



KBC Group Sustainability Code of Conduct for Suppliers

Introduction

At KBC we are aware that we can achieve sustainable growth only when we engage with all 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 outsourcing procedures that reflect social, ethical, and environmental concerns.

Our Sustainability Code of Conduct for Suppliers supports the [UN Global Compact Principles](#) and applies to all entities of the KBC Group, and to all KBC's procurement and outsourcing activities.

Suppliers must 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.

Suppliers must also agree to immediately report any future breaches to below principles to KBC.

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. By working together with other parties, we aim to provide products and services that have the least possible negative impact on the environment and that contribute to sustainable development.

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

**The Code of Conduct applies to all supplier entities, including parent companies and subsidiaries.*

The Code of Conduct sets out following Sustainability Principles:

Ethics

- Suppliers must comply with all applicable laws and regulations.
- Suppliers must conduct their business with integrity and prohibit fraud, money laundering, bribes and kickbacks. They must have a zero tolerance towards corruption.
- Suppliers must appropriately manage and protect KBC's data against unauthorized access, disclosure, modification or destruction.

Labor & Human Rights

- Suppliers must have respect for human rights and not allow any harassment, physical or mental punishment or any other form of abuse.
- Suppliers must respect local and international labor regulations with regards to working hours and wages.
- Suppliers must warrant that there are no forced labor practices and that employees are free to leave their job after giving reasonable notice.
- Suppliers must treat their employees equally and must prohibit any form of discrimination based on gender, race, social or physical handicap, religion, origin.
- Suppliers 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.
- Suppliers' employees must enjoy freedom of association and have the right to collective bargaining.

Health and safety

- Suppliers must provide their employees and appointees with safe and healthy working conditions.
- Suppliers must deliver products and services that meet the quality and safety criteria specified in relevant contract clauses.

Environment

- Suppliers must conduct their activities with due respect for the environment and take initiatives to reduce their ecological footprint.
- Suppliers must protect natural ecosystems from deforestation, forest conversion or land conversion.
- Suppliers shall avoid or minimize the contamination of soil, air and water as well as noise and light pollution.
- Suppliers must undertake reasonable efforts to maximize reuse and recycling of products.
- Suppliers must continuously improve their environmental performance by locating, identifying, assessing, and managing environmental risks and impacts throughout their value chain.

Suppliers are encouraged to provide more detailed information on the above topics in their product & service offering proposals. Suppliers should be aware that the provision of such information can be considered as a positive selection criterium during supplier selection and follow-up.

This *Sustainability Code of Conduct for Suppliers* allows KBC to conduct interim screenings to evaluate whether suppliers are complying with the agreed Sustainability Principles. If any violations come to light that cannot be fundamentally resolved within a reasonable period of time, KBC shall have the right to terminate all contracts with the concerned supplier.

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