

KBC Sustainability Code of Conduct for Suppliers

1 INTRODUCTION

At KBC we are aware that we can achieve sustainable growth only when we engage with all of our stakeholders. It is our mission to create an identity where sustainability, responsibility and accountability are fully integrated. As suppliers are amongst our main stakeholders, we want them to integrate criteria in their purchase, sale and out-sourcing procedures that reflect social, ethical and environmental concerns. Suppliers have to comply with the principles outlined in this Sustainability Code of Conduct for Suppliers, which is a component of our overall Corporate Sustainability and Responsibility strategy. Our Sustainability Code of Conduct for Suppliers is in line with the UN Global Compact Principles and applies to all entities of the KBC Group, and to all KBC's procurement and outsourcing activities.

[UNGC Principles](#)

We are convinced that by integrating sustainability, responsibility and accountability into our business, we will be able to achieve sustainable value for all of our stakeholders. In this case, too, cooperation will be the key to success. By working together with other parties, we aim to provide products and services that have the least possible impact on the environment and that contribute to sustainable development.

Sustainability is a chain. By encouraging our stakeholders to be more sustainable, we aim to stimulate each party in the supply chain to behave in a sustainable manner.

It is our policy to formally request that our suppliers* respect and endorse the principles of this Code of Conduct.

**We consider as suppliers all actual or potential companies supplying the KBC group, i.e. contractors, suppliers of goods and services, consultancy firms, etc. The Code of Conduct also applies to all supplier entities, i.e. supplier parent companies and subsidiaries, if relevant.*

2 REQUIREMENTS

The Code of Conduct sets out following requirements for you as a Supplier:

Supplier must comply with all applicable laws and regulations.

Supplier must have respect for human rights and not allow any harassment, physical or mental punishment or any other form of abuse.

Supplier must respect local and international labour regulations with regards to working hours and wages.

Supplier must warrant that there are no forced labour practices and that employees are free to leave their job after giving reasonable notice.

Supplier must have a non-discrimination policy in place that prohibits discrimination on the basis of gender, race, social or physical handicap, religion, origin.

Supplier must respect the core principles of the International Labour Organization. This includes e.g. that they do not employ children below 14 years of age or as defined under national legislation; children are entitled to education and must be able to develop freely.

Supplier's employees must enjoy freedom of association and have the right to collective bargaining.

Supplier must provide its employees and appointees with safe and healthy working conditions.

Supplier must conduct its activities with due respect for the environment

and take initiatives to reduce their ecological footprint.

Supplier must deliver products and services that meet the quality and safety criteria specified in relevant contract clauses.

Supplier must conduct its business with integrity and have a policy in place that prohibits fraud, tax fraud, money laundering, bribes and kickbacks. Supplier must have a zero tolerance towards corruption.

3 CONFLICTS OF INTEREST

By supplying products or services, Supplier acknowledges to have no conflict of interest with KBC. Supplier shall avoid business activities that could or would lead to conflicts of interest between Supplier's own interests and those of the KBC group.

4 REPRESENTATION AND AUTHORISATION

In business relationships, KBC is always represented by a particular employee. In such relationships, KBC employees communicate directly with third parties and participate in building long-term business relationships. Consequently, all signature and decision-making requirements and trading limits must be observed and the necessary authorisation must be obtained. KBC can only be entered into commitments to the extent that the requisite authorisation has been granted.

5 DATA PROTECTION & CONFIDENTIALITY

KBC's relationship with customers is based on trust and confidentiality. The conduct of KBC's business is in part determined by the protection of confidential internal customer information, and decisions are to be taken on the basis of complete and correct data. All information relating to KBC's customers or business partners that Supplier would gain access to, shall therefore be treated as confidential information, and must be processed in accordance with applicable data protection legislation (such as Directive 95/46/EC and its national implementations). All internal information concerning customers and business partners shall be protected from unauthorised usage, disclosure, alteration or destruction. That information may be used only for the (professional) purpose for which it has been collected. The protection of confidential information applies to all data carriers, regardless of their form.

At no time may any false or biased data be entered into the KBC information systems or information be withheld that is required for decision-making purposes. Unauthorised persons may never be enabled to use the authorisations or technical means given to staff to access KBC company premises or information systems. In all matters, the legal and internal regulations relating to the confidentiality, handling and processing of personal data must be observed.

6 PROTECTION OF INVESTORS & CAPITAL MARKETS

In all financial markets, market abuse – *i.e.* abuse of insider information and market manipulation (price manipulation, diffusion of false information) – is one of the most serious offences against trading ethics. Trading based on confidential information obtained through KBC or on transactions involving a conflict of interests is not permitted. For the same reason, Supplier cannot carry out activities that distort the market price of negotiable financial instruments, or increase their trading volume artificially in order to mislead market participants.

All confidential internal information relating to the KBC group, customers or business partners that Suppliers has become privy to in the course of their work must be protected, and may not be used for personal benefit or the benefit of others.

7 SCREENING

This Sustainability Code of Conduct for Suppliers allows KBC to conduct interim screenings to evaluate whether Supplier is complying with the agreed CSR requirements. If any violations come to light that cannot be fundamentally resolved within an appropriate period of time, KBC shall have the right to terminate for cause all contracts with you as a Supplier.