

ESG Policy Creilan

Environmental, Social and Governance topics

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1. Introduction

To define the term “sustainability”, Crelan applies the definition laid out in the 1987 UN report “Our Common Future” (Brundtland): “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” For Crelan, which is a 100% cooperative bank, this fits in the seventh cooperative principle called “Concern for Community,” which states that “cooperatives work for the sustainable development of their communities through policies approved by their members.”

Crelan defines the term “ESG” as a concept encompassing challenges and opportunities related to Environmental, Social and Governance topics. Crelan acknowledges ESG factors can have a material impact on its business. Therefore, the objective for Crelan is to manage both the impact of ESG opportunities and risks on the bank and the impact that the bank might have on society, in line with the principle of double materiality. It is Crelan’s responsibility to handle these ESG-related effects which need to be tackled through the identification, assessment, management and monitoring of such impacts.



1.1. Purpose of the policy

The purpose of this ESG policy is to outline Crelan's overall approach to integrating sustainability into its strategy and operations. It serves as a guiding framework for Crelan to align its activities with environmental stewardship, social responsibility, and strong governance principles. In this document, the stakeholders considered are customers, employees, vendors, agents and their employees, cooperative shareholders, institutional parties, silent stakeholders such as nature and overall society. A well-defined operational framework enables the group to effectively support the transition to a sustainable society. Ultimately, embracing sustainability necessitates a commitment to transparency. This means not only openly sharing information but also fostering accountability and trust by providing comprehensive insights regarding practices, decisions, and impacts.

1.2. Scope and structure of the policy

The scope of this policy covers the Crelan Group (in this document also referred to as "Crelan") as a whole, embracing all entities included in the consolidation through full integration. Crelan Group consists of the cooperative company CrelanCo, the public limited company Crelan, the public limited company Europabank and other subsidiaries. Where subsidiaries diverge from this policy, Crelan's ESG Office is consulted and the subsidiary's Board of Directors (in which Crelan is represented) is required to validate the divergencies.

This policy outlines Crelan's ESG governance, the regulatory framework within which it operates and its high-level ESG strategy.



1.3. ESG ambition levels: commitment of result vs commitment of resources

Crelan acknowledges that as a society, we need to go through a transition towards a more sustainable world from an economic and social perspective. As a cooperative bank with a purpose to “go together for better”, it wants to play its part. However, it recognizes that it has varying degrees of control over this transition and all other private and public actors need to act as well for it to happen. Crelan describes in this policy where it can commit to a result on which it is (mostly) in control, and where it will commit to engage resources towards a target on which it has only limited or no control at all over the final outcome. In addition, Crelan itself is subject to outside influence and control, which vary over time, further complicating or limiting the actions it can take.

As an illustration of this concept, when we take the topic “climate change mitigation through CO2 emission reduction from the use of Belgian buildings” as an example, we see the following:

Crelan has control over

- where it has its own offices. E.g. choosing to pay a premium for owning/renting an energy efficient office building which is easily reachable by public transportation.
- which assets & activities it finances, and at which conditions. E.g. Crelan chooses to not finance the purchase of an energy inefficient home if the borrower does not have sufficient capacity to execute a substantial renovation to improve the energy efficiency.
 - For material ESG topics under the control of Crelan, it can commit to **achieve results**.

Crelan has impact on

- the real estate investment decisions of its clients through the offered financing conditions. E.g. by offering a reduced interest rate on the financing of insulation works and solar panel installations.
- the real estate investment decisions of its clients through providing information on the financial consequences of choosing for an energy efficient house vs an energy inefficient house.

- For material ESG topics under the influence of Crelan, it can commit to **dedicate resources** towards an ESG target.

Crelan is impacted by

- available technology: a significant drop in price of renovation material, electricity and home batteries through industry innovation will facilitate the real estate transition.
- customers’ actions. If clients do not decide to renovate, Crelan sees its credit risk increase.
- government policies: do governments enforce the renovation obligations and accelerate them by subsidising and organising wholesale renovation projects per neighbourhood? This will improve the quality of Crelan’s loan book.
- other investors’ / lenders’ actions. If the rest of the market moves towards climate change mitigation, it becomes easier for Crelan as well.
 - For material ESG areas which influence Crelan, it commits to **identify and track them**.

Crelan is controlled by

- government policy: if government does not make the EPC information of Belgian real estate publicly available, Crelan has to rely on the customers’ willingness to share this information for Crelan to take the right action.
 - For material ESG topics which control Crelan, it **commits to comply** with them.

While this nuance is necessary to make explicit that Crelan cannot drive the transition to a sustainable society on its own, Crelan does commit to play its part. This ESG policy offers the guiding principles to navigate this complex playing field.

2. ESG governance and roles & responsibilities

Good governance refers to the set of policies and processes that affect the way in which a company is managed and controlled internally. It concerns the effective and responsible management of an organization while considering society's needs, such as respect for human rights, protection of the environment and prevention of abuse and corruption. Crelan's ESG governance framework

ensures that responsibilities and decision-making powers for environmental, social and governance issues are clearly defined at all levels of the organization. As an overarching principle, Crelan integrates ESG in the existing governance framework and operational set-up, and avoids creating an ESG silo which operates independently.

2.1. Board of Directors

The Board of Directors acts as the **ultimate body responsible and accountable** for Crelan's **sustainability performance**. Crelan's BoD and executive management are directly involved in the **development and review of Crelan's (ESG) strategy** and its **implementation**. The BoD has the **final word** on actions to be taken regarding **ESG opportunities, risks, and impacts**.

- The **annual strategic planning exercise** requires the BoD to
 - understand Crelan's business environment, including the ESG factors that are part of that business environment
 - set out / confirm / adjust Crelan's strategic direction, which also includes ESG strategy.
- The Board of Directors (BoD) holds the responsibility of **defining the (ESG) risk appetite** for Crelan. In practice, the Enterprise Risk Management (ERM) team coordinates the construction of a proposal outlining Crelan's risk appetite, which includes ESG considerations. Subsequently, the Executive Committee (ExCo) reviews the proposal, adapts it if needed, and validates it. Finally, the BoD grants the ultimate approval for the group's risk appetite.

- The BoD approves the targets Crelan sets to translate the ESG Strategy into action.
- The BoD is responsible to approve the **ESG Exclusion Policy**, which describes the exclusions from business and operations for ESG reasons. This policy is then implemented via credit, investment, marketing, etc. policies.
- **Quarterly updates** from Risk and Finance give the BoD a view on the group's performance based on the Quarterly Risk Report (QRR) framework (KRIs) and Business Indicators (KPIs). The BoD also validates the KPIs and KRIs it monitors.
- The BoD is the final responsible for approving Crelan's **regulatory disclosures**, including the ESG-related disclosures: CSRD-compliant annual report, ESG templates in the Pillar III Risk report.
- On an annual basis, the BoD evaluates the Compliance function, including the role it plays regarding ESG factors.

In order to execute these tasks, the Board of Directors receives a **training on ESG topics at least once a year for a minimum of four hours**.

2.2. Subcommittees to the Board of Directors

2.2.1. Risk and Compliance Committee

- Advises the BoD on the ESG risk appetite setting.
- Monitors ESG risks via the Quarterly Risk Reporting.

2.2.2. Audit Committee

- Monitors the sustainability reporting process, its external assurance and informs the BoD of the outcome.
- Monitors the effectiveness of internal quality control and internal audit functions and to what extent they integrate ESG factors.
- Reviews and monitors the independence and quality of the assurance provider for the CSRD reporting.

2.2.3. Remuneration Committee

- Integrates performance against ESG KPIs and KRIs in remuneration policy and its proper execution.
- Monitors fair remuneration.

2.2.4. Nomination Committee

- Creates and ensures **adherence to the diversity and inclusion policy**.
- Ensures sufficient **knowledge on ESG topics is present at the right levels in the organisation**, including but not limited to the Board of Directors itself. This is done via a capability matrix, which maps members' of BoD and ExCo's capabilities vs. what is required, including for ESG topics.

2.3. Executive Committee

The Executive Committee (ExCo) is responsible for the **general operational management of Crelan**, including ESG aspects. The Chief Executive Officer is directly responsible for the Cooperative Bank

Office, which integrates the ESG Office. The CEO is invited to the ESG SteerCo and delegates its chair to the Chief Cooperative Bank Officer.



2.4. ESG SteerCo

The **ESG SteerCo** is primarily responsible for the **design and implementation of the ESG strategy** and the **alignment between different ESG projects**. This delegated responsibility is provided by the ExCo who receives minutes and updates on decisions taken during **bi-monthly meetings** organized by the ESG Office. Ad hoc ESG SteerCos can be organized for urgent matters.

The ESG SteerCo is **chaired by the Chief Cooperative Bank Officer (CCBO)**, who is joined by thirteen **other members**: the Head of ESG, the Head of Customer Journey Savings & Investments Retail & Business, the Head of Customer Journey Credits, the Head of Sales Excellence & Commercial Support, the Head of Accounting & Reporting, the Head of Credit Analysis, Acceptance and Policy,

the Head of Green Bond Program, the Head of ERM and Financial Risk, the Head of Compliance, the Head of Marketing and Communication, Head of Facilities and Buildings, the Chief Data Officer and the ESG responsible for Europabank. Other employees can be invited ad hoc for specific topics.

There are **three workstreams** that support and prepare the ESG SteerCo based on the three business areas of Crelan. Each stream is responsible for implementing their own ESG projects, with business owners responsible for the domains within the streams. The ESG Office plays an overarching role and organizes and coordinates all streams, centralizing all status updates of each project. These workstreams have bimonthly meetings (alternating with SteerCo meetings).

<p>Crelan & its clients</p> <p><i>With sub-groups 'Retail & Business' and 'Wealth'</i></p>	<ul style="list-style-type: none"> — The integration of ESG into the offering of investment and lending products — Customer support regarding ESG — Training and support for agents — Integration of ESG factors in credit policy
<p>Crelan & institutional parties</p>	<ul style="list-style-type: none"> — Follow-up of all risk and finance related ESG projects — Green Bond Framework — Inclusion of ESG factors in Crelan's own investment portfolio — Relationship with institutional investors — Regulatory reporting
<p>Crelan as a company</p>	<ul style="list-style-type: none"> — ESG priorities for own operations and workforce — Diversity and inclusion, wellbeing, leadership — Governance, ethics, remuneration policy — Procurement — Cooperation with external partners — Concern for community



3. ESG regulatory framework

Several agreements, action plans, regulations, guidelines, disclosure requirements and directives have been implemented at the European level to integrate sustainability and address ESG-related concerns, including those relevant to banks. In that context, the following lines outline the most pertinent ones for Crelan.

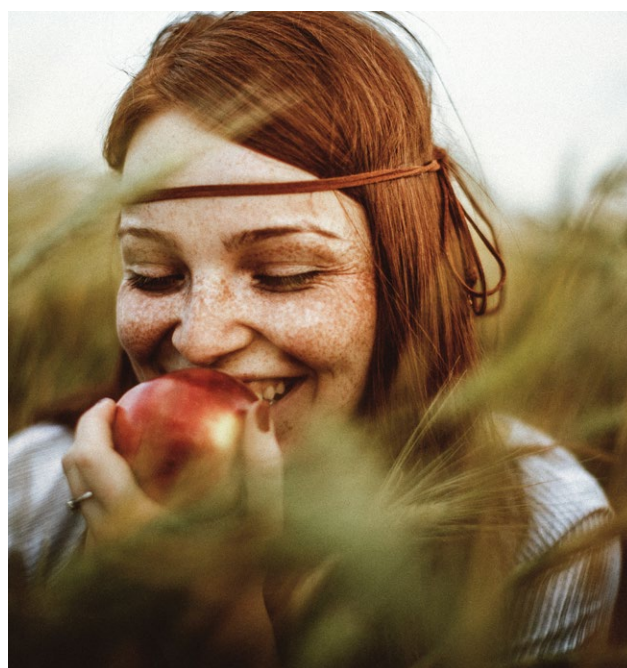
In 2015, all **United Nations** Member States adopted the **2030 Agenda for Sustainable Development**, incorporating seventeen **Sustainable Development Goals (SDGs)**. The agreement emphasizes the need for strategies to alleviate poverty, improve health and education, reduce inequality, foster economic growth, and address climate change, oceans, and forests preservation. The same year, the **Paris Agreement** is adopted at the **UN Climate Change Conference** and represents a legally binding international treaty on climate change. This agreement aims to unite nations in combating climate change and limiting global temperature rise to well below 2°C above pre-industrial levels, with efforts to cap it at 1.5°C by the end of the century. Finally, in 2016, the EU signed the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.

In 2018, the **Action Plan on Sustainable Finance** is presented by the European Commission and will serve as a key step towards implementing the **Paris Agreement**. This action plan aims to facilitate the flow of private finance towards sustainable economic activities and achieve a carbon-neutral economy by 2050. One significant initiative stemming from the Action Plan is the development of the **EU Taxonomy**. The EU Taxonomy is a classification system that identifies environmentally sustainable economic activities based on their contributions to six objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems. The EU Taxonomy Regulation, effective since 2020, mandates financial institutions to disclose their investments aligning with such activities.

Since March 2021, the **Sustainable Finance Disclosures Regulation (SFDR)** requires financial market participants to report on sustainability considerations in their investment policies, product classifications, and risk management frameworks. This regulation is interconnected to the EU Taxonomy.

In November 2022, The **European Central Bank (ECB)** published the “**Guide on Climate-related and Environmental Risks for Banks**”, outlining thirteen expectations for credit institutions regarding risk management and disclosures. The guide emphasizes transparency on the financial implications of climate change and environmental degradation, aligning with the **Task Force on Climate-related Financial Disclosures (TCFD)** framework. The TCFD is a framework for companies to disclose climate-related financial risk and opportunities in their financial filings.

With a reference date of December 2022, the **European Banking Authority (EBA)** has implemented additional **Pillar III disclosures**, mandating financial institutions to report on Environmental, Social, and Governance (ESG) risks.



These disclosures aim to enhance transparency, promote market discipline, and communicate institutions' efforts in transitioning to a carbon-neutral economy.

The **Corporate Sustainability Reporting Directive (CSRD)**, effective since January 2023, mandates companies to report on sustainability according to specific requirements. The directive aims to provide structured and standardized reporting to enhance transparency and enable stakeholders to assess companies' performance on environmental, social, and governance (ESG) matters.

Finally, the **Corporate Sustainability Due Diligence Directive (CSDDD)**, entered into force since July 2024. It establishes a corporate due diligence duty. The core elements of this duty are identifying and addressing potential and actual adverse human rights and

environmental impacts in the company's own operations, their subsidiaries and, where related to their value chain(s), those of their business partners. In addition, the Directive sets out an obligation for large companies to adopt and put into effect, through best efforts, a transition plan for climate change mitigation aligned with the 2050 climate neutrality objective of the Paris Agreement as well as intermediate targets under the European Climate Law. The Directive still needs to be transposed into Belgian law, with rules expected to apply fully as from 2029.

In summary, the legislative landscape provides a comprehensive framework for financial institutions and companies to integrate sustainability considerations into their operations, risk management, and reporting practices. Therefore, Crelan diligently monitors any new developments within its regulatory environment.



4. ESG Strategy

4.1. Crelan is a cooperative bank guided by the ICA principles

CrelanCo, the ultimate parent company of the Crelan Group is 100% owned by cooperative members. Crelan Group commits to apply cooperative principles¹ in its banking services, in its governance and in its relations towards the customers, cooperative members and the broader society:

- **Voluntary and open membership:** all individual customers for whom the investment is suitable can become CrelanCo shareholder (“member”), and Crelan commits to increase the number of cooperative members to reinforce the impact Crelan can have in society.
- **Democratic member control:** Members are invited to the annual general assembly where they are informed about financial and non-financial results and activities, and where they can vote on director mandates for CrelanCo, dividend distribution etc. CrelanCo has 10 directors in Crelan NV’s BoD. CrelanCo commits to further integrate democratic principles in its decision making, e.g. by setting up CrelanCo Foundation Committees where cooperative members decide on financial support for socially and environmentally relevant projects, introduced by members.
- **Member economic participation:** CrelanCo commits to a sustainable profit distribution between three areas: (i) dividends to cooperative shareholders, (ii) investment in Crelan’s financial resilience and growth and (iii) distribution to society through support of research and donations / sponsorship to national and local community initiatives. In return for the cooperative engagement, Crelan creates added value for its cooperative members (attractive services, products & benefits).
- **Autonomy and independence:** CrelanCo is 100% owned by cooperative shareholders. Crelan is a Belgian bank. Crelan Group’s strategic and business choices take into account local concerns and needs, focus on the long term and ensure that the interests of the bank, its employees, its customers and its members are secured.
- **Education, training and information:** Crelan commits to engage with its employees, clients, agents, cooperative members and business partners to bring the cooperative mindset to life. Crelan commits to strengthen and increase knowledge and development through support and participation in inclusive education, financial and cooperative education, especially for young people and cooperative members. Crelan commits to support academic projects and research.
- **Cooperation among cooperatives:** Crelan commits to promote and strengthen cooperative entrepreneurship by collaborating with other cooperatives, and by supporting communities and associations that foster cooperative entrepreneurship and collaboration.
- **Concern for community:** Crelan commits to create proximity and engagement by being close to customers through its large network of independent agencies and providing personalized service. Crelan realizes its societal commitment through its CrelanCo Foundation initiative, which supports local and national societal projects and good causes that contribute to 3 key goals: a social and inclusive community, a sustainable and ecological community and education. Crelan also aims to respect its environment (“E”) and aims to achieve equitable social outcomes (“S”) when performing its business responsibly (“G”).

¹ Cooperative principles as defined by the International Cooperative Alliance

4.2. Identifying material ESG topics



To initiate (and in the future update) its ESG strategy, Crelan uses a double materiality assessment. On the one hand topics that may have a material financial impact on Crelan (positive or negative) and on the other hand topics on which Crelan has a material impact on society are identified. This exercise is to be executed according to the Corporate Sustainability Reporting Directive² and underlying technical standards called European Sustainability Reporting Standards. Crelan's ESG strategy is to identify a long-term target and high-level action plan to reach the target for each of the material topics, guided by Crelan's vision, purpose and values. This section is composed based on the materiality assessment executed in Q1 2024, and will be updated in the future according to a review of material topics.

From a **financial materiality perspective** (“outside-in”):

- **Risks:** climate change appears as material (mainly transition risks). In addition, reputational risk/business risk linked to the adequate positioning of Crelan on sustainable products was assessed as material. Finally, compliance risks, dependency on key staff and cybersecurity are material, as one would expect for a bank.
- **Opportunities:** financing individual clients and professionals (incl. agricultural clients) in their ESG transition is a material growth driver, resulting in climate mitigation being material (as well as, to a lower extent, other E-topics for professional clients). The cooperative DNA of Crelan is identified as an important driver of the strategy.

From an **impact perspective** (“inside-out”), negative impacts of Crelan activities were mostly identified on environmental topics, with a focus on climate. The impacts on other environmental topics related to Crelan's market position on SME / agriculture market (in particular biodiversity) were isolated in a dedicated topic. Finally, positive impact on workforce, as well as impact on cooperative members, were also identified.

Results for **Europabank** are overall aligned, with the exceptions that (i) the impacts linked to agriculture financing are not relevant for Europabank and (ii) the social aspects of “lender of last resort” generating positive impact on financial inclusion, but also potentially negative material impact on product stewardship (financial indebtedness/high interest rates).

In summary, **material topics for Crelan are:**

- Climate change (cfr. ESRS E1)
- Own workforce (cfr. ESRS S1)
- Consumers & end-users (cfr. ESRS S4)
- Business conduct (cfr. ESRS G1)
- Financing the SME transition (Crelan-specific)
- Cooperative bankings (Crelan-specific).

² (EU) 2022/2464

4.3. Levers for action

As a bank, Crelan plays different roles in the financial sector and in society as a whole. The materiality of the different topics varies depending on the lever, and the ESG strategy needs to take those variations into account.

4.3.1. Crelan as a company

Crelan is a company, performing economic activities in Belgium and employing a workforce. This perspective covers how it treats its employees, how its activities (office building, mobility, etc) create impact. The topics of own workforce, cooperative banking, business conduct and consumers/end-users are very material for this lever, as it is about how Crelan does its business, treats its employees, its agents and customers. From a climate perspective, this lever is less material than others – yet Crelan wants to be a role model for its clients and other stakeholders.

4.3.2. Crelan as a lender

Crelan provides financing to private individuals, independent professionals and SMEs in Belgium. It decides how to inform customers on the

assets or activities that require financing and Crelan decides whether and at what conditions it provides that financing. Crelan also bears the consequences of non-performing loans linked to ESG issues, and has to manage those risks.

4.3.3. Crelan as an investment advisor

Crelan supports customers in their investment choices, and how to integrate ESG factors in them. Crelan informs clients on how ESG factors impact their investments' value, and how their investments create ESG impact. Crelan also understands customers' ESG preferences and advises products accordingly.

4.3.4. Crelan as an institutional counterparty

Another lever of Crelan is its relationship with institutional parties, which covers regulatory and supervisory topics and where the focus is on compliance with regulation. However, Crelan has surpassed mere compliance by developing a Green Bond Framework (GBF) that makes optimal use of sustainable finance solutions to collect capital from institutional investors.



4.4. ESG strategy

For the topics which have a material impact on Crelan or vice versa, Crelan makes the link between the double materiality assessment and the formulation of Crelan's overall corporate strategy. Crelan uses the different levels of ESG ambition introduced in section 1.3, as well as the different levers Crelan has at its disposal introduced in section 4.3. This section outlines the playing field within which more concrete targets are set & adjusted in the annual strategic planning cycles.

– **Climate Change:** Crelan wants to play an active role in society's transition to mitigate and adapt to climate change.

- Crelan commits to reducing its own environmental footprint and remain a resilient bank that continues to support the Belgian economy. (*result commitment – as a company*)
 - Crelan reduces the environmental impact from its own operations to take its responsibility in society and to be a role model for its clients, employees and other stakeholders.
 - Crelan integrates the consequences of climate change in its risk management framework.
- Crelan commits towards a Paris Agreement-aligned trajectory but need the rest of society as well to reach that target (*resource commitment – as a lender*):
 - Crelan aims to provide its clients with information on the impact of climate change on their business, real estate and mobility investment decisions. This information aims to stimulate customers to reduce vulnerability to climate change in the short and long-term.
 - Crelan offers the right products at the right price from a credit and invest perspective, to also benefit from increased demand.
- Crelan includes institutional investors in this trajectory via its green bond program, capturing the opportunity to strengthen its funding mix. (*result commitment – as an institutional counterparty*)

– **Own Workforce:** Crelan's employees are its most valuable asset. Crelan is committed to providing a safe and healthy work environment,



promoting diversity and inclusion, and supporting the professional development of its employees.

- Crelan commits to treating its employees fairly via a strong policy and control framework (*result commitment – as a company*)
 - Crelan has a fair remuneration policy, with the necessary controls in place so that no unjust divergencies exist.
 - Crelan invests in the professional development of its people with a large offer on training & learning initiatives with necessary controls to follow up compliance.
 - Diversity & inclusion policy, with inclusive leadership training for people managers.
- Crelan wants to be an employer of choice (*resource commitment – as a company*)
 - Foster social dialogue with partners
 - Provide a healthy hybrid work environment, from both a physical and mental perspective
 - Promote a healthy work-life balance contributing to both physical and mental health
 - Invest in internal and external training and development for its employees to develop sustainable careers
 - Hire for diversity, consciously creating a workforce with different perspectives (e.g.in terms of gender, language, educational background, age, experience, ...)

- **Cooperative Banking:** Besides the benefits for society to support the Belgian economy (and reinvesting the proceeds from this activity in society), Crelan is the largest 100% cooperative bank in Belgium and can benefit from this unique market opportunity to reinforce its business position.
 - Cooperative governance (resource commitment – as a company)
 - Strengthen the application of the cooperative principles, with a particular focus on concern for community, education, autonomy and democratic cooperator participation in decision taking
 - Enhance cooperative entrepreneurship through collaboration with other cooperatives
 - Cooperative engagement: aim to improve the local communities we operate in, focusing on education, social inclusion and ecology (resource commitment – as a company)
 - Strengthen cooperative culture and awareness at the agencies, headquarters, clients and external stakeholders
 - (re)investing profits, skills and knowledge from the bank in the local communities through the CrelanCo Foundation.
 - Cooperative benefits: create a strong added value proposition for its cooperative members, which aims to grow the cooperative shareholder base and increase its positive impact in the community (resource commitment – as a company)
 - offers attractive services, products & benefits for cooperative members
 - creates proximity & engagement with the cooperative bank
 - embedded in a strong & transparent communication
- **Business Conduct:** Crelan is committed to maintaining the highest standards of ethical conduct and corporate responsibility. Crelan believes that by doing so, it can build trust with its clients and broader society.
 - Crelan has a strict discipline regarding regulatory compliance (result commitment – as an institutional counterparty)
 - Crelan communicates transparently to all its stakeholders, both internally and externally. It monitors that it walks the talk as well. (resource commitment – as a company, institutional counterparty)
 - Crelan takes steps to align its remuneration policy of employees and agents with both its financial and non-financial targets to align actions with its objective for long-term value creation. (result commitment – as a company)
 - Crelan has strict policies and processes in place to comply with anti-money laundering, anti-corruption and anti-bribery legislation (result commitment – as a company)
 - Crelan carefully manages conflicts of interest. (resource commitment – as a company)
 - Crelan is a responsible tax payer (result commitment – as a company)
 - Crelan has easily accessible whistleblower channels in place where all internal and external stakeholders can, in full confidence, raise issues that are then treated with care and within an appropriate time frame. (result commitment – as a company)
 - Crelan engages with its most material service & goods providers to adhere to the same ethical standards as its own. (resource commitment – as a company)
 - Crelan excludes harmful activities from its own activities and banking services.³ (result commitment – as a company, as a lender, as an investment advisor, as an institutional counterparty)
- **Consumers and end-users**
 - Crelan wants to preserve broad access to financial services through digital channels and local agencies. (result commitment – as a company)
 - Crelan wants to accompany society in a just transition, ensuring less privileged maintain fair access to banking products. (resource commitment – as a lender, as an investment adviser)
 - Crelan avoids overly complex products and services, ensures the client understands the offered product/service and its price, and ensures the product/service is suitable for the client. (result commitment – as a lender, as an investment adviser)

³ Crelan's ESG Exclusion Policy details which exclusions apply to which business line / activity for ESG reasons. It will be published before 31/12/2025

- The set-up of its distribution network (independent, exclusive agents) is oriented towards the creation of long-term relationships with its customers. This results in agents taking the time to inform customers and manage their financial health. *(resource commitment – as a company)*
- Crelan supports customers in their investment decisions, through the integration of ESG factors in them. Crelan informs clients on how ESG factors could impact their investments' value, and how their investments create ESG impact. Crelan also understands customers' ESG preferences and advises products accordingly. Crelan selects products with several degrees of ESG integration to cover all types of customers' ESG preferences. *(resource commitment – as a lender, investment adviser)*

- Crelan is vigilant in terms of data and cyber security – breaches of which can cause serious negative impact on clients, other third parties and Crelan itself. *(resource commitment – as a company)*

– Financing SME transition

- Crelan engages with its business customers on sustainability topics. Crelan discusses opportunities, risks and impact. Crelan understand their clients' perspective and shares its own. *(result commitment – as a lender)*
- Crelan finances transition initiatives within the boundaries of its credit (acceptance) policy. *(resource commitment – as a lender)*
- Crelan uses partnerships to bring expertise to its customers around sustainability *(result commitment – as a lender)*
- Crelan has two focus areas *(result commitment – as a lender)*
 - Transition of the agro-food sector
 - Energy efficiency in real estate



4.5. ESG strategy execution – KPIs

ESG KPIs play a pivotal role in holding Crelan accountable for its sustainability performance. Therefore, the bank sets several targets on KPIs to guide and accelerate the implementation of the ESG strategy. Each target and KPI is assigned an owner (member of Crelan Circle – group of the company's senior managers reporting to ExCo members), who is responsible to (1) build an action plan, (2) execute it and (3) report on the progress.

Those metrics are updated on a yearly basis and are tracked on a quarterly basis by ExCo and BoD. They are also integrated in the remuneration policy.

