



# Responsible Banking Progress Statement for PRB Signatories

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Banque Internationale à Luxembourg (BIL)  
2024

# Summary template

## Banque Internationale à Luxembourg (BIL) 2024

Principle 1: <b>Alignment</b>	Principle 2: <b>Impact &amp; Target Setting</b>	Principle 3: <b>Clients &amp; Customers</b>
<p>BIL is committed to playing a strategic role in the transition to a sustainable world. Our ESG strategy is fully integrated into the Bank's <i>Energise Create Together 2025</i> corporate strategy and is aligned with the UN Sustainable Development Goals (SDGs). The Bank's 4-pillar Sustainability Strategy, including the priority areas we focus on, has not changed since 2023.</p> <p>For more details on our <b>strategy alignment</b> and our priorities as a responsible bank, please refer to our <a href="#">ESG Charter</a> p. 4-7 established in 2024 and our <a href="#">2024 Sustainability Report</a> (the "Report") p. 21-22.</p> <p>For more details on our <b>business model</b>, please see our Report p. 20-21.</p> <p>In 2024, in preparation for the Corporate Sustainability Reporting Directive (CSRD), BIL developed a Transition Plan by reviewing its strategy and business model in order to align itself to achieving net-zero by 2050. For more details, please see our Report p. 44-45.</p>	<p>The results of our impact analysis undertaken in 2022 helped us to identify the two areas of most significant impact: Climate stability and Housing (and more specifically, energy-efficient housing).</p> <p>For more details on our <b>impact analysis</b>, please refer to our <a href="#">2023 Sustainability report</a> p.197-203.</p> <p>In 2024, we presented our Transition Plan in line with the two impact areas, focusing on decarbonising our Lending portfolio for Corporates &amp; SMEs, and Residential Real Estate.</p> <p>To achieve our climate target of aligning our portfolio to net zero by 2050, BIL has adopted a progressive Sectoral Decarbonisation Approach, initially focusing on four high-emitting sectors: Power Generation, Aluminium Production, Iron &amp; Steel Production, and Residential Real Estate.</p> <p>For more details on our <b>target setting</b> and our decarbonisation levers, please see our Report p. 56-57.</p> <p>Transition Plan <b>monitoring</b> has been integrated into the Bank's ESG Dashboard presented to the administrative, management and supervisory bodies every six months.</p>	<p>Client engagement is a key element in BIL's Transition Plan, especially in decarbonising our Lending Portfolio – Corporates &amp; SMEs, as described in our Report p. 44-45, 53-54, 56-57.</p> <p>The target is to engage with clients who collectively represent at least 40% of GHG emissions in Business Loans by end of 2025 (&gt; 60% by end of 2026).</p> <p>For more details on our <b>client engagement</b>, please refer to our Report p. 94, 98-99.</p> <p>Our sustainability product portfolio includes green loans, BIL Green Bonds (raising over EUR 519 million by the end of 2024 since its launch) and responsible investment products (six of BIL Invest's 17 in-house funds benefit from the LuxFlag ESG Label).</p> <p>For more details on our business <b>opportunities</b>, please see our Report p. 16-20.</p>

<b>Principle 4:</b> <b>Stakeholders</b>	<b>Principle 5:</b> <b>Governance &amp; Culture</b>	<b>Principle 6:</b> <b>Clients &amp; Customers</b>
<p>We proactively engage with our main internal stakeholders (i.e., the Management, shareholder, ESG Expert Group from BIL's key functions and employees) from BIL Group and our external stakeholders (i.e., regulators, ABBL, ESG rating agencies, clients, suppliers, non-governmental organisations and supranational organisations focused on sustainability).</p> <p>In 2024, in preparation for the Corporate Sustainability Reporting Directive (CSRD), we conducted a Double Materiality Assessment (DMA). Our stakeholders' contributions are key to understanding the importance of impact, risks and opportunities relating to sustainability matters we identify.</p> <p>For more details on <b>stakeholder identification and consultation</b> and the <b>double materiality assessment</b>, please see p. 24-27 and 30-35 of the Report.</p>	<p>Implementation of the Responsible Banking Principles is integrated within existing governance structures.</p> <p>In 2024, the ESG Strategic Steering Committee convened seven times. A regular update of the ESG Strategic Steering Committee is provided to the Executive Committee on a quarterly basis and four ad hoc presentations were organized for the validation of the 2023 Sustainability Report, the Double Materiality Assessment, the validation of BIL's Transition Plan and the Donation &amp; Sponsoring Strategy.</p> <p>For more details on our <b>governance structure</b>, please see our Report p. 8-12.</p> <p>We <b>promote a culture of responsible banking</b>, which is described in our Report p. 77-79 and 106, and in the <a href="#">short version of our 2024 Sustainability Report</a>, section '4. Being a Responsible Employer'.</p> <p>A detailed description of the integration of ESG aspects in <b>risk management and policies</b> can be retrieved in our Report p. 46-52, 68-73, 90-93 and our latest <a href="#">Risk Management report</a> (section ESG framework) explaining the commitments, the implementation and governance for incorporate ESG criteria into the Bank's business activities.</p>	<p>The contents of the Sustainability Report have been based on the principles of the European Sustainability Reporting Standards (ESRS). Although BIL cannot claim full compliance with the CSRD due to pending national transposition, the ESRS provide a foundational framework for this Statement. The Report adheres to the Non-Financial Reporting Directive (NFRD) in anticipation of the CSRD transposition.</p> <p>For more details on our <b>disclosure frameworks</b>, please see our Report p. 6.</p> <p>In this context, no limited third-party <b>assurance</b> has been undertaken on our Report in 2025. A third-party external assurance provider conducted a gap assessment to evaluate overall compliance with the CSRD, assess the effectiveness of certain data collection processes, and ensure adherence to the EU Taxonomy.</p>

