

# Whistleblower Protection Policy and Procedure

## 1. Context and legislation

The KBC group has decided to update its internal whistleblower policy and the corresponding procedures and bring them in line with the most recent European legislation (i.e. EU Directive 2019/1937 on the protection of persons who report breaches of Union law) and its transposition into Belgian law.

The purpose of this legislation is twofold:

- Encouraging and facilitating reports identifying abuse and misconduct, such as irresponsible behaviour, corruption, fraud, money laundering, etc.;
- Better protection of the person reporting the abuse or misconduct (also known as the 'whistleblower') and their associates against possible negative consequences or disciplinary action that may result from the report.

When processing these reports, KBC naturally considers the rights of all those involved in order to ensure that its procedures are in line with existing regulations (on privacy protection, for example).

We expect this revised whistleblower policy, combined with an easily accessible and user-friendly new tool, to further support KBC's speak-up culture and to make it more efficient.

This whistleblower policy takes effect immediately and replaces any and all previous versions of this policy and the corresponding procedures.

## 2. Who can make a report

The new regulations distinguish between personal scope (i.e. who can make a report) and material scope (i.e. what you can report).

### **Work-related context as a condition**

The law only recognises you as a whistleblower if you make a report based on information acquired in a 'work-related context'. This term is interpreted very widely.

Therefore, we have included a more detailed, but not exhaustive, overview below:

- Prospective employees, current employees on temporary or permanent contracts or former employees of a KBC group entity;
- Contractors and former contractors (i.e. self-employed persons or employees of other companies who have worked full-time or part-time for a legal entity of the KBC group);
- KBC Insurance Agents and their employees;
- Current and former consultants;
- Current and former suppliers;
- Current and former shareholders, managers and senior managers;
- Current and former volunteers, trainees and interns (paid or unpaid);
- Persons who help/support the whistleblower in making the report (colleagues, family members, etc.);
- Third parties and legal entities associated with the whistleblower; and
- Trade union representatives.

**!! IMPORTANT: anyone can report a breach in the areas of financial services, products and markets and the prevention of money laundering and terrorist financing, irrespective of whether the reporting person obtained the information in a work-related context.**

This involves the following areas:

- Consumer and investor protection in financial services and capital markets;
- Banking;
- Credit;
- Investment;
- Insurance and reinsurance;
- Occupational or personal pensions products;
- Securities;
- Investment funds;
- Payment services;
- Reporting under the anti-money laundering legislation.

### **3. What you can report**

#### **3.1 Statutory scope**

The EU Directive limits the statutory recognition of reports to breaches of the ten areas of Union law:

1. breaches relating to public procurement
2. breaches relating to financial services, products and markets (including the prevention of money laundering and terrorist financing)
3. breaches affecting product safety and compliance
4. breaches affecting the safety and security of all means of transport
5. breaches affecting the protection of the environment
6. breaches affecting nuclear safety or protection against harmful radiation
7. breaches affecting food and feed safety and animal health and welfare
8. breaches affecting public health
9. breaches affecting consumer protection

10. breaches affecting the protection of privacy and personal data, and the security of network and information systems

Belgian legislation has added two areas to the areas recognised by the EU:

11. breaches relating to the fight against tax fraud
12. breaches relating to the fight against social security fraud

### 3.2 What to do with reports falling outside this scope

Certain internal reports that are not subject to the whistleblower regulations and the ensuing protection mechanisms will nevertheless be treated in strict confidence by KBC, and the reporting persons do not have to fear any disadvantageous treatment by KBC as a result of their reports.

This obviously only applies to the extent that reports are made in good faith.

These are mostly reports about:

- immoral or unethical conduct; and/or
- conduct that compromises the credibility and reputation of the KBC group and its entities.

### 3.3. Conditions

You should report not only violations/breaches in the traditional sense, but also:

- omissions;
- breaches for which you have specific reasons to suspect that they will take place;
- attempts to conceal breaches.

In addition, at the time of reporting, the reporting person must have reasonable grounds to believe that the information on which they base the report is true.

## 4. How to make a report

The whistleblower regulations distinguish between three types of reporting channels:

1. Internal reporting through KBC sites of the relevant legal entities of the KBC group (i.e. internal SharePoint site, external website, KBC e-mails, meetings with compliance colleagues, etc.)
2. External reporting: to the Federal Coordinator, a competent authority yet to be designated by the government (or the Federal Ombudsmen until such designation is made) or the external regulators (FSMA, NBB, etc.)
3. Public disclosure (through the press, social media, etc.)

The reporting person is free to select the reporting channel they consider the most appropriate.

### 4.1 Internal reporting

KBC, the legislature and regulator have all identified this method as the most appropriate reporting channel.

A whistleblower may make a report internally within each KBC group entity through all possible channels of communication (i.e. by letter, by e-mail, by telephone, in a personal meeting, etc.); the two main channels are stated below:

- Reporting through our internal SharePoint site or external websites
- Reporting through the group mailbox: [reporting@kbc.be](mailto:reporting@kbc.be)

### Reporting through the KBC websites (the preferred channel)

Links on the internal SharePoint site and the external website will take you to a secure page (known as the 'reporting system for unethical acts') where you can register your report in a few simple steps.

- A combination of questions will help you to structure your report.
- The tool also allows you to make an anonymous report while continuing to communicate with the investigators about the substance of your report without revealing your identity.
- In the background, the information is temporarily stored in a secure tool. Information based on a specific report is only accessible to the persons who need the information for their further investigation and follow-up on the report.
- Any and all communication with the investigator also takes place through this secure tool. The reporting person may create a secure inbox (in some cases anonymously) that can be used to upload data (including photographs, files, etc.) and to exchange information with the investigator. This secure inbox guarantees that the information remains in a closed, secure and protected system at all times.

### Reporting through the group mailbox: [reporting@kbc.be](mailto:reporting@kbc.be)

This mailbox, which is managed by Group Compliance, was also used in the past for receiving whistleblower reports.

Reports received in this mailbox will be registered in the secure tool by Compliance to ensure that we can communicate with the reporting person/whistleblower through the closed, secure and protected system for these reports, too, if necessary.

### Compliance as the central point of contact

Given its independence protected by law, the Compliance department acts as the reporting manager (i.e. the point of contact) that receives, checks and saves all whistleblower records and reports. Other entities and persons are required to forward all incoming reports of breaches they receive to the Compliance department without delay.

Depending on the local policy or the local organisational structure, the Compliance department may charge an independent investigation unit (such as Inspection) with the effective investigation of the report. Compliance sees to it that every investigation of a report is conducted fully independently and that it covers both aspects in favour of the report and aspects detracting from the report, with the reporting person's identity remaining strictly confidential (see below).

### Confirmation of receipt to the reporting person

The reporting person will receive a confirmation of the report within seven calendar days, containing a brief explanation of the next steps and a statement of whether the report 'qualifies for protection' according to the scope of the law.

Within three months, the reporting person will also receive feedback on the results of the investigation conducted in response to their report, on condition that the report falls within the statutory scope of whistleblower regulations.

## 4.2 External reporting

A whistleblower may also decide to report directly to an external reporting channel (such as NBB, FSMA or the new Belgian whistleblower authority yet to be established), in particular where:

- the internal reporting channels are not available or do not function properly;
- there is no appropriate follow-up after internal reports; or
- the reporting person has reasonable grounds to believe that they will suffer retaliation or that the authority is in a better position to take effective measures.

## 4.3 Public disclosure

This is only permitted if:

- the internal and external reports are not dealt with and no appropriate action is taken;
- the reporting person has reasonable grounds to believe that the breach constitutes an imminent and manifest danger to the public interest; or
- in the case of external reporting, there is a risk of retaliation or there is a low prospect of the breach being effectively addressed due to particular circumstances.

# 5. How the reporting person/whistleblower is protected

## 5.1 Reporting in good faith

It goes without saying that any guideline or action is absolutely impermissible if it obstructs, hinders or prohibits persons in or from making a report or public disclosure in accordance with the principles outlined herein. This may also be a reason to impose criminal penalties.

The identity of any person who reports in good faith will remain strictly confidential. Their identity, as well as the information from which their identity can be inferred, may not be disclosed to anyone beyond the parties competent to receive, investigate and follow up on the report, except in a very limited number of cases provided for by law:

- if the reporting person gives their free and explicit consent; or
- based on an obligation ensuing from special legislation in the context of investigations by national authorities or judicial proceedings (including with a view to safeguarding the rights of defence of the person concerned).

KBC guarantees that it will not subject whistleblowers to any form of disadvantageous treatment or adverse actions as a result of reports made in good faith.

Any person reporting in good faith cannot be prosecuted under civil law, criminal law or disciplinary law because they reported or publicly disclosed actual or potential breaches. In this situation, no professional disciplinary action whatsoever can be imposed as a result of such a report, either. Furthermore, whistleblowers do not incur liability in respect of the acquisition of or access to the information that is reported or publicly disclosed, provided that such acquisition or access did not constitute a self-standing criminal offence.

Retribution, suspension, dismissal, demotion (or withholding promotion), failure to renew contracts, withholding training, actual retaliation, threats, discrimination and/or other forms of unfair treatment of the whistleblower as a result of this type of reports or public disclosure will always be considered a serious breach of these principles.

Where whistleblower protection is breached, appropriate action will be taken to protect the whistleblower's position, while the protection measures the law provides to the whistleblower will also continue to apply in full.

## 5.2. Malicious reporting

Whistleblowers cannot abuse the reporting procedure by making malicious, frivolous or abusive reports, for example by deliberately and knowingly giving inaccurate or misleading information.

When the investigation conducted indicates that inaccurate or misleading information was reported deliberately and knowingly, the reporting person is **not entitled** to protection and appropriate disciplinary action may be imposed (including those provided for in work rules or in other applicable legislation). Moreover, anyone suffering damage because of such reports or public disclosures is entitled to seek a compensation order.

## 6. Protection enjoyed by the person who is the subject of the report

KBC also guarantees protection of the person who is the subject of the report. The reporting manager within Compliance will ensure the balance between the interests and rights of all parties involved. The internal investigation in connection with the report will be conducted independently and impartially and will cover both incriminating and exculpatory aspects.

In addition to the statutory obligation to maintain confidentiality, the person concerned is entitled to information about the breaches attributed to them. This person is also entitled to communicate their own position and to exercise their right of defence. Where necessary, this person may also have corrections made if certain information in the file is incomplete or incorrect. However, the person concerned may not make copies of information concerning the report or of any material related to the investigation, of findings and/or of measures taken, irrespective of the format or the carriers on which this information is stored.

The right to information may be temporarily suspended or even restricted to avoid obstruction of the investigation. We stress that, in this regard too, the person concerned is never informed of the whistleblower's identity or of any information from which their identity can be inferred either directly or indirectly. We may only depart from this duty of confidentiality on strict conditions prescribed by law (see above).

## 7. How an independent investigation is conducted

### 7.1 Independent investigation unit

An independent investigation unit investigates reports.

This unit:

- may perform specific investigative duties (or have them performed) to find out as soon as possible whether the suspicions reported are well-founded;
- may keep the whistleblower informed of the progress made with the investigation (or may instruct the Compliance officer to do so). The whistleblower has the right to access any personal data relating to them. This right may be restricted by the rights of third parties, in the interest of the investigation or by the entity's legitimate interests. This right does not allow the whistleblower to take photographs or make copies of documents or other materials that are the subject of the investigation;
- ensures that the identity of the reporting person/whistleblower remains secret (the source cannot be disclosed), unless this reporting person/whistleblower explicitly consents to their identity being disclosed or unless this is required by law (e.g., in the event of a judicial inquiry). However, this does not prevent the reporting person from being heard in connection with the matters reported, just like all other persons involved;
- guarantees protection of the rights of the person who is the subject of the report;
- reports the results of the investigation to Compliance, which, as the reporting manager, is responsible for reporting and keeping records of reports.

## 7.2 Guaranteed confidentiality and objectivity

All investigators of the independent investigation unit are subject to stringent ethical rules in order to ensure the discretion and restraint required.

Therefore, KBC expects all employees to cooperate with an investigation in good faith. In the event of a conflict of interest or if the independence of an internal or local investigator is compromised, an external party may be engaged to conduct the investigation.

## 8. Monitoring and reporting

The Compliance Officer will report the results of the investigations to the Executive Committee in accordance with the customary reporting lines, without disclosing the whistleblower's identity. They will see to it that the information submitted by the whistleblower is also effectively examined and that, where relevant, the necessary measures are taken to terminate the abuse.

The Compliance Officer is also responsible for documenting the report and ensures compliance with the principles stated in this policy. The Compliance Officers of the entities involved report on the status, implementation and functioning of this Whistleblower Protection Policy in their periodic and annual reports to the Executive Committee and the Risk & Compliance Committee.

In order to prove the effectiveness of the whistleblower policy, the Compliance Officer for the relevant entity keeps records of the reports of breaches. The records do not include data on the identities of the persons concerned, but they do state the follow-up on the reports and the reasons for this follow-up.

## 9. Exceptions to this policy

The principles set out in this policy are minimum rules that apply to all KBC group entities.

Questions about this policy and the corresponding procedures may be addressed to [reporting@kbc.be](mailto:reporting@kbc.be).