



Sustainability Report 2022





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01.

Message from the CEO



BIL is committed to the sustainable development of its activities and that of its clients. The Bank has a clear sustainable strategy and action and is moving forward unquestionably.

“ We are an international bank that strongly supports the local economy and communities. We engage with our employees to transition towards sustainable banking, conscious of our responsibility and willing to develop products that allow us, together with our clients, to make a positive impact and to prepare solid ground for future generations. ”

Marcel Leyers
Chief Executive Officer

2022 has been anything but a smooth ride for the economy. Inflation, geopolitical conflict, food supply and energy crises and the long tail of the Covid-19 pandemic have caused shockwaves globally. In this challenging context, we continued to make progress towards a more sustainable bank. Thus, throughout 2022, we pursued our efforts on each of these priorities:

- Sustainable development impacts all of the bank's activities. Ensuring sound governance is essential to progress towards better integration of ESG goals into our products and services, our operational processes and our risk management.

- BIL offers financial products and services that are pivotal to creating a solid foundation for future generations. Our sustainable investment solutions combine solid returns with a commitment to ecological and social issues. With the launch of our first Green Bond in 2022, the funds will be directed towards building energy efficient buildings in Luxembourg. Moreover, BIL expanded its financial offering to sustainable projects, such as solar panel loans and green vehicle financing.
- The talented individuals working at BIL are essential to fulfil our mission. As a responsible employer, it is our duty to offer a working environment in which everyone, regardless of gender, ethnic background and sexual orientation can grow and reach their full potential.
- Finally, our aim is for our Bank to have a positive impact on the economy and local communities thus, paving the way for future generations. The Bank carefully monitors the carbon footprint of its buildings and therefore, changed the mobility policy to encourage employees eligible to a company car to choose an electric vehicle. Apart from supporting many local NGOs, charities organizations in the field of health, education and environment, BIL is also proud to be the main sponsor for Team Lëtzebuerg, the Luxembourgish Olympic Committee.

We will continue to work towards a greater integration of ESG requirements in our daily activities and our products and services. And what is certain is that our stakeholders can expect that BIL will stay true to its mission: to create value for our clients and society and ensure them of our undivided support to bring their projects to life.



02. Sustainability at **BIL**

- Our 4 pillars of Sustainability
- ESG Governance
- ESG figures at a glance
- History of Sustainability at BIL

Our 4 pillars of Sustainability



BIL's SustainaBILity Strategy is based on 4 pillars, which have been defined from its materiality analysis, as well as its stakeholder engagement plan, rolled out in April and May 2021, in accordance with the international principles governing sustainable development policies (UN PRB, UNGC and SDGs, etc.).

1 Pillar 01 SUSTAINABLE GOVERNANCE & STRATEGY

- Define a sustainability strategy and related targets
- Define ESG Governance and ensure responsible business conduct
- Integrate ESG in selected, functions selected policies, processes, role descriptions
- Monitor ESG risks
- Be compliant with disclosure & transparency requirements



2 Pillar 02 SUSTAINABLE PRODUCTS & SERVICES

- Perform the Impact Analysis on ESG products and disclose these impacts
- Define targets/limits to reduce negative impacts and decline into product policies
- Identify client ESG preferences
- Reinforce & develop new sustainable products
- Create awareness on sustainable products and their impact



3 Pillar 03 RESPONSIBLE EMPLOYER

- Offer a safe and healthy work environment to enable our employees to develop their potential
- Ensure employee health and well-being, including a recurrent and qualitative dialogue with employees
- Foster diversity and inclusion
- Define training and development plans
- Create awareness on sustainability



4 Pillar 04 POSITIVE IMPACT

- Define a recurrent engagement plan with our stakeholders
- Launch local impact initiatives on priority SDGs
- Improve environmental footprint



ESG Governance

A new ESG Strategic Steering Committee was created to cover all ESG projects at BIL. The main objective was to further engage the business side of the bank to drive this transformation, not only from a regulatory perspective, but also from a commercial and strategic approach.



The Steering Committee, is composed of seven permanent members, all members of the Executive Committee, and the Group Head of Sustainability:

- The Head of Strategy and Financial Markets
- The Credit Risk Officer
- The Head of Wealth Management
- The Head of Luxembourg Market and CIB
- The Head of People, Culture and Communication
- The Chief Financial Officer
- The Chief Compliance Officer

The ESG Steering Committee, executive sponsored by the Head of Strategy and Financial Markets, meets every 6 weeks to manage all initiatives.

The Committee is responsible for:










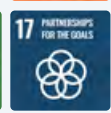



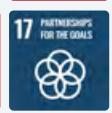


- Defining and implementing BIL's ESG strategy
- Monitoring regulatory compliance
- Assessing ESG risks and opportunities

ESG figures 2022 at a glance



“ Sustainability is not just about adopting the latest energy-efficient technologies or turning to renewable sources of power. Sustainability is the responsibility of every individual every day, in their private lives and in their jobs. Understanding how we, as employees of this bank and through our daily activities can contribute to the transition, is key for the bank's sustainability journey. ”

Alessandra Simonelli
Group Head of Sustainability

|  PILLAR 01 Responsible Governance |  PILLAR 02 Sustainable products and Governance |  PILLAR 03 Responsible Employer |  PILLAR 04 Positive impact |
|--|--|--|--|
| <p>AA+</p> <p>17,199 hours of mandatory (regulatory) training</p> <p>CSR certification UNPRB and UN GC signatory</p> <div data-bbox="640 1364 851 1468">   </div> | <p>4 ESG funds with LuxFLAG label</p> <p>15.6% of ESG assets in discretionary portfolio management</p> <p>20.2% of ESG assets in advisory portfolio management</p> <p>Launch of BIL's Green Bond Framework BIL Green Bond: EUR 92 million outstanding</p> <p>+23% financing of new hybrid/electric vehicles</p> <p>15.8% green, social and sustainable bonds in bank's investment portfolio</p> <div data-bbox="1019 1252 1229 1468">     </div> | <p>213 employees trained in sustainable development challenges</p> <p>1 workshop with Executive Committee on calculating carbon footprint</p> <p>1 workshop with Executive Committee on diversity</p> <p>1 day and workshops devoted to unconscious bias</p> <p>3.3 days of training per employee (+41% vs 2021)</p> <div data-bbox="1400 1252 1610 1468">     </div> | <p>Community support:</p> <ul style="list-style-type: none"> • 23 charities received support in 2022 in the form of either financial donations or volunteering • EUR 110K in sponsorship <p>-33% tonnes of Co₂ equiv. emitted by lease vehicles vs 2021 thanks to the BIL Car Policy</p> <p>45 kg of honey produced by BIL's bees to support local environmental protection association</p> <p>Label SuperDreckskescht</p> <p>Electricity 100% renewably sourced</p> <p>2 workshops to raise awareness of energy saving measures</p> <p>9 sustainability days</p> <div data-bbox="1780 1364 1991 1468">   </div> |

History of Sustainability at BIL

| | | |
|------|--|---|
| 2015 | <ul style="list-style-type: none"> • 1st definition of a strategic CSR framework – three commitments (innovation/education/art and culture) • Creation of the Head of CSR role – within the HR Department | <ul style="list-style-type: none"> • Creation of the 1st CSR steering committee • 1st INDR certification • Member of LuxFLAG – a certification body for sustainable funds |
| 2016 | <ul style="list-style-type: none"> • Member of the ABBL's diversity think tank | <ul style="list-style-type: none"> • Creation of the internal BIL Volunteering Team |
| 2017 | <ul style="list-style-type: none"> • New purchasing policy – including sustainability requirements | |
| 2018 | <ul style="list-style-type: none"> • Publication of the first non-financial information report | <ul style="list-style-type: none"> • Renewal of INDR certification |
| 2019 | <ul style="list-style-type: none"> • First diversity policy • IMS (Inspiring More Sustainability) membership | <ul style="list-style-type: none"> • Proactive organisation of the Candriam Equities L Oncology Impact fund |
| 2020 | <ul style="list-style-type: none"> • Governance: creation of the Sustainable Development department, reporting directly to Head of Strategy | <ul style="list-style-type: none"> • Partnership with Candriam for access to ESG data • Signature of the Zero plastic pledge |
| 2021 | <ul style="list-style-type: none"> • 1st Stakeholder engagement plan (ESG Survey) and definition of BIL's Sustainability Materiality Matrix • SustainaBILity Strategy definition based on four pillars & selection of nine priority Sustainable Development Goals (UN SDGs) • Setting up of Towards Sustainability Programme & Committee and recurrent reporting to top management • Signature of UN Principles of Responsible Banking (UNPRB) and UN Global Compact (UNGC) | <ul style="list-style-type: none"> • Renewal of INDR Certification • Publication of a Responsible Investment Framework • Launch of Regulatory projects: ECB climate risks project, MiFID & SFDR project • LuxFLAG label of BIL Invest Patrimonial Funds • Launch of an ESG Training Programme • Launch of BIL's Sustainability Days initiative • Introduction of a CO₂ cap for company cars |
| 2022 | <ul style="list-style-type: none"> • Sustainability Reporting: adoption of GRI standards for 2021 report • Impact Analysis UN PRB • 1st Carbon Footprint measures • Publication of Sustainability Strategy & ESG Integration Policy • Launch of Sustainability website • ESG integration in selected key functions • On-boarding process on ESG with new joiners | <ul style="list-style-type: none"> • Reinforcement of training tools • Financial support for the creation of a library dedicated to Ukrainian children • Launch of the ESG Loans project and CSRD project • 1st Biodiversity initiatives (beehives, BIL Forest) • Launch of BIL's Green Bond Framework • Diversity: focus on Gender Equality • Commuting and Mobility projects |



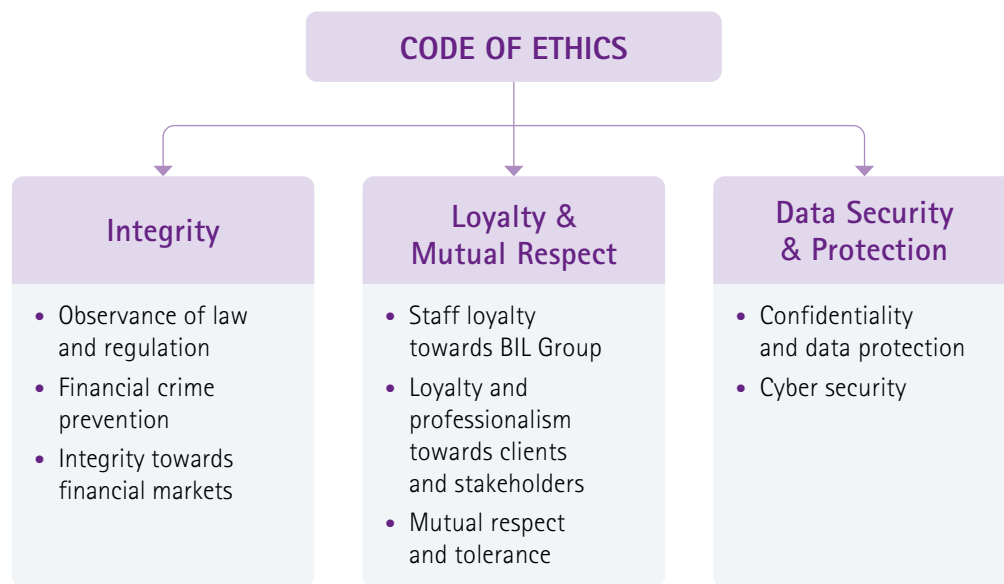
03. Responsible business conduct

- Responsible Governance
- Managing our ESG risk



Responsible Governance

Responsible business conduct in the financial sector is vital to building a sustainable global economy. BIL's Code of Ethics describes the values and the main principles applicable within BIL Group for the protection and preservation of its integrity and reputation and for the promotion of honest and ethical conduct towards staff members, clients and partners.



96%
of employees received training for anti-corruption (as compared to 88% in 2021)

Other policies related to business conduct

- [Anti Corruption Policy](#)
- [Whistleblowing Policy](#)
- [Ethics Policy](#)
- [Data Protection Policy](#)



Managing our ESG Risk



In accordance with the guidelines of the European Central Bank (ECB) and the European Banking Authority (EBA) through the [ECB Climate and Environmental Risk Guide](#) and the [EBA Report on Management and Supervision of Environmental, Social and Governance Risks](#), the Risk Management function at BIL is progressively integrating the management of the ESG risks in the entire organization through the following themes:

“ The importance of building resilient businesses, promoting an inclusive and sustainable economy and encouraging innovation is increasingly recognised. The role of banks in facilitating a well-functioning economy helps deliver inclusive sustainable growth and is a fundamental part of how banks operate. For this reason, the Risk Management function is gradually integrating ESG risk management throughout the organisation to achieve these objectives. ”

Hedi Ben Mahmoud
Chief Risk Officer

- Risk identification and materiality assessment
- Risk management framework
- Business model and strategy
- Reporting
- Risk appetite and governance

Different emerging initiatives were launched in 2022 to incorporate ESG risks into the bank's general framework:

- In January 2022, the Global Risk Cartography that covers all risks included in the bank's risk taxonomy was expanded as regards ESG features, through a process focusing on the “E” component of ESG, and submitted to the ECB. Furthermore, an initial assessment of the social and governance dimensions was completed during the second half of 2022.
- BIL participated in the first 2022 Climate Risk Stress Test conducted by the European Central Bank.
- Starting from March 2022, BIL has been involved in a project funded by the EU Commission and launched by the 2 Degrees Investing Initiative (2DII) called SME Climate Database, dedicated to the creation of a European non-listed SME climate database to help banks assess the double materiality of their lending portfolios.
- In 2022, BIL calculated the emissions of its bank investment and loans portfolio based on its exposure held in 2021. The total emissions of 402,504 tCO₂e covered 87% of their exposure for a total analysed amount of EUR 20.166 billion.
- In 2022, BIL carried out the first phase of the UNPRB, called “Impact identification”, which consists in identifying the areas with the most significant potential impact by focusing initially on its credit portfolio. Full information is available in the appendix to the UNEP FI Principles for Responsible Banking report.

More details can be found in our [Non-Financial Report](#) and our latest [Risk Management Report](#)



04. Supporting Our Clients

- Green investment offering
- Sustainable financing solutions
- Accessibility & digitalization
- Bank's ESG Portfolio



Green investment offering



Green bonds

In April 2022, BIL was the first bank in Luxembourg to set up a Green Bond Framework dedicated to the issuance of green bonds. BIL's Green Bonds commits to support the growth of the sustainable finance market.

Designed to reflect the best current market practices and aligned with the 2021 ICMA Green Bond, the proceeds will be allocated exclusively to finance or refinance new or existing loans financing green buildings in Luxembourg, thereby, strengthening BIL's positive impact on local communities and the economy.

€ 92 million
green bonds outstanding in 2022

Green investment offering

BIL's Green Bond Framework

| RATIONALE | GREEN BOND PRINCIPLES | |
|--|---|---|
| <ul style="list-style-type: none"> • Opportunity to promote and support the long-term development of sustainable solutions through financing sustainable innovations and services in line with the UN Sustainable Development Goals (SDG) 2030 agenda • Ensure that clients have access to financing that helps them to pursue the transition to an environmentally sustainable future • Commitment to support the growth of the sustainable finance market, a critical tool to meet the commitments of the Paris Agreement on global climate action and to address investors' willingness to finance sustainable activities • Primary focus to channel financing towards energy-efficient real estate in Luxembourg | Use of proceeds | Process for asset evaluation and selection |
| | Green Buildings <ul style="list-style-type: none"> • Financing of refurbishment, acquisition and ownership of existing or future energy-efficient residential buildings in Luxembourg <p><i>An independent advisory firm has been mandated to define robust eligibility criteria in Luxembourg</i></p> | <ul style="list-style-type: none"> • Dedicated process for eligible loan identification, selection and monitoring according to Use of Proceeds criteria • Green Bond Committee chaired by Chief Financial Officer in charge of allocation of Green Bond proceeds to Eligible Portfolio |
| | Management of proceeds <ul style="list-style-type: none"> • Proceeds managed on portfolio basis • Allocation period of 2 years on best effort basis • Lookback period of 3 years • Unallocated proceeds held in accordance with BIL's investment guidelines | Reporting <ul style="list-style-type: none"> • Annual allocation and impact report published on BIL's website • Eligible Portfolio environmental impact assessment performed by independent advisory firm • An external auditor appointed by BIL will verify, on an annual basis, the proceeds allocated to the Eligible Portfolio. |



Has provided a Second Party Opinion on the Framework and is of the opinion that the Banque Internationale à Luxembourg Green Bond Framework is **credible and impactful and aligns to the four core components of the Green Bond Principles 2021**



Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 and SDGs 11



Sustainalytics considers the project selection process in line with market practice



BIL's Green Bond Committee will be responsible for the managing and tracking of proceeds via an internal tracking system. This is in line with market practice



BIL has also committed to an independent review of its annual reporting, which is in line with best market practice



Green investment offering

SFDR-regulated products

As a financial intermediary, BIL plays a crucial role in transforming corporate models, by integrating ESG considerations into the financial instruments and solutions offered to our clients.

EU's Sustainable Finance Disclosure Regulation (SFDR) aims to reorient capital flows towards sustainable investments and to help investors by providing more transparency on the environmental and/or social characteristics of financial products.

As a LuxFlag label holder, BIL offers four Article 8 Patrimonial funds which focus on investing in funds that promote environmental and/or social characteristics.

BIL also provides external Article 8 and Article 9 funds for advisory and discretionary mandates.

Those funds represent

€ 932 million

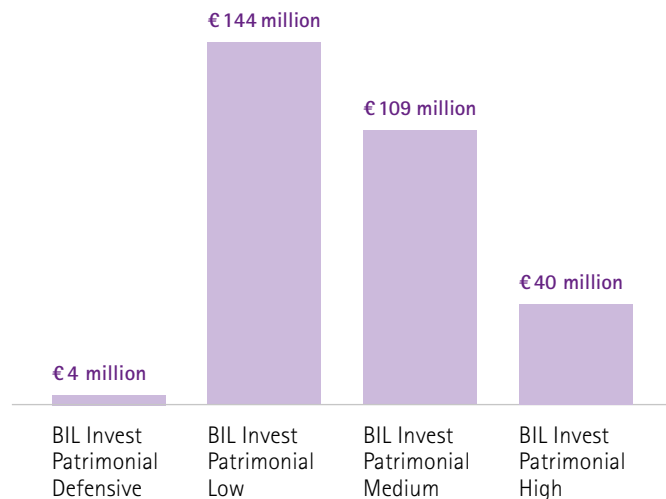
assets under management in our mandates.

2023 AMBITION

BIL has requested approval from Commission de Surveillance du Secteur Financier (CSSF) for two additional BIL Invest funds.

Moreover, BIL plans to further develop its sustainable investment offer dedicated to retail and wealth management clients.

Asset under Management



Do you want to contribute to a more sustainable world?

Invest in funds holding LuxFLAG ESG certification.



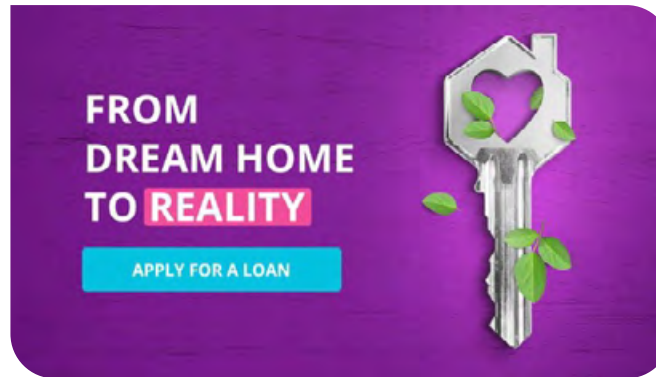
[Find out more](#)

Sustainable financing solutions

With EUR 16.5 billion of loans and advances to its clients (+0.8% vs 2021), BIL is a key player in financing the plans and initiatives of individuals, SMEs, large firms and institutions. Especially in Luxembourg where 15% of mortgages and 26% of investment loans are taken out from BIL.

Luxembourg is aiming for net zero carbon emissions by 2050 at the latest: this target presents huge challenges and opportunities, and therefore borrowing requirements in areas such as construction and energy retrofit, electric mobility, and renewable energy for everyone in the country.

BIL appreciates the decisive role that it must play in supporting this movement, which is why in 2022 the members of its Executive Committee decided to plan for the future as both **sustainable finance experts** and **energy transition enablers** for its clients.



2023 AMBITION

- Develop our advisers' knowledge of ESG, energy transition and government grant matters
- Review our range of sustainable finance products and services
- Turn our ESG strategy into concrete, measurable targets

€ 16.3 billion
worth loans and advances granted to clients in 2022

HOUSING ENERGY EFFICIENCY

44 Climate and Photovoltaic loans approved of
€ 2.3 million

ELECTROMOBILITY

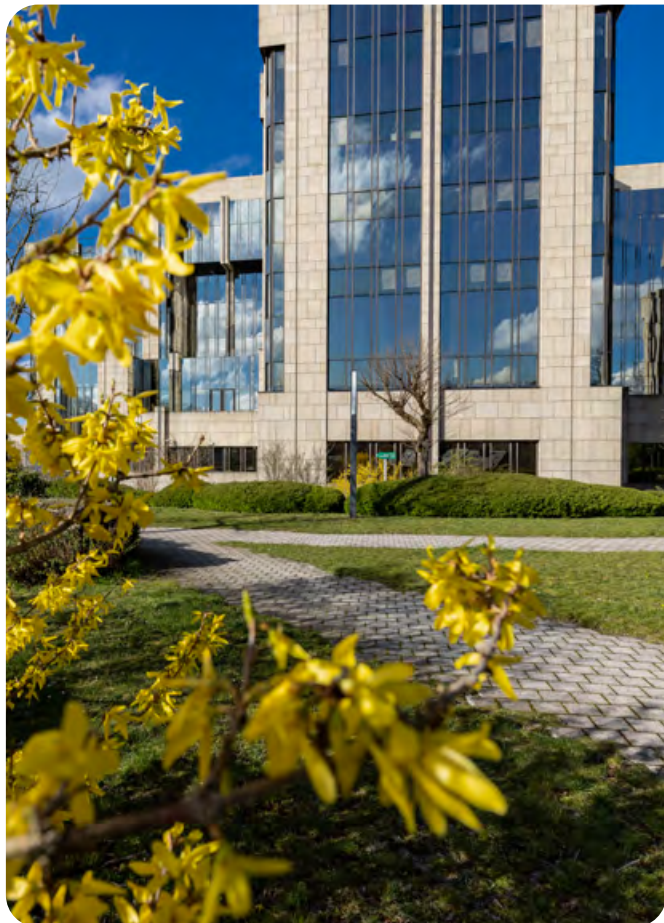
119 consumer loans approved of
€ 3.8 million
318 Leasing contracts subscribed of
€ 17.8 million

(+23% vs. 2021)

Sustainable financing solutions

Financed emissions

For the first time, BIL calculated the emissions from its investment banking portfolio and its credit portfolio as at 31/12/2021: 402,504 tons of CO₂e for total amount under analysis of EUR 20.2 billion.



The calculation method is based on the GHG protocol standard, the most widely used standard in the world for accounting for greenhouse gas emissions and proposed by the Partnership for Carbon Accounting Financials (PCAF).

With 279,269 tCO₂e of financed emissions, BIL's credit portfolio contributed to 69% of total finance emissions in 2022 for a total outstanding amount of EUR 12.2 billion.

Most of these emissions, 228,904 tCO₂e, were attributable to business loans. An in-depth analysis helped us identify the highest emitting sectors and clients, for which our transition risk is greatest and therefore in need of mitigation.

Financed emissions



2023 AMBITION

- In line with the current regulatory requirements, BIL will develop its capabilities to improve the accuracy of the future estimates, particularly on its data quality and scope enhancement.
- For the most emitting sectors and clients, BIL will raise clients' awareness of the need to be part of a transition and discuss with them about their transition plan to identify their investment opportunities and funding needs.

Accessibility & digitalization

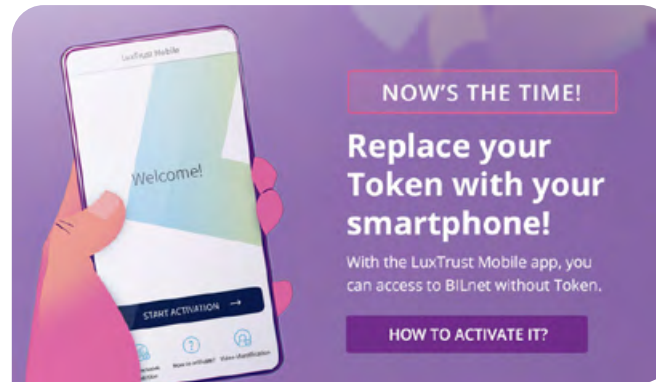
Accessibility to Bank Services

In its **Energise Create Together 2025** strategic plan, BIL has planned to strengthen its omnichannel distribution concept with a more digital and human approach. This is essential to meet the changing expectations and habits of our customers and ensure that they are better connected and informed.

While 2021 was focused on implementing the four new branch formats BIL HOUSE, BIL SHOP, BIL OFFICE and BILhome, in 2022 BIL focused on the specialisation of its Relationship Managers. In support of the more general Relationship Managers and Client Managers, three specialisations have been set up: Housing Advisors, Investment Advisors and Guest Advisors. The Housing and Investment Advisors respectively support clients in their real estate and investment projects while Guest Advisors oversee managing customer flows in the BIL SHOP and BIL HOUSE branches with the aim of educating and accompanying clients on alternative channels (BILNet, ATM, etc.) to make them autonomous.

2023 AMBITION

- 80% of BILnet connections via the mobile app (+ 4% vs 2022)
- LuxTrust mobile equipment: all BIL clients migrated by the end of 2023
- Increased awareness of anti-fraud prevention with targeted educational campaigns



Digitalization of services

By keeping digitalization and innovation of vital importance, BIL responds to three needs:

- **Accessibility:** Providing 24-hour access to bank services through BILNet, Open Banking API and Multiline. These solutions are coupled with human support at key moments in the client's life (e.g. buying a house), to combine autonomy and personalised support.
- **Ecology:** Digitalization enables better customer experience and reduces environmental impact. Please change to: "It offers the option to electronically sign several types of loan and credit card documents remotely from a client's BILnet accounts, thereby saving time and paper. With our paperless services, clients can opt to receive bank documents through secure digital channels rather than by post.
- **Security:** BIL gives utmost importance to security. BIL strongly encourages its clients to replace their physical Token with the LuxTrust Mobile solution to limit the risk of fraud.



93.5%
of active clients have a BILnet access.

91%

of them logged in over the past 6 months.



77%

of BILnet connections are via the mobile app.

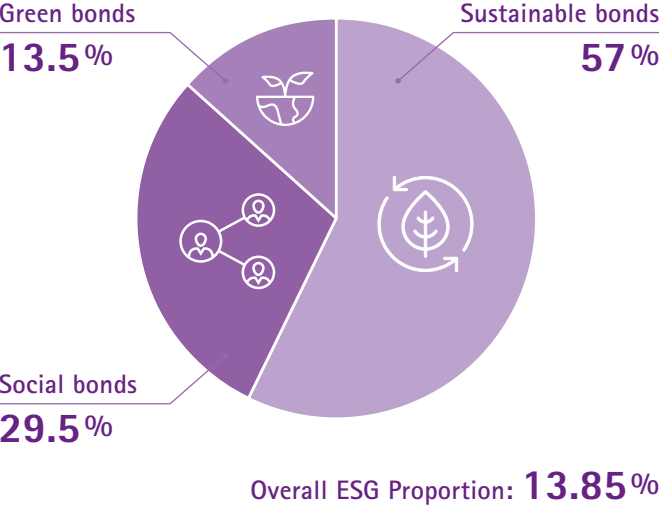
67%

of BILnet clients have activated the paperless option.



Bank's ESG portfolio

In addition to its role as a provider of investment solutions to private and institutional investors, BIL also manages its own portfolios of investment instruments. The sustainable investment framework has also been applied to this bank's portfolio and its Investment Guidelines. The objective of BIL group's Investment Portfolio is to generate a reasonable risk-adjusted return and to serve as a liquidity reserve for the bank.



On 31 December 2022, Green, Social and Sustainable bonds accounted for 15.8% of the total portfolio, for a total amount of EUR 1,377 billion (+72% in amount compared to 31/12/2021).

64,819 tCO₂e
finance emissions in 2022

Financed emissions from the Bank's Investment Portfolio accounted for 16.1% of the total financed emissions on 2021. This measurement allows BIL to be aware of the carbon emissions specific to each portfolio and even to each of their positions. In 2023, BIL will deepen its understanding of this data and its inclusion in portfolio monitoring.



2023 AMBITION

BIL commits to building up the ESG portfolio in a step-up mode based on the following schedule:

- 2023: 20%** (min. share) **100%** (max. share)
- 2025: 30%** (min. share) **100%** (max. share)





05. Responsible employer

- Health and well-being
- Training
- Dialogue
- Diversity

Health and well-being



“ One of the best things you can do for your employees is to make sure that they have the resources and competences they need to be successful in their jobs. ”

Karin Scholtes

Head of People, Culture, Communication

The success of our business is driven by the people who work for us, our human capital. Our goal is to build relationships based on trust and respect of employees at all levels and aligned to our core values Create, Collaborate and Care, that bring out the best in people.

BIL'S SOCIAL FUND

BIL's Social Fund provides bank's active employees with special assistance during their time of need. Each employee is automatically signed up to Luxembourg Air Rescue (LAR). Employees are also supported with education grants and key family events.

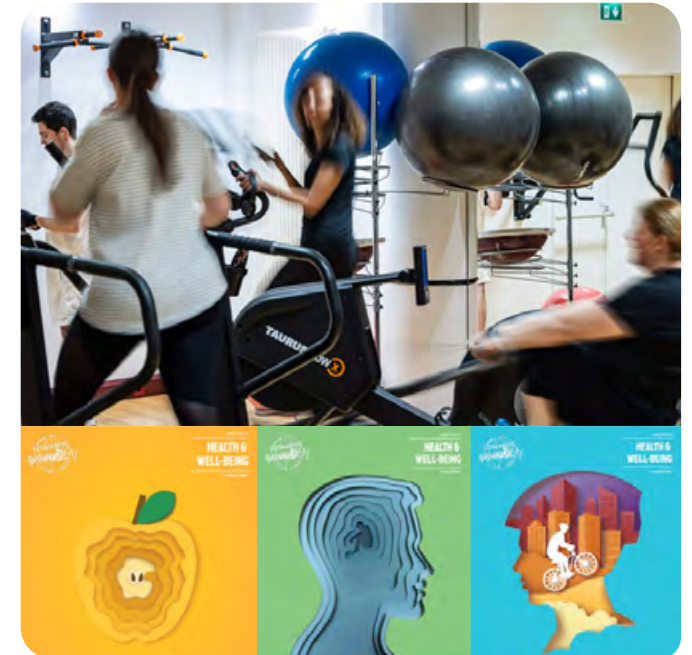
BIL PSYCHO-SOCIAL ASSISTANCE

BIL's People Care team is dedicated to monitoring people and their issues in a strictly confidential manner. Regular prevention processes and actions are taken, along with regular health check-ups for employees.

In 2022, mental health first-aid trainings were delivered to all employees of the staff delegations as well as to the HR business partners and healthy leadership sessions were organised for managers.

FIT4BIL PROGRAM

BIL organised yoga sessions and collective bootcamp sessions focused on mental and physical health. Work flexibility and work-life balance is promoted among all level of employees. Additionally, we provide our employees with a fitness room, free of charge. The culture of sports is promoted through several sports clubs.



Diversity



BIL believes that diversity helps increase the bank's collective performance, as it brings to the organization a broader range of viewpoints, backgrounds and strengths. It ensures that employees feel valued and welcome while creating an environment of trust and cooperation. It has a positive impact on BIL's culture and boosts BIL's values of Create, Collaborate and Care. Overall, it helps BIL to remain an employer of choice to attract and retain talent.



Signatory of the Diversity Charter since 2016, BIL's Management Board reviewed and validated action plans in 2022:

- **Phase 2 (2024)**

A minimum of 5 persons (representing at least 10%) of the underrepresented gender among the members of the Management Body.

- **Phase 3 (2028)**

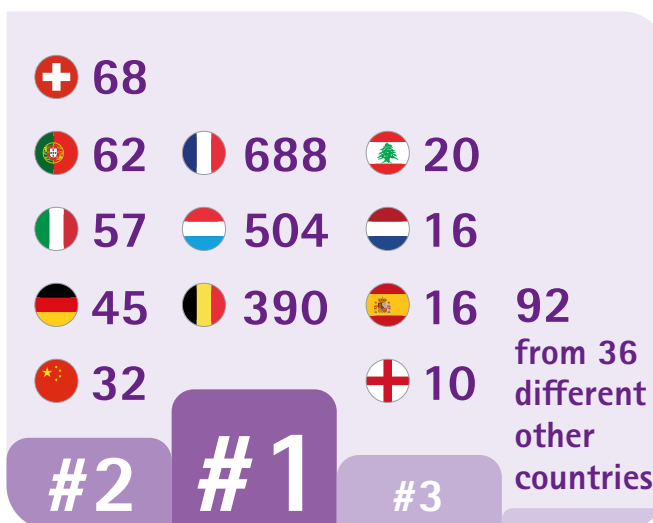
A minimum of 30% of the underrepresented gender among the combined Executive Committee and Board of Directors.

Diversity

KEY ACTIONS IN 2022:

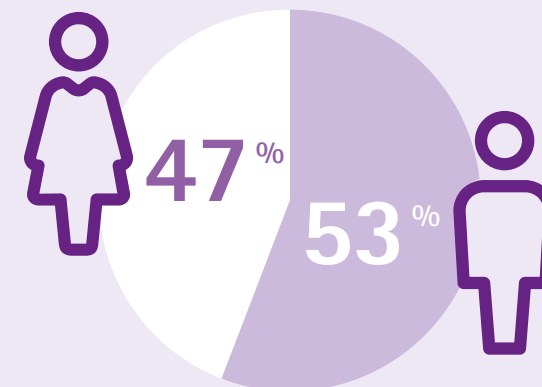
- Appointment of a Diversity Sponsor and a Diversity Leader within the Executive Committee (ExCo).
- All ExCo members participated in training sessions focused on diversity challenges and unconscious biases.
- A 'Be Inclusive Round Table' workshop was conducted for all employees, hosted by the "BeInclusive" Team.
- Collection of employees' opinions through an internal survey by the "BeInclusive" team, winners of the BIL Challenge Cup.
- The HR process review was initiated to integrate diversity in all HR processes.
- 887 trees planted around the world on International Women's Day, 1 tree for each woman at BIL.
- BIL acted as a sponsor to Luxembourg Pride 2022 for the equity march.

| Age (%) | Staff | 1 st Mngt Level | Senior exe | Top Mgmt | Total |
|--------------------|-------|----------------------------|------------|----------|-------|
| under 30 years old | 24 | 4 | 0 | 0 | 14 |
| 31-50 years old | 45 | 65 | 56 | 51 | 54 |
| over 50 years old | 31 | 31 | 44 | 49 | 32 |



Gender

BIL'S WORKFORCE IS COMPOSED OF



EMPLOYEE HEADCOUNT BY GENDER (AS OF 31 DECEMBER 2022)

890

FEMALE EMPLOYEES

992

MALE EMPLOYEES

06. Positive impact

- Environmental impact
- Carbon footprint – operational emissions
- Social impact

Environmental impact



BIL gives high importance to reducing its consumption of energy, water and thereby, generate less waste. The Bank actively takes measures in each sector to ensure resources are being used efficiently.

ENERGY

With the help of third-party agencies, BIL can monitor its energy consumption. The bank and its offices primarily use natural gas and fuel as source of energy.

In 2022, BIL decreased the temperature of its office by 1°C to ensure reduction of gas consumption, thereby supporting the government's national strategy to reduce energy consumption. Moreover, BIL has been using renewable energy for electricity since 2004 in its offices.

COMMUTING

At BIL, 24% of employees use public transportation to get to work, while 58% travel with their own vehicles.

With BIL's CapCO₂ initiative, a maximum threshold was put in place to reduce CO₂ emissions from company vehicles. Moreover, 81% of the newly ordered cars were either hybrid or electric in nature.

True Mobility Allowance was introduced to replace the bank's fuel card, which allowed eligible employees to purchase bicycles, electric scooters and electric chargers for their personal vehicles. Other initiatives included bicycle leasing and teleworking policies.



21%

reduction in natural gas usage from 2021

324.459 kwh

of electricity reduced in 2022
(as compared to 2019)



64%

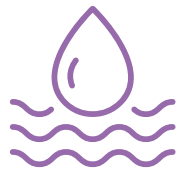
reduction in average CO₂
from company vehicles (as compared to 2020)

Environmental impact

WATER

Regular assessments are conducted to ensure safe drinking water is available to use in the building premises. To save water, BIL replaced the watering system in the Independence Garden and the executive terraces, installed energy-efficient kitchen machines and equipment, stopped watering the bank's garden in the summer and lastly, installed dual flush systems in the toilets.

To encourage tap water usage with reusable bottles, BIL Suisse collaborated with FILL ME AG, a start-up that creates drinking water bottles made of borosilicate glass. With the purchase of each FILL ME bottle, CHF 1 was donated to DRINK&DONATE, a non-profit association engaged in clean drinking water accessibility.



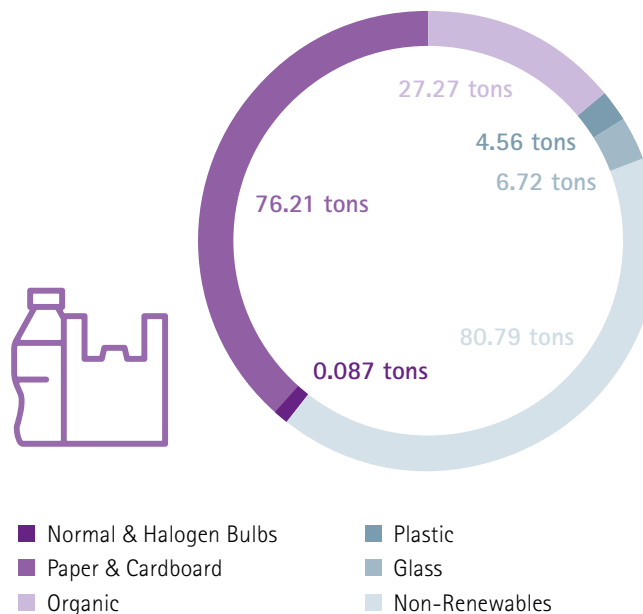
21,800 m³

water consumed in 2022
(21,658 m³ as compared to 2021)

WASTE

The Waste Management system at BIL ensures correct sorting, segregation and disposal of waste. With the SDK Label, the Bank ensures that the defined sorting complies with the SuperDreckskëscht guidelines.

At BIL, we have eliminated the use of single-use plastic.



2023 AMBITION

For 2023, BIL is planning to broaden its scope by adding its Luxembourg and Switzerland subsidiaries.

Gas: Target of **-15%** in 2023 based on the average over the last five years.

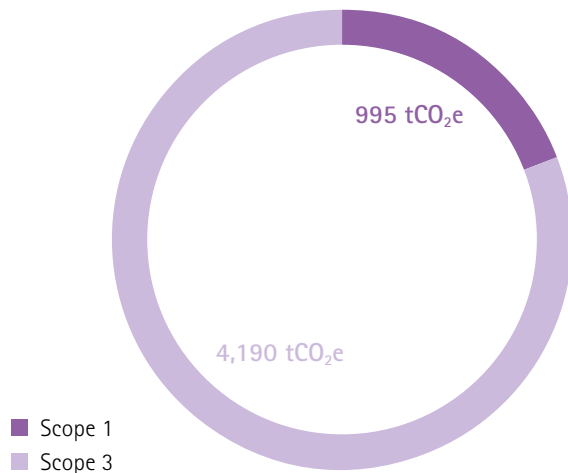
Electricity: Target of **-10%** in 2023 based on the average of the last five years



Carbon footprint – operational emissions

BIL carried out its first operational carbon footprint assessment with the help of an external third-party organization. Following the principles of the "GHG protocol" and the "Corporate Value Chain (scope 3) Accounting and Reporting Standard", the focus was directed towards its head office in Luxembourg. Emissions were calculated for all three scopes.

- **Scope 1** represented direct emissions related to the heating of the Bank's building.
- **Scope 2** covers emissions related to the electricity consumption of the BIL headquarters. Our consumption is covered by labels certifying our use of sustainably produced electricity and thus, calculates our Scope 2 emissions as 0.
- **Scope 3** includes indirect emissions involving employee travel to and from place of work, consumables, IT equipment, canteen purchases, paper, shipments to our customers and waste.



For the year 2021

| SCOPE 1 | 995 |
|---|-------|
| Gas consumption | 732 |
| Heating oil | 171 |
| Vehicles | 32 |
| Refrigerants | 61 |
| SCOPE 2 | - |
| Electricity consumption (market-based method) | - |
| Electricity consumption (location-based method) | 911 |
| SCOPE 3 | 4,190 |
| Journeys between home/work and Telework | 2,026 |
| Business trips | 334 |
| Canteen and management restaurant | 397 |
| Paper | 83 |
| Other products purchased | 20 |
| IT equipment | 565 |
| Post | 403 |
| Waste | 29 |
| Indirect emissions linked to scopes 1 and 2 | 331 |



5,185 tCO₂e
operational emissions in 2022

2023 AMBITION

BIL plans to include its entire perimeter (branches & subsidiaries) to calculate its operational emissions for 2023. With a view to reducing its emissions, BIL will then implement an action plan in collaboration with an outside expert.



Social impact

As part of its sustainable development strategy, BIL believes in physically and/or financially supporting different local communities. With its CSR budget, BIL backs local charities, focusing mainly on three categories having social and environmental aspects: health, environmental protection, and education.

HEALTH

BIL supported multiple organisations with a focus on cancer research, autism, children's mental and physical health, leukemia and service animals.



EDUCATION

BIL recognizes the key role of education in the transition towards sustainability. Thus, BIL actively works towards educating students and coaching them towards sustainable finance and entrepreneurship.



ENVIRONMENT

Appreciating the importance of protecting the environment and biodiversity for the sake of our planet, BIL also supports local charities working in these areas.



2023 AMBITION

BIL wishes to increase the visibility of sustainable development actions across all departments. This includes raising awareness about CSR topics, the bank's impact through its products and services via stronger campaigning and possibly a bigger annual event bringing together all bank departments affected by, and working on, sustainability issues.



Outlook for 2023

- Develop products & services to align with bank's business ambition to become a key transition facilitator.
- Continue implementation of regulatory projects: Principal Adverse Impact reporting, MiFID II ESG enhancements, CSRD & Risk Roadmap.
- Focus on ESG data quality and integration.
- Training & ESG awareness, with focus on advisors and ESG specialists.
- Confirm strategy pillars through regular stakeholder engagement.
- Set Tangible ESG targets aligning business model & strategy, and monitoring.
- Positive Impact initiatives on E & S aspects, including carbon footprint measures & action plan, responsible employer initiatives & community actions.

Our publications



[Sustainability Strategy](#)



[ESG Integration Framework](#)



[Green Bond Framework](#)



[SFDR Disclosures](#)



[Sustainable Procurement Policy](#)



[Responsible Employer Policy](#)

About this report

The 2022 Sustainability Report presents BIL group's sustainable development strategy, business model, governance, risks and opportunities, performance and future outlook with regard to sustainable development.



This report acts as a brief summary of the complete Sustainability Report and is more focused towards our clients, employees and the general public.

To know more about our sustainability strategy at BIL, please have a look at our complete [Sustainability Report of 2022](#) as well as our [Sustainability Page](#).

BIL is open to receiving feedback and suggestions from individuals and clients. You can email us at sustainability@bil.com





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