



# Sustainability Report

## 2022



# Sustainability Report 2022

## Crelan Group

This sustainability report represents a supplement to Crelan Group's 2022 annual report.

# Content

This 2022 sustainability report is a supplement to Crelan's 2022 annual report. While we mainly discuss the figures and results in the annual report, the sustainability report highlights our working method and our view about our role within society and the environment in which we work.

Crelan is a cooperative bank with more than 277,000 cooperative shareholders. They have invested up to a maximum of EUR 5,009.60 in CrelanCo shares because they believe in its future and in the bank's policy. That's why we have an important obligation towards them. Not only do they expect to see healthy growth in their bank, but above all, they expect this to be achieved in a responsible and respectful manner. In this respect, we need to set an example.

We at Crelan want to make a difference both to society and the environment in how we provide financial advice and our commitment to society.

In this sustainability report, we would like to inform you, as readers, with full transparency how we operate in a socially responsible manner.

We aim to take a pragmatic approach focussing continuously on the interests of all stakeholders involved.

Crelan implements this principle specifically through its focus on:

- a continuous increase in the sustainability of its range of products and services;
- honest, competent and personalised customer service and advice;
- appropriate remuneration for cooperative shareholders;
- a pleasant and motivating working environment for its employees;
- green investments in its buildings and facility services;
- the sponsorship of a number of talented champions and the training of young athletes in cross-country cycling, basketball and athletics;
- a financial contribution to the community in which it operates through the Crelan Foundation;
- a stake in the capital of Incofin, a fund specialised in microfinance in third world countries.

You can find more information about this in this report. And you may also be interested in the economic figures? Then we invite you to read the annual report, which can also be found at [www.crelan.be](http://www.crelan.be).

<b>Introduction by the CEO</b>	<b>6</b>
<b>Who are we?</b>	<b>9</b>
Structure and shareholdings	11
Some revealing figures from the Crelan Group	12
<b>A sustainable year at Crelan Group</b>	<b>14</b>
In the spotlight	14
<b>Strategy and action plan for the coming years</b>	<b>18</b>
Crelan Group: coming together in a sustainable way	18
<b>United Nations as a guideline</b>	<b>23</b>
<b>Sustainable governance</b>	<b>25</b>
A diversified Board of Directors	25
Management Committee	28
Banking rules	29
Remuneration of directors	29
<b>A sustainable relationship with customers</b>	<b>33</b>
Sustainable lending	33
Sustainable investment proposal	35
Accessibility of offices for less mobile persons	40
<b>A sustainable relationship with employees</b>	<b>43</b>
A diverse workforce helps you to keep in touch with what is going on in society	44
Diversity, a commitment!	45
From internal mobility to sustainable employability	46
Crelan is Top Employer again	46
And how are our employees themselves?	47
Advancing together in learning and development	47
Together@Crelan and Young@Crelan	48
Health comes first!	48
Safety	50
<b>A sustainably built investment portfolio</b>	<b>53</b>
<b>A sustainable stakeholder in society</b>	<b>57</b>
The Crelan Foundation for and by the cooperative shareholders of CrelanCo	58
Support for sustainable agriculture and horticulture	58
Our employees are committed to the cause	62
Focus on the third world	62
Our collaboration with the Royal Belgian Forestry Association	63
<b>Sustainable environmental investment</b>	<b>65</b>
Investment in energyefficient solutions	65
Charging points for electric cars	67
<b>Risk Management</b>	<b>69</b>
<b>Climate, environmental risks and exposure to carbon-intensivesectors</b>	<b>70</b>





“As a cooperative bank, we need to be a driving force towards making a sustainable transition.”

Philippe Voisin,  
CEO Crelan

2022 was a year filled with events, tragedies and hope. It will be remembered as the year in which war returned to Europe in response prompting remarkably coherent decisions on the part of European governments with the strong support of public opinion.

This war, in addition to the human suffering it causes, also impacts on the climate, food supply, economic progress and human well-being. It also highlights how dependent we are on fossil fuels.

If we really want to turn the tide, we will all have to assume responsibility. As a cooperative bank, Crelan can and must be a pioneer in this process, effectively guiding its customers through the energy transition.

2022 was the first year that colleagues from Crelan and AXA Bank combined forces full of energy and passion to prepare for the merger of the two banks. We have also continued and increased our solidarity with our customers - whether they are farmers, other entrepreneurs or private individuals - by enabling measures such as the suspension of capital repayments on loans and the introduction of energy loans on greatly reduced terms.

The desire to significantly reduce our carbon footprint has led to a series of measures to consume less and more efficiently, such as the purchase of green electricity and the accelerated greening of our fleet. Our objective is to make Crelan Group's own emissions (scope 1 and 2) completely carbon-neutral by 2030, while maintaining our commitment to applying the principle of averting the impact.

In 2022, Crelan was awarded the title of Top Employer in Belgium for the seventh consecutive year. We are particularly proud of this recognition.

In order to make the integration project with AXA Bank a success, it was decided, among other things, to proceed to making a unified organisational structure. As part of this new structure, I felt it important to continue to give ESG issues a prominent place through a specific and adapted structure. In this way we want to accelerate the pathway to sustainability.

Let's pass on a sustainable world to the next generation.

**Philippe Voisin**  
CEO Crelan





# Who are we?



The Crelan Group comprises 4,606 enthusiastic employees - both staff members and independent bank agents with their employees - who give their all every day for almost 1.8 million customers.

**The financial group is formed by the cooperative society CrelanCo, the public limited company Crelan, the public limited**

**company Europabank and the public limited company AXA Bank Belgium.** Based on the balance sheet total, it is in the fifth position in relation to Belgian retail banks.

Visually, then, the Crelan group is represented by three bank logos: Crelan, AXA Bank and Europabank



CrelanCo CV is the **sole and 100% shareholder** of the Crelan Group. The authorised capital of this recognised cooperative company is formed by the participation of over **277,000 cooperative shareholders**. The latter are thus all part-owners of our banking group.

Crelan's cooperative roots date back to the 1960s and have their origins in the bank's strong ties with the Belgian agriculture and horticulture sectors. The first cooperative societies collected the savings of farmers, which in turn enabled the bank to grant agricultural loans. From the 1990s onwards,

these cooperative societies joined Crelan's shareholder structure and thus played an important role in the privatisation of the originally state-owned financial institution. In November 2015, all the former cooperative societies merged and CrelanCo became sole shareholder.

The Crelan Group, therefore, is not only a cooperative but also a 100% Belgian banking group whose decision-making centre is in its own country and a range of products and services that are exclusively aimed at the Belgian market.



Crelan Bank is a **federation of credit unions**, formed by Crelan NV and its shareholder, CV CrelanCo. Full solidarity exists between the two.

**Crelan offers a wide range of banking and insurance products for private individuals, entrepreneurs and SMEs.** Crelan seeks to offer its customers total solutions rather than just products, with payment concepts, savings and investment products, various forms of credit and insurance policies. Crelan uses its own product range that it completes with products from a number of partners who are all a reference within their domain. This includes non-life insurance policies from AXA Belgium, life insurance policies from Allianz and investment formulas from Amundi, Econopolis Wealth Management and AXA Invest Managers.

Furthermore, with a specialised range of products, the bank is the privileged partner of

farmers and large companies in the agricultural and horticultural sector.

If you ask our customers why they chose Crelan, **they invariably mention the close relationship they have** with their Crelan bank agent. We therefore boast of offering financial advice close to customers. Not just via digital banking channels, but also via our network of independent bank agents who know local communities and their customers well.

More than 450 office doors are open for our customers each and every day.

The only way to achieve satisfied customers is through satisfied employees. Crelan therefore pays constant attention to the well-being of its employees and was in fact awarded the Top Employer label for the seventh time in a row in 2022.

Sustainable decisions and social commitment, including through the Crelan Foundation, are self-evident to us.

### europabank

Contrary to what its name might suggest, Europabank is a Belgian bank, based in Ghent, and has been part of the Crelan group since 2004.

As a **subsidiary of Crelan** Europabank offers a specific range of products and services for individuals and entrepreneurs. It is known in particular for its **specialisation in consumer credit**.

Traders and entrepreneurs also know the bank as a **processor of transactions carried out with debit cards and Visa and MasterCard credit cards** and as a provider of **finance leasing and renting**.

The bank has 47 branches.

Unlike Crelan and AXA Bank Belgium, Europabank does not work with a network of independent banking agents, but exclusively with employees.



AXA Bank Belgium is the youngest member and also the largest entity in the Crelan Group. AXA Bank became **Crelan's sister-bank** on 31/12/2021, when the Crelan Group acquired it from the French international insurer AXA Group.

AXA Bank **strengthens its customers, Belgian families and entrepreneurs, by proactively guiding them in building and managing their assets, through tailor-made advice on home loans and investments.** The bank is embedded locally thanks to its network of independent bank agents. User-friendly digital tools and personal contact go hand-in-hand. The bank was awarded several awards during the past five years including the one for being considered the most innovative bank in 2021 by its customers.

The group cooperates on commercial, technical and financial matters.

For more information on the history of Crelan and the Crelan Group, please visit [www.crelan.be](http://www.crelan.be).

Figures as at 31/12/2022

Company	Number of employees	Number of branches	Number of customers	Number of cooperative shareholders	Operating in
Crelan	2.199*	453	759.224	273.427	Belgium
Europabank	361	47	173.451	-	Belgium
AXA Bank Belgium	2.046**	333	858.148	4.328	Belgium

\*717 staff members and 1,482 employees within the independent agent network  
 \*\*715 staff members and 1,331 employees within the independent agent network

## Structure and shareholdings

**NV Crelan and the official cooperative company, CV CrelanCo, together form a federation of credit institutions, with NV Crelan as its central institution. There is full solidarity between the two and the results of NV Crelan and CV CrelanCo are therefore consolidated.**

The CV CrelanCo owns 100% of the shares and voting rights in NV Crelan. As at 31 December 2022, the cooperative capital of CrelanCo was held by 277,755 cooperative shareholders. As such, Crelan is a 100% Belgian bank with 100% cooperative roots.

The Management Committee of NV Crelan is responsible for the operational policy of NV Crelan, CV CrelanCo and NV AXA Bank Belgium.

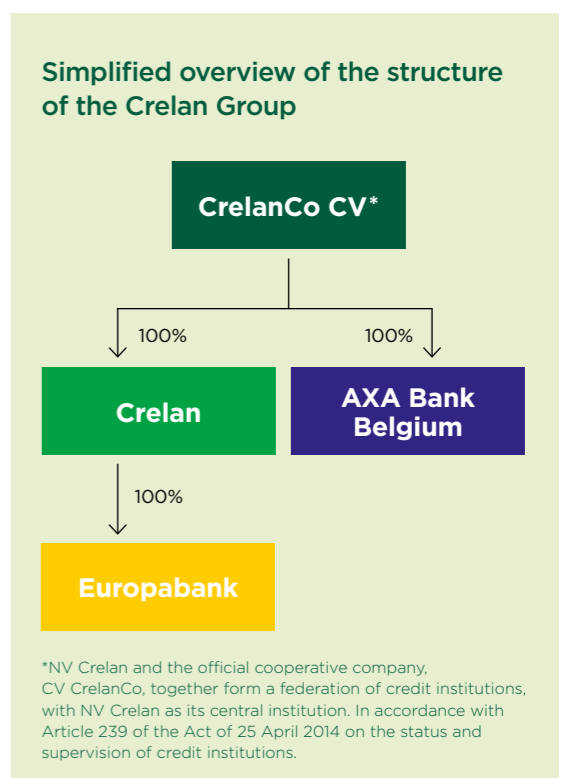
The entity formed by NV Crelan and CV CrelanCo is referred to in this report as "Crelan" or "the Bank", while the broader name "Crelan Group" or "the Group" refers to all the entities or subsidiaries listed below that are included in the consolidation through full integration.

Europabank's accounts and those of AXA Bank Belgium are included in the consolidation

scope of the Crelan Group according to the Royal Decree of 23 September 1992 on the consolidated financial statements of credit institutions.

The Crelan Group does not have any branches.

The diagram below gives a simplified overview of the structure of the Crelan Group.



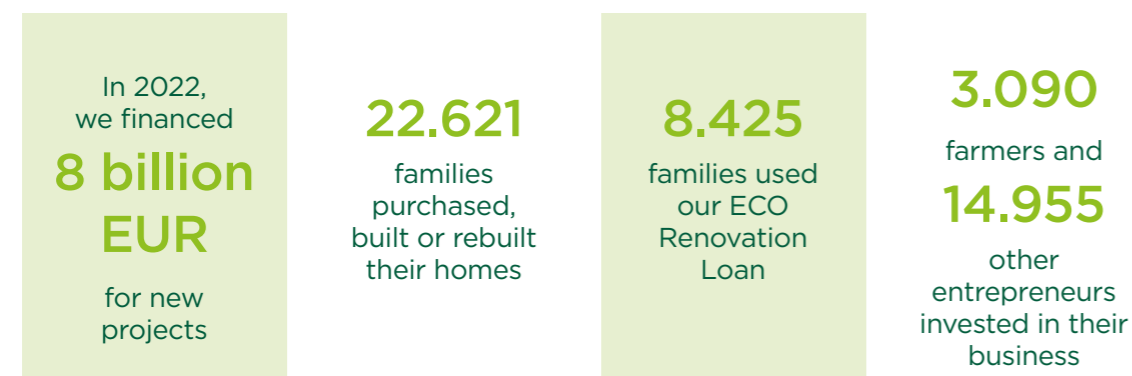
## Some revealing figures from the Crelan Group

Figures as at 31/12/2022

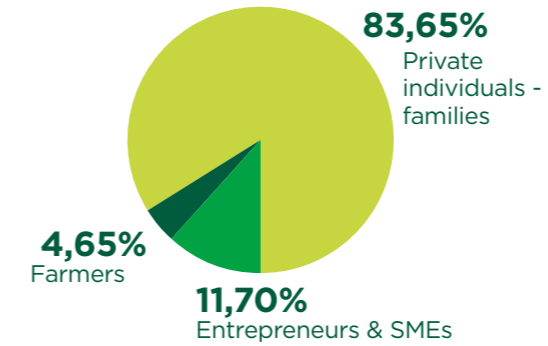


**277.755 cooperative shareholders** jointly invested **EUR 912 million** in the future of the Crelan Group

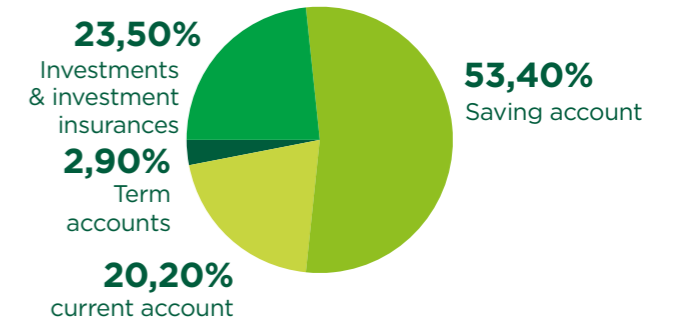
We support **1,8 million** customers with their financial management



We manage **EUR 46 billion** in loans



We manage **EUR 56 billion** in customers' assets



In 2022, the Crelan Group contributed **EUR 83,25 million** in taxes and levies

The following ratios demonstrate that the Crelan Group is a secure and well-capitalised banking group

Cost Income Ratio	<b>67,30%</b>
Loan Loss Ratio	<b>0,05%</b>
ROE	<b>7,33%</b>
ROA	<b>0,29%</b>
Tier 1	<b>24,02%</b>

### Legend

**CIR (Cost Income Ratio):** Compares operating costs with operating revenues. Efficiency indicator. (For each euro of revenue, the group incurs costs of €0.673.)

**Loan Loss Ratio:** Contrasts credit losses with the total credit portfolio. Indicator for quality of the credit portfolio. (The group loses €0.0005 for every euro of outstanding loans).

**ROE (Return on equity):** Contrasts net profit with equity. Indicator of return or profitability. (For every euro of equity the group obtains €0.0733 net profit)

**ROA (Return on Assets):** Contrasts net profit with balance sheet total. Indicator of return or profitability. (For every euro of assets the group obtains €0.0029 in net profit)

**Tier 1:** Compares core capital with risk-weighted assets. Indicator of solvency. (For every euro of risk-weighted assets on the balance sheet, the group has €0.2402 of core capital)



# A sustainable year at Crelan

## In the spotlight

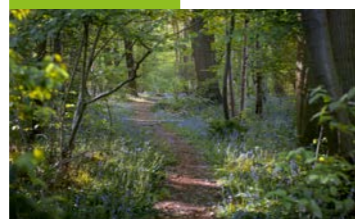
11 January



### ECONOPOLIS CLIMATE FUND EXPANDS SUSTAINABLE INVESTMENT PROPOSAL

The newly available sub-fund invests primarily in equities and equivalent securities, with a focus on companies aiming to promote a climate-neutral world. These companies contribute to a greener, better and more sustainable world. The portfolio will consist of around forty climate shares, spread over six climate clusters. The focus is on electricity, food, agriculture and land use, circular economy, transport and buildings.

12 January



### 8,479 NEW TREES

In 2021, Crelan committed itself to the Royal Belgian Forestry Association (KBMM) to have 4 trees planted for every successfully completed ECO-Energy financing package. The result of this campaign, together with a contribution from the Crelan Foundation, will increase our Belgian forests by 8,479 new trees.

20 January



### 7X TOP EMPLOYER

After a full screening of its HR policy through an independent study, Crelan is awarded the title of Top Employer for the seventh year in a row.

1 March



### CRELAN HAS IN ITS SIGHTS THE MENTAL WELL-BEING OF ITS EMPLOYEES

The planned merger with AXA Bank gives rise to changes for employees in the head offices. For example, a new unified organisational structure will be rolled out during the course of 2022. To support its employees through this process, the bank is providing the Mindlab online platform. With modules such as: 'improved sleep', 'dealing with stress', 'mindfulness' and 'meditation' interested colleagues can strengthen their mental resilience at their own pace.

31 March



### SOLIDARITY WITH UKRAINIAN REFUGEES

The war in Ukraine and the suffering caused by it do not fail to leave anyone unmoved. Through its newsletter, the Crelan Foundation reports to cooperative shareholders that aid projects focussing on taking in these war refugees, projects that they are involved in, may also qualify for financial support.

5 April



### A CALENDAR FOR AND BY OUR COOPERATIVE SHAREHOLDERS

For the third time, cooperative shareholders can take part in a photo competition from which the images for the 2023 bank calendar will be selected.

25 April



### BRAND NEW LOCKERS AND SHOWER ROOMS FOR COMMUTERS

As part of green mobility, Crelan and AXA Bank are encouraging the use of bicycles as a means of transport to and from work. To provide our cyclists with the best possible facilities, the new lockers and shower rooms are being delivered today.

30 April



### 3% DIVIDEND

In the weekend of 30 April the cooperative shareholders of CrelanCo received a gross dividend of 3% in their account. In this way CrelanCo wishes to acknowledge their commitment to Crelan Group.

24 June



### SPORT UNITES

From 21 to 26 June the FIBA 3x3 basketball World Cup took place in Antwerp. For six days, the city of Antwerp was host to this most accessible of sports. As the main sponsor of this event, Crelan is organising a real basketball tournament for the employees of Crelan and AXA Bank. There will be an entire afternoon full of atmosphere and athleticism on Sint-Andriesplaats.

11 August



### SUPPORT MEASURES FOR THE DROUGHT

Many agricultural and horticultural businesses were once again badly affected by the persistent drought. Crelan's agricultural customers can now count on support from their banker. Specifically, Crelan offers them the option of suspending principal repayments on their loans for one year to ease temporary pressure on their cash flow.



4 September



### LAUNCH OF COOPERATIVE CAPITAL IN AXA BANK

AXA Bank customers who are interested and who meet the requirements as regards investment profile can now subscribe to cooperative shares in CrelanCo through their AXA Bank branch office.

5 September



### 4TH GROUP ENERGY PURCHASE

For the Fourth time, Crelan is organising a group purchase of 100% green energy for CrelanCo cooperative shareholders. On previous occasions, more than 10,000 families participated.

16 September



### NEW CYCLO-CROSS TEAM: CRELAN FRISTADS

The new cyclo-cross team, Crelan Fristads, successor to Iko Crelan, was presented to the press.

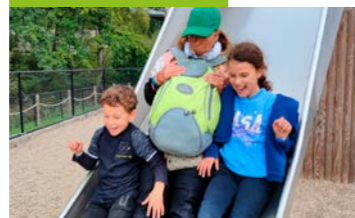
20 September



### AFTER ALL OF THE EFFORT, RELAXATION WILL FOLLOW

As part of its Mobility Week, Crelan and AXA Bank are organising a hearty breakfast for sustainable commuters.

25 September



### DURBUY, HERE WE COME

About 200 Crelan and AXA Bank enthusiasts discover a full day of Durbuy with the first joint 'together activity' for the staff and their family members. The agenda includes: breakfast, via ferrata, fast tag, superfly, caving experience, free fall,

big air, kayak, pasta and pizza, tasting walk and a BBQ to satisfy any lingering pangs of hunger.

27 September



### ENERGY SUPPORT MEASURES FOR PROFESSIONAL CUSTOMERS

Crelan, AXA Bank and Europabank take part in the energy support measures that the government and the banking sector elaborated globally for households experiencing temporary difficulties due to the increased energy bills.

But Crelan and AXA Bank go beyond this for their professional customers. At the end of September both banks announced that professional customers whose cash position comes under pressure as a result of higher energy prices could apply for a specially developed energy loan on very special terms.

20 October



### A JOURNEY OF DISCOVERY FOR THIS GOOD CAUSE

8 students are our guests for a whole day as part of the Youca Action Day. Through a game, a quiz and a veritable journey of discovery through every department of the bank, they will discover more about the work of a banker. For this, Crelan pays them 440 euros in remuneration, an amount that the bank raises to 1,000 euros and that the students contribute to youth projects in Uganda, Burkina Faso and Ecuador.

25 October



### FLU VACCINATION

Crelan is offering its employees a free flu vaccination.

31 oktober



### MEAL VOUCHERS CBA

Crelan is extending the collective bargaining agreement for meal vouchers for its members of staff.

3 November



### CAR POLICY IN THE NAME OF SUSTAINABILITY

Some adjustments to the car policy, such as the removal of vehicles with CO2 emissions exceeding 120g, support a further greening of the vehicle fleet.

14 November



### FOCUS ON RISING ENERGY PRICES

Crelan is increasing its remuneration for permanent remote working from November 2022 up to and including February 2023 by 75%. In this way, the bank wishes to support its employees as part of the increased energy prices.

Employees for whom the pressure on family income has increased enormously can also call on a temporary bridging loan on favourable terms.

On its website, Crelan and AXA Bank provide an 'energy' fact sheet with all kinds of tips for customers on how to control energy consumption.

6 December



### THE SAINT AND THE CALENDAR

After the Easter bunny in April, it is now the turn of Saint Nicholas to provide colleagues who have been good with goodies and he also thought of colleagues' children.

Saint Nicholas was also able to check his birthday on the new Crelan calendar. The Crelan Foundation invited the winners of the photo competition with their partner and their branch manager to a festive reception.

# Strategy and action plan for the coming years

## Crelan Group: coming together in a sustainable way

2022 was in several respects a tipping year for the Crelan Group, including in terms of its operation of ESG.

Following the takeover of AXA Bank at the end of 2021, the newly installed management committee decided to immediately work on a new organisational structure. This new structure was rolled out in several phases and was fully operational from November 2022.

Thanks to this approach, the employees of both banks quickly gained clarity about the management structure and their responsibilities within the new merger bank. In this way, questions and doubts about the personal future quickly gave way to new challenges and shared goals. This is also a sustainable way of dealing with employees.

Unified teams are also the best guarantee for a colleagues quickly getting to know one another and sharing their experiences and know-how. Together, we are now working on a joint future, with the first milestone being the planned integration of Crelan and AXA Bank into a single bank in 2024.



“As part of this new structure, I felt it important to continue to give ESG issues a prominent place through a specific and adapted structure the operation of which I am personally overseeing. In this way we want to accelerate the pathway to sustainability.”

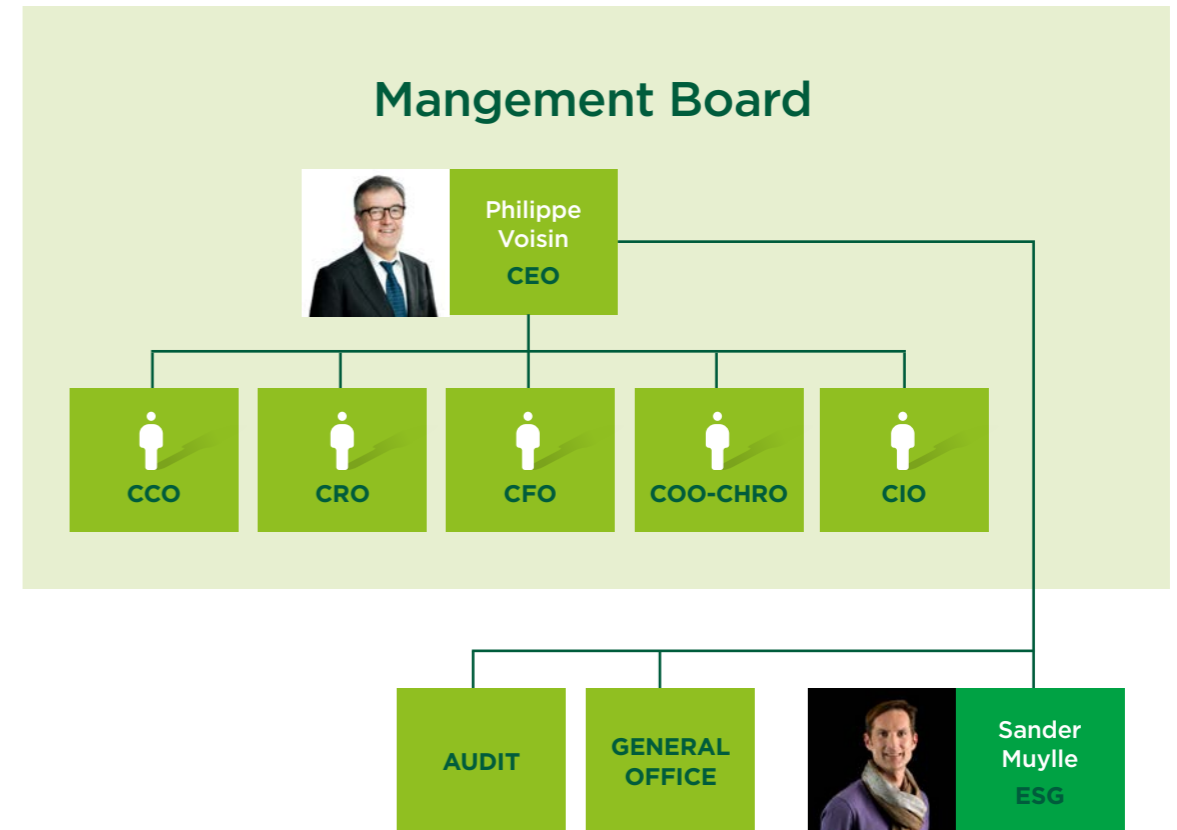
Philippe Voisin,  
CEO Crelan & AXA Bank



“Within the Crelan Group, we operate with three banks. It makes sense for Crelan and AXA Bank to work out a joint sustainability policy given the integration plans of both brands. But Europabank also agrees with this which means we can also work out economies of scale in this area and consistently maintain a uniform line.”

Sander Muylle,  
head of ESG, Crelan & AXA Bank

## How ESG activity is positioned within the organisational chart



## A well supported story

It is important that a joint ESG strategy for the Crelan Group is recognised and supported by all stakeholders involved. Not only the members of the Boards of Directors and the Management Board must support it, but all employees too. Furthermore, this strategy must be in line with our identity as a cooperative banking group so that the cooperative shareholders and customers recognise the way in which it is being developed is evidence of this.

The ESG department therefore assumed

a bottom-up approach. Employees could apply to take part in one or more working groups so that the full scope of the ESG issue was discussed and investigated. It gave the ESG department a clear view of the current functioning of the three banks and which areas for improvement exist.

Using this input, the ESG department was then able to work out a strategic framework that sets out the broad outlines for the coming years. This strategy will be submitted to the Boards of Directors for discussion and approval in the spring of 2023. This will then be followed by concrete detailing and implementation.



## Points for consideration

1. The cooperative idea of 'striving together for better' will form part of our ESG strategy.
2. The cooperative shareholders and customers will be fully involved in the operation of the bank.
3. The interests of our customers are paramount. They must always be able to rely on our professional advice.
4. Through sustainable governance, we are continuously working on fostering a long-term relationship with all our stakeholders.

## Action point 1 (scope 1 & 2)

Focuses on our own ecological footprint of 5,000 tonnes of emissions and on our internal policies.

This means that we must identify what the ESG impact is of all decisions and investments.

## Action point 2 (scope 3)

Focuses on our position in society.

We want to assume a pioneering role by advising and supporting our customers through a sustainable transition, by taking on an ESG ambassador role within the sector, by bringing together different stakeholders and by reflecting the diverse composition of society within our organisational structure.

## Environmental

Together with our staff, cooperative shareholders, customers and partners, we want to make the transition to a climate-neutral economy.

In terms of our own emissions, the Crelan Group wants to achieve full climate-neutrality in our operations by 2030.

In addition, the Crelan Group is committed to providing its customers with transparent and personal financial advice in which climate impact is a set agenda item. This advice, supplemented by a carefully adapted range of products and services, should help our customers to invest sustainably and reduce their ecological footprint.

The Crelan Group will apply the principle of negative impact and exclude significantly polluting activities in oil, deforestation and water in its direct financing activities.

Furthermore, the group will integrate a climate policy into the recruitment process for professional clients.

By 2030 at the latest, the group wishes to halve the impact of its business operations (scope 3) and make an active contribution to the global objective of climate neutrality by 2050 at the latest.

## Social

We will continue our policy of diversity and inclusion over the coming years. The structure of our financial group must reflect our diverse society in this respect.

Among other things, through the Crelan Foundation, the Crelan Group wishes to further increase its social commitment focussing on issues such as financial literacy & digitisation as well as poverty & inclusion.

In addition to financial support for such projects, the Crelan Group also wishes to investigate pathways along which the Crelan Foundation also actively contributes to initiatives within as part of a 'just transition'.

## Governance

**Offering financial stability to and for our employees, our cooperative shareholders and customers is at the core of how the Crelan Group practices good governance.**

The Crelan Group is committed to the local Belgian market through a model of good governance with respect for the laws and regulations and the agreements within the framework of financial supervision.

In terms of direct financing, it does not participate in any activities relating to money laundering, offshore activities and applies various sanctions lists in its business operations.

Transparent management and communication is something the Crelan Group considers a matter of course. In addition, we are a financial group of and for our cooperative shareholders for which we want to achieve value creation and involve them as much as possible in the operation of the group through continuous feedback and policy review.





# United Nations as a guideline



In this sustainability report, we are adopting the United Nations' 17 sustainable development goals as a guideline.

These Sustainable Development Goals (SDGs) are a call for action to all countries and companies to promote prosperity while also protecting the planet. They argue that the eradication of poverty must go hand in hand with strategies that develop economic

growth and respond to a range of social needs including education, health, social protection and employment opportunities, while fighting climate change and protecting the environment.

Each time Crelan contributes to one of these 17 issues, we display the United Nations logo relating to this sustainable development objective in the relevant text of this report.





# Sustainable governance



Good governance is the set of processes and regulations that affect the way in which a company is managed and controlled internally.

respect are the **Management Committee** and the shareholders, represented by the **Board of Directors**. Employees, agents, suppliers, customers and the community at large are also important stakeholders in this regard.

The most important stakeholders in this

	Management Committee	Board of Directors
<b>Numbers of members</b>	6	13
<b>Male/female ratio</b>	6/0 (100%/ 0%)	13/4 (69%/ 31%)
<b>Independant directors</b>		4
<b>Main degrees</b>	Law, Economics, Commercial Sciences, Mathematics, Civil Engineering Chemistry & Computer Science	Economics and Social Sciences, Accounting, Statistics & Econometrics, Agricultural Economics, Law and Legal Practice, Industrial Engineering, Business Administration, Auditing

\* The table above and the tables below indicate the composition of the Board of Directors and the Management Committee as of 31 December 2022.

## A diversified Board of Directors

have built up many years of experience in the fields of finance, ICT, Risk and Auditing;

- closer, detailed monitoring and supervision of the progress and integration of AXA Bank.

In 2022, the governance structure was further enhanced to incorporate the following objectives:

- a simpler group structure with more defined responsibilities and powers between NV Crelan and CV CrelanCo;
- strengthening the Boards with directors who

As of 31 December 2022, Crelan's Board of Directors was made up of nineteen directors including nine representatives of our sole shareholder CrelanCo CV (which in turn represents about 278,000 individual cooperative shareholders), four independent directors and six directors who are members of the Management Committee.



These directors have a diverse range of profiles and demonstrate differences in work experience, competencies, language, gender and age. The aim is for them to represent social diversity.

The bank pays close attention to ensuring a balanced composition and a positive representation of the cooperative shareholder on its Board of Directors. The bank's agricultural roots are reflected through a substantial presence of representatives from this sector. In addition, four independent directors sit on the Board of Directors and the committees to monitor objective decision-making and preclude conflicts of interest and any concentration within the decision-making process. Together with the other directors, they also monitor observance of the rules governing risk management, compliance, ethics and good practice within Crelan.

At its meeting on 22 April 2021, the Board of Directors formally approved the bank's diversity policy. This policy complies with the European Directive of 22/10/2014 and the Law of 23/03/2019 introducing the Company Code (article 7:86). It aims to achieve a balanced composition of the Board of Directors and the Crelan Circle. The latter consists of members of the Management Committee and all their directors and direct reports. Of course, there are no restrictions on the composition of these bodies in terms of gender, religion and ethnicity. However, essential elements are finding a good balance between banking knowledge, administrative skills and social commitment within the framework of the philosophy of cooperative operation of the bank.

In 2019, Crelan also signed the Febelfin charters on gender diversity in the financial sector and on 'Women in Finance'.

The policy on corporate governance also states that in the long term at least 1/3 of the members of the Board of Directors must be of a different gender and that a linguistic and geographical balance is important.

In terms of the composition of the Board of Directors, the approved diversity policy states a target of 25% to be taken up by the under-represented gender. In 2022, this was done by replacing three departing male directors with two female directors. As a result, the proportion of the under-represented gender rose from 14% to 31% and is now approaching the 1/3 ratio stated in our corporate governance.

The Crelan Circle - which was installed as part of the integration of AXA Bank Belgium on 1 March 2022 - had a target of at least ¼. 26% of women and 74% of men are represented in the installation of this new management structure.

Pursuant to Article 27 of the Act on the status and supervision of credit institutions of 25 April 2014, an Audit Committee, a Risk Committee, a Remuneration Committee and an Appointments Committee were set up within the scope and under the authority of the Board of Directors.

The Appointments Committee evaluates and monitors the proper functioning of the Board of Directors on a regular basis and makes recommendations for the appointment of new directors and the reappointment of existing directors. When analysing the composition of the Board of Directors, the Appointments Committee takes into account the advantages of all aspects of diversity with a view to achieving a balanced distribution of directors. Members of the Board of Directors are appointed by the General Meeting based on a proposal from the Appointments Committee for a renewable term of six years.

## MEMBERSHIP OF THE BOARD OF DIRECTORS OF NV CRELAN AS AT 31/12/2022



Luc Versele  
Chairman



Benoît Bayenet  
Vice-chairman



Jan Annaert  
Independent director



Bernard De Meulemeester  
Non-executive director



Xavier Gellynck  
Non-executive director



Eric Hermann  
Independent director



Pierre Léonard  
Non-executive director



Claude Melen  
Non-executive director



Sarah Scaillet  
Non-executive director



Marianne Streel  
Non-executive director

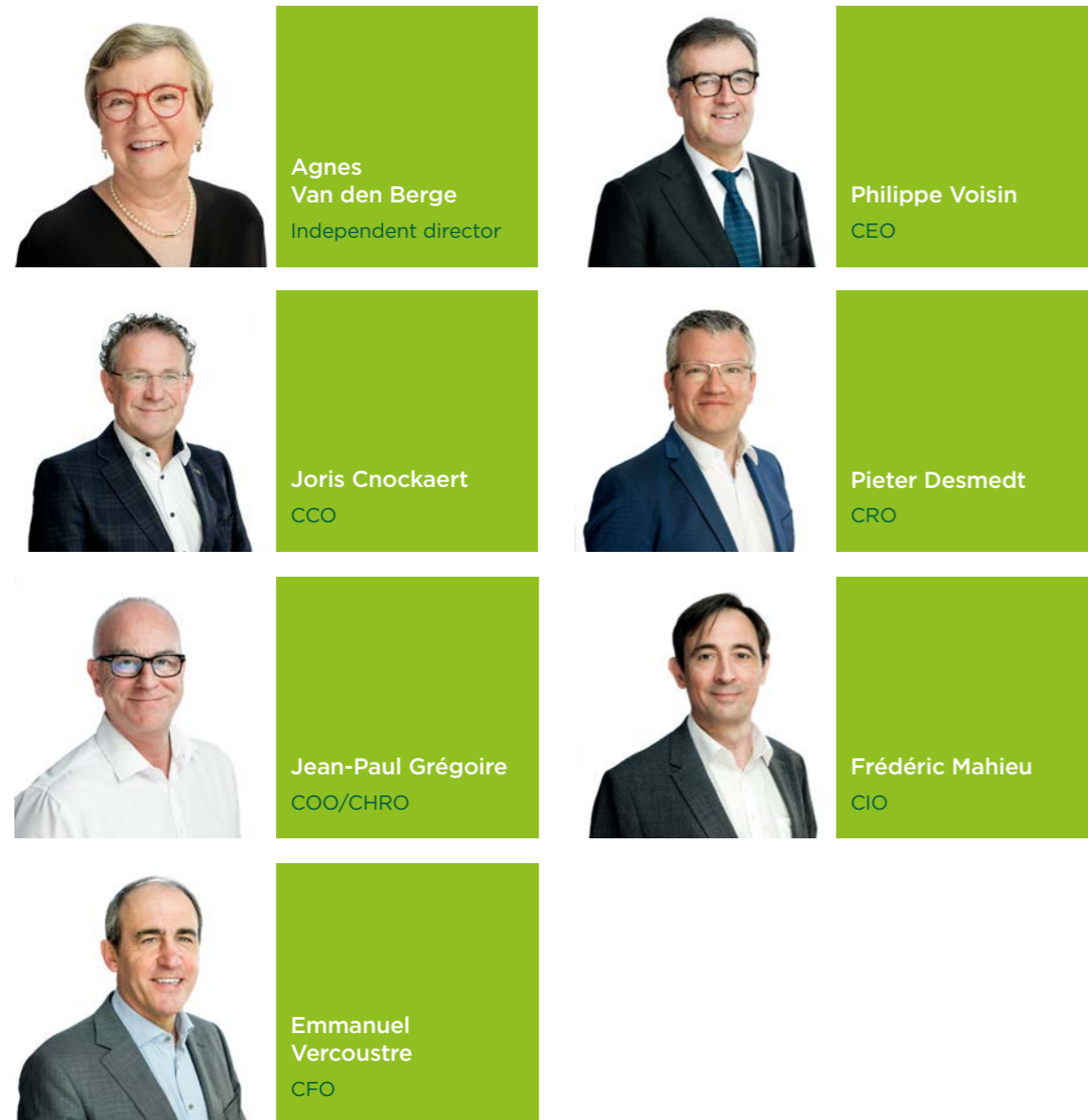


Paul Thysens  
Independent director



Hendrik Vandamme  
Non-executive director





## Management Committee

The Management Committee is the Bank's joint governing body. Under the authority of its Chairman and under the supervision of the Board of Directors, it is responsible for day-to-day management and prepares

the decisions of the Board of Directors, which then enacts them. The members of the Management Committee are appointed by the General Meeting, based on a proposal by the Board of Directors, for a renewable term of six years.

## MEMBERSHIP OF THE MANAGEMENT COMMITTEE AS AT 31/12/2022



Since 1 January 2022 the governance of the Board of Directors, its specialised committees and the Management Committee of AXA Bank Belgium has reflected Crelan's governance.

## Banking rules

Thanks to its sound management, Crelan never had to call on State aid during the financial crisis of 2007-2008. The institution remains properly informed of all new initiatives and regulations launched to encourage banks to improve governance and to better manage risk-taking. Over past years, the bank has strengthened its solvency position, and thus its equity, and complies with the new liquidity requirements developed by the Basel Committee on Banking Supervision. In addition, it has all internal control procedures to identify, manage and report risks, as required by the

"Guidelines on Internal Governance" published by the European Banking Authority (EBA).

## Remuneration of directors

As part of a controlled remuneration policy, Crelan follows the EBA Guidelines (EBA/GL/2021) of 2 July 2021 and the Circular NBB\_2021\_30 for setting the remuneration of members of the Management Committee.

Taking account of Article 67 of the law of 25 April 2014 on the legal status and supervision of credit institutions and its implementing decrees and of Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014, the Board of Directors has defined the perimeter of Identified Staff within the Bank as follows:



- Category 1: members of the Board of Directors;
- Category 2: members of Senior Management
- Category 3: the employees identified in accordance with the Delegated Regulation and other regulations with a job that involves risk-taking;
- Category 4: employees responsible for the independent control functions;
- Category 5: employees identified in accordance with the Delegated Regulation whose total remuneration places them at the same level as senior management and persons with a job that involves risk-taking.

The remuneration policy is structured in such a way that the overall remuneration package is split in a balanced way into fixed and variable components. The composition of the overall package is designed in such a way that it does not encourage the taking of exceptional risks.

The fixed portion is structurally enough to reward Identified members of Staff for their work, years of service, expertise and professional experience and means

a guarantee for the volatile variable remuneration and more specifically the risk of non-payment of an element of variable remuneration.

The basic salary for Identified Staff is determined taking account of the organisational responsibilities, as described in the job description, and of the positioning relative to an external benchmark. The basic salary may also consist partly of benefits in kind.

The variable remuneration for Identified staff is determined in accordance with the rules set out in the Remuneration Policy and is aligned with the risks and performances of the institution, the business unit and the individual.

More detailed and numerical information on the Bank's remuneration policy for Identified Staff is described in the 'Remuneration Policy' section on page 54 to 57 of the Crelan Group Consolidated Annual Report. This report is also available on the bank's web site.







# A sustainable relationship with customers



As a 100% Belgian cooperative banking group, we strive to build a long-term relationship with our customers. These kinds of relationships, based on trust, are not built overnight. That's why the bank has always opted for simple and transparent products, both in terms of loans and investments.

## Sustainable lending



"We always avoid excesses in our relationship with our customers, and in their portfolios. Just call it conservatism in the good sense of the word", explains"

Bart Abeloos,  
investment expert at Crelan

### A CREDIT POLICY AS OUR DRIVING PRINCIPLE

The general credit policy validated annually by the Board of Directors includes the following non-exhaustive commitments that promote sustainability:

- Working with full transparency;
- Exclusion of illegal activities, money laundering, human trafficking, undeclared work, drug and arms trafficking, the sex industry;
- No lending to minors;
- Discouraging excessive indebtedness;
- Avoiding the financing of complex tax structures;
- Analysis based on foreseen and sustainable income;
- Checking the identity of borrowers and the origin of their own resources;





## HELPING ACHIEVE MORE THAN 8 BILLION EUROS IN DREAMS

In 2022, Crelan Group supported local Belgian activity by lending **EUR 8.12 billion**. **75.81%** of this amount was earmarked for **private individuals** for the purchase of housing and consumer goods; **4.79%** went towards projects of **farmers and horticulturalists** and **19.40%** to **businesses**.

## FOCUS ON A GREEN CREDIT OFFER

In terms of green loans, Crelan and AXA Bank offers **'ECO-Energy Financing'** to customers residing in Belgium. These are instalment loans at a favourable interest rate specifically intended for energy-efficient investments such as the replacement of a boiler, investments in green energy (solar-powered boiler, photovoltaic panels, heat pump, geothermal energy), insulation work (roof, walls, floor, insulating glass), the installation of thermostatic taps and switches or an energy audit. The interest rate for ECO energy financing is lower and even deductible in certain cases.

In addition, Crelan and AXA Bank also want to facilitate the purchase of new, less polluting cars by offering a **cheaper separate pricing structure** to customers who buy **electric or hybrid cars**.



- Requirements for guarantees in Belgium;
- Obligation to achieve a minimum level of profitability;
- Not allowing the acquisition of client accounts "in default" from another bank;
- Take account of ESG factors (= Environmental, Social & Governance) and try to avert any negative impact on the environment and society.

In preparation for the integration of Crelan and AXA Bank, the credit policies of both banks have already been largely harmonised during 2022. In this respect, we have given more prominence to the impact of lending in terms of the environment within the credit policy. For example, we have explicitly excluded the financing for the following purposes or target groups from our credit policy:

- institutions and businesses involved in oil, coal and gas extraction;
- financing of private jets;
- companies or activities trading in endangered species;
- companies that are in violation of environmental legislation or do not comply with standards and norms.

Furthermore, additional budgetary requirements are set when financing the purchase of a property with an EPC label > E. With this measure, we encourage the customer to renovate the property sustainably and thus improve the EPC label.

## BY TAKING CARE OF CUSTOMERS

Exploding energy prices are putting pressure on the household budget of the private customers and on the cash flow of the professional customers.

Crelan and AXA Bank have worked out a number of solutions for customers, who have had a hard time coping with these increased costs.

As from 19 September, private customers were able to submit an application to suspend the capital repayment of their mortgage loan for a period of 1 year. The bank did not charge any costs for this. As at 31 December, 795 customers had taken advantage of this offer, with EUR 7.68 million in deferred capital repayments. The offer will continue until the end of March 2023.

Even professional customers did not have to stand out in the cold. They were able to use an energy loan specially designed by the two banks at greatly reduced interest costs.

For farmers and horticulturists, not only was the increase in energy costs a disruptive factor, but also the persistent drought. Farmers and horticulturists who suffered losses as a result could also contact Crelan and AXA Bank requesting a suspension of capital repayments on their business loan for a period of 1 year.

## Sustainable investment proposal

**Sustainable investing was clearly one of the winners of the pandemic crisis. During the first phase of the crisis, when financial markets came under severe pressure due to uncertainty and the enormous economic damage, the shares of companies that scored well in terms of sustainability characteristics held up much better. Sustainability is about much more than a company's environmental or climate impact. The way in which a company deals with its employees or suppliers is also part of a sustainability analysis. The tightness of the labour market and the disruption to production and supply chains as a result of COVID-19 provided sustainable companies with a competitive edge in this respect.**

**The concept of sustainability has long been interwoven into Crelan's product and investment offering.**





## THROUGH TAILOR-MADE ADVICE AND ACCURATE INFORMATION

Generally speaking, Crelan's investment offering starts from **correctly informing** the customer, for which **MiFID (Markets in Financial Instruments Directive)** guidelines are critical. Each investor completes a MiFID questionnaire to determine their risk profile and more recently also their sustainability preferences. In addition, all of our investment products have a score that indicates their level of risk. Our agents advise each client so that their investment choices match their risk profile and their sustainability preferences. Furthermore, all our pre-contractual information is transparent. And Crelan also provides information and reports to its customers throughout the term of the product, so that they can follow the evolution of their investments.

## THROUGH FLAGSHIP PRODUCTS THAT MEET ESG CRITERIA

Our **flagship products** are managed in accordance with **ESG criteria**. ESG stands for **Environmental, Social & Governance** and means that the companies that we invest funds in are continuously evaluated and accounted for in terms of their environmental impact, their social policy and their sound governance.

Crelan and AXA Bank are working together with three strategic partners: **Amundi Asset Management, Econopolis Wealth Management and AXA Invest Managers**. All three take sustainability criteria into account in their investment policy.

In addition, **BNP Paribas Asset Management Belgium**, the manager of our pension savings funds, has integrated a sustainable investment policy into the management of its range of **Crelan Pension Fund Sustainable pension savings funds**.



"Not so long ago, the notion prevailed that attention to the environment, good social policy and/or good governance costs money and thus has an impact on returns. We now know better. There is absolutely no negative impact on the financial performance of sustainable investments. Moreover, especially in times of crisis or great uncertainty, the stock market prices of well-managed companies appear to hold up better than those of 'ordinary' companies. Sustainable investment is thus less subject to significant price fluctuations."

Guy Billion,  
responsible for investment policy for customers and arbitration cases



### Crelan Fund

Under the name "**Crelan Fund**", the bank offers 4 funds that are managed based on the vision of economist Geert Noels, as set out in his book "EconoShock". In his new book "Gigantism", the analysis of an economy that is out of kilter also inspires management choices in funds. Asset manager **Econopolis Wealth Management** bases the composition of its portfolios, among other things, on the exclusion list of the IFC (International Finance Corporation), a subsidiary of the World Bank, and the exclusion list of the Norwegian Public Pension Fund, which is an authority in this field. It excludes companies that, for example, violate human rights, contribute to the production of nuclear weapons or pollute the environment.

The sub-funds that are marketed are:

- Crelan Fund EconoFuture,
- Crelan Fund EconoNext,
- Crelan Fund EconoStocks,
- Crelan Fund Global Equity DBI - RDT.

Of the total amount of funds invested by customers in Crelan in 2022, **13.66% went to Crelan Fund sub-funds**. At the end of 2022, the turnover in these sub-funds amounted to no less than **EUR 702 million**.



### Crelan Invest

Crelan wants to distinguish itself in its offering of mixed funds (shares/bonds) by adopting a sustainable investment approach. In May 2018, the bank launched 3 profile funds through its partner **Amundi Asset Management**, within the '**Crelan Invest**' sicav ('société d'investissement à capital variable' or investment company with variable capital). After a successful start, the turnover by the end of 2022 amounted to no less than **EUR 534 million**. These profile funds embody the investment strategy of the bank, and from the outset have a sustainable investment policy as an essential feature.

The funds are:

- Crelan Invest Conservative,
- Crelan Invest Balanced,
- Crelan Invest Dynamic.

These 3 funds apply strict rules. The management team of Amundi Asset Management is predicated upon solid financial analysis combined with additional financial analysis in the light of ESG criteria (Environment, Social, Governance).

A team of non-financial analysts scrutinizes companies closely and maps out dozens of features of a company's operations. These fall under three headings:

- **Environment:** energy consumption and emissions of greenhouse gases, water use, pollution, waste and focus on biodiversity for the ecological component.
- **Social:** the development of human capital, working conditions, health and safety, social dialogue, relationships with customers and suppliers, local communities and respect for human rights and taking responsibility for the company's products for the social sector.
- **Governance:** the independence of the board of directors, the quality of its audit and controls, the remuneration policy, the rights of shareholders, the overall ethics and the ESG strategy for the governance component.

### Amundi

In addition to these 'flagship products', the bank markets a wide range of Amundi funds, the European leader in asset management. With more than EUR 769 billion of responsible investment under management, Amundi is also one of the pioneers in responsible investment. Since 2021, it has systematically integrated an ESG approach into all of its active management. The company plans to further strengthen this approach by 2025. In particular, Amundi intends to develop new sustainable solutions related to climate commitments, in particular in the field of carbon neutrality, and to expand its direct commitment to the climate by an additional 1,000 companies.



## Structured Notes

In the past, Crelan has also regularly issued structured products within the framework of sustainable, social, ethical and environmental considerations. To assess these considerations, among others, Forum Ethibel and iStoxx were called upon, who in turn call upon Sustainalytics to award an ESG score.

## Eurobonds

In the range of **euro bonds** that we market through our offices we also focus on **'green bonds'** for financing projects that aim to counter global warming.

## THROUGH TRANSPARENT INFORMATION ABOUT THE SUSTAINABLE NATURE OF INVESTMENTS

In 2021, the **European Sustainable Finance Disclosure Regulation (SFDR)** came into force. It is a set of European rules that aims to encourage both asset managers (such as investment fund providers) and banks to be more transparent about sustainable investment.

Sustainable investment has seen strong growth in recent years, but the criteria and terminology are still very fragmented. The SFDR rules have a great advantage in that they impose the same rules on all players, so that the sustainability profile of investments becomes more transparent for the end customer, and investment products are easier to compare with one another.

From now on, providers of investment products shall indicate to which of three categories a product belongs:

- a) Products that comply with "Article 6" of the SFDR rules: these investments do not follow any special sustainability rules in their investment process and are thus labelled as "unsustainable";
- b) Investment products that comply with "Article 8" of the SFDR rules: these investments endeavour to meet environmental and social considerations, in

addition to other characteristics. In other words, an ESG commitment has been integrated into their investment objective or investment strategy;

- c) Investment products that comply with "Article 9" of the SFDR rules: these investments explicitly aim to achieve a sustainable investment objective (for example, in terms of carbon emissions of companies in their portfolio, or other measurable sustainability indicators). Such investments should strive to have a measurable impact in their investment policy.

**In 2022 around 73% of Crelan's fund production took place in investment funds that meet the criteria of "Article 8" and "Article 9", in other words, in funds in which sustainability is explicitly part of investment objectives and policies.**

**At AXA Bank that figure was 91%.**

In 2022, the taxonomy regulation was also implemented, a regulation that is part of the EU action plan to channel financing towards sustainable investments.

The EU Taxonomy is a classification system that determines which economic activities are environmentally sustainable. To achieve this, they must make a fundamental contribution to one of the 6 objectives of the EU Taxonomy:

- protection of healthy ecosystems;
- mitigation of climate change;
- prevention and control of pollution;
- adaptation to climate change;
- transition to the circular economy;
- sustainable use and protection of water.

From now on, the investor's ESG preferences will be taken into account in investment advice and portfolio management.

Customers can determine for themselves the minimum percentage of sustainable investments (SFDR) that must contain products recommended to them.

In addition, customers can also indicate which

PAI issues are important to them so that suitable products can also be offered in this area. PAI stands for Principal Adverse Impact and expresses the negative impact that certain investment decisions can have on factors such as the environment, the social framework, human rights, anti-corruption, ...



## THROUGH FOCUS ON FEBELFIN'S QUALITY STANDARD FOR SUSTAINABLE FINANCIAL PRODUCTS

Consumers are increasingly interested in sustainability, including in the products in which they invest. As the concept of 'sustainability' can often be interpreted and defined in different ways, the umbrella federation of banks, Febelfin, developed a quality standard for sustainable financial products. Products that meet this standard, and are ideally even more ambitious, receive a sustainability label. With this label, consumers can be confident that the product meets a number of quality requirements and their money is going to companies that truly focus on sustainability.

The quality standard defines a number of minimum requirements that sustainable financial products must meet, both in the investment process and in the investment portfolio. A financial product can be awarded the sustainability label if it complies with at least **5 core principles**:

- **clear sustainability strategy**: all dimensions of sustainability, the so-called ESG factors, must be taken into account in the management of the products: Environment, Society and Good Governance e.g. a "green fund" with an exclusive focus on the environment, but without taking account of social or administrative factors, is not sufficient;

- **exclusion for highly harmful companies or activities**: e.g. arms industry, coal industry, tobacco industry, etc.;
- **transparent policy on socially disputed issues**: e.g. nuclear energy, tax avoidance, etc.;
- **clear, understandable and comparable information for the investor**: this should be done using a standard document ('sustainability ID') that should be prepared for the labelled products;
- **independent inspection for observance of the quality standard**.

The quality standard will be regularly evaluated and adjusted to continue to meet the social needs and expectations of the investor.

An initial revision took place in 2021 and started as from January 2022. This revision aims to better align the criteria of the Towards Sustainability label with the evolving European regulations and aims to encourage asset managers to integrate the sustainability criteria more deeply into the investment process. In addition, there are stricter rules regarding investments in harmful sectors (tobacco, coal, etc.), fossil fuels, and government bonds.

**More information available at [www.towardssustainability.be](http://www.towardssustainability.be)**

As a Belgian cooperative bank, Crelan also has an eye for sustainability and is keen to meet the growing demand from customers for socially responsible investment. The Towards Sustainability label is an important and recognisable benchmark in this.

At the end of 2022, the following funds that Crelan and AXA Bank distribute had the "Towards Sustainability" label:

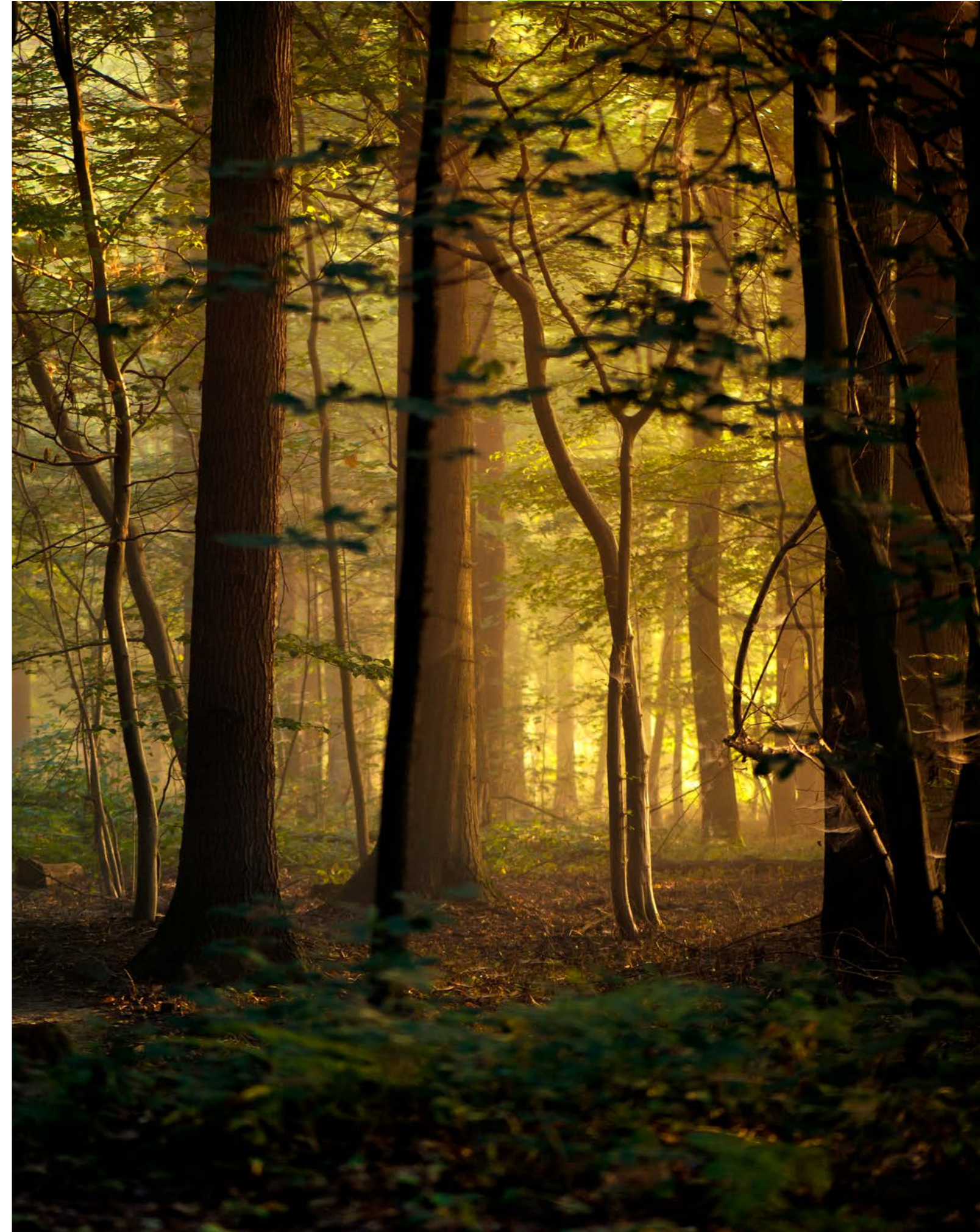
- Crelan Fund EconoFuture
- Crelan Fund EconoStocks
- Crelan Invest Conservative
- Crelan Invest Balanced
- Crelan Invest Dynamic
- Crelan Pension Fund Sustainable Balanced
- Crelan Pension Fund Sustainable Growth
- Crelan Pension Fund Sustainable Stability
- Amundi Funds European Equity Conservative
- Amundi Funds European Equity Green Impact



- Amundi Funds Global Ecology ESG
- CPR Invest - Education
- CPR Invest - Food for Generations
- CPR Invest - Social Impact
- First Eagle Amundi Sustainable Value Fund
- KBI Institutional Water Fund
- Amundi Funds Cash EUR
- Econopolis Climate Fund
- AXA B fund Equity Belgium
- AXA WF Framlington Sustainable Eurozone
- AXA WF Act Human Capital
- AXA WF Sustainable Equity QI
- AXA WF Act Clean Economy
- AXA WF Act Social Progress
- AXA WF Act Dynamic Green Bonds
- AXA WF Act Green Bonds
- AXA WF Act Multi Asset Optimal Impact
- AXA WF Next Generation
- Delegio Privilege Cautious Fund
- Delegio Privilege Balanced Fund
- Delegio Privilege Ambitious Fund
- Delegio Privilege Entrepreneurial Fund

## Accessibility of offices for less mobile persons

The specifications for the installation of an agency includes a chapter on PPE: people with disabilities, older people, persons with a temporary mobility impairment, children, parents with prams, etc.. The vast majority of our branches are therefore accessible to people with reduced mobility.







# A sustainable relationship with employees



As a cooperative bank, Crelan aims to support its colleagues by offering them a pleasant working environment, excellent support and growth potential.

Satisfied employees are motivated and feel invested in their company. This in turn leads to good performance and satisfied customers.

Crelan is therefore strongly committed to a well-developed and balanced HR policy.

The fact that in 2022 the bank was recognised as a Top Employer for the seventh time in a row is a great reward for these efforts.



“As a Top-employer, Crelan pays a lot of attention to the well-being of its employees. A good work-life balance is part of that.”  
Kim Veny (mum of Oscar and Leonie),  
Head of Learning and Development Agencies



## A diverse workforce helps you to keep in touch with what is going on in society

Crelan and AXA Bank have a diverse workforce in terms of gender, age, education, nationality, etc. We view this as a benefit because in this way we have a better feel for what is going on in wider society.

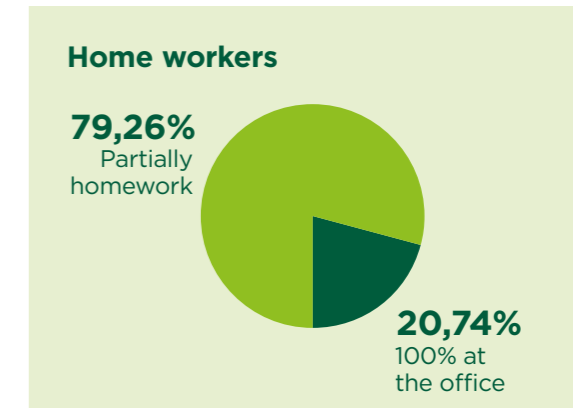
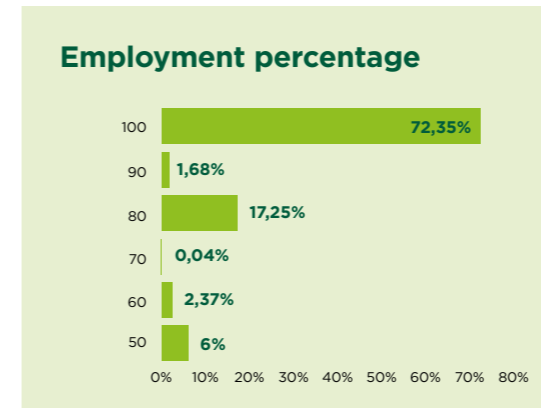
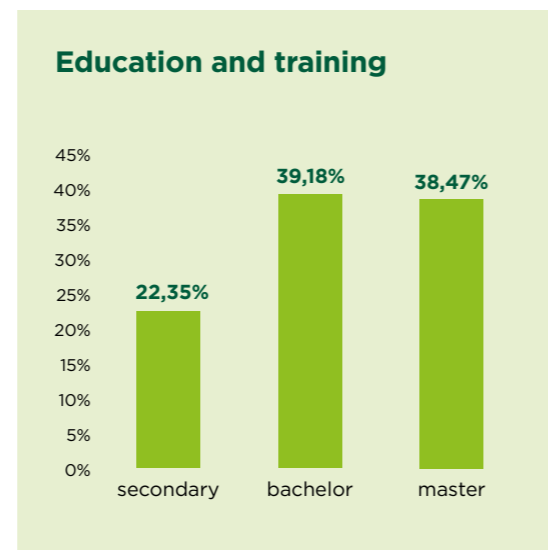
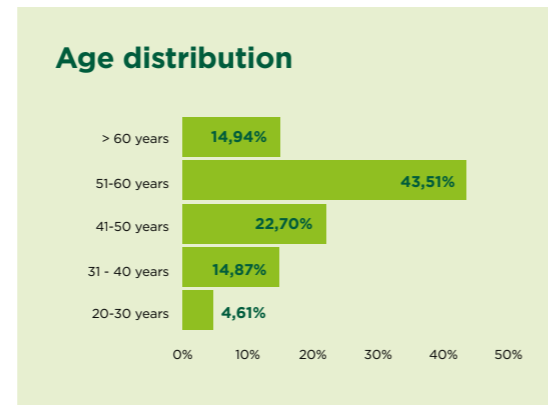
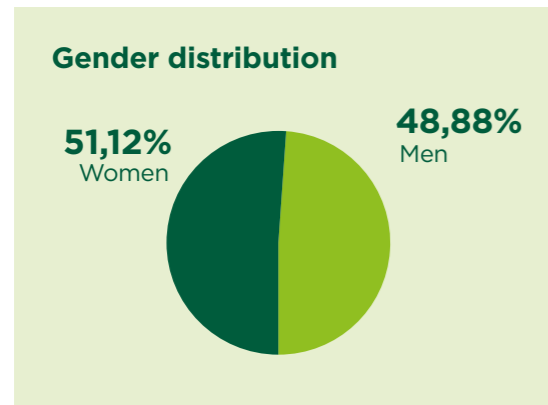
### NUMBER OF CRELAN GROUP EMPLOYEES AS AT 31/12/2022

Company	Number of employees
Crelan	2,199*
Europabank	361
AXA Bank Belgium	2,046**

\*717 staff members and 1,482 employees within the independent agent network

\*\*715 members staff and 1,331 employees within the independent agent network

### DIVERSITY IN FIGURES FOR CRELAN AND AXA BANK AS AT 31/12/2022



## Diversity, a commitment!

There is no room for discrimination at Crelan, either in talent processes such as, for example, recruitment or between colleagues. For example, Crelan asks every employee to sign a code of professional ethics when he/she joins the company. Among other things, it also states that discrimination constitutes no part of our bank's values:

“Employees should avoid any form of discrimination, in particular discrimination on grounds of race, nationality, gender, age, physical disability, sexual orientation, political opinion, philosophical or religious convictions. Any violation of this principle is totally incompatible with Crelan's basic values and, in addition to the sanctions provided for in the Work Regulations and which have been reproduced in the Crelan Guide, could give rise to punitive sanctions provided for by law.”

Crelan's staff currently represents no fewer than 16 different nationalities from different parts of the world.

At the Crelan Group, we believe that diversity should go beyond non-discrimination. We

are convinced that diversity in teams ensures enhanced cooperation and better results. We view such diversity in the broadest sense possible. It is not limited to nationality or male and female, our focus is also on diversity in terms of age, language, personality, skills, etc.

In order to make the integration project with AXA Bank a success, we want to actively make use of this diversity of talent and experience within both organisations. That is why Crelan has chosen to evolve into a unified organisational structure with a unified management team as early as 2022. In these diverse teams bringing together both Crelan and AXA Bank experience, through intensive cooperation and knowledge sharing across both banks, we can already fully engage in the best possible preparation for this challenging project.

At the same time, many initiatives have been undertaken to promote team spirit and employees getting to get to know one another, such as team building sessions, speed dating, networking opportunities, staff family outings, etc.. In this way, we want to help everyone feel at home able to be themselves in our new unified bank.



## From internal mobility to sustainable employability

With the takeover of AXA Bank, the internal career opportunities for both Crelan and AXA Bank employees have grown significantly. Since 2022, we have been opening up all vacancies to all employees internally within both organisations. This has resulted in increased internal mobility, with additional opportunities for a varied career within the Crelan group, and many opportunities to develop new or additional competencies in a different context.

In 2022, 46% of all vacant positions were filled by an internal employee, which undoubtedly means a positive contribution to the permanent employability of our staff.

During the course of 2022, 7 employees were also able to make the transition to a permanent contract to further develop their careers within AXA Bank and Crelan in the longer term.

In addition, Crelan and AXA Bank together recruited around 60 new employees, within various areas of the bank and across all age groups.



## Crelan is Top Employer again

In 2022, Crelan again received convincing acknowledgement as Top Employer Belgium.

The international Top Employer Institute granted this label to Crelan after very thoroughly screening it on its personnel strategy in the widest sense.



For example, during this study the way Crelan onboards new employees was subjected to thorough examination, as was career guidance, learning and development, performance, salary and secondary conditions, health and well-being, the digital and physical workplace, company canteen, transport policy etc. are part of the study.

Account was also taken of how Crelan conveys business values, sustainability and CSR, etc. to its employees. As an employer, Crelan made good progress in 2022, thanks to a large number of initiatives, especially in the above areas.

Every year the bar is set a bit higher in order to be awarded and maintain this label. The focus is on: To what extent is Crelan continuously developing as an employer and is the bank following the latest trends and insights in terms of working in its policy?

So to obtain this recognition once more after such an extensive investigation is something that Crelan is just as proud of every year.

## And how are our employees themselves?

In addition to being recognised as a Top Employer, the bank is even more interested in what the employees themselves think of “Working at Crelan”. That’s why Crelan also implemented the Pulse Survey in 2022. By means of short periodic surveys on the entire workforce, the bank is keeping its finger on the pulse: how are things with employees, how do they experience their day-to-day work context, and what do they need in order to continue giving of their best?

In this way the employees themselves are given a real voice with which to make themselves heard on subjects that affect them as well as providing input on the approach towards strategic projects, for example.

So, a win-win situation for employee and employer, particularly in this period of intense change.

## Advancing together in learning and development

More than ever, 2022 was a year of learning and developing together. The harmonisation of the L&D policy, procedures, budgets, learning platforms and workshops also deserve mention over the past year.

With the unified organisational structure and harmonisation in mind, Change & Culture was high on the agenda last year.

For example, our managers participated in Change Coaching & Change Connection workshops, with the focus on getting to know each other and directing optimal collaboration between teams.

We also developed new guidance for the team agreements in an effort to support our managers pragmatically in supporting their new teams in the unified organisational structure.

In 2022, the members of the Crelan Circle laid the foundation for quality leadership in our bank, a model in which our new values represent the starting point for growing into a strong corporate culture.

We are constantly examining how to keep in touch with our employees, listen to how they experience our bank and the unified organisation, ... and link the actions required to make our bank a pleasant and exciting working environment. Organising the ‘week of values’ for all our employees, supplemented by, among other things, the presentation of a company theatre and organisation-wide events such as ‘SMILE’ was the perfect fit for this.

A great deal of thought was put in to the preparations for the “Start to Lead” programme for new managers, building a strong business culture, leadership and the preparations for the “Learning Together” project that enables employees to make a high-quality start understanding how to get going with new banking applications.

In this way, we are gradually building a strong corporate culture and a sustainable relationship with our employees.

The increasing average number of training days per employee at Crelan and AXA Bank compared to previous years bears witness to the increasing importance of “talent development”, both in terms of skills and technical know-how.

The new, stricter FSMA legislation has led to a large increase in the number of training hours for our PCPs (‘public-facing staff’) and VVDs (people responsible for distribution). It should therefore come as no surprise that training courses on retail & business banking were one of the most frequently attended topics in 2022.



We also launched language courses for Dutch, French and English. Some eighty enthusiastic and committed colleagues took part.

As part of upskilling and reskilling, in 2022 we will see an important participation in the training courses organised around the issues of 'communication' and 'digital skills'

Online and digital learning is certainly here to stay. Accordingly we shone a more intense spotlight on the GoodHabitZ learning platform, launched at Crelan in 2021, and also provided access to this platform for AXA Bank colleagues. Among other things, the 'Snack & Learn' campaign in October boosted the number of users and online training hours. 84% of our Crelan and AXA Bank colleagues have activated their account. Training courses on issues such as 'personal strength' and 'digital skills' were the most popular.

## Together@Crelan and Young@Crelan

**Together@Crelan** is a joint initiative on the part of the employer and employee representatives. Employees from various departments volunteer to organise **family, sporting, social and cultural activities** for members of staff and their families. These activities receive financial sponsorship from the bank. The organised activities promote peer support and team spirit throughout the company and thus also represent a way of implementing our cooperative values.

In 2022, for the first time Together organised a large family day for all employees and their families from both banks. This day in Durbuy was an overwhelming success and ended with a barbecue. In the future, we will continue to strengthen the ties between all employees with such initiatives in a relaxing setting.

**Young@Crelan**, a youth organisation supported by a number of enthusiastic volunteers, aims to promote networking and a



pleasant atmosphere within the bank, with an added focus on colleagues up to the age of 36.

In 2022, in line with their motto '**Fun, Inspire & Connect**', Young mainly focused on cool activities in and around the offices. For example, we watched football together, we organised match-day predictions and there were breakfast sessions for new employees. Young even transformed one of our meeting rooms into a full-blown escape room. Through all this, we want to stay in contact with one another in the office and strengthen the team spirit across teams, even when employees work from home a lot.

## Health comes first!

### FROM CORONAVIRUS MEASURES TO GENERAL VIRUS PREVENTION

During the course of 2022, the coronavirus measures in offices and branches were phased out in accordance with government guidelines. The number of corona infections was therefore much lower in 2022 than in previous years.

Gradually, the transition was made towards business as usual. However, the lessons we learned from the pandemic period were taken into account in the bank's overall prevention policy. As part of the fight against the spread of viruses (coronavirus as well as the flu and RSV - Respiratory Syncytial Virus), air quality remains an important issue. We therefore continue to measure, report and monitor CO2 levels in the various offices.

All employees, not only the at-risk groups, were once again given the opportunity to be vaccinated against the flu free of charge in 2022. In addition, attention was regularly drawn to good hygiene practices such as washing hands regularly with water and liquid soap. (Additional) opportunities for remote working were also promoted when mild symptoms of illness were shown. Finally, FFP2 face masks were still made available to those employees who, for whatever reason, want to have an additional layer of protection.

### WELL-BEING AND ACCIDENT PREVENTION CAMPAIGNS

The psychosocial well-being of employees was also given widespread attention in 2022, not only because of the consequences of the coronavirus crisis but also because of the numerous changes within the company that have an impact on employees.

At the start of 2022 Mindlab was launched for all bank employees. Mindlab is an online platform geared towards mental well-being. The platform offers various modules, such as: Better sleep, Coping with stress or Mindfulness and meditation. Employees can use the platform at their own pace and where and when it suits them, to increase their mental resilience. It consists of oral and written texts, videos, questionnaires and practical exercises: variety is guaranteed.

In the meantime, more than 150 modules have been taken. The satisfaction score for Mindlab was no less than 9.3/10 and it was therefore decided to continue to offer Mindlab to all employees in 2023.

In 2022, a search was started for two new (French-speaking) confidential advisors to strengthen our existing team. In the meantime, two employees from the large group of candidates were selected and approved by the Committee for Prevention and Protection at Work. They will complete their basic training in 2023.

In addition to the increased focus on psychosocial well-being, numerous other initiatives around the well-being of our employees were included in the 2022 training program:

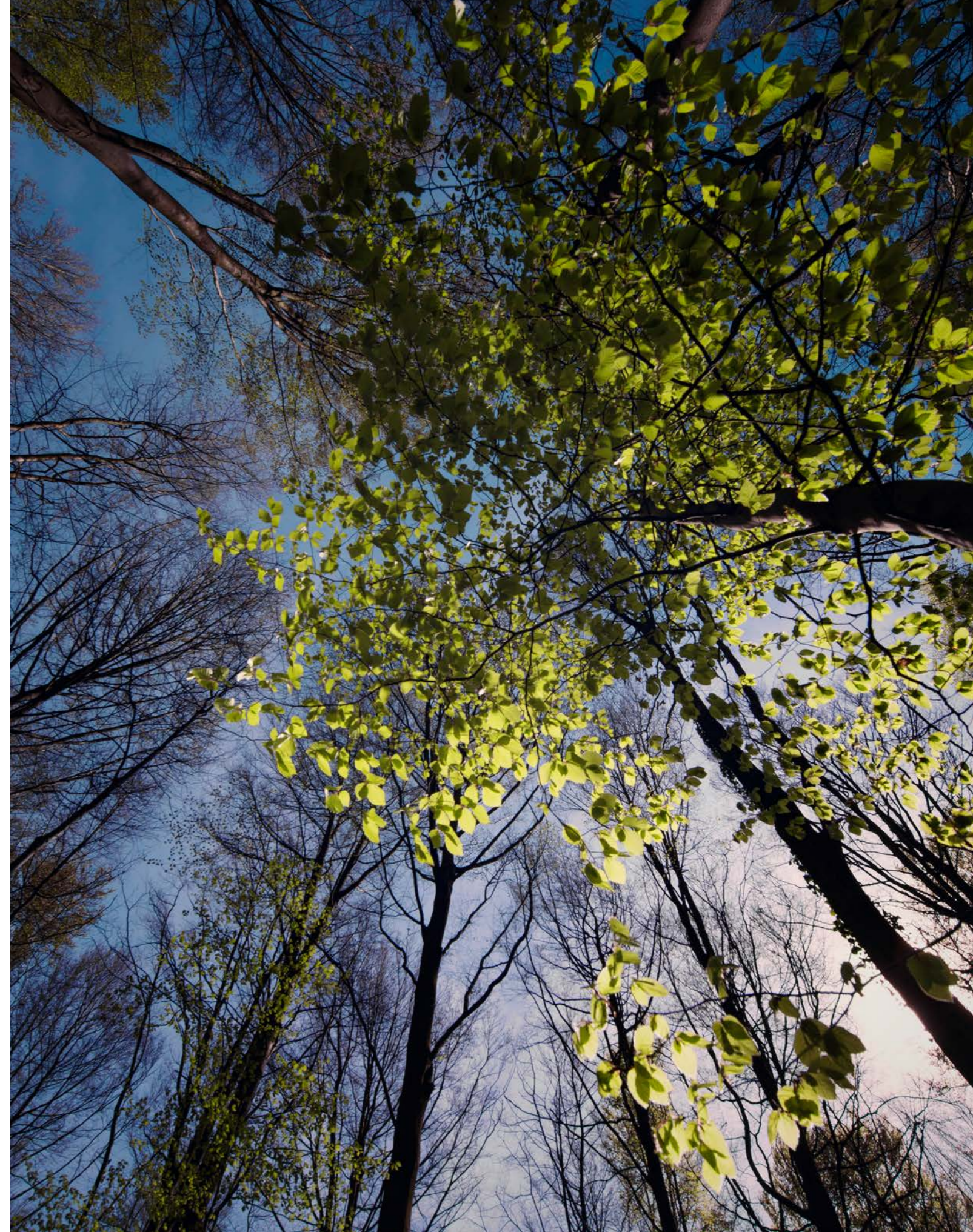
- The annual evaluation of the care@crelanpolicy led to a number of refinements. This policy aims to limit the negative consequences of an extended period of absence as much as possible and to prevent this, wherever possible.
- In collaboration with the external prevention service, workshops were organised on how to use a defibrillator. There are one or more defibrillators in the various bank offices. During the workshop, employees learn how to use an AED, with which they can save lives. The AED increases a victim's chances of survival by 60%. In total, more than 65 employees took part in the workshops.
- There was a big focus on switching off, both during the course and towards the end of the year, which was the moment when a collective agreement on the right to switch off was concluded. Switching off is interpreted broadly at Crelan and AXA Bank and, in addition to the collective bargaining agreement, there is also an additional document with tips & tricks that help employees to monitor their own boundaries and those of their colleagues.



## Safety

As part of staff safety, mainly in the branches, Crelan developed various procedures and bundled them into a **safety code**. It contains guidelines on suspicious persons, opening up and closing the branch and on access codes. The code also contains a scenario in the event of a robbery or a hold-up on staff.

Compulsory safety training forms part of the general training programme upon opening a branch, with the emphasis on identifying suspicious situations, actions during and procedures after a robbery. In the event of such a major incident, Crelan offers free psychological support in the form of victim support at Securex.







# A sustainably built investment portfolio



**As part of its liquidity management, Crelan maintains an investment portfolio. Through procedures and observing an exclusion list, the bank ensures that these funds are invested correctly and sustainably.**

In the first instance, the Balance Sheet Management department **screens** the investments it makes in respect of **internal investment requirements** such as the creditworthiness of the counterparty, the investment horizon, pre-set limits, etc.

Because the bank's **financial portfolio** is mainly held as part of liquidity management, Crelan invests primarily in bonds with a robust credit profile and high level of liquidity. The bank's portfolio therefore consists largely of **government bonds** issued by Eurozone countries. These democratically elected governments have incurred debts in the past to invest in education, social security and health care, among other things. Through loans to the government, Crelan contributes to the financing of projects within these areas.

Only well-known companies from mainly Europe and the United States, whose activities are known to the general public, are eligible for investments in **corporate bonds**. The Balance Sheet Management department uses an **independently approved ESG rating agency** to select investments with the best ESG scoring and an exclusion list of issuers from which no financial instruments may be purchased. This list is based on the **exclusion list of the Norwegian "Government Pension Fund Global" (GPFG)**. In recent years, the pension fund has also adopted an 'active ownership' policy, in which the fund makes contact with the management of the companies in which it has a holding interest. Regular consultations are also held with other investors and topics such as corporate governance, social policy, impact on the environment and society are regularly raised.

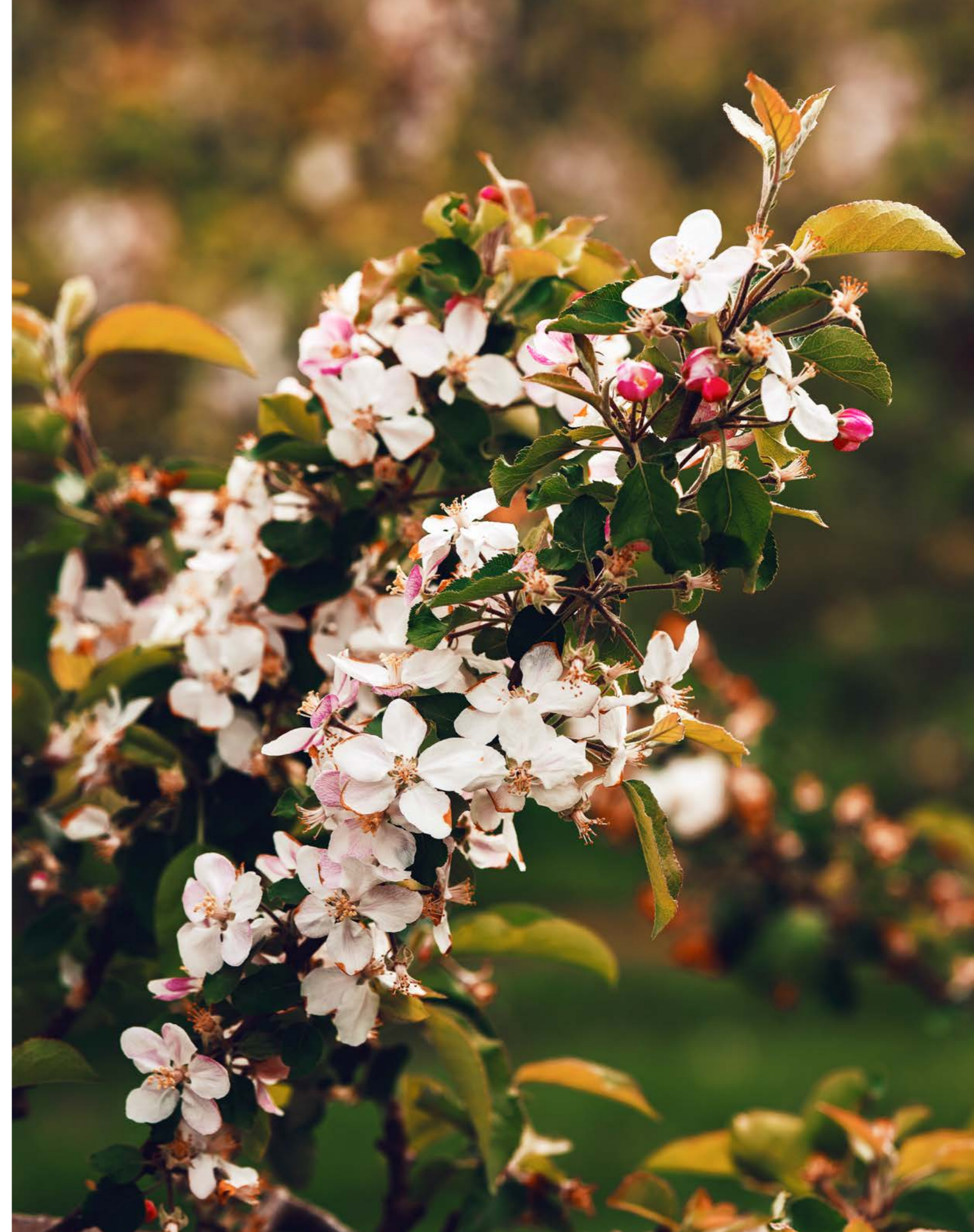
The exclusion list of the GPFG is supplemented by issuers whose values or production methods do not fit within the ethical values that Crelan wishes to espouse. Issues that are



particularly important to Crelan are:

- 1) **Respect for human rights:** excluded from our investments are companies that breach the ILO or OECD guidelines in relation to labour and human rights such as child labour, forced labour, hindering trade union formation, discrimination, etc.
- 2) **Respect for fellow human beings:** excluded from our investments are companies that have links with the production of weapons, gambling, pornography, illegal activities, flagrant corruption or money laundering, misleading stakeholders, etc..
- 3) **Respect for the environment and health:** companies linked to the tobacco sector, non-certified palm oil, illegal deforestation, companies that generate significant revenue from coal, etc..

Companies that put Crelan itself on the exclusion list will be excluded for a minimum of 1 year. Afterwards, it is possible to check whether the issuer has taken measures to improve this.







# A sustainable stakeholder in society



As a cooperative banking group, Crelan Group is convinced that, in addition to its role as a financial advisor, it also has a social commitment to fulfil. With the Crelan Foundation, the bank is building on a tradition of supporting socially relevant and sustainable projects. Through these initiatives, it draws attention to four core values that are close to its heart: staying close to the customer, local connections, being sustainable and cooperative. These basic principles are not only important in its relationship with customers, but also how it stands in society. Through the Crelan Foundation, the bank also wishes to translate this philosophy into social commitments.



## The Crelan Foundation for and by the cooperative shareholders of CrelanCo

With the **Crelan Foundation**, the bank is able to address the 277,755 cooperative shareholders of CrelanCo directly. After all, many of them do voluntary work, are active in associations or take part in initiatives with a socially sustainable impact. These cooperative shareholders can submit an application for **support for social projects** using the Crelan website.

The Crelan Foundation committee selects and provides financial support for a number of these initiatives each year. The full conditions that an application must meet and the application form are available on Crelan's web site.

Each year, Crelan sets aside an amount for the Crelan Foundation according to the bank's profits. The available funds are divided in a balanced way between the three areas that the bank supports.

These are the following three areas:

- Culture & education;
- Health;
- The environment.

### SUPPORTED PROJECTS, WORKING YEAR 2022

Total amount awarded	65.500,00 EUR
Number of projects supported	41
Average amount awarded	1.600,00 EUR
Maximum amount awarded	3.835,00 EUR

## Support for sustainable agriculture and horticulture

Since its inception in 1937, the bank has enjoyed strong ties with the Belgian agricultural and horticultural sector. That's why Crelan is also undertaking a number of sustainable initiatives in this sector.

### SUPPORT MEASURES FOR THE DROUGHT

Many agricultural and horticultural businesses were once again badly affected by the persistent drought. **Crelan's agricultural customers could count on support from their banker.** Specifically, Crelan offered them the option of suspending principal repayments on their loans for one year to ease temporary pressure on their cash flow.

### ENERGY SUPPORT MEASURES FOR PROFESSIONAL CUSTOMERS

Crelan, AXA Bank and Europabank take part in the energy support measures that the government and the banking sector elaborated globally for households experiencing temporary difficulties due to the increased energy bills.

But **Crelan and AXA Bank go beyond this for their professional customers.** At the end of September both banks announced that professional customers whose cash position comes under pressure as a result of higher energy prices could apply for a specially developed energy loan on very special terms.

### UNIVERSITY CHAIRS SUPPORTING SUSTAINABLE AND INNOVATIVE AGRICULTURE

Through the Crelan Foundation, the bank is supporting a **Crelan Chair (professorship) at the University of Ghent** and a **Crelan Chair at Gembloux Agro-Bio Tech at the University of Liège.**

### An overview of the working year of the Crelan Chair at the Faculty of Bioengineering at the University of Ghent

The **Crelan Chair at the Faculty of Bioengineering at the University of Ghent** has been promoting scientific research projects on innovation and sustainability in the agricultural sector since its establishment in 2015.

Traditionally, the Chair plans many opportunities for various stakeholders to meet throughout the year. In 2022 the emphasis was placed on the following two initiatives:

- The 'Effective communication for researchers' workshop in which a hundred young researchers were given tips & tricks by experienced scientists on how they can express technical research results to the general public in a clear, simple and nuanced manner;
- The continuation of the initiative launched in 2021 to young people "Blok je groen".

#### > Blok je groen

The 'Blok je groen' project aims to highlight the importance of indoor greening to young people.

Recent scientific research shows that a green environment reduces stress and enhances concentration. Continuing the 'Blok je groen' initiative started in 2021, during the pre-examination period in May the library for the Knowledge Centre for Health Care Ghent, the Faculty Library of Bioengineering at the University of Ghent and the HOGENT (University of Applied Sciences and Arts) library of Schoonmeersen were partly transformed into green oases where students were welcome to study.

The research is a collaboration between the Faculty of Bioengineering at the University of Ghent and the HOGENT (University of Applied Sciences and Arts) and focuses on two test groups, namely the students who studied in rooms decorated with plants and those who were studying for exams in a room without plants.

Students were able to take part voluntarily by taking surveys and by taking a sample of their microbiome from their skin.

The research results are expected during the course of 2023.

Crelan is one of the partners participating in the initiative.

[Read more about Blok je Groen.](#)

### An overview of the working year of the Crelan Chair at the Gembloux Agro-Bio Tech at the University of Liège

In February 2017, a **Crelan chair was established at the Faculty of Bioengineering at the Gembloux Agro-BioTech at the University of Liège.** The main objective of this chair is to deepen our knowledge about short supply chains and to disseminate this concept among all actors.

These short supply chains are responsible for diversification and a positive ecological impact by trading some products locally.

From 2022, the chair's area of research has been reviewed and now consists of two complementary components. On the one hand, the intention is to strengthen knowledge about innovative economic models in local food marketing. On the other, the chair is focusing on experimentation, innovation and co-construction of sustainable food systems connecting production systems and consumption patterns. To this end, the chair





organises participatory events and promotes the dissemination of knowledge.

In 2022, the Chair developed five initiatives:

1. Organising a summary event at the short-chain initiative 'Fabrique Circuit court de Rhisnes' with a full report on the activities and results of the first 4 years of the curriculum.
2. Organising a first participation event on short-chain logistics with a dozen participating organisations and cooperatives operating in the districts of Liège and Verviers.
3. The collaboration with the 'Manger Demain' cell was continued with active participation in the webinar on the research results of a survey conducted amongst various stakeholders from the agri-food sector. Industry datasheets were also drawn up.
4. In collaboration with the intercommunal 'BEP de Namur', organising a company visit to the WASABI platform of the Gx ABT-ULiège and to the short-chain initiative 'Fabrique Circuit court de Rhisnes' on the occasion of an official visitor delegation from Nantes.
5. As part of the CARE AgriculteursLife initiative, which focuses on improving tested innovative cultivation systems, a consultation committee (with stakeholders from the sector, members of universities and research centres and farmers) was set up and a first meeting was organised.

## ENCOURAGING AND FACILITATING CROWDFUNDING FOR AGRICULTURAL AND FOOD INITIATIVES

Together with the crowdfunding platform specialising in agriculture and food, MiiMOSA, for the sixth time in a row the Crelan Foundation organised a call for projects in the agricultural and food sector.

Entrepreneurs had the opportunity to present their projects to the public using the **MiiMOSA** platform.

In exchange for their financial contribution to a project, the participants receive either remuneration in kind in the form of goods and/or services in the case of a crowdfunding project, or remuneration in the form of interest from a crowdlending project. The latter is also known as an equity loan.

Six of the 24 innovative projects launched have received backing from the Crelan Foundation in the form of a financial contribution, the so-called 'financial boost' amounting to a total of EUR 5,994.00.

## The six 'financial boosts' for 2022 were:

### Find out what the real Labneh is



Mariana and her son Gaia make Labneh and other organic goats' milk products. Labneh is an Eastern Mediterranean yoghurt-based dish.

Delicious with an aperitif, BBQ, in sauce dips, etc..

### Refoodgees, cooking for a meaningful world



Grafted on social inclusion, this restaurant in Sint-Gillis trains refugees and prepares them for a job in the Brussels hospitality industry.

### Creation of 'un puits d'Âme Hour (source of love)'



The project involves the construction of a well on the site of the Foundation 'L'Abeille et le chêne'.

### Ventre Content ['full belly'], a locally inspired plant-based cuisine



Sisters Margot and Zouzou are behind some surprising vegetable dishes in which they combine the culinary and the artistic.

### An orchard grazed by sheep!



'L'Arbre qui pousse' ['The tree that grows'] is a communal farm project that includes an orchard with an array of local varieties and respect for nature.

### An orchard and diversified hedges for our future!



Antoine, Pierre, Simon and Etienne, friends in their twenties, dream of collectively operating a farm. The first step is the construction of a high-pedigree orchard surrounded by a diversified cluster of hedges.

But more importantly, the Crelan Foundation has helped these six young entrepreneurs raise more than EUR 66,000 through crowdfunding. Across all 24 projects, EUR 292,811 has been raised by 2,470 citizens.





### SUPPORT FOR AGRICULTURAL ORGANISATIONS TO PROVIDE THE BEST POSSIBLE REPRESENTATION FOR THEIR MEMBERS

The ABS (General Farmers' Syndicate) and the FWA (Walloon Agricultural Federation) play an important role in representing the voice of farmers and horticulturists to the competent authorities. They also provide advice to affiliated farmers and horticulturists.

Both organisations can count on a financial contribution from Crelan every year. In this way, the bank wishes to contribute to effective representation and support for farmers and horticulturists.

### Our employees are committed to the cause

In 2022, Crelan and AXA Bank launched a new joint initiative. The monthly SMILE sessions are friendly after-work meetings that are always organised by a different department of the bank.

Through this initiative, AXA Bank and Crelan employees get to know each other outside the more formal context of work and the department organising the meeting chooses a charity. This charity then receives the income from this session. In the first instance, these are sums of money that participants spend on drinks, supplemented by the revenue from specific initiatives undertaken by the smile activity such as a second-hand fair, a Christmas market, etc..

In the first year of operation, the SMILEs raised EUR 7,200 for various charities.

### Focus on the third world

#### MICROFINANCE THROUGH INCOFIN

Since 2015, Crelan has partnered with Incofin through a stake in the fund's capital.

The Incofin fund provides money to micro-finance institutions in third world countries, which are selected based on their impact on the social development of the disadvantaged local population, among other things.

The microfinance institutions then use these funds to provide "microcredit" to local small-scale projects. In this way Incofin makes an important contribution to the economic development of third world countries and ensures that its resources are well spent.



### STUDENTS COMPLETE AN INTERNSHIP FOR YOUCA

On 20 October, 8 students were welcomed as guests for a whole day as part of the Youca Action Day. Through a game, a quiz and a veritable journey of discovery through every department of the bank, they discovered more about the work of a banker. For this, Crelan pays them 440 euros in remuneration, an amount that the bank raises to 1,000 euros and that the students contribute to youth projects in Uganda, Burkina Faso and Ecuador.

### Our collaboration with the Royal Belgian Forestry Association

At the start of 2021, Crelan entered into a partnership with the Belgian Forestry Association (KBBM) to implement reforestation projects at various sites throughout Belgium. In this way, Crelan was able to contribute to better protection and preservation of the forests in our country.

#### WHY PARTNER WITH THE ROYAL BELGIAN FORESTRY ASSOCIATION?

In Belgium there are 700,000 hectares of forest, which corresponds to 23% of the total Belgian territory. Today, however, more than 60% of the tree species in our forests are showing signs of debilitation. To protect and prepare tomorrow's forest, it is important to support the regeneration of forests and to encourage projects that are diversified in terms of species, age and structure.

That's why in 2021, as part of its partnership with the Royal Belgian Forestry Association, Crelan took on the cost of planting four trees for every ECO-Energy financing that was awarded.



#### THE RESULT OF THIS PARTNERSHIP IN 2021?

The result of this collaboration is that no less than 8,497 trees will be planted in different locations throughout Belgium. As a result, 3 hectares of forest can be sustainably replanted. The Royal Belgian Forestry Association's expertise and know-how ensure that the plots are planted in a sustainable manner and in keeping with their environment.

In 2022, this collaboration continues and Crelan is committed to financing 2 new trees for every newborn that becomes a customer.





# Sustainable environmental investment



Crelan members of staff work across three buildings; the head office in Brussels (Anderlecht) and two regional offices, in Antwerp and Gembloux.

How the bank manages these buildings also demonstrates the efforts made to reduce its ecological footprint.

## Investment in energy-efficient solutions

“The use of energy has a direct impact on the environment and climate. An energy-efficient approach is therefore a task for every one of us and is in the interests of everyone. The actions we now take will largely determine our environmental legacy to the next generation. Being energy-efficient without compromising convenience for colleagues is the starting point that we always try to focus on. Targeted investments as part of energy-efficient consumption have paid off in recent years”

Patrick Van Deuren,  
Technical Site Coordinator

The following investments over the past few years have had a positive impact on energy consumption:

- the installation of solar panels in 2018 and the systematic replacement of energy-intensive light bulbs with LED alternatives since that same year;
- the installation of a new building management system and the optimisation of the humidification system for the air conditioning units in the head office in 2019;
- fine-tuning of the temperature curve in line with real needs in 2020;



- the installation of a condensing high-efficiency boiler to replace the existing hot water production system in 2022;
- the adjustment of the base temperature and operating hours of the HVAC systems in buildings.



### Impact of photovoltaic panels

In 2018, Crelan installed photovoltaic panels on the roof of its head office in Brussels (Anderlecht). This is how Crelan produces part of its own demand for electricity and ensures that all parts of the building are put to good use. According to the initial calculation, the installation is likely to be profitable after 6 years, but this period has been shortened considerably with the current energy prices.

Solar energy is a form of renewable energy and does not emit CO2 or other harmful substances. Its installation thus contributes to a cleaner climate and a better environment. The total installed capacity is 27.47 kWp and occupies the maximum available space on the roof. The purpose of the investment is to emit 9,600 kg. of CO2 less per year by reducing electricity consumption by 2%.

	2019	2020	2021	2022
<b>Production by solar panels (MWh)</b>	26,766	25,461	29,567	20,902
<b>Reduction of CO2 emissions (kg)</b>	10.493	10.017	11.632	8.497



Despite the high temperatures during the summer and the associated additional consumption of the cooling systems - a fact that we will have to take more and more into account in the future - we managed to consume 9% less electricity in 2022.

Gas consumption fell by 37% in 2022. During the first half of the year, there was still a negative impact from coronavirus measures, including in relation to ventilation. If we compare the second half of 2022 with 2021, we can even identify a saving of 60%.

Water consumption then increased by 60%, mainly due to the resumption of the normal business calendar in offices after the cessation of coronavirus measures involving compulsory periods of working from home.

## Charging points for electric cars

In 2022, the bank installed 8 additional charging points in Anderlecht and 2 in Gembloux.

By making these charging points available, we want to encourage our employees to drive electric cars. By reducing the use of fossil fuels in our transport, we reduce greenhouse gas emissions.



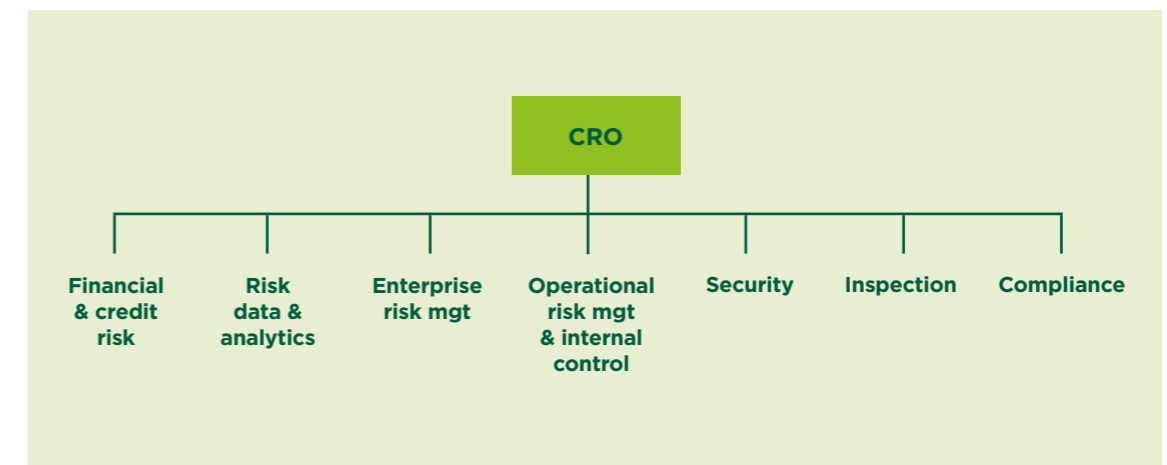




# Risk management

The entire risk management of the bank is entrusted to one management team, with various teams responsible for its correct operation. In this way, the bank aims to manage, monitor and avoid the risks as effectively as possible.

## Risk management in the organisational chart



### The main tasks

- Financial risks include interest rate, options, liquidity and market risks. These risks are monitored using specific models in which Risk Management carries out the second-line check after a first-line check by the specific business units themselves. Monitoring is carried out via central management for all entities of the Crelan Group.
- Risk management is also responsible for monitoring the quality of the credit portfolio based upon the credit policy. In addition to the policy, the health of this portfolio is also promoted by diversified powers as part of credit allocation and the use of scoring and rating models. Risk management provides independent advice for each client account that is assigned to the credit and/or management committee.
- When it comes to the monitoring of operational risks, the bank uses a warning mechanism monitoring the development of key indicators. Within each department of the bank, one or more respondent(s) are also appointed to provide notifications and report on operational incidents using a uniform monitoring tool.
- IT security is monitored using two control lines; the first line deals with practical monitoring and a second line describes the risks, determines policy and carries out checks.
- Compliance focuses on checking the correct



functioning of the bank within the framework of legislative, regulatory and supervisory procedures. In addition, this department also actively contributes to broadening awareness and knowledge of this issue among employees.

- Internal Audit independently provides reasonable assurance - to both the Board of Directors, through the Audit Committee, and the Management Committee - on the quality and effectiveness of internal controls, on risk management, and on the bank's corporate governance systems and processes.
- The Inspection department oversees the correct operation of the independent agencies through a combination of unannounced and announced inspections and through investigations from head office. The department is also responsible for the development and monitoring of the Crelan Charter, which incorporates the main agreements between the Bank and independent agencies.
- Finally, the Risk Management board is also responsible for coordinating recovery tests, drawing up recovery plans and drawing up regulatory reports such as ICAR (Internal control annual report), ICAAP (Internal Capital Adequacy Assessment Process), ILAAP (Internal Liquidity Adequacy Assessment Process), the Recovery Plan, the third pillar report, etc.

More detailed information on Crelan Group risk management and risk monitoring is available in the Crelan Group's 2022 Annual Report under the chapter 'Crelan Group, a safe banking group'.

## Climate, environmental risks and exposure to carbon-intensive sectors

Climate change can also have an impact on our operations and is therefore an element that we do have to properly take into account. To do so, we have mapped out a number of risks.

### Credit risk

Risks may arise in relation to:

#### - Mortgages - transitional risk

Energy performance increasingly plays a role in the valuation of a residence. Houses with a lower EPC value can decrease in value in the future, and that has an impact on the LGD value (loss given default).

The additional consumption of energy for this type of housing can also have a negative impact on the CTP (capacity to pay) and the PD (probability of default), taking into account the sharp increase in energy prices.

#### - Professional loans - transitional risk

The most important risk in the segment of professional lending is the various legislative initiatives launched, such as the carbon tax, because they influence the business model of professional customers.

#### - Mortgage & professional customers - physical risk

The more extreme weather conditions increase the risk of extreme flooding with an impact on the CTP and PD because the customer must use its budget for necessary repairs. In addition, the value of loan collateral also decreases.

### Operational risk

The various changes within the legislative framework have been identified as the main operational risk. As financial institution, it is essential to implement the various reporting obligations and supervisory expectations in a proper and timely manner. This also means paying attention to the availability of high-quality data.

### Liquidity risk

The aspect of sustainability is a crucial element in our business. Investors are asking for Green Bonds to be put on the market. Failure to integrate Green Bonds as a product could have a negative impact on fundraising and cost price.

### Market exposure

In terms of market exposure, we mainly identify the risk of a sustainable investment portfolio during its period of transition.





This 2022 sustainability report represents a supplement to the Crelan Group's 2022 annual report. Both are available at [www.crelan.be](http://www.crelan.be).

We would like to thank the staff, branches and the management of the Crelan Group for their contribution to this report and hope that it can be further developed and supplemented in the future with specific objectives and new figures. We would also like to thank our customers and cooperative shareholders for the confidence they place in our bank.

