

Embedding sustainability within Belgian banks: What can we learn from the first CSRD reports?

A dynamic, abstract graphic in the background. It consists of several thick, translucent bands in shades of blue, purple, and pink that curve and overlap, creating a sense of motion and depth. The bands are set against a lighter blue background, which has a subtle, organic texture.

Table of content

1. Executive summary	4
2. Introduction	7
3. Structure and key components of the sustainability reports	10
A. Outcome of the materiality assessment and material topics reported	11
B. Overview of impacts, risks, and opportunities	15
C. Format of the reporting.....	16
D. Use of phase-in provisions	17
4. Sustainability information reported: analysis per sustainability topic.....	19
A. Environment	19
GHG emissions.....	19
Transition plan	23
EU Taxonomy	24
Climate and environmental targets.....	26
B. Social Disclosures – own workforce.....	27
Policies & Actions	28
Targets.....	28
Metrics	29
C. Social Disclosures – Consumers and end-users.....	30
Policies & actions	30
Targets.....	31
Metrics	31
D. Governance disclosures.....	31
Policies and actions	32
Targets.....	32
Metrics	33

01.

Executive summary

Sustainability goes beyond words: it's about action

Banks share many common topics, but diverge in the materiality of others

Climate change is universally important, but the road to net zero is still long

Harmonization is ongoing, but comparability is not yet consistently guaranteed

Banks are generally mature in terms of workforce, but not always very diverse

Banks disclose diverse initiatives linked to customers, with different levels of maturity and details

Banks show robust business conduct frameworks, even if no targets are generally set for conduct, but limited forward-looking objectives

1. Executive summary

The year 2025 marks a significant milestone in sustainability reporting, as it is the first year companies are required to publish reports compliant with the Corporate Sustainability Reporting Directive (CSRD), providing standardized, transparent, and audited sustainability disclosures. The introduction of this reporting provides stakeholders with comparable information on sustainability performance and actions of the companies in scope. This document aims at benchmarking the information reported by six key players in the Belgian banking sector: BNP Paribas Fortis (BNPPF), KBC, Belfius, ING Belgium, Crelan, and Argenta.

Sustainability goes beyond words: it's about action

The reading of the sustainability reports is an encouraging exercise for sustainability enthusiasts, as it reveals that all banks in the sample have taken action to embed sustainability into their activities and business processes—moving away from managing environmental, social, and governance (ESG) topics in silos, as was often the case in the past. ESG components are now (starting to be) integrated into various operations such as credit granting, investment product design, and supplier selection. Even though maturity levels and specific initiatives differ across banks, and most actions are still under development, it is clear that the sector has entered a phase of proactive implementation, with infrastructures now being put in place to support the sustainability transition. Setting the tone at the top, most banks have established governance structures for sustainability, in some cases assigning C-level responsibilities to the topic. Furthermore, some banks have started to link variable remuneration of management to ESG criteria even if the proportion remains modest and generally does not exceed 10%.

Banks share many common topics, but diverge in the materiality of others

Banks in the sample have consistently considered the topics Climate Change (E1), Own Workforce (S1), Consumers and End-users (S4), and Business Conduct (G1) as material, which is not surprising considering the activities and value chain of a bank. This offers comparability across banks on these topics.

Yet, KPMG observes that banks also diverge in how they assess the materiality of other topics. For instance, KBC and Belfius expand further into topics like biodiversity or affected communities, which are not considered as material by other banks. While these differences are partially explained by the business model (and type of activities in which banks

are active), they can also be explained by the lack of specific/binding criteria to evaluate the materiality of those topics.

Climate change is universally important, but the road to net zero is still long

Climate change is universally acknowledged as a material issue for all banks in the sample, reflecting the important efforts allocated to the topic by all banks in the past years. From a risk management perspective, banks tend to be well equipped and conducted several materiality assessments in various forms, with climate risk assessment and scenario analyses still being improved. Leading banks embedded these assessments into climate/ESG risk scoring for their clients, and defined KPIs associated to those. Even though the mapping between ESG risk and credit decisioning is not yet complete, KPMG observes that several banks added climate considerations into their credit policy.

From an opportunity perspective, KPMG observes that banks are developing an increasing number of initiatives to support customers in embracing the transition. In addition to product design efforts (e.g., renovation loans) that have existed for some time, KPMG notes a growing focus on “beyond banking” initiatives—such as partnerships and platforms—to help clients make informed choices on sustainability matters.

From an impact perspective, KPMG observes that the banks in the sample have not yet developed a comprehensive transition plan to align their emissions with the Paris Agreement. While most of the banks have defined targets related to the reduction of their own emissions, only a minority have defined binding targets associated to their financed emissions (seen as the most impactful component of the emissions for a bank). This will certainly be a point of improvement for the future.

Harmonization is ongoing, but comparability is not yet consistently guaranteed

A key objective of the CSRD was to allow comparability in terms of sustainability performance across reporting entities. While the CSRD represents a major step toward harmonizing reported information, KPMG observes that sustainability reports are not always easily comparable. The absence of sector-specific guidance or standards leads banks to apply their own, entity-specific approaches, resulting in divergence in reported data. Additionally, market practices are still evolving, which contributes to

varying technical interpretations—for example, in GHG reporting or taxonomy alignment—and hampers the ability of external stakeholders to easily compare figures across banks.

Further harmonization is expected in the future as banks will likely learn from each others and the sector (might) converge towards more homogeneous disclosures. While it appears clear that no sector specific standards will become mandatory in the near term, some stakeholders advocate for further clarification in the list of data points (that might bring more clarity and ease comparability) or even suggest sectoral disclosure guidance (instead of requirements).

The global response to the EFRAG consultation is available at this [link](#).

Banks are generally mature in terms of workforce, but not always very diverse

Companies in Belgium—and banks in particular—are relatively advanced in addressing social matters. KPMG observes that the banks in the sample have well-established policies on employee well-being, training, and development. The financial sector is also characterized by a low number of workplace accidents and relatively few labor or human rights issues.

From a diversity perspective, however, KPMG notes that banks differ significantly, with the proportion of women in senior positions ranging from 10% to 47%. Substantial unadjusted pay gaps are still observed—up to 31% according to text below—though these are partly explained by “technical” matters, such as a higher proportion of men in senior roles. Finally, remuneration ratios (Remuneration of highest paid individual / Median employee remuneration) vary widely, from approximately 3 at Crelan/Argenta to 93 at KBC (again, partially explained by technical elements).

“Financial institutions should see the CSRD as a tool for sustainable growth, not just a regulatory obligation. Integrating CSRD steps, including the DMA, into internal processes and strategic decisions can transform compliance costs into value, uncover business opportunities, and improve risk management, while positively impacting society. In the future, access to more company information thanks to CSRD will enhance risk management. The progress made by Belgian banks from a sustainability perspective is encouraging and highlights the important investments made by the sector in this topic.”



Koen De Loose
Partner, Head of Financial Services
KPMG Advisory

Banks disclose diverse initiatives linked to customers, with different levels of maturity and details

Banks' concern for consumer impacts and their understanding of related risks and opportunities is not a recent reporting topic. KPMG notes that banks have developed a range of policies and actions addressing issues such as cybersecurity, financial inclusion, customer rights, and innovation. For example, Crelan, publishes an extensive list of actions to promote the inclusion of financial services. However, the standard on customers and end-users covers so many topics that banks do not communicate their metrics and targets consistently. Some publish metrics only on customers' satisfaction, while other only on number of cyber security incidents. Since no specific topics have been pointed out by the EFRAG, the comparability of information reported is low which does not allow to fully assess the the maturity levels across banks.

Banks show robust business conduct frameworks, even if no targets are generally set business conduct, but limited forward-looking objectives

Since the banks' operations are historically defined by comprehensive governance frameworks, and following regulations promoting business conduct (i.e., Anti-Money Laundering regulation), the banks in the sample have published chapters on governance quite homogeneously. None of the banks have received a fine for violation of anti-corruption or bribery laws, and the proportion of trained employees on this topic varies between 87% at Argenta and 99% at KBC. KPMG, however, notes that none of the banks have communicated a target regarding this topic.

“Compared to corporate entities, banks encounter the additional challenge of having the majority of their impact within their value chain. Significant progress has been made in recent years to better measure these impacts and initiate actions to manage them. However, further efforts are now necessary to act upon these measures and ensure that banks can fulfill their role as catalysts of the transition.”



Michael Wagemans
Partner, Head of Sustainability
KPMG Advisory

02.

Introduction

KPMG insights and benchmarking:

Focus on methodology

2. Introduction

The year 2025 marks a major milestone in sustainability reporting, with companies publishing their first sustainability disclosures under the new CSRD and ESRS (European Sustainability Reporting Standards) framework. This regulatory framework:

- Introduces a standardized set of mandatory datapoints that companies need to report on, across several E, S, and G topics;
- Aims at enhancing the transparency and comparability of ESG data across organizations;
- Requires, for the first time at the European level, external limited assurance on the sustainability disclosures; and
- Relies on a double materiality assessment to identify which sustainability matters are material and must be reported.

The implementation of this framework represents a game-changer in the sustainability reporting space and represented a considerable challenge for companies in scope. The list of companies in scope for the “wave 1” reporting (in 2025, on financial year 2024) includes a set of (large) financial institutions (as those were already in scope of the previous directive: the Non-Financial Reporting Directive, NFRD). These institutions face the additional challenge that significant impacts, risks, or opportunities often arise from their value chain (e.g., their financings), where data is often limited.

In a context of growing regulatory scrutiny, increasing stakeholder expectations, and the increasing need of rechanneling investment towards sustainable activities, the ability of banks to credibly report on their impacts and commitments is a crucial driver of resilience, competitiveness, and trust. This benchmark aims at delivering an overview of the state of progress within the Belgian banking sector as it embarks on this transformative journey.

In Belgium, several banks were in scope for individual reporting. This report aims at analyzing the sustainability information reported by a selection of ECB-supervised banks (i.e., BNP Paribas Fortis (BNPPF), KBC, Belfius, ING Belgium, Argenta, and Crelan). It is divided into two main sections:

1. A comparative analysis on how these banks implemented the CSRD, including: the result of the double materiality assessment, the format of the reports, the entity-specific disclosures, and the use of transitional provisions; and

2. A comparative analysis of the information reported across environmental, social, and governance (ESG) disclosures, with a focus on the disclosed metrics, targets, and strategies. This analysis helps identify each bank's progress in these areas and highlights leading practices.

KPMG insights and benchmarking:

This benchmark focuses specifically on the banking sector in Belgium. In parallel, KPMG Global is maintaining a repository of insights on CSRD reports cross sectors and jurisdictions (“[FAST 50](#)”). This repository is progressively enhanced based on progressive roll-out of information and serves as relevant insights helping companies to identify how they stand vs. peers.

Financial institutions play a fundamental role in the transition to a more sustainable economy by financing and supporting clients in their sustainability efforts. CSRD enables the stakeholders to better understand the ESG strategies and performance of an entity. The direction of travel is clearly set and the maturity of the CSRD processes will increase over time.



Olivier Macq
Partner
KPMG Audit

Focus on methodology

This analysis aims at assessing how these six Belgian banks implemented the requirements of the CSRD and the ESRS in their 2024 reporting.

Sample of banks

Our sample consists of six leading banks operating in Belgium:

BNP Paribas Fortis

KBC Group

Belfius Bank

ING Belgium

Crelan

Argenta

Analytical approach

Our assessment was based exclusively on information made publicly available by each institution in their 2024 annual and sustainability reports. While KPMG may have acted as auditor or advisor for some of these banks, no non-public or privileged information was accessed or used during this analysis.

While some elements from the ESRS framework were used as reference points, the objective of this report is not to assess the compliance of the reported information with the ESRS framework, but to identify patterns, gaps, and emerging practices in how sustainability strategy and material topics are being communicated.

KPMG focused on the following dimensions:

- Overall structure of the sustainability disclosures
- The results of the double materiality assessment
- The elaboration of entity-specific standards and the use of phased-in disclosures
- The disclosure of targets, policies, and actions related to the topical ESRS (Environment, Social, Governance)
- The metrics disclosed

This expert analysis was supported by Maple Waltz, KPMG's in-house generative AI tool. For more information on KPMG's AI-powered offerings, click on the link below:

[AI Services - KPMG Belgium](#)

This analytical approach was complemented by expert review to interpret the relevance of the topics disclosed, understand how they relate to each bank's business model, and identify why certain themes are emerging or underdeveloped.



03.

Structure and key components of the sustainability reports

Outcome of the materiality assessment and material topics reported

Overview of impacts, risks and opportunities

Format of the reporting

Use of phased-in provisions

3. Structure and key components of the sustainability reports

The following table provides a comparison of the key components of the sustainability reports. Each of these components is further detailed in the next sections. Note that on top of CSRD reports, we observe that some banks are reporting voluntary sustainability or impact reports (such as KBC which published a sustainability report of more than 150 pages).

	BNPPF	KBC	Belfius	ING Belgium	Crelan	Argenta
Number of pages (+ Appendix)	102 (+45)	101 (+53)	128 (+80)	34 (+39)	129 (+32)	120
Following structure ESRS?	Y	Y	N	Y	Y	Y
Number of topical ESRS reported (+entity specific)	4 (+2) E1, S1, S4, G1	6 (+2) E1, E3, E4, S1, S4, G1	6 (+9) E1, S1, S2, S3, S4, G1	4 (+4) E1, S1, S4, G1	4 (+2) E1, S1, S4, G1	4 (+2) E1, S1, S4, G1
Number of IROs reported	17	30	77	18	36	42
Number of ESRS covered by a communicated target	3 E1, S1, S4	2 E1, S4	4 E1, S1, S4, G1	2 E1, S1	4 E1, S1, S4, G1	3 E1, S1, S4
Existence of remuneration scheme linked to ESG	Y Up to 3-5% for key employees	Y 8-10% for ExCo members	Y 9.8% for all key & senior executives	Not specified	Y 10% for ExCo members	N
Use of phase-in provision	Y E1_9	Y E1_9, S1_14	Y E1_9, S1_7, S1_12	Y E1_9, S1_7, S1_12, S1_13, S1_15	Y S1_7, S1_12, S1_15, E1_9 (partially)	Y E1_9, S1_13
Use of external stakeholder engagement in DMA	Not specified	Y Incl. clients, external experts	Not specified	Y Incl. suppliers, clients, NGOs	N	Y Incl. "General market", Argenta customers

A. Outcome of the materiality assessment and material topics reported

Material topics differ across banks, due to business model differences but also different methodological interpretations.

The Double Materiality Assessment (DMA) is a cornerstone of the CSRD and ESRS frameworks, requiring companies to evaluate both how sustainability topics impact their business (financial materiality) and how their business activities impact society and the environment (impact materiality). It aims at ensuring that companies only report on topics they consider material, according to the guidance and requirements formulated by EFRAG/the ESRS.

At first glance, KPMG observes a certain homogeneity in the list of topics identified as material, as banks report on a list of common topics. However, some intrinsic elements of the banks in the sample, such as business model specificities, governance structure, or nature of the exposures, lead to different topics being

material. This already allows the users of sustainability statements to distinguish the different sustainability priorities foreseen within the sample.

This first year of reporting also reveals area's in terms of regulatory interpretation and developments, i.e.:

- We note that some topics have been considered as non-material not because the banks do not generate impact, but because they struggle to evaluate this impact. The topics E2 to E5, that are only recently described in the regulatory framework, are indeed considered only marginally as material;
- KPMG notes significant divergences from one bank to another on key elements. These elements do not impact the content of the disclosures, but further homogeneity going forward could facilitate the reading of the user of sustainability statements.

It is expected that, based on the divergence of these first reports, some harmonization will occur in the reporting practices of the different banks subject to the CSRD.

Main topics reported

The tables below provide an overview of the material topics reported by the banks in the sample. As shown in the tables, some banks broke down sustainability topics (in bold) into several sub-topics (in non-bold), providing more granularity in the definition of these topics

Environmental topics¹

Sustainability topics	BNPPF	KBC	Belfius	ING Belgium	Creelan	Argenta
E1 Climate change	✓	✓	✓	✓	✓	✓
Climate change mitigation	✓	✓			✓	✓
Climate change adaptation	✓	✓			✓	
<i>Own climate footprint²</i>			✓			
Energy		✓				
Sustainable credit product range						✓
<i>E1/S2 Meaningful financing</i>			✓			
<i>E1/S2 Meaningful investing</i>			✓			✓
<i>E1/S2 Meaningful insurance</i>			✓			
<i>Sustainable finance</i>				✓		
E2 Pollution	✓					

1 To facilitate meaningful comparison across different banks, KPMG interpreted and, where necessary, reformulated certain material topics. Consequently, some terminology may have been seen adjusted to ensure consistency and clarity in the benchmarking process

2 Topics indicating in italics are entity-specific

E3 Water & Marine resources	✓
E4 Biodiversity & Ecosystems	✓
E5 Resource used and circular economy	

Social topics

Sustainability topics	BNPPF	KBC	Belfius	ING Belgium	Creelan	Argenta
S1 Own workforce	✓	✓	✓	✓	✓	✓
Employee health, safety, and well-being					✓	
Working conditions		✓				
Talent management					✓	
Diversity, Equity, & Inclusion		✓			✓	
Workers' social rights					✓	
Privacy		✓				
Correct remuneration						✓
Engagement						✓
Training and development						✓
Bonus culture						✓
S2 Workers in the value chain			✓			
S3 Affected communities			✓			
Community involvement			✓			
S4 Consumers and end-users	✓	✓	✓	✓	✓	✓
Cybersecurity/data protection	✓	✓	✓	✓	✓	✓
Social inclusion		✓				✓
Financial inclusion			✓	✓	✓	
Customer transparency/fair products			✓	✓		
Responsible marketing and product stewardship					✓	✓
Financing SME transition					✓	
Investing locally						✓
Innovation & digitalization			✓			✓
Customer satisfaction						✓
Cooperative banking					✓	
Capacity building				✓		

Governance topics

Sustainability topics	BNPPF	KBC	Belfius	ING Belgium	Creelan	Argenta
G1 Business conduct	✓	✓	✓	✓	✓	✓
Business ethics & corporate culture		✓				
Relationship with suppliers		✓				
<i>Market integrity & Financial security</i>	✓					
<i>Resilience</i>			✓			
<i>Cybersecurity</i>						
Business conduct and corporate governance	✓			✓	✓	
Business partners and third-party management				✓		
<i>Sustainable procurement</i>			✓			
Anti-bribery & corruption	✓				✓	
Whistleblowing	✓					
Financial health					✓	
Sustainable investment product range					✓	
Responsible tax practices		✓				

ESRS E1 – Climate change

All six banks consider climate change as a material sustainability topic. This observation is not surprising given the role played by the financial sector to act as “catalyst” in the reorientation of financial flows toward sustainable activities. The topics of climate change adaptation and mitigation, already defined for several years by the regulatory risk framework, are quite present across the different reports.

Banks tend to approach the dual dimensions of climate change “mitigation and adaptation” primarily through the lens of risk management. Adaptation in particular is generally treated from a physical risk perspective, with banks assessing how climate-related hazards (e.g., floods, heatwaves) might affect their loan portfolios, asset values, or operational continuity. From an impact perspective, banks tend to focus on the “mitigation” angle, with a particular focus on initiatives to fight climate change.

ESRS E2 – Pollution

Only BNPPF declares ESRS E2 (Pollution) as material. The bank considered this topic as material due to the activities of its leasing subsidiary Arval, which manages vehicle fleets and thus directly contributes to local pollutant emissions.

ESRS E3 – Water & Marine Resources

Only KBC identifies E3 as material. KBC acknowledges physical risks related to water scarcity and ecosystem pressure, particularly in regions like Flanders; and indicated that financing water treatment and water saving solutions of clients constitutes a business opportunity.

ESRS E4 – Biodiversity & Ecosystems

KBC is the only bank that declares biodiversity (E4) as material. It recognises material impacts and risks through its lending and investment activities, especially in agriculture, construction, and energy sectors.

ESRS E5 – Circular economy & Resource use

None of the six banks currently consider E5 as a material topic.

KPMG notes that the topics E2 to E5 are less mature than Climate change in the financial sector which is consistent with the maturity of the regulatory framework on these topics (e.g. the ESRS standards on E2-E5 are more limited than on E1, and the EU Taxonomy criteria for objectives other than climate are not as developed).

ESRS S1 - Own workforce

All six banks declare S1 as a material topic. This is the most consistently reported social domain, which is not surprising given that the banks in the sample employ thousands of employees, and the importance of social considerations in Belgium. Finally, all the institutions were already reporting social KPIs and social initiatives in the past years.

ESRS S2 – Workers in the value chain

Only **Belfius** declares **ESRS S2 – Workers in the value chain** as a material topic. This is due to its financing relationships with sectors such as construction and real estate, which are considered high-risk in terms of labor conditions like low wages, forced labor, and discrimination. Belfius identifies these links as sufficiently direct to justify due diligence and stakeholder accountability and integrates human rights considerations across both upstream (suppliers) and downstream (clients and investees) value chains.

By contrast, **ING Belgium** explicitly explains that S2 is not material due to limited outsourcing exposure, which reduces its overall risk in the value chain. Similarly, **KBC** recognizes the importance of third-party and outsourcing risk but does not consider it material enough to report under ESRS S2; it focuses instead on managing such risks via a group-wide outsourcing framework and risk-based approach throughout the service lifecycle. **Crelan** does not report S2 as material either and confirms in its own disclosures that it does not publish policies or due diligence processes specific to value chain workers.

ESRS S3 – Affected communities

Again, only Belfius declares S3 as material. Belfius considers its societal role and public sector financing mandate as reasons to assess community impact as material, particularly through urban planning, healthcare, and education projects.

ESRS S4 – Consumer and end-users

All six banks declare S4 as material. Customer protection, social inclusion, product transparency, and

data privacy are recognized as core elements of materiality. In addition, customers are increasingly communicating with their banks through digital platforms, and products today incorporate increasingly complex technological components. This leads logically to a transversal assessment of materiality of S4.

ESRS G1 – Business conduct

All six banks declare G1 as a material topic.

This is due to the risk culture of the financial sector (structured around regulatory defined frameworks such as the 3 Lines of Defence framework), and the materiality of reputational risk for financial institutions. Only KBC considered the relationship with suppliers (and payments of suppliers) as material.

Use of Entity-Specific Disclosures

The first sustainability reports are based on the sector-agnostic ESRS standards, in the absence of sectoral specifications (which might never see light given the development of the Omnibus package).

In this context, entity-specific disclosures are emerging as the de facto form of sector standardization, especially around themes that recur across several banks. Among the most disclosed topics are:

- Cybersecurity/Data protection/Privacy
- Financial/Social inclusion
- Customer transparency/Customer interests or protection /Fair market practices

Furthermore, we observe that banks made use of such chapters to highlight topics that are specific to their organizational structure of activities or history, such as:

- The cooperative shareholding at Crelan – which is the only cooperative bank in the sample.
- Investing locally at Argenta – which integrates their local implementation in Flanders within its DNA.
- Resilience at Belfius - as the bank is a leading and state-owned institution in the Belgian financial sector, providing services to millions of clients.

The treatment of these disclosures varies among the institutions in our sample:

- Banks such as Crelan, BNPPF, and Belfius have dedicated specific chapters (on top of the “standard” ESRS chapters) to these topics (and integrated them in one of the E, S, or G sections of their report). This approach provides visibility to strategic or cross-cutting topics such as cooperative governance, innovation, or transition planning.
- Other banks opted to embed entity-specific disclosures as a sub-section of “standard” ESRS chapters, either for efficiency or to avoid duplication

where the topics overlap with standard content. We observe that banks opting for this approach do not necessarily map entity-specific disclosures or topics to the same ESRS chapters.

These practices illustrate that, in the absence of binding sector-specific guidance, entity-specific disclosures play a crucial role in reflecting what is material for each institution enabling a more nuanced and authentic ESG narrative. Yet, the development of entity-specific disclosures (rather than sectoral disclosures) contributes to a lower harmonization in

the reporting; hence sectoral guidance (rather than requirements) would be welcome to improve interpretation of sector-agnostic standards for the financial sector.

B. Overview of impacts, risks, and opportunities

The following table provides a summary of the number of impacts (positive and negative), risks, and opportunities reported by the banks in the sample:

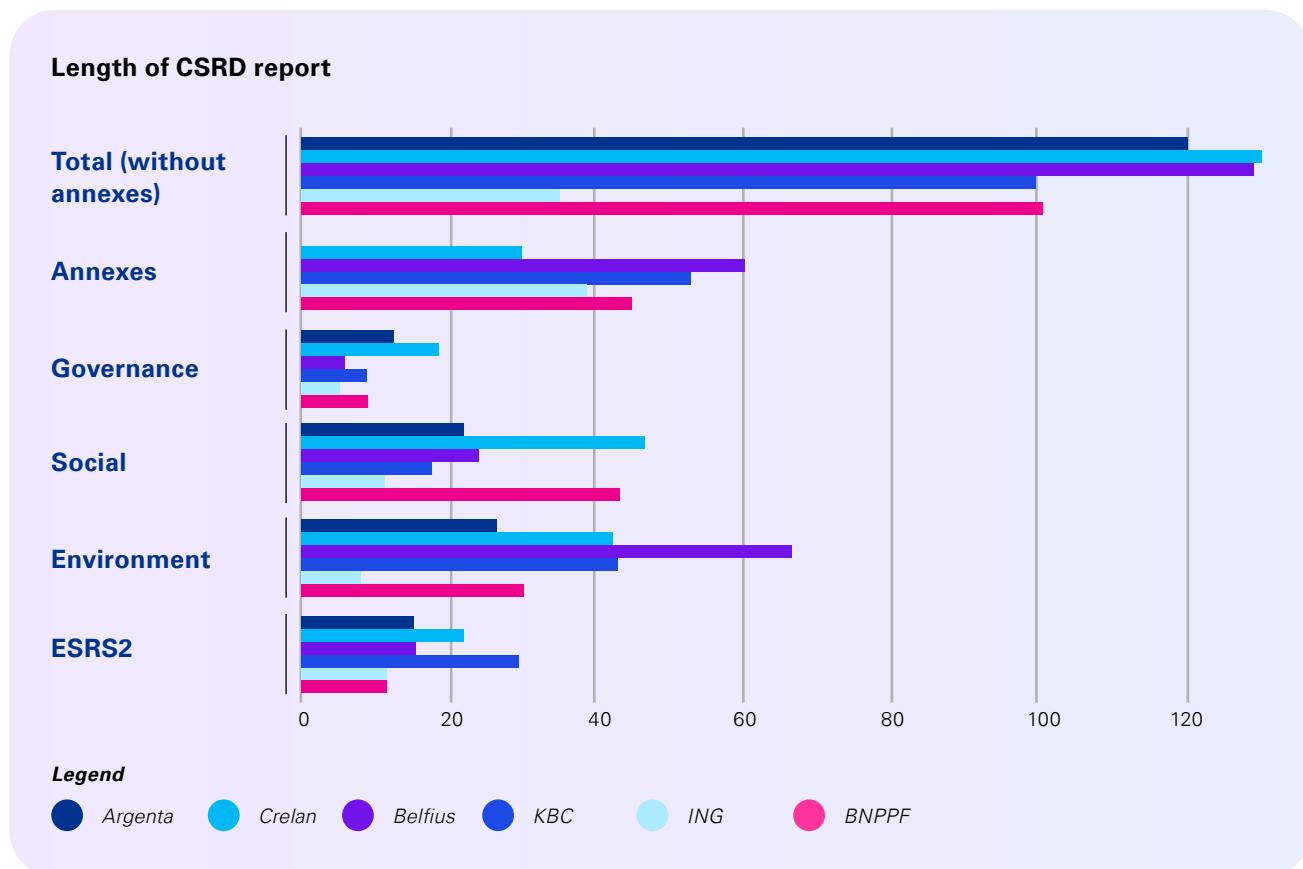
Summary of the number of impacts (positive and negative), risks, and opportunities reported by the banks in the sample

	I-	I+	R	O	Total
BNPPF	3	0	9	5	17
ING Belgium	6	2	9	1	18
KBC	[10]	15	5	30	
Belfius	20	25	20	12	77
Crelan	5	17	7	7	36
Argenta	11	11	9	11	42
Total	51	66	67	40	224

We observe the following:

- The banks report an uneven number of material IROs, e.g. BNPPF disclose ~5 times less IROs than Belfius. Indeed, Belfius does not aggregate all its IROs like the other financial institutions but develops IROs specific for every climate objective and every business line.
- The banks elaborate a total number of risks significantly more important than the impacts and most of all, opportunities – which can be linked to the longstanding experience of banks in managing risks (incl. ESG risks), as well as to the overall important role played by Risk departments in the exercise.
- It should be noted that, unlike some banks that present their risks and opportunities (IROs) in a structured table, KBC disclose them in a narrative format. As a result, the identification and counting of IROs at KBC are based on KPMG own interpretation. Additionally, in the case of Argenta, some sustainability matters are linked to both a risk and an opportunity. To reflect their dual nature in our comparative analysis, KPMG chose to count them twice (once as a risk and once as an opportunity).
- Argenta is the only bank in the sample which does not disclose its complete list of IROs in a structured table.

C. Format of the reporting



In terms of format, most of the banks disclosed a report of 100 to 120 pages, except Argenta (less than 80 pages) and ING Belgium (less than 40 pages). This shows that the overall length of the report is not necessarily linked to the volume of the balance sheet of the bank, the complexity of the business model, or the organizational structure of the bank (ING Belgium and BNPPF are both subsidiaries of a group, yet the length of their reports is very different).

We can observe the following:

- **ESRS 2:** This chapter is one of the shortest due to several factors: the “GOV” section (governance) includes datapoints that are generally covered in the annual report of the banks (i.e. identity and composition of the administrative, management and supervisory bodies). It is also a section disclosing the methodological approach of the report instead of the actual ESG performance, explaining that the banks may have preferred to keep it succinct.
- **Environment:** The environment chapter is quite strategical due to the high degree of materiality of climate change, and the regulator’s expectations regarding the transition plan of institutions. Furthermore, this section is relatively heavy in terms of quantitative datapoints (energy consumption, GHG emissions, EU Taxonomy). These last topics required to be disclosed alongside specific methodological disclosures, which explains the

length of this sections.

Belfius discloses almost 70 pages within its environment section. This extensiveness is explained because they disclose the different initiatives, exposures and opportunities by type of business lines (lending, investing, insurance).

- **Social:** The section S1 contains a large volume of qualitative and quantitative requirements / data points, explaining the length of this section. Banks are generally advanced on these matters, hence disclose relatively large volume of information. The banks for instance use this section to disclose their different initiatives related to employment practices, participation to solidarity programs. In the chapter S4, the banks disclose their list of practices in favor of customer accessibility, innovation and digitalization. KPMG notes that Crelan discloses more than 40 pages in the social section, due to the inclusion of their entity-specific chapter “Cooperative banking”.

- **Governance:** The section is quite limited as it is constituted of only one ESRS, and the number of KPIs and metrics to be disclosed is also succinct. KBC and Crelan disclose information about a high number of topics (AML, suppliers management, fraud, integrity), that can explain that their chapter is relatively long.

D. Use of phase-in provisions

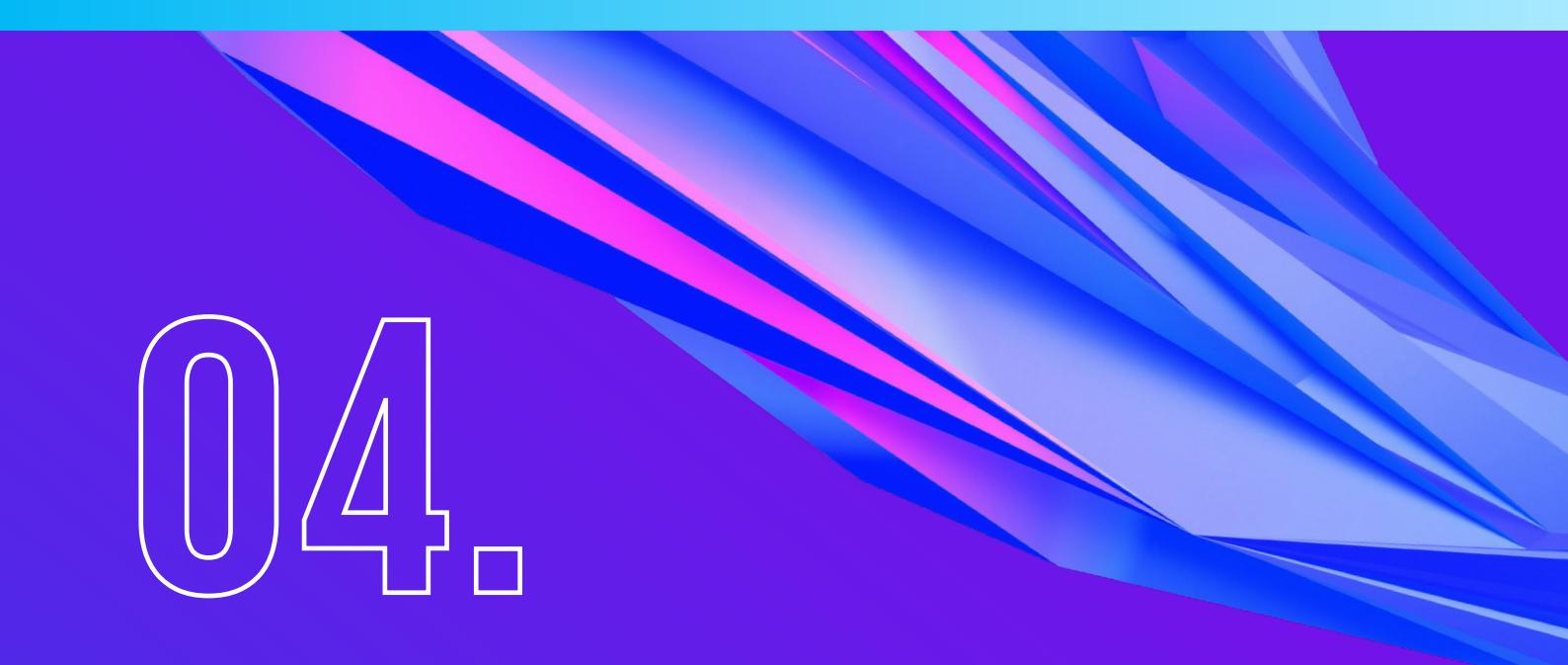
All six Belgian banks made use of the ESRS phase-in provisions in their first year of CSRD reporting, particularly for datapoints requiring complex modelling or extensive data consolidation.

The most deferred datapoint was ESRS E1-9, which concerns the anticipated financial effects of material physical and transition risks related to climate change. BNP Paribas Fortis, KBC, Argenta and Belfius applied the phase-in for this disclosure, citing, for Belfius the limited availability of data and the need for further guidance from the regulator. ING Belgium did not invoke the phase-in and disclosed quantitative data such as EPC distributions and exposure to real estate assets. Crelan provided a detailed qualitative analysis based on internal climate risk materiality assessments as well as quantitative figures coming from their Pillar 3 report.

On the social side, the phase-in was frequently used for datapoints under ESRS S1. ING Belgium and Argenta applied a phase-in for S1-13, which covers work-life balance and social protection, due to fragmented or evolving HR data systems. Belfius and Crelan also phased in S1-7 and S1-12, related to non-employee and disability-related data, highlighting technical difficulties in aggregating comprehensive metrics across subsidiaries and reporting platforms.

In addition, KBC, Belfius, and Crelan applied the transitional phase-in for prior-year comparative figures, which is permitted under ESRS for first-year reporters. These phased-in datapoints illustrate the operational and methodological challenges still faced by financial institutions, especially in areas requiring advanced modelling or detailed workforce analytics.





04.

Sustainability information reported: analysis per sustainability topic

Environment

Social disclosures – Own workforce

Social disclosures – Consumers and end-users

Governance

4. Sustainability information reported: analysis per sustainability topic

This section presents an analysis on the key information reported across the material topics identified across E, S and G pillars, and analyze how banks compare with each other in terms of policies, strategic actions, metrics and targets.

A. Environment

In an era marked by intensifying climate challenges, the role of the financial sector in supporting the environmental (incl. climate) transition has never been more critical. As key enablers of economic activity, banks are increasingly expected to align their operations and financings with environmental objectives. This section presents a comparative analysis of the environmental strategies and performance of the six banks, focusing on a shortlist of relevant topics.

All banks in the sample have developed a significant number of initiatives and actions related to climate change, which is (by far) the most mature environmental topic reported. Amongst others, KPMG observes that banks have taken actions to quantify their impacts and risks related to climate, and part of them have identified targets to manage those risks or reduce these impacts. Actions related to other environmental topics are less mature.

Banks however recognize that these actions are still evolving, as they do not always meet requirements or expectations, for instance:

- **Not all banks in the sample have elaborated a formal transition plan to reduce their GHG emissions.** The level of transparency around the availability of this plan is uneven;
- Most of banks have defined targets on their own emissions, while they have **no target related to financed emissions**, even though they represent the vast majority of their performance;
- Differences of methodological interpretation and limited data availability lead to **uneven reporting of EU Taxonomy KPIs and financed emissions**. The KPIs reported do not entirely reflect the real performance of the asset classes; and
- The “other” environmental topics (in addition to climate) are (much) less mature, as the disclosures linked to these topics are quite reduced.

“Belgian banks - similar to their EU peers - have demonstrated commitment to addressing environmental challenges, particularly climate change, through various initiatives. The maturity levels and specific actions vary significantly. One key area for improvement is the development of formal transition plans - with targets set for financed emissions, robust GHG emission calculation methodology, and more importantly actions associated to those. Further action is also required (for both the regulator and banks) to make the EU Taxonomy KPI’s a tool to steer business or credit decisions.”



Julien Thiry

Director, ESG Lead Financial Sector
KPMG Advisory

In the next paragraphs, a detailed comparative analysis is provided highlighting how banks compare to each other on a list of relevant topics (GHG emissions, EU taxonomy, transition plans, targets & metrics). This section is focused on climate, given that reporting on other environmental topics is still very limited.

GHG emissions

The banks diverge in their interpretation of the regulation, leading to disclosures difficult to compare.

Greenhouse gas (GHG) emissions constitute a key indicator of a bank’s environmental footprint, both from its own operations and through its financing activities. In line with the ESRS E1 standard, banks are required to disclose Scope 1, 2, and significant scope 3 emissions, along with relevant intensity ratios.

This section analyzes the GHG emissions performance of the six Belgian banks studied, following a twofold approach:

- First, reviewing “own emissions” (zooming on Scope 1, 2) and calculating intensity ratios, to assess the banks’ internal carbon efficiency.

- Secondly, examining financed emissions (Scope 3, Category 15) by activity type and by institution which represent the vast majority of banks' climate impact.

Through this analysis, differences in emissions magnitude, disclosure practices, and carbon efficiency are highlighted, offering insights into the sector's decarbonization maturity.

GHG own emissions & Intensity ratio (own emissions/employees) – Scope 1 and 2:

Banks are required to manage and disclose their direct environmental footprint, namely their Scope 1 and Scope 2 emissions.

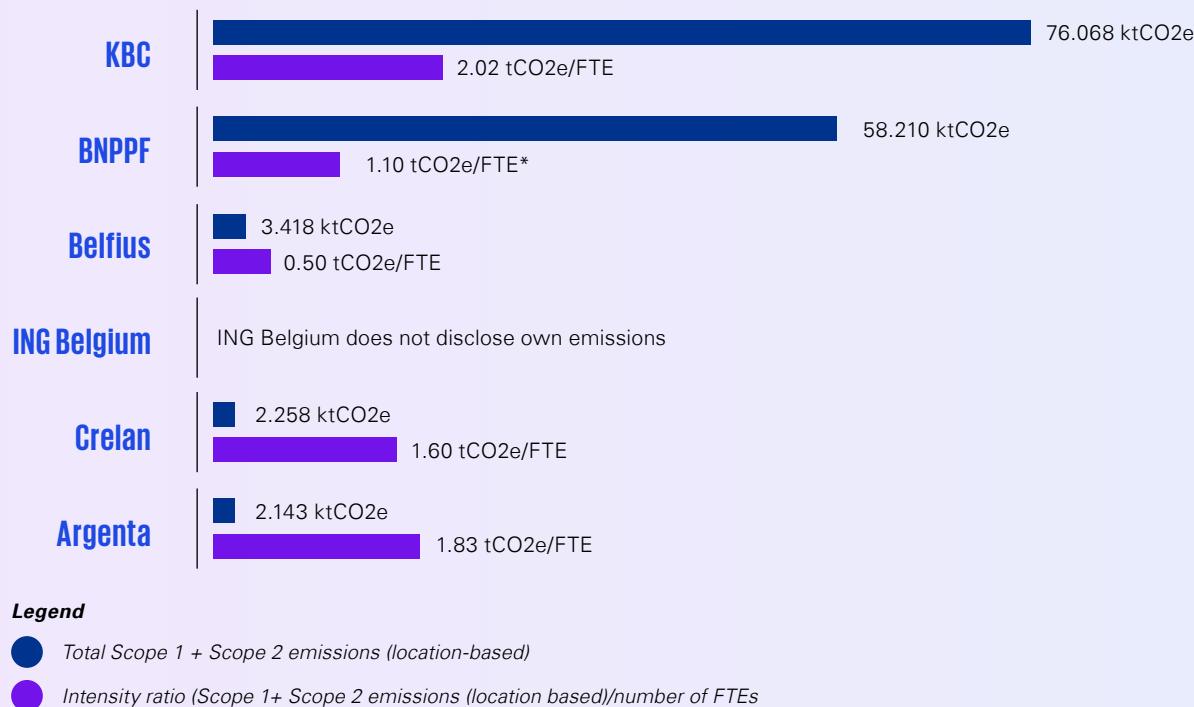
Scope 1 covers direct emissions from owned or

controlled sources (such as buildings and vehicles), while Scope 2 includes indirect emissions from the consumption of purchased electricity, steam, heating, or cooling.

To complement the absolute emissions figures, this section also presents emissions intensity ratios, calculated as the amount of GHG emissions per full-time equivalent (FTE) employee.

This ratio allows a normalized comparison of banks' operational efficiency in reducing their environmental footprint, regardless of their size.

Banks are required to manage and disclose their direct environmental footprint, namely their Scope 1 and Scope 2 emissions.



For banks, Scope 1 and 2 emissions represent only a small fraction of their total climate impact (generally less than 5% of total emissions), but they remain important indicators of operational performance and internal efficiency. The figures presented reflect efforts undertaken by the banks to reduce direct and indirect emissions from their buildings, vehicle fleets, and purchased energy, for example through renovations, improved energy sourcing, or more efficient infrastructure.

Differences in absolute emissions and intensity per full-time equivalent (FTE) can be attributed to various factors, such as the size and nature of operations, geographic spread, or the type of buildings owned. Without surprise, KBC and BNPPF, given their size in

comparison to the rest of the sample, show a volume of operational emissions very high in comparison to smaller banks. The relatively low volume of emissions of BNPPF compared to KBC could be partly due to operational efficiency of BNPPF new headquarter building. Finally, KPMG notes that the emissions of Belfius are limited compared to BNPPF and KBC. Most of Belfius own emissions are lying in the scope 3 category (outside of financed emissions): the volume of these emissions is ten times more important than BNPPF. The difference lies partly in methodological differences: some emissions are disclosed as part of Scope 1 and 2 for KBC and BNPPF and as part of Scope 3 for Belfius. ING Belgium did not disclose Scope 1 and 2 emissions in its report, which limits comparability. Given the above, interpreting differences between banks requires caution.

How are banks dealing with “Green IT” - a major component of decarbonization plans?

The exponential growth of big data, artificial intelligence and cloud services generates a substantial increase of the operational footprint of financial institutions. These associated emissions are often under-reported and challenges remain regarding their accountability. The actions and initiatives taken by the financial institutions on this topic, such as transition towards responsible digital environments, are not prominently featured in the environment sections. KPMG emphasizes the need for closer collaboration between IT and ESG teams to integrate responsible digital strategies into broader sustainability goals, highlighting the risk of the digital footprint tripling by 2050 if left unaddressed.

Aside from Scope 1 and 2, KPMG also notes that the banks do not all disclose the emissions related to all Scope 3 categories (see below). The following table

presents a summary of the GHG Scope 3 categories reported by the various banks in the sample

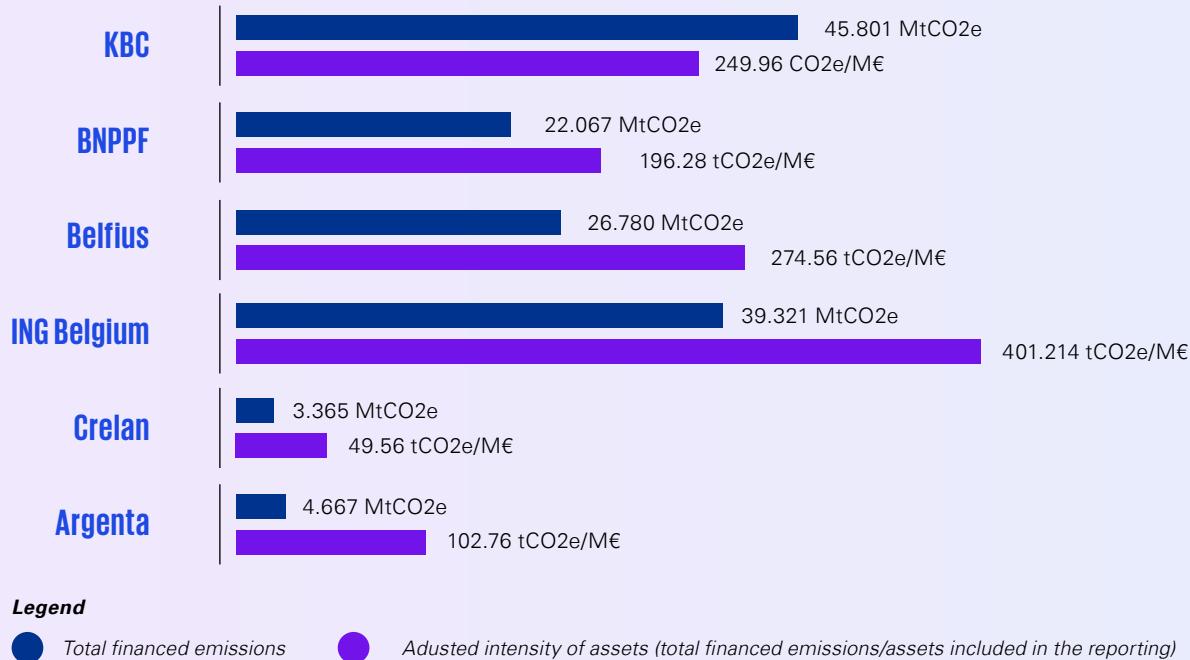
#of Scope 3 categories reported by the Belgian banks

Category	BNPPF	KBC	Belfius	ING Belgium	Crelan	Argenta
1. Purchased goods and services	✓	✓	N/A	✓	✓	✓
2. Capital goods		✓	N/A			
3. Fuel and energy related to Scope 1&2		✓	N/A	✓	✓	✓
4. Upstream transportation & distribution		✓	N/A	✓		
5. Waste	✓	✓	N/A	✓	✓	✓
6. Business travel	✓	✓	N/A	✓	✓	✓
7. Employee commuting	✓	✓	N/A	✓	✓	✓
8. Upstream leased assets		✓	N/A			
9. Downstream transportation & distribution			N/A			
10. Processing of sold products			N/A			
11. Use of sold products		✓	N/A			
12. End-of-life treatments of sold products		✓	N/A			
13. Downstream leased assets		✓	N/A			
14. Franchises		✓	N/A			
15. Investment	✓	✓	✓	✓	✓	✓

Belfius discloses almost all their categories, including upstream and downstream leased assets that are relatively important. More concretely, the emissions related to the auto lease activity of Belfius are indeed included in category 13 of Belfius, and category 15 of

KBC. The emissions related to the entity Arval are not included in the CSRD report of BNPPF. Similar sources of emissions are classified under different emission categories from one bank to another.

Financed emissions and CO2 intensity – Scope 3 category 15



Financed emissions represent the largest part of a bank's climate impact, far exceeding its own operational emissions. Under the GHG Protocol (Scope 3, Category 15) and in line with the ESRS E1 standard, financial institutions are required to disclose the greenhouse gas emissions associated with their lending and investment portfolios.

The adjusted intensity (total emissions/total assets included in the financed emissions reporting) of the different banks suggest that the level of carbon intensity of the banks portfolios differs quite extensively across the market. The portfolio of ING Belgium is almost six times more intensive than Crelan, and 1.6 times more intensive than Belfius. This gaps are mainly due to the difference in terms of asset classes covered, a large section of the perimeter of ING Belgium is composed of corporate clients and business banking, while the less intensive banks have a more balanced portfolio.

Comparing banks proves to be challenging due to varying reporting approaches and scopes. The level of coverage of the balance sheet assets by the financed emissions is not aligned amongst the banks:

- BNPPF: 30% of total assets. The only assets reported are the exposures towards non-financial corporations.
- Belfius: 52% of total assets. Exposures local public sector entities and exposures to financial corporations are not included.
- ING Belgium: 60% of total assets. Only lending book (wholesale banking, retail banking, mortgages and commercial real estate) and equities are included.
- Crelan does not communicate the outstanding included in the financed emissions reporting. The bank reports on mortgages, professional lending, sovereigns and investment, which, based on financial information, represents approximately 90% of their assets.
- KBC indicates that 95% of the lending book portfolio (i.e. 50% of assets) is included in the reporting. The other asset classes are not commented. KBC is the only bank in the sample to disclose insurance-associated emissions.
- Argenta indicates that 94% of its lending book and 86% of its investment portfolio is included in the reporting (i.e. 72% of total assets). Sovereign bonds emissions are also included.

"The reporting of financed emissions through PCAF methodology is a step towards a greater comparability of banks environmental performance. The future developments of the standards, allowing the reporting of several new asset classes, will allow the banks to share to the reader of sustainability statements and even more complete picture of their emissions"



Anais Dudout

Manager, Financial services - Sustainability
KPMG Advisory

These differences are caused by the fact that banks have excluded several asset classes from the reporting. One of the reasons is that PCAF does not provide standards on all types of assets, such as cash and cash equivalents, derivatives, short-term assets, and sub-sovereign debt. KPMG notes that Belfius is the only bank in the sample to report emissions in line with the format prescribed by PCAF Part A (disclosure of outstanding included in the reporting, split of emissions per PCAF category and by scope of the borrower or investee). A stricter alignment with this requirement will allow a better comparability between the entities.

Furthermore, the level of data quality of the reporting of financed emissions can be improved: several institutions disclosed a data quality score of five (lower level of data quality) for several asset classes. Some

banks provide only a unique data quality score (instead of one score per asset class). Emissions calculated with a low data quality score involve the use of unverified data or sectoral or national proxies, thus limiting the reliability of the calculations which in turn, creates an additional challenge to set a credible transition plan and targets.

The reports also include the intensity ratio of their emissions (total emissions/net revenue). It must be noted that the "intensity ratio's" reported by banks also does not offer comparability, as banks have used different interpretations of the "net revenues". In addition, some companies have reported their gross revenue instead of net value, such as Argenta and Belfius, limiting even more the comparability of information.

Transition plan

Setting targets is only meaningful if it is accompanied by credible, actionable plans to achieve them. In line with ESRS E1 requirements, companies are expected to disclose their climate transition plans, demonstrating how they intend to reduce greenhouse gas emissions and align with the objectives of the Paris Agreement. The transition plan is a cornerstone of environmental disclosure, and it is a strategical component of the CSRD. KPMG observes that most banks in the sample do not have a transition plan meeting the CSRD requirements yet.

KBC

No "integrated single document" in the form of a transition plan exists, but main pillars of the transition plan (governance, strategy, targets, etc.) are defined.

BNPPF

A transition plan for climate change mitigation has been developed at BNPP Group level (built based on sectoral targets defined) and endorsed locally (for relevant sectors).

Belfius

No formal "transition plan" in place, nor targets for decarbonizing portfolio (foreseen in the coming year). The Transition Acceleration Policy defines the overarching strategy to reduce Belfius' negative impacts linked to GHG emissions

ING Belgium

ING Belgium states it does not yet have a finalized transition plan but is actively working on it and will publish detailed, quantified targets and actions in its 2025 Sustainability Statement.

Crelan

Crelan is currently developing its climate transition plan, to be formally published by 2026 in line with CRR3/CRD6 requirements. While not yet finalized, the bank has initiated key building blocks, including governance, indicative decarbonization trajectories, and ESG integration in credit and risk processes.

Argenta

Based on the Flemish Climate Plan, which influences Argenta's modelling of emission reductions and market assumptions. The transition plan is embedded in a broader climate action plan, aligned with ECB guidelines and monitored internally. It's integrated into Argenta's Financial Risks policy, which governs both bank and insurance activities.

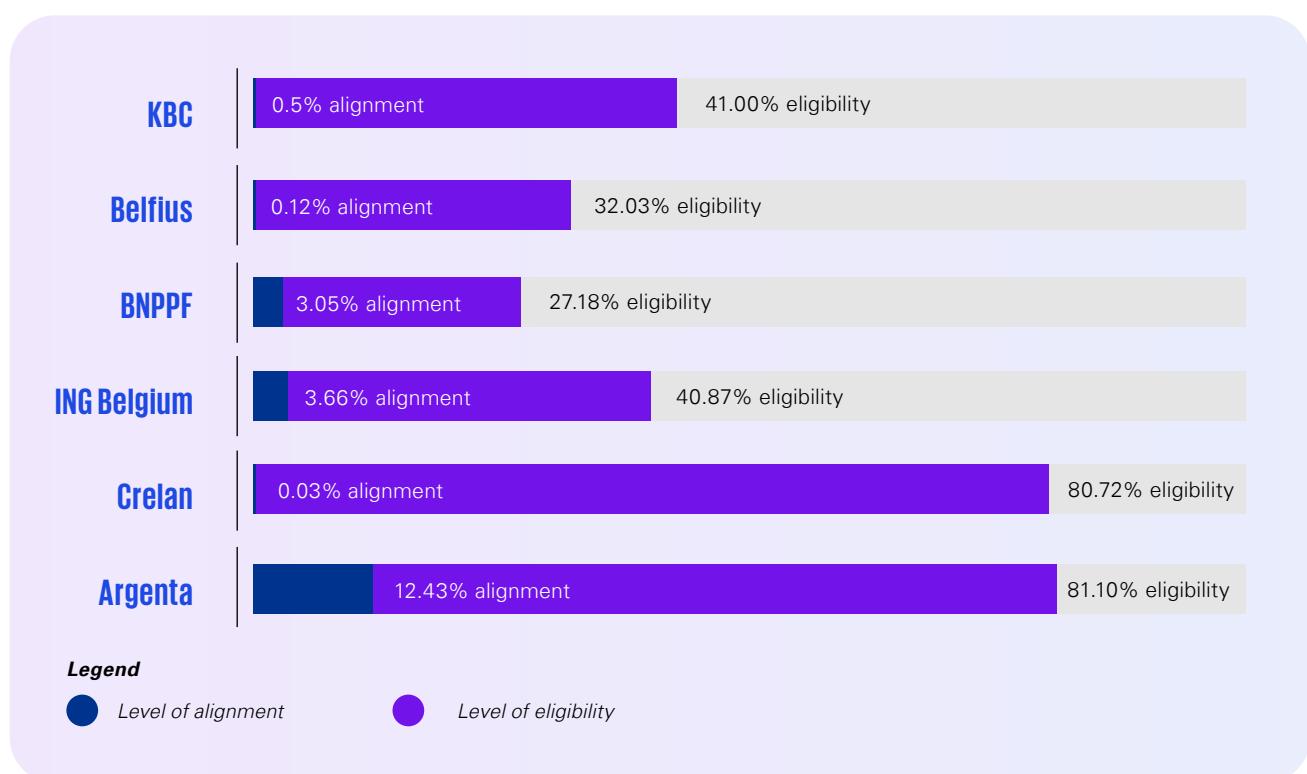
EU Taxonomy

Despite its ambition to shed light on green finance, the EU Taxonomy figures still lack interpretability and comparability to identify how “green” the financing of the banks are.

The EU Taxonomy reporting, integrated in the sustainability reports, is a methodology to classify the assets based on their contribution to environmental objectives, and a solution for users of sustainability statements to compare the banks' overall performance in terms of financing of green activities.

Even though some banks already report on this KPIs for more than two years, KPMG highlights that the comparison between the bank's performance remains difficult, due to the differences of regulatory interpretation and the limited data availability on the market – which affects the original objective of the EU taxonomy to offer comparative figures in terms of green finance.

Significant efforts are still expected from banks to overcome existing challenges and show progress on their KPI in the coming years. Regulatory initiatives such as the Energy Performance of Buildings Directive, which seeks to harmonize energy performance certification requirements across Europe, and the Omnibus Package, aimed at simplifying EU Taxonomy disclosures, are certainly welcome. However, if banks want to demonstrate meaningful progress on these KPIs, the above measures alone will not eliminate the need for banks to continue (1) investing in alignment expertise, data quality, and reporting systems as well as (2) progressively redirecting loans and investments toward economically aligned activities. The ongoing evolution of regulatory frameworks, methodological refinements, and sector-wide discussions will be critical in enhancing the consistency and comparability of EU Taxonomy reporting



The Eligibility KPI—which represents the percentage of a bank's portfolio linked to economic activities covered by the EU Taxonomy framework—ranges from 27.18% to 81.10%. Meanwhile, the Alignment Ratio—which measures the proportion of assets that make a significant contribution to environmental objectives as defined by the regulation—varies between 0.03% and 12.43%, and remains overall relatively low.

These figures indicate that the overall rates remain low and exhibit substantial variability across financial institutions.

Key factors driving variability

The disparity in results can be attributed to several key factors:

- The composition of the portfolios affects both the eligibility and alignment, as banks financing companies active in eligible sectors (or retail exposures) will have a higher proportion of eligible assets.
- Asset composition: institutions financing mainly assets more complex to assess often disclose lower alignment ratios.

- Maturity of sustainability data: the ability of a bank to gather and process sustainability-related information depends on its expertise (not necessarily available “in house”) and the availability of relevant data. The use of external providers can also influence reported results.
- Divergence in methodological approaches: the financial sector lacks consensus on how to interpret the EU Taxonomy KPIs requirement, leading to varied methodologies when applying technical screening criteria or regulatory calculation rules.

Challenges resulting in low alignment rates

The low alignment ratio across the sector stems from structural challenges faced by banks when assessing and reporting EU Taxonomy KPIs. These include:

- Technical complexity of criteria (especially the Do not significant Harm (DNSH) criteria for which the EU Commission recently agreed via its Omnibus initiative that they are overly complex to analyze and fulfil), requiring deep investee (and its related sector) expertise and data that may fall outside the scope of a bank’s operations and know-how.
- Restrictions on proxy usage, limiting flexibility and assumptions that could otherwise facilitate alignment calculations.
- Gaps in data availability, particularly for small borrowers or investee, lacking the capacity or regulatory obligation to provide the necessary details to the banks.
- Underdeveloped national frameworks, such as the absence of harmonized Energy Performance Certificate (EPC) standards, which hinder banks’ ability to assess alignment for certain asset types.
- Denominator effects, where the total assets across a portfolio dilute the alignment ratio.

Observations among banks in the sample:

BNPPF and ING report the highest alignment ratios of 3.05% and 3.65% amongst the “universal banks”, respectively, owing to their substantial mortgage portfolios and assertive alignment assessment approaches. Crelan and Argenta demonstrate high eligibility ratios above 80%, primarily due to their significant exposure to eligible household loans. This suggests a correlation between a bank’s business model and its EU Taxonomy approach. Indeed:

- On one hand, retail banks generally exhibit higher eligibility rates, due to their portfolios consisting largely of mortgage loans (eligible under the EU taxonomy). The alignment rate depends on whether the bank takes a conservative or more assertive approach to evaluate the EU Taxonomy criteria for mortgage loans.
- On the other hand, Universal banks tend to show lower eligibility rates as they finance a more diversified portfolio, including assets, counterparties, and economic activities that may not meet eligibility requirements. Among these institutions, some carefully consider the alignment and disclosure requirements. Others adopt a more assertive stance when interpreting alignment criteria.

Therefore, it is essential to consider the bank’s business model, portfolio composition, and alignment approach —whether prudent or assertive—before drawing conclusions about their EUT KPI performance amongst institutions. At this stage, year-over-year comparisons within the same institution are likely to yield more reliable insights than peer benchmarking.

Climate and environmental targets

Even though not all banks have developed a transition plan, almost all have already begun setting targets. Most of these targets are defined

on own operations (building emissions, electricity), but some banks also track the performance of their lending portfolios, and track more specifically their exposures toward carbon-intensive sectors.

Own GHG Emissions Reduction

● BNPPF	<1.85 tCO2/FTE by 2025 (-20% vs 2019)
● KBC	80% by 2030 (vs.2015)
● Belfius	42% by 2030 (vs.2022) Leased assets: cars -50%, buildings -64.7% by 2030
● ING	-
● Crelan	Net zero Scope 1 & 2 by 2030 (max 10% offset)
● Argenta	-

Financed Emissions reduction

● BNPPF	Absolute reduction targets and intensity target reduction for 2 carbon-intensive sectors, 150B EUR in sustainable loans, by 2030 (200B group level) sustainable loans by 2025; economy (group level, Fortis will ,contribute'). 40B euros in credit exposure for low-carbon energy
● KBC	Reduction of intensity of exposures towards 8 carbon-intensive sectors
● Belfius	-
● ING	-
● Crelan	-
● Argenta	Target of intensity reduction on 3 sectors of activity.

Renewable Electricity

● BNPPF	-
● KBC	100% renewable by 2030
● Belfius	100% renewable by 2030
● ING	-
● Crelan	-
● Argenta	100% at HQ ≥85.89% in Belgium from renewables

Targets on Financed Buildings

● BNPPF	CRE: BNP Paribas Fortis aims to reduce the emission intensity in the commercial real estate sector to between 19.5 and 16.7 kgCO2e/m ² by 2030. This represents a reduction range of 31% to 41% compared to 2022 RRE: No quantitative targets
● KBC	Reduction of 43% of GHG intensity of RRE by 2030 and 85% by 2050
● Belfius	-
● ING	-
● Crelan	-
● Argenta	Emission reduction target of Belgian and Dutch mortgage portfolio, increasing of the proportion of EPC label A/B in both portfolios. The target is included in the Risk Appetite Framework.

Alignment with SBTi/PCAF

● BNPPF	-
● KBC	-
● Belfius	-
● ING	-
● Crelan	-
● Argenta	-

Main actions and levers

Beyond setting targets and publishing transition plans, effective climate strategy requires the implementation of concrete actions and the activation of operational and financial levers.

All the banks integrate the following areas of actions to concretize their targets:

- The actions related to the reduction of their operational emissions:
 - The improvement of building energy efficiency,
 - The electrification of the fleet,
 - The promotion, for Belfius and BNPPF, of Green IT,
- The integration of sustainable business offerings. The banks disclose that they intend to support their clients into their sustainable transition, i.e.
 - For the lending business line, the development of dedicated products to fund sustainable housing, mobility, and renovation,
 - For the investment business line, the integration of sustainable preferences in investment decision, or the emission of social and green bonds (Belfius developed dedicated "Sustainability-linked loans" and "Sustainability-linked bonds")
 - The implementation of digital solution to evaluate client emissions
- The evolution of risk management and reporting
 - The integration of climate and, for KBC, environmental risk within risk evaluation and reporting exercises. BNPPF indicated that climate risk drivers are integrated within ICAAP and ILAAP.
 - The integration of climate-scenarios
 - The disinvestment from some sectors of activity.

KPMG notes some areas of improvement regarding the qualitative sections of the environment chapter. First, KPMG expects that more banks defines their Transition plan in the coming year, as strategic alignment is the driver of actions and targets taken by the banks.

Secondly, KPMG expects a clear alignment between impacts (highlighted in the previous section) and actions and targets taken by the banks. While some banks already have quantified targets on their financed activities, it is not the case for the whole sample.

B. Social Disclosures – own workforce

Banks in Belgium have been reporting for several years on specific social indicators, in alignment with the regulations linked to social balance sheet reporting. Historically, they have also elaborated several actions and initiatives related to social topics, to promote employee retention and limit negative impacts, such as discrimination – hence banks in Belgium are relatively advanced in social matters.

However, significant disparities in performance and strategy remain across the sample—particularly regarding the gender pay gap and remuneration ratio. These differences are specific on the one hand to the sector of activity, and on the other hand, on the countries of operations of some banks.

Policies & Actions

The banks in the sample have developed a wide range of initiatives over several years on the following topics:

- Recruitment and employee retention
- Diversity and non-discrimination
- Training and continuous development
- Well-being, incl. work-life balance, mental health
- Participation to social actions and solidarity programs

KPMG notes that ING Belgium mapped its whistleblowing policy and related actions within the social section, contrary to its peers that included them in the governance section.

Many of the above topics are reinforced by the presence of a policy. Not all the banks implemented social actions at group level. KBC, for instance, communicates example of actions taken at local level.

The banks in the sample also use the opportunity to elaborate on how they integrate their employees on decision-making, disclosing the employee satisfaction surveys and feedback mechanisms.

Targets

The topics for which a target has been set by the banks in the sample are available below.

KPMG specifies that the sections "targets" and "metrics" of the following sections reflect only the KPIs communicated in the CSDR reports. Some banks do not disclose a quantified target or metric in the report, but such KPIs may exist internally, or are defined in a decentralized mode. Finally, some banks may not disclose a specific metric or target on a topic, but extensively disclose initiatives and actions taken on this topic.

Recruitment & employee retention

● BNPPF	-
● KBC	-
● Belfius	-
● ING	-
● Crelan	-
● Argenta	-

Training & continuous development

● BNPPF	90% of employees to complete at least 4 training courses per year
● KBC	-
● Belfius	-
● ING	5 days of training for ING Belgium managers in 2024
● Crelan	-
● Argenta	-

Social & solidarity programs

● BNPPF	1 million solidarity hours over a rolling 2-year period at BNP Paribas Group level
● KBC	-
● Belfius	-
● ING	-
● Crelan	-
● Argenta	-

Diversity & non discrimination

● BNPPF	40% of women in the group COMEX and the G100, Leaders for change and SMP, 50% of women within Leaders for Tomorrow by 2025
● KBC	-
● Belfius	44% of women in management by 2025
● ING	29% of Female ING Belgium Senior Leaders – Belgium, 24% in Luxembourg in 2024
● Crelan	33% of under-represented gender in "Crelan Circle", in board of directors, 40% of non-executive board by 2030
● Argenta	-

Well-being

● BNPPF	100% of employees covered by psychological support and listening services
● KBC	-
● Belfius	-
● ING	-
● Crelan	-
● Argenta	"Commitment score" of 80% for employees and 95% for managers in 2024

Metrics

	BNPPF	ING Belgium	KBC	Belfius	Crelan	Argenta
Number of employees in FTE	34,671	7,202	37,588	6,767	1,618	1,171
%women in total employees	53%	48%	57%	49%	51%	54%
%women in Top Management	35%	29%	26%	44%	10% in ExCo, 28% in the board of directors	12%
Remuneration ratio	19	18	93	13	3.31	2.97
Unadjusted pay gap	20%	16% BE 15% LUX	31%	11%	12.3%	11.24%
Adjusted pay gap	NA	1% BE 1% LUX	3%	NA	2.6% (ex-Crelan) 2.2% (ex-ABB)	NA
#days lost due to accidents	0.01	NA	NA	95	885	NA
Accident rate (# accidents per 1 million hours)	1.13	NA	1.20	1.69	7.18	NA
Turnover rate	11%	11%	14%	6%	7%	9.72%
Average nb training (d/h)	26h	NA	NA	5.1d	45.9h	4.5h
Remuneration scheme linked to ESG (% of variable remuneration)	Up to 3-5% for key BNP Paribas Group's employees	NA	8-10%, for ExCo members	9,8% for all key and senior executives	5% in 2024 and 10% in 2025 for ExCo members	NA

KPMG highlights the following:

Regarding the number of accidents:

- BNPPF, KBC, Belfius & Crelan report very low accident rates. This is aligned with the nature of the financial sector, where this type of operational risk is generally minimal.

Regarding diversity

- All banks confirm providing an adequate wage to their employees and justify the observed pay gap mainly by levels of seniority and functional allocation (instead of actual pay grade differences). KBC, ING Belgium and Crelan also reports additionally an "adjusted" pay gap (approx. 3% for KBC, 1% for ING Belgium, and Crelan does not discloses the values of the KPI at consolidated level (2.6% for ex-Crelan, 2.2% for ex-ABB))

- Significant differences in consolidated remuneration ratios can be observed between the banks, partly due to their different organizational structures. BNPPF and KBC, both active in multiple countries, are subject to a greater heterogeneity in salary scales, while Belfius and Crelan operate almost exclusively in Belgium, leading to more uniform salary structures. ING Belgium, though focused on Belgium and Luxembourg, stresses careful analysis of remuneration data, especially in light of differences across business segments. Argenta does not comment on the pay gap, indicating that a gap analysis is performed on a yearly basis and discussed internally during a Work Council.

- All banks report more than 80% employees of 30y old and above. Belfius reports the highest share of employees above 50y old (~47%).
- Crelan reported 2 cases of discrimination over the period and 25 complaints on the topic. Belfius reported 88 complaints over the period.

Regarding well-being:

- Belfius indicates that:
 - 133 employees over the past year called on an Employee Assistance Program
 - An external prevention service provided 1,800 hours of medical examinations and training on health at work

- BNPPF communicated the level of participation of the global employee survey on conduct and inclusion as a metrics on well-being (88% for BNPPF and 82% for the consolidated group – BNPPF, Arval, TEB, Leasing, and BNPPF)
- Both BNPPF and Belfius reports on work life balance metrics (~10% employees entitled to family leaves who used them for both companies).

Regarding whistleblowing:

- Finally, ING Belgium disclosed the number of concerns identified in scope of the Whistleblowing policy.

C. Social Disclosures – Consumers and end-users

Due to the nature of its activities, the banking sector is a generator of two significant impacts: the impacts related to customer protection (customers right, cybersecurity) and the impacts related to financial inclusion. Most of the banks have also communicated as material the opportunities related to digitalization and innovation, since technological and AI-based solutions are now available on the market.

However, in the absence of commonly defined specific KPIs, the areas covered by the chapter are so diverse, that the metrics and targets are uneven, and it is difficult to compare banks on their performance. KPMG foresees an area of progress on this regard.

Policies & actions

The banks in the sample have addressed the following topics in their policies and actions:

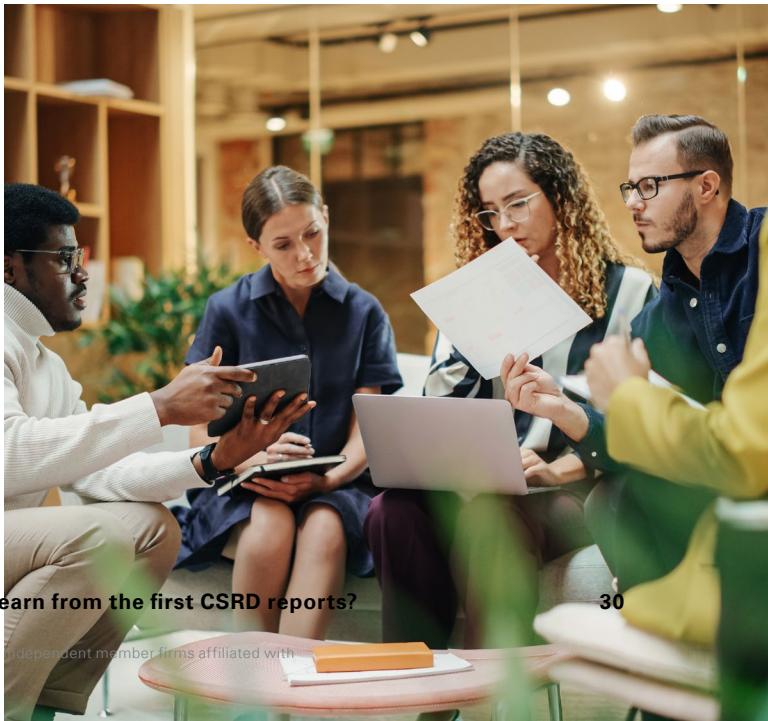
- Information (and data) security
- Protection of clients and consumer's rights
- Fair marketing practices and accessibility of information
- Innovation & digitalization
- Social and financial inclusion

KPMG notes that, contrary to the other banks in the sample, BNPPF has elaborated a policy related to customer interest protection.

Argenta has elaborated a policy specific to the elaboration of products.

The main areas of actions taken by the banks on the S4 chapter are the following:

- Elaboration of channels dedicated to engaging with customers: mainly customer surveys, follow up on client's feedback and complaints channels
- Trainings provided to employees about cybersecurity
- The integration of social-related topics in risk management (i.e. cyber-risk, compliance risks). KBC dedicated a specific governance framework on this topic (the NAPP – New and Active Product Process)
- Some banks have disclosed more extended section on financial inclusion actions: Crelan communicated on the following: large agency network, elaboration of accessible option for banking services, adaptation of services in case of exceptional life events. ING Belgium communicated on the availability of accessible products and communication channels for disabled clients. Finally, BNPPF provides details regarding the subsidiary Nickel, providing accessible finance solutions to clients, and their initiatives related to micro-finance.
- Belfius also provide details regarding their support of philanthropy and access to art.



Targets

The topics for which the banks in the sample have set targets are listed below:

Information (and data) security

● BNPPF	-
● KBC	-
● Belfius	Limit personal data breaches to fewer than 5 per quarter and have zero late responses in 2024
● ING	-
● Crelan	0% of service interruption due to cyberattack At least 5 training and awareness initiatives towards employees and agents in terms of data privacy
● Argenta	95% of employees trained on cybersecurity

Fair marketing practices and accessibility of information

● BNPPF	-
● KBC	-
● Belfius	-
● ING	-
● Crelan	-
● Argenta	-

Protection of clients and consumer's rights

● BNPPF	-
● KBC	-
● Belfius	95% of customer satisfaction
● ING	-
● Crelan	-
● Argenta	Customer satisfaction score >= 50

Innovation & digitalization

● BNPPF	-
● KBC	-
● Belfius	-
● ING	-
● Crelan	-
● Argenta	-

Social and financial inclusion

● BNPPF	BNP Paribas group target: "Serving six million beneficiaries of products and services supporting financial inclusion by 2025"
● KBC	-
● Belfius	-
● ING	-
● Crelan	-
● Argenta	-

Metrics

The disclosure on metrics related to consumers and end-users remains limited:

- ING Belgium communicated the amount allocated to digitalization of products; additionally, it communicates a KPI related to availability of critical business services. They also communicate on the amount invested in partnership with an organism helping the bank on their accessibility.
- Crelan communicates metrics related to cybersecurity (number of service interruptions and number of training and sensitization initiatives). They also communicated having internal metrics related to financial inclusion.

- Belfius communicates metrics related to customer satisfaction, social projects, and accessibility.
- BNPPF discloses its metrics related to social projects.
- Argenta discloses the results of their customer satisfaction score.
- No metric is disclosed by KBC.

D. Governance disclosures

Historically, the banks are summoned by the regulator to embed the principles of internal governance (e.g. 3LoD framework) and risk management into their activities. Marked by this relative maturity, the banks are following a homogeneous approach of corporate governance.

KPMG spots policies and set of actions already implemented for several years within the companies, and metrics disclosed seems to reflect a robust corporate governance. KPMG however note that the banks of the panel, as of today, did not elaborated dedicated targets within the governance section.

Policies and actions

The growing emphasis on ESG in supplier management highlights that banks are increasingly extending sustainability expectations beyond their own operations to their entire value chains. As future EU legislation such as the Corporate Sustainability Due Diligence Directive (CSDDD) may impose strict supply chain responsibilities, early alignment will offer significant operational and reputational advantages.

All banks have developed a set of policies, including a code of conduct, to frame their business conduct values and actions. These cover the following topics: integrity, conflict of interest, AML, market abuse, supplier management, anti-bribery and corruption. The banks also detail how the compliance function is organized to structure these policies into actions.

The policies are followed by a robust compliance framework covering the topics listed above and dedicated procedures aiming at implementing these policies, with associated controls to screen and detect potential incidents (on first and second-line levels) as well as a training program for employees.

It is to be noted that:

- Only BNPPF reports on lobbying activities (incl. how they interact with BNPP Group)
- Belfius reports on the topic "resilience" (describing how it maintains its role in the economy through robust risk management and business continuity procedures) and "sustainable procurement" (describing how sustainability is embedded in relationships with suppliers)
- Crelan discloses the actions taken related to the implementation of its sustainable procurement framework reports on the topics "market integrity & financial security" (describing e.g., compliance with international sanctions, AML, and market integrity, including the management of inside information, prevention of conflicts of interest, and monitoring of transactions to prevent market abuse) and cybersecurity (incl. main features of cybersecurity program). Belfius and KBC include the latter in the "social" section.

Targets

Crelan defined a target on the topic of suppliers' selection. A target of a result 50% of "ESG scoring check" for critical suppliers was defined for 2025.

Belfius also has in 2024 a target of 80% of suppliers to complete an EcoVadis assessment – an ESG rating company used to perform supply chain assessment. After 2025, this target is set at 100% for critical suppliers.

Amount of fines received for violation of anti-corruption and anti-bribery laws.

● BNPPF	-
● KBC	-
● Belfius	-
● ING	-
● Crelan	-
● Argenta	-

Is ESG considered a factor for suppliers' selection?

● BNPPF	Suppliers must commit to Sustainable sourcing charter
● KBC	Yes, blacklisting and screening of suppliers exists. The suppliers code of conduct includes sustainability criteria.
● Belfius	Yes, ESG criteria & questionnaires (on various CSR topics) are integrated in the Procurement policy (incl. target on scoring). The suppliers code of conduct includes sustainability criteria.
● ING	NA – the topic of suppliers is not considered as material for ING Belgium
● Crelan	Yes, Crelan explicitly considers ESG criteria in its supplier selection process.
● Argenta	Yes, Argenta does consider ESG criteria in the selection of its suppliers. According to its 2024 annual report, suppliers are required to respect core environmental, social, and governance principles.

Coverage of employees that have received anti-bribery training

● BNPPF	99.2%
● KBC	99%
● Belfius	89%
● ING	95.49% in Belgium 95.2% in Luxembourg
● Crelan	NA
● Argenta	NA

Suppliers payment

● BNPPF	No
● KBC	Yes, on average ~16 days payment
● Belfius	No
● ING	No
● Crelan	No
● Argenta	No

Conclusion

This first CSRD reporting cycle creates a solid foundation for sustainability reporting and, as such, fulfills its mission of pushing companies toward greater transparency in their sustainability actions. It demonstrates a growing commitment to embedding sustainability into strategy, governance, and risk management. Although maturity levels and specific initiatives vary, the sector is moving toward proactive implementation, with governance structures and C-level responsibilities established for sustainability.

KPMG, however, notes opportunities to improve the quality, comparability, and relevance of sustainability reports. The availability of sectoral interpretations on certain area's (either through sectoral development or guidance) and simplification of the requirements would certainly help in harmonizing disclosures, and ensure that the reported information is tailored to the specifics of the Financial Sector. In addition, gradual increase in counterparty data availability is likely to improve the quality of the banks' disclosures, even though this availability might be at risk given recent Omnibus Package developments. Finally, sectoral harmonization on regulatory interpretations and maturing of methodologies will help in improving comparability, and ensure that CSRD fulfills its role of allowing stakeholders to compare the actual sustainability performance across banks.

We will remain attentive to regulatory developments following the Omnibus Package to see whether some of these measures materialize.

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