Select all that apply
☑ Water

(12.6.1.3) Portfolio

Select from:

☑ Investing (Asset manager)

(12.6.1.4) Asset class

Select from:

☑ Equity investments

(12.6.1.5) Type of product classification

Select all that apply

☑ Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Wastewater treatment infrastructure

☑ Water resources and ecosystem protection

☑ Water supply and sewer networks infrastructure

☑ Water treatment infrastructure

(12.6.1.8) Description of product/service

We offer to our clients a thematic water fund classified as art.9 under SFDR. The fund invests in companies related to water. The exposure of companies to water is measures as a percentage of revenues based on external data providers and internal research. The fund commits to have a weighted average revenue exposure to water related themes of at least 50%.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

1

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

90

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☑ Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

The exclusion policy of Responsible Investing funds takes into account the Principal Adverse impacts as defined by the EU SFDR regulation. More details can be found in this document: https://multimediafiles.kbcgroup.eu/ng/published/kbc/zip/Uitsluitingsbeleid_voor_fondsen_die_verantwoord_beleggen_EN.pdf

Row 7

(12.6.1.1) Environmental issue

Select all that apply

☑ Forests

(12.6.1.3) Portfolio

Select from:

☑ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☑ Loans

(12.6.1.5) Type of product classification

Select all that apply

☑ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ LMA Sustainability Link Loans Principles

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Reforestation

☑ Ecosystem protection

☑ Ecosystem restoration

☑ Nature-based solutions

☑ Regenerative production

☑ Sustainable forest management

(12.6.1.8) Description of product/service

Global deforestation accounts for nearly 20 percent of all CO2 emissions and deforestation driven by commodities such as palm oil, soy, cattle and timber is a major source of emissions. Ao food companies, traders, wood importers will have to visualize their supply chain and make sure their suppliers are not linked to deforestation. In order to help those client, KBC offers sustainability-linked loans or bonds with KPI's linked to avoiding deforestation in the supply chain. We are not able to provide the specific percentage of our sustainability-linked loans dedicated to forest. In total KBC has supported its clients in 2024 with 1 200 million EUROs of SLLs both bilateral and syndicated.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

0

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☑ Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Sustainability-Linked Loans (SLLs) are structured to encourage borrowers to improve their environmental, social, and governance (ESG) performance, including minimizing adverse environmental impacts. KBC supports its clients in formulating ambitious KPIs that contribute effectively to their sustainable transition.
[Add row]

(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

Forests

(12.7.1) Target set

Select from:

☑ Yes, we have set deforestation and conversion-free lending, investing and/or insuring targets

Water

(12.7.1) Target set

Select from:

☑ No, we have not set such targets, but we plan to within the next two years

(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring

We performed an assessment of impacts and dependencies on water across our (financed) activities and are currently focusing on addressing this topic through policy development (work in progress at time of reporting) and opportunity management (see CDP question 3.6.1 for more information).
[Fixed row]

(12.7.1) Provide details of your targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring.

Forests

(12.7.1.1) Portfolio

Select from:
☑ Banking (Bank)

(12.7.1.2) Targets set

Select from:
☑ Targets for proportion of your clients/investees compliant with your deforestation-free requirements

(12.7.1.3) Date target was set

05/30/2024

(12.7.1.4) Sectors covered by the target

Select all that apply
☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

☑ Food, beverage & agriculture
☑ Biotech, health care & pharma

(12.7.1.5) Asset classes covered by the target

Select all that apply
☑ Loans
☑ Project finance
☑ Bonds
☑ Undrawn loan commitments

(12.7.1.6) The target has been set with reference to

Select from:
☑ Sustainable Development Goals

(12.7.1.7) % of portfolio covered by the target in relation to total portfolio value

75.7

(12.7.1.8) Target metric

Select from:
☑ % of your clients/investees

(12.7.1.9) Target value

100

(12.7.1.10) End date of target

05/30/2028

(12.7.1.11) End date of base year

05/30/2024

(12.7.1.15) Provide details of the target

Deforestation and forest degradation are important drivers of climate change and biodiversity loss. Deforestation is mostly driven by exploitation of forest commodities. In 2024, by updating its sustainability policy, KBC committed to have 100% of its clients (excluding private individuals) compliant with its deforestation-free requirements. Counterparties that make forest commodities and from them derived products (e.g., furniture, chocolate, leather) available on the EU market or export these products from the EU are in scope of, and will have to be compliant with the EU Regulation on deforestation-free products. This regulation is expected to become applicable on 30 December 2025 for large and medium companies and 30 June 2026 for micro and small enterprises. Given the above, KBC set additional requirement for activities not in scope of the EU Deforestation Regulation, related to palm oil, soy, wood, rubber, cocoa, coffee and sugarcane. Both producers of such commodities with any production capacity outside the EU and traders in such commodities, that source and sell the commodities outside the EU, are in scope of the target. Existing clients in scope must commit to have their plantation and/or supply chain fully certified under an internationally recognized certification scheme by 31 May 2028. Note that the deadline for new clients is 1 January 2030.
[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Progress against targets

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

See assurance statement on p. 233-239. The assurance statement rests on all sustainability information which for climate change is more that only 'progress against targets'. More details on on disclosures and data subject to their assurance, see the Sustainability Statement p. 132-232.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

jvs-2024-gr-en.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Governance

☑ Environmental policies

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

See assurance statement on p. 233-239 and the disclosure assured on p. 202-205.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

jvs-2024-gr-en.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Governance

☑ Environmental policies

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

See assurance statement on p. 233-239 and the disclosure assured on p. 200-201.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

jvs-2024-gr-en.pdf

Row 4

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Forests

(13.1.1.2) Disclosure module and data verified and/or assured

Governance

☑ Environmental policies

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

See assurance statement on p. 233-239 and the disclosure assured on p. 202-205.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

jvs-2024-gr-en.pdf

Row 5

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Electricity/Steam/Heat/Cooling consumption

☑ Renewable Electricity/Steam/Heat/Cooling consumption

☑ Waste data

☑ Other data point in module 7, please specify :Methodology of GHG emissions calculation: conversion factors used, standard followed, process flow of the environmental data gathering process

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

On behalf of KBC Group, KPMG performed an independent limited assurance of the anthropogenic greenhouse gas emissions between 1/10/2023 - 30/09/2024. The verification consisted of an independent review of the primary data, the emission factors and the greenhouse gas calculations, but also the data gathering process, system boundaries and compliance with GHG-protocol were checked. The goal was to verify if the data and the results of the greenhouse gas calculations were complete, reliable, transparant, accurate and free of material errors or emissions. Data a verification was performed taking into account materiality.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Letter to the Board_Own footprint GHG_31072025_esigned.pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

(13.2.1) Additional information

Note on question 12.4 concerning the exposure on companies in the commodities value chain. KBC generally has clients in all parts of the value chain of most commodities, from production to manufacturing. However, we currently do not have an exhaustive view on all clients in the complete value chains. Therefore, we decided to only report on those commodities and value chains for which we can accurately measure our exposure. For instance, we report our exposure on the production of cattle (cattle farming), but not for (cattle) meat processors, traders etc. even though we likely have clients with these activities. As the amount of new loans advanced cannot be readily retrieved from our systems, we used the difference between the outstanding amounts at the end of 2023 and 2024 as a proxy. Lastly, in our context gross written premiums are not dependent on the value of the assets insured and thus we are not able to report the total value of assets. Hence, we will report '1' in the total sum insured column. Similarly, the percentage of the total insurance portfolio was based on the ratio of total premiums written for the selected companies versus the total Non-Life insurance gross premiums written.
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

CEO KBC Group

(13.3.2) Corresponding job category

Select from:
☑ Chief Executive Officer (CEO)
[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:
☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute