



Sustainability Report 2023

Crelan Group

Content

Crelan Groupsustainability report 2023	5
Who we are?	8
Structure and shareholdings	12
Figures on 31 December 2023	12
A sustainable year at Crelan	13
A sustainable year at Crelan	17
In the spotlight	17
Strategy and action plan for the coming years	21
Crelan Group: this makes us better together	21
Sustainability reporting	25
United Nations as a guideline	27
Sustainable governance	29
A diversified Board of Directors	30
Management Committee	32
Banking rules	33
Remuneration of directors	33
A sustainable relationship with customers	35
Sustainable lending	35
Sustainable investment proposal	37
Accessibility of the offices	43
A sustainable relationship with employees	45
A diverse workforce helps you to keep in touch with what is going on in society	45
Diversity and Inclusion, a commitment!	46
From internal mobility to sustainable employability	47
Crelan is Top Employer again	47
And how are our employees themselves?	48
Advancing together in learning and development	48
Safety	50
A sustainably built investment portfolio	51
A sustainable stakeholder in society	53
The Crelan Foundation for and by the cooperative shareholders of CrelanCo	53
Support for sustainable agriculture and horticulture	57
Our employees are committed to the cause	59
Focus on the third world	59
Sustainable environmental investment	61
Charging points for electric cars	62
Risk management	63
Climate, environmental risks and exposure to carbon-intensive sectors	64



Crelan Group: sustainability report 2023

This 2023 sustainability report is a supplement to Crelan's 2023 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 nearly 284,000 cooperative shareholders. They have invested up to a maximum of €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.

Here at Crelan, we want to make a difference to both 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.

“Our cooperative roots are authentic. It is not a marketing concept that any other bank can use, it is in our DNA, it is our history.”

- Philippe Voisin
CEO



2023 was the hottest year ever; with all the associated consequences: fires, drought, floods, etc., it is clear that global warming is becoming increasingly noticeable.

The 28th UN Climate Change Conference (COP 28) took place in Dubai from 30 November to 12 December 2023. The text adopted following the conference calls for “accelerated action” to be undertaken so the world can be carbon neutral by 2050, as well as to limit global warming to +1.5°C in this century. According to experts, this is only possible if we move away from fossil fuels.

On a geopolitical level, 2023 will go down in history as the year in which war continued at the gates of Europe and a new conflict broke out in the Middle East.

Although these conflicts primarily cause immeasurable human suffering, they also have a damaging impact on the climate, food supply, economic progress and human well-being. They also make us realise how dependent we still are on fossil fuels.

Crelan wants to take responsibility helping to turn the tide. As a cooperative bank, we want to guide our customers through the energy transition. As our logo demonstrates, we are a green bank; and we want to be even greener in the future.

Our determination to significantly reduce our carbon footprint has led to a number of measures to consume less and more intelligently. For example, we have invested in solar panels and accelerated greening of our vehicle fleet.

To promote our ESG performance and strengthen our cooperative strategy, a new management committee has been established, and it has been active since 1 September 2023, namely the Cooperative Bank Office.

As a cooperative bank, we want to have a positive influence on society. We do this by supporting socially relevant and sustainable projects. This is done, for example, through the Crelan Foundation.

Over the past year, the internal Crelan and AXA Bank teams have continued their dedicated work on the impending merger with plenty of energy.

In 2023, Crelan was named Top Employer in Belgium for the 8th year in a row, something we are particularly proud of.

“It is from small streams that big rivers rise” writes Roman poet, Ovid. Let’s all feed into these small rivers to ensure future generations can enjoy a sustainable world.

Philippe Voisin,
CEO of Crelan and AXA Bank



Who are we?

The Crelan Group comprises 4,455 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 society is formed by the participation of **nearly 284,000 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 426 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 eighth time in a row in 2023.

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 and also the largest entity of the Crelan Group. AXA Bank became **Crelan's sister-bank** on 31 December 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.



Figures on 31 December 2023

Company	Number of employees	Number of branches	Number of customers	Number of cooperative shareholders	Operating in
Crelan	2.189*	426	762.095	271.363	België
Europabank	379	47	187.772	-	België
AXA Bank Belgium	1.968**	319	848.506	12.266	België

*705 staff members and 1,449 employees within the independent agent network
**629 members staff and 1,294 employees within the independent agent network

For more information on the history of Crelan and the Crelan Group, please visit www.crelan.be.

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. At 31 December 2023, the cooperative capital of CrelanCo was held by 283,629 cooperative shareholders. As such, Crelan is a 100% Belgian bank with 100% cooperative roots.

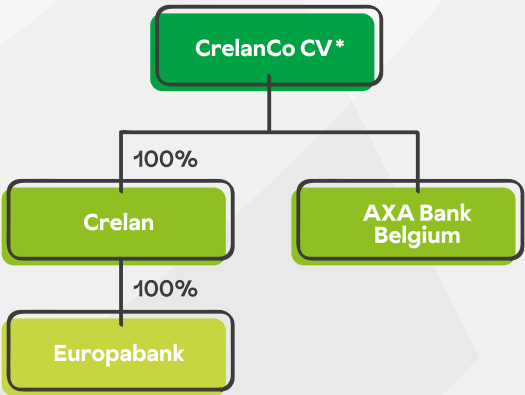
The Management Committee of NV Crelan is responsible for the operational policy of NV Crelan, CV CrelanCo and NV AXA Bank Belgium.

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.

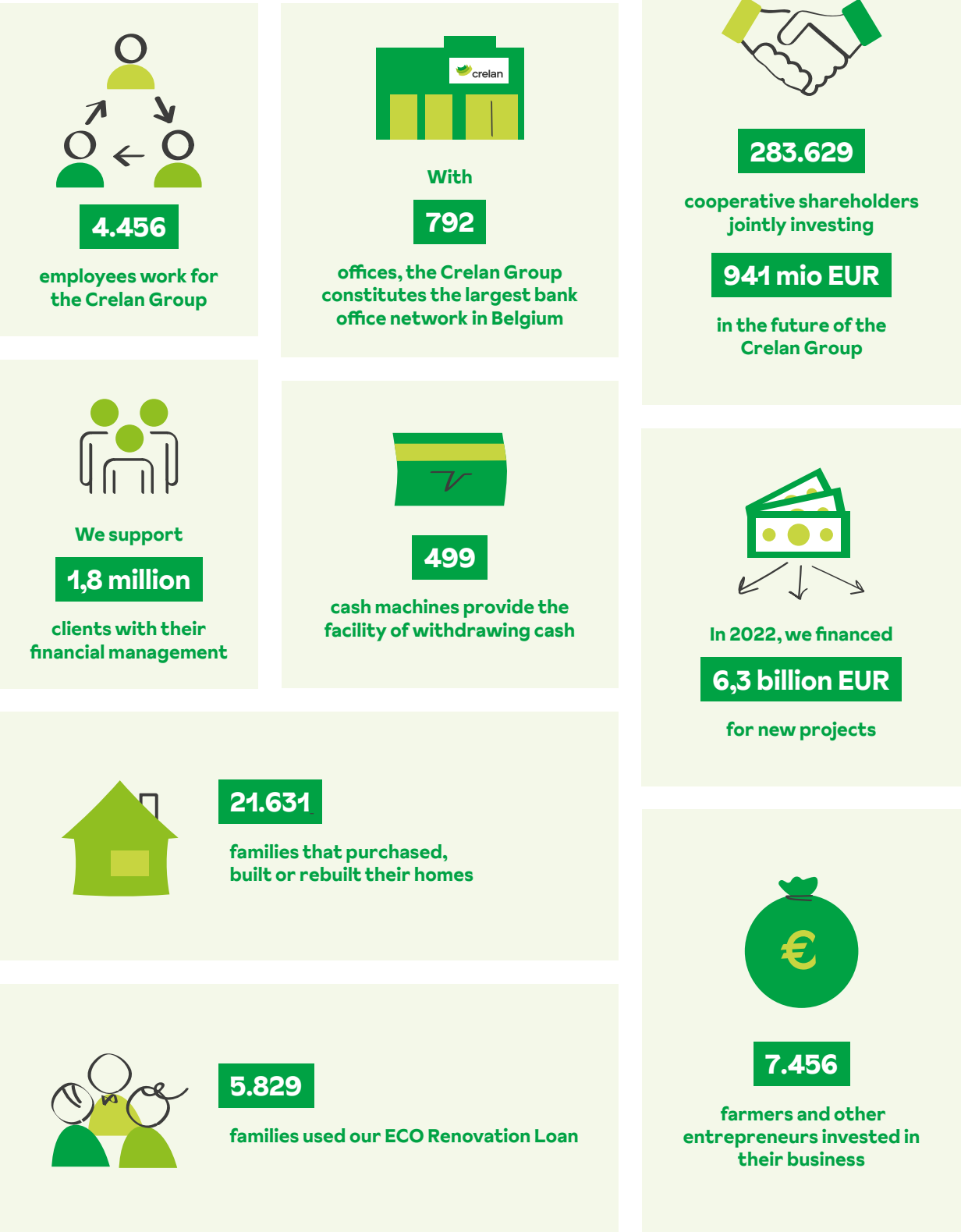
The diagram below gives a simplified overview of the structure of the Crelan Group

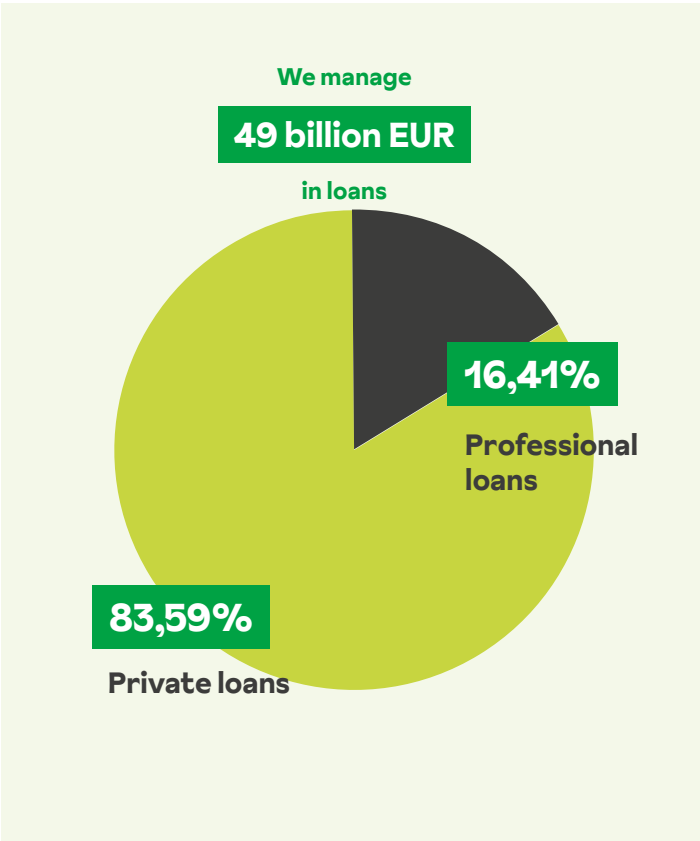


*NV Crelan and the official cooperative company, CV CrelanCo, together form a federation of credit institutions, with NV Crelan as its central institution. In accordance with Article 239 of the Act of 25 April 2014 on the status and supervision of credit institutions

Some telling figures from Crelan Group

Figures on 31 December 2023





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

	2023
Cost Income Ratio	66,70%
Loan Loss Ratio	0,07%
ROE	8,88%
ROA	0,38%
Tier 1	28,39%

Legend

CIR (Cost Income Ratio) : Compares operating costs with operating revenues. Efficiency indicator.(For each Euro of revenue, the group incurs costs of 66.70 cents.)

Loan Loss Ratio: Contrasts credit losses with the total credit portfolio. Indicator for quality of the credit portfolio.(The group loses 0.07 cents 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 earns 8.88 cents of 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 earns 0.38 cents of net profit)

Tier 1 capital ratio: Compares core capital with risk-weighted assets. Indicator of solvency.(For every Euro of risk-weighted assets on the balance sheet, the group has 28.39 cents of core capital)



A sustainable year at Crelan

In the spotlight

 9 January

Welcome to AXA Bank colleagues from the Crédits Sud team

On 9 January, colleagues from the Credits Sud team of AXA Bank moved to Crelan’s head office in Anderlecht. They previously worked from the centre of Brussels. Their move to Anderlecht made it possible to rationalise the use of office space, but above all to promote cohesion between AXA Bank and Crelan employees.

 17 January

Top Employer for the 8th time

After a thorough independent assessment of its HR policy, Crelan was named Top Employer for the eighth consecutive year.

 23 - 24 January

Brand identity workshops

At the end of January 2023, several workshops were organised for Crelan and AXA Bank staff to give them the opportunity to think about our brand identity and offer their opinion.



 6 - 10 March

Diversity & Inclusion Week: Keynote by Elke Jeurissen

On Thursday 9 March 2023, Elke Jeurissen visited our head office in Berchem to give a lecture about inclusivity at work. Elke Jeurissen is an expert in inclusive leadership, and she explained how a company and its employees can adopt inclusive behaviour. Elke is convinced that innovation, performance, personal development and talent are stimulated by diversity. Mixing values, interests and cultures is the only way to get the best results.



 7 - 9 March

Photo session for all Berchem and Anderlecht employees: 7-9 March

Not everyone likes to have their picture taken. But what if this was an opportunity to truly be yourself?

Crelan invited a photographer during Diversity and Inclusion Week: Sandra Van Watermeulen. All willing employees were given the opportunity to participate in a photo session and receive a professional-quality portrait as a souvenir.

 10 March

Online game: Kaleidoscope

Kaleidoscope is an online game that focuses on inclusive behaviour and confronts participants with their own attitudes and prejudices in a fun and accessible way. Using mini role-plays, we brainstormed a number of potential inclusive solutions to tangible problems that may arise in the workplace using different roles.

5 April

A calendar for and by our cooperative shareholders

Cooperative shareholders can participate in a competition for the fourth time. And they have the chance to possibly see their photo on the 2024 calendar.

27 April

4% DIVIDEND

On 27 April 2023, the General Meeting of CrelanCo approved the 4% dividend. This is a nice way to thank cooperative shareholders for their involvement in the Crelan Group.

15 May

Vikingen@crelan

On 15 May, AXA Bank's Vikings initiative was offered to Crelan employees. The aim of this initiative is to strengthen bonds between the bank's employees and encourage them to take up sports.

For example, employees can propose to set up a jogging or walking group among their colleagues and receive support from Vikings. Activities such as padel and pilates are also regularly offered as part of Vikings.



22 en 28 June

Group debates about change

A panel discussion based on the principles described in the bestseller, "Who Moved My Cheese" was held on the subject of change and adapting to change. Participants had the opportunity to continue the discussion during a cheese buffet after the debate.

29 June

Connect credits

At the initiative of Young@crelan, all the Crelan and AXA Bank staff were offered a fun, educational day to discover the credit department and its activities.

1st September

1 September: launch of the COOPERATIVE BANK OFFICE

Cooperative banking is one of the most important strategic pillars for Crelan in the coming years. This new team, led by a Chief Cooperative Bank Officer, has been set up to determine this cooperative strategy. The ESG sustainability policy also falls under this department.



12 September

These contracts were worth €600 million."

The Crelan Group issued its green bond to institutional investors for the first time. This is a senior non-preferred bond with a term of 6 years, with a call option after 5 years issued at 99.582%, which means a coupon of 6% and a return of 6.102%.

Crelan will use the capital resulting from the issue for providing loans for green buildings. This means loans for both purchase and green renovations. More information can be found in the climate report.

18 - 22 September

Tribute to our colleagues during Mobility Week between 18-22 September 2023

By bus, train, bicycle or foot: every day, many of our Crelan and AXA Bank employees brave the Belgian climate to get to and from work.

This deserves a little attention. On Wednesday 20 September 2023, a delicious breakfast was organised in Anderlecht and Berchem for all of our employees who travel to work sustainably.

Two of them, with 1,920 km and 1,144 km respectively, were declared sustainable mobility champions within the bank.

9 September

PAIRI DAIZA

About 500 enthusiastic Crelan and AXA Bank staff enjoyed a magical summer day in Pairi Daiza.

A journey across 5 continents and through the most beautiful places nature has to offer. Together@crelan organised a wonderful family day with this initiative.

19 October

YOUCA-action day (Youth For Change and Action)

On Thursday 19 October, around 15,000 students from secondary schools in Brussels and Flanders spent a day working for a good cause as part of the YOUCA campaign.

16 of them were with Crelan. With help from our famous Money-Poly game and an interactive programme, they learned more about Crelan as a bank and its cooperative DNA. Thanks to their efforts, they were able to raise €960 to support other young people.

1st October

A new, greener CAR policy

The objective is to:

- reduce our CO2 emissions
- develop a green fleet of exclusively electric cars
- sponsor a green transition through employer involvement.

1st October

New intranet

Employees at the head offices of Crelan and AXA Bank now have the same intranet. This is a practical, modern and interactive means of communication.

November

Flu vaccination

As usual, Crelan offered its employees the opportunity to be vaccinated against flu.

31 October

Charging stations for e-scooters

Charging stations for e-scooters were installed in Berchem and Anderlecht.

13 November

Launch of Crelan's new brand identity

This new identity takes the form of a new logo, a new tone of voice, a website and a number of agencies with a new look.



13 - 24 November

SENSOR survey (Stress and Engagement Sources in the Organisation).

The purpose of this survey is to get an overview of how employees experience their work. It gives every employee the opportunity to express his/her feelings and receive feedback. The survey was conducted in collaboration with our partner Attentia, which is an external prevention service.

29 November

Cooperative shareholders in the spotlight

The cooperative shareholders who won our photo competition were invited by the Cooperative Bank Office for a pleasant reception.

Accompanied by their agent, they were thanked and honoured for their talent. The Crelan Circle, the management committee and the board of directors also participated in this wonderful evening.

19 December

New Diversity & Inclusion-policy

On 19 December, the Board of Directors approved the new Diversity & Inclusion policy.

These are two concepts that can no longer be ignored in today's world.



Strategy and action plan for the coming years

Crelan Group: this makes us better together

ESG: vision and ambitions 2024-2027

In 2023 the bank decided to anchor the ESG strategy in the bank's cooperative strategy. Striving to improve our environment, to attain a more social society and enjoy fair policy goes hand in hand with the cooperative principles that Crelan holds dear.

We have therefore gone further with our ESG vision and ambitions over the past year.

E (Environment)

We consciously opt for an ecological transition. We want to make that choice as a bank, but we also want to support and guide our customers in the three segments of this transition: retail, business & wealth.

S (Social)

We focus on social involvement, commitment to society and the evolution towards a more social economy. Crelan distinguishes itself from other banks by its truly authentic cooperative character that translates into the bank's cooperative strategy.

G (Governance)

We emphasise sound corporate policy, business ethics and transparent communication to all our stakeholders.

In 2023, major steps were taken towards implementing the bank's ESG policy.

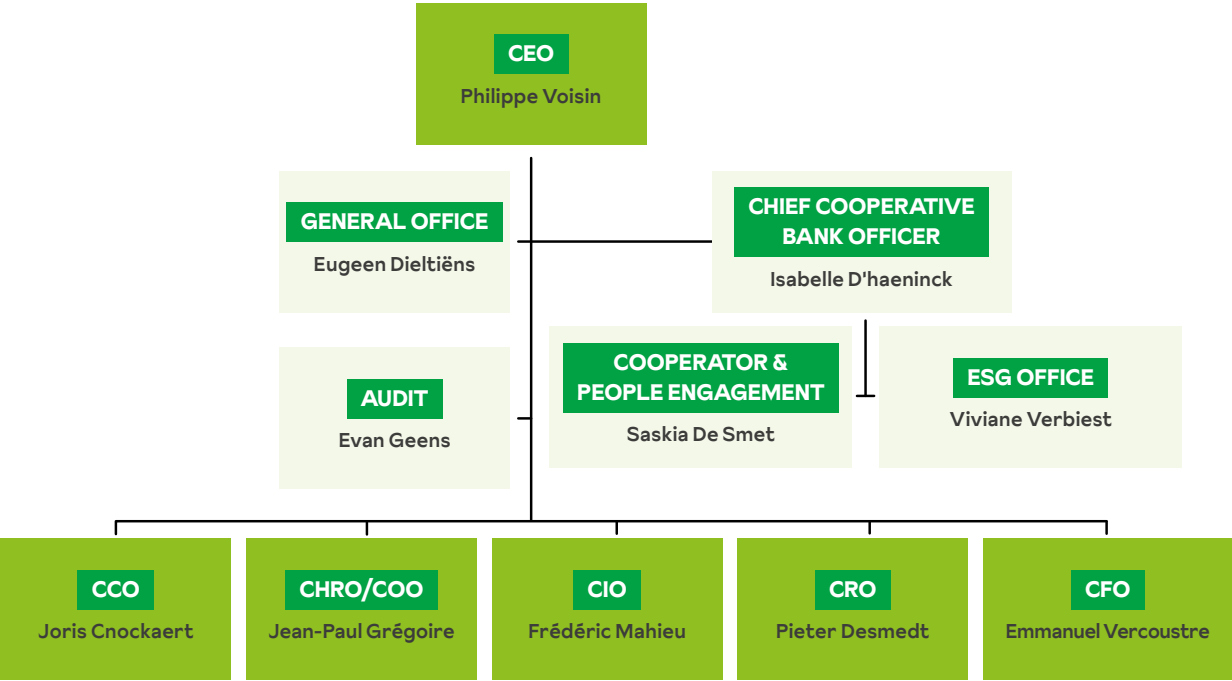
A new management committee was established to strengthen and promote the cooperative strategy, led by a newly appointed Chief Cooperative Bank Officer. A new ESG manager was appointed within the Cooperative Bank Office team. The management committee works very transversally and reports directly to the CEO.



Philippe Voisin,
CEO Crelan Group

"We introduced a new structure in 2023 in which the ESG Office is anchored in the Cooperative Bank Office. As a result, we are in a better position to link the ESG principles and the principles of the cooperative bank, which fit together very well. The new ESG manager and Chief Cooperative Bank Officer have brought a new dynamic into our sustainability story, and the principles have been converted into tangible actions that will allow our banking group to grow in terms of sustainability, as well as to better guide our customers towards a more sustainable way of life,"

HOW ESG ACTIVITY IS POSITIONED WITHIN THE ORGANISATIONAL CHART



Many projects were finalised in 2023, in particular the launch of Green Bonds, Climate target setting for home loans, and associated support for retail customers, ESG Data Management.

In addition, a pilot was also launched for ESG engagement with business customers. This project will be continued in 2024. A lot of work was also done to meet the regulatory obligations of the ECB and the EU.

You can find more detailed information about this in the climate report.

AN INSPIRING STORY

ESG is becoming increasingly important, not only within the Crelan Group, but also in society in general. We are seeing our customers attaching greater importance to sustainability, and are happy with the support they can receive from their bank.

ESG inspires people, inside and outside the bank, and thus has a strengthening effect.

Our ESG strategy is therefore widely supported by all stakeholders involved. Not only are the Board of Directors and the Management Board behind the strategy, but all the employees too. Moreover, this strategy is in line with our identity as a cooperative banking group.



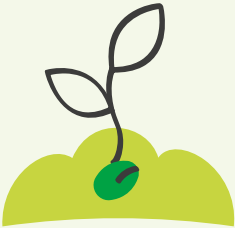
Viviane Verbiest,
ESG Manager Crelan Group

“ESG is a very transversal domain and we therefore work closely with all management committees within the Crelan Group, as well as with our subsidiary bank, Europabank. For example, we have implemented new governance with, on the one hand, deep dive sessions within specialised Streams, and on the other an ESG Steering Committee where all important decisions are made. As a result we can act quickly and make great progress.”

As such, the ESG office organises meetings with various departments according to the following breakdown:

- Crelan as a company
- Crelan and credit to retail and business customers
- Crelan and its institutional partners
- Crelan and investments for (private) customers

Current ESG projects are closely monitored, changes resulting from regulatory adjustments are discussed, and opportunities for the bank and customers are examined.



Points for consideration

1. The ESG strategy is anchored in the cooperative bank's strategy. As a cooperative bank, we strive for an ecological and sustainable society, a social and inclusive society, and enhanced education and development.

Our cooperative values play an important role in this: close, connected, involved.
2. We want to help our customers move towards greater sustainability in the best way possible. We can do this by offering sustainable products, but above all by providing professional and appropriate advice to both our private customers and our business customers, as well as to the agri-food sector, which can count on Crelan's years of experience and extensive know-how.
3. Sustainable governance will ensure we are continuously working on fostering a long-term relationship with all our stakeholders.

Action point 1 (scope 1 & 2)

Here the focus is on our own ecological footprint.

We take the ESG impact into consideration when making all of our decisions and investments.

Our car policy switched to the leasing of 100% electric cars in October 2023.

Our building strategy analyses our buildings with the ultimate goal of becoming climate neutral by 2030.

Action point 2 (scope 3)

Focuses on our position in society.

We advise and support our customers towards achieving a sustainable transition and, for example, by offering them an opportunity to take out green loans at favourable rates.

This means we can help our customers achieve higher energy efficiency and maintain or increase the value of their home or activity.

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 vest sustainably and reduce their ecological footprint.

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

Doing this, the group wishes to strongly reduce the impact of its business operations (scope 3) by 2033 and make an active contribution to the global objective of climate neutrality by 2050 at the latest.

Social



Crelan Group wants to achieve a positive impact in Belgian society. We want to do this by financially supporting socially relevant and sustainable projects through our Crelan Foundation.

We will also promote a social and inclusive society through our cooperative policy. Crelan also plays an important role in the food supply; we have been the preferred banker and loyal partner of the agri-food sector for almost 100 years. Here too we take our social responsibility in supporting farmers and horticulturists in the sustainable transition.

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. A D&I policy was approved for this purpose.

Finally, we also contribute to innovation, research and education. This is exemplified by Crelan supporting 2 chairs through its Foundation at the University of Ghent and the University of Liège, which focus on research into sustainable innovation in agriculture.

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.

It does not participate in any activities related to money laundering and offshore activities in its direct financing, and it applies various sanction 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. We share our profits with our co-operators and strive for a solid long-term relationship.

Sustainability reporting

The sustainability report will evolve significantly next year as Crelan will, for the first time, report according to the Corporate Sustainable Reporting Directive (CSRD) on 2024 figures. This new reporting will be structured in accordance with the European Sustainability Reporting Standards (ESRS) and will increase transparency on the material Impacts, Risks and Opportunities (IROs) of Crelan's business activities on relevant E, S and G elements.

These material IROs will be identified through the dual materiality assessment conducted on Crelan's own operations and value chain. Goals, metrics, policies and actions to address these IROs will be described in the report.

A dedicated CSRD project has been launched and, considering the importance placed on this project, governance has been established with supervision by the bank's (senior) management.





United Nations as a guideline

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	

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.



Isabelle D’haeninck,
Chief Cooperative Bank Officer, Crelan Group

“As a cooperative bank, we strive for closeness, a sense of belonging and connection. As a cooperative bank, we are committed to a sustainable and ecological society, a social and inclusive society, and to training and development. These are all principles that fit perfectly with the fundamental values of the bank’s ESG policy. Sustainable financial services are therefore integrated into the DNA of our cooperative bank.”



Sustainable governance



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

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

*	Management Committee	Board of Directors
Number of members	6	14
Male/female ratio	6/0 (100%/ 0%)	14/ 5 (64,3%/ 35,7%)
Independent directors		4
Main degrees	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 show the composition of the Board of Directors and the Management Committee as of 11 January 2024.



A diversified Board of Directors

As of 11 January 2024, Crelan’s Board of Directors was made up of twenty directors including ten representatives of our sole shareholder CrelanCo CV (which in turn represents more than 284,000 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 19 December 2023, the Board of Directors formally approved the bank’s diversity and inclusion policy. This policy meets the requirements of the EU Directive of 22 October 2014 and the Law of 23 March 2019 introducing the Code of Companies and Associations (Article 7:86). It strives towards a balanced composition of the Board of Directors and the Crelan Circle. The Crelan Circle consists of members of the Management Committee and all their directors.

The selection and appointment process is guided primarily by the experience and skills of the candidates. To promote diversity, the final shortlist of candidates will always include at least 3 people, of which at least one person will be from the under-represented gender.

By 2030, Crelan aims to achieve a minimum representation of 33% of the under-represented gender on the Board of Directors as a whole, and of 40% among non-executive directors. For the Crelan Circle, this target figure is also 33%. As of 11 January 2024, the percentage of under-represented gender was 25% for the Board of Directors as a whole, 35.7% for non-executive directors and 24% for the Crelan Circle.

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 Appointment Committee were set up within the scope and under the authority of the Board of Directors. In 2023, the governance of these advisory committees was further aligned with the relevant rules, in particular each committee is chaired by an independent director and the majority of the members are independent 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. In addition to gender representation, we also strive for a linguistic and geographical balance in the Board of Directors, without prejudice to the experience and competences of available potential candidates. Any proposed appointment that conflicts with our commitment must be thoroughly justified by the nomination committee.

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.

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

MEMBERSHIP OF THE BOARD OF DIRECTORS OF NV CRELAN AS AT 11 JANUARY 2024



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 Streeel

Non-executive director



Paul Thysens

Independent director



Hendrik Vandamme

Non-executive director



Agnes Van den Berge

Independent director



Catherine Delanghe

Non-executive director



Philippe Voisin

CEO



Joris Cnockaert

CCO



Pieter Desmedt

CRO



Jean-Paul Grégoire

COO/CHRO



Frédéric Mahieu

CIO



Emmanuel Vercoustre

CFO

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 DECEMBER 20222



Philippe Voisin

CEO



Joris Cnockaert

CCO



Pieter Desmedt

CRO



Jean-Paul Grégoire

COO/CHRO



Frédéric Mahieu

CIO



Emmanuel Vercoustre

CFO

Since 1 January 2022, the governance of the Board of Directors, its specialised committees, and the Management Committee of AXA Bank Belgium has been copied from that of Crelan.

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 52 to 56 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 up 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.

“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.

Sustainable lending

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;
- 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.



“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”

- Bart Abeloos
investment expert at Crelan

In preparation for the integration of Crelan and AXA Bank, the credit policies of both banks have already been largely harmonised. In this respect, we have given more prominence to the impact of lending in terms of the environment within the credit policy.

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.

EXCLUDED TARGET GROUPS IN THE CONTEXT OF THE BANK’S ESG POLICY

The bank will only finance activities that are fully compliant with current legislation, standards and norms.

Under no circumstances will the bank provide finance to companies that derive their income, directly or indirectly, from the activities, companies and sectors excluded below. There are no exceptions.

For example: we will exclude a heritage company that manages a building if that building is housing a company active in an excluded sector.

In tangible terms, the bank refuses to grant credit to:

Sex industry:

- Prostitution and/or pornography related activities.

Weapons:

- Companies involved in the use, production, development, maintenance, testing, storage or trade of controversial weapons .
- Companies whose share of turnover comes from the production of conventional weapons ≥ 25%.
- Companies whose share of turnover comes from the production of important parts or services for companies producing conventional weapons ≥ 25% .
- Companies that supply military goods to countries subject to a United Nations arms embargo or a relevant multilateral arms embargo.

Gambling Industry:

- Companies whose share of turnover from gambling activities or products is greater than or equal to 5%, with the exception of the National Lottery.

Tobacco industry:

- Companies that produce tobacco or tobacco-based products.
- Companies that produce e-cigarettes.
- Companies that generate their turnover from the wholesale of tobacco and/or e-cigarettes.
- Companies that generate ≥ 25% of turnover from supporting the tobacco and/or e-cigarette industry.

Endangered species:

- Companies or activities that trade in endangered species that fall under the CITES Agreement and/or the IUCN Red List of Threatened Species.

Oil & Gas:

- Companies that extract oil and gas.
- Companies that generate ≥ 5% of turnover from the wholesale and/or retail trade of unconventional oil and/or gas .
- Companies that generate ≥ 5% of turnover from supporting the unconventional oil and gas industry.
- Companies involved in the exploration and development of new oil and gas fields.

Coal:

- Companies active in (thermal) coal mining.
- Companies that generate ≥ 5% of turnover from the wholesale and/or retail sale of (thermal) coal.
- Companies that generate ≥ 5% of turnover from supporting the (thermal) coal industry.
- Companies involved in the development of new coal-fired power stations.
- Companies whose turnover from generating electricity from coal is ≥ 10%.

The environment:

- Companies that are in violation of environmental legislation or do not comply with standards and norms.

HELPING ACHIEVE MORE THAN €6 BILLION IN DREAMS

In 2023, Crelan Group supported local Belgian activity by lending €6.35 billion. 72.52% of this amount went to individuals for the purchase of housing and consumer goods; 5.1% went to agricultural and horticultural projects, and 22.38% to enterprises.

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 commercial or private customers who buy electric or hybrid cars.

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. Up to the end of March 2023, customers had the option of deferring capital repayments on their home loan for 1 year. The bank did not charge any costs for this. A total of 955 customers (AXA Bank and Crelan together) took advantage of this. The total deferred amount of capital repayment amounted to €9,289,443.

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.

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 an MiFID questionnaire to determine their risk profile, and more recently their sustainability preferences as well. In addition, all of our investment products have a score that indicates their level of risk. Our agents advise each client to ensure 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 they can follow the evolution of their investments.

¹Controversial weapons include, but are not limited to: Anti-personnel mines, cluster munitions, biological weapons, chemical weapons, depleted uranium and nuclear weapons

²Conventional weapons are weapons that are not controversial

³Unconventional oil and gas is: Shale oil, shale gas and tar sands



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 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**.

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 2023, **11.13% went to Crelan Fund sub-funds**. At the end of 2023, the turnover in these sub-funds amounted to no less than €799 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**” trust fund. After a successful start, the turnover by the end of 2023 amounted to no less than **€560 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. Amundi is also one of the pioneers in the field of responsible investing. 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 **Euro bonds offering** 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:

- 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”;
- 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;
- 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 2023, more than 81% 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 the investment objectives and policies.

At AXA Bank that figure was 92%.

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 1 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, etc.



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 must be done using a standard document ('sustainability ID') that must 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

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 2023, the following funds that Crelan and AXA Bank distribute had the "Towards Sustainability" label:

- Crelan Fund EconoFuture
- Crelan Fund EconoStocks
- Crelan Invest Balanced
- Crelan Invest Conservative
- Crelan Invest Dynamic
- Crelan Pension Fund Sustainable Balanced
- Crelan Pension Fund Sustainable Growth
- Crelan Pension Fund Sustainable Stability
- Amundi Funds Cash EUR
- Amundi Funds European Equity Conservative
- Amundi Funds European Equity Green Impact
- Amundi Funds Global Ecology ESG
- AXA B Fund Equity Belgium
- AXA WF ACT Clean Economy (H)
- AXA WF ACT Dynamic Green Bonds
- AXA WF ACT Green Bonds
- AXA WF ACT Human Capital
- AXA WF ACT Multi Asset Optimal Impact
- AXA WF ACT Social Progress (H)
- AXA WF Framlington Sustainable Eurozone
- AXA WF Next Generation
- AXA WF Sustainable Equity QI
- BNP Paribas B Pension Fund Sustainable Balanced
- BNP Paribas B Pension Fund Sustainable Stability
- BNP Paribas B Pension Fund Sustainable Growth
- Metropolitan Rentastro Sustainable Growth
- BNP Paribas Funds Aqua
- CPR Invest Education
- CPR Invest Food For Generations
- CPR Invest Social Impact
- Econopolis Funds Econopolis Climate Fund
- First Eagle Amundi Sustainable Value Fund - AE
- KBI Funds ICAV KBI Water Fund





Accessibility of the offices

Accessible banking agencies are essential to strengthen customer relationships and make them more sustainable. This is why we strive to be close to the customer, to offer the customer a feeling of safety, and to be recognisable. Various steps were taken in 2023 to grow even further.

We stay close to our customers

With a distributed network of banking agencies and cash machines, we are always nearby. Customers can withdraw money from our indoor cash machines between 6:00 AM and 11:00 PM, and they can often even deposit money. The agent always keeps the opening hours of the office up to date outside the office, as well as on the website.

For optimal customer loyalty, we designed open consultancy offices in 2023. The rebranding of those offices creates a more transparent, pleasant and spacious feeling. The open reception area, rooms with glass walls and rounded furniture contribute to the new look & feel. In addition, we advise our banking agents to use environmentally friendly materials such as FSC-certified wood.

This new concept makes our offices more accessible to customers because they can easily carry out cashless transactions at an open counter. To guarantee our confidentiality, several closed consultation rooms will continue to be provided. Money transactions take place in a separate transaction room because security comes first.

Our customer can feel safe and secure

Our banking agencies are secured by systems that are constantly updated with the latest technologies. This means we can receive the customer in a secure environment. Cameras, electronic security and permanent attention to the alertness of officers are the foundation for this.

In addition to our permanent focus on security, we also evolve with society. In 2023, we not only developed a concept for agencies that will come into effect in 2024, we also adjusted the lighting in the reception halls during opening hours to create an extra feeling of security.

Our customers recognise us

The new Crelan logo is our figurehead. We intend to extend the new shapes into our office branding throughout 2024. The main features of the new façade advertising, cash machine coverings and totems are lively and fresh. However, we chose to continue working with the same colours and to keep the Crelan name in the logo to ensure continuity.

The entrance to the office can be clearly seen because the name Crelan is always placed centrally above it. The cash machines are also easy to find thanks to a cash logo on the new totems that lights up at night.

Accessibility for less mobile people

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 the bank was recognised as a Top Employer for the eighth time in a row in 2023 is a great reward for these efforts.

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

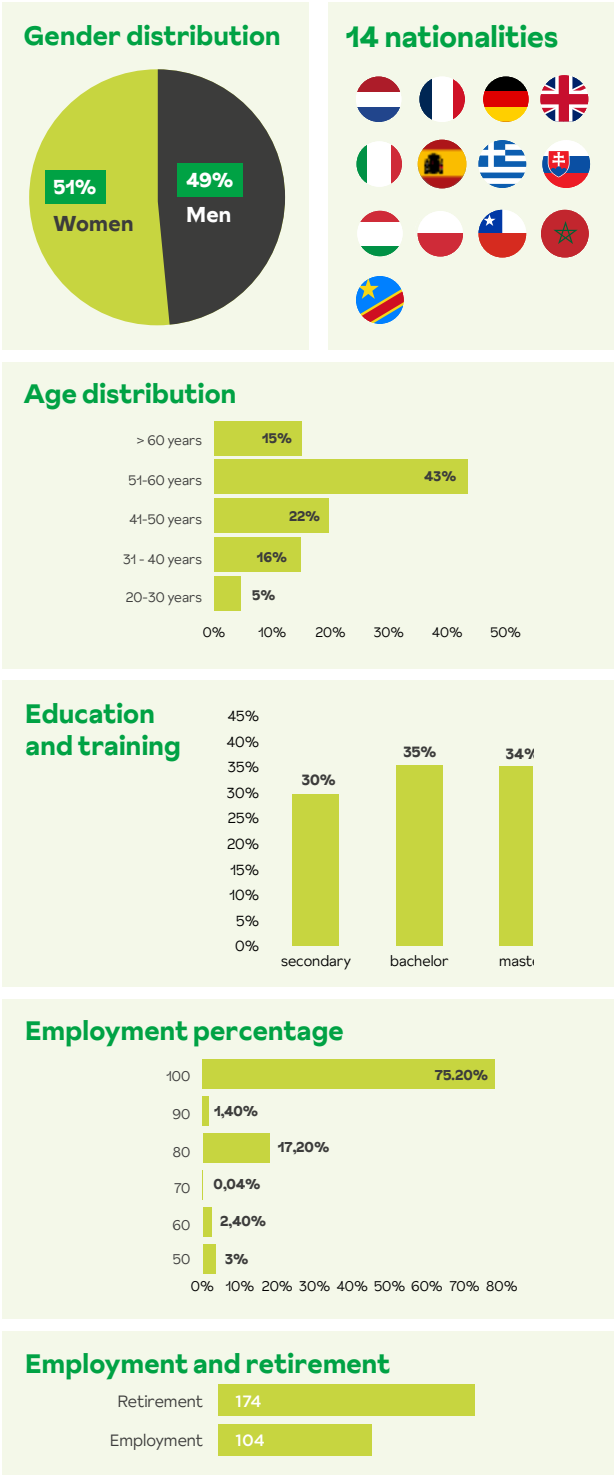
Crelan and AXA Bank have a diverse workforce in terms of gender, age, education, nationality, etc. We view this as a benefit because in this way we have a better feel for what is going on in wider society.

NUMBER OF CRELAN GROUP EMPLOYEES AS AT 31 DECEMBER 2023

Company	Number of employees
Crelan	2.189*
Europabank	379
AXA Bank Belgium	1.968**

*740 staff members and 1,449 employees within the independent agent network
**674 members staff and 1,294 employees within the independent agent network

DIVERSITY IN FIGURES FOR CRELAN AND AXA BANK AS AT 31 DECEMBER 2023



Diversity and Inclusion, a commitment!

There is no room for discrimination at Crelan, either in talent processes such as during recruitment, for example, 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 **14 different nationalities** from different parts of the world.

At the Crelan Group, we believe 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, such as team building, 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.

On 19 December 2023, the new diversity and inclusion policy was approved by the Board of Directors.

This contains a series of very tangible commitments we are making as a diverse and inclusive employer:

- To select, recruit and promote on the basis of merit and skills, without discrimination on the basis of gender, race, colour, ethnic or social origin, etc.
- To make managers aware that everyone should have equal opportunities for promotion and development within the company. Be transparent about it.
- To assess performance and skills through transparent performance appraisal processes.
- To eliminate any pay gaps between men and women.
- To eliminate any scope for divisive or ambiguous behaviour or any form of intimidation or bullying.
- To create a respectful work environment in which everyone is treated with dignity and respect, and in which differences are celebrated and valued.
- To adopt a zero-tolerance policy towards any form of discrimination.
- To offer training and information about the importance of diversity and inclusion within our bank.

This policy also includes gender quotas for the following groups:

- The Crelan Circle (= Management Committee and N-1's): min... 33% women in 2027
- The Board of Directors: at least 33% women in 2027 (40% women among non-executive directors)

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 2023, 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 2023, 35% of all our 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 2023, 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 117 new employees within various areas of the bank and across all age groups.

Crelan is Top Employer again



In 2023, Crelan once 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 2023, 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”. This is why Crelan surveys all employees quarterly via a Pulse Survey. 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.

At the end of 2023, together with the external prevention service, we launched an extensive survey on the psychosocial well-being of our employees. We will use the results as input for further developing welfare and prevention actions over the coming years.

Advancing together in learning and development

Growing as a bank, a team, and an individual, as well as a leader and coach, that is the core phrase that summarises all the learning initiatives of 2023.

“Change Culture”

Our bank wants employees to feel good, even during a period of major change, which is why so much attention was paid to the “Change & Culture” project in 2023.

The “connecting communication” webinar looking at bridging differences, and the “inspiring group debate around change” based on the bestseller “who moved my cheese”, were both a great success among our employees.

In this context, we also organised the “United as One Traject” with several management committees, the aim of which is to build a strong and united team in which the objectives and strategy are clear. Managers and employees define work in a targeted manner based on the bank’s strategy, their shared objectives, and what is required to achieve them.

The theme “diversity & inclusion” received special attention last year, and the main learning moments for these were the various awareness campaigns, a fascinating Keynote session, and the Khaleidoscope Game for inclusive leadership.

“Learning Together”

The “Learning Together” project supports our employees to learn new banking applications and processes in preparation for the migration in 2024. Along with the “Learning Spocs” from the business, training plans were developed to optimally support this learning process and to achieve it successfully.

“Leadership”

Our managers obviously have a very important role to play in the story of growth, involvement and engagement. Investing in strong leadership is therefore high on the agenda at our bank.

We started 2023 with a refresher of the Team agreements, a varied training offer for senior management, and a “Let’s build a team together” workshop for all people managers. During the spring, the focus was on “connection”, and creating and maintaining strong trust and psychological safety in the teams. During the autumn, the focus was on “team effectiveness” and developing optimal co-operation. The people managers were supported with this through workshops, inspiration sessions and self-reflection based on Insights Discovery.

In 2023, we also launched our first edition of “Start to lead”, a programme that will be offered annually to new managers to support their people management skills.

“Future skills”

Employability is also high on the agenda at our bank. In addition to the various banking technical training courses, soft skill training courses and language training courses, October 2023 was all about digital skills. About 180 enthusiastic staff took part in various training courses spread over 3 tracks: Digital Office Skills, Digital Masterclass, Digital Detox.

Using monthly communications centred around the offerings of GoodHabitZ (online tool with soft skill training) and Elan+ (sector offering), we draw attention to the importance of continuous learning and encourage employees to take their growth and skills development into their own hands.

“Risk & security”

With various compliance training courses and the launch of a new “Phishing Tool” learning platform, we continuously create the necessary awareness and keep our employees up to date in the field of risks and security.

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 2023, Together organised a large family day for all employees and their families from both banks. The day out in Paira Daiza was an overwhelming success.

Young@Crelan, a youth organisation supported by a number of enthusiastic volunteers, aims to promote networking and a pleasant atmosphere within the bank.

In 2023, in line with their motto ‘**Fun, Inspire & Connect**’, Young mainly focused on cool activities in and around the offices. Among other things, breakfast sessions were organised for new employees, a connect event was set up with the credit department, our staff were surprised with a summer treat, etc. Through all of this, even when employees telework a lot, we still want to interact with each other and stay in touch at the office, strengthening team spirit across teams.

Vikings@Crelan

This initiative was taken with the aim of colleagues exercising together for well-being & health.

Every year we organise a sports month to promote this.



SUSTAINABLE MOBILITY POLICY

Crelan wishes to extend its green ambitions and sustainability policy to its car policy. We are committed to a green and sustainable fleet and are actively working to reduce CO₂ emissions.

This is why Crelan will only make electric cars available within its range of cars from October 2023.

To smooth this transition to a green fleet, Crelan is taking a number of actions to accommodate employees in the transition to electrification. For example, the installation of a home charging station will be co-financed, the reference budgets for choosing a company car will be aligned with a wide range of EV cars, and there is even a Green Fleet Bonus to support this electrification.

WELL-BEING AND ACCIDENT PREVENTION CAMPAIGNS

The psychosocial well-being of employees was once again high on the agenda as changes in the bank continued to occur rapidly in 2023. Various useful tips were published to help employees deal with change: what can the employee do himself in the event of change.

In addition, the Mindlab online platform has been in place since 2022, allowing our employees to work at their own pace, where and when it suits them to increase their mental resilience. In 2023, we chose to incorporate an upgrade (Mindlab Premium), which expanded Mindlab with podcasts and skills training. This well-being platform will remain available to all Crelan and AXA Bank employees throughout 2024.

In 2023, two new internal confidential counsellors completed their training and joined the team. The confidential counsellors are one of the first points of contact for employees should they experience problems of a psychosocial nature.

Finally, we will launch an Employee Assistance Programme in early 2024 called Care4U. In this case, staff members and (live-in) family members can rely on professional support from **clinical psychologists and specialist consultants 7 days a week and 24 hours a day**. Care4U consists of 4 elements: an emotional element (problems at work or personal problems), a practical element, a coaching element and an element specifically for managers. Better still, it is offered completely free of charge.

In addition to the wide focus on psychosocial well-being, numerous other initiatives around the well-being of our employees were included in the 2023 training program:

- Just like 2022, in collaboration with the external prevention service, workshops were organised on how to use a defibrillator. There are now 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, around 60 employees took part in the workshops.
- Considerable attention was paid to disconnection, both during the year and towards the end. To this end, we built on the existing Collective Labour Agreement regarding the right to disconnection, which is interpreted broadly at Crelan and AXA Bank. Various tips & tricks, some from our employees themselves, were brought to our attention. Special attention was also paid to the role of managers in safeguarding the boundaries between work and private life.
- With the start-up of Vikings, the importance of sports received renewed attention within the bank.

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 their 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 284,000 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.

Each year, Crelan assigns a budget for the Crelan Foundation according to the bank's profits. The Crelan Foundation committee then annually selects a number of these initiatives as eligible for financial support in order to make a positive contribution to the local society of our **cooperative shareholders**.

For several years now, the Foundation has focused on 3 areas of action:

- **Culture & education;**
- **Health;**
- **Environment**

The available funds are divided evenly between the three areas that the bank supports, where social relevance takes precedence.

Cooperative shareholders can submit an application for **support for social projects** using the Crelan website. From 2024, the bank will adopt a new, reinforced approach to this with a greater focus on the participation and involvement of our cooperators. The full conditions that an application must meet and the application form are available on Crelan’s web site.

SUPPORTED PROJECTS, WORKING YEAR 2023

Total amount awarded	86.200 EUR
Number of projects supported	27

In 2023, the cooperative shareholder projects supported by the Crelan Foundation covered the following 3 domains:

- **Environment**
- **Health**
- **Culture & education**

For inspiration and illustration, here are some of the projects supported by the Crelan Foundation in 2023:

Culture & education

De Kei on wheels

Playground operator De Kei wants **all** children to have a great holiday, regardless of their background.

The secondary aim of the association is to encourage children to exercise more during their holidays and to teach them to cycle.

The association focuses more specifically on ages 7-11. But also, and more specifically, on children from underprivileged families and refugee families, as well as children with disabilities. If necessary, the association provides personal advice. This greatly promotes the development of these children. Because the association offers a playground that

is accessible to everyone, new friendships can be created across all borders. The result of this effort is that the association contributes to a diverse society with respect for everyone.

The Crelan Foundation has supported the association with the purchase of new bicycles.

Les Bulles de Saint-Rémy



This non-profit organisation has been organising a comic-book festival for 10 years. The festival takes place in the month of May every year. It brings together 40 to 50 authors from all over the world (Italy, Spain, Portugal, France, Russia, Canada, Serbia, etc.). The festival is accompanied by a large second-hand comic-book fair.

The plan?

Opening up the comic-book world to a wider audience. After all, comic-books are not only intended for young people. The range of topics is enormous, and the aim is to introduce as many people as possible to the wonders of the 9th art. Proceeds from the festival also go to supporting activities in the rural village of Hanret. This includes both cultural activities and activities for urban development (playground project, placement of benches in public spaces, support of the village school (Dutch language immersion), etc.).

Crelan Foundation funding has provided logistical and practical support to organise the festival.

Environment

Vereniging Graines en poche



The aim of this association is to inform and educate people about the environment:- By promoting respect for and protection of the environment;

- By raising awareness about nutrition, sustainable agriculture and rational use of energy and resources;
- By strengthening ties with nature;
- By encouraging its audience to become active, critical and supportive citizens;
- By developing autonomy and know-how.

In short, the association wants to be active in environmental education by offering activities involving nature. Generally these activities take place in forests, along a river or in a vegetable field.

The plan?

In order to be able to ensure the long-term future of its activities and to be able to offer quality workshops, the non-profit organisation must invest in additional covered space to accommodate several groups at the same time. With support from the Crelan Foundation, the association was able to purchase a tent and a furnished container.

Health

The garden of OZ

Many children need a little help occasionally when they face psychological, emotional or developmental problems in their school or family environment. With this in mind, “The Garden of OZ” wants to provide emotional support to children and young people. The aim is to offer children with psychological or emotional problems a place where they can clear their heads, forget their worries and work on their development.

The emphasis is on well-being and personal development:

The association wants to make children more resilient by exposing them to activities with animals and doing seasonal activities in the garden, among other things.

The association also wants to help adults to quickly detect signs in children and young people to identify if they are not feeling well so they are quickly able to receive support and maintain their place in society.

This is a great project that also received support from the Crelan Foundation in 2023.

Ten Dries



Ten Dries offers support to children, teenagers and adults up to 65 years of age through two specialised schools and a multifunctional centre.

Ten Dries has a therapeutic swimming pool that is used for physiotherapy treatments. Material is needed to make these treatments as efficient as possible. After all, the treatment of every child/ young person is individual, depending on the different types of physical injuries. The physiotherapists therefore need specific equipment to do exercises with the children in the water. The more effectively the gross and fine motor skills can be developed, the better the children/young people can control their daily actions. This often starts with learning to stand up, walk, sit down, brush their teeth, etc. Actions that most people take for granted. But imagine if you needed help with that...

Thanks to the support of the Crelan Foundation, **Ten Dries** was able to purchase additional therapeutic material.



Support for sustainable agriculture and horticulture

Since its inception in 1937, the bank has enjoyed strong ties with the Belgian agricultural and horticultural sector. The agricultural sector is currently having a hard time and is facing enormous challenges in terms of sustainability and quality of life. That's why Crelan is undertaking a number of sustainable initiatives in this sector.

UNIVERSITY CHAIRS SUPPORTING SUSTAINABLE AND INNOVATIVE AGRICULTURE

Through the Crelan Foundation, the bank supports a Crelan Chair for innovation and research at 2 leading faculties in Belgium: one Crelan Chair at the faculty of Bioscience Engineering at the University of Ghent and one Crelan Chair at Gembloux Agro-Bio Tech of the University of Liège.

These chairs not only focus on research into innovation and sustainability in agriculture, but also on transferring these new insights and results to the agricultural sector, policymakers and other stakeholders.

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.

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.



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 2023, the focus of these stakeholder meetings was on 2 important themes:

1. Manure action plans, climate discussions, and the nitrogen agreement are complex challenges. The Faculty of Bioscience Engineering focuses on developing technological solutions in which valuable substances such as nitrogen and phosphorus are recovered from organic waste, including manure. This is called nutrient recovery and it fits the concept of the circular economy nicely: it reduces the impact of manure on the environment, improves soil fertility, limits dependence on non-renewable resources, and reduces emissions of nitrogen compounds to the air and waterways.
2. In addition, the University of Ghent has also committed to another important theme: that of supporting confidence in sound assessment procedures for chemical crop protection products. This helps leading professors and researchers disseminate new insights and authoritative views to the sector and policymakers through opinion pieces, including via social media and Vilt.

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 2023, the Chair organised several initiatives:

1. Organisation of a seminar/workshop with politicians and logistics experts to diagnose and optimise flows. Proposal for an overview of ways to improve certain areas.
2. Emphasising student work on logistics-related themes by improving opportunities for empirical engagement with reflective and financial support.
3. Field study days for the AIL4Water quality project based on Ecofoodsystem experiments testing innovative agricultural rotations including alternative practices to the use of synthetic pesticides (spring 2023).
4. Final symposium of the ERASMUS + AGREENSMART programme on the use of new technologies in agriculture to improve sustainability and adaptation to climate change (end of August 2023).

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 started its monthly SMILE sessions, fun afterwork activities that are organised by a different department of the bank each time.

Through this initiative, employees can get to know each other outside the more formal context of work, while the team organising the meeting chooses a charity. Participants pay for their own drinks during the activity, and all proceeds go to this charity. In addition, employees can set up additional initiatives for charity during these SMILES, such as a second-hand fair, a Christmas market, etc.

Eight SMILES took place in 2023, each involving between 100 and 300 employees, a great turnout and a boost for internal co-operation and collegiality. In total, the initiative raised €14,850 for a number of local charities such as Enchanté, vzw Waw Make it Work, L'aurore, Ziekenhuisschool Ikendaal and many others.

14-15 October saw the Levensloop Edegem once again take place at Fort V in Edegem. As a sponsor of the Stichting tegen kanker, Crelan Foundation ensured a team of Crelan runners attended. The runners raised €5,734.

Focus on the third world

MICROFINANCIING VIA 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.

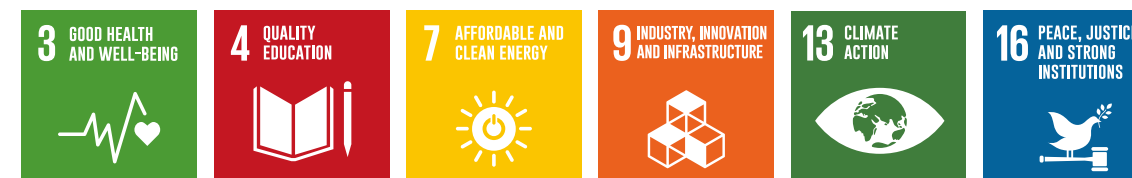
The microfinance institutions then use these funds to provide "microcredit" to local small-scale projects. In this way Incofin makes an important contribution to the economic development of third world countries and ensures that its resources are well spent.

YOUCA ACTION DAY: ONE DAY AS A BANKER FOR CHARITY

On Thursday 19 October, no fewer than 15,000 Brussels and Flemish secondary education students committed to working one day for charity. 16 found their way to Crelan.

Using our well-known Money-Poly game and an interactive programme, they were challenged to learn more about Crelan as a bank and its cooperative DNA. Because what does cooperative banking actually mean? Together they went on the CO-OP tour and managed to solve 10 thinking and doing challenges for charity, and their salary, €960 in total, went entirely to projects of committed young people worldwide in Senegal and Belgium.

Sustainable environmental investment



Crelan staff members 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.

Crelan is constantly working on improvements to its buildings to offer comfort and ergonomics to its employees and to reduce the ecological footprint. In 2023, large and small investments in the buildings led to some results, with sustainability playing a central role.

— Solar:

- In 2023, 468 solar panels were installed on the building in Berchem with a total capacity of 189,600 Watt Peak. These panels cover approximately 1,000 m² of the roof and terrace area and generated 7.2 MWh between September and December 2023. This investment contributes to reducing our ecological impact by reducing dependence on non-renewable energy sources.
- In Anderlecht, 84 solar panels have been installed on the roof since 2018, which amounts to an area of 140 m² and a capacity of 27,468 Watt Peak.

Anderlecht	2018	2019	2020	2021	2022	2023
Production by solar panels (MWh)	1,716	26,766	25,461	29,567	20,902	19,3
Reduction of CO2 emissions (kg)	675	10,493	10,017	11,632	8,497	7499

— Replacement of fluorescent lamps with LED lamps:

- Crelan is committed to replacing outdated fluorescent lamps with energy-efficient LED lamps. This switch not only contributes to a reduction in energy consumption, but also extends the lifespan of the lighting systems. This initiative was continued in 2023 by replacing additional lamps, which resulted in a further decrease in energy consumption.

— Efficient use of buildings by recommending telework on Fridays:

- With a view to reducing commuting and its associated CO2 emissions, Crelan has proposed working from home on Fridays. This recommendation not only contributes to a more sustainable work culture, but also helps reduce our ecological footprint. This policy will be continued in 2023, and it has so far contributed to reducing our environmental impact.

- Replacement of a combustion engine van with an electric vehicle:
 - As part of our efforts to make our transport activities more sustainable, Crelan has replaced one of its company combustion engine vans with an electric vehicle. This transition contributes to reducing our CO2 emissions and greening our fleet. This approach will be continued in 2023 with further investments in electric vehicles.



Energy consumption

Crelan’s electricity and gas consumption in 2023 has decreased compared to 2022. These declines are indicative of our continued efforts to improve energy efficiency and reduce our environmental impact.

- Electricity consumption:

	Reduction 2022 > 2023
Berchem	-18%
Anderlecht	-6%
Gembloux	-2%

- Gas consumption:

	Reduction 2022 > 2023
Berchem	-34%
Anderlecht	-24%
Gembloux	-20%

These investments and initiatives demonstrate that Crelan remains committed to more sustainable business operations.

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.

In 2023, 202 bank employees cycled a total of 170,929 km. That’s 4 times around the world.

Overview	Number of employees	Number of kms
Crelan	86	52.057
Axa	116	118.872
Total	202	170.929

Every kilometre cycled between home and work entitles you to a reimbursement of €0.27 per kilometre. This amount is net.

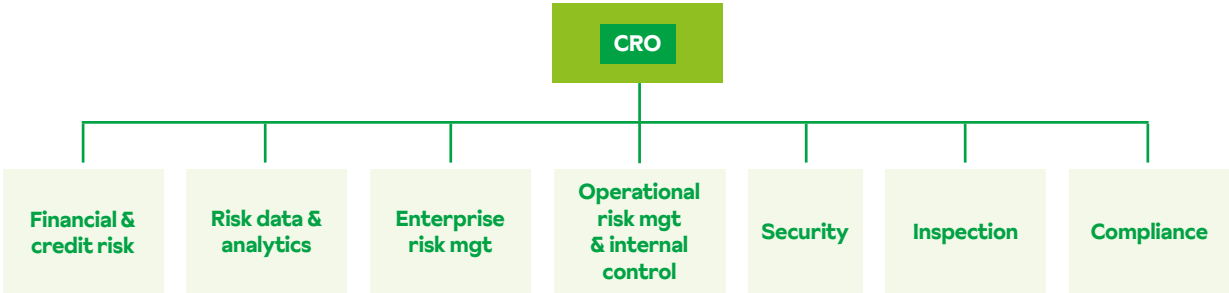
A new Car Policy came into effect on 1 October 2023. This will help Crelan take the next important step in the greening of its fleet and its sustainable mobility policy. Since 1 October only electric cars have been available in the fleet.

To facilitate this transition to a green fleet, Crelan has taken a number of measures to help employees with the transition. For example, the installation of a home charging point is co-financed, while the reference budgets for choosing a company car are now tailored to a wide range of electric cars.

Risk management

The entire risk management of the bank is entrusted to one management committee, 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.
- 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 (individual supplementary pension provisions), etc.

More detailed information on Crelan Group risk management and risk monitoring is available in the Crelan Group’s 2023 Annual Report under the chapter ‘Crelan Group, a safe banking group’.



Climate, environmental risks and exposure to carbon-intensive sectors

At Crelan Group, we conduct an extensive annual risk assessment which consists of the following steps:

- Risk identification
- Risk assessment and measurement
- Risk assessment and mitigation
- Risk reporting and information provision

Risk management is an ongoing process across the bank to ensure risks (related to the bank’s business model, economic environment and strategy) are appropriately identified, measured, managed, mitigated and reported. This assessment takes place separately for financial and non-financial risks. The following describes how the overall risk management process is applied to Environmental, Social and Governance (ESG) risks.

Risk identification

At Crelan Group, risk identification is carried out at least once a year with the revision of the bank’s risk taxonomy, including ESG risk. ESG risk is considered a risk driver that influences other risks in the risk

taxonomy. The figure below illustrates how ESG risks can influence other (financial) risks through economic transmission channels.

Risk drivers	Transmission channels	Financial risks
Environmental	Lower profitability	Credit risk
Physical <ul style="list-style-type: none">- Acute- Chronic	Lower real estate value	Market risk
	Lower household wealth	Operational risk
Transition <ul style="list-style-type: none">- Policy changes- Technology changes- Behavioural changes	Lower asset performance	Liquidity and funding risk
	Increased cost of compliance	Reputational risk
Social	Increased legal costs	
Environmental risks		
Changes in social policy		
Changes in market sentiment		
Governance		
Inadequate management of E & S risks		
Non-compliance with corporate governance framework/codes		

Figure 1 ESG risk drivers

In accordance with the EBA definition the bank has defined ESG risks as the risks of negative financial consequences for the institution arising from the current or future consequences of climate and environmental factors, social and/or governance factors for its counterparties, invested assets or own assets and activities.

For risk management purposes, climate and environmental risks, social and governance risks are considered separately in risk assessments and risk mitigation action plans, with increased focus currently on the “climate and environment” pillar. In addition, climate and environmental risks are further divided into physical and transition risks.

Physical risks are the risks of negative financial consequences for the institution arising from the current or future consequences of a changing environment for its counterparties, invested assets or own assets and activities. This includes more frequent extreme weather events (acute physical risks), gradual climate changes (chronic physical risks) and environmental degradation.

Transition risks relate to the financial loss that the institution may incur directly or indirectly as a result of the process of adjustment towards a lower-carbon and more environmentally friendly economy with regard to its counterparties, invested assets or own assets/operations. Transition risks can be divided into policy and regulatory risks, technology risks and market sentiment and demand risks.

Risk assessment and measurement

Methodology

Following the annual review of the bank’s risk taxonomy, a risk assessment is carried out to determine the materiality of the identified risks. As part of this process, an assessment of the materiality of the EGS risks is carried out based on expert judgement. The current focus of this exercise is on climate and environmental risks.

A materiality assessment of climate and environmental risks took place for the first time in 2022. This materiality assessment covered two axes, namely probability (low, medium, high, very high) and financial impact (low, medium, high, very high) in the short (0 to 3 years), medium (4 to 10 years) and long term (more than 10 years). Where applicable, ongoing actions and existing processes were considered risk mitigators in these discussions.

This approach will be revised in 2023 due to a number of disadvantages:

- Although the bank had comprehensively identified the main risk drivers by coherently applying a qualitative approach in its materiality matrix, a quantitative approach was still missing;
- A clear distinction and definition between the short, medium and long term impacts on the risk profile had to be included;
- The non-materiality of certain risk drivers was not sufficiently substantiated.

Therefore, the 2023 risk assessment approach combines both a qualitative and a quantitative approach:

- The exercise applies 4 different time horizons in line with the text of the Corporate Sustainability Reporting Directive (CSRD) and adds even more granularity in the long-term bucket: 1Y (short term), 1-5Y (short to medium term), 5-10Y (medium to long term) and > 10Y (long term);
- A quantitative approach is conceptualised: an impact is calculated for each driver, starting from publicly available stress scenarios for different risk drivers. The impact is compared to a materiality threshold set at 1% of the bank’s CET1 and 7.5% of the LCR buffer;

For risks for which it is difficult to construct a stress scenario, a qualitative approach is used to which the SAT/FAT matrix is applied (to derive an impact amount that is then compared to the materiality thresholds).

Overview of the most important risks

The risk assessment was classified as follows:

C&E risk driver	Risk affected	Portfolio affected	Narrative (stress scenario)
Transition	Credit risk	Retail mortgages	Increase in energy prices, investment acceleration
		Agriculture	
		Other professional	
		Consumer loans (LOA)	
	Market risk	Corporate portfolio	Stress on corporate portfolio
		Sovereign portfolio	Widening spreads (sovereign portfolio)
		Covered bond portfolio	Stress on covered bond portfolio
	Liquidity risk	Retail mortgages	Not enough eligible assets under GBP
		Retail mortgages	No Green Bond Framework
		Retail mortgages	New regulation impacting the eligibility of assets as HQLA
		Retail mortgages	Not enough value for covered assets under CBP
		Retail mortgages	Collateral eligibility requirements changed by the central bank
	Operational risk	All portfolios	Increased scrutiny and timing pressure with actual fines.
		External	Greenwashing by vendors / providers
		Agriculture	Reputational impact of nitrogen-intensive financing on client & talent
Physical	Credit risk	Retail mortgages	Floodings
		Agriculture	Floodings
		Other professional	Floodings
		Consumer loans (LOA)	Floodings
		Retail mortgages	Drought
		Agriculture	Drought
		Other professional	Drought
		Consumer loans (LOA)	Drought
		Retail mortgages	Other (storms/heat wave/wildfire)
		Agriculture	Other (storms/heat wave/wildfire)
		Other professional	Other (storms/heat wave/wildfire)
		Consumer loans (LOA)	Other (storms/heat wave/wildfire)
	Market risk	Corporate portfolio	Stress on corporate portfolio
		Sovereign portfolio	Widening spreads (sovereign portfolio)
		Covered bond portfolio	Stress on covered bond portfolio
	Liquidity risk	Retail and wholesale deposits	Drawdown of funds due to flooding
		Retail mortgages	Not enough eligible assets under GBP
	Operational risk	All portfolio	Physical risk events affecting operational resilience
		Hacking event	Hacking event

tabel 1 – C&E Risk identification

Considered intangible	Qualitative assessment	Quantitative assessment
-----------------------	------------------------	-------------------------

The qualitative assessment leads to the following results:

C&E risk driver	Risk affected	Portfolio affected	Narrative (stress scenario)	Likelihood				Impact			
				Short	Short to mid	Mid to long	Long	Short	Short to mid	Mid to long	Long
Transition	Liquidity risk	Retail mortgages	New regulation impacting the eligibility of assets as HQLA	R	R	R	R	VS	VS	VS	VS
		Retail mortgages	Not enough value for covered assets under CBP	R	R	I	I	S	S	S	S
		Retail mortgages	Collateral eligibility requirements changed by the central bank	R	R	R	R	VS	VS	VS	VS
	Operational risk	External	Greenwashing by vendors / providers	F	F	I	I	M	M	S	S
		Agriculture	Reputational impact of nitrogen-intensive financing on client & talent	I	I	F	F	NS	NS	NS	NS
	Physical risk	Credit risk	Retail mortgages	Drought	F	F	F	VF	M	M	M
Consumer loans (LOA)			Drought	F	F	F	VF	M	M	M	M
Liquidity risk		Retail and wholesale deposits	Drawdown of funds due to flooding	R	R	R	R	VS	VS	VS	VS
		Retail mortgages	Not enough eligible assets under GBP	R	R	R	R	S	S	S	S
Operational risk		All portfolio	Physical risk events affecting operational resilience: flooding	I	I	I	F	M	M	M	M
		All portfolio	Physical risk events affecting operational resilience: heat wave	F	F	F	VF	NS	NS	NS	NS
		All portfolio	Physical risk events affecting operational resilience: extreme cold wave	F	F	F	VF	NS	NS	NS	NS
		All portfolio	Physical risk events affecting operational resilience: heavy storms	F	F	F	VF	M	M	M	M
		All portfolio	Physical risk events affecting operational resilience: Paris flood	I	I	I	F	VS	VS	VS	VS
		Hacking event	Hacking event	I	I	I	I	M	M	M	M

R Remote
VS Very serious
S Serious

VF Very frequent
I Infrequent
F Frequent

NS Not significant
M Minor

The quantitative assessment leads to the following impacts:

C&E risk driver	Risk affected	Portfolio affected	Narrative (stress scenario)	Impact (in - € mln)			
				Short term	Short to mid term	Mid to long term	Long term
Transition	Credit risk	Retail mortgages	Increase in energy prices, investment acceleration	15.2	23.4	32.7	0
		Agriculture		1.5	2.9	3.4	0
		Other professional		9.5	18.4	23.4	0
		Consumer loans (LOA)		4.4	4.6	6.1	0
	Market risk	Sovereign portfolio	Widening spreads (sovereign portfolio)	4.2	4.2	7.1	0
	Liquidity risk	Retail mortgages	Not enough eligible assets under GBP	0	0	0	0
	Operational risk	All portfolios	Increased scrutiny and timing pressure with actual fines.	5.0	5.0	1.0	0.2
Physical	Credit risk	Retail mortgages	Floodings	6.6	6.6	6.6	12.8
		Agriculture		0	0	0	0
		Other professional		1.8	1.8	1.8	3.4
		Consumer loans (LOA)		0	0	0	0
		Agriculture	Drought	3.1	3.1	3.1	8.1
		Other professional					
	Market risk	Sovereign portfolio	Widening spreads (sovereign portfolio)	5.2	3.0	2.6	0.1

These impacts are compared to the materiality threshold of 1% of CET1 and 7.5% of LCR. It can be concluded that the following risk drivers are considered material:

- Transitional credit risk for private mortgages;
- Transitional credit risk for professional loans (other than agriculture).

For these material risk drivers, important risk indicators will be formulated as a minimum, as well as a risk appetite.



Stresstesting

Stress testing is an analysis that is carried out to identify the bank's vulnerabilities and determine whether the bank has sufficient capital and/or liquidity to absorb the consequences of adverse developments, such as the consequences of unfavourable economic scenarios. These tests are intended to detect weaknesses at the bank at an early stage so the bank can take preventive measures itself. They have an important role to play in:

- providing forward-looking risk assessments;
- overcoming limitations of models and/or historical data;
- feeding the capital and liquidity planning procedures;
- determining a bank's risk tolerance/willingness;
- facilitating the development of contingency plans;
- informing supervisors for the annual SREP assessment.



This 2023 sustainability report represents a supplement to the Crelan Group's 2023 annual report. Both are available at www.crelan.be.

We would like to thank the staff, branches and the Crelan Group management for their contribution to this report, and we look forward to seeing it developed further in the future, supplemented with specific objectives and new figures. We would also like to thank our customers and employees for the confidence they place in our bank.