



SUSTAINABLE PROCUREMENT POLICY



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1. PURPOSE

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

BIL Group makes contracts with numerous local and international (mainly cross-border) suppliers for a wide range of goods and services both for its headquarter and office operations (for example: consultancy, IT and market data services, technology equipment, printing, security services, cleaning services, travel agency, catering...). BIL is aware of the importance of the choice of its contractors and suppliers in the broadest sense and of the way in which they contribute to the Bank's performance, costs and therefore results.

As a socially responsible organization, BIL Group, through its corporate procurement practices, is progressively integrating sustainability criteria. To this end, this Policy discloses our commitments to integrate societal values and sustainable development principles into our operations and our relations with our suppliers and service providers, including their respective subcontractors (hereinafter referred to together as "Suppliers").

Our internal "Corporate Social Responsibility by suppliers Guide" specifies the societal values and sustainable development principles that BIL wishes to promote among its Suppliers community. BIL strongly encourages its Suppliers to apply these principles and to integrate them into their own corporate social responsibility strategy.

As a signatory of the United Nations Global Compact principles, BIL expects that the 10 principles are effectively applied by its suppliers and subcontractors.

Additionally, this policy is aligned with the 2030 Agenda and the Sustainable Development Goals (SDG) and specifically with SDG 10 : Reduced inequalities, SDG 12: Responsible consumption and production and SDG 17 : Partnerships for the goals.

2. SCOPE

This policy is relevant to all BIL suppliers and subcontractors and their affiliates worldwide, and applies to all products and services that BIL purchases. BIL will always comply with applicable laws and Collective Labor Agreements that are in force. In situations where we are aware of the fact that there is a conflict with international norms, we shall seek to uphold our company values - defined in our Code of Ethics – and develop a response on a case-by-case basis. We strongly encourage our suppliers to promote the requirements of this Policy within their own supply chain so that it can implement a similar approach.

3. COMMITMENTS

BIL is committed to work with Suppliers who meet the minimum labor, health and safety, environmental, and ethical standards set out below to protect human rights. BIL expects Suppliers to make every effort to do everything possible to respect and ensure respect for the following CSR principles :

1. Respect of Human Rights

In accordance with the Universal Declaration of Human Rights, Suppliers shall respect fundamental human rights, the dignity and worth of the human person, the equal rights of men and women and freedom of expression.

2. Respect of labour standards

In accordance with national and international legal provisions collective agreements, the conventions of the International Labour Organization and the Universal Declaration of Human Rights, the Suppliers ensure:

- not to resort to illegal work ;
- comply with local legislation regarding working hours, minimum working hours, minimum wage and overtime pay, and to pay regular overtime, and pay employees regularly ;
- not to resort to forced or compulsory labour ;
- respect the freedom of association of their employees and the recognition of their right to collective bargaining ;
- comply with the recommendations concerning the work of child labour ;
- refuse all forms of discrimination, and thus:
 - applying to all workers the principle of equal of remuneration between men and women,
 - promote equal opportunities and equal treatment in employment,
 - enable people with family responsibilities to exercise their right to responsibilities to exercise their right to hold their employment without being discriminated against.

3. Protection of Health & Safety

Suppliers ensure that work does not adversely affect the health and safety of their employees, their own suppliers, local populations and the beneficiaries of their products or services, and in particular shall:

- implement an occupational health and safety policy that reflects their commitment to protecting all members of the company, in consultation with workers and their representatives;
- ensure that health and safety standards are met;
- provide equipment, machines, products, facilities and processes that are safe, under control and harmless to the health and safety of safety of all workers;
- ensure the information and training workers on all aspects of occupational health and safety, including emergency procedures related to their work;
- prohibit any use of physical punishment, verbal and/or physical abuse, threats, moral or sexual harassment, or any act of psychological or physical coercion or of a vexatious or humiliating nature.

4. Respect and protection of the environment

Suppliers strive to produce and act in an environmentally responsible manner, mitigating the impact of their activities on natural resources, and thus:

- measure and reduce the use of non-renewable resources and their water and energy consumption;
- limit the production of waste and implement effective waste management;
- manage the release into water, air or soil of substances that have an effect on pollution of the environment;
- control greenhouse gas emissions;
- manage the use of hazardous substances likely to cause damage to health or the environment.

5. Ethical business conduct

To ensure a relationship based on honesty, trust, fairness, integrity and transparency, Suppliers ensure that they do not engage in any malpractices, and thus:

- not attempt to influence the impartiality and objectivity of their business partners through the granting of gifts or other benefits, in particular during calls for tenders (outside of standard business practices) ;
- conduct their activities in compliance with applicable laws and regulations on intellectual and industrial property, as well as in the area of personal data protection;
- comply with all applicable laws and regulations relating to competition law;
- where applicable, implement the necessary internal measures to prevent conflicts of interest that could arise between BIL, Suppliers and/or their respective customers and service providers.

4. GOVERNANCE

Responsibility for the implementation of this Policy lies with the Procurement Department. In the event of Disagreement between the Procurement and requesting business lines, the responsibility for the decision lies with the requesting business line, but Procurement can ask the Executive Committee to arbitrate.

5. REPORTING

Currently, it is expected from a supplier to comply with our “Corporate Social Responsibility by suppliers Guide”, who commits to it when responding to a request for proposal. In 2022, we will further analyse how we can ensure the respect of this commitment.

6. REVIEW

With the aim of identifying, preventing, mitigating and responding to any potential negative consequence regarding responsible procurement, and since risks associated to it may change over time, BIL commits to proceed to an annual self-risk assessment, including ESG risks in procurement services. This analyse is led by the risk management department. In 2022, we will also analyse how to integrate ESG considerations in the contracting of new suppliers as well as the due diligence process of existing suppliers. We also welcome feedback from, and dialogue with, interested parties. All feedback and comments on this Policy should be sent to sustainability@bil.com

Catherine Marchal, Head of Procurement

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