



KBC Group – UN Global Compact Communication on Progress 2018

Statement of Continued Support

In 2006, KBC became a signatory of the UN Global Compact, and we are pleased to reaffirm our support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In 2018, a number of new policy guidelines were introduced, while others have been tightened up and updated. In doing so, we are responding to the constantly evolving expectations of our stakeholders and the wider community by implementing stricter policies for sustainable banking and insurance. We clearly communicate on the new and updated policies in the 2018 Sustainability Report, published in April 2019. One of the three cornerstones of the sustainability strategy is to limit our adverse impact on society as much as feasible. Therefore we apply strict sustainability policies to our business activities in respect of human rights, the environment, business ethics and sensitive/ controversial societal issues.

In our internal data gathering and audit process we assess the communication and implementation of the KBC policies and guidelines throughout the KBC Group. All guidelines and codes of conduct are publically available on our [corporate website](#).

The KBC sustainability policies are reviewed and updated every two years to make sure that our policies continue to meet and address the concerns and expectations of society. KBC's compliance with the UN Global Compact Principles is another positive signal to the international community of our commitment to continue enhancing corporate sustainability throughout our operations and beyond.



Johan Thijs,
CEO KBC Group

KBC imposes tight restrictions on companies and activities that are controversial and/ or that do not comply with the UN Global Compact principles. The worst offenders of the UN Global Compact principles are excluded from any activity with KBC via the KBC Group Blacklist.

Human rights

We are fully committed to meeting our responsibility to respect human rights throughout the group, in all our operations. In 2018, KBC has refined and further aligned its existing Human Rights Policy with the UN Guiding Principles on Business and Human Rights. In it, KBC sets out how it ensures that it does not provide support to companies that violate human rights. We implemented the [KBC Human Rights Policy](#) related to our core stakeholders, customers, suppliers and employees.

We are committed to fully respect and support the UK Modern Slavery Act 2015 and we work together with all of our stakeholders to combat any kind of modern slavery within our business activities. We consider modern slavery as an integral part of our Human Rights policy and due diligence process.

Labour rights

KBC fully commits to respect and uphold the human and labour rights of its employees and employees are also expected to apply and respect the human rights standards when conducting business as outlined in the KBC Code of Conduct for employees.

Our commitment to respect and uphold labour rights is included into our human rights policy.

Environment

We have strict policies in place to limit the environmental impact of our core activities in order to reduce the climate and environmental impact of our portfolio of loans, investments and insurance activities, and have adopted the Equator Principles for assessing environmental and social risks related to our project finance activities.

We concentrate on decreasing our own footprint by reducing the environmental impact of our operations and we set clear targets. In 2018, we have decided to raise our target to reduce our own GHG emissions excluding commuter travel to -25% for the period 2015-2020. We also decided to set a new additional long-term target: -50% for the period 2015-2030.

Environmental Responsibility is one of the selected domains, KBC wants to focus on in playing its role in society. KBC wants to offer core business solutions to support a sustainable, low carbon and climate resilient society.

Also in our procurement activities, environmental and social criteria are incorporated. Suppliers have to comply with the UN Global Compact principles outlined in the KBC sustainability Code of Conduct for suppliers.

Anti-corruption

We consider responsible behaviour and business ethics as the basic layer of all our activities. We are convinced that only by acting in a responsible and ethical way we can grow and maintain the trust of our stakeholders, which is the foundation of our continuing existence.

When carrying out our activities, it is evidence we respect prevailing laws and regulations, but we also impose stringent rules on ourselves in terms of ethical behaviour, openness and transparency, discretion and privacy.

Our policies on integrity, fraud prevention and anti-corruption are essential for embedding integrity within our daily business. KBC has a zero tolerance policy towards corruption and bribery.