

# Code of conduct

## KBC Group



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## Introduction

This Code of Conduct offers a practical guide to how we do things at KBC. It guides you through the key behaviours we expect from all employees of KBC.

At KBC we want to continue to be the reference, and to continue playing our positive role in society. That means striking a long-term, sustainable balance between the interests of all our stakeholders: our clients, our colleagues, our shareholders and society as a whole.

This Code aims to support this objective. It sets out KBC's expectations regarding the values that underpin our engagement with clients and with each other. We expect full compliance with the law and our regulatory obligations – and not just with the 'letter', but also with the 'spirit'. For example, during the Covid-19 pandemic, members of the public have been requested by the authorities to wear face masks in public places. If you wear your mask under your chin, this would technically be respecting the letter of the requirement, but clearly it doesn't respect the spirit of it.

## Building trust

Gaining and retaining the trust of our stakeholders is what gives us our 'social licence to operate' as a bank and insurer. If we are to achieve that, everything turns on how we act and what we do.

### **We want to demonstrate that:**

- We know our business.
- We provide information which is clear, fair and not misleading.
- We aim to build win-win relationships.
- We put the client's interests first.
- We show responsibility and discretion in all that we do.
- We respect the dignity of our colleagues.
- We respect and uphold the law, in both letter and spirit.

In other words: **we espouse PEARL+ values (Performance, Empowerment, Accountability, Responsiveness, Local embeddedness) and responsible behaviour.**

These values apply equally to all staff throughout our group. Senior staff have a particular responsibility to provide leadership by setting an example and maintaining an environment in which honesty and integrity are fundamental values.



The KBC Integrity Policy, drafted by our Board of Directors, is the **core document** on which this Code is based. That document not only sets out the basics of responsible behaviour, but also explains how our values are interlinked with our strategic objectives, and how regulatory requirements have a major impact on this.

At no time should any employee be asked to do anything which would violate this Code.



**This Code of Conduct is very important for all employees. We therefore ask you to read it carefully.**

## PEARL+ values and responsible behaviour

If each one of us behaves with honesty and Integrity, this can have an enormous impact on the reputation of KBC as a whole and of the local entity in which you work. It will help us build a corporate culture of responsible behaviour and will have a positive influence on the personal motivation and performance of all our people.

**PEARL+** stands for:

**P**erformance;

**E**mpowerment;

**A**ccountability;

**R**esponsiveness;

**L**ocal embeddedness;

**+** a focus on cooperation and the joint development of solutions and ideas within the group.

The central plank of the PEARL+ values is the way we behave: we are **respectful, responsive** and **results-driven**. We firmly believe that this behaviour will not only help us to strengthen our clients' trust in us, but will also help us to continue setting the benchmark by which others are measured in the banking and insurance industry.

It is important to recognise that the PEARL+ values cannot be seen in isolation from each other. We cannot focus on being 'results-driven', for example, without also focusing on 'respectfulness' and 'responsiveness', and vice versa. All these values are inextricably linked.

## Scope

This KBC Code of Conduct is a **minimum set of guidelines**, which must be followed by all employees of KBC Group, including all companies, associations and entities that are members of our group in the broadest sense. It may be supported by other, more specialised codes for specific target groups (e.g., Dealing Room, Procurement, etc.).

KBC has the **authority to monitor** compliance with the Code of Conduct and regularly assesses the individual conduct of all employees against the group's values, whilst respecting the GDPR data protection requirements.

Employees are expected to know and acknowledge that certain specialist independent investigative units (e.g., Compliance, Inspection, Audit, Security, etc.) are authorised to carry out investigations, inspections and checks, including interviewing staff. Employees are expected to lend their full cooperation in these cases.

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## PEARL+ makes us stronger

KBC's success hinges on the quality and level of communication and cooperation between its employees. KBC therefore expects all its employees to adopt a friendly and open attitude towards each other, to respect each other and to promote a team spirit. Subscribing to our PEARL+ culture and PEARL+ mindset has enabled us to continue setting the benchmark. It has become the cornerstone of the way we function, across all the group's entities.

**PEARL+** is designed to encourage each of us to focus more on cooperation and on developing joint solutions and ideas within the group. We are looking to take the cooperation between the different countries and activities to a higher level, so that brilliant new solutions can be reused elsewhere in the group, co-development and smart copying can become a natural reflex, part of our DNA, part of our corporate culture. This in turn will enable us to work more efficiently, scaling up our solutions and bringing them to market more quickly.

## Building a culture of responsible behaviour

Losing the trust of our stakeholders, whether they be clients, our employees, regulators, markets or the community in which we operate, can have a decisive impact on the financial stability, future and sustainability of our group. If we want to implement our strategy of client-centricity and sustainable growth, and play our role in society to the full, there is no alternative to **combining a strong commercial focus with ethical and responsible behaviour**. KBC believes it is vital for you to embrace this mindset of honesty, integrity and transparency **including when no one is looking**.

### Making clear choices

Acting responsibly requires us to make the **right decisions to increase output** for KBC, but always whilst bearing in mind the **business and reputational risks**, so that KBC continues to be the reference in terms of **long-term, sustainable profitability**.

This is about ensuring that your decisions and actions support us in achieving a fair outcome for our clients and other stakeholders, now and in the future. It's also about ensuring that those decisions and actions deliver economic benefits for our clients and contribute to their well-being.

### Dilemmas we face every day

Creating this culture of responsible behaviour might seem to be a straightforward task. Yet every day, each of us is faced with dilemmas and situations that are not clear-cut. We must avoid a box-ticking approach or an attitude of avoiding any potential risk.

Striking the right balance between the interests of KBC and the interests of our clients and/or other stakeholders is not always easy. You should always discuss and challenge each other (and yourself) in order to help you arrive at a balanced decision.

Sharing and reflecting on dilemmas or difficult decisions can help us to develop a common-sense process for balancing the different interests of all stakeholders. If you know something is wrong, don't do it. If you are in doubt, talk it out.

## Open dialogue and a speak-up culture

KBC fosters a **culture of speaking up** and open-mindedness. You can express your opinions openly and are encouraged to consider the opinions of others with an open mind. If you want to criticise KBC or its strategy, for example, let's discuss this internally. **Peer-to-peer coaching** is appreciated and encouraged.

A culture of openness and speaking up also implies that KBC has an open attitude towards mistakes. We want mistakes to be remedied and to serve as opportunities to learn, rather than being ignored or associated with blame. You are therefore encouraged to **communicate openly** about mistakes, so that worse mistakes can be prevented and/or remedied, and so that you and/or other colleagues can learn from them.

## An entrepreneurial mindset

The world is changing rapidly. New trends, businesses, innovation and digitalisation are emerging all around us. In order to stay successful in our business activities, KBC is fully committed to creating and supporting a **strong entrepreneurial spirit**, and to providing the fertile breeding ground to stimulate change and innovation. You are encouraged to participate actively in this culture of creativity, out-of-the-box thinking, experimenting and taking initiatives.

However, you are also asked to do this on the basis of sound business acumen, **responsible behaviour and considering risks and compliance aspects**. This will maximise the long-term financial benefits for KBC and its stakeholders.



## Lifelong learning

KBC will support all initiatives that you take to broaden and strengthen your knowledge. We have created the Stipple platform to help you with this. It allows you to take control of your continuous development, at a place, time and on a medium of your choosing. The power of AI enables you to customise your learning experience, organising the content into manageable blocks and learning at your own pace. Even if you have only limited time, you will find interesting content that is sure to arouse your curiosity.



In addition, KBC invests in the welfare of its staff with initiatives such as:

- teleworking;
- employee benefits;
- extensive personal training facilities;
- various end of career and retirement options.

## New ways of working, teleworking and working hours

KBC believes it is important to create the right conditions for its employees to function efficiently during working hours. Many employees are also given the opportunity to work from home (teleworking) occasionally, thus avoiding the busy rush-hour traffic. This supports more flexible working practices and helps improve the work/life balance of our people.

Making this combination of **teleworking, flexible hours** and **new ways of working** possible, demands a degree of discipline and loyalty from you. Company time must be used effectively, and only for carrying out activities that are for benefit of KBC. Precisely what these activities are is determined by your place of employment and the applicable internal regulations.

## Diversity and equal treatment

KBC values diversity and actively seeks to promote it. We foster a culture in which:

everyone is treated in a respectful manner;  
everyone dares to be themselves and feels able to share their opinions;  
an open mindset prevails, which can lead to looking at things differently;  
the voice of the minority is also heard.

We can only focus on diversity (gender, generational or cultural) if we have this basic attitude of respecting each other and if we are aware of (and try to avoid) our conscious and unconscious biases. This is also an important element of our PEARL+ culture.

In addition to this respect for diversity, KBC prohibits all discrimination and unequal treatment, regardless of whether it is:

direct or indirect;  
related to staff or clients;  
based on race, sex, marital status, sexual orientation, age, family status, disability, religion;  
related to insurance, access to employment, terms of employment, training, promotion or grading of roles.

## Respect

We show respect for our internal and external clients and for applicable laws and regulations. Showing respect means treating people as equals, being transparent, appreciating people for what they do and who they are. But above all, it is about individual dignity. Respect is not something that can simply be

requested or demanded; it also has to be given freely. It is always a two-way process.

Certain types of behaviour are not compatible with working at KBC:

- Abusing your position in dealings with colleagues,
- Making insulting remarks about others.
- Acting in a way that undermines the integrity or dignity of colleagues.
- Conspiring against colleagues.
- Bullying, harassing, discriminating against or sexually harassing colleagues or clients.

As we go about our daily work, we must treat each other with respect at all times.

## Compliance with rules

KBC can only comply with the rules governing its activities if you observe the rules governing your work.

### What are no-gos for KBC?

It is essential to be aware that there are things we do not do, stemming from laws, regulations and policies. We expect full compliance with the law and our regulatory obligations, not just with the 'letter', but also with the 'spirit'. KBC will take proportionate actions in response to deliberate wrongdoing and if you should cross Red Lines such as the following:

- Involvement in corruption, money laundering, terrorist financing, theft, tax fraud, discrimination, mis-selling, market abuse, breaches of banking secrecy or privacy, competition compliance and/or involvement in fraud, or the facilitation thereof. The latter also includes condoning or neglecting to report these breaches when you are confronted with them;
- Forgery or dishonesty for which you are directly or indirectly responsible;
- Participating in or promoting illegal activities.

Some of these aspects are discussed in more detail below.

### Role for senior management

As the first line of defence, the senior management of the business units is responsible for ensuring that activities are conducted in a manner that:

- is compliant with the KBC Integrity Policy and internal rules;
- is compliant with operational risk requirements and the established control environments (e.g., by applying zero-tolerance policies);
- conforms to all applicable legal, tax, accounting and regulatory provisions, as well as to the internal policies, procedural limits and guidelines of KBC Group and the local entities;
- allows proper reviews to be carried out by local and other appropriate legal, tax, accounting and regulatory authorities.

## Narcotics or addictive substances

You must not work whilst under the influence of drugs, narcotic medication or alcohol. Actions performed during working hours whilst under the influence of such substances could lead to mistakes and/or misunderstandings and could potentially harm KBC.

## Money laundering and terrorist financing

Money laundering and terrorist financing are criminal offences, and KBC has a statutory duty to combat these practices. Client data and transactions must therefore be handled consistently and evaluated properly, in order to protect the group and/or its staff from being targeted in relation to money laundering and/or terrorist financing. If you are in any doubt, please contact Compliance.

## Fraud

It goes without saying that KBC also applies a zero-tolerance policy regarding fraud.

As a staff member, you are required to:

- always act with honesty and integrity;
- know and comply with all applicable laws, regulations, internal policies and good business practices that apply to your business and your work;
- safeguard the resources for which you are responsible;
- fully cooperate with and assist investigating authorities if requested.

If you suspect fraudulent activity, you should inform your manager immediately or follow the procedure as set out in the KBC Group Policy for the Protection of Whistleblowers.

KBC expects you to understand the need for internal and external checks and not to try and circumvent them. To this end, a minimum number of consecutive holidays (14 consecutive calendar days or ten consecutive working days) must be taken each year. During this annual leave period, you cannot log on to KBC's transaction systems or perform other prohibited activities, as further detailed in the internal guidelines.

## Protection of investors and capital markets

In all financial markets, market abuse – i.e. the abuse of insider information and market manipulation (price manipulation, spreading of false information) – is regarded as one of the most serious offences against trading ethics. For this reason, trading whilst in possession of 'inside' information – or disclosing such information to others, so that they may act on it ('tipping') – is strictly prohibited.

Inside information is information:

- of a precise nature;
- relating directly or indirectly to one or more issuer of financial instruments or to one or more financial instruments;
- which has not been made public and which – if it were made public – would be likely to have a significant effect on the price of those financial instruments, or on the price of related derivative financial instruments.

For the same reason, you cannot carry out any activities that would distort the market price of negotiable financial instruments, or that would artificially increase their trading volume with the intention of misleading market participants.

Confidential internal information that you have obtained during the course of your work must be protected and cannot be used for your personal benefit or the benefit of others. Examples of such internal information include (but are not limited to) changes in protected earnings, downward or upward adjustments in previously reported earnings, dividend changes, changes to key managerial personnel, tender offer plans (whether acquirer or target), significant acquisitions or disposals, significant unreported changes of stock ownership, significant information relating to asset or corporate liquidation, re-financing or the issuance of securities (debt or equity).

If you should violate the securities laws by trading with or disclosing (tipping) inside information, be aware that you will face both civil and criminal liability.

## Data protection and confidential information

As trust and confidentiality are key in our relationship with clients, KBC takes a lot of precautions to ensure that it processes the personal data of our clients and other stakeholders in a safe and secure way.

### Discretion

All information relating to KBC's employees, clients and business partners that you encounter in performing your work falls under your professional duty of discretion. You must therefore treat it as confidential information. All personal data concerning staff, clients and business partners must be protected from unauthorised use, disclosure, alteration or destruction. You may only use such information for the (professional) purpose for which it was collected.

The protection of personal data and other confidential information applies to all data carriers, regardless of their form.

At no time and under no circumstances may you enter any false or biased data into the KBC information systems, or withhold information that is required for decision-making purposes. Unauthorised persons are never allowed to use the authorisations or technical means given to staff to access KBC company premises or information systems. The legal and internal regulations relating to the confidentiality, handling and processing of personal data (GDPR legislation) must be observed at all times and in all circumstances.

You should be aware that personal data breaches must in many cases be reported to the local Data Protection Authority, and in some cases to the affected data subjects as well. This can have a serious impact on our reputation, as well as creating a risk of potentially severe sanctions being imposed.

## Unlawful consultations

Carrying out consultations and/or using the personal data of data subjects (e.g., clients, prospects, employees, etc.) for purposes other than those that follow from your professional tasks and duties is not just disrespectful, it is also strictly forbidden. KBC monitors such activities and will impose sanctions if you fail to follow the rules.

## Tax laws and regulations

KBC is a responsible taxpayer, characterised by professionally executed compliance with tax laws, legitimate tax planning and valid business objectives.

Consequently, you may never give advice to clients that might prompt them to violate tax laws or regulations. You must at no time set up mechanisms which are contrary to standard practice and which are clearly aimed at promoting or which result in tax fraud by clients. Additionally, you may not provide assistance in any operations which are intended to derive an unlawful tax benefit for the client.

If you are involved in the launch of new products or in penetrating new markets, you must comply with the relevant tax requirements. If you are in any doubt, please contact your Tax department.

## Competition rules

All entities of KBC Group are bound by strict rules, designed to ensure free competition in the marketplace (e.g., prohibition of unfair competition, price fixing and unfair trading practices such as misleading or destructive advertising).

As a result, competition rules must be observed in all areas of your work, and your conduct must be such that KBC as a group is not involved in any breach of those rules, as set out in the KBC competition compliance programme. This programme is designed to help you when you have contacts with competitors and to determine what kind of contacts are allowed and which sensitive contacts must always be disclosed upfront to the Legal Department.

## Anti-corruption and gifts policy

Given KBC's desire to conduct its business in a fair, honest and transparent way, we apply a **zero-tolerance policy** regarding **all forms of corruption and bribery**, whether direct or indirect. We invest in measures to prevent corruption, apply a zero-tolerance approach to corruption-related incidents and screen third parties and suppliers for potential corruption risks.

As an employee, you may at no time pay, give or accept financial benefits of any kind, nor bribes or kickbacks in any form, nor may you ask for them. That applies whether it concerns yourself, your family or a third party. More details can be found in the 'KBC Anti-Corruption Policy'.

Depending on your position, you may find yourself in situations where it is customary to offer or receive gifts or favours. In such circumstances you have to ask upfront for a written approval if the gift, benefit or invitation-for-entertainment exceeds the value of 250 EUR per client per year (in two directions: both giving and receiving). More information can be found in the local Policy on Gifts, Entertainment, Donations and Sponsoring.

## Conflicts of interest

You may sometimes find yourself in a situation where your job requires you to make a decision that could also have consequences for your personal context. Anything that could affect or be perceived to affect your ability to make an objective decision can lead to a conflict of interest. KBC therefore attaches great importance to the **avoidance of conflicts of interest** and to the transparency of relationships between staff, clients and third parties.

This means that you cannot perform any financial or non-financial deals or transactions in which you are personally involved, whether directly or indirectly. It also means it is important to avoid all business activities that would or could lead to a conflict between your personal interests and the interests of KBC. If you carry out a business activity (including mandates) outside your employment relationship with KBC, you must do so in accordance with the generally binding legal regulations, your employment contract and KBC's internal rules.

We therefore expect you to avoid any intervention, pressure, influence, wish or request that could jeopardise your neutrality in these types of decision-making situations. If you are still not sure what to do in these situations, please discuss this with your manager.

## Observance of delegated representative powers and mandates

In each of its business relationships, KBC is at all times represented by a specific member of staff who communicates directly with the client and helps build long-term business relationships.

If you are working in this capacity, you must observe all trading limits, signatory and decision-making requirements, and ensure that the necessary **authorisation** has been obtained. The requisite authorisation must have been granted before entering into any relationships which commit KBC Group.

If you take up a **mandate** in another company or legal entity at the request of KBC, you must make sure you comply with all relevant regulations and guidelines, including as regards remuneration for such mandates (which are generally unpaid).

## Whistleblowing

If you have a reasonable suspicion about actual or potential wrongdoing which has already happened or you feel is very likely to happen, you have a **moral duty to report** this to the appropriate level of authority within our group. As stated in our Policy for the Protection of Whistleblowers, the submission of such a report will lead to an independent investigation, which will be carried out confidentially and impartially.

KBC has measures in place to protect the whistleblower, but also to protect and safeguard the rights of the person about whom concerns have been raised.

Reports can be submitted to your local management, the Compliance department or at group level by sending an e-mail to [reporting@kbc.be](mailto:reporting@kbc.be).

Under no circumstances should you carry out any personal investigations, interviews/interrogations of 'suspected' individuals; nor should you contact them personally, unless explicitly instructed otherwise by Compliance or another independent investigative unit.

## Reporting unfair products and processes

In addition to the principles and protection set out in our Policy for the Protection of Whistleblowers you are also encouraged to **report products or processes** that you perceive as being unethical, unfair or contradictory to our values and principles of responsible behaviour. This will help us to mitigate potential conduct risk and to bring the products and processes concerned more into line with our strategy. You can submit reports by e-mail to [ethics.and.fraud@kbc.be](mailto:ethics.and.fraud@kbc.be).

## Protection of KBC property

KBC provides you with multiple means of communication, to enable you to carry out your work efficiently. The following principles serve as a guideline for using these means of communication:

1. KBC makes these resources available for professional use.
2. There are certain types of conduct with which KBC does not wish to be associated (i.e. unethical conduct). If you do engage in these types of conduct, this may result in disciplinary measures.
3. You must always be mindful of the confidentiality of both client data and bank data.
4. You must at all times safeguard the security of our information and systems.

More information can be found in the KBC Group Code of Conduct for the Use of Means of Communication.

## Neutral stance

A professional attitude is a key attribute for creating and retaining the client's trust and ensuring client satisfaction. If you have direct contact with clients, you must adopt a **neutral stance** regarding the expression of your political, philosophical or religious beliefs at the workplace.

This also means that you cannot wear visible philosophical or religious symbols if you have direct contact with clients. KBC draws a clear distinction here between roles involving face-to-face client contact and Head Office roles.

## Management of personal finances

Good management of personal finances is one of the best ways to guarantee independence and integrity. We expect you to manage your personal finances prudently and in accordance with any agreed terms and conditions. On no account may you allow your financial independence to be compromised by taking out loans from clients, suppliers or other business relations.

If your financial situation becomes unsustainable for any reason, you can contact your HR department. KBC has the experience and resources to offer help or find a solution, and will support you in the most appropriate manner.

## KBC client focus: avoidance of conduct risk

Conduct risk can be defined as 'the risk that the Bank's culture, organisation, behaviours and actions result in poor outcomes and detriment for clients and/or damage to client trust and integrity in the markets in which we operate'.



KBC treat its clients fairly, and we therefore provide them with clear, straightforward and accurate information based on facts, including appropriate information about the conditions, costs and risks associated with commitments into which they enter with us. Our product approval process (New and Active Products Process – (NAPP) has a key role to play in this **pre-sale context**. The conditions set by the Control departments in this regard – whether or not they involve blocking conditions – must always be respected.

During the **sale process**, the client's knowledge and experience, including their ability to understand the financial instruments or products being offered, their financial situation (including their ability to bear losses) and their investment objectives (including their risk appetite) must be assessed and taken into account. We can only offer services and products which are appropriate for the client's situation and characteristics and which are aligned with the group's interests.

Under no circumstances may we offer services, advice, products or cooperation that could potentially lead to a breach or circumvention of any regulatory obligation, tax-related or otherwise.

The **post-sale** process is also crucial in maintaining the client's trust and further developing our long-term sustainable growth. Analysing breaches and handling complaints are an important part of the 'Treat your Client Fairly' philosophy which is an inherent element of our strategy.

## KBC's public image

The way KBC is perceived by the public is strongly influenced by the media. Whenever KBC employees offer opinions in public, KBC's values must be respected.

Press releases issued in the name of KBC, and communications with the media relating to KBC, may be issued only by authorised departments or persons. Contact with the press is also limited to these authorised persons only. 'Media' is defined here as both traditional media (radio, television, newspapers, etc.) and new/social media (e.g., text messages, Internet, chat, blogging, forums and social networks such as Facebook, Twitter, WhatsApp, Messenger, TikTok and others).