

Policy – Responsible Employer



DATA SHEET- KEY DATA			
IDENTIFIANT (OPTIMA)		POL/HR/12	
Owner		Human Resources - Head of HR Operations, Learning & CSR	
Scope		BIL HQ / BIL Lease / BIL Suisse / Beijing Rep. Office / BIL France	
Audience		BIL Group employees	
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Contributors (optional)		Sustainable Development	
Risk Owner (RO)		Chief Executive Officer	
Signatories		Chief Digitak Banking – Chief Risk Officer	
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DATA SHEET - BACKGROUND			
Version	TitLE	Decision-making body	Effective date
0	n.a.	n.a.	n.a.
1	Responsible Employer	Executive Committee	18/01/2023
2	Responsible Employer	Chief Digital Banking – Chief Risk Officer	20/06/2025

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Executive summary

Objective

The “Responsible Employer Policy” discloses our commitments to establish a workplace that allows everyone to participate in achieving our strategic and sustainable goals with a true sense of belonging.

General framework

Through this Policy, BIL applies the principles laid down by the United Nations Global Compact, and more specifically Principles 1, 2 and 6:

- Businesses should support and respect the protection of internationally proclaimed human rights,
- Businesses should make sure that they are not complicit in human right abuses,
- Business should uphold the elimination of discrimination in respect of employment and occupation.

Additionally, this Policy is aligned with 2030 Agenda and the Sustainable Development Goals (SDG) and specifically with SDG 3: Good health & Wellbeing, SDG 4: Education, SDG 5: Gender equality, SDG 8: Decent work and economic growth, and SDG 10: Reduced inequalities.

Principles

The success of our business is driven by the people who work for us, our human capital. Our goal is to build a strong corporate culture that brings out the best in people. Through this Policy, BIL applies the principles laid down by the United Nations Global Compact* and the UN Guiding Principles for Business and Human Rights**.

Sources:

* <https://unglobalcompact.org/what-is-gc/mission/principles>

**https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf



1 PURPOSE

BIL (BIL Group hereafter) is a key player in the Luxembourgish financial market and has also dedicated Wealth Management offices in Switzerland as well as trading floors in Luxembourg and Zurich. We offer a broad range of services – from retail banking to insurance going through Wealth Management, corporate banking and financial markets – to meet the needs of our local and international clients.

The success of our business is driven by the people who work for us, our human capital. Our goal is to build a strong corporate culture that brings out the best in people. This Policy discloses our commitments to establish an inclusive workplace that allows everyone to participate in achieving our strategic and sustainable goals with a true sense of belonging. While markets are moving fast, we must keep up the pace and stay ahead of the competition in the long term.

2 SCOPE

This Policy is relevant to BIL HQ but also BIL Branches, Subsidiaries and Representative Offices unless differently indicated and in case of different local regulatory requirements. BIL will always comply with applicable laws and Collective Labor Agreements that are in force. In situations where there is a conflict with international norms, we shall seek to uphold our company values - defined in our Code of Ethics – and develop a response on a case-by-case basis.

3 COMMITMENTS

To protect and enhance the internationally recognized human rights of our employees – understood, at a minimum, as those expressed in the International Bill of Human Rights ¹ coupled with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; this Policy covers every aspect of the employee lifecycle:

3.1 Recruitment

BIL Group is committed to:

- Maintain and continuously improve the Employee referral system in order to attract the best candidates on the labor market. Employees are rewarded when they refer external candidates to the the Bank which then goes on to recruit.
- Run the interview (presentation of the company, position, competency review etc.) in a standardized and fair manner – as described in the internal “Recruitment management procedure”. There is a point of attention on the diversity of profiles that we select for interviews, in line with our diversity strategy. During the selection process, tests can be arranged depending on the position to be filled, the job grade in question and the managerial skills required.

¹ consisting of the Universal Declaration of Human Rights and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights



- Involve both the Human Resources teams and the head of the business line or their representative in the recruitment process.
- Hire employees with personal attitudes and professional skills enabling them to develop a long-term relationship with the company. Therefore, special attention will be paid to ensure there is a strong alignment between the candidate's values and the BIL Group culture. Only relevant skills, experiences, and adherence to the BIL Group principles will be considered in employing a person. No consideration will be given to a candidate's origin, nationality, religion, ethnicity, gender, disability, sexual orientation, or age.
- Offer successful candidates an attractive and fair remuneration package based on experience and skills, job requirements and best market practices to prevent any sort of discrimination resulting in an unjustified gender gap in remuneration.
- Inform unsuccessful candidates via email or in person when rejecting the applications. Candidates with relevant experience and professional profile, who were not selected for a given position, can be kept on file for future recruitment (provided candidates' consent, as per GDPR rules).
- Provide a thorough onboarding and integration path to ensure new joiners succeed in their positions and embrace BIL Group's values and commitment to sustainable development.
- Develop and communicate procedures – in consultation with relevant stakeholders – that promote equitable and transparent recruitment practices.
- Regularly monitor and assess the effective application of recruitment mechanisms and ensure continuous improvement together with our employees and employee representatives. We are also committed to provide candidates and employees with legitimate, accessible, predictable, equitable, transparent, rights compatible and source of continuous learning grievance mechanisms in all our operations.

3.2 Working Conditions

BIL Group is committed to:

- Provide all employees with adequate working conditions and a safe and healthy work environment.
- Ensure decent working hours in compliance with all applicable regulations and laws for working hours. Overtime shall not be excessive, regular, and will remain voluntary and be compensated in compliance with applicable regulations and laws.
- Offer adapted working conditions to allow employees to have a good balance of private and professional life. It goes through Flextime, a system of work organisation that enables employees to accommodate their day-to-day scheduling (duration and hours of work) to personal needs, compatibly to business needs and work organisation, which both remain the overarching priorities. The management of employees' working time is defined through our internal "time management policy".
- BIL has adopted a teleworking policy allowing each employee to work from home on some conditions. The "Teleworking policy" is published internally for all employees. Additional time arrangements such as part-time options are available upon request.
- Provide employees with paid annual leave, maternity and parental leaves, extraordinary leave, sick leave, union leave, social leave to encourage employees' community investment and family leave in compliance with applicable laws and regulation.
- Build relationships based on trust and respect of employees at all levels and aligned to our core values: Caring, Leading, Engaging, Accessible, Reliable. We do not tolerate



any form of harassment or discrimination related to origin, nationality, religion, ethnicity, gender, disability, sexual orientation, or age. BIL's "Policy against moral & sexual harassment" clearly defines how BIL commits to fight against harassment, moral and sexual, in order to maintain a solid and inclusive framework in the workplace.

- Regularly monitor and assess the effective application and quality of working conditions and ensure continuous improvement together with our employees and employee representatives. We are also committed to provide employees with legitimate, accessible, predictable, equitable, transparent rights compatible and source of continuous learning grievance mechanisms in all our operations.

BIL also considers its relationship with its employees a fundamental responsibility regarding human rights, diversity and inclusion. Internal policies regarding Harassment, Diversity & Inclusion, Human Rights, or our Code of Conduct, as well as this Responsible Employer policy, uphold these responsibilities and our commitment to creating a safe working environment for all of our employees.

BIL Group unequivocally opposes all forms of human trafficking, forced labor, and child labor, and strictly adhere to legal and regulatory frameworks designed to prevent such violations.

3.3 Remuneration

BIL Group is committed to:

- Offer a remuneration package, which is compliant with applicable laws and regulation, including specificities of the Collectice Bargaining Agreement
- Offer attractive and competitive remuneration package based on experience and skills, job requirements and best market practices. We are committed to regularly benchmark through market studies performed by internal or external consultants, in order to verify the positioning of our remuneration packages in comparison to any given reference market.
- Base remuneration on experience, skills and knowledge, job requirements and performance; without consideration of origin, nationality, religion, ethnicity, gender, disability, sexual orientation, or age.
- Grant a fix component of remuneration, which always allows a decent level of living according to the local standards, irrespectively of the employee's performance.
- Align variable remuneration with short-, mid-, and long-term collective and individual performance, the latter one being stricly assessed based quantitative but also appropriate qualitative criteria in order to prevent excessive risk-taking behaviors.
- Perform a gender pay gap analysis in order to ensure that women employees are paid the same for performing the same work or different work of equal or comparable value.
- Embed Environmental, Social and Governance (ESG) considerations and metrics in the remuneration framework of relevant employees – whose professional activities have a material impact on an institution's risk profile.
- Regularly monitor and assess the effective application and quality of the remuneration system and ensure continuous improvement together with our employees and employee representatives.

BIL's "Remuneration Charter", published internally for all employees, defines the principles of remuneration applicable at BIL.



3.4 People Development

BIL Group is committed to:

- Provide a comprehensive and sound range training offer to support everyone's learning and development without consideration of origin, nationality, religion, ethnicity, gender, disability, sexual orientation, or age.
- Empower people managers to support employees in the acquisition of on-the-job expertise through field coaching and exposure to relevant experiences, as one of the primary sources of learning.
- Define and implement talent programmes for high-potential and high-performer employees – for junior profiles and experienced ones, without consideration of origin, nationality, religion, ethnicity, gender, disability, sexual orientation, or age.
- Continuously improve training management mechanisms based on employees' input, management feedback and needs and employee representatives' consultation.

3.5 Development & Performance Management

BIL Group is committed to:

- Ensure that challenging objectives are set and effectively evaluated throughout the year by both employee and line managers to allow managers to reward high performance and manage low performance with integrity.
- Provide all employees with regular feedback on their performance and career aspirations through sound tools and processes – including self-assessment tools and other assessment tools on *ad hoc* basis as per procedure described in the internally published "Feedback model policy".
- Employees and managers should have annual conversations that allow them to identify their own development goals and plan related actions.
- Encourage employees to clarify and express their career aspirations and consider them by supporting personal development and offering career movements based on employees' readiness and the business opportunities as they arise, through processes such as the Career Dialogue.
- Base remuneration and promotions on performance from a result and behavior standpoint, as well as future potential. We are committed to ensure equal opportunities to career progression to all our employees based on meritocratic criteria without consideration of origin, nationality, religion, ethnicity, gender, disability, sexual orientation, or age.
- Regularly monitor and assess the effective application of development and performance management mechanisms and ensure continuous improvement together with our employees and employee representatives.

3.6 Employee Relations

BIL Group is committed to:

- Uphold the freedom of association of its employees and the right to collective bargaining and set up structures throughout the company to proactively engage trade unions and employees in order to develop constructive relationships.
- Regularly monitor and assess the effective application of employee relations management mechanisms and ensure continuous improvement.



3.7 Retirement

BIL Group is committed to:

- Undertake an active and rigorous succession planning process at all levels of the organization to ensure that there is a strong pipeline of successors ready to meet future needs.
- Ensure employees can decide whether to retire or work on; and make sure managers are able to discuss performance and development with workers of all ages without making assumptions about age and offer adapted career paths.
- Tackle specific ageing challenges through a preventive health and wellness strategy.
- Offer flexible working options to allow older employees to make a gradual transition between full-time work and retirement and to ensure an effective skills and experience transfer.
- Regularly monitor and assess the effective application of retirement management mechanisms and ensure continuous improvement together with our employees and employee representatives.

4 DIVERSITY

Considering the diverse composition of BIL's workforce, in terms of origins, nationality, age, gender, background, expertise, etc., BIL regards diversity as an important aspect to manage as a responsible employer. As such, diversity is key in the group's sustainability strategy. BIL has established a dedicated diversity strategy to ensure that actions are taken to improve continuously how we embed diversity in our HR processes and in the management of our employees, with the objective to have a more inclusive workplace.

BIL Group has published a Diversity Charter that sets standards for diversity criteria in the Group's management bodies, as well as for the rest of our staff and international subsidiaries.

5 GOVERNANCE

Line managers (N+1) have the prime responsibility for building and sustaining an environment where employees experience a sense of professional fulfillment and work with commitment and at the best of their capacity, in order to ensure our company's success. Therefore, the mission of the Human Resources Department is to provide professional guidance to line managers aiming to deliver superior business results by optimising the performance of our people, while ensuring exemplary working conditions.

Where BIL Group has regulatory obligations to train staff on specific topics, internal controls are done by the BIL Academy team, who reports to the Compliance Team on all mandatory trainings that have not been completed.

6 COMPLIANCE & MONITORING

With the aim of identifying, preventing, mitigating, and responding to any potential human resources risk related to our activities, and since these risks may change over time, BIL Group conducts an ongoing process of risk identification and management in order to ensure the compliance with the commitments disclosed in our human resources policies.



BIL performs an annual engagement and satisfaction survey in order to track loyalty and pride for the organization.

BIL's corporate social responsibility is independently assessed every three years by the Institut National pour le Développement durable et la Responsabilité sociale des entreprises (INDR – National Institute for Sustainable Development and Corporate Social Responsibility). A label is thus awarded following a two-day audit carried out by a specialised consultancy commissioned by the INDR and covering also the “responsible employer aspects”.

BIL is also a founding member of IMS – Inspiring More Sustainability – which has been the leading network of Luxembourg companies involved in Corporate Social Responsibility (CSR) for more than 15 years. BIL regularly participates to workshops and projects around improving its social dimensions.

BIL is a member of ABBL (the Luxembourg Bankers' Association) and an active contributor to the working groups on sustainability projects, namely the Diversity Working Group and the CSR Working Group.

BIL is also a signatory to the most stringent charters in terms of corporate social responsibility. On a social level:

- The Luxembourg Diversity Charter,
- BIL is a signatory to the collective bargaining agreement for the financial sector in Luxembourg.

7 REPORTING

BIL Group will monitor and report, whenever it is possible and on a regular basis, relevant KPIs related to the issues covered along this Policy. For more information on the steps taken to ensure that our operations uphold our commitments to responsibly manage human resources and how we measure progress to those commitments, please consult our Sustainability reports available on our website at www.bil.com/sustainability. BIL's non-financial report are based on the NFRD reporting standards.

8 OWNERSHIP

The Human Resources Department is responsible of drafting this Policy, with the support of the Sustainability Department

Before receiving approval, the Charter underwent thorough review by the Sustainable Development Team, Compliance, Legal and the Operations Risk Management Team (ORM) and Procurement.

9 REVIEW

The BIL Group will periodically review this Policy to evaluate continued relevance, monitor compliance and drive continual improvement. We also welcome feedback from, and dialogue with, interested parties. All feedback and comments on this Policy should be sent to the Human Resources Department.