Sustainability Report 2022

BIL 1856

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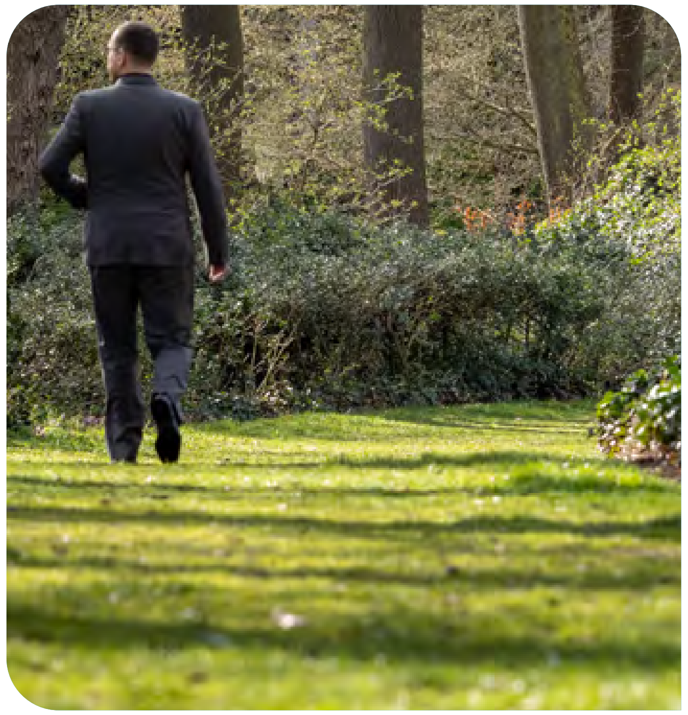

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01. Message from the CEO

Message from the CEO

Marcel Leyers, Chief Executive Officer

BIL is committed to the sustainable development of its activities and those of its clients. The bank has a clear sustainability strategy and is making indisputable progress in the sustainable action that it takes.

2022 was 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 caused shockwaves globally. A slowdown in global economic activity is materialising, due, in part, to the tightening of financial conditions implemented to tame inflation. Luxembourg's economy was not spared as it is one of the most open in the world. Thanks to its resilience, it remained dynamic. Nevertheless, challenges still loom on the horizon. Slowing demand from the country's main trading partners are forecast to weigh on growth.

In this challenging context, we continued to make progress towards becoming a more sustainable bank. More than ever, our mission is to create value for our clients and society and ensure they receive our undivided support to bring their projects to life. Our ambition is to become a transition facilitator for our customers. The bank will assist and support its customers in the transition of their business models or activities, thus strengthening our position as their partner.

For the years to come, we have identified four interconnected priorities that will have an impact on the three dimensions of sustainable development: environmental, social and governance. Throughout 2022, we pursued our efforts surrounding each of these priorities.

- Sustainable development impacts all of the bank's activities. Sound governance is essential to progress towards better integrating ESG goals into our products and services, the operational processes that underpin them and our risk management.
- BIL offers financial products and services that are pivotal for creating a solid foundation for future generations. Our sustainable investment solutions combine solid returns with a commitment to ecological and social issues. In addition to our BIL Invest Patrimonial funds, which have received the LuxFLAG ESG label, BIL launched its first Green Bond in 2022, whose funds will be directed towards building energy efficient buildings in Luxembourg. With regard to financing, BIL continued proposing proactively support to its clients on sustainable projects, through photovoltaic loans and green vehicle financing.
- The talented individuals that work at BIL are essential to fulfilling 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 achieve their full potential. We want to be an employer of choice.
- 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. In 2022, BIL introduced MaaS, "Mobility as a Service", a mobility package with a combination of complementary initiatives. We also support many local NGOs, charities and organisations in the fields of health, education and the environment.

What can we expect in 2023? We will continue to work towards greater integration of ESG requirements in our products and services, in our customer relationships, and in our day-to-day operations, while continuing to meet regulatory requirements. 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 they receive our undivided support to bring their projects to life.

Marcel Leyers
Chief Executive Officer

> "Our ambition is to become a transition facilitator for our customers."

02. About this report

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 has been prepared in accordance with Global Reporting Initiative (GRI) standards."

This report is BIL's opportunity to guide its stakeholders, and any external readers, in their understanding of the group's values, initiatives and overall progress made with regard to sustainability in 2022.

To ensure a thorough and comprehensive understanding of the group's overall performance, this report should be read in conjunction with the 2022 BIL Annual Report. The information and data contained in this report cover the period from 1 January 2022 to 31 December 2022, unless otherwise stated.

This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards (Core Option) and refers to BIL's activities at group level, unless stated otherwise. The GRI Standards Financial Services Sector Supplement has been incorporated into this report.

In addition, the reporting for the United Nations Principles for Responsible Banking (UN PRB), of which BIL became a signatory in 2021, can be found in the Appendices section.

BIL publishes its sustainability reports on an annual basis; reports from previous years can be found at bil.com. For any questions related to ESG issues, please contact the Sustainability Team at sustainability@bil.com. The Sustainability Team is responsible for the drafting of this report, which is then reviewed by a transversal reading committee and validated by BIL's Executive Committee.

03. About **BIL**

3.1
BIL, a key player in the Luxembourg financial market

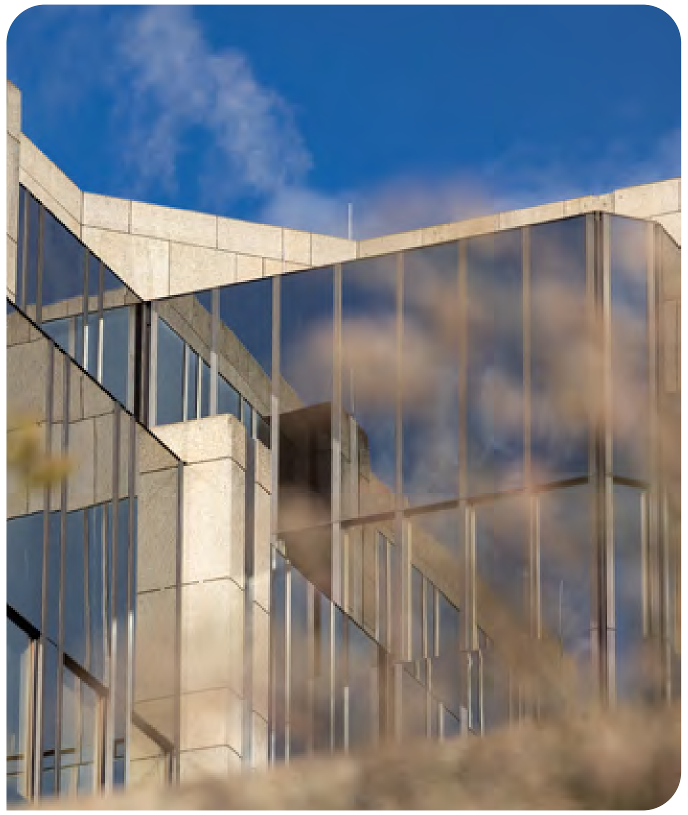
Local roots

International business

Responsible employer

Client focus

Systemically important bank



Created in 1856 to support the economic development of Luxembourg, Banque Internationale à Luxembourg S.A. (BIL) remains a significant player in the country's economy more than a century and a half later. International, diverse and solid, BIL has a steadfastness that shines through.

A Luxembourg bank, in essence, BIL's local roots have anchored its international influence, reinforced by a physical presence in Switzerland and China and two strategic trading floors in Luxembourg and Zurich. This local and international network enables it to distinguish itself by offering tailor-made and innovative financial services. Managed by expert staff, BIL is a solid partner, capable of ensuring that clients can realise their projects, whether they be personal life plans, professional ventures or business developments.

Individuals, entrepreneurs and financial professionals: more than 215,000 clients already benefit from BIL's recognised expertise in retail banking, corporate banking and wealth management.

As a trusted partner committed to offering its clients the expertise they need to flourish, BIL employs 2,000 people with diverse profiles, nationalities and skills. This mix – a plurality of expertise and identity – makes it possible to meet the specific needs and expectations of clients seeking prosperity.

As a responsible employer concerned with the well-being and professional fulfilment of its teams as well as the long-term growth of its activities, BIL channels its capacity for innovation into sustainable development. It demonstrates a quietly ambitious responsiveness and adaptability to cyclical changes to both its teams and clients.

Managed with pragmatism and confidence in the future, Luxembourg's oldest universal bank offers proximity and excellent accessibility through a network of branches and a wide range of remote services. Responsible and enterprising, human and innovative, ambitious and ethical, BIL defends the values of stability, responsiveness, entrepreneurship and openness to the world. Dedicated, it is a pillar of financial solidity that enables its clients to plan an orderly future in a world of constant change.

3.2
A range of diversified services

As a universal bank, BIL offers a full range of services in Luxembourg, its domestic market, to private individuals, companies, financial institutions and public bodies.

RETAIL BANKING

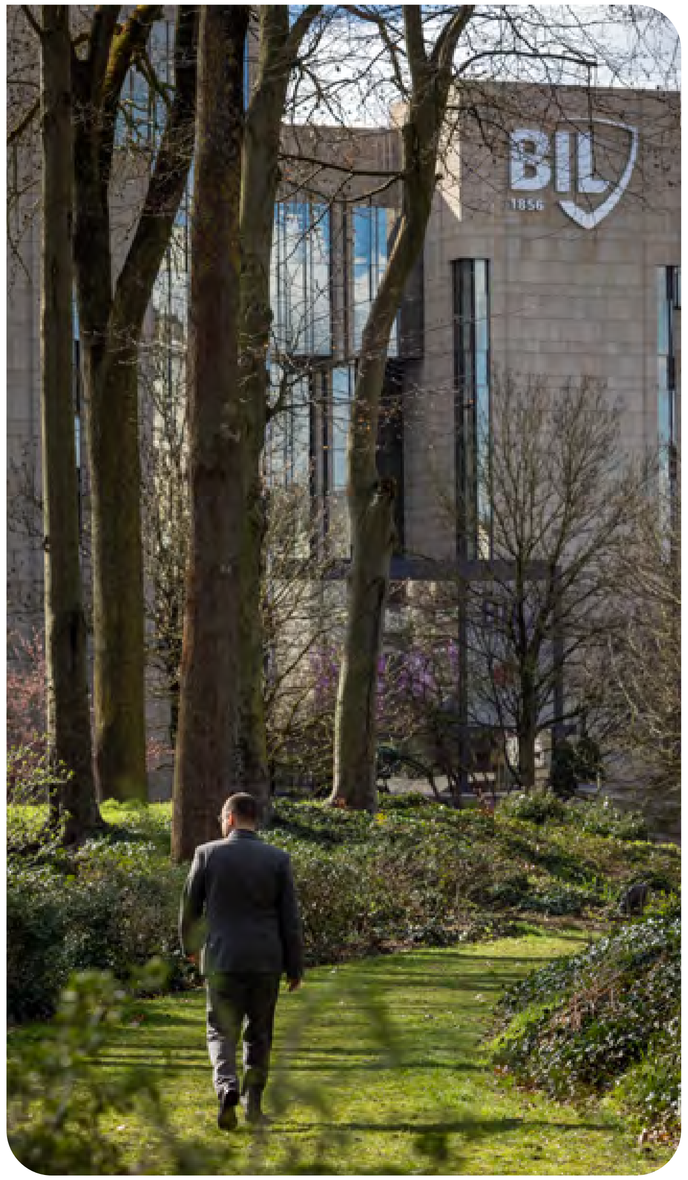
Thanks to its specialised advisers and remote services, BIL offers private individuals the benefit of its recognised know-how in daily banking services, financing, savings and investment. Its products and services are accessible via BILnet, its online banking platform, and in branches. The bank also has a stand-out range of innovative management and anticipation banking services for use by its clients.

WEALTH MANAGEMENT

From its centres of expertise in Luxembourg, Switzerland and China, BIL assists its high-net-worth clients with the management, preservation and structuring of their assets. It also helps investment professionals to develop their activities by offering them direct access to international markets and exclusive investment products. Wealth management advisers are also on hand to ensure that clients receive tailor-made solutions for each project.

CORPORATE AND INSTITUTIONAL BANKING

Since its creation in 1856, BIL has been the primary partner of entrepreneurs, financial institutions, and the public sector, offering them a complete range of banking and financial solutions. The priorities of BIL's teams are to support their clients in their day-to-day work and the realisation of new projects; assist them in their development and with accessing new markets; and, when the time comes, help them with the transfer of their businesses.



3.3
2022 BIL Group key figures

TOTAL BALANCE SHEET:
EUR **32.4 BILLION**
(-0.1% compared with 2021)

ASSETS UNDER MANAGEMENT:
EUR **43.5 BILLION**
(-5.3% compared with 2021)

CUSTOMER DEPOSITS:
EUR **21.0 BILLION**
(+1.7% compared with 2021)

CUSTOMER LOANS:
EUR **16.5 BILLION**
(+0.8% compared with 2021)

NET INCOME AFTER TAX:
EUR **153 MILLION**
(+13% compared with 2021)

COMMON, EQUITY TIER 1:
13.35%
(before 2022 profit allocation)

BIL GROUP RATINGS

	S&P (27/10/2022)	Moody's (15/07/2022)
Long-term rating	A-	A2
Outlook	Stable	Stable
Short-term rating	A-2	P-1

Extract from 2022 Annual Report. For more detailed financial information, the 2022 Annual Report is available at www.bil.com.

3.4
Energise Create Together 2025, BIL's strategic plan

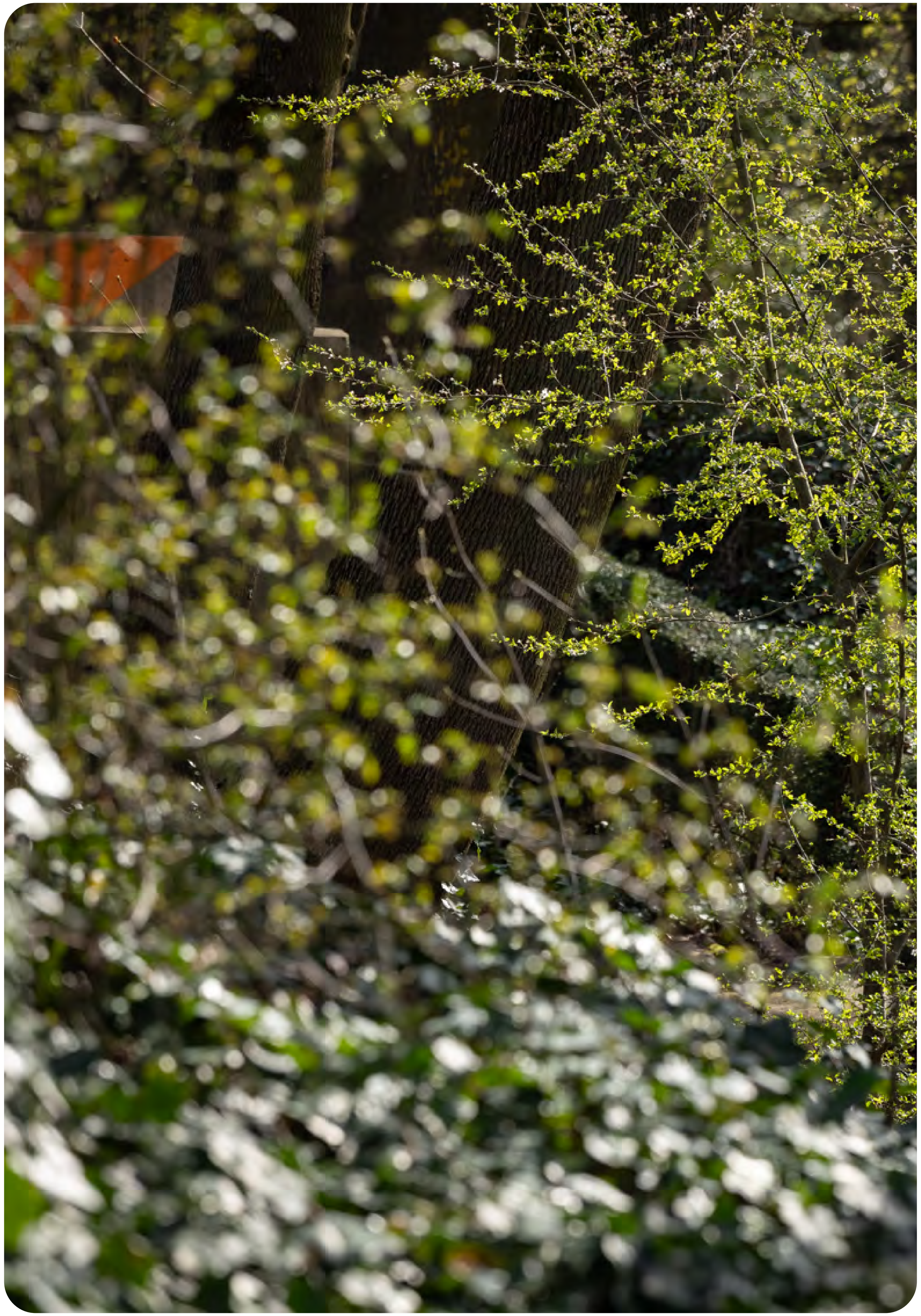
During the first few months of 2021, BIL revisited its strategic plan, Create Together 2025, launched in 2019 to reflect the new reality brought about by the pandemic. This resulted in the Energise Create Together 2025 strategic plan, which focuses on five key priorities where the bank believes it can best use its unique capabilities and has a strong right to win. Less than a year after the approval of this new plan, the world was again rattled by unforeseen events and the bank has been put in a new macroeconomic and geopolitical environment.

> "ESG considerations are well integrated in our key strategic pillars"

In this context, while making some tactical adjustments, we still believe that our five key levers to become the best bank for entrepreneurs in Luxembourg remain relevant:

- Be the best bank for entrepreneurs thanks to its unique position and its wide service offering, at the intersection of retail, private and corporate banking;
- Strengthen its wealth management business and dynamise its profitability;
- Bridge Europe and China, by serving European clients looking to invest in China, and serving Chinese clients wanting to invest in Europe;
- Deliver its new core banking system that will lay the foundations for BIL's transformation;
- Adapt its operating model and work environment to embrace future changes and challenges

ESG aspects have been considered from a business perspective as well as risk perspective when establishing the strategy of the bank and are well integrated in each of the above key strategic pillars.



3.5
Value creation

We create value via fees, interests and commissions received in connection with our financing activities. This value is redistributed to our stakeholders through salaries paid to our employees, general expenses paid to our suppliers, community investments (sponsoring and donations), taxes and distribution of a part of our yearly profits to our shareholders.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

BIL Group (in EUR million)	31/12/2022
Economic value generated (Bank Margin)[1]	**645**
Value adjustments[2]	(76)
Distributions from the income statement	**(416)**
of which staff costs	(245)
of which non-staff related general expenses	(159)
of which taxes	(12)
Income for the year	153
Change in valuation in own funds[3]	51
Total comprehensive income for the year	203
Distributions from own funds	**(60)**
of which distribution to shareholders[4]	(60)
Economic value retained after distribution (change in own funds)	**143**
In 2022, BIL distributed a total economic value[5] of EUR 476 million.	**(476)**

[1] Economic value generated (Bank Margin) = revenues (the sum of interest & dividend income; fee income; income on securities & financial instruments and other net income).
[2] Value Adjustments = amortisation of tangible and intangible and right-of-use assets, impairments on financial instruments and provisions for credit commitments, impairment on goodwill and provisions for legal litigations.
[3] Change in valuation in own funds (other comprehensive income) contains: actuarial gains (losses) on defined pension plans and the change in valuation of the bank's holdings in the economy.
[4] Dividend paid on 2022 net profit to BIL's main shareholders Legend Holdings Corporation (89.98%), the Government of the Grand Duchy of Luxembourg (9.99%) and minority shareholders.
[5] Sum of the "Distributions from the income statement" and "Distributions from own funds" headings.

04. Sustainability at **BIL**

4.1
Global context and main challenges

Europe is now a world leader in sustainable development. This can be seen in the construction of a robust legal and regulatory environment alongside new standards, which allow banks to say whether or not their investment products are sustainable. The sustainable finance framework is becoming increasingly clear through such texts as the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy.

With these directives, the regulator is aiming for transparency and encouraging businesses to report the environmental and social impact of their products and services. There are numerous challenges:

- **Data:** banks need access to reliable information that is updated regularly. We work in an environment that is changing constantly, especially from a regulatory point of view, and try to manage the reliability of the data we need as best we can. Within this context, we invest heavily in improving our data environment in which ESG data plays a key role. In September 2022, BIL onboarded a dedicated ESG Data Officer to assess and map data needs from business and control functions, as well as to define a clear ESG Data Governance framework.
- **Dependence of clients' transition:** to move forward and engage realistically and pragmatically, we must work in close collaboration with the clients we finance, and who must in turn assess their own impact.
- **Bringing clients on board and training staff:** at the centre of this new ESG investment galaxy lies the client, who may be overwhelmed by the sheer volume of information. The real challenge is to build a clear and comprehensible offering that will allow the client to make the right decisions. We need simple words to address complex matters. Irrespective of what regulations may apply, the aim must be to provide the best possible service and offer products that meet clients' needs. The creation of a sustainable range has an important educational aspect, involving not just the public but also the bank's employees: training the experts who lead the bank's sustainability journey, and our advisers, to provide clients with the right information and advice suited to their needs.
- **Having a real impact:** faced with the growing expectations of Europe, it is important for banks to read up on regulations so that they can apply them in the best way possible. The different regulations are all recent and not necessarily aligned. Implementing them is a challenge, as it requires both background knowledge and practical skills. In their essence, though, these rules make a lot of sense and should gradually enable the whole finance industry to follow the same path and make a real impact. We understand that measurement and transparent reporting are a key to success. This also allows for an open dialogue with our stakeholders, to which we attach great importance. Constructive dialogue with all stakeholders will allow us to harmonise interpretations and practices.

4.2
Sustainability at BIL

At its core, sustainability in the context of business is about creating value for shareholders while having a positive impact on the environment and society.

Sustainability has become a strategic issue for all Luxembourg banks, which are called upon to play a central role in accompanying and supporting a green transition and a more resilient economy. These high expectations are accompanied by many challenges.

BIL's Executive Committee and Board of Directors are fully aware of the strategic role, BIL, as a financial actor, has to play in the transition to a sustainable world, and ESG factors will gradually be incorporated at two levels:

- **As a responsible company,** this means reviewing the bank's processes and determining to what extent it makes sense to incorporate ESG factors, whether in terms of product creation, human resource management, risk management, or the management of the environmental impact of the bank's buildings, for example.
- **As financial intermediaries,** banks play a crucial role in transforming corporate models. Our objective is to have a positive impact through our activities as a bank. We can do this, firstly, by actively participating in the financing of the economy and by supporting companies in their own energy transition and, more broadly, in their consideration of all CSR issues. Secondly, we can make a positive impact through our private banking activities, in particular by offering sustainable investment ranges to our clients to enable them to support this transition.

> “BIL's Executive Committee and Board of Directors are fully aware of the strategic role, BIL, as a financial actor, has to play in the transition to a sustainable world.”

4.2.1 History of sustainability at BIL

At BIL, we consider Sustainability as a Journey. The Journey started in 2015, with important milestones and highlights up until now:

2015
- 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
- Creation of the 1st CSR steering committee
- 1st INDR certification
- Member of LuxFLAG – a certification body for sustainable funds

2016
- Member of the ABBL's diversity think tank
- Creation of the internal BIL Volunteering Team

2017
- New purchasing policy – including sustainability requirements

2018
- Publication of the first non-financial information report
- Renewal of INDR certification

2019
- First diversity policy
- IMS (Inspiring More Sustainability) membership
- Proactive organisation of the Candriam Equities L Oncology Impact fund

2020
- Governance: creation of the Sustainable Development department, reporting directly to Head of Strategy
- Partnership with Candriam for access to ESG data
- Signature of the Zero plastic pledge

2021
- 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)
- 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 CO_2 cap for company cars

2022
- 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
- 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

4.2.2 Memberships, compacts, charters and labels

BIL firmly believes in being an active member of global organisations promoting social responsibility and responsible banking. This enables the bank to adopt principles that are aligned with the guidelines set and make continuous progress in perfecting our sustainable strategies.

BIL's 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). In 2021, BIL renewed its CSR label "Socially Responsible Company" for the third time, reflecting the bank's continuous progress on sustainability issues.

As a signatory member since 2021 of the United Nations Principles for Responsible Banking (UNEPFI PRB), BIL joined this voluntary international initiative in order to contribute to the development of a sustainable banking system. By adopting these principles, BIL strives to align its strategy and practices with the vision that society has set for its future in the Sustainable Development Goals and the Paris Climate Agreement.

In 2021, BIL became a signatory to the UN Global Compact, which encourages companies to voluntarily apply the universal principles of sustainable development. By following the UN Global Compact guidelines and benefiting from their training resources and feedback, BIL is gradually gaining maturity in implementing its sustainability strategy.

BIL is a founding member of LuxFLAG: the primary objective of the LuxFLAG ESG Label is to reassure investors that the investment product actually incorporates ESG (Environmental, Social, Governance) criteria throughout the entire investment process. Since 31 December 2021, four of the BIL Invest funds, the BIL Invest Patrimonial sub-funds, promote Environmental and/or Social characteristics and have the LuxFLAG ESG label.

Through its membership to IMS – Inspiring More Sustainability – BIL has been exchanging and collaborating with other members on sustainability issues since 2015.

BIL is a member of ABBL (the Luxembourg Bankers' Association) and an active contributor to the working groups on sustainability projects coordinated by ABBL:
- ESG Financial Markets
- ESG Risks
- Taxonomy and Labels
- CSR
- Financial Education
- Diversity

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

ON A SOCIAL LEVEL:

CHARTE de la DIVERSITE LËTZEBUERG

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

ON AN ENVIRONMENTAL LEVEL:

ZERO SINGLE-USE PLASTIC THE MANIFESTO

- IMS Luxembourg's Zero Single-Use plastic pledge, a formal commitment to eliminating single-use plastic within the company

SDK RESSOURCEN INNOVATIOUN NOHALTEGKEET CIRCULAR ECONOMY SuperDrecksKëscht®

- "SuperDrecksKëscht Fir Betriber" (SDK) environmental management label

4.3 BIL's SustainaBILity strategy

Our corporate sustainability strategy is sponsored by our group CEO and guided by a clear ambition:

> "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

BIL's SustainaBILity Strategy is based on four 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.). Please refer to the Report's Methodology section for more details.

Pillar 1

Sustainable Governance and Strategy: the ambition is to structure the organisation to face ESG (Environment, Societal, Governance) challenges and to support the bank's long-term growth and stability.

Pillar 2

Responsible and sustainable products and services: as pointed out by BIL's major stakeholders, the bank needs to develop a responsible product and service offering. This will both create value for its clients and support the transition to sustainability.

Pillar 3

Responsible Employer: with a view to making its employment practices sustainable, BIL is committed to promoting inclusive workplaces, offering training and mobility opportunities to all employees.

Pillar 4

Positive impact: the ambition is to continue to make a positive impact on the local economy and communities and prepare solid ground for future generations.

Main ambitions and commitments related to each pillar:

Pillar 1

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

Pillar 2

RESPONSIBLE AND SUSTAINABLE PRODUCTS AND SERVICES:
- Perform the Impact Analysis on ESG products and disclose these impacts
- Define targets/limits to reduce negative impacts and break down into product policies
- Identify client ESG preferences
- Reinforce & develop new sustainable products
- Create awareness on sustainable products and their impact

Pillar 3

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

Pillar 4

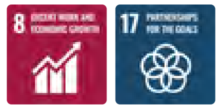
POSITIVE IMPACT:
- Define a recurrent engagement plan with our stakeholders
- Launch local impact initiatives on priority SDGs
- Improve environmental footprint

In 2022, BIL's sustainability projects and initiatives were carried out within the framework of these pillars and in order to meet these commitments. The ESG initiatives are described in the following sections of this report.

4.3.1 Commitment to the Sustainable Development Goals

Although the 17 Sustainable Development Goals form a coherent whole and are all interlinked, BIL has decided to focus its impact on nine priority SDGs at corporate level, each linked to one of its four strategic pillars:

SUSTAINABLE GOVERNANCE & STRATEGY



SUSTAINABLE PRODUCTS & SERVICES

RESPONSIBLE EMPLOYER

POSITIVE IMPACT

2023 AMBITION

In 2023, we foresee a new materiality assessment with a two-fold objective: to confirm that our strategy and sustainability commitments are addressing issues that our stakeholders consider to be most important, and to identify any additional topics that are a priority for our stakeholders. We will follow the 'Double Materiality assessment' which will cover both 'impact materiality' and 'financial materiality'. We expect to update our materiality assessment every two to three years.

4.3.2 Key figures, 2022 realisations

Responsible Governance	Sustainable products and Governance	Responsible Employer	Positive Impact
AA+	4 ESG funds with LuxFLAG label	213 employees trained in sustainable development challenges	Community support: • 23 charities received support in 2022 in the form of either financial donations or volunteering • EUR 110 K in sponsorship
17,199 hours of mandatory (regulatory) training	15.6 % of ESG assets in discretionary portfolio management	1 workshop with Executive Committee on calculating carbon footprint	
CSR certification UNPRB and UN GC signatory	20.2 % of ESG assets in advisory portfolio management	1 workshop with Executive Committee on diversity	– 33 % tonnes of CO_2 equiv. emitted by lease vehicles vs 2021 thanks to the BIL Car Policy
	Launch of BIL's Green Bond Framework BIL Green Bond: EUR 92 million outstanding	1 day and workshops devoted to unconscious bias	45 kg of honey produced by BIL's bees to support local environmental protection association.
	+23 % financing of new hybrid/electric vehicles	3.3 days training per employee (+41 % vs 2021)	Label SuperDreckskescht
	15.8 % green, social and sustainable bonds in bank's investment portfolio		Electricity 100 % renewably sourced
			2 workshops to raise awareness of energy saving measures
			9 sustainability days

05. Responsible corporate **governance**

5.1 Responsible business conduct

Marie Bourlond, Chief Compliance Officer BIL Group

Responsible business conduct in the financial sector is vital to building a sustainable global economy.

Certain characteristics of the sector, including diverse and extensive business relationships, a complex landscape of regulatory obligations, and the nature of various transactions increase our exposure to certain risks such as corruption and bribery. Managing these risks is an integral part of our business.

> Sustainability includes the way you run your business. At BIL, we strive to have a robust framework, policies and practices that ensure responsible business conduct and contribute positively to the role financial institutions must play in ensuring economic stability and financial sustainability.
>
> **Marie Bourlond**
> Chief Compliance Officer BIL Group

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. The BIL Board of Directors is responsible for defining the guiding conduct, ethical principles and BIL group corporate values for professional and ethical conduct. It is also responsible for reviewing them on a regular basis and at least every three years.

The Code of Ethics focuses on key principles such as Integrity, Loyalty, Professionalism, Mutual Respect and Confidentiality and is the standard policy from which more detailed policies are developed.

5.1.1 Integrity, loyalty, professionalism & mutual respect

INTEGRITY

- **Observance of laws and regulations:** the bank seeks to set up a strong compliance and business ethics culture aiming at empowering all employees to ensure the group as a whole adheres to applicable laws, rules and regulations. This is achieved by setting a clear tone from the top; reinforcing individual accountability and risk-awareness through appropriate policies and training; and supporting open communication through accessible tools, behavioural standards and reward structures.

  The Whistleblowing Charter describes how anyone can, in full discretion, report any breach, abuse or malfunctioning of which they have knowledge, and which could likely cause serious harm to the BIL group.

- **Financial Crime Prevention:** as a gatekeeper to the financial system, BIL group is committed to the fight against money laundering and terrorist financing and has therefore implemented effective and efficient policies and procedures defining the rules for accepting new clients, monitoring financial transactions and preventing financial crime (money laundering and terrorist financing), namely:
  - The Financial Crime Prevention Charter and Policy and the AML Risk Appetite Statement
  - The Anti-bribery and Corruption Charter
  - The Financial Crime Prevention Policy
  - The Sanctions Policy

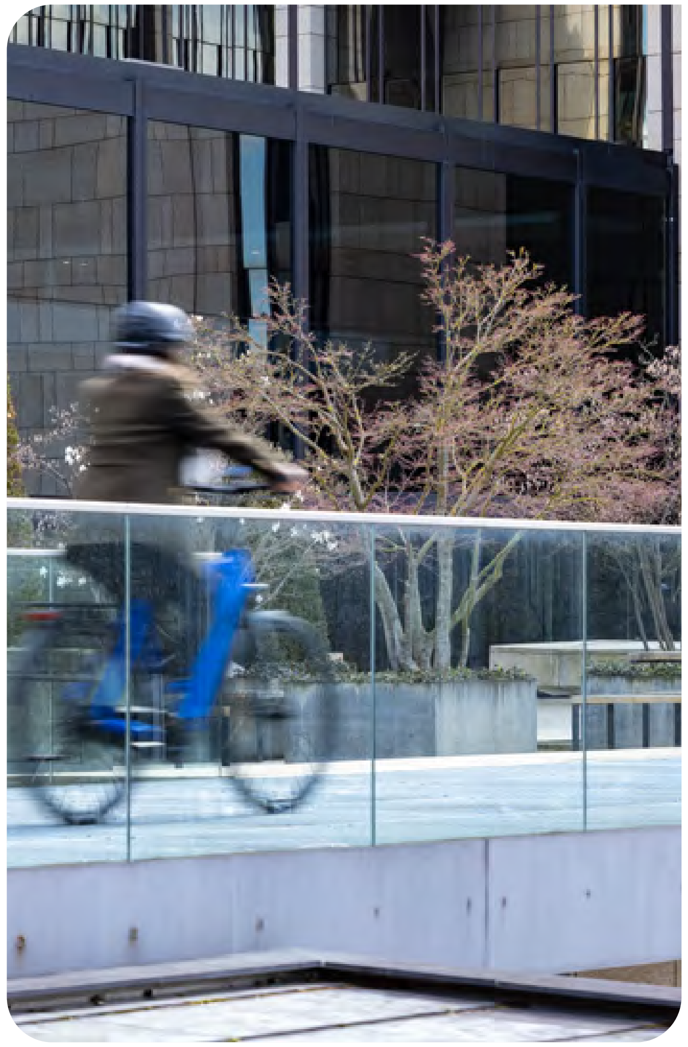
- **Integrity towards financial markets:** BIL group ensures that activities are organised in such a way as to preserve the integrity of the financial markets and has therefore implemented effective and efficient policies and procedures covering integrity towards financial markets, and in particular the prevention of Market Abuse through its Market Abuse Prevention Charter.

LOYALTY, PROFESSIONALISM & MUTUAL RESPECT

- **Loyalty towards BIL group:** staff members are expected to act in line with the conduct and ethical values established by BIL group and via their actions contribute towards preserving the integrity and reputation of their entity and BIL group.

- **Loyalty and professionalism towards the client and external stakeholders:** staff members act in a balanced, fair, clear and accurate way when communicating with clients and ensure the greatest possible transparency in their relations with clients. BIL group has established policies and procedures to ensure the group and its staff members (including authorised management and board members) comply with good professional practice and conduct their business in an honest, loyal and professional manner, in the best interest of clients and the group. Specific BIL group policies covering Inducements, Best Execution, Product Governance, Financial Promotion and Marketing, and Client Complaints handling, among others, have been established by the Compliance Department and supplemented by entity policies/procedures where deemed necessary. Additionally, BIL group has established a charter covering the identification, prevention and monitoring of conflicts of interest.

- **Mutual respect:** the objectives of BIL group are achieved in an atmosphere of tolerance and mutual respect, both towards individuals and the work performed. No discrimination on the basis of, inter alia, race, gender, religion, or philosophical, political or trade union opinions or the language spoken is tolerated. BIL group has established a policy covering Psychological and Sexual Harassment.



In 2022, with regard to compliance, the focus has been on improving the compliance framework in terms of compliance risk monitoring tools, such as the compliance risk assessment and the compliance monitoring plan. Significant work has also been done on documentation and standardisation of our working method and this will continue in the future as a continuous improvement. In addition, some major policies related to governance and conduct were revised in 2022, such as Conflicts of Interest and the Code of Ethics in order to be aligned with the latest regulatory updates. It is worth noting that in 2022, the bank continued to revise its client database in line with the latest anti-money laundering and counter-terrorism financing requirements.

Finally, the bank designed and launched new training courses in 2022 on ethics, conduct and AML updates to maintain awareness among its employees.

BIL LUX	2021	2022
Percentage of employees that have received training on anti-corruption	88 %	96 %

2023 AMBITION

In 2023, the bank will continue to improve its compliance framework, which will be strengthened by the three lines of defence implementation project. Regulatory compliance and governance issues remain critical to the bank and, in this regard, the Compliance Department, together with the other internal control functions, will continue to be available to provide advice and guidance to its employees on how to develop their business in an increasing regulatory environment.

5.1.2 Confidentiality & data protection

Due to the nature of their activities, financial institutions process a significant amount of data. With the adoption of digital technologies in the financial sector, as well as remote working structures accelerated by the pandemic, data privacy has become an increasingly central topic for financial institutions.

BIL is subject to Regulation (EU) 2016/679 on the protection of personal data, referred to as the GDPR. As a responsible bank, BIL is committed to fully protecting the data privacy of its clients and employees. This is ensured by the Data Protection team, which works full-time on the application of the GDPR at BIL. In addition to all the missions laid down in the GDPR, the Data Protection team pursues the following missions at BIL:

- Ensuring the "daily compliance" of BIL with the GDPR (record of processing activities, management of data breaches and exercises of rights, transfer of personal data, privacy by design, management of contracts with third parties, etc.);
- Assisting BIL's teams with the implementation of new projects to make sure that they comply with all the requirements set out in the GDPR;
- Advising and helping BIL's teams with any technical or operational issues relating to the protection of personal data;
- Raising awareness about the GDPR by providing training sessions or sending reminders to employees;
- Cooperating with the Commission Nationale pour la Protection des Données, to which the bank remains accountable.

Many procedures and policies have been drafted (Personal Data Protection Charter, Personal Data Protection Policy and Privacy Notice for employees of BIL and its Luxembourg-based entities published internally, Privacy Notice for applicants published on BIL recruitment website) and implemented at BIL to make sure that personal data are securely processed by BIL and that data subjects' rights are respected. To ensure transparency, prospects and clients are informed of any processing activities carried out by BIL in the bank's Terms and Conditions, or the policy on the processing of personal data.

	2021	2022
No. of substantiated complaints received concerning breaches of client privacy	0	0
No. of identified personal data breaches	77	57

Of the 57 data breaches in 2022, almost all were due to human error, including errors in email addresses and documents sent. Remediation action consisted in deleting/destroying the emails/documents from the erroneous recipients. The employees concerned were also made aware of any lessons to be learned (data protection awareness session, reminder of vigilance, etc.).

"BIL is committed to fully protecting the data privacy of its clients and employees."

5.1.3 Cyber security

The increased reliance on information technologies, systems and networks, the extensive use of the internet as a distribution channel, and the increasing digitalisation of banking and financial activities within BIL, opens new avenues for business opportunities but poses serious risks and threats linked to cyber security that need to be properly measured and monitored.

Managing cyber security is therefore a key element for identifying the risks arising from the use of information technologies within BIL and determining the relevant controls required to limit the bank's exposure in an effective and efficient manner, and in accordance with its risk appetite.

BIL has defined an ICT & Security Risk Management Framework aiming at identifying, evaluating and controlling the risks associated with the use of information technologies, including those related to cyber security. This framework relies on an ICT & Security Risk Management Charter in which governance and responsibilities are described:

- The Board of Directors is responsible for validating this charter and for supervising its implementation. The Board Risk Committee and Board of Directors are regularly notified of its status of implementation (at least annually).
- BIL's Executive Committee and each BIL group entity are responsible for ensuring the proper implementation of the ICT & Security Risk Management Framework. The authorised management of each BIL group entity shall in particular define policies to ensure the proper implementation of this charter and ensure that sufficient resources are available to meet the defined targets.
- The ICT & Security Risk Committee (ISRC) is a management committee and is mandated by BIL's Executive Committee to oversee the ICT & Security risks linked to BIL and BIL group's use of information technologies.

Roles and responsibilities are divided based on the three lines of defence model for the management of ICT & Security risks. This model clarifies roles and responsibilities related to risk management, and ensures independence among operational teams and teams performing control functions.

Technical measures are in place to detect and prevent potential attacks that could threaten the confidentiality of data. In particular, a Data Leakage Prevention solution is deployed to detect and block large data disclosure. BIL has also defined a cyber security program that is updated every year to respond to emerging threats and is broken down across a set of projects to implement additional security measures.
To raise awareness around cyber security, eLearning courses on cyber security topics have been developed to help our employees to be part of our cyber security model. In 2022, 99% of employees followed these eLearning courses.

BIL has defined a control assurance programme that regularly assesses the compliance of its security measures with the security framework. Deviations are presented to the ISRC and are closely followed until remediation. The technical security measures in place are regularly tested by internal experts and by external consultants to evaluate their effectiveness. Moreover, our providers processing or storing the bank's data are subject to dedicated monitoring to ensure that they apply an equivalent level of security. As part of the three lines of defence model, the internal audit team also includes a cyber security audit in its audit plan. Results are presented to an independent management committee.

> “In 2022, 99% of employees followed cyber security trainings.”

An annual status on ICT & Security risks is reported to the BRC and BoD, during which the charter is reviewed and amended if required. Except in the event of personal data breaches, for which GDPR fines can reach 4% of global turnover, it is not possible to evaluate the financial impact of cyber incidents.

In 2022, as part of the continuous improvement, enhancement of security controls has been made in the following areas:

- Infrastructure security, with the aims of preparing for strong authentication by individuals accessing our information system and improving security monitoring;
- Data security: deployment of a Data Leakage Prevention solution aimed at detecting and blocking large data disclosure;
- Threat Management enhancement to better identify, understand and protect from multiple types of advanced targeted cyber-attacks and insider threats.

2023 AMBITION

Based on the output of the annual ICT & Security risk assessment and the bank's strategy, the main objectives of the Cyber Security Roadmap 2023 are to:

- Strengthen security monitoring;
- Enhance the protection and monitoring of IT Privileged access;
- Implement data governance solutions for file repositories;
- Set up a cyber resilience solution for mass storage and restore;
- Move to a new Security Operation Centre to enhance our security monitoring capabilities.

5.1.4 Business conduct governance

The above-mentioned policies apply in conjunction with other BIL group compliance charters and policies, in particular the BIL Group Compliance Charter, BIL Group Remuneration Charter, Policy on Inducements, Policy on Personal Account Dealing, BIL Group Corporate Governance Charter, and the Personal Data Protection Charter. These policies are approved by the Board of Directors and are managed by the Compliance Department. They are under permanent review and updated when needed.

In terms of Governance, the Chief Compliance Officer is a permanent invitee to the Executive Committee and reports directly to the Management Board. The Chief Compliance Officer also has an escalation line to the CEO and to the Chairman of the Board and Audit and Compliance Committee, supporting the independence of the Compliance Function.

The Internal Audit department follows all related governance rules. Internal Audit covers all activities of the bank in a three-year audit cycle, through an Internal Audit plan based on a risk assessment. Business ethics and anti-corruption performance may constitute a process of Internal Audit assignments, based on the theoretical risks identified during the risk assessment. Recommendations issued are subject to continuous follow-up by the Internal Audit department.

5.1.5 Business conduct training

BIL group entities undertake to give all staff members the means to respect the values and principles described in its Code of Ethics.

The charters, policies and procedures applicable are easily accessible. Awareness actions are undertaken by the Compliance Function and the PCC Department, among others, in respect of the values and principles stated in this Code. Each BIL group entity must have an ongoing training and awareness programme for staff members as defined by local regulations, ensuring that staff members including the Board of Directors and the authorised management remain qualified.

Depending on the subject, training courses are updated annually, or at most every two to three years, with ad hoc training cycles organised for certain profiles. Via our BIL Academy, each employee has access to their own training plan, which is monitored by Human Resources and Compliance.

Measures are issued for non-completed mandatory training courses.

5.2 Listening to our clients

5.2.1 Measuring client satisfaction

BIL attaches great importance to client satisfaction, which it measures regularly.

Recurrent surveys are conducted on the bank's key processes (e.g. account opening, loan application, investment product subscription, etc.) in order to gather client feedback following their interactions with the bank. For each key process, the following indicators are measured and monitored on a monthly basis:

- recommendation rate
- overall satisfaction
- effort score (or simplicity of the process) as well as some specific criteria related to the process analysed

Results are analysed by the bank's Client Centricity Department and shared with the process owners to ensure continuous review and improvement.

Ad hoc surveys are also conducted to address specific issues. In 2022, for example, a study of investment clients who left the bank was carried out, as well as one on the use of the bank's BILnet online service.

2023 AMBITION

In 2023, BIL will add feedback following branch appointments to the recurring surveys in order to introduce measures relating to its relationship footprint with its clients.

There are also plans for results to be shared more widely with sales staff in weekly briefings and in the CRM tools they use.

Finally, BIL is planning a more in-depth analysis of client verbatims through semantic analysis tools.

5.2.2 Handling client complaints

Since 2018, a Client Complaints Handling Policy has been in place at BIL, describing the handling of complaints.

In accordance with CSSF circular 17/671, as amended by CSSF circular 18/698: table listing the claims registered by the professional (Article 16(3) paragraph 1 of CSSF Regulation No 16-07 on disputes), BIL communicates how it meets the CSSF requirements each year.

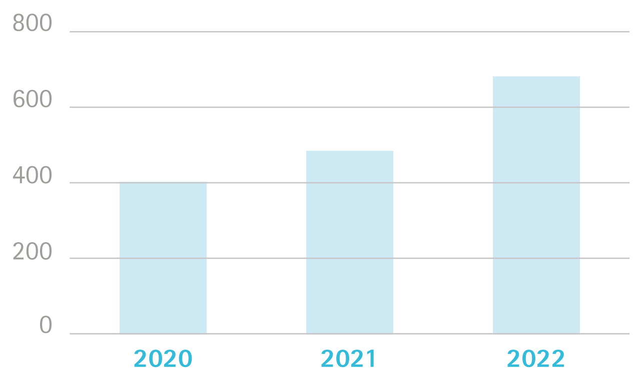
The governance around complaints handling mobilises all the necessary teams in order to study each complaint case. This collaborative work makes it possible to respond with impartiality in the fairest way and to lead an internal process of continuous improvement.

The 2022 reporting period took into account open complaints, whether they had already been handled, were in progress or awaiting processing.

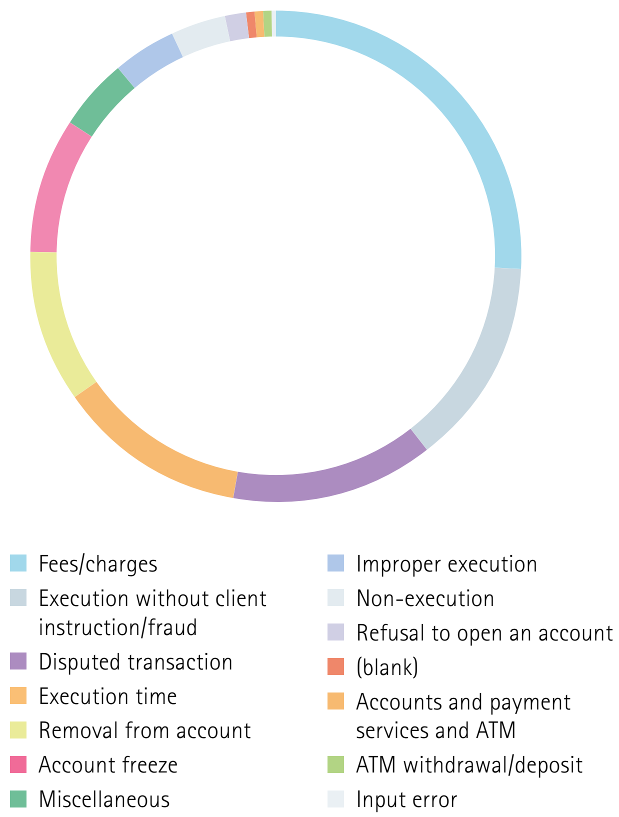
CHANGES IN THE NUMBER OF COMPLAINTS

Over 2022, BIL Luxembourg recorded 686 complaints, an increase of 40% compared with 2021. Our Quality and Complaints Management team was fully dedicated throughout the year, analysing and responding as quickly as possible and always within the legal deadlines.

Number of complaints received



Distribution of complaints by categoryin 2022



Complaints related to payment accounts, services and ATMs increased by 44% between 2022 and 2021. A large proportion of the complaints can be attributed to the increase in phishing attempts. As fraudsters are unfortunately also adapting to the digitalisation of banking operations, we have seen a drastic increase in fraud and consequently in complaints. Communication and anti-phishing measures were put in place as soon as possible to deal with such situations and help clients to protect themselves.

5.3 Risk management

> "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

5.3.1 Risk management at BIL

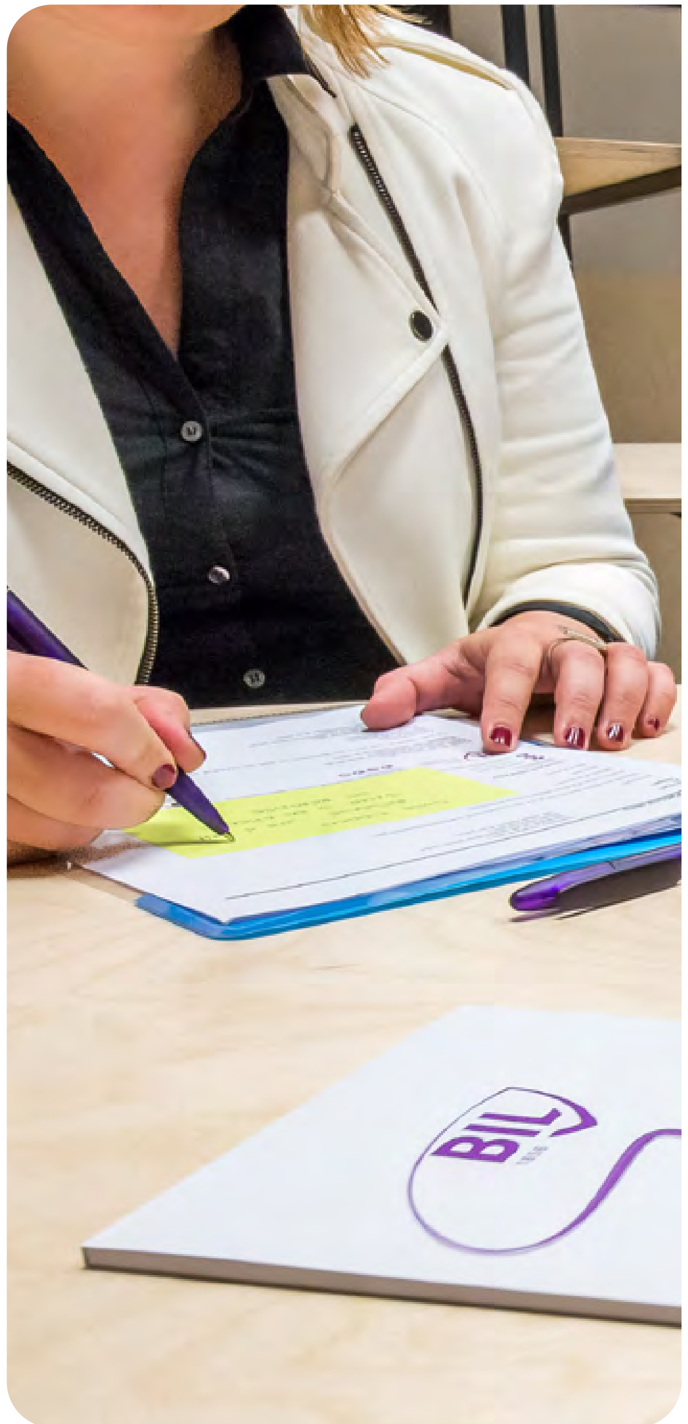
The main objectives of the Risk Management function are to:

- Ensure that all risks are under control by identifying, measuring, assessing, mitigating and monitoring them on an on-going basis. Risk charters, policies and procedures define the framework for controlling all types of risks by describing the methods and the limits defined, as well as escalation procedures
- Provide the Management Body (the Board of Directors, the Board Risk Committee and the Management Board) and all other relevant stakeholders with a comprehensive, objective and relevant overview of risks
- Ensure that the risk limits are compatible with the bank's Risk Appetite Framework (RAF), which defines the level of risk that the bank is willing to take on to achieve its strategic and financial objectives
- Ensure compliance with banking regulation requirements related to risk management by submitting regular reports to the supervisory bodies, taking part in regulatory discussions and analysing all new requirements

The BIL Group Risk Management Framework is based on a governance structure that enables prudent and sound management of risks. This governance structure includes:

- The Board of Directors (assisted by the Board Risk Committee) and the Management Board and their respective roles in decision-taking and risk management
- A number of Management Committees in which at least one member of the Management Board is a permanent member and where all Executive Committee members present have a veto right
- Other formalised Risk Committees, including experts and operational teams, taking decisions related to the bank's risk monitoring as well as specific practices
- Charters, policies, procedures and reports, which are consistent with the bank's risk appetite and explain the following:
  - Activities
  - Definition of limits for risk-taking by operational units
  - Process of detecting risks
  - Assessment and measurement of the risks induced by the bank's activities
  - Reporting to the management bodies

You will find more details on the management of risks (including ESG Risks) in our latest Risk Management Report



5.3.2 ESG risk management

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 is gradually integrating the management of ESG risks throughout the whole organisation via the following themes:

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

A detailed description of the integration of ESG aspects in risk management can be consulted in our publicly accessible policy "ESG integration framework" and our latest Risk Management report explaining the commitments, the implementation, and governance for incorporating ESG criteria into the bank's business activities.

Different emerging initiatives were launched in 2022 to incorporate ESG risk into the general framework and are described in our latest Risk Management report.

A stronger focus can be found in this non-financial report about the exercises related to the risk identification and materiality assessment.

5.3.2.1 Risk cartography

In its report (EBA/REP/2021/18), EBA defines a framework describing how ESG factors could impact different "traditional risks":
ESG factors are environmental, social or governance matters that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign or individual.

ESG risks are the risks of any negative financial impact on the institution stemming from the current or prospective impact of ESG factors on its counterparties or invested assets. They can materialise through financial or non-financial category risks such as credit, market, liquidity or operational risks.

In a nutshell, ESG factors affect traditional risks as the examples presented in the table below:

Risk drivers

Environmental

Physical
- Acute
- Chronic

Transition
- Policy changes
- Technological changes
- Behavioural changes

Social

Environmental risks

Changes in social policy

Changes in market sentiment

Governance

Inadequate management of E & S risks

Non-compliance with corporate goverance frameworks/codes

→

Transmission channels

Lower profitability

Lower real estate value

Lower household wealth

Lower asset performance

Increased cost of compliance

Increased legal costs

→

Financial & Non-financial risks

Credit risk

Market risk

Operational risk

Liquidity and funding risk

Reputational risk

GRI 201-2

Institutions are required to assess the potential financial impact of ESG risks across different time horizons, with a comprehensive and forward-looking view. As part of a risk-based approach, it allows ESG risks to be integrated into the institution's business strategies, internal governance and risk management framework. In this context, the Risk Cartography identifies and provides a first high-level view of the materiality of the different risks.

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.

The bank's Risk Cartography is an annual exercise and ESG factors will be included in the overall analysis as part of an iterative exercise. The bank's response to the management of ESG-related risks will be embedded in the existing mitigation techniques for traditional risks.

The methodology process and the risk cartography focusing on Climate and Environmental Risks are detailed in our Risk Management Report.

2023 AMBITION

In the first half of 2023, the ESG Risk Cartography exercise will be reviewed taking into account ECB best practices and following their recommendation on considering medium to long-term horizons in the impacts related to ESG risk drivers and including quantitative assessments to substantiate expert judgements.

The main observations arising from the responses provided are indicated below:

- Transition Risk is considered as the risk category with the greatest impact on the bank in terms of medium intensity, with a potential time horizon of risk identified that does not exceed five years (except for legal risks that can be foreseen over a longer horizon), while physical risk impacts are deemed low in most of the evaluations.
- Transition Risk – Technology Risk:
  In such cases where the bank is financing manufacturing or FinTech/IT companies or any other business subject to technology risk, such companies might not be capable of transitioning to newer and more energy-efficient technologies. This will negatively affect the competitiveness of these companies and hence their sales turnover. Profits will be expected to drop as a result and their level of solvency might be at risk. The impact is on the bank's Credit Risk, and more specifically on Counterparty Risk/Solvency Risk.
- Transition Risk – Market Sentiment:
  Both increased cost of raw materials and inputs and changes in choices of consumers and business clients could lead to a decrease in the value of several assets in the bank's debt securities investment portfolio, reflecting a widening in credit spreads. This is especially true in the following sectors: automotive manufacturers, leasing companies and other sectors (e.g. banking companies that have not made sufficient progress in their investment transition).
- Physical Risk – Acute Physical Risk:
  Acute physical events, such as floods or tornadoes, as already witnessed in recent years in Luxembourg, may potentially affect the bank's exposures. Loss of assets and business could have financial repercussions on clients and counterparties, and their repayment capacities.

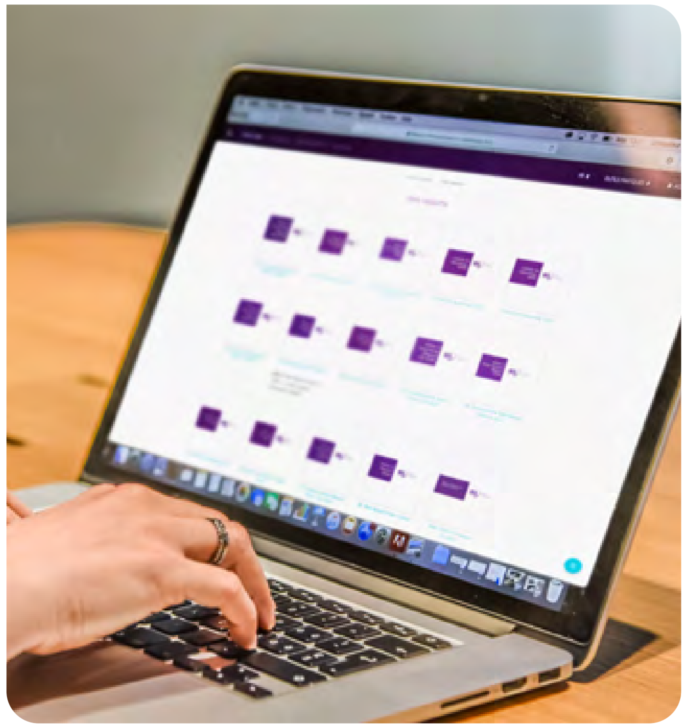
In the previous consideration that environmental and climate risks stem from various risk types and may have a financial impact through different transmission channels on existing risks, actions and measures taken to mitigate and manage those traditional risks (credit risk, market risk and operational risk) will also address ESG risks.

5.3.2.2 Stress testing framework

In the first ever exercise of its kind, in 2022 the European Central Bank comprehensively assessed the state of climate-related and environmental risk management in the banking sector. As such, 112 European banks, including BIL, had to perform a self-assessment regarding the climate change risks of their business model and strategy, governance, risk appetite, risk management, and disclosures.

The Climate Risk Stress Test Exercise was prepared by the Risk Department in collaboration with different stakeholders, such as Finance and Strategy, with a submission of the different required modules in March, April and May 2022. The bank has focused particularly on the "granularisation" of the Profit & Loss by specific sectors (through NACE code approach) considered as non-environmentally friendly by the ECB and on the scope 1, 2 and 3 assessments of its main corporate counterparties.

More broadly, this regulatory exercise highlighted the bank's progress on integrating climate risk into its internal stress-testing frameworks.



2023 AMBITION

Risk Department teams will work on improving BIL's level of preparedness, notably on the long-term projections of its credit risk parameters (migration matrix behaviours), the capacity to project long-term on/off balance-sheet elements including exogenous changing environments, and the ability to quantitatively address some impacts of ESG drivers on liquidity risk, among other risks. The Risk Department teams will work on these improvements in 2023.

In term of Stress Testing framework, the following approaches are currently being developed:

- Enterprise Risk Management (ERM) and the Credit Data Science team (IFRS 9 modelling) have started to work on the Moody's scenarios regarding ESG for the stressed projections of the ECL and RWA. The physical and transition impacts on the economy of temperature change are determined using a model of the global economy. The scenarios are consistent with Orderly, Disorderly, and Hot House World scenarios by the Network of Central Banks and Supervisors for Greening the Financial System
- ERM and the Market and Liquidity Risk Management (MLRM) teams have started to work on the Market Risk impacts regarding several ESG scenarios provided by the different regulators/supervisors (ACPR, ECB, EIOPA, etc.)
- Regarding Liquidity Risk and capitalising on the deployment of the SASB classifications ERM and MLRM have started to work on the design of the Liquidity Risk Stress Tests based on the principle given by the Italian banking regulator (Banca d'Italia) that could be summarised as follows: "In some cases, several counterparties will need to incur expenses to finance their transitions, meaning they will certainly withdraw their deposits to invest in the necessary transition projects, resulting in an increase of outflows for the bank".

5.3.2.3 SME Climate Database Coordinated Project with 2Degrees Investing Initiatives (2DII)

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.

Risk teams are working on the development of a tool that will complement the PACTA tool that 2DII created to assess the alignment of listed companies with climate-related scenarios.

Following our participation as a user bank, the next step of the SME project is the start of the road-testing phase and its application.

Extension of the database will happen during 2023. There will be two other expected outputs: indicators (e.g. Input indicator, Product Indicator, Market indicator and Flexibility indicator) and scores (e.g. Transition Risk score, Physical Risk score, Adaptive Capacity score and Sustainability score).

This tool will be helpful for our daily business in assessing ESG risks for our borrowers and counterparties, building on a climate-relevant database for non-capital market companies, where SMEs represent almost all business in the EU area.

5.3.2.4 Carbon footprint calculation – financed emissions

The calculation of financed emissions is mainly used to assess transition risk exposure.

In 2022, BIL calculated the emissions of its bank investment and loans portfolio based on its exposure held in 2021. The calculation covered 87% of their exposure for a total analysed amount of EUR 20.166 billion.

The following asset classes were included in the GHG calculation:

- Private Equity & Business Loans (Analysed Amount: EUR 3,764.6 million)
- Listed Instruments (EUR 7,721.1 million)
- Real Estate Loans (EUR 8,461.7 million)
- Motor Vehicle Loans (EUR 218.7 million)

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).

Total carbon footprint is 402,504 tCO_2e distributed as follows:

- 279,269 tCO_2 for the credit portfolio (scope: BIL Luxembourg, BIL Switzerland, BIL Lease)
- 123,235 tCO_2 for the bank investment portfolio (scope: BIL Luxembourg & CIB, BIL Switzerland, BIL Reinsurance, BIL Pension Funds, BIL Participations)

Results by Portfolio and Sub-Portfolio

Asset Class	Analysed Amount (EUR Mill.)	Financed Emissions (tCO_2e)	Carbon Intensity (tCO_2e/EUR Mill. invested)
Bank Investment Portfolio			
BIL Luxembourg	7 172,9	64 819	9,0
BIL Participations	243,4	40 331	165,7
BIL CIB	204,2	8 971	43,9
BIL Pension Funds	167,7	4 667	27,8
BIL Reinsurance	46,5	2 281	49,0
BIL Switzerland	129,9	2 166	16,7
Credit Portfolio			
BIL Luxembourg	11 985,0	270 950	22,6
BIL Lease	166,8	8 292	49,7
BIL Switzerland	49,8	28	0,6

This exercise contributed to providing a better understanding and awareness of the bank's most substantial GHG emissions.

These results allow the bank to focus on carbon intensive sectors with a forward-looking view, to contemplate future reduction targets and the implementation of a climate strategy.

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.

5.3.2.5 IMPACT ANALYSIS (United Nations – Principles for Responsible Banking)

In 2021, BIL became an official Signatory of the UN Principles for Responsible Banking (UN PRB), a single framework for a sustainable banking industry developed through a partnership between banks worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI). These six principles form the main framework for aligning bank strategy and practice with the UN Sustainable Development Goals and the Paris Climate Agreement. Signatory banks commit to implementing ambitious sustainability strategies, embedding sustainability at the heart of their business and remaining at the forefront of sustainable finance.

Through Principle 2 "Impact and Target Setting", signatory banks are committed to continuously increasing their positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting from their activities, products and services. To this end, the bank will set and publish targets where it can have the most significant impact.

In 2022, BIL carried out the first phase, 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.

2023 AMBITION

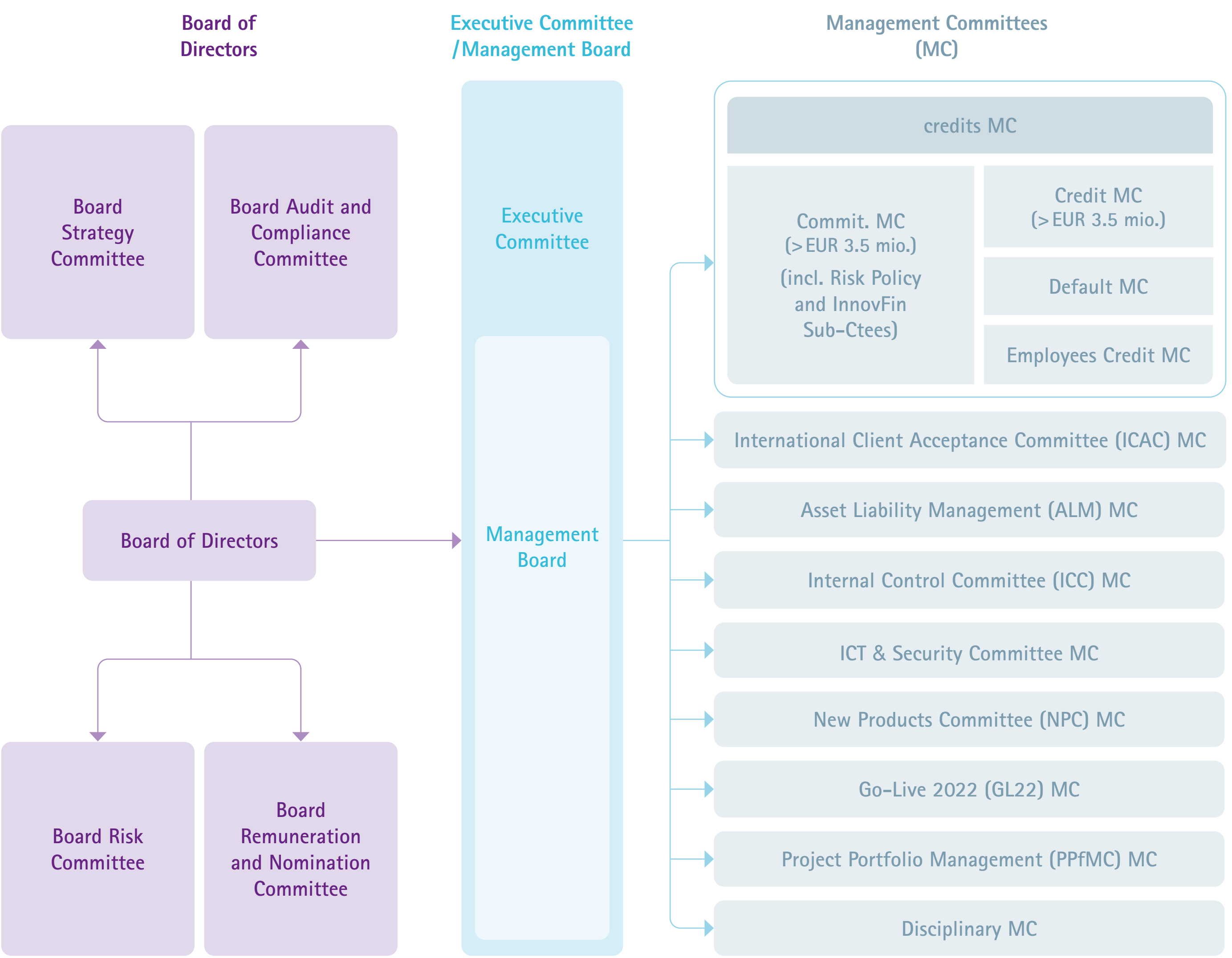
In 2023, BIL will select the areas for which the "Performance assessment" phase will be conducted.

5.4 Governance at BIL

5.4.1 Corporate governance at BIL

By establishing a coherent and efficient corporate governance framework, the Corporate Governance Charter and its Appendices enable BIL Group to effectively manage business operations in line with the strategic priorities as defined by the Board.

ORGANISATION OF THE GROUP



The group and its business are organised as follows:

- The Board, under the leadership of the Chair, decides on the strategy of the group upon recommendation of the Management Board (MB), exercises ultimate supervision over the management, appoints and removes members of the MB, and performs all other duties described in applicable laws, the articles of association and the Term of Reference.

GRI 2-9

- The following Board Committees assist the Board in the performance of its responsibilities:
  - the Board Audit and Compliance Committee (BACC)
  - the Board Strategy Committee (BSC)
  - the Board Risk Committee (BRC)
  - the Board Remuneration and Nominations Committee (BRNC, sitting in nominations matters and in remuneration matters)

The daily management of the group is delegated to the MB under the leadership of the CEO. The MB includes all Authorised Managers (the CEO and the MB Members) appointed by the BoD, heading the various Business Lines and Support functions of the bank and meets as an integral part of the ExCo on a weekly basis or as needed. The ExCo is composed of the CEO, the Authorised Managers as well as designated heads of Business Lines and Support functions. The Chief Internal Auditor and the Chief Compliance Officer are permanent invitees.

BOARD AND BOARD COMMITTEES' COMPOSITION AS AT 31/12/22

Names	Board of Directors	Board Strategy Committee	Board Risk Committee	Board Audit and Compliance Committee	Board Remuneration and Nominations Committee
Luc FRIEDEN	Chair	Member	Member		
Peng LI	Vice-Chair				Chair
Maurice LAM	Member			Chair	
Jing LI	Member	Chair	Vice-Chair	Member	Member
Marcel LEYERS	Member	Permanent Invitee	Permanent Invitee	Permanent Invitee	Permanent Invitee
Pierrot RASQUÉ	Member			Member	
Charles LI QUAN	Member		Member		
Vincent THURMES	Member	Member	Member		Member
Chris VAN AEKEN	Member		Chair		
Ashley GLOVER*	Member				
Michel SCHARFF*	Member				Member (BRNC-R)
Claude STEFFEN*	Member				
Marc TERZER*	Member				

*Staff Representatives

Luc Frieden, director and chair of the Board of Directors until 16 March 2023 included
Jing Li, interim chair of the Board of Directors as of 17 March 2023 until a new chairperson is appointed

Please refer to the biographies of each individual director as published on our website: Governance - Banque Internationale à Luxembourg.

At its meeting of 19 January 2023, the Board Remuneration and Nomination Committee concluded that the composition of the Board was diverse and had strong competences in banking, finance, governance, risk, compliance and audit, including HR-related matters.

- Percentage of independent members: 30% (staff representatives included) or 44% (staff representatives excluded).
- Percentage of female members: 11%
  (staff representative excluded in line with EBA guidelines).

NOMINATION AND SELECTION PROCESS OF THE HIGHEST GOVERNANCE BODIES

Board of Directors

According to the bank's Articles of Association, the Board consists of at least nine Board Members and is supplemented by the four Board Members representing staff in accordance with the applicable provisions of Luxembourg Labour Law. The nomination and renewal of the term of office and replacement of a director falls within the competence of the General Meeting of shareholders, except for directors representing staff, who are selected by the employee delegation in accordance with the applicable laws.

“ BIL draws on its 165-year heritage to serve clients, applying the highest standard of business ethics and personal integrity. Good and sound governance policies and processes are in the best interest of all BIL's stakeholders, including clients, staff and shareholders. ”

Bernard Mommens
Member of the Management Board
Secretary General and General Counsel

Without prejudice to the shareholders' right to appoint Board Members, the Board Remuneration and Nomination Committee sitting in nomination matters (the "BRNC-N") and ultimately the Board is responsible (i) for assessing the suitability of Board Members in accordance with the criteria set out in the Suitability and Succession Charter in alignment with the applicable Suitability Rules; and (ii) to select/propose a candidate. The ability of shareholders to recommend candidates for the BRNC-N is ensured. The selection, renewal of the term of office and replacement of a Board Member (including directors representing staff) shall take into account the assessment of the individual and collective suitability of the existing Board of Directors.

Executive Committee

The Executive Committee consists of Authorised Managers, including the CEO and designated heads of support functions and business lines. The appointment and dismissal of Executive Committee members acting as Authorised Members (including CEO) falls within the competence of the Board of Directors. Executive Committee members, not part of the Authorised Management, are appointed by the Management Board. The BRNC-N and ultimately the Board is responsible for assessing the suitability of the members of the Executive Committee prior to their appointment.

The individual suitability of all members of the Management Body is assessed according to the below criteria which apply, except where explicitly stated, to all existing and prospective Board Members, regardless of their capacity as executive, non-executive, independent non-executive or staff representatives as well as to the members of the Executive Committee:

- Reputation, honesty and integrity
- Experience, adequate knowledge and skills
- Sufficient time commitment and limitation of mandates
- Independence of mind and independent members
- No conflict of interests

The bank also implements a Diversity Charter in order to promote an appropriate level of diversity in the Management Body.

REMUNERATION PROCESS

BIL's Remuneration Charter and its associated practices aim to define the remuneration within BIL group with a view to protecting the interests of BIL group's clients, providers, employees and shareholders, as well as BIL group's financial sustainability over the long term. Please refer to the online version of the Charter to find the description of the remuneration policies for the highest government bodies as well as the processes in place to determine the relevant remuneration.

5.4.2 ESG governance at BIL

The Board of Directors, with the support of the Board Strategy Committee, is responsible for defining the bank's strategy and for overseeing its implementation by Management.

The ESG strategy is completely integrated into our ECT2025 corporate strategy and is therefore monitored by the Board of Directors and the Board Strategy Committee.

A specific governance framework defines the responsibilities for the implementation of BIL's SustainaBILity Strategy:

- At management level, the CEO is sponsor of the SustainaBILity Strategy, which is a recurring item on the agenda of the Executive Committee and the Board of Directors
- The Group Head of Sustainability reports directly to the Executive Committee Member in charge of the bank's strategy.
- The Group Head of Sustainability leads the sustainability team and conducts a systematic dialogue on ESG issues with key internal and external stakeholders. She also leads the Towards Sustainability Committee and reports directly to the Executive Committee.

BIL's Sustainability Team

“ 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

The position of Group Head of Sustainability, which also covers the role of CSR Officer in the definition used by the INDR (Luxembourg Institute for Sustainable Development and CSR) in its CSR Guide, is mainly tasked with: coordinating the bank's ESG efforts (including sustainable finance, CSR, carbon footprint); chairing the Towards Sustainability Committee and other working groups; creating, managing and participating in cross-group ESG projects; contributing to the ESG and CSR strategy; monitoring the implementation of the ESG strategy (e.g. KPIs); watching sustainability news; reporting to decision-making bodies; and representing BIL internally and externally on ESG and CSR matters. The interdisciplinary nature of this position allows the bank to create new sustainability synergies internally, and heighten the impact that the issue has on the bank's day-to-day business.

Since 2021, the Towards Sustainability Committee has been monitoring ESG initiatives and the sharing of information with the growing community of ESG experts within the bank, representing different levels of the hierarchy (employees, managers, directors and Executive Committee members).

The Committee has representatives that include:

- Sustainable Development
- Risk Management
- Financial Markets
- Product Managers
- People, Culture & Communication & Diversity Lead
- Corporate Real Estate
- Regulatory Watch, Compliance & Legal Affairs
- General Secretary
- Sales staff, especially for private, retail and corporate banking
- Data Office
- Marketing & Communication
- Project Management
- As well as ESG SPOCs from the subsidiaries (BIL Switzerland, BMI, Belair House and BIL HK)

The Committee meets regularly (five times in 2022) to coordinate BIL's ESG work, share ESG knowledge and good practice internally, guide the development of ESG, and identify possible synergies or interdependency between different projects.

Each year, the non-financial report describes all of the bank's sustainable development initiatives. It is drawn up in accordance with GRI (Global Reporting Initiative) methodology and UNEP FI PRB (United Nations Principles for Responsible Banking).

2023 AMBITION

Moving along a maturity ladder and considering the lessons learned over the past two years, the upcoming strategy and the regulatory ESG challenges, BIL will, in 2023, enhance the current ESG governance and structure to gain in clarity and efficiency while allowing synergies.

Indeed, so far, based essentially on the ESG regulations' agendas, ESG projects have been managed separately by dedicated Steering Committees. This includes regulatory projects (SFDR, ESG MiFID,...) and specific business initiatives (Loans, Real Estate, etc.). For 2023, a new ESG Strategic Steering Committee will cover all ESG projects. The main objective is 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. Decisions will need to be made, targets will need to be discussed and there is a need for a forum to address ESG strategy discussions. This explains that the actual Towards Sustainability Committee will be complemented with this top-level decision-making committee 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 Strategic Steering Committee will meet every six weeks to manage all initiatives. It manages the ESG strategic programme for BIL and the BIL group. The Committee will not interfere with existing governance bodies and will ensure that decisions are submitted to the appropriate governance body (e.g. NPC, ALCO, Green Bond Committee, etc.) and that the bank's management bodies are regularly informed about the ESG Implementation. Data management and training were identified as main enablers of the ESG programme, with dedicated resources to assist the programme.

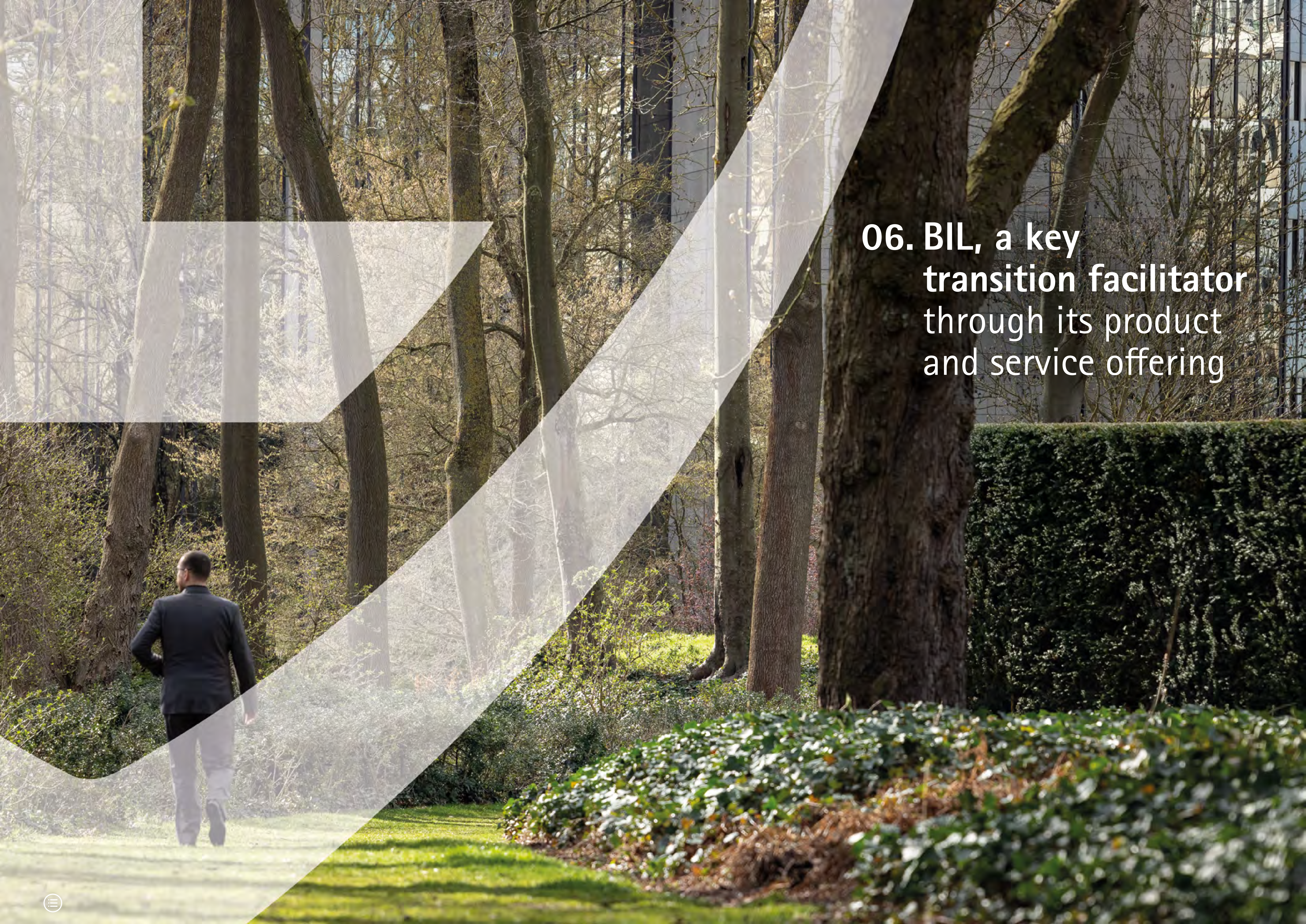
In order to ensure the continuous education of boards and executive committee members on ESG issues, an ESG Board training will be organised in early 2023.

The ESG programme, will be organised around three pillars:

- **ESG Strategy & Governance:** this will imply ESG target setting, strategy, client engagement approaches and integration of ESG aspects in business model and strategy, as expected by the regulator.
- **ESG products and services:** 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 and therefore contributing towards the transition through the investments offered to clients and the projects the bank finances. Our objective is two-fold: identify material ESG risks to which our clients are exposed, and identify growth opportunities in line with our business ambition of becoming a key transition facilitator.
- **ESG at Corporate level:** including all projects that involve the integration of ESG factors into the bank's processes or activities without direct impact on our clients, as well as the more "traditional" CSR initiatives (donations & community support, social & environmental impact).

The Towards Sustainability Committee, a bi-monthly meeting with the entire ESG community, remains a regular platform for exchange and information on ESG initiatives throughout the bank.

06. BIL, a key transition facilitator through its product and service offering



6.1
Sustainable financing solutions

Jeffrey Dentzer, Head of Luxembourg Market and CIB

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 (source: ILRES 2022).

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.

While BIL already has products designed with sustainable finance in mind, as well as traditional products that can be used for the same purpose, the fact remains that we are at the beginning of our journey.

We believe that 2022 was a pivotal year that, through the various initiatives described below:

- helped us to identify, understand and assess all of the risks to, and the impact of, our loan portfolio
- gave us a better understanding of the needs of our clients and advisers with regard to sustainable finance

These are prerequisites to establishing our strategy, priorities and action plan for the coming years.

> “We are well aware of the role that we have to play in helping our clients in their transition. Our teams are working to offer all of our clients the most appropriate financing solutions and the advice needed to facilitate their approach.”
>
> **Jeffrey Dentzer**
> Head of Luxembourg Market and CIB

6.1.1 BIL's existing Sustainable financing solutions

BIL currently has two products specifically designed for sustainable finance:

- Climate loans (at a reduced rate and zero rate): loans subsidised by the Luxembourg government to promote energy renovations (currently under review)
- Photovoltaic loans: a dedicated product at a preferential rate focused on the financing of solar panel installations (especially for retail clients)

44 projects were subscribed in 2022 for a total amount of EUR 2.3 million.

2023 AMBITION

Our goal is to increase the visibility and marketing of this product in 2023 to support the Luxembourg government's measures aimed at expanding this type of arrangement by, in particular, cutting the VAT rate and awarding Klimabonus grants.

> “BIL is trying to improve the quality of its non financial data to identify the financing of energy retrofit work.”

However, most of BIL's sustainable financing comes through more traditional products such as mortgages and consumer loans for individuals, and investment loans for corporate and institutional clients. Unfortunately, we do not yet have sufficient data granularity to be able to identify the financing of energy retrofit work, for example. BIL is trying to improve the quality of its non-financial data so that it can correct this in the future.

Work has already begun for electric mobility, which BIL supports through the special terms that it offers for hybrid/electric vehicles, via the following two types of finance:

- Consumer loans: 119 contracts were concluded in 2022 for a total of EUR 3.8 million
- Leasing : 318 contracts were concluded in 2022 for a total of EUR 17.8 million (+28% vs 2021)

It is also important to mention that BIL is one of the main Luxembourg banks to participate in the state-guaranteed loan scheme set up by the Law of 15 July 2022 in favour of the Luxembourg economy in the context of the war in Ukraine. This regime aims to meet the liquidity needs of companies affected by the consequences of the war in Ukraine, in particular the substantial rise in commodity and energy prices, by ensuring that banks continue to extend credit to the real economy. The regime is modelled on a model that has already proven itself during the COVID-19 crisis.

By participating in this guaranteed loan scheme, BIL reaffirms its support for Luxembourg companies and the national economy. At the end of 31 December 2022, the total amount of loans granted under the scheme by BIL was equivalent to EUR 4.9 million.

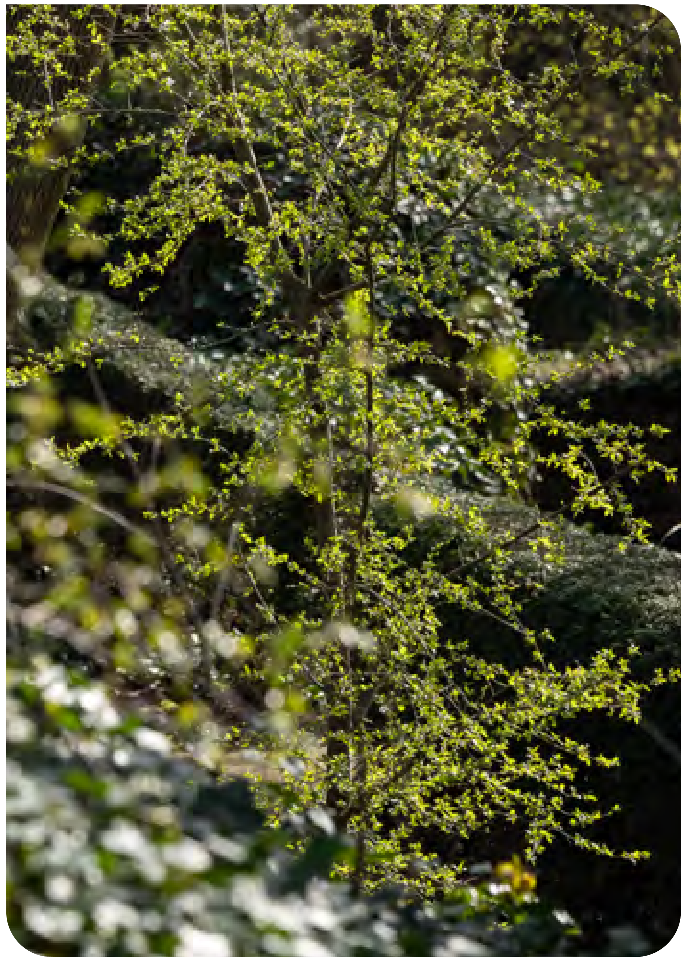
As explained below, BIL will continue to expand its sustainable financing offer in terms of products and services.

Through its tailor-made financing solutions, BIL Corporate Finance has already put in place several Sustainability-Linked Loans, where a portion of the interest rate is linked to the borrower's ability to meet specific pre-defined sustainability targets.

In 2022, two major financing deals were concluded, totalling EUR 66 million. While one of the financings is an Acquisition Financing, the other one is a Real Estate financing. For the Acquisition Financing, the selected ESG key performance indicators (Employee satisfaction, Women in Management, Reduction of Carbon Emissions from Flight Mobility) are based on the borrower's annual sustainability reporting. The Real Estate financing contains a margin incentive mechanism for the borrower, to achieve a minimum external BREEAM rating (certification systems for sustainable built environment).

6.1.2 A pivotal year for BIL's loan portfolio

In direct relation to the work described in section 5.3.2 ESG Risk Management, one of the priorities during the year was to better understand, identify and assess all of the risks to, and the impact of, our business and loan portfolio.



The starting point was the Global Risk Cartography in January 2022, which highlighted the most material credit risks to BIL, these being technological transition risk and flood risk, respectively deemed to be medium/high and medium on a one-to-five-year horizon. These observations were confirmed in the Climate Risk Stress Test carried out by the ECB in 2022.

As described more in detail in our Risk Management report, Credit Risk Management (CRM) has developed a credit risk appetite by economic sector based on ESG factors along with the Sector Vulnerability Index (SVI). In June 2022, the bank implemented a Credit Risk Appetite Statement, including quantitative limits per key economic sector. The Credit Risk Appetite includes Environmental, Social and Governance (ESG) factors based on the Sustainable Accounting Standard Board (SASB)'s Materiality Map. SASB is a market recognised standard for ESG assessment (www.sasb.org). The SASB Materiality Map identifies likely material sustainability issues on an industry-by-industry basis (including the real estate sector). The map serves as a snapshot of likely material sustainability issues, which covers the transition and physical risks.

Based on the set of criteria that SASB considers when evaluating the performance of each sustainability topic, the Executive Committee sets the credit strategy and defines proposals for the lending limits/credit risk appetite for each given sector taking into consideration SVI and ESG factors.

The direction matrix is the basis for the Executive Committee to set the strategy for each sector: Grow, Maintain, Reduce and Watch. It is important to mention that this assessment gives a trend for the coming years. Assigning a "Reduce" or "Watch" direction to a sector does not prohibit new financing, especially for transition deals. We want to give all BIL clients the choice to be supported through their transition.

This framework has been described in March 2022 in our internal procedure "Credit Risk Appetite Framework".

It is also important to specify that under EBA guidelines on loan origination and monitoring, ESG factors and associated risks now have to be integrated into lending processes and have been included in our internal Loan Origination and Monitoring Policy.

2023 AMBITION

The materiality of ESG factors for credit risk is assessed based on three different dimensions: the economic sector, the counterparty/borrower level and transaction level. The objective is to factor in all ESG considerations that may have a material impact on credit quality and thus affect the bank's credit decision

Various initiatives were taken to further quantify these different risks, including our calculation of financed carbon emissions, and the impact analysis that ties in with the UN Principles for Responsible Banking.

As indicated in section 5.3.2 ESG Risk Management, the calculation of financed emissions is mainly used to assess exposure to transition risk.

For the first time, BIL calculated the emissions from its credit portfolio at 31/12/2021: 279,269 tonnes of tCO_2e (i.e. 69% of all our financed emissions) for total outstanding under analysis of EUR 12.2 billion.

Most of these emissions, 228,904 tCO_2e, 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.

2023 AMBITION

In 2023, there are plans:

- to raise clients' awareness of the need to be part of a transition
- to discuss whether they have a transition plan, and consider its credibility and progress
- to identify their investment opportunities and funding needs

As indicated in section 5.3.2 ESG Risk Management, in the framework of the UN Principles for Responsible Banking, in 2022, BIL carried out the first phase, 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.

As dialogue with our stakeholders is an essential part of developing our sustainable finance products and services, we also carried out two surveys of our retail clients (566 respondents) and Housing Advisers (32 respondents) to find out their sensitivity to environmental concerns, as well as:

- their maturity in the energy transition and the role that they expect banks, including BIL, to play in supporting them on these themes
- their knowledge of BIL's sustainable finance products and any training requirements. We then work together to determine the role that BIL should play in supporting its clients in their energy transition.

CLIENT SURVEY

39 % of homeowner respondents have already carried out energy retrofit work

47 % think they have work to do in the future (61% of those who have already done so vs 32% of those who have not)

64 % of all respondents feel that banks have a role to play in supporting their clients in the energy transition

35 % consider banks' current role to be "good" or "very good"

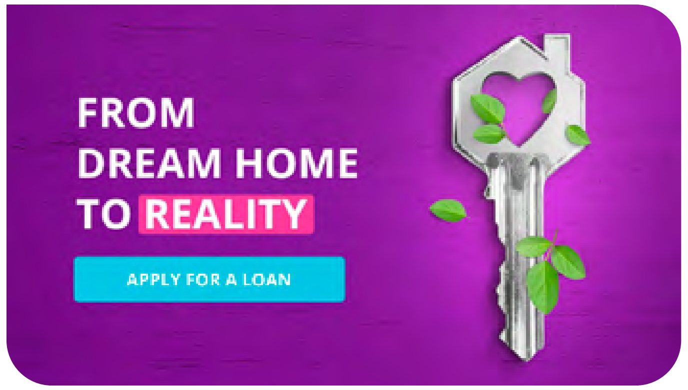
As corporate and institutional clients are so diverse, we undertook a different series of interviews with representatives from the various Corporate & Institutional Banking clients before working together to validate the conclusions of this analysis and vote on priorities.

2023 AMBITION

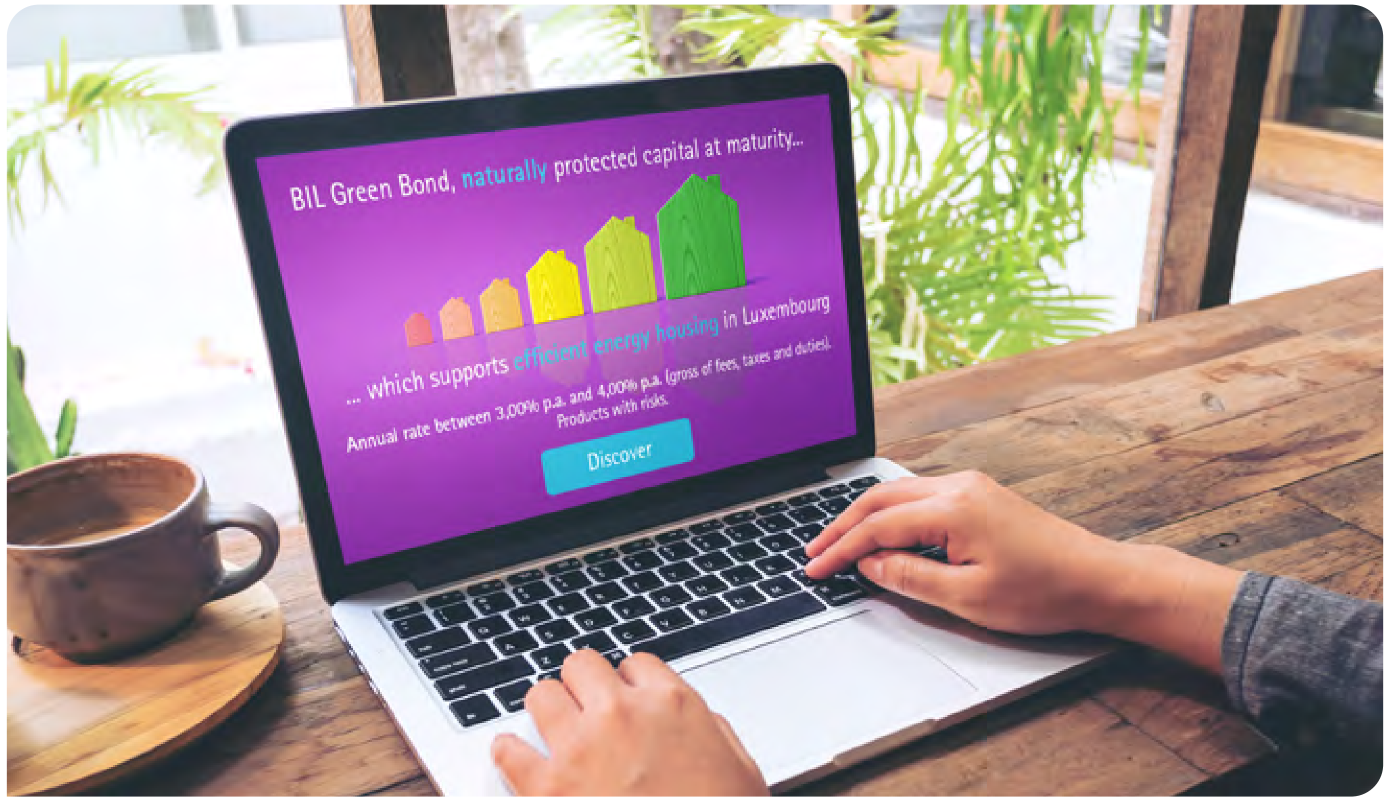
At the end of the year, we used the findings to identify and confirm our priorities for 2023 and future years:

- Develop our advisers' knowledge of ESG, energy transition and government grant matters
- Identify the ESG data needed, and set up a process for collecting, entering, archiving and using it
- Review our range of sustainable finance products and services
- Include more ESG aspects in our loan issuance process and pricing policy
- Turn our ESG strategy into concrete, measurable targets

However, we have already capitalised on the momentum of the National Housing Week (6-9 October 2022) to increase external visibility of our current sustainable finance range and, in particular, tell our Housing Advisers about the new Klimabonus government grant system so that they can help our clients with their energy retrofit plans.



6.2 Green investments



BIL is committed to acting in its clients' best interests, in line with our fiduciary duty, client goals, and legal requirements. We develop ESG-focused products that seek to meet financial goals, while also meeting client objectives for sustainable outcomes through our sustainable investment solutions.

> "Sustainable finance has a key role to play in delivering on the objectives under the European Green Deal."

Indeed, sustainable finance concerns not only the traditional financial performance of the financial instrument, but it also takes into account the impact on environmental, social and governance aspects (ESG aspects). Sustainable finance has a key role to play in delivering on the objectives under the European Green Deal as well as the other EU commitments on climate and sustainability objectives.

Both society and the financial regulators are expecting more action from the financial sector towards sustainability, and banks shall play a big part in this sustainable transition. Some of the few expectations from the banks are focused on transparency enhancement with respect to sustainability risks and its impact, and the support provided to investors to understand the crucial elements of ESG investments, which will help with their investment decisions. In this respect, BIL has improved and established some bank processes and set targets for 2023.

6.2.1 Market in Financial Instruments Directive (MiFID)

The MiFID II ESG amendments mark another step forward by the EU towards operationalising the European Green Deal. Indeed, since 2 August 2022, banks have been required to obtain information about clients' sustainability preferences and ensure they take them into account when providing advice.

The MiFID II ESG amendments apply to banks and investment firms that manufacture and distribute MiFID products:

- **Delegated Regulation 2021/1253** (amending Regulation 2017/565) integrates clients' sustainability preferences when evaluating the adequacy of providing financial advice or portfolio management and has been applicable since 2 August 2022.
- **Delegated Regulation 2021/1269** (amending Directive 2017/593) requires sustainability factors to be integrated into product governance and has been applicable since 22 November 2022

Practically, it means BIL has to 1. COLLECT client's ESG preferences, 2. ADVISE clients considering the sustainability preferences in the SUITABILITY TEST, and 3. Provide REPORTING on sustainability considerations.

BIL has created additional questions in order to collect client sustainability preferences and revised the suitability process including ESG information that permits clients to be advised taking into account their preferences. The degree to which client preferences are taken into account will change over time as the market matures and the range of responsible products offered by the bank expands. In terms of product governance, BIL has adapted its process and will continue enhancing it in the years to come.

2023 AMBITION

In 2023, BIL will continue to enforce knowledge of advisers on sustainable investment requirements and advisers' responsibilities with respect to MiFID II ESG requirements.

6.2.2 Insurance Distribution Directive (IDD)

With IDD (Insurance Distribution Directive) requirements regarding sustainability preferences and the related product oversight and governance, BIL's insurance brokerage activities have been impacted since 2 August 2022. BIL, as Insurance Broker, has added an ESG questionnaire to the IDD profile to respond to these requirements and started to collect clients' ESG preferences. A specific ESG Due Diligence questionnaire has also been sent to the insurance companies whose products BIL distributes (as part of our insurance brokerage activities).

2023 AMBITION

2023 will be dedicated to analysing and reviewing our brokerage insurance offer in order to match clients' expectations and to combine financial returns with a commitment to ecological and/or social issues.

6.2.3 Sustainable Finance Disclosure Regulation (SFDR)

The EU SFDR (Sustainable Finance Disclosure Regulation) aims to reorient capital flows towards sustainable investments and to help investors by providing more transparency on the degree to which financial products consider environmental and/or social characteristics, invest in sustainable investments or have sustainable objectives, by presenting the information in a more standardised way.

After the implementation of Level 1 requirements in March 2021, BIL dedicated 2022 to reviewing and enhancing the internal processes, and to implementing Level 2 requirements. To respond to the SFDR requirements in 2022, BIL has integrated the following policies:

- **Sustainability Risk Policy** – stating how sustainability risks are implemented in the bank's investment decision-making or advice.
- **Remuneration Policy** – reflecting how sustainability risks are integrated in the remuneration policy of its staff.
- **Principal Adverse Impact (PAI) Statement** – disclosing the consideration of Principal Adverse Impacts of investment decisions and advice on sustainability factors.

In addition, our Sustainability page at **BIL.com** has been upgraded with a new section, dedicated to SFDR

Furthermore, in 2022, data was collected on the Principal Adverse Impact indicators, via quarterly snapshots to facilitate annual reporting expected in June 2023.

As a manufacturer of funds and discretionary and advisory portfolio manager, BIL has enforced its internal processes by amending clients documentation. Sustainability Risk consideration and the results of the assessment of the likely impacts of sustainability risks were integrated into client documentation, as well as information on the consideration of Principal Adverse Impacts.

BIL has decided to not consider Principle Adverse Impacts at product level, except in the case of the four BIL Invest Patrimonial Funds (BIL Invest Patrimonial Defensive, BIL Invest Patrimonial Low, BIL Invest Patrimonial Medium and BIL Invest Patrimonial High). Our four BIL Invest Patrimonial Funds remain Article 8 products, for which the consideration of Principal Adverse Impacts now makes them eligible as "sustainable investments" to comply with the MiFID ESG Regulation. In addition, the LuxFLAG label was renewed for the four BIL Patrimonial Funds, and the total assets in BIL Invest Article 8 funds as at 31/12/2022 were EUR 297 million, a decrease of 13.8 % compared with 2021.

In 2022, the net new assets attracted to BIL Patrimonial funds increased by EUR 5.8 million, however due to the market effect, the absolute figure of assets under management dropped significantly. The 13.8 % decrease in assets under management can be mainly explained by market correction.

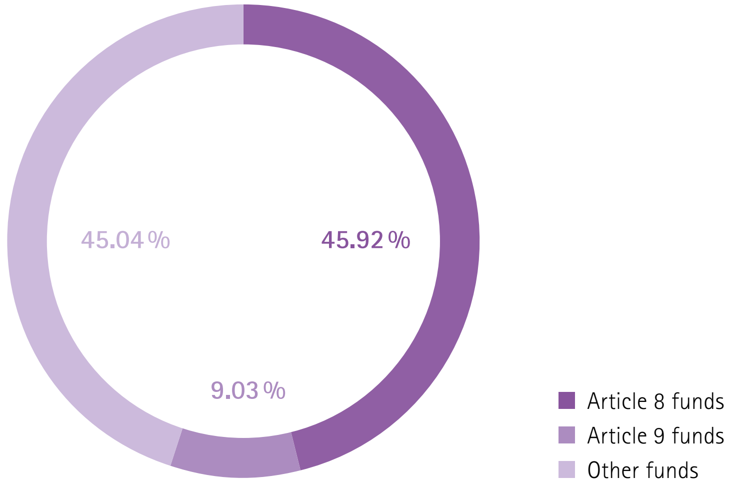
Assets under Management (EUR Million)	2021	2022
BIL Invest Patrimonial Defensive	5	4
BIL Invest Patrimonial Low	175	144
BIL Invest Patrimonial Medium	121	109
BIL Invest Patrimonial High	43	40
Total AuM	344	297

For our advisory and discretionary mandates, BIL has an extensive list of external funds, which are classified as Article 8 and Article 9 under the SFDR. These funds are pro-actively proposed to clients, especially to those with sustainability preferences.

2023 AMBITION

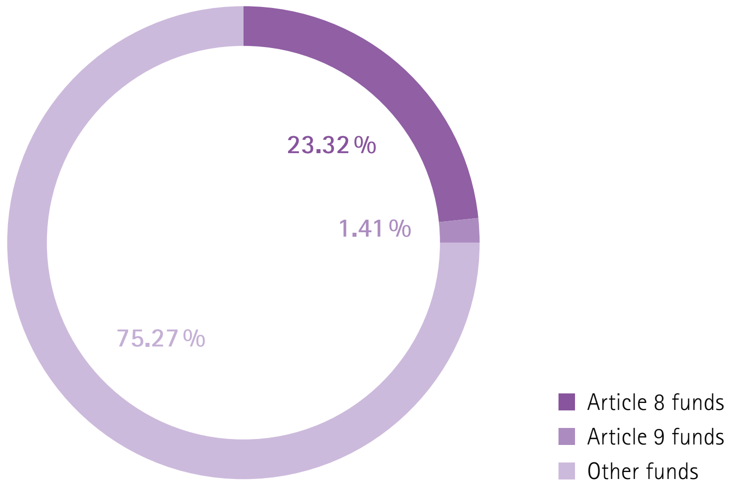
BIL has requested CSSF approval for the two additional BIL Invest Equities Europe and BIL Invest Bonds EUR Corporate Investment Grade and expects a response in 2023. In addition, in 2023 BIL is planning to launch an ESG discretionary portfolio mandate for wealth management clients. In 2023, BIL will be focused on further developing the ESG investment range to create value for clients while supporting the global ecological and social transition.

Total AuM held in funds under Advisory mandates – 2022



	Article 8 funds	Article 9 funds	Other funds	
Total AuM held in funds under Advisory mandates – 2022	€ 441 mn	€ 86 mn	€ 429 mn	€ 959 mn

Total AuM held in funds under the Discretionary mandates – 2022



	Article 8 funds	Article 9 funds	Other funds	
Total AuM held in funds under the Discretionary mandates – 2022	€ 382 mn	€ 23 mn	€ 1,256 mn	€ 1,634 mn

“Last year, despite a difficult market environment in which fossil energy was one of the best performing equity sectors, sustainable investments still succeeded to post returns similar to those of the overall market. This demonstrates the maturity and resilience of such solutions”

Lionel De Broux
Chief Investment Officer

6.2.4 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 has implemented its Green Bond Framework with a clear commitment to supporting the growth of the sustainable finance market. A total of eight green transactions amounting to EUR 92 million equivalent were issued in 2022, mostly in the form of private placements.

Considering the demand for sustainable products and backed by favourable market conditions, BIL decided to propose a transaction specifically dedicated for retail and WM clients listed on the green platform of the Luxembourg Stock Exchange (LGX). The BIL Green Bond launched in November was a resounding success, with EUR 25 million subscribed. This issuance was a unique proposal by a Luxembourg bank supported by an advertising campaign across the whole country.

The BIL Green Bond Framework has been designed with the intention of reflecting the current best market practice and alignment with the 2021 ICMA Green Bond Principles as confirmed by a second-party opinion released by Sustainalytics. The net proceeds will be allocated exclusively to finance or refinance new or existing loans financing green buildings in Luxembourg with the aim of strengthening BIL's sustainable strategy and having a positive impact on the local economy and communities.

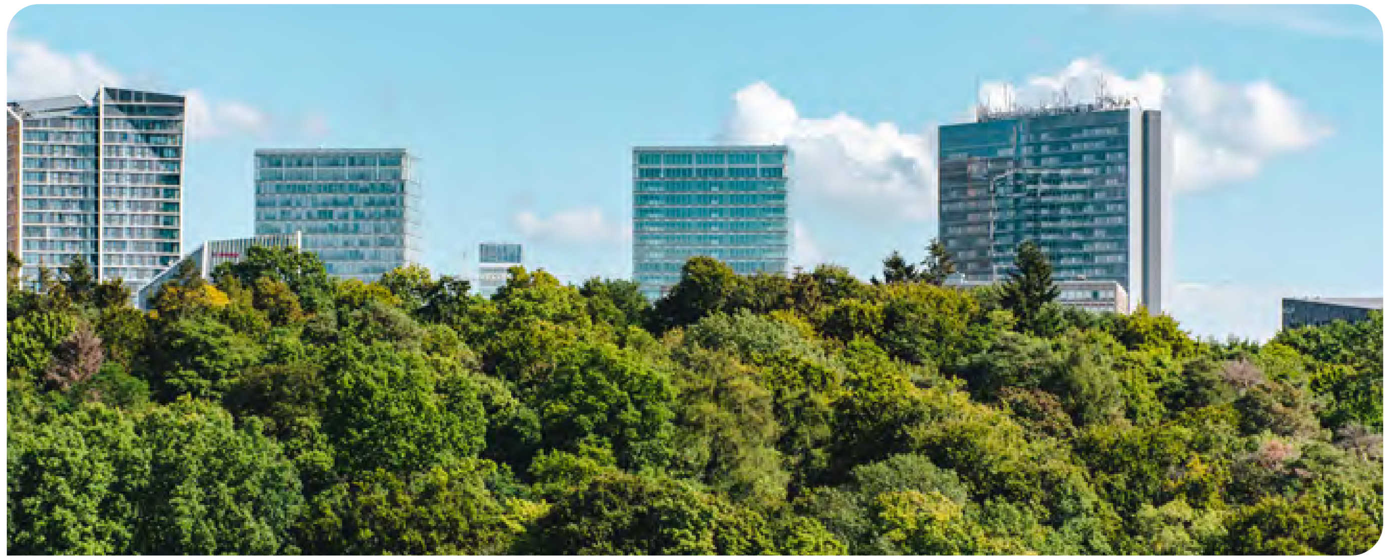
The BIL Green Bond Framework is available on our website, for more details please refer here:

- Green-Bond-Framework
- Second-Party Opinion
- Sustainable Residential Building Selection Report

2023 AMBITION

In 2023, BIL is planning to further develop its sustainable investment offering for retail and WM clients.

6.3 Bank investment portfolio



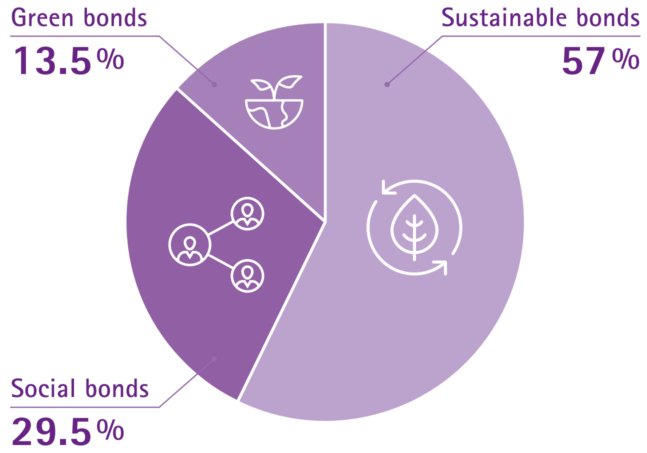
In addition to its role as a provider of investment solutions to private and institutional investors, BIL also manages its own portfolio of investment instruments.

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.

It is important to note that the investment portfolio has been positioned so that by the end of 2025, at least 30% of the total portfolio will consist of Green, Social and Sustainable Bonds. By integrating strong minimum proportions of Green, Social and Sustainable Bonds and prioritising such investments, BIL encourages issuers to integrate ESG considerations into their issues while supporting the sustainability transition.

On 31 December, Green, Social and Sustainable bonds accounted for 15.8% of the total portfolio, for a total amount of EUR 1.377 billion in December 2022 (+72% in amount compared with 31/12/2021).

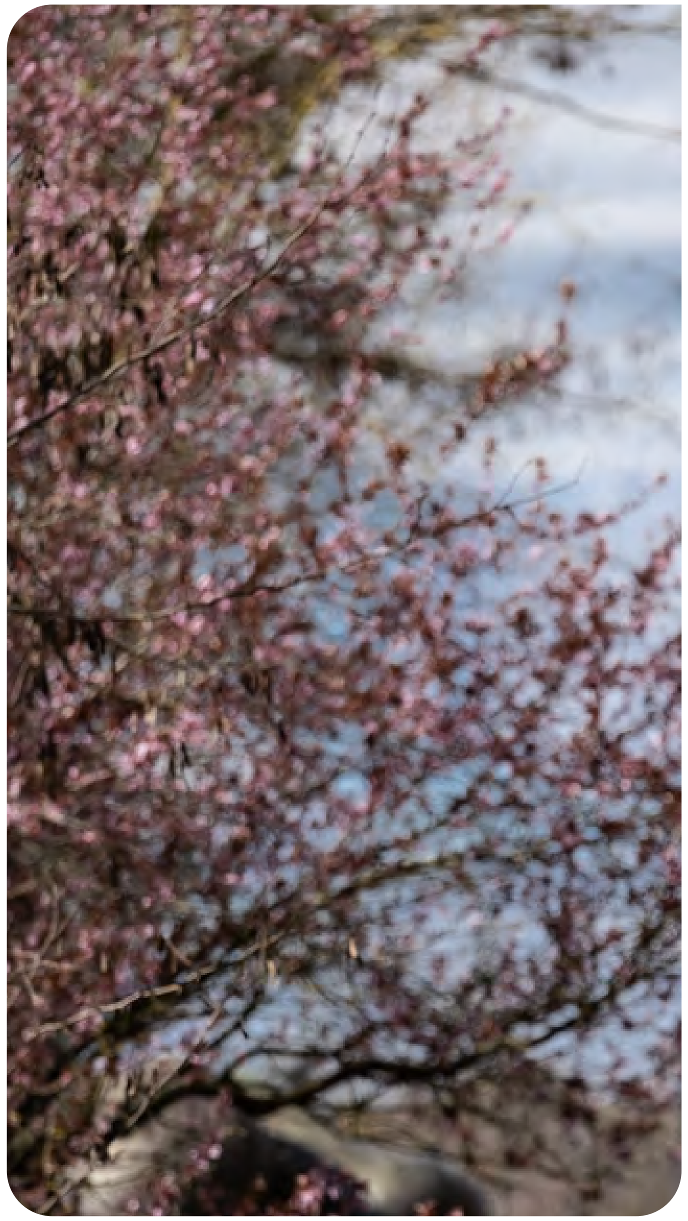
Breakdown of BIL's Green, Social and Sustainable Bonds



2023 AMBITION

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

Year-End	Minimum Share	Maximum Share
2023	20 %	100 %
2025	30 %	100 %



As explained in section 6.1. Key Transition Facilitator – Loans, in 2022 for the first time, BIL calculated the carbon footprint of its emissions financed through its credit portfolio and its bank investment portfolio as of 12/31/2021: the latter represents 64,819 tCO_2e for an analysed investment amount of EUR 7.2 billion.

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. No targets have been set at this stage.

6.4 Accessibility to Bank Services

In its Create Together 2025 strategic plan, BIL has planned to strengthen its omnichannel distribution concept with a more digital and human approach. This reflection and the resulting strategy are essential to meeting the changing expectations and habits of our clients. More connected and better informed, they expect fast and practical services to simplify their daily lives and personalised advice to make their projects a reality. In recent years, this has meant thinking about optimising our branches and service model.

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
- Guest Advisors

> "In 2022, BIL focused on the specialization of its Relationship Managers."

The Housing and Investment Advisors respectively support clients in their real estate and investment projects. This specialisation allows us to focus our efforts in terms of awareness and training on the themes of financing and sustainable investment.

The Guest Advisors are in charge of managing client flows in the SHOP and HOUSE branches with the aim of educating and accompanying clients on alternative channels (BILnet, ATM, etc.) to make them autonomous.

6.5
Digitalisation of services

Digitalisation and innovation are of vital importance to the bank as they directly contribute to BIL's purpose, which is making everyday life easier for clients, while responding to three main needs:

Accessibility

The digital solutions (BILnet, Open Banking API and MultiLine) aim to provide 24-hour access to the bank's services for all clients and speed up the processing of their requests.

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. BIL is also investing in person-to-person support to help clients become proficient in using new technologies.

Ecology

Through digitalisation of client journeys, BIL tries to raise the quality of client experience while reducing the environmental impact. It offers the option to electronically sign several types of loan and credit card documents remotely from clients' BILnet accounts to save time and avoid non-essential branch visits. In addition, to reduce paper consumption, all new clients are automatically subscribed to the "paperless" service to receive bank documents through BILnet online banking instead of by post.

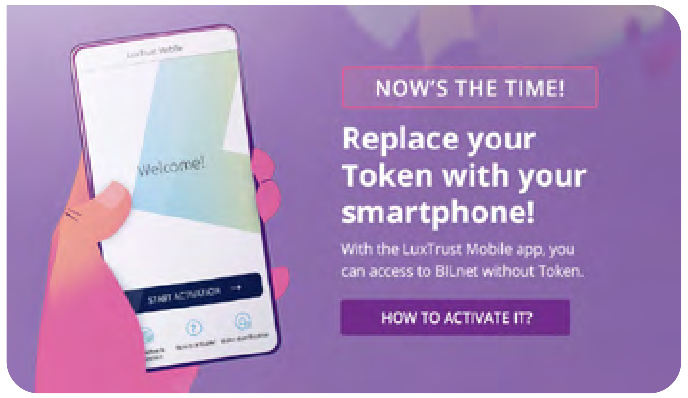
> "Digital solutions are coupled with human support at key moments in the client's life."

Security

To ensure the best practice of digital services, BIL focuses all efforts on keeping clients' data safe. In 2022, a significant amount of phishing prevention campaigns were deployed through various channels (BILnet, BIL.com, ATM, branches) to educate and raise client awareness of the danger of phishing attacks and how to recognise and avoid them.

To limit the risk of fraud, BIL strongly encourages its clients to replace their physical Token with the LuxTrust Mobile solution. In fact, its technology offers a higher level of security as it shows all the details of the pending transaction, which allows the client to verify the transaction before confirming it.

Knowing that 54% of BIL clients activated LuxTrust Mobile in December 2022, the biggest digital challenge in 2023 will be ensuring app adoption by all BIL clients.



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.

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

6.6
ESG marketing & awareness creation

As one of the biggest employers in the banking sector here in Luxembourg, BIL sees its role not only in the positive impact on the local economy and communities, but also as an important contributor to raising awareness, especially with regard to sustainability. BIL is constantly upskilling its employees and ESG topics have become a permanent part of the upskilling programme.

BIL had eight sessions dedicated to the ESG investment topics:

- 7 "Towards Sustainability" training sessions lasting 4 hours → we trained 116 employees
- 1 "Towards Sustainability – Expert" training session lasting 8 hours → we trained 9 employees

72 additional employees completed a one-hour ESG e-learning course in order to understand what is meant by sustainable development, sustainable finance and Sustainable & Responsible Investment (SRI).

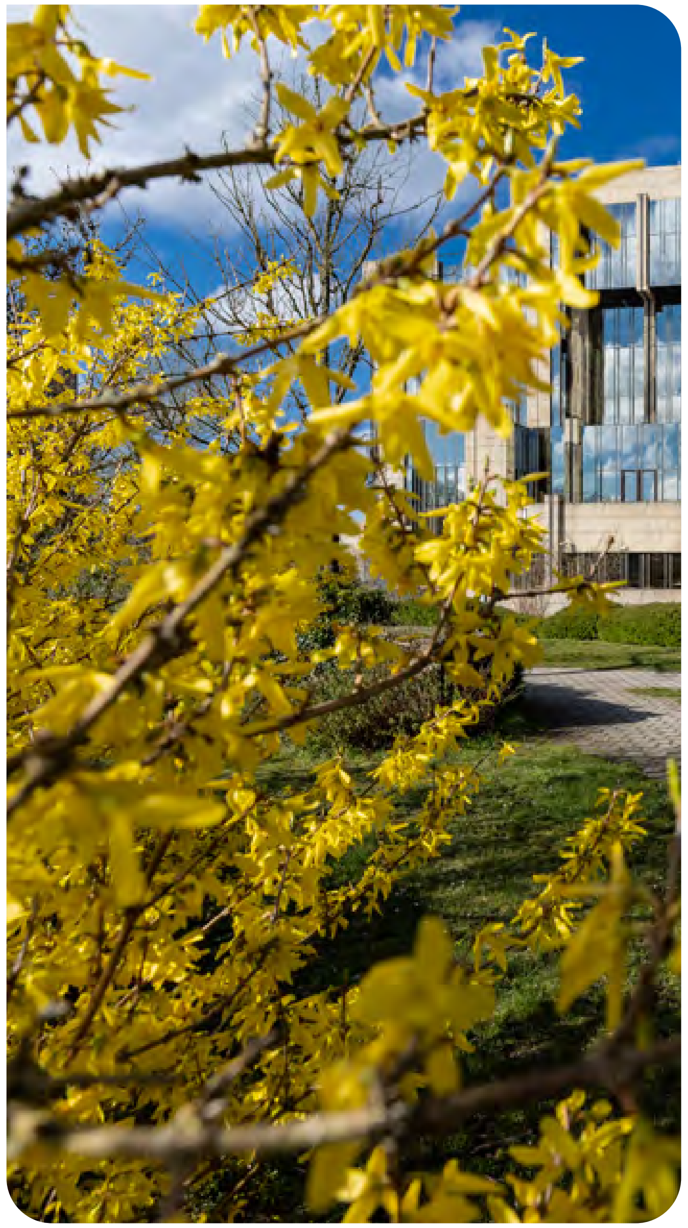
16 employees obtained the EFPA ESG Advisor certificate following a 24-hour course finalised by an examination.

Total amount of participants and hours

2021	2022
76 participants	**213** participants
42 h of training	**61 h** of training

In addition to the internal upskilling programme, BIL understands the importance of its role of having an impact on and raising awareness within society. Through its blog, MyLIFE, BIL communicates important topics and, in 2022, the bank published around 120 pieces of content, of which 25 articles were dedicated to investments.

Out of these 25 articles, seven were specifically focused on sustainability and ESG aspects. In addition, two special features were dedicated to "Auto" and "Loans" addressing electromobility and responsible financing.



2023 AMBITION

In 2023, BIL is planning to give priority to increasing knowledge of ESG regulatory requirements and, in the first phase, will train investment advisers on their obligations with respect to investment sustainability risks and reinforce their knowledge on sustainable investment aspects.

As far as credit is concerned, a special focus will be placed on the energy transition, both for our relationship managers and for our clients, in order to give them the keys to understand the reasons for going through this process, to identify the investments to be made and to know the possible tools available.

07. BIL, responsible employer

BIL, responsible employer

Karin Scholtes, Head of People, Culture, Communication

Founded in 1856, BIL is a truly Luxembourgish bank; like Luxembourg, BIL is a trusted, long-term partner for its clients and employees.

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 which are aligned to our core values – Create, Collaborate and Care. These are values that bring out the best in people.

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 of management as a responsible employer. We are committed to establishing an inclusive workplace that allows everyone to participate in achieving our strategic and sustainable goals with a true sense of belonging and which encourages individual development with equal opportunities for all.

The core of BIL's ambition is to empower its people through a variety of initiatives, a strong culture of feedback, a flexible working approach, and a range of training opportunities for employees.

> “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

7.1
Health & well-being

BIL has always attached great importance to the health and well-being of its employees, in order to preserve and protect its human capital. Whether it is a department dedicated to people care, specific initiatives or an exclusive health programme for BIL employees, BIL addresses this issue through numerous initiatives.

7.1.1 BIL Social Fund

BIL Social Fund provides the bank's active employees with special assistance in cases that are particularly worthy of consideration, as well as help with:

- Glasses
- Contact lenses
- Hospital expenses
- Accessories (orthotic insoles, wheelchairs, etc.)
- Dentures, dental operations or adjustments
- Courses of treatment

Each employee is automatically signed up to Luxembourg Air Rescue (LAR). LAR provides its members with a personalised and professional air repatriation service 24 hours a day, seven days a week.

BIL Education Fund grants allowances to help dependent children of BIL employees complete their studies.

BIL supports its employees during key family events through marriage, civil partnership (Luxembourg), PACS (France) and legal cohabitation (Belgium) allowances, birth allowances and adoption allowances.

7.1.2 BIL Psycho-social assistance

The "People Care" team is dedicated to monitoring people (long-term illness, disability, life accidents, harassment, addictions, over-indebtedness, bereavement, suicide, etc.) with strict anonymity rules (bound by confidentiality, neutral contacts).

The People Care team works on and develops prevention processes and actions in close collaboration with stakeholders, as well as other contacts where required. They provide follow-up and support, and assistance in the event of a critical event (e.g. death, suicide or suicidal risk, accident, etc.). They assist people in case of internal professional redeployment: reintegration within BIL after a period of being deemed unfit for work. They also organise the annual flu vaccination for staff, in partnership with the Association for Occupational Health for the Financial Sector (ASTF) as well as health check-ups for employees from the age of 40.

In 2022, mental health first aid training was delivered to all the employees of the staff delegation as well as to the HR business partners. In addition, conferences on healthy leadership were held for managers. During the year, all employees had the opportunity to attend two conferences on stress management and two conferences on planning for retirement were organised in collaboration with Gero, a non-profit association, to support future retirees.

7.1.3 FIT4BIL programme

In 2022, and more particularly during the month of June on sunny days, BIL organised initiatives focusing on health, such as yoga sessions and even collective bootcamp sessions.

Several conferences were also held in June on well-being at work and how to take care of others. The month's activities focused on both physical and mental health.

BIL has its own fitness room and in 2022 it was available to all employees free of charge. Employees can also benefit from free sessions and advice from on-site sports coaches.

Sport and culture at BIL are promoted through a number of programmes involving the various sports and cultural sections of the GPOS (29 sections). These programmes are managed in close collaboration with union representatives.

7.1.4 Mobile/Remote working

In March 2022, BIL introduced its "Teleworking policy". Hybrid working is becoming the norm in the financial sector and flexible working arrangements have become an essential element when attracting and retaining talents in an organisation.

BIL therefore introduced its "New Way of Working" with clear objectives:

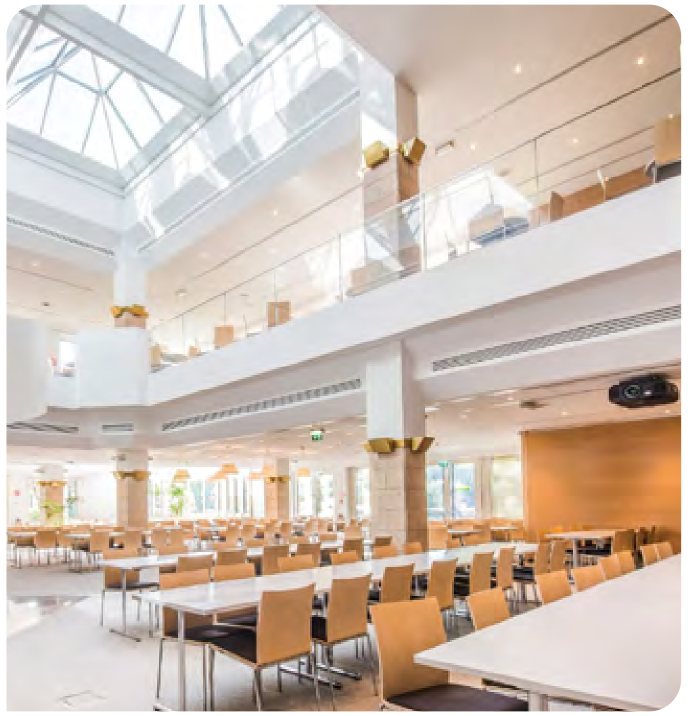
- Empower and inspire employees so that they can deliver to their full potential;
- Offer a flexible working environment, fostering communication and collaboration to better serve clients;
- Foster employees' engagement, enhance clients' interactions and boost organisational efficiency.

Obviously, this transformation of daily working patterns has led to a cultural change in the employee-employer relationship based on a model of trust. Mobile working allows greater flexibility for employees, enabling them to have a better work-life balance, which is a real asset for employee well-being.

7.1.5 COVID-19 support measures

In 2022, the People Care team maintained its COVID-19 pandemic-related follow-up through a number of support measures:

- Managing the dedicated mailbox coronavirus@bil.com
- Follow-up of people affected by COVID-19 (employees or family members)
- Provision of self-testing
- Notifying colleagues who were contact cases
- Coordination with managers, facilities and physical security
- Providing advice and assistance
- Coordination with ASTF and Ministry of Health for management of vulnerable persons



7.1.6 Canteen

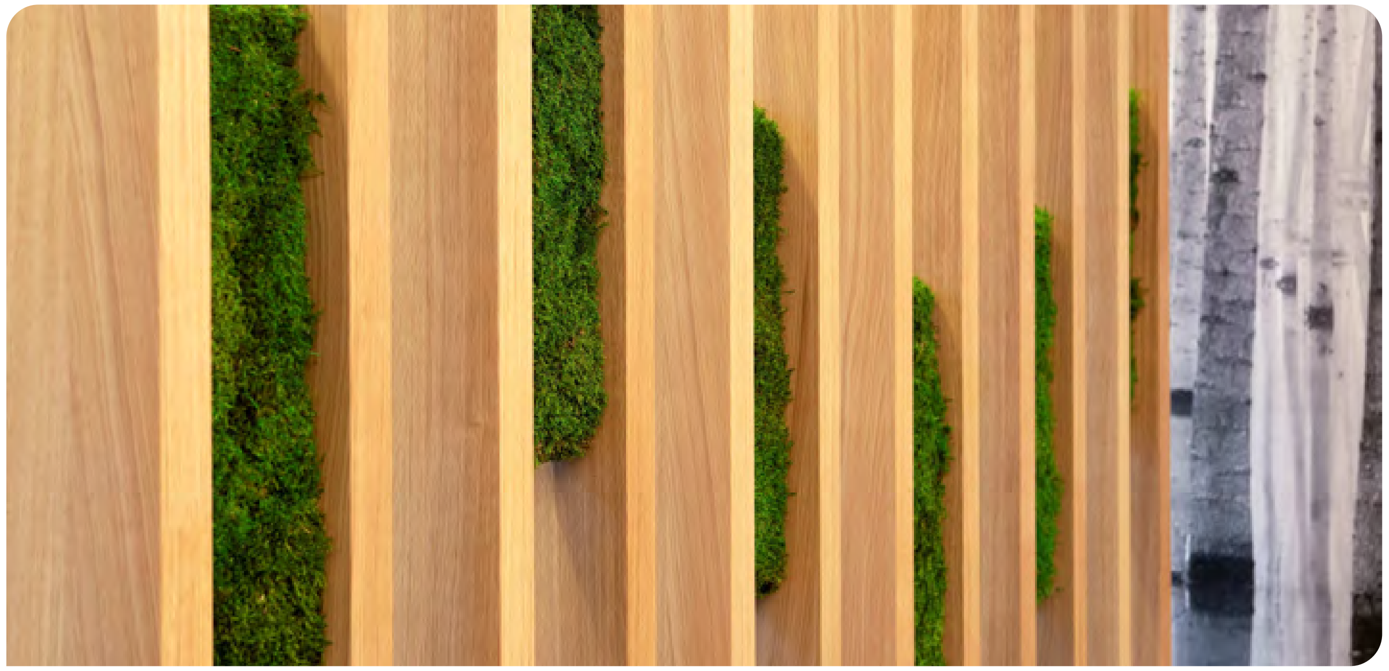
In 2022, the canteen continued to broaden its offer for employees, providing them with an increasing variety of catering options. These changes included the introduction of a salad bar and the option of healthier snacks.

According to the internal canteen survey, 86% of respondents were satisfied or extremely satisfied with the range of choice available in the canteen.

In 2022, in an effort to offer more flexibility to employees, the canteen's opening hours were extended, allowing employees to access the canteen between 7am and 6pm.

The canteen has now become an area where employees can gather socially and relax.

7.2 Security



The security strategy is built around three imperatives: to prevent, to inform and to react.

For many years, BIL has applied special measures to the areas of supervision, organisation and control. This has enabled the bank to develop relationships with external partners. BIL has also analysed the vulnerabilities of its premises and organised itself from a structural, infrastructural, technological and operational standpoint to enhance the protection of its sites.

As far as staff safety is concerned, BIL has a team of qualified people to anticipate, manage and report on three types of risks to individuals:

- Fires
- Malicious acts (e.g. armed robbery, assault)
- Threats to the health of staff, clients or visitors (e.g. illness, accidents)

In terms of keeping property safe, the bank has sought out security engineering experts to analyse the material resources that must be mobilised to keep bank premises secure.

For several years, the bank has followed a security reference framework using the concept of the management system and principles of constant improvement. This approach is viewed as part of the company's overall management as the adoption of such a system reflects a holistic approach to professional risk prevention.

In this respect, a security, safety and occupational health management system combines people, policies and resources to improve the company's performance in these areas. It increases control over the company's organisation and leads to continuous progress by incorporating security, safety and occupational health into all areas. It is a proactive approach aimed at anticipating change, making the company more responsive and effective in risk prevention, limiting incidents, and ensuring overall consistency with other management approaches.

Within this overall framework for managing the security of BIL staff and clients, the security strategy focused on four main themes in 2022:

- **Training**, whether for new recruits on health and safety at work, or all staff with announcements on BIL radio about specific issues relating to branch security in 2022. Client-facing staff were also trained in managing stress and aggression, and receptionists and management support in the use of special warning measures. Central cash desk workers were given an update on protection, prevention and alarm measures and practices. 93 people were involved in the overhaul and training of first aid teams as part of the emergency evacuation process.
- A **documentary review** of our security policies and procedures
  - Emergency evacuation procedure (new routes, update to signs, different stages of an emergency evacuation)
  - Health and Safety procedure (redefinition of specific risks and the roles of the different stakeholders)
  - BIL Occupational Health & Safety policy (new distinction between danger and risk, incorporation of 9 principles for managing risks according to ITM and AAA methodology, redefinition of each stakeholder's role, more information on matters including alcohol consumption, and addition of topics on drug use and sexual harassment)
  - Physical and Environmental Policy (list of critical areas, update to standards and frameworks)
  - Updates to some 800 evacuation plans for head office and branches (new visuals to consider colour blindness, for example, update to changes after building work, location of fire extinguishers, update to assembly points outside branches)
- Day-to-day **improvement** in working conditions and health
  - Provision of special equipment for 17 employees, in coordination with ASTF
  - Upgrading of equipment including fire extinguishers, first aid kits, defibrillators
- **Safety measures:**
  - Safety campaign for pedestrians and drivers
  - Separate parking areas for electric vehicles and non-motorised means of transport
  - Use of the RENITA communication network to establish an automatic connection to the fire and police services by radio.

In 2022, BIL recorded a total of 16 accidents at work, 14 of which related to employees' commute. There were no deaths resulting from an accident at BIL.

Accidents at work
BIL Lux and branches (excl. subsidiaries)

	2020	2021	2022
Commuting to work	15	11	14
At work	2	4	2
Total	**17**	**15**	**16**

7.3 Training

To reinforce its operational practices in staff training, BIL has focused on three main dimensions: leverage technology and digital adoption, develop an internal community of trainers and standardise leadership development practices and personality assessments.

From a technology point of view, BIL has leveraged its existing Learning Management System – Cornerstone[1] – by exploiting advanced functionalities that enhance training operationalisation and learning experience. The system now enables detailed training invitations to be sent automatically to attendees with a corresponding slot booked in their digital agenda. Through its LMS, BIL has also integrated a QR code functionality that automates the training attendance process. By scanning the QR code at the beginning of the session, participants can now confirm their attendance themselves easily. This not only reduces the administrative workload related to training attendance, but it also provides a smoother digital experience for participants. This new feature is also aligned with BIL's objective to reduce its environmental footprint by going paperless.

In addition, BIL has added the opportunity to join several classroom training sessions via video conference to offer more flexibility to participants who cannot attend in person. This hybrid system has also improved how training sessions are organised in terms of participants' availabilities and room capacity limitations. In 2022, 6% of hybrid training sessions were offered at BIL and up to 29% were fully remote.

To foster optimal use of the advanced functionalities of the LMS, BIL has also provided the staff in charge of training organisation with dedicated Cornerstone training. This increase in technical skills has strengthened the team's effectiveness in operationalising training via the system.

While leveraging existing technology, BIL has also invested in new training and adoption systems. First, BIL has acquired a new e-learning creation tool: Articulate 360[2]. This web-based technology includes intuitive features that make it easier to create online learning modules. It also includes a range of existing training modules ready to deploy and numerous templates, which speed up the training creation process. Articulate 360 enables BIL to create more entertaining e-learning modules that keep learners engaged. Secondly, BIL has introduced a new digital adoption system – tts performance suite[3] – which provides real-time guidance for complex processes and technology. This system reinforces the "learning-by-doing" approach by providing step-by-step guidance on specific processes. The tts guides will lead to allow for more sustainable learning, supporting adoption on the long term beyond training and increase adoption during and after training.

[1] Cornerstone. https://www.cornerstoneondemand.com/
[2] Articulate 360. https://articulate.com/360
[3] tts performance suite. https://www.tt-s.com/en/digital-adoption-solutions

To strengthen the operational practices of staff training, BIL has also leveraged in-house expertise by developing an internal community of trainers. In 2022, 150 internal trainers were approached to deliver training on various subjects: 73% of the training offered was given by internal trainers. This community has not only reinforced the knowledge sharing culture at BIL, but has also strongly facilitated how training is organised by making BIL less reliant on external training providers.

Although its community of trainers enabled BIL to cover a wide range of topics, specific training needs could not all be covered internally. In this respect, BIL has developed strategic partnerships with a limited number of external suppliers for training on languages, regulatory topics or highly technical subjects requiring detailed knowledge.

In terms of assessment, we have developed a set of questionnaires to define an employee's/candidate's motivational profiles, strengths and areas for development. The objective is to help our employees evolve at the right time and in the right way at key stages of their career development. It is also to promote a strong development and performance culture within the bank by helping them to meet the challenges of the bank's strategic plan.

We aim to strengthen employees' skills to respond to the changing environment, by renewing employees' skills at key moments, accompanying them in their development, supporting them in their career transitions, and recruiting the right people with the right profile to perform well.

In 2022, thanks to our 150 internal trainers and some key external providers, BIL group offered all employees **50,585 hours of training**, broken down as indicated below:

Training type	
Regulatory	34%
Transformation plan-related training (GL22)	26%
Business related	17%
Soft skills & Leadership	15%
Language courses	8%

Regarding our Strategic plan, we have focused our learning strategy on the bank's priorities, i.e. ensuring the staff:

- are **compliant with the various regulations** (Crossborder, Risk appetite, Anti-Money Laundering, MiFID II, GDPR, Market abuse, Cybersecurity, FATCA/CRS/QI, etc.). Depending on each regulation, the targeted audiences receive yearly training to maintain awareness and, above all, ensure that all that risks are covered.
- maintain the necessary skills to serve clients (internal and external) **via technical and business skills** (training on financial and bank products, and IT, such as Python, SQL)
- are managed by leaders with evolving and adaptable skills
- are always encouraged to develop their soft skills via our broad range of digital contents available at all times thanks to our Learning Management System Application
- are comfortable speaking other languages. A new language course offering was launched in 2022, enabling all BIL staff to benefit from online courses that fit each individual level and requirement
- are prepared for the "GL22" **transformation** plan, with which BIL's Core Banking System, Customer Relationship Management, processes and products will change. We created a dedicated training pathway to prepare, first of all, the testers involved in the programme to test efficiently and make them ambassadors of this change. In a second step, building on the information about expected new skills gathered by the testers, all staff were trained on the fundamentals of the transformation program: the "Discovery program."

7.4 Dialogue

Dialogue is a key concept at BIL. Indeed, the context and the complexity of projects within the bank are evolving and employees, clients and different stakeholders have raised concerns about the communication and social dialogue. This is why different tools, dialogue initiatives and communication channels have been introduced at BIL.

"BIL consults its employees on a regular basis to monitor expectations and satisfaction within the bank."

7.4.1 Internal Surveys

BIL consults its employees on a regular basis to monitor expectations and satisfaction within the bank.

E-NPS

Aware that client service above all comes from its staff, BIL conducts a Net Promoter Score® (NPS) survey twice a year to measure staff members' propensity to 1) act as external ambassadors for the bank, 2) advocate for the BIL2020-25 strategy, 3) support action taken to allow personal development and skills acquisition for us all.

Cantine Survey

A canteen survey was carried out to collect feedback from employees and better identify needs and expectations. Employees are welcome to submit additional comments at any time, however.

Atmosphere Survey

An internal survey open to all employees was again carried out in 2022 so the results could be compared with the 2021 survey. The aim of this survey is to allow employees to share their feelings regarding working conditions at the bank and allow them to suggest improvements.

7.4.2 The staff delegation

General mission

The general mission of the staff delegation is to safeguard and defend the interests of the company's salaried staff in terms of working conditions, job security and social status. Luxembourg legislation provides staff representatives with fairly substantial resources and staff delegations have the right to be informed of any large-scale projects that the company intends to develop. The staff delegation must be informed and consulted by the management before any important decisions are made in technical, economic and financial matters. The aim of this information and consultation procedure is to protect employees and their jobs. Employee protection must also take into account employee health. The Staff Delegation and, in particular, the Health and Safety Delegate are responsible for this important aspect of the Delegation's work. The Equality Delegate ensures that the company complies with the legislation and the charters in force. In order to facilitate dialogue, the Delegation has contact persons in the Human Resources department.

The Board of Directors

The Board of Directors consists of at least nine directors, and members of the staff delegation represent at least 33% of the board. One of these staff directors must also sit on the Board Renumeration and Nomination Committee (BRNC).

Right to communicate

The various social partner parties have a right to communicate on the bank's intranet. This includes blogs that can be accessed on the intranet by all employees.

Meetings to promote social dialogue:

- **Meeting of the staff delegation**, which brings together all the representatives of the various trade union divisions.
- **Delegation and management meeting** with all the representatives of the various trade union divisions and all members of the bank's Executive Committee.
- **Meeting of the Economic and Social Entity Delegation**, which brings together the trade union representatives of the various subsidiaries of BIL group.

The minutes of these meetings are posted to the bank's intranet and are therefore accessible to all employees.

In 2022, the Staff Delegation was involved, among others, in the review of:

- the talent management programme
- the feedback model
- leave rules in the context of the GL22 project and weekend work plans
- the teleworking policy and the policy on work equipment (e.g. laptops)
- the charter on moral and sexual harassment
- the revaluation of meal vouchers

In 2022, the Staff Delegation also set up a COVID-19 pandemic follow-up to ensure that the workplace complies with health regulations and that every employee feels safe.

7.4.3 New joiners' programme

BIL has set up a specific event designed to provide new employees with the information they need to understand how the bank is structured. The 300 newcomers of 2022 received an onboarding path during their first day, with a welcome message from an ExCo member and a presentation of ESG priorities and actions. During the day, the bank's business lines are presented in a friendly and interactive atmosphere to generate interest and commitment. Finally, the HR section brings the day to a close and allows new colleagues to ask any more personal questions. A point is made of allowing everyone to feel quickly integrated and welcome, so that they can be operational as soon as possible.

7.4.4 The feedback model

The feedback model – a system that fosters dialogue between staff members and their line manager – plays a key role in ensuring the success of BIL's corporate culture. The model is subject to constant improvement and was designed to encourage constructive discussion of each employee's strengths and how they could improve their performance. At an individual level, each person can identify focus points for the following year. Focus points can be linked to individual employees' priorities, areas of personal development or professional aspirations.

Once a year, at BIL group, promotions are granted to employees who have developed additional and adequate skills and competencies or who are assuming a higher level of responsibility. Decisions are taken during the yearly Reward cycle. Decisions regarding promotions are taken based on feedback from direct managers and hierarchy (regular check-ins and year-end appraisals), as well as functional managers and peers, if applicable. The various items of feedback are added to the Performance Management System. Proposals for promotions are put forward by managers in the Reward tool. Feedback is calibrated during the HR Review sessions held with each Head of Business or Support Line, their management team and the HR Business Partner (PCC), in the presence of the Head of HR Business Partnership. All promotions are reviewed at a yearly Promotion Board. Promotions of Senior Executives to the top ranks requires additional approval by the Executive Committee. This stepwise approach allows HR and Top Management to challenge or fast track proposals in order to improve the balance of gender representation at the bank, in alignment with long-term business interests. In a limited number of cases, off-cycle promotions are also possible during the year, still drawing on any input during the performance and reward cycles.

7.4.5 BIL Networking initiatives

Breakfast/Coffee Break

To continually strengthen the bonds between BIL group employees, the BIL Coffee Break and BIL Breakfast initiatives allow staff members to meet colleagues and develop their network at BIL.

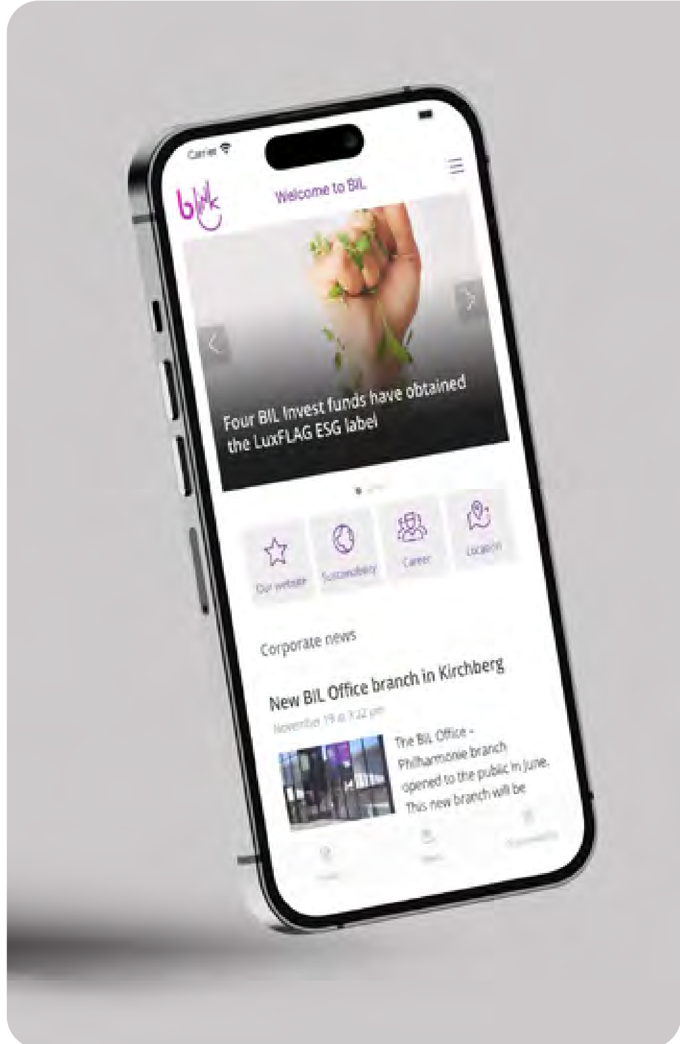
Breakfast with Emilie Hoel (Head of Wealth Management) in 2022 at BIL Suisse subsidiary

Townhalls

Several virtual and physical Townhalls were held in 2022 in order to keep staff informed on an ongoing basis about results, changes, project follow-up, and the general direction of the company. Executive Committee members were present to exchange views and respond to employees' concerns. These town hall meetings aim to increase internal communication and employee engagement.

Summer Night

As BIL community gatherings are part of the corporate culture at BIL, a Summer Night was held in June 2022 to allow employees to meet in a more festive setting to grow or strengthen collaborations.



7.4.6 Communication Tool

To modernise and strengthen internal communication, "Blink", a new internal social media was introduced in early 2022. This social media includes various information sections, including a corporate newsfeed and a social section allowing employees to comment freely.

The Teams tool was also launched at the end of 2022 with the aim of changing and reforming collaborative working methods in a more efficient way. To diversify the news content, BIL has also launched the option of podcast recording.

7.4.7 Dialogue with stakeholders

BIL is mindful of the importance of all sustainability topics for its various stakeholders. Consulting them is therefore key to identifying the most important topics to shape the bank's sustainability strategy to best meet the expectations of our stakeholders.

2023 AMBITION

In 2023, BIL will conduct a new materiality assessment matrix and will consult its stakeholders accordingly.

7.5 Diversity

> A more diverse organisation and workforce will have a positive impact on growth and profitability, competence development and perspectives, as well as talent attraction and retention

Nico Picard
Chief Financial Officer and Diversity Sponsor

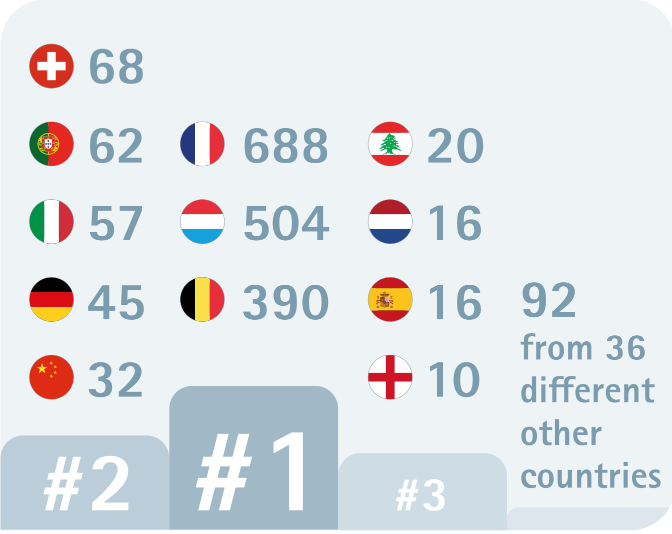
BIL believes that diversity helps increase the bank's collective performance, as it brings a broader range of viewpoints, backgrounds and strengths to the organisation. It also enables the bank to:

- Ensure employees feel valued and welcome, and creates an environment of trust and cooperation
- Have a positive impact on BIL's culture and boost BIL's values: Create, Collaborate and Care
- Remain an employer of choice and attract and retain key talent

BIL is committed to and is a signatory of the Luxembourg diversity charter, which promotes:

- Raising awareness, training and involving management and staff
- Defining a diversity policy and implementing best practices and action plans
- Applying the principles of equality, opportunity and promotion
- Evaluating these practices, results and effects
- Sharing the company's commitments and results of the actions undertaken with all stakeholders
- Encouraging all of these partners to work in favour of non-discrimination and the promotion of diversity.

BIL's employees come from a range of countries and backgrounds:



An important part of diversity management is recognising and appreciating different qualities and abilities. At BIL, we have a workforce that encompasses four different generations. That cross-generational specificity is a key asset for our organisation; BIL is able to benefit from the various characteristics of those generations, each benefiting from the others' backgrounds, by mixing employees with an in-depth knowledge of the organisation and the bank's history and younger generations, which may be more digitally savvy, for instance.

Age (%)	Staff	1st 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

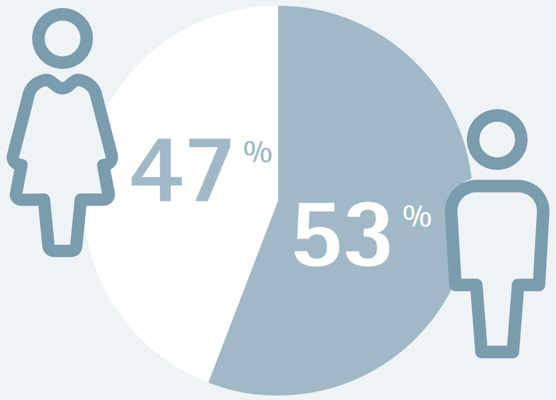
Nationalities (%)	Staff	1st Mngt Level	Senior exe	Top Mgmt	Total
French	35	38	38	26	36
German	1	2	6	5	2
Luxemburgish	33	20	22	28	27
Belgian	16	24	25	33	21
Others	15	15	9	9	15

Base: Headcounts - active employees at 31/12/2022 - Luxembourg headquarters + branches + national subsidiairies

Last but not least, BIL put a specific focus on gender diversity in 2022 by defining a dedicated action plan. BIL has a strong commitment towards equal professional opportunities for both men and women, and we have ambitious targets for **gender balance**. We strive to become a more diverse organisation with a balanced leadership. We strongly believe that this focus will positively impact other diversity aspects as the implementation of the action plan will globally address cultural and behavioural.

Gender

BIL'S WORKFORCE IS COMPOSED OF



EMPLOYEE HEADCOUNT BY GENDER (AS OF 31 DECEMBER 2022)

890 FEMALE EMPLOYEES

992 MALE EMPLOYEES

Actions in 2022

- A Diversity Sponsor and a Diversity Leader have been appointed within the Executive Committee.
- All members of the Executive Committee participated in training sessions facilitated by a diversity expert on diversity challenges and unconscious biases.
- "BeInclusive" Round Tables were also organised and open to all employees.
- The HR process review was initiated to integrate diversity in all HR processes
- The "BeInclusive" team conducted an internal survey to collect employees' opinions on diversity-related questions and shared the results
- In December 2022, we organised a theatrical performance to raise awareness on unconscious bias

- To mark International Women's Day, 887 trees were planted around the world to support reforestation, one tree for every woman working at BIL
- BIL was a sponsor of the Equality March at Luxembourg Pride 2022 and took the opportunity to change its logo to a rainbow logo in solidarity

DIVERSITY CHARTER

In addition to being a signatory to the Luxembourg Diversity Charter, BIL published a first version of its Diversity Charter in 2016, which is reviewed every three years. BIL's purpose in establishing this Diversity Charter is to document, among other things, the diversity principles, commitment and measurable objectives on which the BIL group forms and implements its nomination strategy for its Management Body.

A review of this charter was conducted in 2022, and the Diversity Charter was validated by BIL's Management Board and the Board of Directors in July 2022.

Action Plan

The measurable objectives that underpin the company's commitment to increasing diversity through this charter include, in particular:

- The adoption, publication and promotion of the Diversity Charter
- Having a clear governance and selection process around recruitment and assessment of members of a Management Body

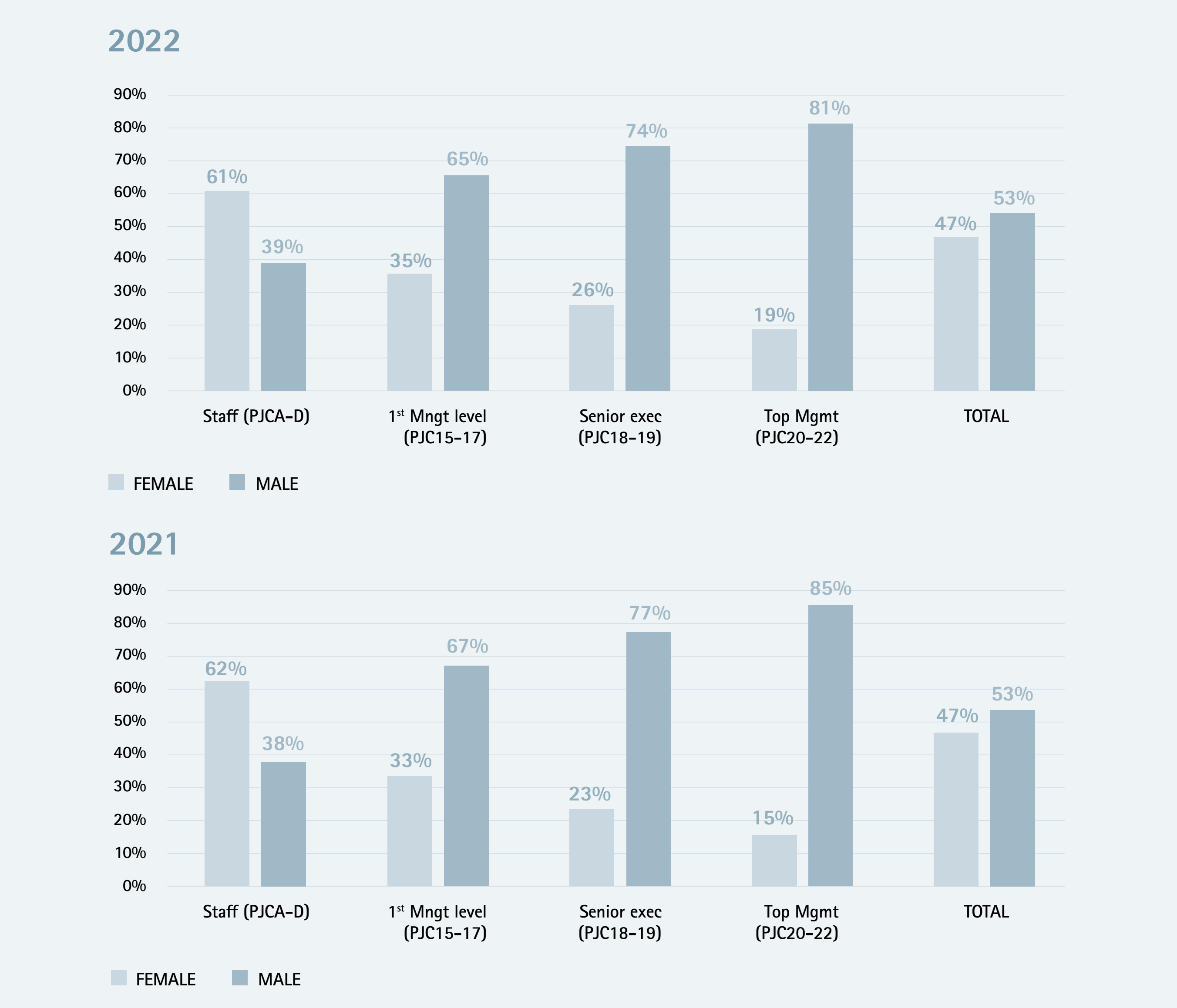
The measurable objectives that underpin the company's commitment to increasing diversity through this charter include, in particular:

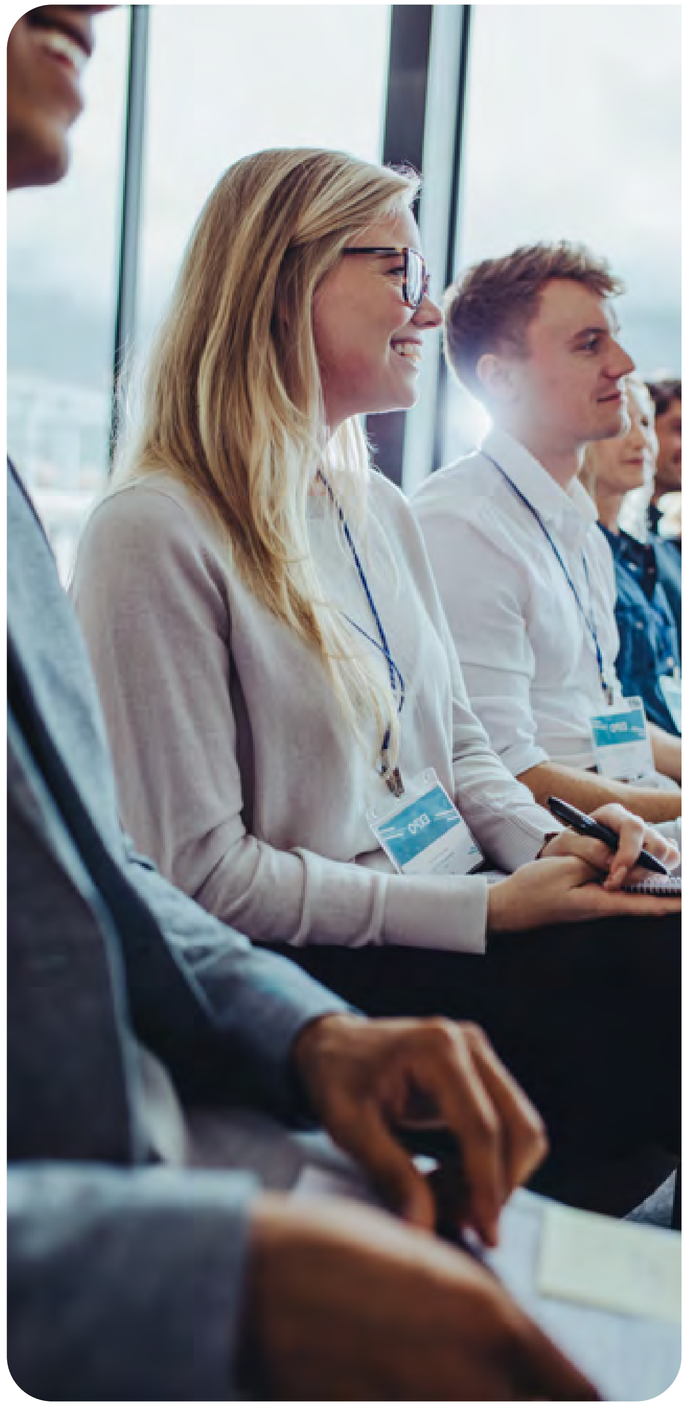
- Phase 1 – 2020: At least three people of the underrepresented gender among the members of the Management Body, representing at least 5% of the total number of Management Body members.
- Phase 2 – 2024: At least five people of the underrepresented gender among the members of the Management Body, representing at least 10% of the total number of Management Body members (excluding Staff Representatives at Board of Directors level).
- Phase 3 – 2028: At least 30% of the underrepresented gender among the combined Executive Committee and Board of Directors.

Gender representation per job class (Luxembourg)

Gender (%)	Staff	1st Mngt Level	Senior exe	Top Mgmt	Total
Women	61	35	26	19	47
Men	39	65	74	81	53

Base: Headcounts - active employees at 31/12/2022 -
Luxembourg headquarters + branches + natio nal subsidiairies





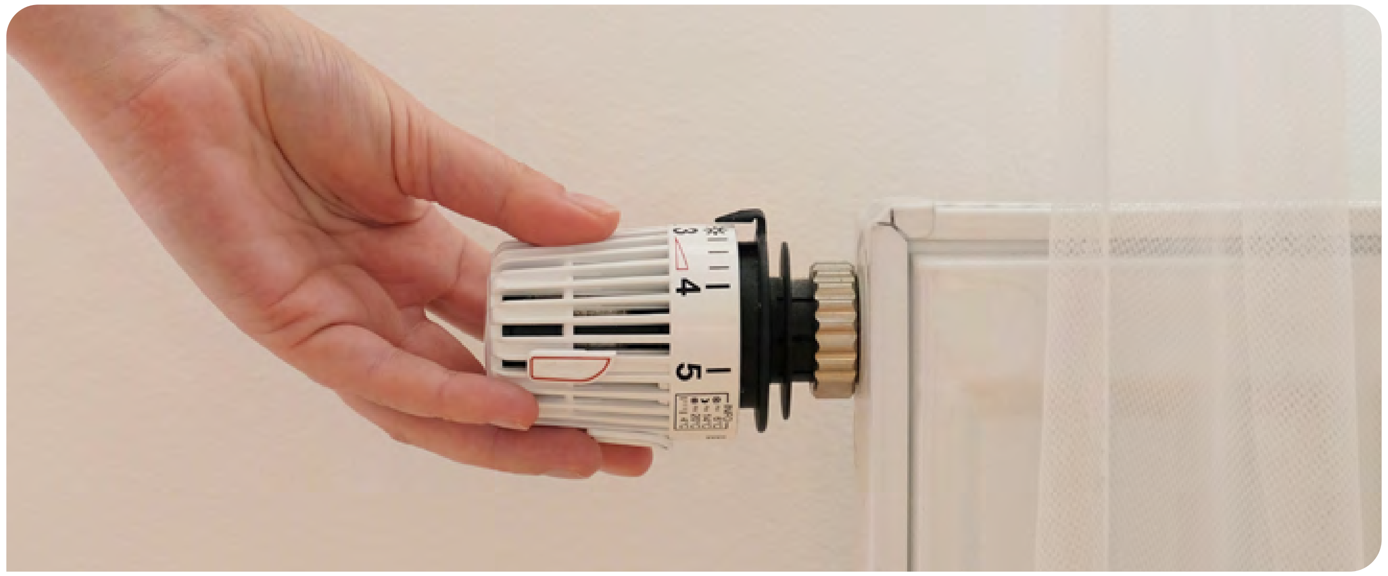
2023 AMBITION

In 2023, BIL will continue to focus on training, dialogue and health and well-being initiatives to continuously improve its employee value proposition. In training, the focus will be on talent through a new talent development programme, as well as equipping managers with tools to do their jobs to the best of their ability. The launch of focus groups will also allow for quality and more individualised exchanges. With the change of the bank's core banking system, an extensive change training programme will be launched to ensure that employees have the necessary skills and competencies to function in their new environment. The Diversity Action Plan will continue to be rolled out with a focus on unconscious bias awareness and the review of HR processes. Finally, as in 2022, health and well-being actions will be launched throughout the year.

In 2022, BIL established a Responsible Employer Policy disclosing the bank's commitments to establish a workplace that allows everyone to participate in achieving its strategic and sustainable goals with a true sense of belonging.

08. BIL, positive impact

8.1
Environmental impact



8.1.1 Energy management

Energy management is a matter of growing importance to BIL. We are gradually adding the different entities to gain a more rounded view of the issue. In 2022, for example, we included branches in our monitoring of energy consumption.

Natural gas and fuel account for a significant percentage of the energy used.

			2021	2022
Stationary combustion, Natural gas	Data on the headquarters building and branches	kWh	5,204,302	4,108,890
Stationary Combustion, Heating oil 1 (households and buildings)		kWh	512,150	-
Stationary Combustion, Heating oil 2-5/6 (industry and power plants)	Emergency power supply (power failure) + monthly mandatory tests	kWh	62,040	80,652
Electricity consumption	Renewable Electricity 100% (EcoMix + Hydroelectrical)	kWh	8,203,046	8,337,846
Energy performance ratio				5912 kWh/UDD

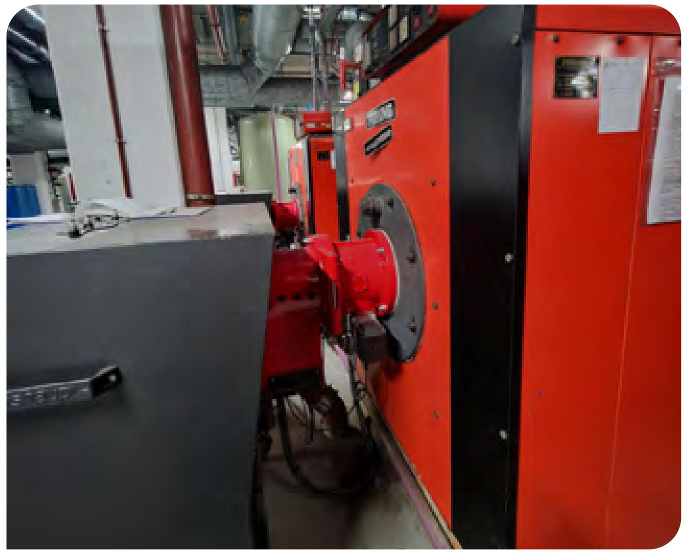
Luxembourg headquarters + branches

To reduce the use of gas and its impact, several special measures were taken in 2022, including **lowering the temperature** in offices by **1°** to 20°. In doing so, BIL showed its commitment to and support for the government's national strategy to reduce energy demand.

Other measures are more specifically aimed at gradually improving the energy efficiency of our facilities

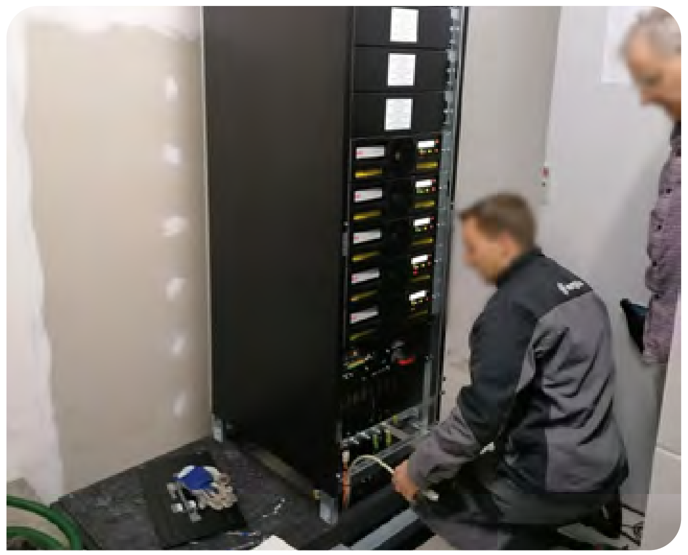
BIL also changed the heating curves to take into account outdoor conditions when distributing heat, to optimise thermal energy consumption.

BIL has been using renewable energy exclusively since 2004. That said, electricity is a big cost and action is being taken to reduce its use.



In 2022, this resulted in a change of burners in the five head office boiler rooms

Replacement of electrical transformers



UPS System Replacement

The purpose of the Unified Degree Day (UDD) is to weigh our energy consumption according to the severity of the climate and to compare energy consumption objectively over several years.
The "KWh /UDD" makes it possible to bring heating consumption back to a standard, characterised by the UDD, thus helping in eliminating the strong variations in the climate.

2022 REDUCTION ACTIONS AND THEIR ESTIMATED IMPACTS (MODEL BASELIN: 2019, YEAR WITHOUT COVID-19)

		Estimated impact (kWh)
Reduction of energy consumption by changing temperature settings : lowering the "warm" room temperature set point by 1°C (20°C) in the offices	Assumptions (gas consumption)	142,945
Replacement of electrical transformers: Reduction of energy costs and improved efficiency	Assumptions (electricity consumption)	141,912
UPS System replacement: Reduced energy costs and improved efficiency	Assumptions (electricity consumption)	63,600
Reprogramming of the operating hours of the outdoor lighting partial shutdown between 10pm-6am	Assumptions (electricity consumption)	57,556
Deactivation of old light fittings in the corridors (269 pcs)	Assumptions (electricity consumption)	30,583
Exchange of light fittings in the building's interior staircases (individually controlled via motion detectors)	Assumptions (electricity consumption)	30,795
Programming the switch-off times for the lighting of branch signs 22:00-06:00	Assumptions (electricity consumption)	12,965
Replacement of the burners on the 5 boilers of the PLM headquarters building: Reduced energy costs and improved efficiency		No value

Luxembourg headquarters + branches

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

8.1.2 Water management

WATER CONSUMPTION		2021	2022
Total water withdrawal	m^3	21,658	21,800

The City of Luxembourg provides the bank with clean water, of which an average of 60% comes from the City's own springs in Muhlenbach, Septfontaines, Pulvermuhl, Grunewald, Kopstal and Birelergrund. 40% of the drinking water supply is covered by surface water from the Lac de la Haute Sûre. Before being discharged into watercourses, the city's wastewater is collected in the sewage system and taken to a wastewater treatment plant (Beggen) then discharged into the Alzette river. Before this step, any wastewater collected in the car parks is sent to a hydrocarbon separator before being discharged into the municipal network, in accordance with the regulations.

Quarterly analyses are carried out to check that the installations have not been altered and, if necessary, to take the necessary corrective measures on the sanitary networks (domestic hot water, cooking water) in order to ensure that the drinking water supply networks are in a good state of hygiene (potability of the water, presence of germs, legionella and bacteria), as well as the monitoring of run-off water from the cooling towers (prevention of the proliferation of legionella).

At BIL, the facilities use water in the cooling towers, maintenance activities and in the daily running of the facilities (cleaning, kitchen production, sanitary water). These actions are carried out in compliance with the instructions given by BIL regarding the good management of water consumption.

> The World Resource Institute lists Luxembourg as a country with medium-high baseline water stress.

Action taken in 2022:

BIL has chosen to limit the use of water by:

- Stopping the watering of the bank's garden, the "Heintz Park", in the summer and turning off the water fountain
- Equipping toilets with dual flush systems
- Replacing kitchen machines and equipment with more energy-efficient alternatives
- Replacing the watering system in the Independence Garden and on the executive terraces with monitoring

The quality of wastewater discharge systems must comply with the minimum standards of national and/or local governments. As a basic principle, BIL complies with all wastewater discharge regulations that apply to its different sites. If a departure from these regulations is found, BIL takes immediate action in cooperation with the relevant authorities.

The World Resource Institute lists Luxembourg as a country with medium-high baseline water stress. The data on the water withdrawal of the installations are communicated by the meters on our facilities (official meters connected to the communal network, and/or sub-meters inside our buildings).

Water storage has no significant impact on the premises of BIL entities in Luxembourg. Water disposal is limited to the office facilities in Luxembourg. Discharge is to municipal infrastructure through intermediaries such as local water utilities. Furthermore, the Luxembourg municipal water utility does not distinguish between water withdrawal and water discharge in terms of volumes. The only distinction made is in terms of price, which is calculated according to the quantity of water withdrawn.

A BIL SUISSE BEST PRACTICE AND STORY

As part of the BIL Suisse office move to new premises in Zurich, we incorporated a number of sustainable elements, including reusable water bottles by FILL ME AG, to encourage use of Zurich tap water with reusable glass bottles. These are for use by employees and in client reception rooms.

FILL ME AG is a young start-up company with offices in Switzerland, Liechtenstein and Germany, founded at the end of 2019. The FILL ME bottle is a Swiss invention. It is the world's only swing top drinking bottle made of borosilicate glass, and is therefore perfect for hot and cold drinks, at home or on the go. The FILL ME bottle not only promotes the consumption of Swiss tap water, but it also supports people who do not have access to clean drinking water; with the purchase of each FILL ME bottle, CHF 1 is donated to DRINK & DONATE, a non-profit association engaged in water accessibility.

8.1.3 Waste management

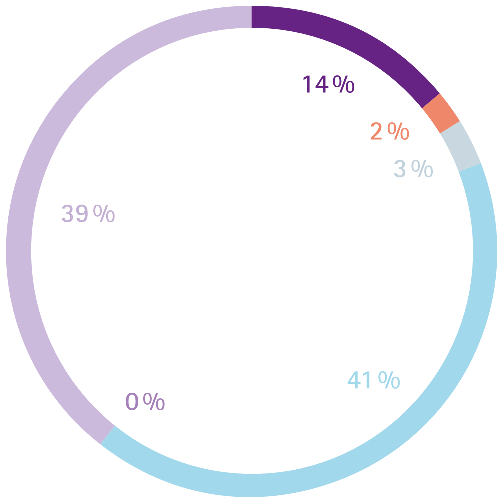
The bank has different waste fractions related to its logistical operations and banking processes. Almost all of this waste is generated by the bank's IT processes and logistics needs. BIL is assisted and monitored by two companies in the management of its waste:

- First of all, SuperDreckskëscht controls and validates compliance with the defined sorting. It assigns an "SDK Label", which is renewable every two years.
- Secondly, the company Lamesch takes back almost all of our different waste fractions to revalue/dispose of them, in accordance with the existing legislation.

Lamesch's annual waste collection reports specify what they do with each fraction (recovery/incineration), and whether this is done by themselves or by a third company. The few fractions collected by companies other than Lamesch work on the same principle as Lamesch.

We have made our various suppliers aware of the importance of using less packaging. For example, the main supplier of our company restaurant has switched to returnable transport boxes for product deliveries. We also have eliminated the use of single-use plastic consumables

Waste categories



- Organic kitchen waste and cooking oil
- PET, metal packaging (e.g. cans), plastic film, yoghurt cups from the waste garbage cans used by the employees and those of the Restaurant
- Bottles & glasses
- Incinerated residual waste
- Normal and halogen bulbs
- Paper printed on our printers, newspapers, banner brochures and packaging cardboard

		2022 Weight (tons)	2022%
ORGANIC	recycled and then reused in other forms	27.27	14%
PLASTIC	recycled and then reused in other forms	4.56	2%
GLASS	recycled and then reused in other forms	6.72	3%
NON RENEWABLE	incinerated	80.79	41%
NORMAL AND HALOGEN BULBS	partially recycled and the rest destroyed	0.087	0%
PAPER AND CARDBOARD	recycled and then reused in other forms	76.21	39%
		195.64	
TONERS	recycled and then reused in other forms	1490 units	

Luxembourg headquarters + branches

Waste management awareness sessions were arranged for staff in 2022, and will be again in 2023.

2023 AMBITION

For 2023, BIL is planning to tackle paper from end-to-end (procurement, use, recycling, offsetting).
In preparation for the CSRD, we will also include a full view of our scope, incorporating our international subsidiaries in the calculation of this waste.
Eventually, BIL will also tackle organic waste in its canteens and management restaurant.

8.1.4 Operational carbon footprint

To find out the impact of its business in terms of emissions, BIL calculated its carbon footprint for the first time in 2022. This covered both financed emissions and operating emissions. For the latter, BIL initially focused on a more limited perimeter, starting with its head office in Luxembourg. This gave it an idea of the biggest site by area and number of staff, and helped it become more adept before looking wider afield.

BIL received outside help during this process, following the principles of the GHG Protocol and Corporate Value Chain (scope 3) Accounting and Reporting Standard.

For the year 2021		
SCOPE 1	**tCO_2e**	**995**
Gas consumption		732
Heating oil		171
Vehicles		32
Refrigerants		61
SCOPE 2	**tCO_2e**	**-**
Electricity consumption (market based method)		-
Electricity consumption (location based method)		911
SCOPE 3	**tCO_2e**	**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

Scope 1 mostly covers direct emissions from heating the BIL building. Vehicle fuel and gas leaks from cooling systems are considered.

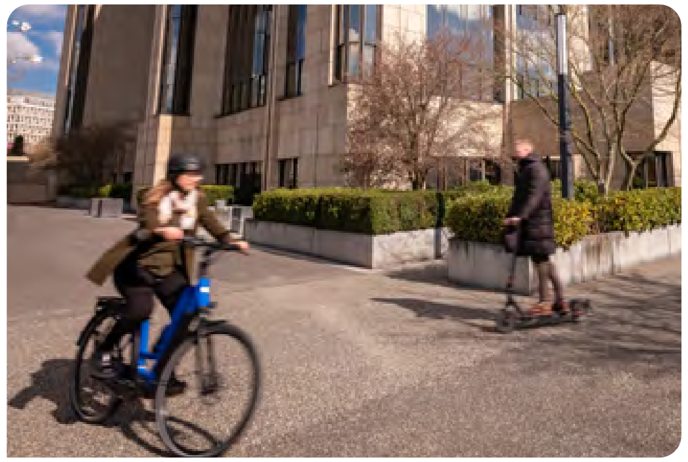
Scope 2 covers emissions linked to electricity use at BIL head office. BIL has certification that the electricity it uses is produced sustainably.

Scope 3 covers indirect emissions, most notably from commutes and business travel. It also considers all products bought such as office supplies, IT equipment, canteen purchases, paper, etc. Then there are the indirect emissions resulting from deliveries to clients, waste, and power generation (gas, oil, electricity).

2023 AMBITION

In 2023, BIL is planning to include the whole of its perimeter in the calculation of its operational carbon footprint (including branches and subsidiaries).

With a view to reducing its emissions, BIL will then implement an action plan in collaboration with an outside expert.



8.1.5. Commuting

As far as the mobility of our employees is concerned, 24% of employees at our BIL headquarters use public transportation to get to work, while 58% of employees travel using their own vehicles. With the aim of reducing carbon footprint and promoting a healthier lifestyle for our employees, BIL introduced MaaS, "Mobility as a Service", a mobility package with a combination of complementary initiatives.

CO_2 cap on company vehicles

Since the introduction of a CO_2 cap in March 2021 for company cars, CO_2 emissions have dropped drastically. The average CO_2 emissions of total orders in 2022 was 42g CO_2/km. Indeed, most of the newly ordered cars are now hybrid or electric cars (81% in 2022). In parallel, BIL increased the number of electric chargers at BIL headquarters for electric vehicles driven by our employees.

EMISSIONS OF THE NEW LEASED CAR ORDERS 2022

		2020	2021	2022
The average CO_2 emission of the total orders	gCO_2/km	116	63	42

True Mobility Allowance

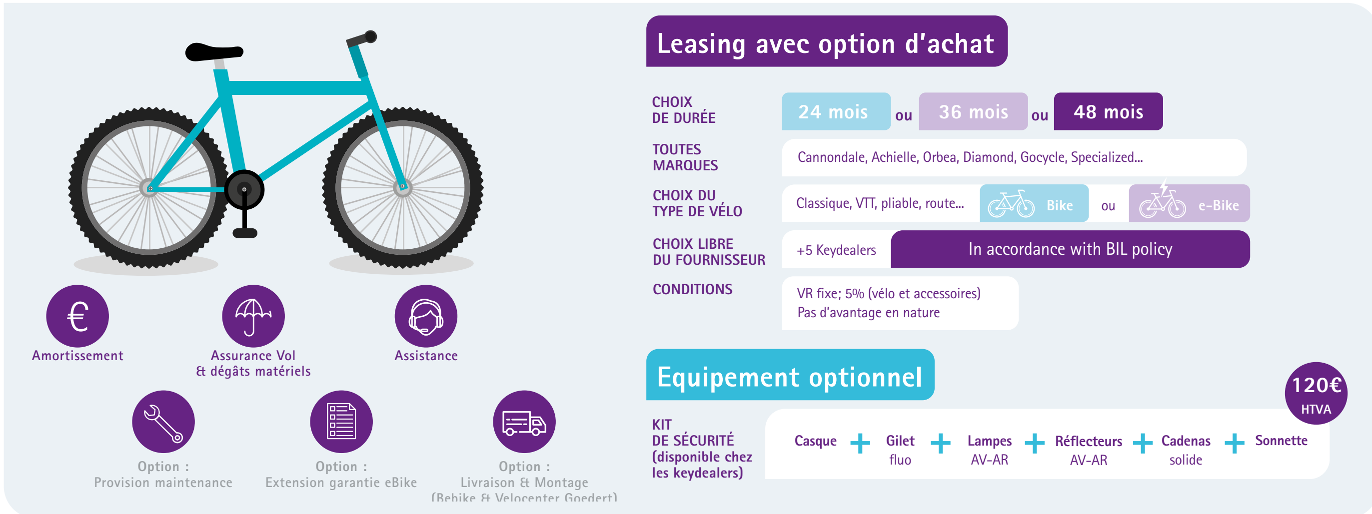
The bank holds an annual group-wide team competition called "BIL Challenge", whereby employees can participate by suggesting innovative ideas for one of three categories: BIL's clients, BIL as an organisation or ESG. BIL received the highest number of ideas in the ESG category, out of which the idea of "Turn car allowance into a True Mobility Allowance" was deemed the winner. The idea was taken forward and a True Mobility Allowance was generated to replace the old Fuel Card. This allowance enables eligible employees to use the transformed fuel card to purchase soft mobility equipment (such as bicycles, electric scooters, and even electric chargers for electric vehicles). This not only made commuting to work easier but also efficient and cleaner.

Dynamic Parking Management App

BIL launched the Fairpark application in 2021, a parking management smartphone app enabling employees to reserve a parking spot at BIL headquarters. From 2022, priority access is given to employees who carpool with groups of three people.

Bicycle hire

To encourage employees to maintain their health and well-being, while also being conscious of their carbon footprint, a bicycle hire service was launched in partnership with two suppliers, KBC Autolease and ALD Automotive. Employees are given flexible hire options, ranging from 24 months, 36 months to 48 months, and can opt for safety equipment and assistance. Designated spaces have been provided for parking. Showers and locker rooms are available at the headquarters for employee use.



Some other relevant initiatives include a Teleworking Policy that provides up to 45 days of teleworking per year.

8.2
Social impact

8.2.1 Community investments and donations

As part of its sustainable development strategy, BIL uses some of its CSR and sponsorship budgets to support different local charities. BIL sponsors numerous Luxembourg initiatives ranging from sports, music and singing clubs to trade bodies and cultural events.

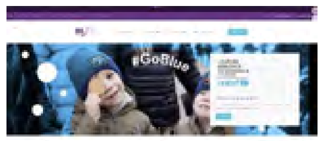
HEALTH

Throughout the year, BIL provides physical and/or financial support for health initiatives organised by local charities.

BIL took part in Relais pour la Vie on 26 and 27 March, organised by the Luxembourg Cancer Foundation. BIL volunteers took turns to run on site, or elsewhere, all weekend long in support of cancer research.

BIL also set up a face painting stand, funds from which were donated to the Cancer Foundation.

From 28 March to 3 April, the bank's head office was lit up in blue to support the Luxembourg Autism Foundation.



Attendance at Welt Kanner Dag 2022. For the occasion, BIL's social media supported the GoBlue initiative by lighting up its social media in blue.

Participation in Lëtz Go Gold, a charity race organised by the Luxembourg charity Kriibskrank Kanner.

In December 2022, BIL organised a Journée des Associations for 10 charities, during which staff could meet charities to learn more about their work. In the evening, BIL made a donation of EUR 50,000 divided between the 10 Luxembourg charities:

Fondation Cancer – Fondation Kriibskrank Kanner – Fondation Autisme Luxembourg – Télévie – ALAN Maladie rares Luxembourg – ELA Luxembourg – Médecins du Monde Luxembourg - Île aux Clowns – La Main tendue – Chiens guides d'aveugles

With its CSR budget, BIL backs local charities, focusing mainly on three categories:

EDUCATION:

Participation in Woch vun de Suen – an event set up by the ABBL Foundation to educate pupils about money matters and more specifically budget management.

Sponsorship for the Mini-enterprise project and coaching as part of the Diplom+ programme, organised by Jonk Entrepreneuren Luxembourg.

BIL spent a morning welcoming students from Lycée Michel Rodange to give them an insight into BIL and its various lines of business.

In December, BIL hosted alumni of Jonk Entrepreneuren who had organised a round table on sustainable finance during the year.

ecg luxembourg
école de commerce et de gestion
school of business and management

In April, BIL helped ECG students as part of a sustainable development competition.

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.

360 jars containing 125 gm of honey were collected from the hives on BIL land. With a view to donating the proceeds, BIL sold this honey in its canteen during December. EUR 1,500 was collected from the sale, which BIL doubled to donate EUR 3,000 to the Hëllef fir d'Natur Foundation, which helps protect the environment and local biodiversity.

DONATION:

Donation of toys to the Arc-en-ciel charity

Donation to a special library of children's books in Ukrainian.

Donation of several sofas in very good condition to charities in need.

In-house collection for Stëmm vun der Strooss.

Donation to the "Confédération nationale de danse".

8.2.2. Creating ESG awareness: Sustainability Days

With a view to keeping employees up-to-date with sustainable development issues, BIL ran a programme throughout 2022 including a series of events such as conferences, workshops, visits, quizzes and special menus in the staff canteen.

One month – One theme

BIL concentrated on various sustainable development themes in 2022, both social and environmental. At a social level, employees were taught about gender equality as part of work described in the diversity section. Staff could also take part in well-being activities, including free sports sessions at BIL.

One of BIL's sustainability goals is to have a positive impact on the local community. With this in mind, the bank invited several local producers to present and sell their goods at workshops in Tricentenaire and Ramborn, amongst others.

At an environmental level, employees learned about the impact of digital pollution, green mobility, and the importance of recycling with numerous visits to the BIL sorting centre.

Posters showing the carbon footprint of each meal helped raise awareness in the canteen.

Other educational measures were taken, including a visit to the MuD (Museum of Waste) and organisation of a temporary exhibition showing the impact of single-use plastic on the environment.

Reducing a carbon footprint first of all requires calculating it to plan a course of action. This is why two initial carbon footprint calculation sessions were arranged in Q4 2022, with the MyCo2 app. The first was for BIL employees and the second for its executive committee.

2023 AMBITION

The aim for 2023 is to increase the visibility of sustainable development action across all departments. This means raising awareness not just of CSR issues but also of 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.

09. BIL Disclosures relative to the Delegated Act on Article 8

disclosures under Taxonomy Regulation

Article 8 of the Taxonomy Regulation requires undertakings covered by the Non-Financial Reporting Directive ("NFRD") to publish information on how and to what extent their activities are associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation. The required information is as follows:

			Taxonomy eligible	Taxonomy non-eligible	% coverage (over total assets)
Article 10	2(a)	TOTAL ASSETS	5,271,050,311	27,144,602,514	83.7%
		of which trading portfolio and on demand inter-bank loans in total assets	0	441,721,968	1.4%
	2(b)	Total exposure to central governments, central banks and supranational issuers		4,156,957,180	12.8%
		Total exposure to derivatives		840,231,612	2.6%
		Total exposure to non-NFRD companies		14,691,447,016	45.3%
Article 10	2(d)	ANNEX XI DISCLOSURES			
		Contextual information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitation	The figures are based on the FINREP report as of Q4 2022. Eligibility was defined by mapping the NACE code of the different assets to the source [EU taxonomy NACE alternate classification mapping.](#) The Non-NFRD companies were defined by excluding all counterparties complying with the NFRD definition based on our internal segmentation.		
		Description of compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties	A detailed description of the integration of ESG aspects in the main bank processes could be viewed in our publicly accessible policy ["ESG integration framework"](#). Please also refer to section 6. "BIL, a key transition facilitator through its product and service offering" of this report to understand how BIL is gradually integrating ESG factors into investment and lending practices.		
		Additional or complementary information in support of the financial undertaking's strategies and the weight of the financing of Taxonomy-aligned economic activities in their overall activity.	Environmental, Social and Governance (ESG) elements have been considered as a matter of growing importance in the banking world. BIL has been working on a concrete ESG roadmap for two years now to support the financial undertaking's strategies and the weight of the financing of Taxonomy-aligned economic activities in their overall activity. In this context, in order to set up a robust risk framework to help with strategy development, several risk analyses and new approaches/methodologies regarding the enhancement of the ESG Risk framework are ongoing. These include, in particular: • Credit Risk: (i) An ESG scorecard has been designed. This methodology describes the framework under which Credit Risk Management assesses the ESG risks of a borrower and a transaction. The objective of the ESG assessment is to capture all ESG considerations that have a material impact on credit quality and can affect the bank's credit decisions. (ii) The Risk Appetite Framework has been reviewed through the Sector Materiality Score assigned according the SASB (Sustainability Accounting Standards Board) Materiality Map. SASB is a market recognised standard for ESG assessment (www.sasb.org). The SASB Materiality Map identifies likely material sustainability issues on an industry-by-industry basis (including the real estate sector). The map serves as a snapshot of likely material sustainability issues, which covers the transition and physical risks. • In term of the Stress Testing framework, the following approaches are currently under development: (i) Enterprise Risk Management (ERM) and Credit Data Science team (IFRS 9 modelling) have started to work on the Moody's scenarios regarding ESG for the stressed projections of the ECL and RWA. The physical and transition impacts on the economy of temperature change are determined using a model of the global economy. The scenarios are consistent with Orderly, Disorderly, and Hot House World scenarios by the Network of Central Banks and Supervisors for Greening the Financial System. (ii) ERM and the Market and Liquidity Risk Management (MLRM) teams have started to work on the Market Risk impacts regarding several ESG scenarios provided by the different regulators/supervisors (ACPR, ECB, EIOPA, etc.). (iii) Regarding Liquidity Risk and capitalising on the deployment of the SASB classifications (please refer to the previous point) ERM and MLRM have started to work on designing the Liquidity Risk Stress Tests based on the principle given by the Italian banking regulator (Banca d'Italia) that could be summarised as follows: "In some cases, several counterparties will need to incur expenses to finance their transitions, meaning they will certainly withdraw their deposits to invest in the necessary transition projects, resulting in an increase of outflows for the bank."		

10. Report's methodology

10.1
Report's methodology

BIL carried out its first materiality assessment in 2021 to identify and prioritise topics that would be material and relevant for the bank and its stakeholders.

The assessment was aimed at identifying material topics that stakeholders of BIL considered important and committing to tackling these issues in the near future. Categorised under Environmental, Social, and Governance and Economic, these issues were compiled on the basis of in-depth research into current market trends and demands.

This helped us to define action plans for each material issue, which were measured and monitored using non-financial performance indicators.

10.2
Materiality assessment of sustainability impacts, risks and opportunities

The materiality assessment was revisited in 2022 with major improvements made to abide with the 2021 GRI standards and incorporate UNPRB guidelines.

10.2.1 Assessment process

Identification of relevant topics

The topics for the materiality assessment were identified with the help of sustainable development standards, such as the GRI Standards, Principles of Responsible Banking, the Sustainable Development goals, the SASB materiality matrix specific to the financial sector, the Task Force on Climate-Related Financial Disclosures, and comparative analysis of reports by other actors. This broad area of research resulted in the identification of 38 material topics. These topics not only followed the guidelines set by regulatory bodies but were also a large part of BIL's four pillars – Sustainable Governance & Strategy, Sustainable Products and Services, Responsible Employer, and Positive Impact.

Rating the relevance and impact of material topics

A variety of modes of communication were used to engage with our stakeholders in order to identify the relevance and impact of the topics. An online survey was conducted covering environmental, social, governance and economic subjects This survey was distributed through BILnet, the bank's mobile and desktop application, to BIL's corporate clients, retail clients, employees, and the management. Interviews were conducted to engage with professional clients and regulators. Surveys contained questions on how BIL should prioritise and approach environmental, social, and economic challenges. Moreover, the aim was to gain opinions on which range of products and services the bank should develop further, keeping in mind ESG factors. The survey also contained open-ended questions to ensure a free dialogue from our stakeholders. BIL's corporate views were represented through a series of one-to-one interviews with questions on environmental, social, and governance-related topics, which highlighted the impact level and significance of activities. Finally, external stakeholders such as rating agencies, trade unions, suppliers, audit firms and sustainability experts were also consulted.

Determination of material topics

The online surveys were answered by a total of 3,706 respondents, out of which 3,089 were BIL clients, 581 were the bank's employees and the rest belonged to the BIL corporate client and management circle. The results of the survey were weighted based on a methodology pre-defined by the Sustainability team. The analysis contributed to the creation of a final list of 18 material topics. While all topics identified by our stakeholders are important, these 18 material topics defined the key matters that the stakeholders and the bank found more material and prioritised over other issues.

GRI 2-29

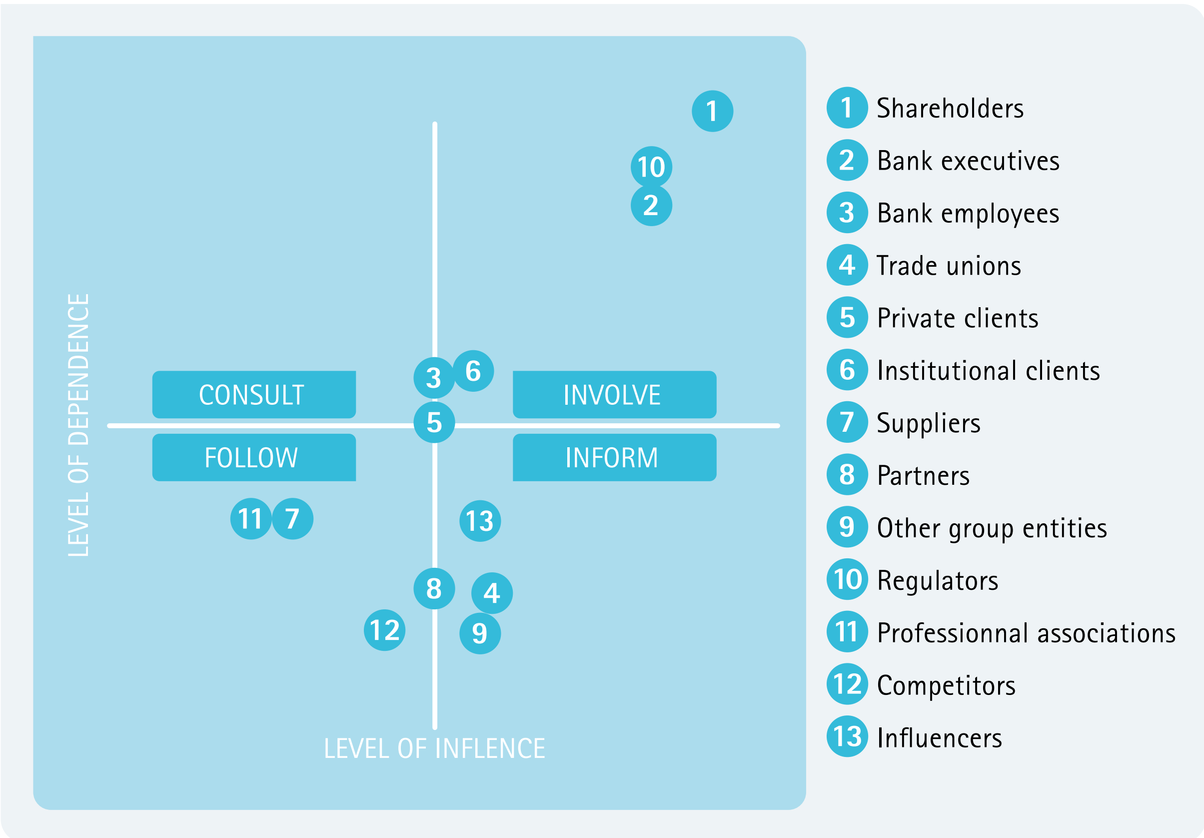
10.2.2 Stakeholder identification and engagement

Stakeholders are an important part of BIL. These stakeholders are defined as any individual or group of individuals having a direct or indirect impact on the bank's activities or who, through their actions, can influence the organisation's ability to achieve its objectives. Regular dialogue, engagement and consultation with stakeholders ensures that they are heard and their enquiries and points of view are included to improve the operations of the bank.

Category of stakeholders

Stakeholders were identified and selected by understanding the level of dependence and influence. Furthermore, criteria such as risk of conflict, strength of relationship, the maturity level of CSR and the ability to be engaged were also considered. Based on this research, a matrix was created to rank the identified stakeholders.

Mapping of stakeholders of BIL



How we ensure meaningful engagement

At BIL, we ensure that there is two-way communication between us and our stakeholders. Surveys are designed with open-ended questions to ensure that respondents are able to effectively communicate their opinions. Our stakeholder engagement process takes into account potential barriers that stakeholders might face during communication. Thus, we take into account cultural differences and ensure that we communicate in multiple languages – English, French, German and Luxembourgish.

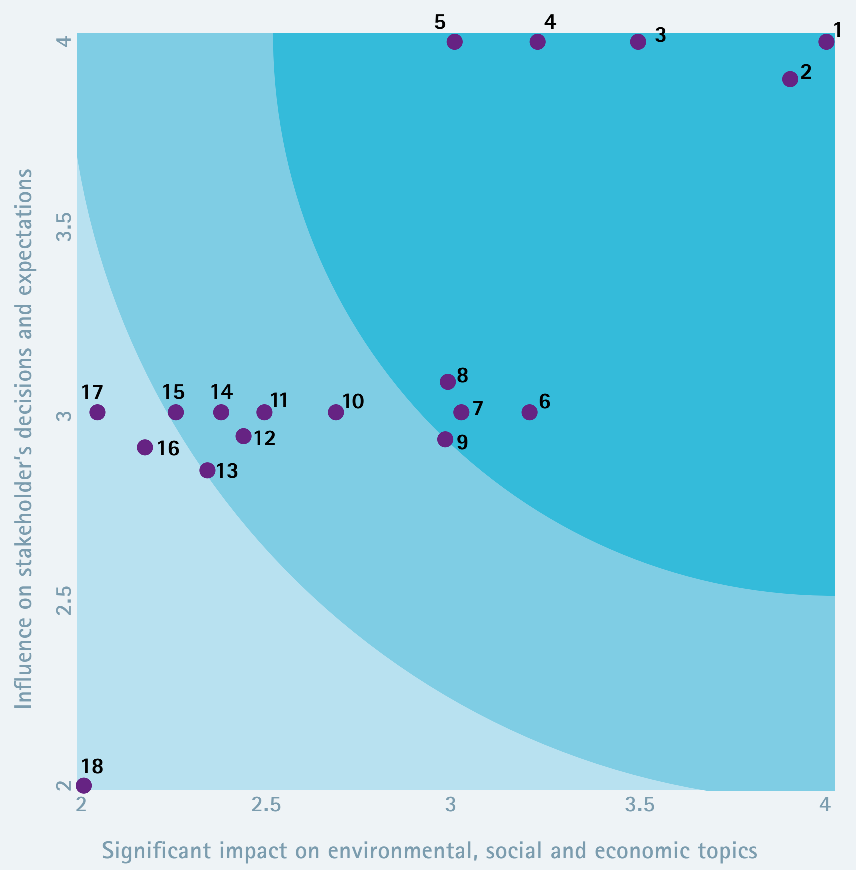
Stakeholder feedback is regularly integrated into decision-making at BIL. An ILRES survey is distributed to individuals and corporates clients annually to understand their level of satisfaction with the products, services and operations of the bank. Similarly, an e-NPS survey for BIL employees is circulated to understand their expectations and opinions. The results are discussed internally, and decisions are implemented to integrate meaningful feedback.

As a bank, it is very important for us to ensure the data protection and privacy of all our stakeholders and thus, we follow the General Data Protection Regulation (GDPR) to ensure right to privacy.

Stakeholders	Objectives of engagement				Mode of engagement	
Shareholders	Follow	Inform	Consult	Involve	• Questionnaire • Non-financial report	• Reported indicators • Maintenance
Management and Board of Directors	Follow	Inform	Consult	Involve	• Interviews • Survey ratings	• Executive Committee: ESG topic Bi-monthly
Employees	Follow	Inform	Consult	Involve	• Employee survey – eNPS • Non-financial report	• Colibri – BIL intranet
Professional clients	Follow	Inform	Consult	Involve	• Satisfaction survey every two years • RM survey, client interviews via RM, client survey via email • Client sample	
Special clients	Follow	Inform	Consult	Involve	• BILnet	• Surveys
Regulators	Follow	Inform	Consult	Involve	• Regular dialogues	
Media	Follow	Inform	Consult	Involve	• Integration of the expectations of credit rating agencies in the preliminary analysis of the 69 objectives	
Peers/Competitors	Follow	Inform	Consult	Involve	• Integration of the benchmark themes in the preliminary analysis of the 69 themes	

10.2.3 Materiality matrix

Mapping of stakeholders of BIL



1. Responsible products and services offering
2. Health & well-being
3. Economic sustainability
4. Business ethics
5. Diversity
6. Dialogue, Engagement & Consultation
7. Supporting entrepreneurship & sustainable innovation
8. Access to financial services
9. Promoting education
10. Clean impact financing
11. Reduce consumption & carbon footprint
12. Being paperless
13. Support to local financing
14. Fighting over indebtedness (education)
15. Data protection, security & ethical use of personal data
16. Responsible purchasing practices
17. Transparency and communication
18. Art and culture

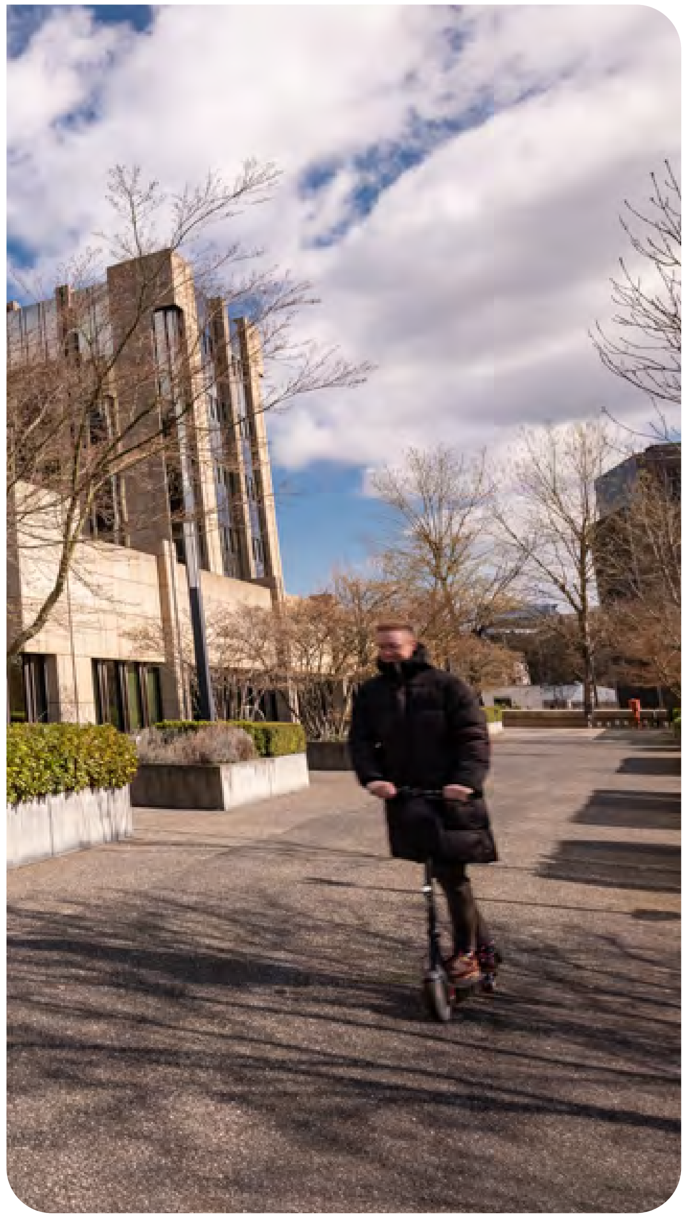
Results

The Materiality Matrix plots activities that BIL and its stakeholders find material and relevant as per the current market and economic trends. The x-axis represents the evaluation of the activity's impact on economic, social, and environmental themes, while the y-axis indicates the assessment of the importance of the themes for BIL's stakeholders. The colour scheme creates a distinction between the importance of the material topics, with the right-most quadrant being critical, the middle quadrant being major and the left-most quadrant being important.

The plotted activities on the Materiality Matrix highlighted key activities under economic, social, and environmental subjects that were of the utmost importance to our stakeholders. Offering responsible products and services to our clients is one of the most important material issues, followed by the health and well-being of our clients and employees. While the 2021 Materiality Matrix identified "Being paperless" as a critical topic, we have moved towards making most of our operations paperless and give our clients the opportunity to sign up for secure online communications, thus achieving a substantial part of our commitment. In place of "Being paperless", we have prioritised Economic Sustainability. Business Ethics and Diversity have been split this year to ensure that both issues are given adequate priority and attention. Social topics such as support to entrepreneurship and sustainable innovation, access to financial services and promoting education have been given critical importance as BIL and its stakeholders feel that such topics will help the bank to achieve it social commitments. Environmentally, BIL has strong motivations to reduce its consumption of water, waste and other resources. Furthermore, reducing its carbon footprint by having green IT, infrastructure and business holds materiality in the eyes of the bank and the stakeholders. To achieve its governance commitments, the bank and its stakeholders value data privacy, security, and transparency.

The Materiality Matrix and its process were discussed with the Management and the Board of Directors in order to define commitments and targets for subsequent years.

The 2023 Materiality assessment will be conducted, keeping in mind previous material issues and identification of new material topics along with the integration of reflections of the upcoming Corporate Sustainability Reporting Directive (CSRD).



11. Appendices

11.1
UNEP FI Principles for Responsible Banking reporting

Banque Internationale à Luxembourg signed the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB) in September 2021. In accordance with the PRB's four-year implementation journey, this first UNEP FI PRB report provides BIL' stakeholders our self-assessment and commitment towards the 6 Principles in line with the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

Requirements	Bank's response and self-assessment	Reporting reference
Principle 1	**Alignment**	

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Requirements	Bank's response and self-assessment	Reporting reference
Business model	Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.	
	BIL is a universal bank that offers a full range of services in Luxembourg, its domestic market, to private individuals, companies, financial institutions, and public bodies. The Group has also dedicated wealth management offices in Switzerland and China as well as trading floors in Luxembourg and Zurich. In addition, BIL Group subsidiaries in Luxembourg offer specialised services: Belair House (family office), BIL Manage Invest (alternative fund management) and BIL Lease (leasing solutions). This local and international network enables it to distinguish itself by offering tailor-made and innovative financial services to more than 215,000 clients.	Refer to section "3. About BIL" p 14, BIL 2022 Sustainability report. Refer to our website bil.com the specific page "The bank" as well as the "investor presentation" for corporate data
Strategy alignment	**Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?** ☒ Yes ☐ No Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks. **Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?** ☐ UN Guiding Principles on Business and Human Rights ☐ International Labour Organization fundamental conventions ☒ UN Global Compact ☐ UN Declaration on the Rights of Indigenous Peoples ☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: ○ final draft implementing technical standards (ITS) on Pillar 3 disclosures on Environmental, Social and Governance (ESG) risks ○ European Banking Authority (EBA) Report on Environmental, Social and Governance (ESG) risks management and supervision ○ European Central Bank (ECB) guide on climate-related and environmental risks ☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: ○ final draft implementing technical standards (ITS) on Pillar 3 disclosures on Environmental, Social and Governance (ESG) risks ○ European Banking Authority (EBA) Report on Environmental, Social and Governance (ESG) risks management and supervision ○ European Central Bank (ECB) guide on climate-related and environmental risks ☐ None of the above	
	BIL's "Energise Create Together 2025" strategic plan, focuses on 5 key levers to become the best bank for entrepreneurs in Luxembourg. ESG aspects have been considered from a business perspective as well as risk perspective when establishing the strategy of the bank and are consistently integrated in each of the key strategic pillars. In June 2021, BIL's management bodies approved BIL's SustainaBILity Programme, which has been defined from its materiality analysis, as well as its stakeholder engagement plan, rolled out in April and May 2021, in accordance with the UNEP-FI Principles. BIL also applies European and international frameworks, such as the Global Reporting Initiative (applied since 2021), SASB, UN Global Compact and the Partnership of Carbon Accounting Financials (PCAF) methodology to calculate Financed GHG emissions. BIL is progressively integrating ESG considerations in all its activities. Furthermore, BIL's ESG Business Strategy is based on the ambition to become "a key transition facilitator" supporting the Bank's individual and corporate clients in their own transition journeys. As detailed in the section "BIL, a key transition facilitator through its products and services offering" of our non-financial report, we are progressively aligning our business strategy to be consistent with this ambition. The priorities we have fixed as a result of the materiality analysis support 9 of the 17 United Nations Sustainable Development Goals.	Refer to section "4.3 BIL's Sustainability Strategy" p 29, BIL 2022 Sustainability report Refer to section "6. Key Transition Facilitator" p 58, BIL 2022 Sustainability report Refer to "ESG Integration Framework" and "Sustainability Strategy"

Requirements	Bank's response and self-assessment	Reporting reference
Principle 2	**Impact and Target Setting**	

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly[4] and fulfil the following requirements/elements (a-d)[5]:

a) *Scope:* What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

With EUR 16.5 billion in loans and advances granted to its clients (+0.8% compared to 2021), BIL is a key player in financing the projects and initiatives of individuals, SMEs, large companies and institutions. In Luxembourg in particular, BIL accounts for 15% of real estate loans and 26% of investment loans (source: Ilres 2022).

Aware of the major role it has to play in redirecting capital flows towards sustainable projects, BIL has decided to position itself in the future as an expert in sustainable financing and as a facilitator in the energy transition of its clients.

Thus, when BIL initiated its impact analysis in 2022, it was only natural that it decided to start by covering the credit portfolio of the BIL Luxembourg entity, including leasing financing operated via the BIL Lease entity, on the basis of the outstanding amount indicator as of 31/03/2022, and this for all its clients: individuals, SMEs, large companies and institutions.

By choosing to focus on the four risk countries Germany, Belgium, France and Luxembourg, the coverage rate of the impact analysis is 91% (77% for Luxembourg alone), which demonstrates the relevance of the scope of the analysis.

In a second phase, it is planned to extend the scope to the credit portfolio of the BIL Switzerland entity.

In terms of product coverage, all financing products have been included: personal loans, credit lines, real estate loans, Lombard loans and investment loans for private, corporate and institutional clients.

See section "6.1 Sustainable financing solutions" p 60, BIL 2022 Sustainaibiliy report

b) *Portfolio composition:* Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

i) by sectors & industries[6] for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

As mentioned above, the coverage rate of the impact analysis is 91% (77% for the Luxembourg risk country alone)

For Individuals clients, mortgage loans represents by far the largest share of outstanding amount, i.e. 90% of the total loans covered by the impact analysis.

For corporate and institutional clients, the most exposed sectors are real estate and construction (35% and 20% respectively) and the financial sector (45%).

These results were obtained through the "Identification Module" of the "Impact Analysis Tool" made available by UNEP FI.

c) *Context:* What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?[7] Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

In order to identify the main challenges and priorities related to sustainable development in Luxembourg, BIL used the "Context Module" of the "Impact Analsys Tool" provided by UNEP FI.

For each country and impact area, the tool indicates a level of need on a scale of 1 to 4 (1 for a low level of need, 2 for a moderate level of need, 3 for a high level of need and 4 for a very high level of need).

As a result, BIL has identified:

- 3 impact areas with a very high level of need: Climate Stability, Resource Intensity and Waste
- 5 impact areas with a high level of need: Food, Housing, Healthcare & Sanitation, Mobility and Waterbodies.

[4] That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

[5] Further guidance can be found in the Interactive Guidance on impact analysis and target setting.

[6] 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

[7] Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2) ? Please disclose.

The positive and negative impact areas have been identified by combining the conclusions of :

- the scope: 77% of the amount outstanding is carried out in Luxembourg (and even 91% for the Individual and Corporate consumers)
- the 8 identified challenges specific to the most exposed countries, in this case Luxembourg
- the most significant impact areas of the products or sectors of activity with the largest exposures, respectively mortgage loans and the Real Estate, Construction and Financial sectors of activity

The most relevant and potential positive impact area associated with BIL's credit portfolio in Luxembourg is : Housing (Availability, accessibility, affordability & quality).

The most relevant and potential negative impact areas associated with BIL's credit portfolio in Luxembourg is : Climate stability, Resource intensity & Waste.

The most significant impact areas have not been prioritized at this stage to pursue our performance measurement and our target setting strategy. This choice is currently underway and will be made as well as the performance assessment phase during the year 2023 in accordance with the UNPRB 4-year implementation journey.

d) *For these* (min. two prioritized impact areas): *Performance measurement:* Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

As previously mentioned, BIL has not yet started the "Performance measurement" phase which is planned for 2023.

However, several initiatives have already been carried out in parallel in order to quantify the risks and impacts linked to our credit portfolio and will therefore be able to feed this second phase of the UNPRB impact analysis.

Indeed, we can mention the Global Risk Cartography exercise and the Credit Risk Appetite Framework which both integrated ESG aspects during the year 2022, the first climate stress-testing exercise conducted by the ECB in 2022 as well as the calculation of the carbon footprint of BIL's funded emissions, including the credit portfolio.

Some initiatives will be detailed in the section "5.3 Policies and due diligence processes" of this UNPRB report.

See section "6.1 Sustainable financing solutions" p 60, BIL 2022 Sustainaibiliy report

Self-assessment summary

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?[8]

Scope:	☒ Yes	☐ In progress	☐ No
Portfolio composition:	☒ Yes	☐ In progress	☐ No
Context:	☒ Yes	☐ In progress	☐ No
Performance measurement:	☐ Yes	☒ In progress	☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

The most potential impact areas are : Housing, Climate change, Resource intensity and Waste.

How recent is the data used for and disclosed in the impact analysis?

☐ Up to 6 months prior to publication

☐ Up to 12 months prior to publication

☒ Up to 18 months prior to publication (31/03/2022)

☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

[8] You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.1 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets[9] have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) _Alignment:_ which international, regional or national policy frameworks to align your bank's portfolio with[10] have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

As previously mentioned, BIL has not yet started the performance measurement phase which is planned for 2023: the definition of targets is therefore planned for 2023-2024 in accordance with the UNPRB's four-year implementation journey.

b) _Baseline:_ Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate Change mitigation	… … …	

Impact area	Indicator code	Response
Finantial health & inclusion	… … …	

In case you have identified other and/or additional indicators as relevant to determine

-

c) _SMART targets_ (incl. key performance indicators (KPIs)[11]): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which

-

d) _Action plan:_ which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

-

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your…

	… first area of most significant impact: … (please name it)	…second area of most significant impact: … (please name it)	(If you are setting targets in more impact areas) …your third (and subsequent) area(s) of impact: … (please name it)
Alignment	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No
Baseline	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No
SMART targets	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No
Action plan	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

-

[9] Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

[10] Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

[11] Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Requirements	Bank's response and self-assessment	Reporting reference
Principle 3	**Clients and Customers**	

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers[12] in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities[13]). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

As far as our engagement process with clients and customer is concerned, BIL conducts a Materiality Assessment every two years to identify material issues that influence our stakeholder's decisions and expectations and the degree of impact of BIL's activities on environmental, social and economic topics. This process engages different stakeholders of the bank and ensures sufficient dialogue amongst clients and customers as well. The engagement process will be detailed in the "Principle 4" section of this UNPRB report.

See section "10.2 Materiality assessment of sustainability impacts, risks and opportunities" p 127, BIL 2022 Sustainability report

The MiFID II ESG amendments mark another step forward by the EU towards operationalizing the European Green Deal. Indeed, since 2nd of August 2022, banks need to obtain information about clients' sustainability preferences and ensure they advise considering them. BIL created additional questions in order to collect client sustainability preferences and revised the suitability process including ESG information that permit clients to be advised considering the collected preferences. The degree to which customer preferences are taken into account will evolve over time as the market matures and the range of responsible products offered by the Bank expands.

See section "6.2 Green investments" p 65, BIL 2022 Sustainability report

The policies for sectors in which we have identified the highest (potential) negative impacts are the following :

- Sustainability Risk Policy : stating how sustainability risks are implemented in the bank's investment decision-making or advice.
- Principal Adverse Impact (PAI) Statement : disclosing the consideration of Principal Adverse Impacts of investment decisions and advice on sustainability factors.
- The Credit Risk Management (CRM) has developed a credit risk appetite by economic sector based on ESG factors along with the Sector Vulnerability Index (SVI). The Executive Committee sets in 2022 the credit strategy and defines proposals of the lending limits/credit risk appetite for each given sector taking into consideration SVI and ESG factors.

  This framework has been described in March 2022 in our internal procedure "Credit Risk Appetite Framework"

See section "6.1 Sustainable financing solutions" p 60, BIL 2022 Sustainability report and "8.4.1. Credit Risk Management" p 182, BIL 2021 Risk management report

As one of the biggest employers in the banking sector here in Luxembourg, BIL sees its role as an important contributor in raising the awareness.

See section "6.6 ESG marketing & awareness creation" p 76, BIL 2022 Sustainability report

BIL had trained 125 employees around 8 sessions dedicated to the ESG investment topics. 72 additional employees completed a one-hour ESG e-learning course on sustainable development, sustainable finance and Sustainable & Responsible Investment (SRI). 16 employees obtained the EFPA ESG Advisor certificate following a 24-hour course finalized by an examination.

In addition, through its blog, MyLIFE, in 2022 Bank published roughly 120 pieces of content, of which 7 articles were specifically focused on sustainability and ESG aspects. Furthermore, two special features have been dedicated to "Auto" and "Loans" addressing respectively electromobility and the responsible financing dimension.

In 2023 BIL is planning to put the emphasis on increasing knowledge on the ESG regulatory requirements and as the first phase to train the investment advisors. As far as lending is concerned, a special focus will be made on the energy transition, both for our advisors and for our customers.

3.1 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

[12] A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

[13] Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

	Green financing BIL currently has two products specifically dedicated to sustainable financing: Climate loans (loans subsidised by the Luxembourg government to promote energy renovations, currently under review) and photovoltaic loans (a dedicated product at a preferential rate focused on the financing of solar panel installations) : 44 projects were subscribed in 2022 for a total amount of €2,3 million. However, the majority of sustainable financing at BIL is currently done through more traditional financing products such as home loans and consumer loans for individuals or investment loans for corporate and institutional clients. Unfortunately, we do not yet have the necessary granularity of data to be able to identify them, such as the financing of energy renovation work. BIL is working to improve the quality of its non-financial data so that this can be addressed in the future. This work has already been initiated for the subject of electric mobility, which BIL supports via preferential conditions granted for hybrid or electric vehicles through the following two types of financing: consumer loans and leasing (respectively 119 and 318 contracts were subscribed in 2022 for a total amount of €3,8 million and €17,8 million). It's also important to mention that BIL is one of the main Luxembourg banks to participate in the state-guaranteed loan scheme set up by the law of 15 July 2022 in favor of the Luxembourg economy in the context of the war in Ukraine. At the end of December 31, 2021, the total amount of loans granted under the scheme by BIL is equivalent to EUR 4,9 million. BIL will continue to expand its sustainable finance offering in terms of product and service. Through its tailor-made financing solutions, BIL Corporate Finance has already put in place several Sustainability-Linked Loans, where a portion of the interest rate is linked to the borrower's ability to meet specific pre-defined sustainability targets. In 2022, two major financings were realized, totaling an amount of €66 million.	See section "6.1 Sustainable financing solutions" p 60, BIL 2022 Sustainability report
	Sustainable investments As the manufacturer of funds, discretionary and advisory portfolio manager, BIL has enforced its internal processes. Sustainability Risk consideration and the result of the assessment of the likely impacts of sustainability risks were integrated into client's documentation, as well as information on Principal Adverse Impacts consideration. Our 4 BIL Invest Patrimonial Funds remain Article 8 products under SFDR, for which the consideration of Principal Adverse Impacts now make them eligible as "sustainable investment" to comply with ESG MiFID Regulation. the total assets in BIL Invest Article 8 funds as at 31/12/2022 were EUR 296 625 346.38 million, a decrease of 13.8% compared to 2021. In 2022 the net new assets attracted to BIL Patrimonial funds has been increased by 5.8 mln EUR, however due to the market effect the absolute figure of assets under management has dropped significantly. The decrease of 13.8% in assets under management can be mainly explained by market correction. For our advisory and discretionary mandates, BIL has an extensive list of external funds which are classified as Art 8 and Art 9 under SFDR. These funds are pro-actively offered to the clients, especially to these with sustainability preferences.	See section "6.2 Green investments" p 65, BIL 2022 Sustainability report
	Bank investment portfolio In addition to its role as a provider of investment solutions to private and institutional investors, BIL manages also its own portfolios of investment instruments. It is important to note that the investment portfolio has been positioned so that by the end of 2025, at least 30% of the total portfolio will consist of Green, Social and Sustainable Bonds. On 31 December, Green, Social and Sustainable bonds accounted for 15.8% of the total portfolio, for a total amount of EUR 1,377 million in December 2022 (+72% in amount compared to 31/12/2021).	See section "6.3 Bank investment portfolio" p 71, BIL 2022 Sustainability report

Requirements	Bank's response and self-assessment	Reporting reference
Principle 4	**Stakeholders**	

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation	Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups[14]) you have identified as relevant in relation to the impact analysis and target setting process? ☒ Yes ☐ In progress ☐ No Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.	
	Stakeholders are an important part of BIL. These stakeholders are defined as any individual or group of individuals having a direct or indirect impact on the Bank's activities or who, through their actions, can influence the organization's ability to achieve its objectives. Regular dialogue, engagement and consultation with stakeholders ensures that they are heard and their enquiries and point of views are included to improve the operations of the bank. As a bank, BIL follows a thorough process to identify, consult, engage and maintain regular dialogues with our stakeholders. Stakeholders were identified and selected by understanding the level of dependence and influence. Furthermore, criteria like risk of conflict, strength of relationship, the maturity level of CSR and the ability to be engaged were also considered. The following stakeholders were identified: Shareholders, Management and Board of Directors, Employees, Professional clients, Special clients, Regulators, Media, Peers and the local population. Stakeholder feedback is regularly integrated into decision-making at BIL. An ILRES survey is distributed to individuals and corporates clients annually to understand their level of satisfaction with the products, services, and operations of the bank. Similarly, an e-NPS survey for BIL employees is circulated to understand their expectations and opinions. The results are discussed internally, and decisions are implemented to integrate meaningful feedback. These methods of communication enable us to identify and rate the relevance of material issues that are important to us and our stakeholders. The key material issues that were identified were: Responsible products & services offering, Health & Wellbeing, Economic Sustainability, Business Ethics, Diversity, Dialogue engagement & consultation, Supporting entrepreneurship & sustainable innovation, Access to financial services and Promoting education. The key material issues were integrated in BIL's action plan to ensure all challenges are addressed. The 2023 Materiality Assessment is being conducted using the Double Materiality approach and considers the principles set as per the UNPRB.	See section "10.2 Materiality assessment of sustainability impacts, risks and opportunities" p 127, BIL 2022 Sustainability Report

[15] Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Requirements	Bank's response and self-assessment	Reporting reference

Principle 5 Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Bank's response and self-assessment	Reporting reference
The Board of Directors, with the support of the Board Strategy Committee, is responsible of defining the strategy of the Bank and overseeing its implementation by Management.	See section "5.4 Governance at BIL" p 52, BIL 2022 Sustainability report
The ESG strategy is completely integrated in our corporate strategy ECT2025 and is therefore monitored by the Board of Directors and the Board Strategy Committee.	
A specific governance framework defines the responsibilities for the implementation of BIL's SustainaBILity Strategy a sdecribed in the "ESG Governance at BIL" section.	BIL ESG Integration Framework
Globally the ESG topic is under the leadership of the Head of Sustainability who reports directly to the Executive Member in charge of the bank's strategy. A transversal committee is steering the implementation of the ESG Programme and the topic is regulary discussed at ExCo and Board level.	BIL Sustainability Strategy
BIL's Remuneration Charter and its associated practices aim at defining the remuneration within BIL Group with a view to protect the interests of BIL Group's clients, providers, employees, shareholders as well as BIL Group's financial sustainability in a long-term perspective. Please refer to the online version of the Charter, to find the description of the remuneration policies for the highest government bodied as well as the processes in place to determine the relevant remuneration.	
BIL's progressive integration of ESG considerations is clearly exposed in BIL's "ESG integration framework".	

5.2 Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Bank's response and self-assessment	Reporting reference
Responsible employer	See section "7.1 Health and Well-being" p 82, BIL 2022 Sustainability report
Employee well-being is at the heart of the company's focus, with initiatives aimed at both physical and mental well-being, including the FIT4BIL programme, the BIL Psycho-social assistance, the teleworking policy and the COVID-19 support measures.	
BIL seeks to strengthen the skills of its employees to cope with the changing environment, by renewing employees' skills at key moments, accompanying them in their development and supporting them in their career transitions. To this end, staff have continued to undertake training in compliance with the various regulations while preparing for the "GL22" transformation plan. The year 2022 also marks an evolution in the possibility of accessing more training on BIL Academy and of benefiting more regularly from training in a hybrid format.	See section "7.2 Security" p 85, BIL 2022 Sustainability report
Dialogue is key to the achievement of employee well-being and satisfaction. In this sense, BIL has undertaken several internal surveys, including a Net Promoter Score® (NPS) survey, an atmosphere survey, and a canteen survey.	See section "7.3 Training" p 87, BIL 2022 Sustainability report
In terms of dialogue, the general mission of the staff delegation is to safeguard and defend the interests of the company's employees in terms of working conditions, job security and social status.	
Furthermore, several Townhalls were also conducted during the year 2022 with the aim of keeping the staff informed about the results, changes, follow-up of projects and the general direction of the company.	
To modernise and strengthen internal communication, a new internal social media platform "Blink" was introduced at the beginning of 2022.	See section "7.4 Dialogue" p 89, BIL 2022 Sustainability report
Moreover, the feedback model - a system that fosters dialogue between staff members and their line manager - plays a key role in ensuring the success of BIL's corporate culture. The model is in constant evolution and was designed to encourage constructive discussion of each employee's strengths and how they could improve their performance.	
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. In 2022, a specific focus was made on gender diversity by defining a dedicated action plan. BIL has a strong commitment towards equal professional opportunities for both men and women, and we have ambitious targets for gender balance.	
In 2022, a Diversity Sponsor was appointed who is a member of the Executive Committee, as well as a Diversity Officer. In addition, employees and the Executive Committee were sensitised to gender equity and unconscious bias.	
Positive impact	
In line with its sustainable development strategy, BIL supports various local associations through sponsorships and donations. In 2022, BIL supported several associations related to health, education and environmental protection through donations and events.	See section "7.5 Diversity" p 95, BIL 2022 Sustainability report
The Fondation Indépendance by BIL, created by BIL, also aims to promote and financially support projects in the field of art and culture, in connection with contemporary creation.	See section "8.2 Social Impact" p 114, BIL 2022 Sustainability report
To continuously raise employee awareness on sustainability topics, BIL has deployed a programme of initiatives throughout 2022. These include initiatives on environmental and social topics such as gender equity, energy efficiency, recycling and waste management, food impact and carbon footprint. Regarding the latter, sessions to calculate one's own carbon footprint have been organised for BIL employees and the Executive Committee. All these initiatives are organised with the aim of increasing the knowledge of BIL employees on sustainability topics and enabling them to take ownership of them.	See section "8.1.4 Operational carbon footprint" p 112, BIL 2022 Sustainability report
In order to be able to identify and manage its impacts in terms of emissions, BIL calculated its operational carbon footprint for 2021 data.	

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?[15] Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Bank's response and self-assessment	Reporting reference
A detailed description of the integration of ESG aspects in risk management could be retrieved in our publicly accessible policy "ESG integration framework" and our Risk Management report explaining the commitments, the implementation and governance for incorporate ESG criteria into the Bank's business activities.	See section "5.3 Risk management" p 45, BIL 2022 Sustainability report and "8. ESG Risk Framework" p 191, BIL 2021 Risk management report
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 Environmental, Social and Governance risks management and supervision, the Risk Management function is progressively integrating the management of the ESG risks in the whole organization through the following thematic: • Risk identification and materiality assessment • Business model and strategy • Risk appetite and governance • Risk management framework • Reporting	See section "6.1 Sustainable financing solutions" p 60, BIL 2022 Sustainability report
In this context, in order to set up a robust risk framework to help the strategy development, several risk analyses and new approaches/methodologies regarding the enhancement of the ESG Risk framework are on-going and described in our Risk Management report.	
We could highlight the following ones: the integration of ESG features in the Global Risk Cartography and the Risk Appetite Framework, the integration of climate risk into the internal stress-testing frameworks and the annual carbon footprint calculation.	
To conclude, we could also mention our Sustainability Risk Policy applicable (i) to the discretionary portfolio management and in-house fund management investment decision making process, (ii) to the provision of investment advice and (iii) to the provision of insurance advice. A Sustainability Risk Policy and solid processes are essential on the journey towards sound investing.	

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ No

[15] Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Requirements	Bank's response and self-assessment	Reporting reference
Principle 6	**Transparency & Accountability**	

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☐ Yes ☐ Partially ☒ No

If applicable, please include the link or description of the assurance statement.

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

☒ GRI
☐ SASB
☐ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☐ TCFD
☐ Other: ....

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis[16], target setting[17] and governance structure for implementing the PRB)? Please describe briefly.

As described previously, BIL has carried out in 2022 the first phase so called "Impact identification" which consists in identifying the most significant potential impact areas by focusing initially on its credit portfolio. In 2023, BIL will select the areas on which the "Performance assessment" phase will be realized.

More broadly, BIL will continue to work on identifying its most material risks and impacts through various initiatives that will provide the necessary inputs for the Performance Assessment phase. These include :

- the ESG Risk Cartography exercise will be reviewed taking into account ECB best practices and following their recommendation on considering medium to long-term horizons in the impacts related to ESG risk drivers and including quantitative assessments to objective the expert judgements
- BIL will repeat the calculation of its carbon footprint on its portfolios exposure held in the year 2022
- Data collection has been performed on the principal adverse impact indicators, via quarterly snapshots to facilitate annual reporting expected in June 2023

Reporting reference: See section "5.3 Risk management" p 45, BIL 2022 Sustainability report

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

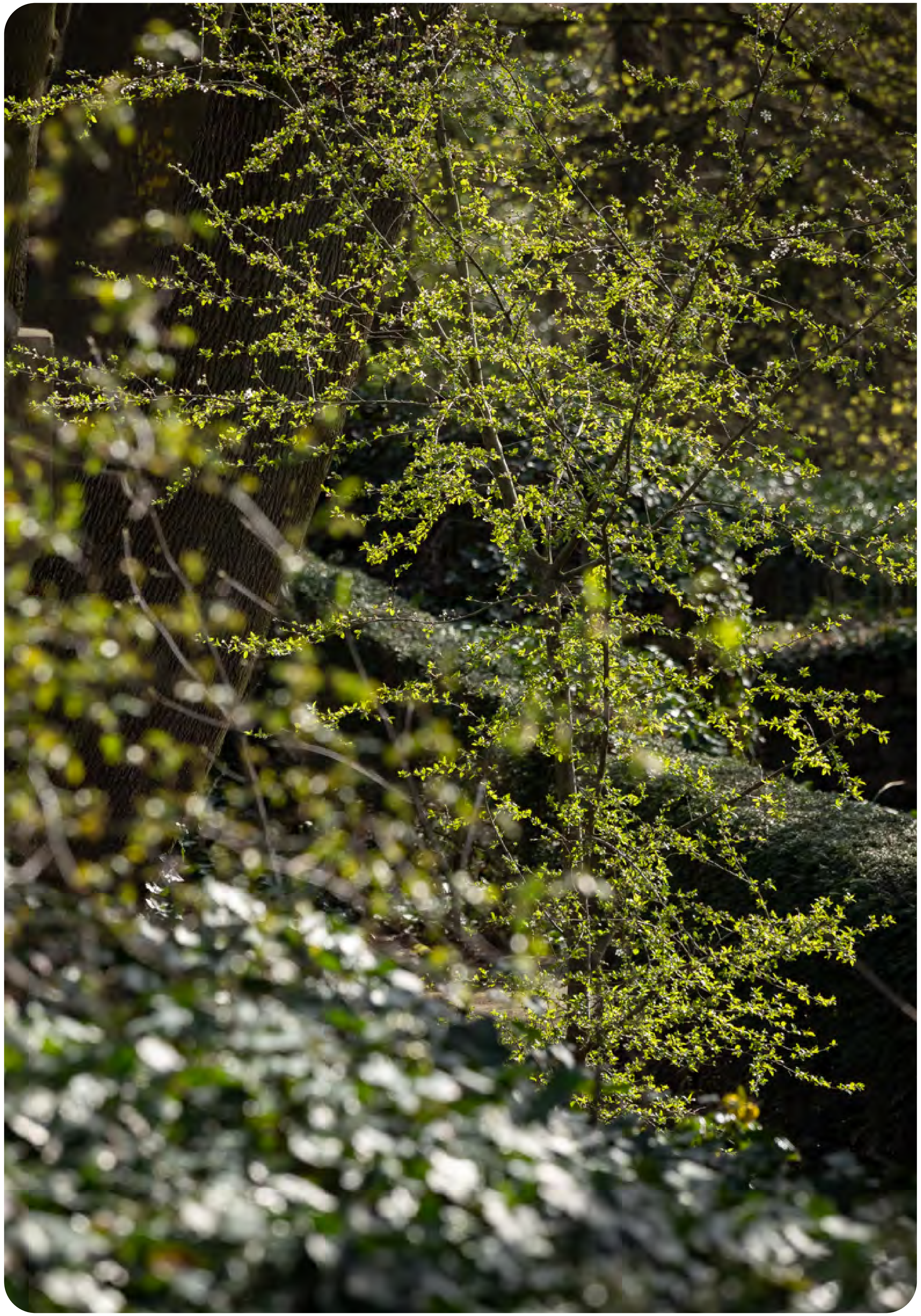
What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

☐ Embedding PRB oversight into governance	☒ Customer engagement
☐ Gaining or maintaining momentum in the bank	☐ Stakeholder engagement
☐ Getting started: where to start and what to focus on in the beginning	☒ Data availability
☐ Conducting an impact analysis	☒ Data quality
☐ Assessing negative environmental and social impacts	☐ Access to resources
☒ Choosing the right performance measurement methodology/ies	☐ Reporting
☒ Setting targets	☐ Assurance
☐ Other: ...	☐ Prioritizing actions internally

If desired, you can elaborate on challenges and how you are tackling these:

[16] For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement
[17] For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.



11.2 GRI Index

GRI standard	Disclosure		Location	Omission	Comment	GRI SECTOR STANDARD REF. NO.	Target SDGs	BIL's material topics
GRI 2 – General Disclosures 2021	GRI 2-1	Organizational details	13 - 16					
	GRI 2-2	Entities included in the organization's sustainability reporting	13		Banque Internationale à Luxembourg S.A; Banque Internationale à Luxembourg (Suisse) S.A; Belair House S.A, Bil Manage invest S.A; Bil Reinsurance S.A; Bil Wealth Management Limited			
	GRI 2-3	Reporting period, frequency and contact point	13					
	GRI 2-4	Restatements of information	147		There is no restatement of information			
	GRI 2-5	External assurance	147		This report is not yet externally assured			
	GRI 2-6	Activities, value chain and other business relationships	16 - 17					
	GRI 2-7	Employees	154					
	GRI 2-8	Workers who are not employees	147		Data collection process under construction			
	GRI 2-9	Governance structure and composition	52 - 53					
	GRI 2-10	Nomination and selection of the highest governance body	54					
	GRI 2-11	Chair of the highest governance body	54					
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	55 - 57					
	GRI 2-13	Delegation of responsibility for managing impacts	55 - 56					
	GRI 2-14	Role of the highest governance body in sustainability reporting	13 - 131					
	GRI 2-15	Conflicts of interest	54					
	GRI 2-16	Communication of critical concerns	37 - 44					
	GRI 2-17	Collective knowledge of the highest governance body	56 - 57					
	GRI 2-18	Evaluation of the performance of the highest governance body	54					
	GRI 2-19	Remuneration policies	54					
	GRI 2-20	Process to determine remuneration	54					
	GRI 2-21	Annual total compensation ratio	147		Data collection process under construction			
	GRI 2-22	Statement on sustainable development strategy	29 - 30 - 55					
	GRI 2-23	Policy commitments	36					
	GRI 2-24	Embedding policy commitments	37 - 38					
	GRI 2-25	Processes to remediate negative impacts	44					
	GRI 2-26	Mechanisms for seeking advice and raising concerns	37 - 44					
	GRI 2-27	Compliance with laws and regulations	156					
	GRI 2-28	Membership associations	27 - 28					
	GRI 2-29	Approach to stakeholder engagement	128 - 129					
	GRI 2-30	Collective bargaining agreements	90					
	GRI 3-1	Process to determine material topics	127					
	GRI 3-2	List of material topics	130					

GRI standard		Disclosure	Location	Omission	Comment	GRI SECTOR STANDARD REF. NO.	Target SDGs						
GRI 201: Economic Performance 2016	GRI 3-3	Management of material topics	62										Economic Sustainability
	GRI 201-1	201-1 Direct economic value generated and distributed	21			G4-EC1	8.1	8.2	9.1	9.4	9.5		
	GRI 201-2	201-2 Financial implications and other risks and opportunities due to climate change	48 - 49 - 62				13,1						
	GRI 201-3	201-3 Defined benefit plan obligations and other retirement plans	156										
GRI 205: Anti-corruption 2015	GRI 3-3	Management of material topics	36										Business ethics
	GRI 205-1	205-1 Operations assessed for risks related to corruption	38				16,3						
	GRI 205-2	205-2 Communication and training about anti-corruption policies and procedures	38				16,5						
	GRI 205-3	205-3 Confirmed incidents of corruption and actions taken	156										
GRI 302: Energy 2016	GRI 3-3	Management of material topics	104										Reduce consumption and carbon footprint
	GRI 302-1	302-1 Energy consumption within the organization	104				13.1	7.2	7.3	8.4	12.2		
	GRI 302-3	302-3 Energy intensity	104				13.1		7.3	8.4	12.2		
	GRI 302-4	302-4 Reduction of energy consumption	107				13.1		7.3	8.4	12.2		
GRI 303: Water and Effluents 2018	GRI 3-3	Management of material topics	108 - 109										Reduce consumption and carbon footprint
	GRI 303-1	**303-1 Interactions with water as a shared resource**	108				6.3	6.4	6.6	12.4			
	GRI 303-2	**303-2 Management of water discharge-related impacts**	108				6.3						
	GRI 303-5	303-5 Water consumption	108				6.4						
GRI 305: Emissions 2016	GRI 3-3	Management of material topics	50 - 112										Reduce consumption and carbon footprint
	GRI 305-1	305-1 Direct (Scope 1) GHG emissions	112			G4-EN 15	12.4	13.1	14.3	15.2	3.9		
	GRI 305-2	305-2 Energy indirect (Scope 2) GHG emissions	112			G4-EN 16	12.4	13.1	14.3	15.2	3.9		
	GRI 305-3	305-3 Other indirect (Scope 3) GHG emissions	50 - 51 - 72 - 112			G4-EN 17	12.4	13.1	14.3	15.2	3.9		
GRI 306: Waste 2020	GRI 3-3	Management of material topics	109 - 110										Reduce consumption and carbon footprint
	GRI 306-1	**306-1 Waste generation and significant waste-related impacts**	110				12.4	12.5	6.3	6.6	11,6		
	GRI 306-2	**306-2 Management of significant waste-related impacts**	110				12.5	3.9	6.3	8.4	11.6	12,4	
	GRI 306-3	306-3 Waste generated	111			G4-EN23	12.5	15.1	3.9	6.6	11.6	12,4	
	GRI 306-4	306-4 Waste diverted from disposal	111			G4-EN23	12.5	3.9	11.6	12.4			
	GRI 306-5	306-5 Waste directed to disposal	111			G4-EN23							
GRI 401: Employment 2016	GRI 3-3	Management of material topics	82										Health and well being
	GRI 401-1	401-1 New employee hires and employee turnover	155				10.3	5.1	8.5	8.6			
	GRI 401-2	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	149		No discrepancies at BIL		3.2	5.4	8.5				
	GRI 401-3	401-3 Parental leave	155				5.1	5.4	8.5				

GRI standard		Disclosure	Location	Omission	Comment	GRI SECTOR STANDARD REF. NO.	Target SDGs							
GRI 402: Labor/Management Relations 2016	GRI 3-3	Management of material topics	89											Dialogue, engagement, consultation
	GRI 402-1	402-1 Minimum notice periods regarding operational changes	151		Nothing foreseen in the law or the banking convention	G4-EC1	8.8							
GRI 403: Occupational Health and Safety 2018	GRI 3-3	Management of material topics	82 - 85 - 89											Health and well being
	GRI 403-1	**403-1 Occupational health and safety management system**	83				8.8							
	GRI 403-2	**403-2 Hazard identification, risk assessment, and incident investigation**	86				8.8							
	GRI 403-3	**403-3 Occupational health services**	83				8.8							
	GRI 403-4	**403-4 Worker participation, consultation, and communication on occupational health and safety**	90				8.8	16.1						
	GRI 403-5	**403-5 Worker training on occupational health and safety**	83			G4-DMA	8.8							
	GRI 403-6	**403-6 Promotion of worker health**	82 - 83				3.7	3.8	3.3	3.5	3.7			
	GRI 403-7	**403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**	83 - 86				8.8							
	GRI 403-9	403-9 Work-related injuries	86				8.8	16.1	3.6	3.9				
GRI 404: Training and Education 2016	GRI 3-3	Management of material topics	87											Dialogue, engagement, consultation
	GRI 404-1	**404-1 Average hours of training per year per employee**	156				4.3	4.4	4.5	5.1	8.2	8.5	10.3	
	GRI 404-2	**404-2 Programs for upgrading employee skills and transition assistance programs**	88				8.2	8.5						
	GRI 404-3	404-3 Percentage of employees receiving regular performance and career development reviews	156				8.5	10.3	5.1					
GRI 405: Diversity and Equal Opportunity 2016	GRI 3-3	Management of material topics	95											Diversity
	GRI 405-1	405-1 Diversity of governance bodies and employees	55 - 97 - 99				5.1	5.5	8.5					
GRI 418: Customer Privacy 2016	GRI 3-3	Management of material topics	39											Business ethics and Data protection etc
	GRI 418-1	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	39				16.3	16.10						
Financial Services Sectorial standards	GRI 3-3	Management of material topics	62 - 65											Responsible products and service offering
	FS1	Policies with specific environmental and social components applied to business lines (former FS1)	46 - 62 - 63 - 67 - 71											
	FS2	Procedures for assessing and screening environmental and social risks in business lines (former FS2)	67											
	FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions (former FS3)	62											
	FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines (former FS4)	77											
	FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities (former FS5)	63 - 64 - 77											

GRI standard		Disclosure	Location	Omission	Comment	GRI SECTOR STANDARD REF. NO.	Target SDGs	
Financial Services Sectorial standards	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	68					Responsible products and service offering
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	61 - 68 - 70					
	FS9	Coverage and frequency of audits to assess implementation of environ-mental and social policies and risk assessment procedures (former FS9)	42					
	FS10	Percentage and number of companies held in the institution's portfolio which the reporting organisation has interacted on environmental or social issues	63					
	FS11	Percentage of assets subject to positive and negative environmental or social screening	67					
	FS15	Policies for the fair design and sale of financial products and services (former FS15)	64					
Financial Services Sectorial standards Not covered for 2022 report	FS6	Percentage of the portfolio for business lines by specific region, size (e.g micro/sme/large) and by sector						
	FS13	Access points in low populated or economically disadvantaged areas by type			Considered as not relevant as BIL is active in Luxembourg, not considerd as low populated or economically disadvanteged area			
	FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting (former FS12)			No voting policy			
	FS14	Initiatives to improve access to financial services for disadvantaged people			No new initiative in 2022			
	FS16	Initiatives to enhance financial literacy by type of beneficiary (former FS16)						

11.3
Additional GRI indicators

Workforce:

- Total Number of employees by employment contract
- Percentage of employees covered by collective bargain negotiations

		2022
Permanent employees	Total	1,877
	Men	989
	Women	888
Temporary employees	Total	5
	Men	3
	Women	2

Temporary employees	Total	1,367
	Men	858
	Women	509
Part-time employees	Total	515
	Men	134
	Women	381
Percentage of employees covered by collective bargain negociations	Total	52

Headcounts - active employees at 31/12/12022 - Luxembourg headquarters + branches + national subsidiiaries

- Total number of new employees hires (by age group, gender and nationality)

	2022
# new employees men	176
# new employees women	145
rate (%) - new employees men	55
rate (%) - new employees women	45
# new employees < 30 years olds	136
# new employees 31 - 50 years olds	172
# new employees > 50 years olds	13
rate (%) new employees < 30 years olds	42
rate (%) new employees 31 - 50 years olds	54
rate (%) new employees > 50 years olds	4
# new employees -France	136
# new employees - Luxembourg	61
# new employees - Belgium	35
# new employees - Germany	9
# new employees - Others	80
rate (%) new employees - France	42
rate (%) new employees - Luxembourg	19
rate (%) new employees - Belgium	11
rate (%) new employees - Germany	3
rate (%) new employees Others	25

Headcounts - active employees at 31/12/12022 - Luxembourg headquarters + branches + national subsidiiaries

- Total number of employee turnover (by age group, gender and nationality)

	2022
# turnover men	169
# turnover women	146
rate (%) - turnover men	17
rate (%) - turnover women	16
# turnover < 30 years olds	56
# turnover 31 - 50 years olds	154
# turnover > 50 years olds	102
rate (%) turnover < 30 years olds	22
rate (%) turnover 31 - 50 years olds	15
rate (%) turnover > 50 years olds	17
# turnover - France	91
# turnover - Luxembourg	118
# turnover - Belgium	42
# turnover - Germany	2
# turnover - Others	59
rate (%) turnover - France	13
rate (%) turnover - Luxembourg	23
rate (%) turnover - Belgium	11
rate (%) turnover - Germany	5
rate (%) turnover Others	22

Headcounts - active employees at 31/12/12022 - Luxembourg headquarters + branches + national subsidiiaries

- Parental Leave

	2022
# men that took parental leave	16
# womNe that took parental leave	27
# men that returned to work in the reporting period after parental leave ended	16
# women that returned to work in the reporting period after parental leave ended	22
# men that returned to work after parental leave ended that were still employed 12 months after their return to work	6
# women that returned to work after parental leave ended that were still employed 12 months after their return to work	21
Return to work rate of men that took parental leave	74
Return to work rate of women that took parental leave	100
Retention rate of men that took parental leave	50
Retention rate of men that took parental leave	84

Headcounts - active employees at 31/12/12022 - Luxembourg headquarters + branches + national subsidiiaries

- Percentage of employees receiving regular performance reviews

	2022
Percentage of employees receiving yearlty performance review	100

BIL GROUP

- Defined benefit plan obligations and other retirements plans

The group only provide its employees with voluntary pension plans (i.e. Pension plans set up at the employer initiative). All DB pension plans for BIL are fully covered (Pension funds legal requirements). A separate fund exists for each plan and IAS 19 calculation are performed on an individual basis at the end of financial year. For Defined Contribution plans, funded through group insurances, the contribution range is from 2% to 6,5% in Luxemburg, from 14% to 21% in Switzerland.

Compliance

- Compliance with laws and regulations

To determine whether BIL was not in compliance with laws and regulations, the ECB's risk assessment methodology was used and highlighted only the critical recommendations issued by the bank's supervisor (ECB as at 31.12.2022).

No fines were imposed for the reporting period. The two significant cases of non-compliance were reported as they are directly related to recommendations issued by the banking supervisory authorities (ECB):

Credit and Counterparty Risk 2022 obligations
ECB – Model Assessment IRBA 2022 obligations

- Incidents of corruption

	2021	2022
Suspicious transaction reports for clients to the Finacial Intelligence Unit *(Cellule du renseignement Finacier)*	3	5

- Average training hours per employee

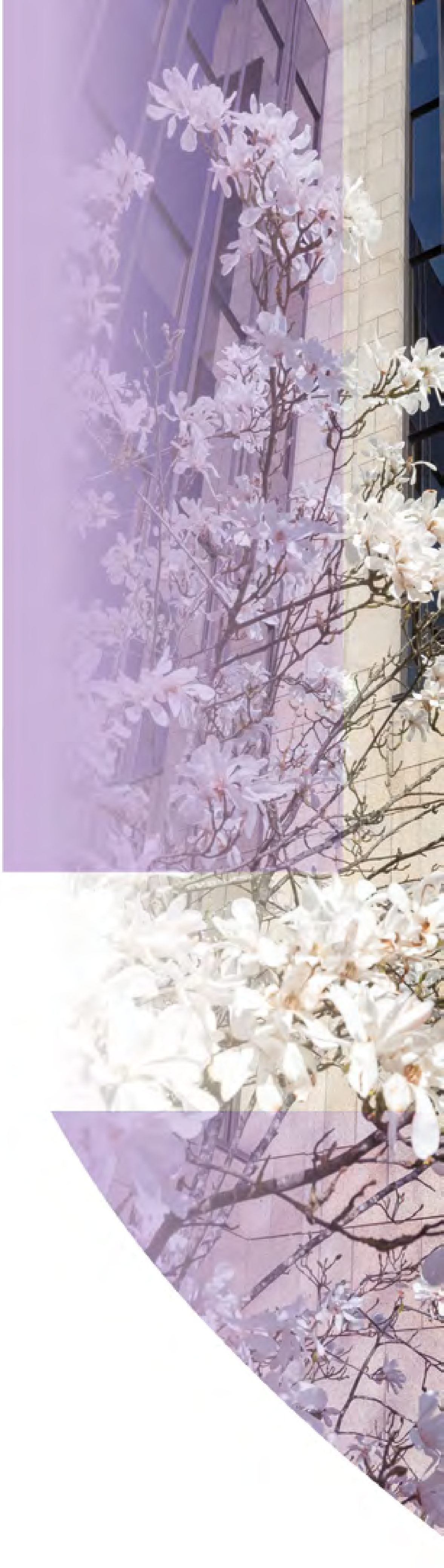
		2022
Number of employees trained		1,882
Number of male employees trained		992
Number of female employees trained		890
Number of senior management trained		172
Number of middle management trained		739
Number of junior staff trained		971
Total staff training hours	(26,9)	50,585
Training hours for male staff	(26,7)	26,438
Training hours for female staff	(27,1)	24,148
Training hours for senior management	(32,1)	5,519
Training hours for middle management	(26,0)	19,239
Training hours for junior staff	(26,6)	25,828

Headcounts - active employees at 31/12/2022 - Luxembourg headquarters + branches + national subsidiairies

11.4 Glossary

2DII .... 2 Degrees Investing Initiative
AAA .... Association d'Assurance Accident (Accident Insurance Association)
ABBL .... The Luxembourg Banker's Association
ACPR .... Autorité de Contrôle Prudentiel et de Résolution (Prudential Supervision and Resolution Authority)
ALCO .... Luxembourgeoise des Compliance Officers (Association of Luxembourg Compliance Officers)
AML .... Anti-Money Laundering
API .... Application programming interface
ASTF .... Association for Occupational Health for the Financial Sector
ATM .... Automated teller machine
AuM .... Asset under Management
BACC .... Board Audit and Compliance Committee
BIL .... Banque Internationale à Luxembourg SA
BIL HK .... BIL Hong Kong
BMI .... BIL Manage Invest S.A.
BoD .... Board of Directors
BRC .... Board Risk Committee
BREEAM .... Building Research Establishment Environmental Assessment Method
BRNC .... Board Remuneration and Nominations Committee
BSC .... Board Strategy Committee
CEO .... Chief Executive Officer
CHF .... Swiss franc
CIB .... Corporate Institutional Banking
CO_2 .... Carbon Dioxide
CRM .... Customer relationship management
CRS .... Common Reporting Standard
CSR .... Corporate Social Responsibility
CSRD .... The Corporate Sustainability Reporting Directive
CSSF .... Commission de Surveillance du Secteur Financier
EBA .... European Banking Authority
ECB .... European Central Bank
ECL .... Expected credit losses
ECT2025 .... Energise Create Together 2025
EFPA .... European Financial Planner Association
EIOPA .... European Insurance and Occupational Pensions Authority
ERM .... Enterprise Risk Management
ESG .... Environmental Social Governance
EU .... European Union
EUR .... Euro
ExCo .... Executive Committee
FATCA .... Foreign Account Tax Compliance Act
GDPR .... General Data Protection Regulation
GHG .... Greenhouse gases

GL22 ... Go Live 2022
GPS ... Gestion Paritaire des Œuvres Sociales (Joint Management of Charitable Works)
GRI ... Global Reporting Initiative
HR ... Human Resource
ICMA ... The International Capital Market Association
ICT ... Information and communication technology
IDD ... Insurance Distribution Directive
IFRS ... International Financial Reporting Standards
ILRES Institut luxembourgeois de recherches sociales et d'études de marchés (Luxembourg Institute of Social and Market Research)
IMS ... Inspiring More Sustainability
INDR ... Institut national pour le développement durable et la RSE (National Institute for Sustainable Development and Corporate Social Responsibility)
ISRC ... IC & Security Risk Committee
IT ... Information Technology
ITM ... Inspection du Travail et des Mines (Inspectorate of Labour and Mines)
KPI ... Key Performance Indicators
LAR ... Luxembourg Air Rescue
LGX ... Luxembourg Stock Exchange
LMS ... Learning Management System
MaaS ... Mobility as a Service
MB ... Management Board
MiFID ... Markets in Financial Instruments Directive
MLRM ... Market and Liquidity Risk Management
MuD ... Musée du déchet (Waste Museum)
NACE ... Statistical classification of economic activities in the European Union
NFRD ... Non-Financial Reporting Directive
NGO ... Non-governmental Organisations
NPC ... New Product Committee
NPS ... Net Promoter Score
PACS ... Pacte Civil de Solidarité (civil partnership)
PACTA ... Paris Agreement Capital Transition Assessment
PCAF ... Partnership for Carbon Accounting Financials
PCC ... People, Culture and Communication
QI ... Qualified Intermediary
RAF ... Risk Appetite Framework
RENITA ... Réseau National Intégré de Radiocommunication (National Integrated Radiocommunications Network)
RWA ... Risk-weighted assets
S&P ... Standard & Poor's
SASB ... Sustainability Accounting Standards Board
SDK ... SuperDrecksKëscht Fir Betriber
SFDR ... Sustainable Finance Directive Regulation
SME ... Small and medium-sized enterprises
SPOC ... Single Point of Contact
SQL ... Structured Query Language
SRI ... Socially responsible investing
SVI ... Sector Vulnerability Index
VAT ... Value-added tax
UN ... United Nations
UN PRB ... United Nations Principles for Responsible Banking
UN SDGs ... United Nations Sustainable Development Goals
UNEPFI ... United Nations Environment Programme Finance Initiative
UNGC ... UN Global Compact
WM ... Wealth Management



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