



KBC Group

Environmental policy at KBC Belgium



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Principles

KBC has set out the principles governing its environmental policy in an [environmental policy statement](#). In addition, clear principles have been formulated to which KBC Belgium will adhere:

- **KBC Belgium aims to minimise the direct environmental impact of its activities, products and services.**
We therefore commit:
 - always to abide by environmental legislation;
 - to use resources sparingly and in an environmentally friendly way, with a specific focus on energy, paper, waste, water and mobility;
 - to choose the highest technical standards within the limits of what is economically viable;
 - to analyse and limit harmful effects on the environment wherever possible;
 - to observe the principles of sustainable building;
 - to encourage KBC Group entities to phase in and improve environmental management systems.
- **KBC Belgium aims to minimise the indirect environmental impact caused by its customers and suppliers.**
 - Contractors and suppliers of products and services must satisfy sustainability requirements, including environmental obligations, see also: [Procurement policy](#)
 - Environmental risks will be taken into account in the risk analyses performed in respect of credit facilities and insurance policies. If possible, KBC Belgium will check whether the customer is adhering to environmental legislation and is focusing sufficient attention on the environment when training its staff. See also: [Equator Principles](#).

Climate change and CO₂

KBC in Belgium aims to be a carbon-neutral company by 2010. This aim to achieve a climate-neutral footprint will subsequently be expanded to include other regions in which we are active. In order to achieve this, the reduction of carbon emissions will be a top priority:

- KBC Belgium has been taking part in the '**Carbon Disclosure Project**' for several years now. Set up by an important group of investors, this project investigates each year the consequences of climate change in about 3 000 listed companies. A report is made on each participating company to enable investors to evaluate its carbon impact and the effort that it has made to reduce this.
- Continuous efforts are made to **save energy**. For example, KBC Belgium has reduced greenhouse gas emissions by 47% by switching over completely to green electricity.
- KBC Belgium has issued '**Green Building Guidelines**' to make new large buildings in Belgium as carbon-neutral as possible.

An off-setting portfolio is being built up for the remaining emissions. To do so, we are calling upon the expertise of [Argus](#), the environmental centre for KBC Belgium and Cera.

KBC Belgium is running a number of campaigns in an attempt to make its almost 19 000 employees aware of the importance of environmental sustainability:

- For example, Al Gore's film '**An inconvenient truth**' was shown in a number of locations in 2007.
- On intranet, staff are encouraged to trace their own **environmental footprint** and to reduce it.
- KBC Belgium's **suggestion forum** stimulates the creativity of its staff in devising effective energy-saving campaigns and other sustainability projects.

- **Green electricity**
Since March 2008, KBC Belgium has used only green electricity generated by wind and water power in its 865 bank branches and 50 administrative buildings.
The switch over was the high point of an ambitious long-term process. As long ago as 2003, green electricity accounted for 30% of KBC Belgium's electricity consumption.
- **Rational energy consumption**
In 2007, electricity and gas consumption was reduced by 4.3% and 20.6% respectively thanks to projects proposed by staff. To name but a few:
 - the installation of automatic lighting control,
 - the systematic use of energy-saving flat screens,
 - the installation of extremely efficient air conditioners.

The full switchover to green electricity and the energy-saving projects are consistent with KBC Belgium's ambition to become a carbon-neutral company by 2010.

Paper and waste

- **Forest Stewardship Covenant (FSC)**
In 2006, KBC Belgium bought 2 937 tonnes of paper, of which 3% was recycled. The objective is to reduce consumption by 2010, but also to make the paper purchased environmentally friendly: at least 90% should be recycled or FSC-certified.

To this end, KBC Belgium signed the Forest Stewardship Covenant (FSC) in May 2007 in respect of its activities in Belgium. This covenant covers three campaigns:

- Wasting paper will be discouraged, with KBC Belgium undertaking to use at least 5% less paper within a period of three years. To this end, various measures will be implemented and an awareness raising campaign initiated for employees.
- Recycled paper will be used wherever possible.
- Where this is not possible, KBC Belgium will switch to paper with an FSC label, which has come from sustainably managed forests. External printers who print magazines and other publications for KBC Belgium will be requested to do likewise.

As long ago as 2002 KBC Belgium launched a campaign to combat the waste of paper, which resulted in an 18% reduction in consumption over a two-year period.

This achievement was made possible by an awareness raising campaign and by printing on both sides of a paper by default from now on. For this reason, most older printers have been replaced by new models.

- **Separating waste**
KBC Belgium is committed to waste prevention. KBC Belgium applies the 'Lansink's Ladder' principle in its waste management. As much waste as possible is avoided in the first place by, for example, doing as little printing as possible or by supplying a maximum amount of information electronically. The waste that is still produced is covered by the system of separate waste collection. Scrapped PCs, PMD (plastic bottles, cans, drink cartons), glass, etc. are recycled in this way while the small amount of residual waste is where possible incinerated in a plant with energy recovery facilities.
KBC Belgium focuses special attention on hazardous waste such as asbestos and liquid coolants. It is always a requirement for work done on buildings or installations that the contractor should be responsible for removing hazardous waste and disposing of it properly.

Water

Water consumption is minimised wherever possible. In new buildings, KBC Belgium aims to re-use rainwater for sanitary purposes. The new office building next to the railway station in Leuven is a shining example of this.

Mobility

- **GREENlease**

KBC Autolease offers vehicle fleet managers the GREENlease concept, which is based on three pillars:

- On the basis of emissions data, managers are able to check how a model scores within its segment. The most environmentally friendly vehicles achieve a 20% better score than the segment average. All models are included in the list, spread over 12 segments.
- Managers have the option of offsetting the CO₂ emissions of their fleet by paying a small fuel surcharge. ARGUS, the environmental centre for KBC Belgium and Cera, uses the income to carry out tree planting and forestry projects through the ARGUS Climate Fund.
- KBC Autolease offers companies a course in eco-driving for their employees, in which they learn how to drive in a more environmentally friendly way.

Fleet managers who choose the most environmentally friendly vehicles, carbon offsetting and the eco-driving course are awarded a GREENlease label.

In 2007, KBC won second prize in the Green Fleet Award, which is awarded to environmentally friendly vehicle fleets. The silver medal was awarded because of KBC Autolease's application of the GREENlease concept within its own organisation.

- **Staff**

Needless to say, KBC Belgium applies the GREENlease concept to its own vehicle fleet.

KBC Belgium is trying to reduce car use by its staff as far as possible:

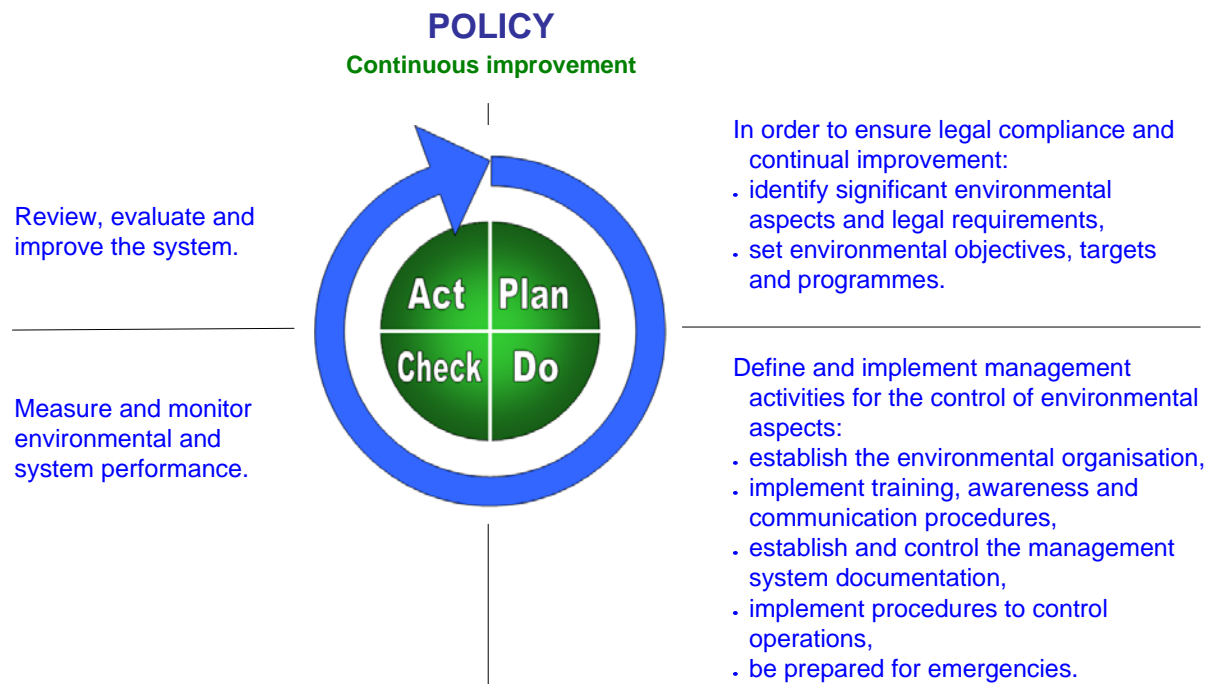
- Shuttle buses connect the railway stations of Leuven and Brussels North with the company's head offices.
- Staff who cycle to work are entitled to a cycling allowance.
- The head offices have purpose-built bicycle facilities complete with showers and lockers.

Environmental Management System

The EMAS (Eco-Management and Audit Scheme) contains environmental management systems defined as 'the part of the overall management system that includes organisational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy'.

By operating an environmental management system, an organisation can improve its chances of achieving its environmental objectives. It makes plans, implements them, checks them and adjusts the plans or procedure as necessary – not once, but continuously.

The way of going about this is illustrated in the diagram below: the Plan-Do-Check-Act scheme.



A fully-fledged EMS is constructed around three axes: environmental action programme, communication and training, and organisation and structure.

- **Axis 1: 'Environmental Action Programme': what do we do to improve specific environmental performance?**
Who: building managers, technical installation managers, environmental process manager, environmental product group manager, dry-cleaning techniques expert, product group manager for wet techniques and service managers.
What: compiling a register of environmental aspects, instructions for managing significant environmental aspects, operational adjustments, carrying out improvement projects.
- **Axis 2: 'Communication and training': what do we communicate about when internally and externally?**
Who: I-net manager, facility management, press office, training department, environmental steering committee, project manager, working group which project manager works for, internal and external communication.
What: communication plan, training of auditors, training and awareness-raising material.
- **Axis 3: 'Organisation and structure': who does what and how?**
Who: department heads from divisions involved, programme manager, environmental steering committee, project manager, working group with which project manager works.
What: environmental manual, objectives, system procedures, environmental organisation chart.

Examples of a few environmental management systems at KBC Belgium

- **West Flanders Environmental Charter**
In 2004, KBC signed the West Flanders Environmental Charter for all of its branches in West Flanders. This charter is a tool for establishing or expanding a proactive environmental and sustainability policy. Each year, a commission assesses the progress made by the participating companies in implementing their environmental policy. In 2005, KBC was the first financial institution to satisfy the requirements of the charter. In other words, the branches not only satisfied all legal requirements, but were also able to show a continuous improvement in environmental performance. The efforts of the KBC branch network were also honoured in the province in 2006 and 2007 with a one-year certificate under the West Flanders Environmental Charter.

- **Ecodynamic business**

In 2003 and 2006, KBC's head office in Brussels was awarded the 'Ecodynamic Business' label. This initiative of the Brussels Institute for Environmental Management (BIM) is intended to encourage businesses and institutions to continuously improve their environmental performance and to establish an environmental management system. The label is awarded for three years at a time.

Our environmental performance

Here you will find [KBC Belgium's environmental efficiency for 2007](#)!

In 2008, KBC and Unicore won a shared first prize for their excellent annual CSR report on corporate social responsibility. The initiative for this prize came from the Belgian Institute of Auditors, Business & Society Belgium, a network of businesses focusing on sustainability, and the ICHEC Business School.

KBC Belgium's environmental performance for 2007

| | Total | | Per employee* |
|---|----------------|--------------|-----------------|
| Energy | | | |
| Total electricity consumption in GJ | 669 440 | | 31,4 |
| Electricity consumption in GJ | 415 430 | 62% | 19,5 |
| → electricity from grey energy | | 61,0% | |
| → electricity from green energy | | 39,0% | |
| Fossil fuel consumption in GJ | 254 010 | 38% | 11,9 |
| → natural gas | 227 389 | 89,5% | |
| → domestic heating oil | 26 621 | 10,5% | |
| Travel | | | |
| Total business travel in '000 km | 266 607 | | |
| Commuter travel in '000 km | 173 178 | 65% | 9,115 km |
| → by rail | 81 394 | 47,0% | |
| → by road | 69 271 | 40,0% | |
| → car pooling | 10 391 | 6,0% | |
| → bus | 8 659 | 5,0% | |
| → cyclists and pedestrians | 3 463 | 2,0% | |
| Business travel in '000 km | 93 429 | 35% | |
| → by rail | 2 670 | 2,9% | |
| → by road | 60 731 | 65,0% | |
| → short-haul air travel in km (>500 km) | 818 | 0,9% | |
| → long-haul air travel in km (<500 km) | 29 210 | 31,3% | |
| Paper | | | |
| Total paper consumption in tonnes | 3.013,0 | | 0,159 |
| Recycled paper (post-consumption) | 8,5 | 0,3% | |
| Non-recycled chlorine-free paper | 2 735,0 | 90,8% | |
| FSC-certified paper | 269,5 | 8,9% | |
| Water | | | |
| Total water consumption in m ³ | 224 638 | | 11,8 |
| Fresh water | 224 638 | 100% | |
| Waste | | | |
| Total waste in tonnes | 4 254 | | 0,224 |
| Separately collected and recycled material | 4 140 | 97,3% | |
| Waste intended for incineration | 73 | 1,7% | |
| Waste intended for landfill | 41 | 1,0% | |
| Emissions | | | |
| Total direct and indirect greenhouse gas emissions in tonnes | 61 783 | | 3,25 |
| Greenhouse gas emissions resulting from direct grey energy consumption | 44 247 | 72% | 2,33 |
| Greenhouse gas emissions resulting from indirect energy consumption | 17 536 | 28% | 0,92 |
| → greenhouse gas emissions from road traffic | 14 201 | 81,0% | |
| → greenhouse gas emissions from air traffic | 3 336 | 19,0% | |

*KBC Belgium has 19 000 employees