KBC Group Sustainability framework

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1. VISION AND VALUES

1.1. Our corporate strategy

Our strategy rests on the following principles:

- We place our clients at the centre of everything we do.
- We look to offer our clients a unique bank-insurance experience.
- We focus on our group's long-term development and aim to achieve sustainable and profitable growth.
- We meet our responsibility to society and local economies.
- We implement our strategy within a strict risk, capital and liquidity management framework.

As part of our PEARL+ business culture, we focus on jointly developing solutions, initiatives and ideas within the group.
Through our activities, we want to help our clients to both realise and protect their dreams and projects. It is our ambition to be the reference for bank-insurance in all our core markets.

1.2. Our corporate sustainability strategy

Sustainability to us means that we are able to respond to the expectations of all involved stakeholders, not only today but also going forward. The basic condition for sustainability is financial resilience and vice-versa. Only by focussing on long-term sustained financial performance and a strict risk management, we are able to honour all our commitments without external support.
We have translated our sustainability strategy in three cornerstones:

- **Limiting our negative impact on society** by implementing strict policies and sustainability guidelines, by reducing our own environmental footprint and by our approach towards Socially Responsible Investments.
- **Increasing our positive impact on society** in those areas where we can make a difference through our everyday activities.
- **Encouraging responsible behaviour among all our employees**

In implementing our sustainability strategy, we focus on **the local communities and economy**. We are conscious of the impact of our operations on society, and respond to societal needs and expectations in a balanced, relevant and transparent manner. In doing so, we acknowledge the special approach in each of the local economies of the core markets in which we operate.

Our people represent our 'human capital' and are one of the main drivers to creating sustainable value as a bank-insurer. We encourage all our employees to behave in a way that is responsive, respectful and result-driven.

Commitment to the UN Sustainable Development Goals

In September 2015, the UN member states agreed the Sustainable Development Goals (SDGs), a universal set of goals, targets and indicators, which define global sustainable development priorities and aspirations for 2030. The SDGs call for worldwide action by government, business and civil society to end poverty, protect the planet and ensure prosperity for all.

Business has an important role to play in addressing the sustainable development challenges, alongside action and cooperation by all the other actors in society. The SDGs encourage companies to reduce their negative impact while enhancing their positive contribution to the sustainable development agenda.

As a financial institution, we are an important driving force for the real economy and therefore have an important impact on the SDGs. By contributing to the economic well-being of companies, private individuals and governments, we can increase their ability to achieve better social outcomes. Moreover, through our lending, insurance and asset management activities, we can direct the social and environmental influence of our operations.
Although the 17 SDGs are all interconnected and relevant, we have identified a number of high-impact areas where we believe KBC can contribute most positively as a bank-insurer to the implementation of the SDGs and minimise the negative impact we might have on them. We have aligned our sustainability strategy with the UN's Sustainable Development Goals. Based on the SDGs we have translated our strategy into three cornerstones, which are dealt with elsewhere in this document under 'Responsible behaviour and business ethics', 'Increasing our positive impact on society' and 'Limiting our adverse impact on society'.

	SDG 3 - Good health and well-being We develop banking and insurance products that focus on health, health care and improving quality of life. Our social projects also focus on themes like health and road safety, and so we contribute to reducing the number of road fatalities and injuries. We promote a good work-life balance among our employees.
	SDG 7 - Affordable and clean energy We actively contribute to raising the share of renewables in the energy mix. We invest in initiatives in the field of renewable energy and energy efficiency through our banking and insurance activities and have drawn up an exit programme for the financing of non-sustainable energy solutions.
	SDG 8 - Decent work and economic growth Our banking and insurance business supports entrepreneurship and job creation and contributes to sustainable economic growth. We support new businesses and invest in innovation and technology through alliances with start-ups and fintechs. We play an important role in protecting basic labour rights, fair pay, equal opportunities and training and development opportunities for all our employees.
	SDG 12 - Responsible consumption and **production** We support the transition to a low-carbon and circular economy. We develop sustainable banking and insurance products and services that meet a range of social and environmental challenges. Sustainable investments are offered as a fully pledged alternative to conventional funds. We endeavour to mitigate our own negative impact on the environment by dealing sustainably with energy, paper, water, mobility and waste and by reducing our greenhouse gas emissions.
	SDG 13 - Climate action We apply strict environmental policies to our loan, investment and insurance portfolios. We develop business solutions that help clients reduce their greenhouse gas emissions and make the transition to a low-carbon economy. We limit our own environmental impact and communicate on that. We seek to address climate-related risks and focus on related opportunities in that area.

2. RESPONSIBLE BEHAVIOUR AND BUSINESS ETHICS

When carrying out our activities, it is evident we respect prevailing laws and regulations, but we also impose stringent rules on ourselves in terms of ethical behaviour, openness and transparency, discretion and privacy.

2.1. Responsible behaviour

Responsible behaviour is the basic layer of sustainability at KBC. In order to maintain and grow trust, it is of utmost importance that we behave responsibly in everything we do, at all layers of the organisation, each and every day. KBC therefore considers responsible behaviour as absolutely necessary to successfully implement an effective and credible sustainability strategy. This means that the mindset of all KBC-staff should go beyond regulation and compliance. As client centricity lies at the heart of our corporate reference strategy, we also specifically focus on responsible selling and providing responsible advice.

The basic principles are embedded into our Pearl+ values of Respect for our clients, colleagues, society and KBC itself, together with our Responsive and Result-driven spirit. The foundation of responsible behaviour is integrity, which entails honesty, correctness, transparency and confidentiality, combined with a sound risk awareness. As responsible behaviour is tricky to define, we have specifically decided not to draw up precise guidelines for it, but to set out the underlying principles instead. These are presented in the 'My Responsible Behaviour Compass' guide, which contains various situation with which employees might be confronted in their everyday work. We also pay particular attention to training and awareness. For instance, we have developed an internal programme to explore issues such as professional integrity, advising clients appropriately and dealing with dilemmas.

2.2. Business ethics

We offer our banking and insurance services based on sound company values. In all our activities, we comply with all relevant rules and regulations and with corporate policies and guidelines that ensure ethical business. When carrying out our activities, we respect the relevant laws and regulations, but also impose stringent rules on ourselves in terms of ethical behaviour, openness and transparency, discretion and privacy. The Corporate Compliance Division ensures that guidelines are observed,

information remains confidential and privacy is respected. All policies are reviewed on a regular basis and updated if necessary in order to always meet the changing environment, requirements and regulations. For more information about our policies, guidelines and the Compliance Division, please visit www.kbc.com.

Our focus on responsible behaviour as the foundation for sustainability at KBC is not linked to a specific SDG but to the minimum expectation towards all companies committed to achieving the Sustainable Development Goals. This is the recognition of the responsibility to comply with all relevant legislation, uphold internationally recognised minimum standards and to respect universal rights.

3. INCREASING OUR POSITIVE IMPACT

Sustainability is not just about philanthropy and supporting local initiatives with sponsorship. Although these aspects continue to have great importance for KBC Group in its various home markets, its renewed Corporate Sustainability strategy seeks to go beyond this approach and create added value by:

- focusing on a number of genuine societal needs, and
- actively responding to these societal needs by developing business solutions in which only a bank-insurer can provide the elements that really make a difference.

Based on these criteria and taking into account the local context in our different home markets, the following sustainability-focus domains have been defined:

- On a KBC Group level in all home markets:
  - Environmental responsibility
  - Financial literacy
  - Stimulating entrepreneurship
- In Belgium and the Czech Republic:
  - Longevity
- In Hungary, Slovakia, Bulgaria and Ireland:
  - Health

Initiatives were already launched and KBC will continue working on other business solutions that contribute positively to these societal challenges. For specific examples, please refer to www.kbc.com.

Over the entire development process, new, innovative business solutions are checked against the Sustainability Framework, which allows us to launch sustainable products and services that meet clients' needs.

4. LIMITING OUR ADVERSE IMPACT

Generating sustainable, profitable growth and contributing to a more sustainable society go hand in hand. This means that, as a bank-insurer, we also seek to limit our adverse impact on society as much as feasible. We want to achieve this ambition by:

- Reducing our own environmental footprint.
- Applying strict sustainability policies to our business activities in respect of human rights, the environment, business ethics and sensitive/controversial societal issues. These sustainability policies are reviewed and updated every two years to make sure that our policies continue to meet the concerns and expectations of society. The recently updated and new KBC Sustainability Policies are set out elsewhere in this document. Please visit www.kbc.com for more details on all KBC policies.
- Offering a complete range of socially responsible investments

4.1. Our commitment to the environment

Environmental Responsibility is one of the selected domains KBC wants to focus on in playing its role in society. Since climate change is one of the biggest global challenges for the 21st century, our main objective is to contribute to the transition to a low-carbon economy and society.
We are aware that we have an impact through our operations and businesses. To limit our direct and indirect impact on global warming, we started a group-wide programme:

- to reduce our own environmental footprint,
- to regularly review the KBC Sustainability policies,
- to leverage the transition to a low carbon economy by taking initiatives in our various core business lines: supporting energy efficiency, renewable energy, sustainable mobility and the circular economy.

In the run-up to the Paris UN Conference on climate change (COP21) in December 2015, KBC Group emphasised this commitment by signing the 'Message from Belgian stakeholders in support of the COP21'.

Reducing KBC's own environmental footprint

In 2015, KBC Group has committed to reducing its own GHG emissions (excluding commuter travel) by at least 20% by 2020 (relative to 2015). We have translated this aim into action plans in each core country. Because we are ahead of schedule, we decided in 2018, to raise our target to -25% by 2020 compared to 2015 (both in absolute terms and per FTE). In 2020 we decided to raise our long term targets and to include commuter travel into the scope of our targets. We want to cut our GHG emissions (both absolute and per FTE) by 80% for the period 2015-2030. We also committed to reduce our overall emissions in accordance to the Paris Agreement. Our targets are in line with the 2°C scenario, striving for 1.5°C, and our engagement tot the Collective Commitment to Climate Action. We have further committed to target a share of 100% renewable electricity by 2030.

For more information on our own environmental footprint and our targets please visit www.kbc.com.

Our indirect impact

We have strict policies in place to limit the environmental impact of our core activities in order to reduce the climate and environmental effects of our portfolio of loans, investments and insurance activities. For more details, please refer to the policies section in this framework.

Initiatives in the different core business lines

Key to our sustainability approach is the fact that KBC wants to offer core business solutions, i.e. lending, investments, insurance and advisory, to boost a low-carbon, circular economy. KBC wants to actively support energy efficiency, promote sustainable renewable energy, support sustainable, safe mobility and incentivise circular businesses. Some initiatives can be found on www.kbc.com.

4.2. Updated and new KBC Sustainability Policies

Please find below a general overview and summary of the KBC sustainability policies.

4.2.1. Blacklisted companies and activities

Companies involved in controversial weapon systems (e.g., nuclear weapons, cluster bombs and biological or chemical weapons) and UN Global Compact Worst Offenders are included on the KBC Blacklist. No KBC group entity can engage in business transactions with these companies.

For KBC Group, speculative, soft commodity transactions are also blacklisted.

For more information about our Policy on Blacklisted Companies and activities please see our corporate website.

4.2.2. Human Rights

KBC is fully committed to meeting its responsibility to respect human rights throughout the group. To help us achieve this, we apply the 'UN Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework' – the global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity (further: UNGP Framework).

Human rights are rights inherent to all human beings, whatever our nationality, place of residence, gender, national or ethnic origin, colour, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. These rights are interrelated, interdependent and indivisible.

In particular, KBC Group commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide. KBC complies with the laws, rules and regulations of every country in which the KBC group operates.

KBC is a signatory of the UN Global Compact Principles, which it implements in its policies to make sure they are applied in all its operations. The UN Global Compact asks companies to embrace, support and, within their sphere of influence, enact a set of core values in the areas of human rights, labour

standards, the environment and combating corruption. We therefore take these principles into account in our client and supplier assessment.

For detailed information, please refer to the KBC Group Human Rights Policy.

4.2.3. Controversial regimes

Next to restrictive measures imposed by international organizations, such as the United Nations or the European Union, or other authorities (please refer to the KBC Embargo policy for more details), KBC Group also does not want to be involved in financial activities or supplier relations with or related to the most controversial regimes (governments, public authorities, central and state-owned banks, and state-owned companies). These are regimes that fundamentally violate human rights, lack any form of good governance, rule of law or economic freedom. An exception is made for humanitarian goods.

Based on the input of well-recognised external sources, the Group Executive Committee decides each year what countries are to be included on the KBC list of controversial regimes.

4.2.4. Energy Credit, Insurance & Advisory Services Policy

KBC Group's support for the Paris COP21 Agreement and the 2°C scenario, striving for 1.5°C, is a general reflection of its broader ambition – translated in the KBC Sustainability Strategy – of contributing towards a low-carbon society. This commitment was reinforced in September 2019, when KBC signed the "Collective Commitment to Climate Action". The energy sector is crucial to the transition towards a low-carbon economy, but it will face substantial challenges in this regard, such as securing the energy supply as demand grows and further increasing the share of renewable energy.

KBC's ambition is to gradually increase the share of renewables in the total KBC Energy Credit Portfolio to at least 65% by 2030 at the latest. To help achieve this:

- KBC supports renewable energy, such as hydro, solar and wind;
- KBC will only consider financing biomass and biofuel activities subject to stringent conditions, including careful consideration of environmental impacts.

KBC takes a clear and concrete stance on:

- Activities in the energy sector that KBC no longer wishes to support through lending or providing insurance (see below for exclusions);
- The conditions to be met by each counterparty in non-excluded areas to be/remain eligible for loans or insurance.

From 2030 on, KBC will abstain from all financing or insurance of and advisory services to energy companies which have any coal-fired energy production capacity.

Account is also taken here of the characteristics of the available energy sources (in particular their environmental acceptability), technological possibilities and limitations, anticipated market trends and local specificities and local and European regulations.
Given the negative impact of fossil fuels in general and coal in particular on the environment, KBC refrains from financing, insuring or advisory services for energy companies if they have the least coal-based production capacity (new customers) or more than 25% coal-based production capacity (existing customers). Existing customers must also present a plan showing how they will become completely coal-free by 2030 at the latest and to undertake not to establish any new coal projects or increase the capacity of existing coal projects..

From 2030 onwards, KBC will refrain from providing any form of finance, insurance or advice to energy companies with any form of coal-based production capacity.

For detailed information on our energy policy guidelines, we refer to the KBC Energy Credit, Insurance & Advisory Services Policy.

4.2.5. Arms-related activities

KBC is very reluctant towards involvement of any kind of arms-related activities. However, since the arms industry has a valid role to play in defence and security, KBC is only willing to finance, under strict conditions, companies:

- with very limited arms related activities only (development, production, sale, maintenance, etc. of weapons or arms-related equipment);
- with the additional requirement that these weapons are delivered exclusively to NATO armies or NATO/OECD/ EU police forces or their equivalent; and
- that it is clear that no deliveries are made to countries under UN, EU or US embargo or to non-governmental armed groups without UN, EU or US support.

Controversial Weapons

For KBC Group, controversial weapon systems cover both:

- Weapon systems which are prohibited by international (and national) law
- Weapon systems for which there is a broad consensus that they should be banned.

These systems include:

- Nuclear weapons as banned by the 2017 UN Treaty on the Prohibition of Nuclear Weapons;

- Cluster bombs and sub-munitions,[1] chemical or biological weapons[2] and anti-personnel mines (including Claymore mines);[3]
- Weapons containing depleted uranium or white phosphorus (used in incendiary munitions and weapons).

Companies that are assessed to be involved in the production and/or development of controversial weapons are blacklisted by KBC through the KBC Group Policy on Blacklisted Companies.

4.2.6. Biodiversity

KBC acknowledges the importance of biodiversity as it contributes to economic prosperity and human development. Nature is an important supplier of resources to many different economic sectors and offers essential services such as, for example, purification of water, flood protection, pollination and carbon sequestration. For KBC conservation and the sustainable use of biodiversity are preconditions for sustainable development.

But biodiversity is under pressure. The current biodiversity loss is caused by:

- habitat fragmentation, degradation and destruction ;
- unsustainable production and consumption, resulting in an overshoot of the Earth's biological capacity to restore from overexploitation of forests, oceans, rivers and soils, and causing pollution and climate change;
- the introduction of invasive species.

Based on the above considerations, KBC has introduced a comprehensive policy on biodiversity, which covers the following areas:

- forests and deforestation;
- protected areas;
- endangered and invasive species;
- fisheries;
- oil and gas;
- palm oil;
- soy;
- cocoa;

[1]Banned by the Convention on Cluster Munitions (2008).
[2]Banned by both the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Organisation for the Prohibition of Chemical Weapons) and the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (United Nations Office for Disarmament Affairs)
[3]Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction

- coffee;
- sugarcane.

For more details, please refer to the KBC Group Biodiversity Policy.

4.2.7. Project finance

KBC will not provide financing or advisory services to projects where the client is unwilling or unable to comply with the Equator Principles.
For more information on the adoption of the Equator Principles at KBC Group please visit www.kbc.com.

4.2.8. Other socially sensitive sectors

KBC has also set down restrictions on other socially sensitive sectors such as: intoxicating crops, gambling, fur, t, mining operations, land acquisition and the involuntary resettlement of indigenous people and prostitution**.**

Cultivation, production, processing or trading/wholesale of addictive and intoxicating crops/products or their essential parts

The negative effects that the use of addictive and intoxicating product has on our health and the environment cannot be denied. In line with the Tobacco-Free Finance Pledge, KBC applies a strict policy of excluding the tobacco industry from its lending, insurance and sustainable investment activities and to KBC Asset Management's conventional investment funds and KBC's proprietary investment portfolio. The exclusion covers manufacturing, the wholesale trade and trading in addictive and intoxicating products (which also include e-cigarettes).

Alcohol products are not in scope of this policy.

Gambling activities (including sports- and online gambling)

KBC rules out finance for companies with a relevant involvement in these activities. Moreover, in cases of a minor involvement in those sectors, KBC is only willing to consider granting finance provided the activities are legal and KBC can be credibly and reasonably assured that the finance will not be used for those specific activities.

Animal welfare

KBC recognises that civil society is increasingly concerned about animal welfare and that this concern is general and legitimate. KBC is committed to ensuring that its clients comply with relevant national and international legislation and best practice. To this end, we have developed an Animal Welfare

Statement, which sets out our commitment and our approach to avoiding any potential adverse impact on animal welfare through our operations.

KBC is active in several sectors in which animal welfare risks harm. We are involved in activities such as animal husbandry, transport and slaughter of animals and breeding and selling pet animals.

For more information, please refer to the KBC Group Animal Welfare Statement.

Mining operations

The mining industry provides essential resources to most sectors of the economy, with mining commodities integrated into a broad range of equipment and consumables. The worldwide demand for mineral resources is increasing in both developing and developed countries. At the same time mineral reserves are becoming scarcer and more difficult to access. The industry also supports economic growth in the regions where mining activities take place, through job creation, revenue generation and infrastructure development.

However, mining activities can have a potentially negative impact on the environment and society in terms of community relations, health and safety, land use, ecosystems, waste and bribery and corruption.

KBC acknowledges that the mining sector faces a variety of environmental, social and governance risks that should be balanced against the sector's economic potential. KBC therefore expects clients that are involved in mining activities to take account of these risks in their operations. KBC also expects its clients to operate in accordance with relevant international, regional and national laws, regulations and permits.

For detailed information, please refer to the KBC Group Mining Policy.

Land acquisition and the involuntary resettlement of indigenous people

Given concerns about the environmental and social impacts, in particular on the rights of indigenous people and the protection of cultural heritage, KBC is only willing to consider financing such land acquisition where it complies with the "Free and prior informed consent"[4].
Only projects involving land acquisition of more than 1000 ha outside the OECD and EU are within the scope of this restriction.

[4] Free, Prior and Informed Consent (FPIC) expresses the principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or use otherwise. A specific consent procedure guarantees FIPC. Sometimes FIPC is a condition to obtain the official permits to operate activities that could endanger indigenous people.

Prostitution

KBC Group does not finance any prostitution-related activities.

4.2.9. Scope of restrictions

The general policies in this section (KBC Blacklist, Human Rights, Controversial Regimes) will apply to the largest extent possible to all business units within the KBC group, also including our proprietary assets. The sector policies will apply group-wide to our relevant core business activities of lending (via the KBC Credit Risk Standards on Sustainable & Responsible Lending), insurance (via the KBC Policy on Sustainable & Responsible Insurance) and advisory services (via the KBC Policy on Sustainable and Responsible Services[5])

4.3. A complete offer of socially responsible investments

KBC is a pioneer and one of the largest players in Belgium in sustainable and socially responsible investing. We want to give our clients the opportunity to invest in sustainable companies and countries that recognise their social and environmental responsibility. This allows us to jointly contribute to a more sustainable society and to help limit the adverse impact that businesses have on society.

For more detailed information on socially responsible investments, please visit www.kbc.com.

Proxy voting

KBC Asset Management pursues an active policy of proxy voting and engagement. By exercising the rights attached to shares held by the investment funds and by making its voice heard at the annual general meetings of these companies, KBC aims to defend the interests of its clients and investors. KBC Asset Management applies this active voting policy to several different themes, recognising that business, corporate governance and sustainability issues all determine the value of a company in the medium and long terms. All these factors can have a significant impact on value creation or the return enjoyed by clients and investors.

For more information on KBC's sustainable and responsible investments, feel free to visit Socially responsible investment - KBC Banking & Insurance

[5] The policy applies to all advisory services provided by KBC Securities and to similar services provided by KBC entities in Central Europe.

5. OUR PEOPLE

Our employees represent our 'human capital' and are one of the main drivers to creating value as a bank-insurer. By focusing on recruitment, management and development of our employees, we seek to give them the opportunity to make best possible use of their talent and experience and adapt to our fast-changing world. We encourage all our employees to behave in a way that is responsive, respectful and result-driven. It is our ambition to truly involve all staff in realising the sustainability ambition.

For more details on our approach, please visit the 'Our people' a section of our corporate website.

6. STAKEHOLDER ENGAGEMENT

We engage with all of our stakeholders to define what is material to both our stakeholders and KBC and how we can create value. We use a variety of channels for open, transparent sustainability communication and dialogue with our stakeholders. They include the annual Report to Society, the Annual Integrated Report, the Sustainability Report, the CSR e-mail box, the corporate website and any other channels suitable for this purpose.

On regular basis, we conduct stakeholder surveys in all our countries in order to discover what it is that is important to our stakeholders and thus meet their expectations. The results from the questionnaire are published in a materiality matrix and used as guidance for new, future and existing projects.

For more information on stakeholder engagement at KBC Group, please visit www.kbc.com.

7. SUSTAINABILITY GOVERNANCE

Sustainability governance as driver for implementation of KBC's Group Sustainability Strategy

We have anchored sustainability at the different levels within our group, guaranteeing that it receives attention from the highest decision-making bodies while also being broadly integrated into our operations.

A simplified overview is provided below. For more details and our specific governance in respect of climate change, we refer to our Sustainability Report 2020.

The Board of Directors is kept informed by the Executive Committee about the sustainability strategy, including policy on climate change. The Risk & Compliance Committee oversees sustainability-related risks. The Board evaluates the implementation of the sustainability strategy using a Sustainability Dashboard and expresses its opinion on major changes to sustainability policies.

The Executive Committee is the highest level with direct responsibility for sustainability, including policy on climate change. It ratifies the decisions of the Internal Sustainability Board and the Sustainable Finance Steering Committee.

The Internal Sustainability Board (ISB) is chaired by the CEO and comprises senior managers from all business units and core countries, the CFO and the manager of the Corporate Sustainability department. It is the most important platform for managing sustainability at group level and takes decisions on all matters relating to sustainability.

The Corporate Sustainability department has a direct link to the CEO and is responsible for developing, implementing and supervising the sustainability strategy. It reports to the ISB and prepares the Sustainability Dashboard.

The Sustainable Finance Steering Committee supervises the Sustainable Finance Programme and is chaired by the CFO. It reports to the Executive Committee and the Board and maintains contact with the ISB.

The Sustainable Finance Programme Core Team is headed by a programme manager from the Corporate Sustainability department and is made up of specialists from Finance, Credit Risk, Risk and Data Management as well as sustainability experts. It integrates the climate approach within the group and supports the business side in developing climate resilience in line with the TCFD and the EU action plan.

Corporate Sustainability Country Coordinators in each core country are responsible for integrating the ISB's decisions and the goals of the Sustainable Finance Programme. This ensures that all core countries

are sufficiently involved in both the strategic discussions and the implementation of the group-wide sustainability policy.

Country Sustainability departments and CSR Committees: the sustainability departments and committees in each of our core countries are organised in such a way as to support their senior managers, who sit on the Internal Sustainability Board, and the Corporate Sustainability Country Coordinator in integrating our sustainability strategy and organising and communicating local sustainability initiatives. Among other things, the employees and committees involved also supply and validate nonfinancial information.

The external advisory bodies advise KBC on different aspects of sustainability and consist of experts from the academic world. **An External Sustainability Board** advises the Corporate Sustainability department on sustainability policy and strategy. **An SRI Advisory Board** supervises the screening of the socially responsible character of KBC Asset Management's SRI funds.

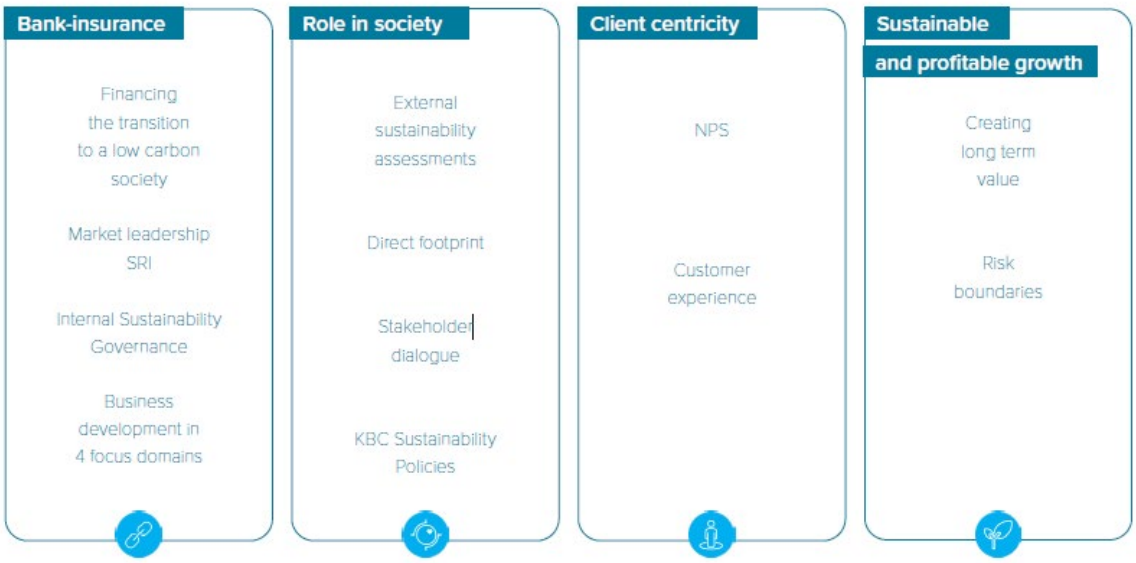
8. KBC SUSTAINABILITY DASHBOARD

We monitor progress in the implementation of our sustainability strategy through our 'KBC Sustainability Dashboard'.

The KBC Sustainability Dashboard incorporates parameters that allow us to track the status of sustainability within the KBC group and to make adjustments when necessary. The Executive Committee and Board of Directors assess the evolution of these parameters twice a year.

The KBC Dashboard was reviewed and updated in 2019 to keep pace with the changing environment, requirements and regulations and to ensure that we are focusing sufficiently on the relevant themes. Some KPIs were strengthened and new concrete targets – linked to the KBC Sustainable Finance Programme (SFP) – will be proposed and decided upon in the coming period.

Below you can find a helicopter view of the KBC Sustainability Dashboard, which is structured around the four principles of our corporate strategy and reflects our sustainability ambitions.


Bank-insurance
Financing the transition to a low carbon society
Market leadership SRI
Internal Sustainability Governance
Business development in 4 focus domains
Role in society
External sustainability assessments
Direct footprint
Stakeholder dialogue
KBC Sustainability Policies
Client centricity
NPS
Customer experience
Sustainable and profitable growth
Creating long term value
Risk boundaries
Reputation index performance
HR-policies (employee engagement - gender diversity)
Responsible behaviour