

KBC GROUP GROUP-WIDE EMPLOYEE STAKEHOLDER POLICY

Introduction

With its PEARL mission statement, KBC Group aims to be the organization who listens to its customers, and anticipates their needs through providing excellent products and services. KBC aims to fulfil the potential of its full staff and wants to contribute to the local community.

Intrinsic to the PEARL values of KBC (Performance, Empowerment, Accountability, Responsiveness, Local Embeddedness), all staff is expected to live and aim for the PEARL values in a respectful, responsive and result-driven manner.

To achieve this aim, KBC counts on all its employees around the world.. A well-balanced relationship with its more than 35 000 employees in different countries has helped KBC to become a high-performing, independent international financial group.

To foster innovation and entrepreneurship, KBC encourages its employees to develop their capabilities and talents, taking into account and in recognition of their personal ambitions and diversity. KBC and its management are committed to an open and mutually respectful working environment which will help us all contribute to the continuing KBC success story as employees are an important and valuable driver for the success of the group.

Principles

- KBC aims to be an employer strongly valued by its employees.
- KBC formally endorses the Universal Principles of the UN Global Compact and abides by the International Labor Organizations' Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. In this respect, KBC supports and has implemented the principles underlying **universal human rights** throughout the Group, including the right to equal opportunity and non-discrimination, the right to the security of persons, the rights of employees (including opposition to any forms of forced labor or child labor, the right to a safe and healthy working place, the right to freedom of association and collective bargaining), respect for national sovereignty and human rights (including opposition to bribery in any form whatsoever).
- In order to provide employees with the best possible opportunities for development, KBC advocates **internal rotation and growth**. This means that employees with development potential will be provided with opportunities to achieve their potential, by means of an adequate learning and training offer, appropriate support and coaching, and the possibility to fill vacancies that arise at higher levels.

Considerable in-house **training opportunities** are made available, designed to develop the knowledge, skills and competences. Opportunities for development are an important topic of discussion between line management and employees.

- KBC wants to reward commitment, performance and responsibilities assumed on every level with a **fair compensation** package. KBC ensures that transparency exists regarding the elements making up the pay package.

Through continual assessment and by **adapting its pay policy to changing circumstances**, KBC seeks to pay its employees a salary that is fair and commensurate with their performance.

- KBC pays due attention to the need of its employees to **balance their professional and private lives** and consequently takes initiatives with regard to flexible working arrangements, mobility and social schemes.
- In creating an environment where employees feel involved and motivated, line management plays a crucial role. Consequently, KBC demands a good deal of its managers and selecting, coaching and training people for supervisory and management positions is a constant point of attention.

Through a variety of competence management programs, KBC strives to enhance the skills and **leadership qualities** of its supervisory and management staff. HR-professionals support them with the requisite guidance and support.

- KBC demands a high standard of professionalism, integrity and commitment from its employees. Anyone who meets these standards has **equal** recruitment and career development **opportunities**. KBC **respects** its employees by encouraging teleworking or working from home. But also diversity is top of mind for KBC. KBC promotes **diversity** and

gives equal opportunities for each employee, based on his/her intrinsic qualities and potential and removes all possible obstacles.

No discrimination whatsoever is tolerated on the basis of sex, religion or creed, origin or sexual orientation. The recruitment, deployment, promotion and remuneration of employees takes place on the basis of each individual's intrinsic qualities, such as his or her knowledge and skills, competence, development potential and added value- and his/her performance.

Specific attention is put on the **equal opportunities** for **female** employees, as they represent half of the employee population, but are hardly represented in managerial positions. With the action plan 'transfer of women', KBC focuses on balanced leadership and a significant increase of female managers at all levels.

- KBC attaches a great deal of importance to the **satisfaction** level of its employees. To measure this, KBC conducts regular surveys amongst its personnel regarding their commitment to the organization and their satisfaction in various areas. The results of these surveys are analyzed and may result in specific actions being taken.
- **Open communication** at all levels is important. KBC aims to give its employees clear insight into the direction it has chosen to take as a company, the reasons for its choices and the role of individual employees.

All members of supervisory and management staff are expected to have the same open attitude towards employees, as well.

On a structural basis, through various internal channels, including the intranet, staff magazines and interactive fora, the values that KBC and its employees find important are fostered and put into practice.

- KBC considers that a properly working, **constructive social dialogue** is a basic building block in its corporate culture. Openness is also a feature of the communication conducted with employee organizations. KBC provides as much information as possible to optimize the contribution made by and the dialogue conducted with employee representatives.
- KBC devotes attention to the physical and psychological well-being of its employees and naturally strives to have a **safe and healthy working environment**. KBC sets up structures which enable employees to discuss personal, medical or psychological problems (possibly stemming from undesirable behavior by members of staff, including violence, mobbing and sexual harassment) confidentially with a person of trust.
- KBC is aware of the needs of the **community to which it belongs** and feels that it is only normal to return some of the profit it makes to the community. KBC also encourages employees to express their social commitment by engaging in volunteer work in large-scale community projects sponsored by KBC or in their own projects for charitable causes.
- Employees' personal records are treated with a high degree of confidentiality. KBC expects anyone handling personnel information to exercise the greatest **care and discretion**.

Policy date: March 2013
