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KBC clarifies mention in Climate Coalition report on fossil fuel divestment

The *Klimaatcoalitie* (Climate Coalition) – a grouping of various NGOs and social organisations in the Netherlands – has just published a report on investments in fossil fuels in which it mentions KBC. The coalition is asking financial institutions, including KBC, to stop financing companies involved in mining, processing and selling fossil fuels and to produce a step-by-step plan towards becoming a fossil-free company.

KBC acknowledges the extent of the climate problem and is conscious of its responsibility as an important stakeholder in society. The group has a clear policy in this regard and assumes its role in the fight against global warming in various ways.

Besides having an active divestment policy, KBC has undertaken to contribute in a relevant way to the transition to a carbon-neutral economy and society. For example, the group published a number of new and updated sustainability policies on 12 September 2016. Moreover, the Climate Coalition acknowledges that those policies were not fully reflected in its report because the research period had closed prior to that date.

In its policies, KBC sets out the specific measures for lending to and insuring businesses in the energy sector. Those policies stipulate that KBC:

- aims to increase the share of renewable energy in its total lending to the energy sector by at least 50% by 2030 at the latest. This figure currently stands at 42%.
- will stop financing coal mining and coal-based electricity production immediately (except in the Czech Republic where it is being phased out).
- will cease to finance oil-based electricity production.
- applies very strict conditions to financing integrated energy companies, conditions which apply to both energy and mining companies* (a maximum of 50% of the turnover may relate to coal).
- does not provide any financing for non-conventional oil or gas mining*.

** Contrary to what is stated in the report.*

Nevertheless, KBC is convinced that fossil fuel divestment needs to be part of a greater whole. Technological, macroeconomic and business-economic considerations mean that it is not presently possible to completely and immediately stop all forms of financing of existing and future fossil-fuel projects. This does not take away from the fact that KBC constantly assesses its energy policy against technological and business-economic developments in order to find a realistic balance between its social engagement and its role as support to the economics in which it operates.

KBC regrets that the report ignores the importance of energy companies that are in the process of switching entirely to renewable energy. KBC also questions the amounts stated in the report that are based on a number of assumptions and are from a set point in time in the past. Furthermore the amount given in the report as 'shares in portfolio' is composed mainly of assets held through investment funds on behalf of clients. KBC

offers its investment clients the choice between sustainable and traditional investments and has doubled its target for socially responsible investment funds.

KBC works constantly on its targets for doing sustainable and socially responsible business. The group reports openly on those targets in its [Report to Society](#) that is available on www.kbc.com together with its policies on [corporate sustainability](#).

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