

KBC Sustainability Code of Conduct for Suppliers

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 outsourcing 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.*

The Code of Conduct sets out following requirements:

- Suppliers must comply with all applicable laws and regulations.
- 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 labour regulations with regards to working hours and wages.
- Suppliers must warrant that there are no forced labour practices and that employees are free to leave their job after giving reasonable notice.
- Suppliers must have a non-discrimination policy in place that prohibits discrimination on the basis of 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.
- Suppliers must provide their employees and appointees with safe and healthy working conditions.
- Suppliers must conduct their activities with due respect for the environment and take initiatives to reduce their ecological footprint.
- Suppliers must deliver products and services that meet the quality and safety criteria specified in relevant contract clauses.
- Suppliers must conduct their business with integrity and have a policy in place that prohibits fraud, money laundering, bribes and kickbacks. Suppliers must have a zero tolerance towards corruption.

This *Sustainability Code of Conduct for Suppliers* allows KBC to conduct interim screenings to evaluate whether suppliers are 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 the concerned Supplier.

Approval

Approved by Group Exco
May 13th 2014

Publisher

KBC Group NV, Havenlaan 2, 1080 Brussels, Belgium.
VAT BE 0403.227.515, RLP Brussels.
www.kbc.com
csr.suppliers@kbc.be

Copyright

No part of this publication may be copied, reproduced, published or distributed in any form whatsoever without the prior written consent of the publisher or other entitled parties.