



KBC GROUP INVESTMENT POLICY

As part of its Sustainability commitments, KBC group applies strict ethical restrictions with regard to investments.

As a basic rule, KBC Group does not invest for its own account nor does it advise its clients to invest in financial instruments (shares, bonds and any other financial instrument) issued by “excluded companies”. Excluded companies are companies which either:

- are listed on the KBC Blacklist: these are companies involved in controversial weapon systems and companies considered “worst offenders of UN Global Compact Principles (UNGC)”; please refer to the [KBC Group Policy on Blacklisted Companies](#) for more details;
- have activities related to tobacco¹; KBC Asset Management identifies the companies which are in scope based on exclusion criteria already used for its sustainable funds; companies are excluded as soon as one of the following conditions is fulfilled:
 - o the company is part of the Bloomberg Industry Classification “Industry Group Tobacco”;
 - o a screening reveals that a company derives any revenue from production of tobacco or related products and services;
 - o a retailer derives more than 10% of its sales from tobacco products;
 - o the company owns more than 10% of one of the above-mentioned companies.

These rules apply to:

- all investments done by KBC Group for its own account, through the group’s insurance companies or any other group entity;
- all investments advised by KBC Group to its clients, either on a advisory basis or based on a discretionary mandate; this includes both *direct* investments in financial instruments issued by excluded companies and *indirect* investments, either via investment funds managed by KBC Asset Management or via funds managed by third parties, providing with regard to the latter that their own investments in excluded companies exceed 5% of their total assets.

However, investments in financial instruments issued by excluded companies remain possible

¹ On 26 March 2019, KBC announced it had signed the Tobacco-Free Finance Pledge, initiated by the international organization Tobacco Free Portfolios, which has been calling on financial institutions worldwide since 2018 to divest from the tobacco industry.

in the following cases:

- execution only: transactions in financial instruments of excluded companies made on the initiative of the client; transactions in this sense means „execution only“ client buy and sell orders in financial instruments issued by excluded companies or the keeping of such positions in client securities accounts;
- index-linked investments funds: to investment funds whose investment policy in accordance with their statutes or administrative regulations, aims to follow the composition of a particular stock or bond index; only KBC Asset Management can define which index-linked investments funds are allowed²;
- it will not be possible to enforce a list of excluded to hedge funds or to institutional mandates.

KBC offers you the possibility to check the authenticity of this document on www.kbc.com/en/authenticity

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² As of 1 March 2019, KBC Asset Management has become a signatory to the “Open letter to global index providers”, initiated by Swiss Sustainable Finance and asking global index providers to exclude controversial weapons from mainstream indices. For more information, please refer to www.sustainablefince.ch.