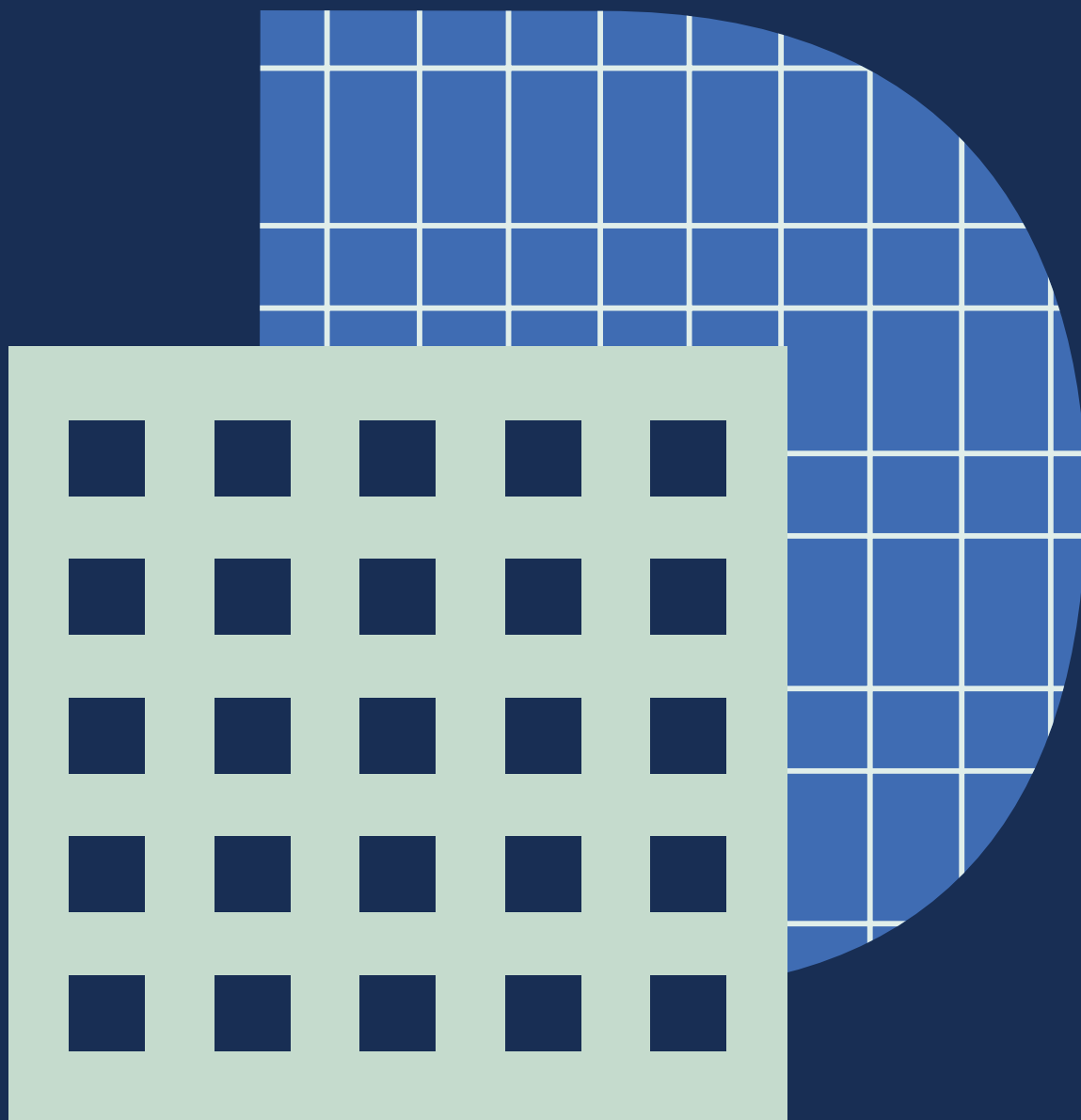


Non-Financial Report 2023

EN





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“

We are actors of change and we want to
assume our charge of responsibility.

”



Pierre AhlbornADMINISTRATEUR DÉLÉGUÉ
BANQUE DE LUXEMBOURG

As an attentive Bank, not only do we aspire to support our clients over the long term, but above all we seek to cultivate a future brimming with opportunities for future generations. In this 2023 non-financial report, we would like to share with you our actions to promote sustainable development in keeping with our five main pillars: Employees, Clients, Community, Governance and Environment.

In the firm belief that the success of our Bank rests above all on the quality of our talents, we cultivate their development and watch over their well-being. We are committed to promoting an inclusive and equitable working environment by encouraging every member of our workforce to develop both professionally and personally.

Our role as financial advisers goes beyond asset management. We place sustainability at the very heart of our business by ensuring that the investment advice we give and the loans we grant nurture a sustainable economy. Driven by the same spirit, and fully aware of our shared responsibilities, we are moving forward, to think and act for a better world.

Laying the foundations for a responsible identity

We adhere to the principles of rigorous and transparent governance to ensure that our operations meet the highest ethical standards while supporting our sustainability objectives. As a result, we need to maintain a business model that is aligned with our values and aspirations.

In response to the ecological emergency, we are integrating environmental considerations into all our activities. With a business model that primarily targets clients from Luxembourg and its neighbouring regions (81% of our business), we understand the importance of forging links with local communities while ensuring that we have a positive impact on the environment and society.

As a member of the B Corp community, we are determined to embody our values through concrete and measurable actions. Our purpose goes beyond the traditional framework of a bank: it is based on our openness to change and our concern for the interests of future generations.

The spirit of innovation fostering sustainable development

This report is a testament to our commitment to a better future. I hope you enjoy reading this document, and I would like to thank you for your confidence and for your support in the process I have just outlined.

Megatrends in the Luxembourg banking sector

At the heart of Luxembourg's fast-moving financial world, Banque de Luxembourg is a key player, attentive to sectoral trends and proactive in their integration. Our report highlights how these trends are not only observed, but also incorporated into our strategy and day-to-day operations.

Assimilating the digital revolution

Luxembourg's financial sector continues to experience a rapid digital transformation. The predominant trends are the digitalisation of banking services, the adoption of constantly developing technologies such as artificial intelligence and innovations in mobile payment services. The Bank is investing in these technologies to offer more efficient, secure and customer-focused banking solutions, while respecting the principles of sustainability and corporate social responsibility specific to B Corp certification.

Playing a role in sustainable finance

Keeping pace with the rise of sustainable finance, we have taken significant steps to integrate ESG (Environmental, Social and Governance) criteria into our investment strategies. By developing financial products that support responsible initiatives, we seek to share our commitment to a more responsible and fairer future, consistent with our duty as a financial institution.

Prioritising compliance and transparency

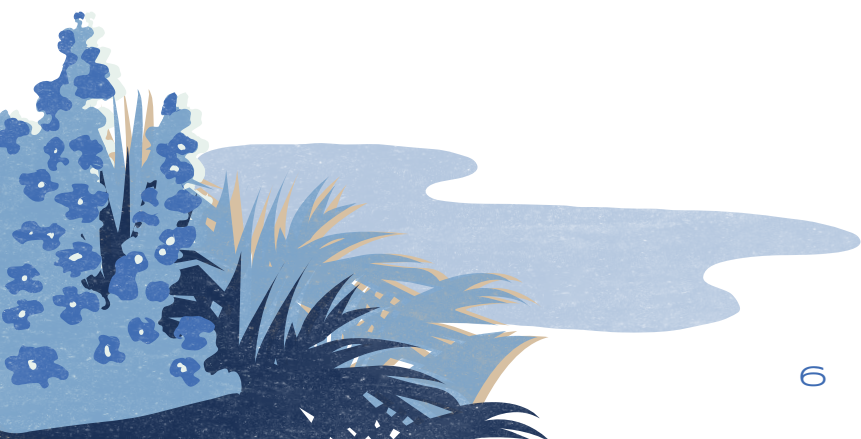
In line with international and European regulations, we have strengthened our compliance and transparency policies. This approach goes beyond simply adhering to the guidelines; it embodies our commitment to ethics and reliability.

Adapting to geopolitical dynamics

We remain particularly attentive to the macroeconomic impact on our business. The impact of inflation, fluctuating interest rates and the current state of the property market in Luxembourg call for heightened, reactive and prudently adapted vigilance. As ever, our objective is to safeguard our clients' assets while supporting their ambitions, whether they are looking to maintain economic stability or growth.

Committing to sustainable development and the community

We are actively committed to supporting sustainable and community initiatives. This is demonstrated not only through our banking approach, but also through our involvement in sponsorship projects and voluntary work. In addition, we support educational, cultural and social programmes with the aim of contributing to the community and promote sustainable socio-economic development.



About the report

This annual report reaffirms our commitment to greater transparency and accountability, which are essential to tomorrow's sustainable finance. This year, we took the initiative to gradually and voluntarily align ourselves with the European Sustainability Reporting Standards (ESRS), anticipating the requirements of the European Corporate Sustainability Reporting Directive (CSRD). Going above and beyond mere compliance with the new regulatory requirements, this proactive approach also aims to share with you our determination to act with integrity and ethics, while being fully aware of our impact on the planet.

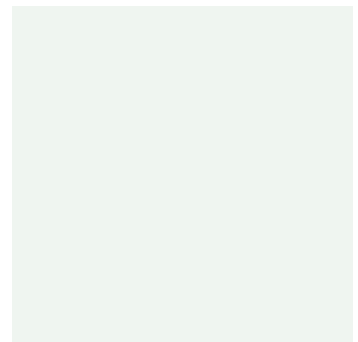
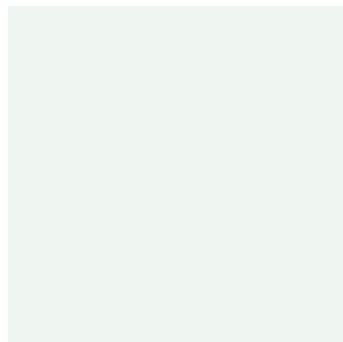
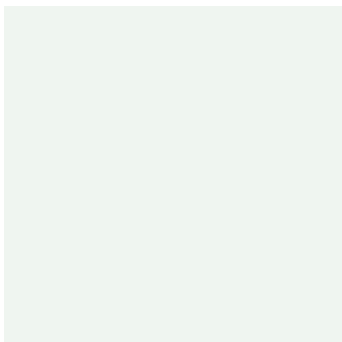
These standards, designed to unify and standardise non-financial reporting in the European Union, enable us to disclose our social and environmental responsibility performance more accurately.

In response to growing expectations on sustainable development, this year we have expanded our analysis to include detailed

information on our economic, environmental, social and good governance activities. By highlighting these aspects, we hope not only to inform, but also to encourage constructive dialogue on the challenges of tomorrow.

This year's report is an important milestone in our journey towards gradually integrating the principles of sustainability at the core of our responsible banking strategy. We are convinced that the financial sector must play a key role in the transition to a greener and more inclusive economy. This report allows us to share our journey, our achievements, our challenges, and above all, our commitments for the future.

The report covers Banque de Luxembourg, its Belgian branch and its subsidiary Banque de Luxembourg Investments (BLI). It covers the period from 1 January 2023 to 31 December 2023. It is an annual publication of the Bank's sustainable development performance and achievements.



2023

Key figures*

Net income
from banking
operations in €M

393

Equity capital
in €M

1,069

Net profit
in €M

75.7

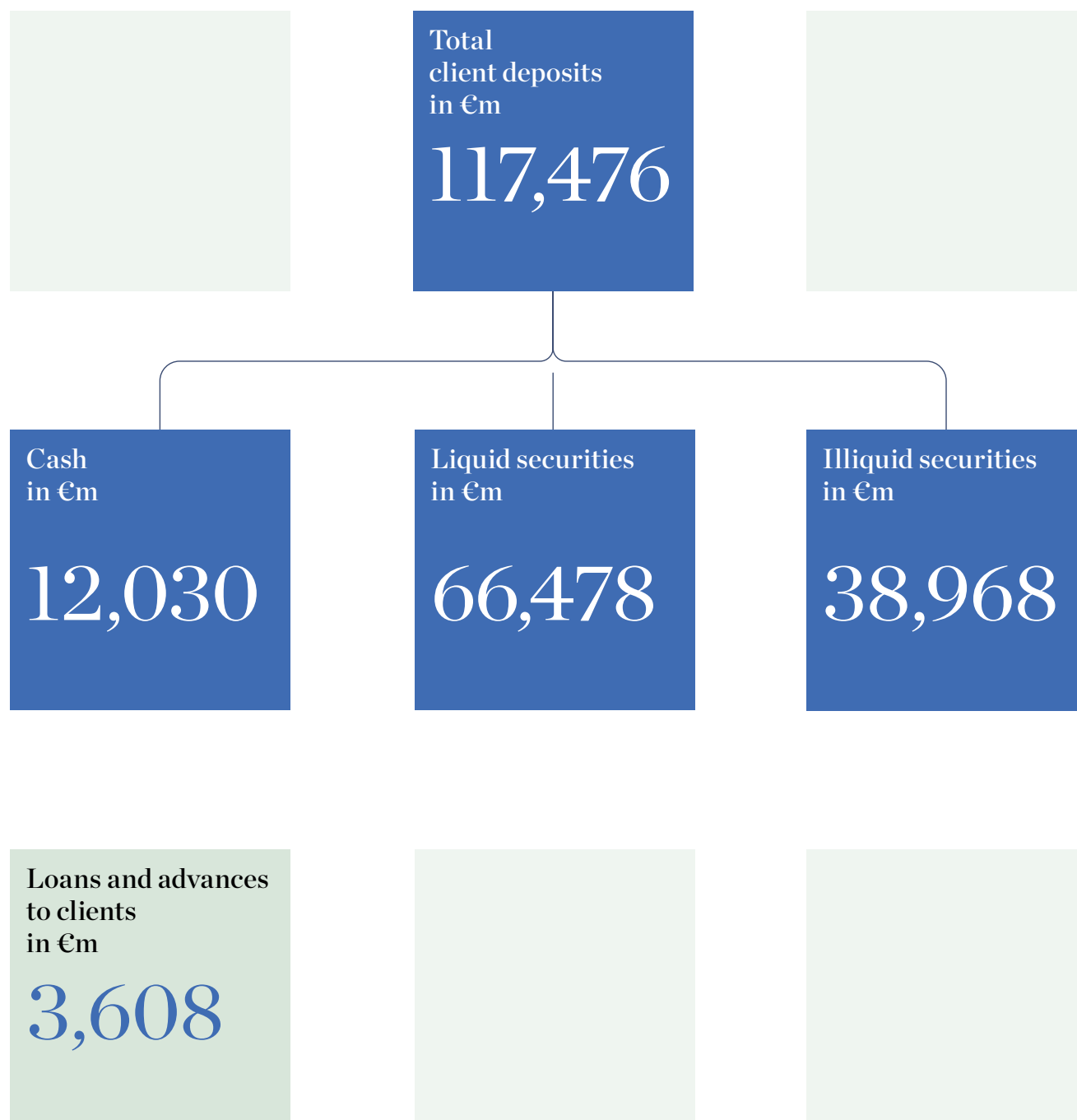
Liquidity coverage
ratio (LCR)
as %

159.5

Solvency
ratio
as %

26.13

* Figures at 31 December 2023
These figures relate to Banque de Luxembourg and
do not take into account the subsidiary





Part 1

The Bank and sustainable development



About the Bank

MISSION AND VALUES



Banque de Luxembourg has always been deeply committed to helping its clients – be they individuals, professionals, families or businesses – to manage, grow and pass on their wealth. This personalised approach is the cornerstone of our business. We remain responsive to ever-changing economic, regulatory and tax developments, while offering our services as a trusted and stable participant in the sector.

Backed by the expertise of Crédit Mutuel Alliance Fédérale, we follow the principles of prudence and financial soundness that form the guidelines for our long-term strategy. Protecting the interests of our

clients remains at the heart of what we do, through prudent management of deposits and a focus on preservation of capital.

Our team of experts centres its attention on investing in companies with solid fundamentals and long-term growth potential, ensuring stable performance over the long term. We place particular emphasis on compliance with ethical, legal and regulatory rules, guaranteeing ethical conduct that meets all requirements.



OUR IDENTITY AND HERITAGE

Our head office, located in the heart of the city of Luxembourg, is a monument to our commitment to the prudent management of our clients' assets. We have built our reputation as a trusted partner in wealth management, combining tradition and innovation to serve our clients better. Today, our head office continues to play a central role in our mission to provide superior financial solutions, while building strong links with our subsidiary in Luxembourg and our branch in Belgium.

Within the Banque de Luxembourg family, Banque de Luxembourg Investments (BLI) and Banque de Luxembourg Belgium play an essential role in our commitment to quality and customer satisfaction. These two entities reflect our determination to offer relevant financial solutions while extending our reach to better meet the varied needs of our clients.

Firstly, our subsidiary BLI symbolises our commitment to implementing quality management strategies, based on the principle of simple solutions for an increasingly complex world, and satisfying our clients' requirements.

In addition, our branch in Belgium allows us to extend our field of action beyond Luxembourg and to serve a wider customer base. This branch, located in Brussels and Sint-Martens-Latem, reflects our commitment to accessibility and local service, guaranteeing our Belgian clients the same high level of banking and financial services that we are famed for in Luxembourg.



WORKING WITH OUR CLIENTS

As part of our ongoing commitment to meeting the diverse needs of our clients, the Bank is distinguished for its personalised approach and expertise in providing specialised financial services.

Our offer is structured around three main client categories - **Private Clients, Businesses & Entrepreneurs, and Professional Clients** – each benefiting from a tailored range of solutions designed to effectively meet their expectations and aspirations.



Private Clients

Trust as the foundation for a lasting relationship

We are committed to offering our private clients comprehensive, personalised wealth management, aware of the importance of stability and security in preserving and passing on their assets. We focus on prudent, tailor-made investment solutions, including traditional or alternative investment options and private assets, on financing, philanthropic initiatives, including setting up foundations, and detailed estate planning. Thanks to our approach based on dialogue and transparency, we carefully balance solutions to meet performance objectives and the level of risk accepted by each client. We also integrate ESG (Environmental, Social and Governance) criteria into our investment analyses, enabling us to combine financial performance with a sustainable social and environmental aspect.



Professional Clients

Bespoke solutions

We offer professional clients, such as asset managers and other institutional clients, a relationship based on a human and personal approach. This enables us to build mutual trust and respond effectively to a wide range of needs. Our services for these clients include assistance with the creation and launch of investment funds, custodian banking services for funds with liquid or alternative assets, brokerage services, as well as custodian banking services in Luxembourg and at our Belgian branch to external management companies for their private and life insurance clients. These services are specially designed to reinforce the Bank's status as a preferred partner.

Private banking-style support

We recognise the specific challenges faced by businesses and entrepreneurs in a fluctuating economic climate. To support them, we offer a full range of specialised services covering the financial needs of businesses, real estate professionals and the liberal professions. Our approach is characterised by listening attentively and being proactive, guaranteeing solutions tailored to the specific needs of each business. By promoting a local presence, we provide a high level of service and personalised support that go beyond simple financing solutions.

We also offer advice on business transfers and cash surpluses management, reinforcing our commitment to being a trusted partner for businesses and entrepreneurs over the long term. Our thinking is evolving as we integrate sustainability factors into our service offering and lending decisions. Particular emphasis is placed on supporting companies in adopting responsible and sustainable practices.



Our subsidiary, Banque de Luxembourg Investments, is the asset management company that manages the Bank's in-house funds. As a signatory to the United Nations' Principles for Responsible Investment (UN PRI), BLI is committed to promoting sustainable and responsible investment and to taking ESG criteria into account in its investment processes. The SRI methodology used is tailored to the specific characteristics of the different asset classes covered, with the aim of offering conviction-based, responsible management that delivers long-term performance. BLI is also able to offer tailor-made investment solutions and support to third-party fund initiators, with an emphasis on sustainability.

OUR EMPLOYEES

The Bank is committed to foster a rich and varied diversity within its workforce, whether in terms of gender, experience, culture or age. This commitment is echoed at all levels of the organisation, from employees to senior management. The aim is to create a working environment that reflects the diversity of the society in which the Bank operates, valuing the different perspectives and skills that each individual brings to the institution.

Equally, the Bank is committed to equal pay for men and women. Following a strict and equitable policy, the Bank ensures that the remuneration of its employees is based on objective criteria such as role, responsibilities and performance.

Right from the start of their professional experience at our bank, we ensure that every employee feels welcomed, valued and supported in their individuality. It is essential to attract, assist and retain our employees if we are to continue the transformation and ensure the long-term future of our Bank.

BREAKDOWN

Women

46%

Men

54%

1,086

Employees
(99% of whom are on permanent contracts)

12 years

Average length
of service of our
employees

23%

of employees
work part-time (including
part-time parental leave)

43 years

Average age of our
employees

Nationalities*

22

BREAKDOWN

France

38%

Luxembourg

31%

Belgium

20%

Italy

3%

Portugal

2%

Germany

3%

Other

3%

*Breakdown of the 22 nationalities represented in the workforce of Banque de Luxembourg, its branch in Belgium and its subsidiary BLI, at 31 December 2023

VALUE CHAIN

The Bank stands out for its integrated and responsible approach in all aspects of its business. Central to our approach, our value chain represents this commitment to operational excellence, rooted in our principles of responsibility and sustainability. It reflects a continuous process that extends from the initial development of our financial solutions to dedicated client support, including rigorous

risk management and optimisation of our internal operations.

We attach great importance to the selection of our suppliers and business partners. With this in mind, we make sure that the commercial relations we establish are with partners who take a responsible approach.

OUR COMMITMENT TO OUR STAKEHOLDERS

In our report, we highlight our approach to stakeholder engagement, which is essential for integrating internal and external perspectives into our sustainability strategy. This meticulous process aims to capture the diverse expectations of our clients, employees, suppliers and the wider community, ensuring that our commitment to corporate social responsibility is both relevant and meaningful. This process enables us to enhance our governance, fine-tune our priority actions and strengthen our transparency, paving the way for

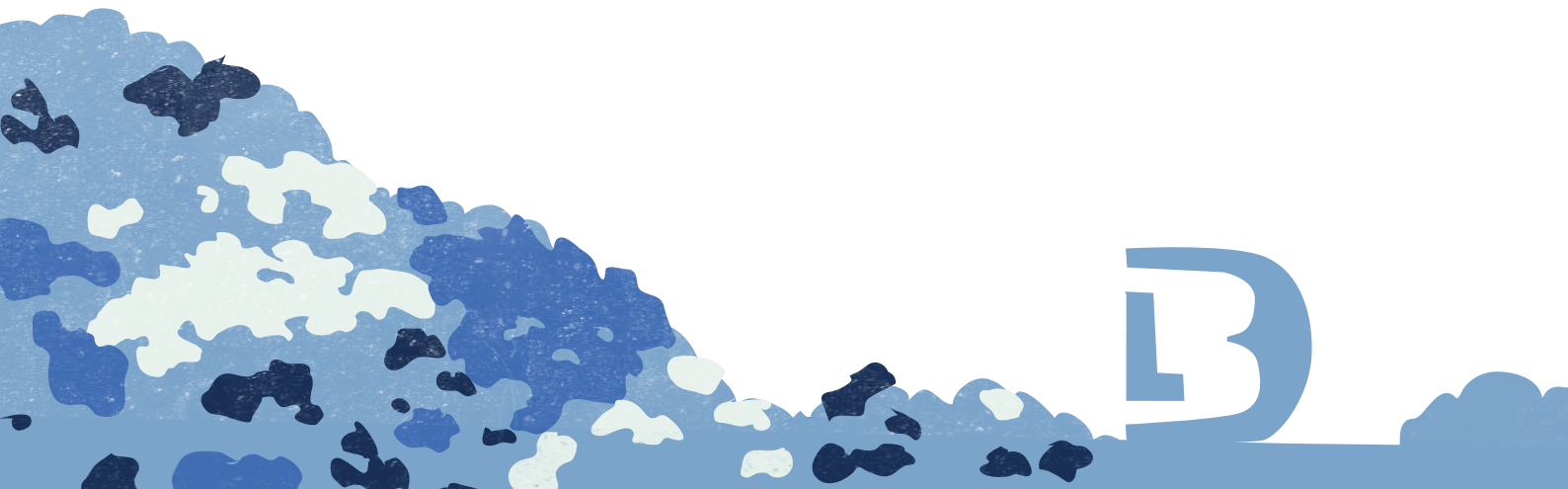
fruitful collaboration towards a sustainable future.

Stakeholder consultation plays a crucial role in accurately identifying needs and expectations, so that this information can be truly incorporated into our decision-making and strategic planning. By engaging in constructive, ongoing dialogue, we forge links based on trust and mutual respect, while jointly exploring innovative and sustainable solutions.

PARTNERSHIPS

We are indebted to the Luxembourg community, which provides us with the framework for our development; the counterpart to this is our tradition of patronage. We attach great importance to our role as a responsible economic actor and have long been involved in local community life. We provide enduring support to our partners in the humanitarian, social, health and cultural fields, providing them with access to voluntary work from our employees, the skills of our teams, and financial and logistical resources. Naturally, our recent B Corp certification strengthens this positioning. This community distinguishes companies that incorporate ambitious social and environmental targets into their business model and operations, and that seek progress through positive impact.

For over fifteen years, the Bank has actively contributed to the debate and the evolution of philanthropic practices. Our initiatives aim to showcase community efforts, encourage donations and promote volunteer involvement. We also work closely with specialists to support our clients who want to set up a philanthropic project.



Main partners & sectors in 2023

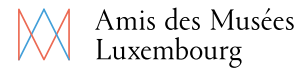
Humanitarian



Entrepreneurship



Culture



Education



Health



Social



About our CSR strategy

OUR DECISION-MAKING BODIES IN SUSTAINABILITY STRATEGY

Banque de Luxembourg's governance structure is designed to ensure efficient and responsible management that meets banking industry standards. Our governance is made up of several key bodies, each of which plays an essential role in overseeing and providing strategic direction.

Board of Directors

The Board of Directors is our highest decision-making body. It defines the Bank's overall strategy and general policy, while looking after the interests of its stakeholders.

In accordance with the Board of Directors' internal rules, the Board is responsible for overseeing management and monitoring risks, and meets regularly to discuss strategic issues. Its members are selected for their complementary expertise and experience, ensuring a diversity of perspectives and skills.

As part of our commitment to effective corporate governance, we run a comprehensive training programme for all new members of our Board of Directors to familiarise them with the Bank's operations and strategy. In addition, all Board members receive ongoing training in governance, risk management

and the latest developments in the sector. Each year, a minimum of 12 hours of training is required, enabling our directors to stay informed and up to date in order to oversee the Bank's sustainable and ethical practices, among other aspects.



Composition of the Board of Directors



President

Eric CHARPENTIER,
Directeur Général of Banque Fédérative du Crédit Mutuel, *Strasbourg* and Directeur Général of CIC, *Paris*

Vice-President

Daniel BAAL,
Président of Crédit Mutuel Alliance Fédérale, *Strasbourg*

Administrateur délégué

Pierre AHLBORN,
Luxembourg

Secretary to the Board of Directors

Benôît Elvinger,
Luxembourg

Directors

Valérie BENQUET,
Directrice CIC Corporate, *Paris*

Cosita DELVAUX,¹
Notary, *Luxembourg*

Carine FEIPEL,
Lawyer, *Luxembourg*

Philippe HOSS,
Lawyer, *Luxembourg*

Georges M. LENTZ Jr.,
Administrateur Délégué, Brasserie Nationale, *Luxembourg*

Bich Van NGO,
Chartered Accountant, *Luxembourg*

Pit RECKINGER,
Lawyer, *Luxembourg*

Nicolas RUGGIERI²,
Directeur général exécutif of the Batipart Group, *Luxembourg*

* Executive profile: an individual in a management position, responsible for the day-to-day decision-making and operational management of the Bank.

** Non-executive profile: an individual who is not involved in day-to-day management but contributes to overall strategy and supervision without direct operational responsibilities.

¹ Appointed director on 20 September 2023

² Appointed director on 19 February 2024

Specialised Committees

In its ongoing commitment to exemplary governance, Banque de Luxembourg relies on the strength and expertise of its specialised committees. These bodies, the very foundations of our decision-making structure, ensure the integrity, transparency and efficiency of our operations:

The Credit Decision Committee is responsible for determining competency thresholds and monitoring credit commitments. This Committee is active in approving credit and deals with credit applications above a certain threshold. It also ensures that credit analysis is aligned with decision-making processes, in accordance with Crédit Mutuel Alliance Fédérale's methodology and procedures.

Chair

Valérie BENQUET

Secretary

Thierry LESCROART

Members

Pierre AHLBORN
Benoît ELVINGER
Pit RECKINGER

The Remuneration and Nomination Committee ensures that financial incentives support the Bank's overall strategy. The Committee is responsible for proposing the remuneration of key management positions and for ensuring an appropriate balance between the members of the Board of Directors. It also plays a role in identifying and recommending candidates for vacancies on the decision-making body, while assessing the skills, expertise and experience of current members.

Chair

Philippe HOSS

Secretary

Florence NAVARRO

Members

Daniel BAAL
Eric CHARPENTIER

The Audit and Risk Management Committee monitors the financial reporting process and ensures compliance with internal control rules. The Committee assesses the Bank's risk appetite and the quality of the work of the Internal Audit, Compliance and Risk Management functions. It makes recommendations concerning the appointment or reappointment of the company auditor and ensures that the recommendations of the internal control functions, the supervisory authorities, and the company auditor are properly followed up.

Chair

Carine FEIPEL

Secretary

Anne GOEDERT

Members

Eric CHARPENTIER
Bich Van NGO

Executive Committee

Banque de Luxembourg's Executive Committee is responsible for the efficient, sound and prudent day-to-day management of the Bank's activities and functions as a centralised body where all important decisions are taken under the direction of the Administrateur Délégué. The committee is responsible for ensuring the operational implementation of the strategy defined and decided by the Board of Directors. Its members have in-depth knowledge of the various operational aspects, guaranteeing informed and effective decision-making.

The Committee meets weekly. At regular intervals, the heads of the various departments are invited to take part in the meetings, in order to contribute their expertise and their point of view on specific themes and/or regulatory developments.

The Executive Committee has delegated its decision-making powers on certain matters to management committees. The members of the Executive Committee also undergo continuous training: a minimum of 18 hours per year.

Administrateur Délégué
Pierre AHLBORN

**Talent and Diversity, Internal
Communication & Change Management**
Nicole DOCHEN

Dealing Room and Financing
Benoît ELVINGER

Risk Management and Compliance
Sylvie RÉMONT³

Professional Clients
Fernand REINERS⁴

Private Clients
Luc RODESCH

**Finance, Data, Facility, IT, Operations and
Transformation**
Romain WEILER

Secretary General
**Florence
WINFIELD-PILOTAZ**⁵



³ In this position since 13 November 2023

⁴ Stepped down as member of the Executive Committee on 1 May 2024 and replaced by Florence Winfield-Pilotaz

⁵ Stepped down as Secretary General on 1 April 2024 and replaced by Pierre Even

CSR Governance

At the heart of our strategy, CSR governance demonstrates our commitment to combining performance and sustainability. It is the foundation on which the responsibility and transparency of our operations are built, guaranteeing the effective implementation of the sustainable values that guide us.

CSR Committee, Management Committee

Our Corporate Social Responsibility (CSR) Committee, established during 2023, demonstrates our Bank's deep commitment to integrating social and environmental concerns into our business operations and our interactions with stakeholders. This strategic committee not only monitors adherence to the principles of sustainable development and social responsibility, it is also the driving force behind the Bank's vision for inclusive and environmentally friendly growth. Our CSR Committee is made up of a diverse group of members from across the Bank's different business lines, ensuring a full representation of internal skills and points of view. This variety enriches our CSR discussions and decisions, enabling us to develop precise objectives, deploy effective strategies and rigorously assess our performance on key issues.

Chair

Nicole DOCHEN

Vice-Chair

Florence WINFIELD-PILOTAZ

Coordinator

Déborah GUEZ

Secretary

Gabrielle DA COSTA

Members

Emmanuelle CAUMONT

Philippe CELIS

Viviane CLAUSS

Anne D'ASTE BLANC

Maurice GILLEN

Régis HEIL

Pascal LOSCH

Sylvie MICHEL

Anne-Sophie MULLENDERS

Romain WEILER

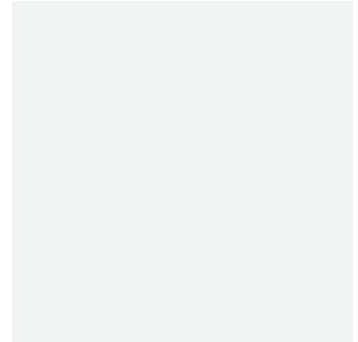
Vincent WILLEM

Guests

Thierry FELTGEN

Laura GIALLOMBARDO

Sophie PYTEL

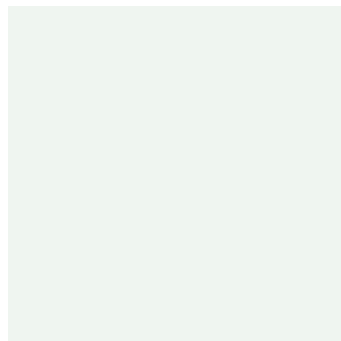


CSR team

The Bank's CSR team is central to the implementation of the CSR strategy, as approved by the Executive Committee and the Board of Directors. It ensures that sustainability principles are integrated into all the Bank's operations, working closely with all departments to encourage ethical and sustainable practices. This team reports regularly on its progress to the CSR Committee and the Executive Committee, ensuring transparent management and alignment with the Bank's strategic ambitions.

Members

Gabrielle DA COSTA
Manon FEYDER
Laura GIALLOMBARDO
Déborah GUEZ



Private Banking SRI Committee

The Private Banking SRI (Socially Responsible Investment) Committee is responsible for defining and implementing the policy for integrating sustainability risks.

In the course of its duties, the committee:

- ensures that model portfolios are in line with the ESG criteria set out in the policy,
- deals with the monitoring of controversies and sectoral policies,
- ensures that regulatory changes are taken into account in PBI management and implemented in the portfolios,
- assesses and approves any new product that could be considered "responsible", "sustainable" or "impact" for private banking clients,
- draws up proposals for the positioning of ESG investment products for private banking clients.

ESG Finance Committee, operational committee

The ESG Financing (Loans) Committee, due to be operational in the second half of 2024, will play a key role in anchoring sustainable development at the core of our financing policies. This committee will rigorously assess certain loan applications from an ESG perspective and ensure that our credit procedures are aligned with ESG criteria. As part of its commitment to responsible financial governance, the committee will meet as and when required to assess applications, and will systematically strive to reach a consensus in its opinions.



OUR FIVE PILLARS

An active five-pronged strategy

Our sustainability report is based on five fundamental pillars that reflect our commitment to responsible and ethical practices. These pillars encompass a wide range of activities and initiatives, from client engagement and employee empowerment to community support, rigorous governance and environmental stewardship. Each pillar represents a key aspect of the Bank's strategy

to integrate sustainable development into all facets of its activities, ensuring a balanced approach that aligns with global standards and local needs. This holistic approach underlines our commitment to creating a positive impact on society and the environment while maintaining the integrity and excellence of our business.



Clients

As a bank for the long term, we conduct our business in a way that takes into account its impact on future generations.



Community

As a certified B Corp business, we unite our stakeholders around the challenges of tomorrow.



Employees

As an engaged organisation, we inspire our employees to meet societal challenges.



Environment

As a responsible entity, we are constantly striving to reduce our environmental footprint.



Governance

As a sound bank, we ensure that our governance, structure and technological infrastructure are exemplary.

OUR PRIORITY THEMES

In 2023, the Bank updated the double-materiality analysis that it carried out in 2022, based on the requirements formulated by EFRAG*. To understand how we conducted our impact assessment, please consult the methodology note on materiality at the end of this report.

Following the double-materiality exercise defining the material ESRS topics and approved by the Bank's Executive Committee, the ESRS topics that remain essential and primordial for 2023 are:

ESRS topics	Status	BDL theme
ESRS E1 Climate change	Material	Developing internal sustainable practices for the transition
ESRS E2 Pollution	Non-material	Combating pollution and reducing emissions
ESRS E3 Water and marine resources	Non-material	Protecting water resources and responsible water consumption
ESRS E4 Biodiversity and ecosystems	Non-material	Protecting ecosystems and biodiversity
ESRS E5 Resource use and circular economy	Non-material	Waste management and materials recycling
ESRS S1 Own workforce	Material	Health, safety, well-being and quality of life at work
ESRS S2 Workers in the value chain	Non-material	Identifying and managing supply chain risks
ESRS S3 Affected communities	Non-material	Support, help and guidance for local communities
ESRS S4 Consumers and end users	Material	Proximity to customers and access to responsible financing
ESRS G1 Business conduct	Material	Transparency, responsible purchasing, responsible business relations, sustainability, stakeholder engagement, responsible investment, ESG strategy

In addition, two topics have been identified as emerging due to the increased importance attached to value chain responsibility and environmental preservation:

ESRS Emerging topics **	BDL theme
ESRS E4 Biodiversity and ecosystems	Protecting ecosystems and biodiversity
ESRS S2 Workers in the value chain	Identifying and managing supply chain risks

We remain committed to adapting and refining our approach as regulatory requirements evolve, ensuring that our sustainability efforts are robust and comprehensive.

* European Financial Reporting Advisory Group





** Emerging topic: a subject that is gaining in importance because of its potentially significant impact on people, the environment or the Bank's financial performance.

CONSULTATION WITH OUR STAKEHOLDERS

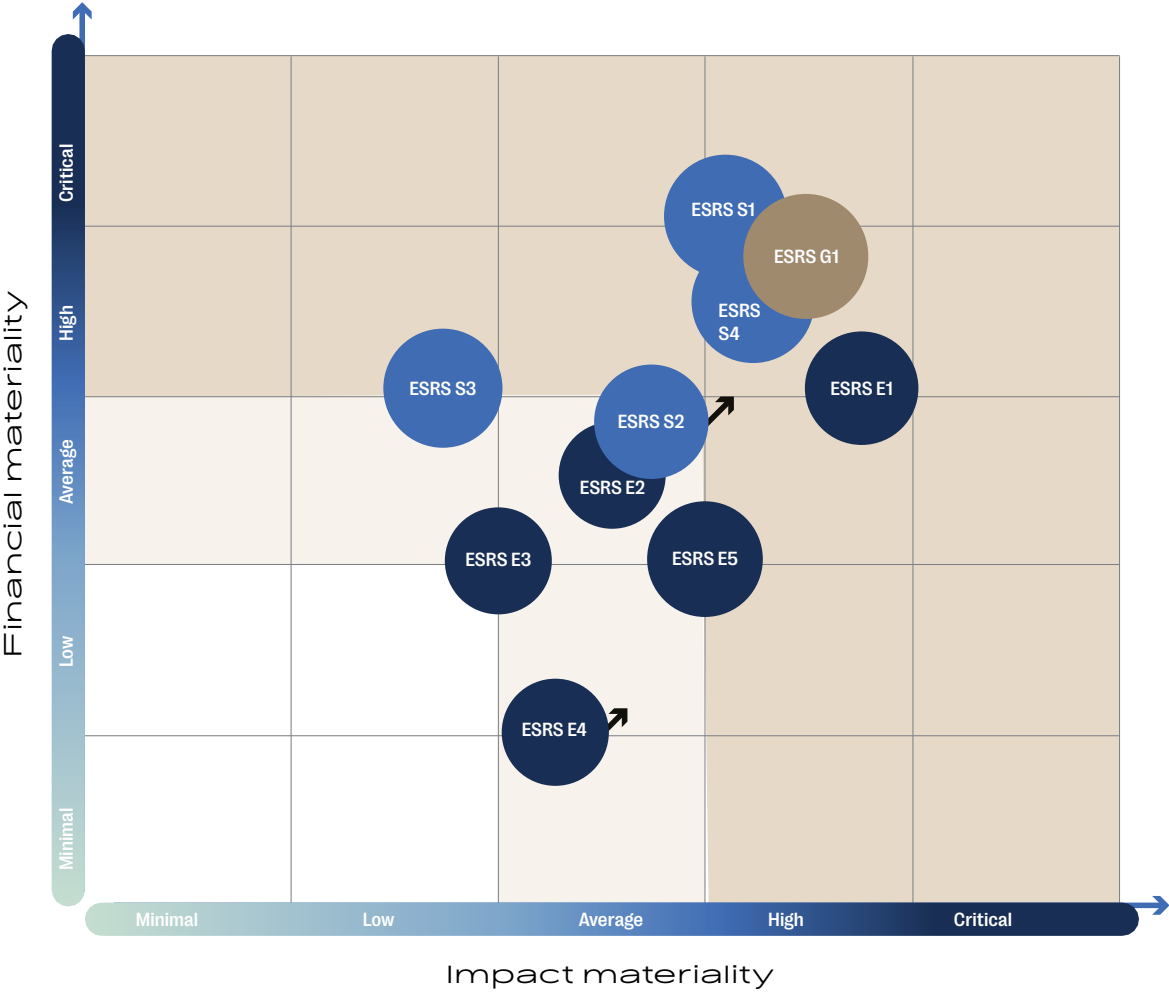
Consultation with internal and external stakeholders plays an important role in identifying the Bank's material themes, ensuring that our report is in line with the expectations of our ecosystem.

In December 2023, we carried out an in-depth survey among identified stakeholders to understand their perceptions of the Bank's sustainability initiatives and ethical responsibility, and to identify key trends. Four major stakeholder groups were consulted: clients, employees, the Executive Committee and the Board of Directors.

The results of the various surveys have allowed us to better identify what the Bank's stakeholders consider to be its priority areas. Stakeholder consultation was conducted to take account of their opinions, in order to identify the key issues to be reported on. The results have been incorporated into our updated double-materiality analysis.

Stakeholders	How we engage	Key themes covered
 Clients	Client surveys Meetings with advisers Online banking services Master Class Conferences	Returns and benefits Transition to more sustainable business practices Preserving and enhancing our heritage Strategic management of companies and optimisation of investments
 Employees	Employee surveys Conferences Training courses Workshops	Alignment of strategic objectives with sustainability standards
 Board of Directors	Committee member surveys Four annual meetings Ad hoc discussions based on needs	Financial performance and execution of the Bank's strategy
 Executive Committee	Committee member surveys Weekly meetings Ad hoc discussions based on needs	Alignment of strategic objectives with sustainability standards Adapting to new banking regulations

DOUBLE MATERIALITY MATRIX



Legend

- ESRS topics rated during the analysis
- ESRS E1 Climate change
 - ESRS E2 Pollution
 - ESRS E3 Water and marine resources
 - ESRS E4 Biodiversity and ecosystems
 - ESRS E5 Resource use and circular economy
 - ESRS S1 Own workforce
 - ESRS S2 Workers in the value chain
 - ESRS S3 Affected communities
 - ESRS S4 Consumers and end users
 - ESRS G1 Business conduct

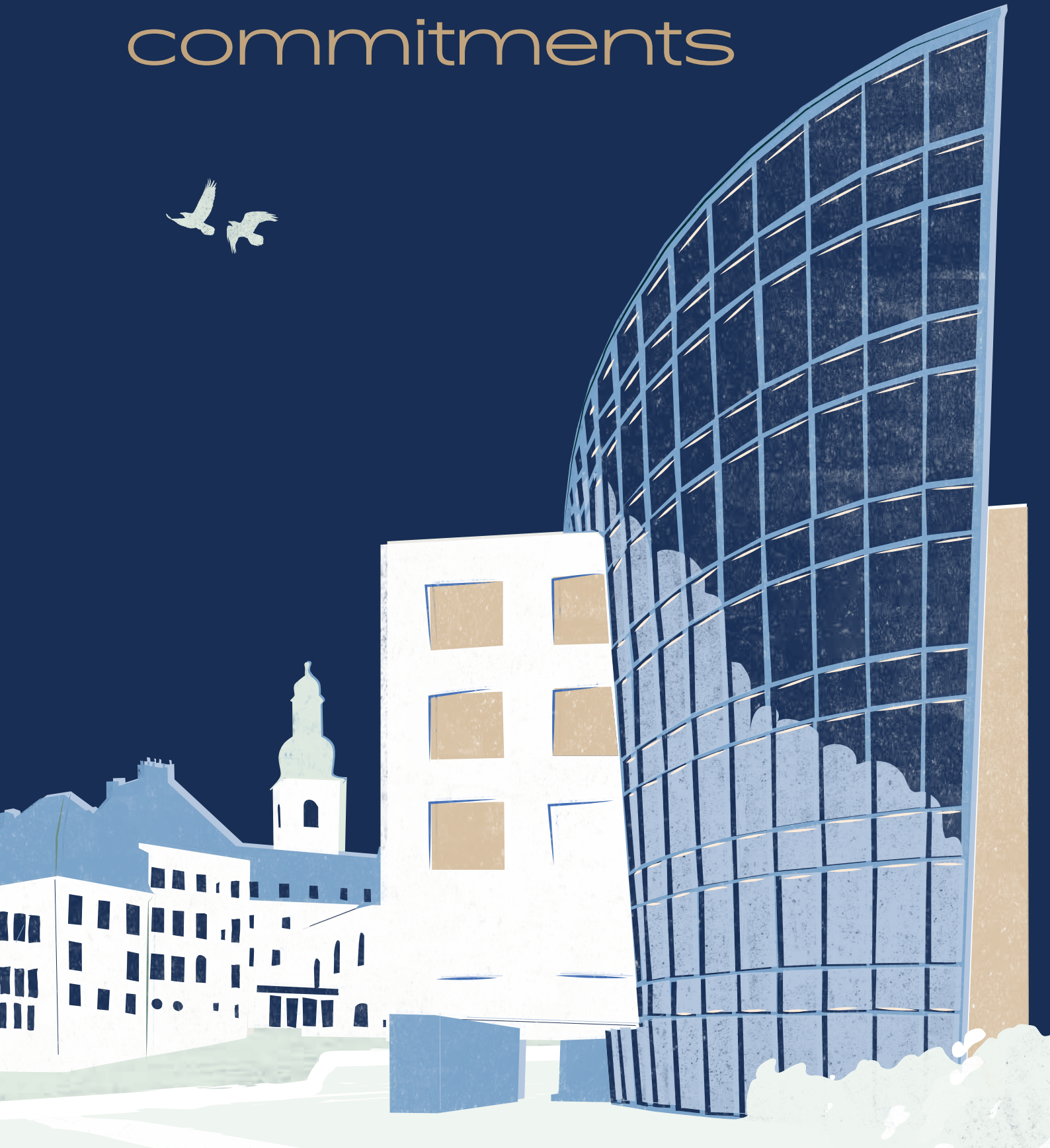
Priority area Secondary area Emerging issue

Not important Of little importance Important Very important

for stakeholders

Part 2

Our commitments



Our responsible governance

As a steadfast and well-established economic actor, our Bank fully embodies the values of the B Corp community, continuing its commitment to its clients and partners with a focus on the long term. This year, we advanced one step further by gradually aligning ourselves with the new European ESRS reporting standards, a reflection of our commitment to responsible management and voluntary transparency.

We strive to balance current needs with preserving resources for future generations. Fully conscious of the impact of our actions and guided by B Corp's strict social and environmental performance

criteria, we are resolved to strengthen our role in the transition to an economically sound, equitable and environmentally sustainable society.

This is how our purpose "Attentive to future generations" becomes above all a reason to act, by constantly questioning the impact generated and the means and resources deployed to achieve it.

WE ARE

- **Attentive**: a long-term partner for our clients
- **Solid**: with strong foundations and a sustainable vision
- **Accountable** to all our stakeholders
- **Conscious** of how our decisions affect future generations
- **Agile**: ready to draw on our past to adapt to the present.

MANIFESTO

In a world that's changing faster than ever, it is vital to withstand passing trends, resist the temptation of instant profits and focus instead on **careful, well-considered momentum**.

In the face of the environmental and social emergency, we want to consider our planet's scarce resources in all our activities so that later generations will inherit not just a financial legacy, **but a future brimming with possibilities**.

Striving to demonstrate our values through **strong, responsible action with measurable impact**, we are members of the B Corp community.

Every day, we leverage the power of our people, our resources and our ecosystem to maximise our positive impact. We integrate sustainability in the management of the financial and non-financial assets entrusted to us, and the financing we provide.

We promote **inclusion and equal opportunities** in all our endeavours.

Because our purpose is only meaningful if we remain open to change and if we are **attentive to the needs of the generations to come**.

OUR ORGANISATIONAL STRUCTURE AND NETWORK

The governance structure chosen by our Bank demonstrates our commitment to transparency and ethics. Guided by Circular CSSF 12/552, as amended, concerning central administration, internal governance and risk management, executive and non-executive roles are clearly separated to foster responsible management.

The Chair of the Board of Directors has no executive role, and the role of Administrateur Délégué is entrusted to another person. This structure is designed to ensure rigorous supervision and appropriate decision-making.

Under the leadership of our Administrateur Délégué, the Bank's organisational structure is built on key pillars, ensuring coherent and strategic management across all our activities. Each

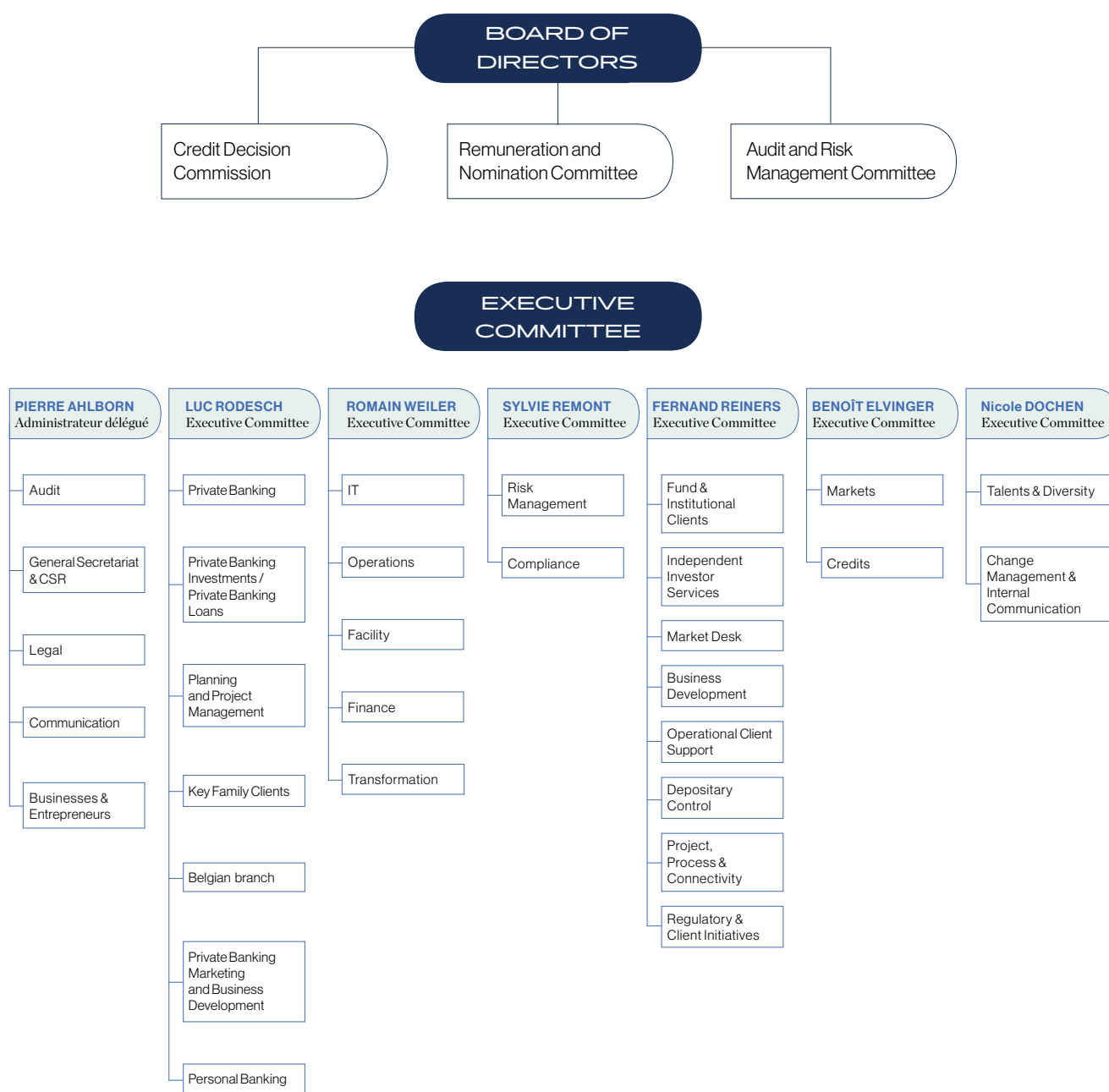
member of our Executive Committee oversees critical areas, ensuring that our commitment to corporate responsibility is integrated into every aspect of our work.

Diversity in our governance bodies is essential. We firmly believe that diverse governance enriches our decision-making and bolsters innovation, creativity and overall performance.

With this in mind, we have made it our mission to achieve a balance between men and women in our decision-making bodies, while ensuring diversity of age, skills and knowledge.



Organisation chart of Banque de Luxembourg at 31/12/2023



SELECTION PROCESS FOR DECISION-MAKING BODIES AND KEY FUNCTIONS

We are committed to observing rigorous and transparent process for selecting the members of our decision-making bodies and our key functions, in accordance with best governance practices and the regulatory requirements laid down by the

Commission de Surveillance du Secteur Financier (CSSF), in particular CSSF circular 12/552 as amended, and ESMA and EBA guidelines.

Identification of decision-making bodies

→ Members of the Board of Directors and the Authorised Management (Executive Committee)

Identification of key functions

The key functions, essential in their major influence on the steering or control of the Bank's activities, include:

- The Chief Risk Officer, the Chief Internal Auditor and the Chief Compliance Officer,
- The Head of Finance,
- The Head of the Belgian Branch.

Assessment criteria

Good Reputation, Honesty and Integrity: Candidates must demonstrate good reputation, probity and integrity, verified by thorough due diligence, including the presentation of an extract from the criminal record.

Knowledge, skills and experience: The assessment of knowledge and experience takes into account the nature, size and complexity of the Bank's activities, as well as the specific responsibilities of the position, with particular emphasis on experience in the financial, regulatory, strategic, risk management and governance fields.

Time commitment: We ensure that candidates are able to devote sufficient time to carrying out their duties.

Conflicts of interest and independence of mind: We analyse financial and non-financial interests that could lead to potential conflicts of interest. We pay particular attention to past and present relationships that could influence their judgement.

Independence: Using as reference the criteria laid down by the EBA, we evaluate the independence of candidates for our decision-making bodies.

Appointment

The procedure for appointing the Bank's decision-making bodies and key functions is essential to maintaining governance that adheres to regulatory standards. It begins with a precise identification of the needs relating to a departure or the creation of a new function, and continues with an in-depth assessment of the candidates by the Remuneration and Nomination Committee. This rigorous evaluation verifies the candidates' reputation, probity, integrity and suitability of skills for the requirements of the position, resulting in a detailed report for each candidacy.

Beforehand, selected candidates whose profiles and skills match the requirements of the position are interviewed by members of the HR Department and the Executive Committee member in charge of the business line, as appropriate. Candidates are also invited to take part in a skills evaluation

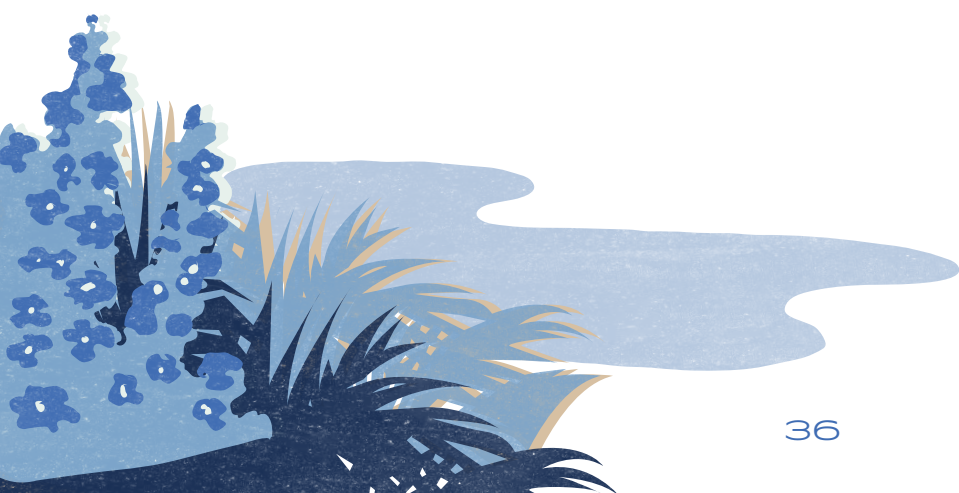
to ensure objectively that their skills match the requirements of the position. After validation by the Careers Committee, made up of all the members of the Executive Committee, they are presented to the Board of Directors for approval.

Appointments to the Board require further approval by the Annual General Meeting. Lastly, appointments to the Board of Directors and the Executive Committee must be approved by the European Central Bank (ECB) and the CSSF. Appointments to key functions are notified to the CSSF. This ensures that the process complies with current regulations.

Periodic evaluation

Conducted on an annual basis, this evaluation looks at the effectiveness, skills and commitment of the members of the decision-making bodies and the executives occupying key functions.

It is based on self-assessments, peer evaluations and individual interviews, aimed at identifying areas for improvement and training needs. A detailed report on this evaluation is then examined by the Remuneration and Nomination Committee, leading to specific recommendations for improving the Bank's governance and performance.



Continuity and succession

We consider that continuity of functions and succession planning is central to our governance strategy. Aware of the challenges posed by the unforeseen absences or departures of some of our

employees, we have developed a robust framework to ensure a smooth transition and maintain operational integrity. This framework includes:

1.Succession Plan: For each key function, a succession plan is drawn up, specifying the criteria for selecting successors and the appointment procedures, thus ensuring the availability of qualified candidates should the need arise.

2.Risk assessment: A risk analysis is carried out for each key position, to identify vulnerabilities and prepare appropriate mitigation strategies.

3.Talent development: The Bank invests in the development of its workforce, offering training and growth opportunities to prepare tomorrow's leaders.

4.Transition management: Protocols are in place to manage departures and/or changes of function, thus minimising the impact on operations and ensuring effective communication with all stakeholders.

COMPLIANCE

Compliance is a fundamental pillar of our business, influencing our approach to work and our commitment to our clients. It is an absolute priority for the Bank to meet the high expectations of our stakeholders and maintain confidence in the integrity of our operations.

Regulatory framework and compliance structure

In accordance with our Compliance Charter, we have established a strict framework with detailed policies and procedures intended to prevent and effectively manage the risks of non-compliance. This framework encompasses all departments of the Bank, including our branch and subsidiary, and is aligned with Crédit Mutuel Alliance Fédérale guidelines and applicable regulations.

Managing conflicts of interest and combating corruption

We attach the utmost importance to preventing conflicts of interest and combating corruption. We have a policy on managing conflicts of interest and an anti-corruption manual which clearly defines the behaviours to be avoided and the good practices to be adopted, reinforcing our commitment to professional conduct that combines ethics with integrity.

Training and awareness-raising

Ongoing awareness-raising and training of our staff is vital for upholding a strong compliance culture. To achieve this, detailed training programmes are in place, covering the critical aspects of compliance, including anti-corruption, conflict of interest management, and the protection of personal data.

Monitoring and controls

To guarantee the effectiveness of our compliance system, regular checks are carried out according to a plan established through a risk-based approach.

For any weaknesses identified, corrective actions are defined working together with the business lines concerned, and the Compliance function ensures that the corrections are implemented.

Communication and reporting

Our Compliance function ensures transparent and regular communication with the supervisory authorities, as well as the Bank's Board of Directors and Executive Committee.

Detailed reports are produced on a regular basis, reflecting our commitment to strong and responsible corporate governance.



RISK MANAGEMENT

We attach fundamental importance to risk management, which is essential in securing our operations and protecting our assets, clients, employees and the environment, while supporting our strategic objectives and complying with our regulatory obligations. Risk management aims to proactively identify and minimise risks that could have a negative impact on our business.

Regulatory and standards framework

Our approach to risk management is in line with current European and Luxembourg regulations. This regulatory compliance ensures the reliability of our risk management framework and reinforces our adherence to ethical and transparent banking practices.

Our commitment to rigorous risk management is embodied in our risk management policy, updated in March 2023, which is applicable across our entire organisation, encompassing both our Belgian branch and our subsidiary BLI. This policy standardises our processes, ensuring a unified and systematic approach to risk management across all our activities.

Risk governance

The Bank's risk governance structure is based on close collaboration between three departments: the Risk Management department, the Compliance department and the Legal department, all reporting to members of the Executive Committee. Under the direct supervision of our Chief Risk Officer, the Risk Management and Compliance departments reinforce our commitment to diligent risk management and strict compliance. The Legal department, meanwhile, is dedicated to managing legal risks, ensuring complete and effective protection against legal challenges.

Identification and management of ESG risks

In response to the challenges posed by climate, environmental, social and governance risks, an identification of the most relevant risks for the Bank's activities is drawn up and periodically updated, mainly by means of ongoing data collection. This identification of risks takes into particular account the materiality of the activities potentially impacted in relation to the Bank's business model.

Internal whistleblowing system

Our internal whistleblowing system allows employees to report anonymously any defects relating to internal governance. Whistleblowers are guaranteed protection, and are safeguarded against any form of reprisal. The whistleblowing system is managed by designated contacts within the Human Resources and Compliance departments, selected for their impartiality and expertise.

Reception of the report is acknowledged within seven days of it being lodged. An initial evaluation is carried out to determine the seriousness and relevance of the report, which may lead to further investigations if necessary. Whistleblowers receive feedback on the action taken in response to their alert, within a maximum of three months.

Corrective measures are adopted on the basis of the outcome of the evaluations and investigations, ensuring that whistleblowing leads to concrete improvements in the Bank's practices and procedures.



ETHICS AND BUSINESS CONDUCT

Ethics and responsible business conduct are cornerstones of the Bank's strategy and culture. We are committed to conducting all our operations with integrity and respect for all our stakeholders.

By aligning our business practices with these essential principles, we are not only working to create a fair working environment, but also to strengthen the trust and sustainability of our relationships with clients and partners.

Our main achievements in this area

Ethics framework

Code of Ethics and Professional Conduct

We have adopted a strict Code of Ethics and Professional Conduct that prescribes standards of professional behaviour for our employees at all levels. It is in line with current regulations and comprises key principles such as honesty, fairness, respect, responsibility and non-discrimination.

Ethics Committee

Our Ethics Committee plays a crucial role in ensuring adherence to the Code. It checks practices and proposes corrective measures in the event there is a breach of compliance.

Development & Awareness-raising

Training programmes on this subject

We have set up ongoing training programmes to make our employees aware of the importance of ethics in their day-to-day activities. This includes seminars on diversity and inclusion, managing conflicts of interest and identifying unethical behaviour.

Awareness-raising sessions and initiatives

We periodically offer awareness-raising sessions to highlight the importance of ethics within our Bank. For example, in 2023, we provided training on unconscious bias. In addition, events such as Diversity Pitch Day illustrate our commitment to promoting a respectful and inclusive working environment.

Monitoring & Evaluation

Control and monitoring

The HR Monitoring & Ethics function is responsible for setting up and implementing a control system in line with the rules of professional conduct and ethics governing the behaviour of the Bank's employees.

Managerial involvement

Our leadership at all levels is committed to strengthening ethics within the Bank. The support of managers is essential for monitoring ethical performance, by including specific criteria on this subject in annual performance reviews.

PROTECTION OF PERSONAL DATA

On a daily basis, we process the personal data of individuals (clients and prospective clients, employees, etc.) which we handle with particular care. By following a risk-based approach, we take appropriate measures to protect personal data and comply with current legislation.

Our Data Privacy Management System (DPMS)

An operational system has been deployed that helps us to manage Data Privacy* and ensure our compliance with our legal obligations. This system, the DPMS, covers various aspects, including

governance, culture, compliance of personal data processing, management of personal data breaches, and the exercise of data subjects' rights.

Governance

Our system is overseen by our Data Protection Officer (DPO) and his team, who are responsible for managing and acting as the main point of contact for all questions relating to Data Privacy. Data Privacy Officers have been appointed in each of the Bank's departments to manage specific issues and provide day-to-day support as close as possible to the business lines.

We ensure that our policies and procedures on the protection of personal data are rigorously applied by continually raising awareness among our employees and training them in the specific features of their jobs.

The DPO monitors organisational, technical and legal developments in order to identify and anticipate the impact on the Bank.

* Compliance with the principles and rules on the protection of individuals with regard to the processing of personal data and the free movement of such data



Compliance of personal data processing

A risk analysis is carried out at the design stage of all our personal data processing operations. We regularly review our risk management measures.



Management of personal data breaches

All personal data breaches are analysed in detail by the DPO, within the statutory timeframes. In cases where the personal data breach is likely to present risks for the data subjects, the supervisory authority and, if appropriate, the data subjects are notified.



Exercise of rights

We take all necessary steps to ensure that data subjects are able to exercise their rights within the legal time limits in force.

Checks and audits

Regular checks and audits, both internal and external, reinforce our system, enabling us to assess the effectiveness of our DPMS and identify any improvements needed.

Main areas of progress in 2023

- Creation of a dedicated Corporate Social Responsibility (CSR) team to reinforce our commitment to sustainable practices.
- Creation of a CSR Management Committee mandated by the Executive Committee
- Change in the proportion of women in decision-making bodies

Our commitments for 2024

- Consideration of CSR impacts in decision-making at Executive Committee level
- Strengthening communication about our CSR commitments across the Bank's various teams



Our commitments as an employer

DIVERSITY AND EQUAL OPPORTUNITIES

The Bank is committed to promoting equal opportunities and actively supporting diversity and inclusion initiatives for all employees, while integrating these same values at the core of its strategy. In this report we present our efforts and achievements in this area.

This section focuses on the mechanisms that the Bank puts in place to ensure equal treatment, equal opportunities for all, and working conditions and rights. We address the following priority issues concerning our employees: fair treatment, optimum working conditions and respect for employees' rights. These topics are dealt with progressively and in line with the ESRS S1 standards.

The Bank's workforce as at 31 December 2023

	Women			Men		
	LU	BE	TOTAL	LU	BE	TOTAL
Total staff	489	14	503	566	17	583
Permanent	481	14	495	565	17	582
Temporary	8	0	8	1	0	1
Full time	291	8	299	517	15	532
Part time	198	6	204	49	2	51
Executives	192	7	199	308	17	325
Non-executives	297	7	304	258	0	258
With managerial responsibility	69	2	71	123	4	127
With no managerial responsibility	420	12	432	443	13	456

Breakdown men/women

	Luxembourg		Belgium	
	Men %	Women %	Men %	Women %
Under 30	52.94	47.06	100	0
Between 30 and 50	55.87	44.13	47.62	52.38
Over 50	49.49	50.51	66.67	33.33
Total	53.65	46.35	54.84	45.16

Details of age and years of service

	Luxembourg		Belgium	
	Men	Women	Men	Women
Average age	42	43	44	45
Average number of years' service	11	13	7	5

During the period under review, the Bank worked with



* Employees of external service providers whose access was active at 31 December 2023, with no indication of full-time equivalent or duration of assignment

1. Women in Finance Charter

On 8 March 2023, the Bank signed the new "Women in Finance" Charter introduced by the ABBL with the support of the Ministry of Finance and aimed at achieving a better gender balance in the Luxembourg financial sector. The commitment covers the publication of quantified gender targets for the Board of

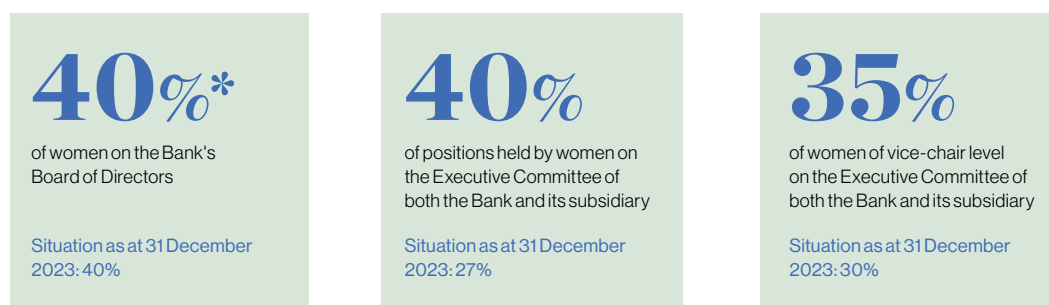
Directors, the Executive Committee and Senior Management, as well as progress towards these targets.

By adhering to this Charter, we are committed to:

- Encouraging women to take up senior positions within the Bank
- Appointing an Executive Committee member responsible for diversity and inclusion issues
- Setting quantified targets and action plans
- Demonstrating transparency by publishing progress every year

We are convinced that valuing individual differences is essential to our ability to innovate and grow.

To make this commitment a reality, we are aiming to achieve the following targets by 2030:



2. Our awareness-raising campaigns

The awareness-raising initiatives on Diversity, Equity & Inclusion (DE&I) launched in 2022 have been stepped up in 2023, including:

- Approval of our DE&I policy,
- Training courses on Open & Inclusive Leadership, compulsory for all managers,
- Awareness sessions on unconscious bias and its impact for the entire workforce,
- The organisation of an internal Diversity Day highlighting atypical and inspiring career paths,
- Conferences were also organised to raise awareness of neurodiversity, disability and identity differences.

*Non-executive profiles

3. Recruitment

We continue to recruit a wide range of profiles, ensuring that our talent pool is balanced from the very start of a career path...

140 people have been recruited for 2023, 52% of whom are women.

In 2023, women accounted for 61% (excluding IT) of young university recruits (under 35), compared with 24% in 2022.

74% of external recruitments were for positions subject to the collective labour agreement. The impact on the rebalancing of female managers should therefore be felt over a five-year period.

On average, 43% of people interviewed for executive positions were of the gender under-represented in the profession that was recruiting.

	Luxembourg		Belgium	
	Men	Women	Men	Women
Permanent	64	62	1	3
Temporary	2	8	0	0
Full time	66	58	1	2
Part time	0	12	0	1
Total	66	70	1	3

To guarantee an objective approach and equal opportunities throughout the recruitment process, the Talent Acquisition team in Human Resources constantly adopts best practices to avoid all forms of discrimination.

The members of this team have received specific training on the subject of cognitive bias in recruitment, to make them aware of their own prejudices and stereotypes. In direct contact with the managers who are recruiting,

the Talent Acquisition team discusses these issues with them at every stage of the process.

Recruitment based on the skills required for the position to be filled allows candidates to be selected without discrimination (age, gender, origin, etc.). The use of tools such as personality and motivation questionnaires brings objectivity to the process and helps to ensure non-discriminatory recruitment.

4. Equal opportunities

Promoting equal opportunities is one of the objectives of our HR policy. For example, we have been routinely publishing vacancies on our intranet since 2023, with access to all job descriptions and to the skills repository; this helps to promote equal access to career opportunities and gives everyone the keys to managing their career and professional development. In addition, the internal selection process has been enhanced, with skills-based interviews and the use of a personality

questionnaire. Key skills are assessed at an Assessment Centre for those taking on managerial responsibilities for the first time. For managers, a Careers Committee, made up of the HR Director and the Executive Committee member in charge of the business line, validates the final application and provides further recognition.

5. Pay equity

The Bank is committed to:

- Guarantee internal equity through its classification of managerial functions,
- Guarantee equal pay for men and women in equivalent positions and skills,
- Ensuring that remuneration packages are attractive and correctly positioned by using external benchmarks.

Our pay practices aim to ensure fair pay for all our employees, in line with individual qualifications and contributions, while remaining competitive in the market.

6. Supporting parenthood

It has also been decided to enrich our employees' experience of parenthood by granting an additional 10 days' leave to the father or second parent in addition to the statutory maternity/adoption leave. In 2023, 10 men benefited from this leave.

At the end of 2023, men accounted for 20% of part-time workers. We have seen a sharp increase in male parental leave: 29 men and 11 women in 2023 (compared with 25 and 8 respectively in 2022).

QUALITY OF THE WORKING ENVIRONMENT

Our aim remains to make our Bank a respectful working environment that is conducive to professional fulfilment, where every employee can feel valued and supported.

Job security

We strive to maintain a calm working environment and the professional stability that is essential for the well-being of our employees. While we recognise that external factors can influence the job market, our priority is to minimise uncertainty for our employees by communicating transparently and proactively

about job developments and prospects within the Bank.

The staff turnover rate in 2023 was 7.9% (all types of departures taken together); the market rate is around 10%.

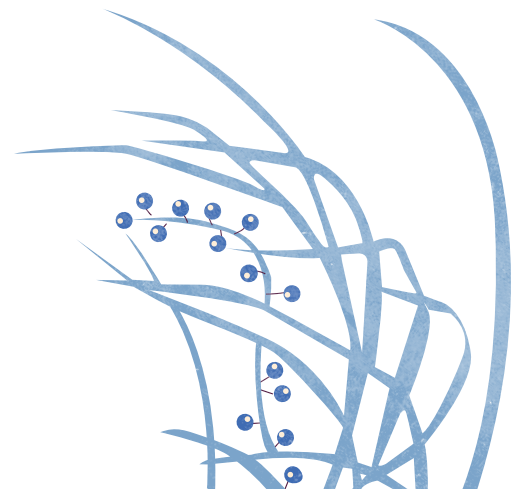
Social dialogue

Social dialogue is an important part of our human resources management. We encourage open and regular discussions between the Executive Committee, via our Human Resources Department, and the Staff

Representation Committee. Much of the subject matter revolves around benefits, health, well-being and work-life balance.

Collective bargaining agreements

As a member of the ABBL, the Luxembourg Bankers' Association, Banque de Luxembourg takes part in the three-yearly collective bargaining agreement for employees in the banking sector.



Health and safety in the workplace

Health and safety issues are treated seriously and appropriate measures are constantly being implemented to prevent accidents and ensure well-being at work. We are committed to maintaining an open dialogue with our employees to gather their suggestions and constantly improve our safety practices. In 2023, thanks to these proactive measures, we have succeeded in keeping the number of work-related accidents at a low level.

The rate of recordable accidents at work for the company's employees in 2023 was **0.01%**.

A new function, HR & Care Counsellor, was created in 2023 with the aim of preventing and managing psychosocial risks. This service offers essential support, from active listening to individual coaching, to ensure a healthy and fulfilling working environment.



Work-life balance

Respect for working hours and flexible working arrangements are central to our policy, helping to ensure a better balance between the professional demands and personal needs of our employees.

Since July 2022, the Bank has become aligned with market practice by offering its employees the possibility of teleworking for up to 2 days per week, within the limit of the tax tolerance days for cross-border colleagues.

To meet a need in the current environment, a number of initiatives on stress management and work/life balance have been put in place: training, introduction to mindfulness, conferences on detecting burnout, a health week, etc.

Measures to combat violence and harassment in the workplace

We are committed to maintaining a working environment where violence and harassment are not tolerated. With this in view, we have developed an internal procedure for dealing with such matters in absolute discretion:

- **Prevention:** We offer training and awareness sessions to promote understanding and mutual respect within our Bank.
- **Reporting:** We have set up a confidential reporting system to ensure that cases are handled fairly and with respect for all parties involved.
- **Appropriate measures:** Where necessary, actions will be taken to protect all employees.

PROFESSIONAL SUPPORT AND DEVELOPMENT

We firmly believe that the professional development of our staff is an investment in the future, contributing not only to their satisfaction and commitment, but also to resilience and innovation within the Bank.

Training

By offering a wide range of training courses, including seminars, workshops and e-learning modules, we ensure that every member of our staff, whatever their position, has the resources they need to excel.

In 2023, investment in training (excluding payroll) amounted to €1.9 million. We still aspire to making it a factor in competitiveness, attrac-

tiveness and retention. We have focused on strengthening managerial skills (managerial training and coaching) and on training all staff in openness and inclusion.

In terms of technology, investments have been made to further strengthen expertise in IT development and data exploitation.

Skills development

Primordial in our approach to professional development is the aim of enriching the Bank's technical abilities and skills capabilities for performance and innovation. We offer tailor-made development programmes. Not only do these initiatives seek to perfect existing skills, but also to develop new ones, thereby encouraging the development of young and new talent.

The range of training courses on behavioural skills has been expanded to consolidate the new skills framework introduced in 2023, which ensures our employees' employability and professional mobility.

Professional qualifications and diplomas (CFA, ICMA, Prosci, etc.) are also still encouraged and supported.

Moreover, we continued to provide support for career development in line with the new integrated HR policy model, at both managerial and non-managerial levels (Assessment Centres, Individual Development Plans, etc.). In addition, the range of soft-skills training courses has been reviewed and extended to create a link with the Bank's reference framework of behavioural skills.

Average number of hours of training received per employee in 2023

38

% of payroll allocated to training in 2023

3.9%

ESG awareness

Number of participants in the various ESG training courses in 2023

222

The training we offer on ESG, which is designed periodically and adapted as required, aims to equip our employees with the knowledge and skills they need to integrate environmental, social and governance considerations into their day-to-day activities.

Internal mobility

Our new career model, offering non-linear career prospects based on clear development principles, has contributed to an increase in internal mobility.

This is an essential factor in guaranteeing the employability of our employees, and constitutes a motivating and empowering part of building a career path. As a result, 113 people changed jobs during the year, and the mobility rate rose from 6% to 10.7% between 2022 and 2023. 61% of these moves were among managers and 39% among employees subject to the collective labour agreement.

Encouraging vertical, as well as horizontal and diagonal development, we take care to align our employees' aspirations with the Bank's strategic objectives. This approach fosters a dynamic and responsive corporate culture, where transitions within the same department or between different departments are seen as opportunities for learning and development.

Support on the road to retirement

In 2023 we expanded the **Sophia** programme, the embodiment of attentive support for those of our employees approaching retirement.

Designed in five key stages, the course aims to facilitate a serene and informed transition to this new stage of life:

1. Practical information

A presentation of the main aspects of retirement to help prepare properly.

2. Personal reflection:

Exploring the symbolism of retirement and the personal values associated with it.

3. Health and well-being

Raising awareness of the physical and mental health issues associated with this transition.

4. Preparing for the hand-over:

Definition of the new roles for future retirees and their successors, ensuring effective continuity.

5. Personalised dialogue

Discussions on leaving arrangements, tailored to individual needs.

In addition, specific tools are provided to effectively structure the hand-over of responsibilities, ensuring a smooth transition for everyone involved.



Main areas of progress in 2023

- Organisation of Master Classes to make all employees aware of unconscious prejudices and their consequences
- Revision of the Sophía programme to better support employees in their transition to retirement
- Development of internal mobility (and employability) with the introduction of a clear career model and a tailored skills reference framework
- Implementation of the Performance & Development process (clear criteria for assessing objectives and skills, closer link between assessment and remuneration decisions)
- Creation of a change management programme for all managers
- Expanding our range of non-technical skills (known as soft skills) in line with our new skills reference framework
- Adherence to the "Women in Finance" charter

Our commitments for 2024

- To strengthen support for our employees in parenthood, in particular by setting up a dedicated intranet page and raising managers' awareness of the need to prepare for maternity and parental leave
- To put in place support for future retirees and managers in the transmission and development of skills (Sophía programme)
- To reinforce the culture of learning by introducing a Learning Management System (LMS) accessible to all our employees, with an expanded range of e-learning and easier access to face-to-face and blended-learning courses
- To carry out a self-assessment (diagnostic tool developed by – Inspiring More Sustainability, IMS) on the inclusion of people with disabilities
- To continue personalised support for Talents
- To boost the employer brand to attract more talent and retain employees
- The determination to rebalance the proportion of women taking on their first managerial responsibilities

Our commitment to the community

CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS

The Bank's CSR strategy commits it to making a positive contribution to the Sustainable Development Goals (SDGs) set by the United Nations. We are convinced that the financial sector plays a crucial role in mobilising the resources needed to achieve these ambitious goals. Our strategy is built on several key areas in keeping with the SDGs, and that illustrate our contribution to a more sustainable future.

Responsible governance

SDG 16: Peace, Justice and Strong Institutions



By ensuring participative governance and diversity in our decision-making bodies, we aim to guarantee the long-term integrity of our operations. Our goal is to promote open and ethical communication in all our business relationships.

Skills development

SDG 4: Quality Education



Investment in ongoing training and professional development for all our employees.

Gender equality

SDG 5: Gender Equality



Commitment to equal opportunities and diversity within our workforce, with specific measures to promote female representation.

Promoting employee well-being

SDG 3: Good Health and Well-being



Setting up programmes to improve the physical and mental health of our employees.

Supporting the local economy

SDG 8: Decent Work and Economic Growth



Initiatives to finance and support the local economy, assessing and promoting sustainable practices among our suppliers.

Responsible consumption

SDG 12: Responsible Consumption and Production



Adopting in-house practices to reduce our environmental footprint and encourage responsible consumption.

Sustainable partnerships

SDG 17: Partnerships for the Goals



Working with local partners to promote the SDGs to engage communities in sustainable initiatives.

Reducing our carbon footprint

SDG 13: Climate Action



Targeted actions to reduce our energy consumption and waste production, thereby helping to combat climate change.

Sustainable financial products

SDG 9: Industry, Innovation and Infrastructure



Financial products that promote sustainable innovation and support eco-responsible infrastructures. Our aim is to protect our clients' assets while supporting environmentally-friendly initiatives.

OUR ROLE AS A COMMITTED ECONOMIC ACTOR

Holistic approach to supporting partners

Our support for participants in the humanitarian, socio-cultural, health and entrepreneurial fields takes the form of financial aid, the provision of

our resources and infrastructure and increased visibility.

Solidarity and social commitment

In collaboration with organisations such as Friendship, the Luxembourg Red Cross and Fondation Cancer, we aim to promote solidarity and social commitment. Our Solidarity Support Charter sets the framework for our sponsorship initiatives, serving as the guidelines for the

project selection process and ensuring a significant and measurable contribution to society. We are indebted to the Luxembourg community, which provides us with the framework for our development; the counterpart to this is our commitment to future generations.

Support for boosting the economy and entrepreneurship

Since 2022, our partnership with Microlux has enabled us to offer support to local micro-entrepreneurs. The participation of one of our experts on the Microlux credit committee further reinforces our support.

In addition, in partnership with programmes such as Women in Business (WIB) and Ada - Midis de la microfinance, which promotes entrepreneurship in Asia and Africa, we contribute to education, women's leadership and economic inclusion.

Support for culture

In the cultural sphere, our support takes the form of backing for institutions and initiatives such as Lët'z Arles, Les Amis des Musées, Mudam - Musée d'Art Moderne Grand-Duc Jean, the Philharmonie

Luxembourg, and the Luca - Luxembourg Center for Architecture, underlining the importance we attach to the role culture plays in preserving social ties.

Volunteering and community support

We are firmly committed to promoting volunteer work through our in-house initiative, Hëllef Hëllef (Luxembourgish for “help to help”), which provides

financial or in-kind support for various projects run by our employees.

Developing young talent

Our Next Gen-focused programmes, such as the *Summer Academy* and the *Family Business Junior Executive Programme* reflect our desire to support the next generation in their future roles as leaders of a family business. In this way, we are helping to ensure the long-term future of family businesses, which are the backbone of our economy.

Furthermore, as a founding partner of the Luxembourg chapter of the Family Business Network, in July 2023 we co-organised a groundbreaking event dedicated to the Next Gen, bringing together around thirty participants. The aim of the event was to actively engage with this generation and enable them to benefit from a network enriched by intergenerational debate.

In September, we also supported the Lëtzebuerger Privatbësch association on the occasion of its 90th anniversary. Under the banner “Lëtzt’ reGenerate”,

the event had the dual aim of stimulating its guests’ contributions to the regeneration of private woodlands, and reinvigorating the association itself, in particular by encouraging the younger generation of heirs to get involved in the management of family woodlands. To mark the occasion, a series of discussion workshops was organised, followed by a panel discussion.

What is more, since 2022 we have been welcoming young people from migrant backgrounds as trainees and holidaymakers, offering them the chance to gain experience in the world of work.



Main areas of progress in 2023

- Introduction of a purchasing policy with well-defined CSR criteria for all the Bank's key suppliers
- Continuing to welcome refugee students studying in Luxembourg
- Continuation of financial and skills sponsorship initiatives
- Improved transparency on the impact of the Bank's financing on society and the environment through our first non-financial report, progressively aligned with the requirements of the Corporate Sustainability Reporting Directive (CSRD)

Our commitments for 2024

- To finalise a purchasing policy incorporating CSR criteria for all the Bank's key suppliers
- To expand our programme to welcome young students (refugees and/or those in difficulty) to Luxembourg
- To continue our financial and skills sponsorship initiatives
- To refine a due diligence policy
- To sign the Luxembourg National Business and Human Rights Pact



Our commitments to our clients

For us, commitment to our clients is fundamental. The customer experience is our day-to-day concern, and is inherent in our values and principles of quality. Our approach is anchored in the tenets of transparency, prudence and responsibility, strengthened by our close interactions with our clients.

Our approach and our codes of responsibility apply to all the Bank's clients, be they private, institutional, or business clients and entrepreneurs.

In line with our values, our mission is to protect our clients' assets and support their development, by

offering services and products that are intelligible, transparent and tailored to their profiles and characteristics.

This section focuses on the mechanisms the Bank is putting in place to ensure that its clients and their concerns are integral to its strategy, in progressive alignment with the ESRS S4 covering consumers and end-users. In this section, we include the following priority themes: client protection and security of transactions, accessibility and fair treatment, dialogue, interaction and proximity to our clients.

CLIENT DIALOGUE, INTERACTION AND PROXIMITY

Our approach includes constant interaction with our clients, delivered by dedicated advisers who have a deep understanding of each client's needs and aspirations. We limit the number of clients per adviser to ensure a personalised, high-quality service.

For us, quality means listening and responding appropriately to the specific needs of our clients. This approach is based on our experience and expertise, enabling us to offer effective, relevant and tailor-made solutions.

Proximity to our clients lies at the core of our business. It is the key to building a relationship of trust, which in our sector is essential. This trust stems from our ability to offer services that are clear, transparent and in line with our clients' expectations.

We strive for excellence in every aspect of our services, covering investment advice, portfolio management, our financing solutions and day-to-day banking.

As part of our commitment to Luxembourg companies, in 2024 we organised a series of workshops to provide a platform to exchange opinions on engagement practices and to strengthen sustainable initiatives. In addition, we have included a CSR Masterclass in our programmes for the Next Gen, to raise awareness of the challenges of sustainability and the impact on business activity. Moreover, we provide our clients with support in the process of passing on their business to the next generation, focusing on business continuity and the long-term future of the company.

PROTECTION OF CLIENT DATA

Protecting our clients means having a robust policy for protecting both their data and their interests: firstly, through prudential management of financing risks and opportunities, and secondly,

through systematic evaluation of ESG criteria for investments, in keeping with our shareholder's exclusion policies.

Protection through prudential management incorporating financial and non-financial criteria

Our responsibility to protect our clients' interests is demonstrated by careful and prudent management of the risks associated with financing or investment. We perform a rigorous assessment of our financial and non-financial risks, integrating both traditional and environmental, social and governance (ESG) criteria.

The Bank is committed to taking into account adverse sustainability impacts in all its investment and financing decisions.

To find out more about our adverse impact analyses, see the *[Statement on the principal adverse impacts of investment decisions on sustainability factors](#)*

Our clients' ESG preferences

Aware of the importance of environmental, social and governance issues, since August 2022 the Bank has introduced a dedicated questionnaire, which also meets the requirements of MiFID regulations, to obtain client preferences regarding sustainability for advisory and management services.

This questionnaire is used to assign a profile based on the client's sensitivity to sustainability issues: a neutral profile, a responsible profile, or a committed profile.

Consequently:

- A neutral profile means that consideration for ESG factors is not an essential part of portfolio composition, and will only be taken into account if they contribute towards the chosen investment strategy and/or seizing market opportunities;
- A responsible profile means that the client wishes to participate in financing a more sustainable world and is keen ESG practices constitute an assessment and selection criterion for the securities in their portfolio. However, these preferences should not alter the investment objectives they have already set, nor should they become their absolute priority;
- A committed profile means that the client is mindful of ESG issues and would like to actively contribute to financing a more sustainable world. Investments must therefore reflect these convictions and ESG criteria are taken into account in the investment selection process. They also wish to invest in sustainable investments, i.e. investments with an environmental or social objective.

In the spirit of our B Corp certification, we have decided to assign a responsible profile to our clients by default, unless they indicate otherwise.

19%

Percentage of clients with a neutral profile

77%

Percentage of clients with a responsible profile

4%

Percentage of clients with a committed profile

Responsible investment approach

BLI's signing of the UN Principles for Responsible Investment (the UNPRI) in 2017 was a decisive step in this structure, as it committed Banque de Luxembourg funds to integrating ESG criteria into their investment decisions.

In line with the Bank's long-term investment philosophy, these criteria are naturally taken into account in our investment decisions. The Bank and BLI have since added other considerations, for example:

- Taking into account controversies highlighting a company's involvement in a social, environmental or governance controversy. Details are given later in this report.
- Sectoral exclusions which apply to companies whose activities do not comply with our sectoral policies. Details are given later in this report.

Although there is no official definition of responsible and sustainable investment, and the term encompasses different practices and methodologies intended to offer investors an approach more in line with their values and concerns, at the Bank we distinguish investments according to four broad categories:

TRADITIONAL investments	Responsible INVESTMENTS	SUSTAINABLE investments	Impact INVESTMENTS
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Return on financial investment

Assessment of ESG risks and opportunities

Ambition to finance a more sustainable economy

... with the additionality provided by the investment.

- **TRADITIONAL** investments, which generally focus on maximising financial returns, without taking ESG criteria into account.
- **RESPONSIBLE** investments, where we integrate ESG criteria into the investment selection process. The aim is to generate financial returns while encouraging companies to adopt more virtuous practices when it comes to ESG processes and policies.

At the Bank, we practice responsible investment through the use of exclusion (at sector and controversy level) and by integrating into our methodology the ESG ratings from our data provider MSCI (Best-in-Class* approach).

- **SUSTAINABLE** investments, which – in addition to ESG criteria – integrate the notion of long-term sustainability into the investment process. The aim is to generate financial returns while investing in companies that promote sustainable development, i.e. that contribute to the Sustainable Development Goals, without causing significant harm to other environmental or social objectives.

The Bank has chosen to respect the framework of the recommendations set out in the Principles for Responsible Investment and to seek to identify whether the revenues of portfolio companies are aligned with the Sustainable Development Goals (SDGs). To achieve this, the Bank has opted for data provider MSCI, which has developed a methodology that groups the 17 SDGs into four main themes and 13 sub-categories:

*Best-in-Class: selecting companies with the best ESG practices within a sector or industry, as recognised by third-party bodies, i.e. the "top players".

ENVIRONMENTAL IMPACT

Climate change

Alternative energy (%)

Energy efficiency (%)

Sustainable construction (%)

**Natural capital**

Sustainable water management (%)

Pollution prevention

Sustainable agriculture (%)



SOCIAL IMPACT

Basic needs

Treatment of major illnesses (%)

Hygiene (%)

Nutrition (%)

Affordable housing (%)

**Empowerment**

Education (%)

SME finance (%)

Connectivity (%)



→ **IMPACT** investments, which go even further by seeking to generate a positive social or environmental impact that is intentional, measurable and, above all, has additionality. Impact investing is a proactive approach to solving urgent social and environmental problems, such as poverty, climate change and access to healthcare. The key aspect of impact investing lies in the concept of additionality, which means that without this investment, the positive impact sought could not have been achieved.

To find out more about the implementation of the commitment policy, see our [commitment policy](#).

Analysing controversies

An ESG controversy may be defined as a real-world incident or situation in which a company is accused of behaviour with an adverse impact on the various stakeholders (employees, suppliers, local communities, the environment, shareholders, etc.). These events could affect the company's business model, its reputation and potentially the investment case. We identify such controversies by using the

MSCI ESG Manager platform, which provides daily alerts on any noteworthy controversies involving the companies held in the portfolio. We also pay particular attention to any controversies affecting the company. The aim of this is to assess the severity of the adverse impact of each situation.

Our sectoral policies

As part of its financing and investment activities, the Bank may be involved in transactions in sensitive sectors involving social and environmental risks. Mindful of its responsibility in this area, and as a fully-owned subsidiary of the Crédit Mutuel Alliance Fédéral group, it directly integrates the sectoral policies laid down by the Group.

The aim of sectoral policies is to define a set of rules governing the operations proposed to companies operating in sectors that emit large quantities of greenhouse gases, but also have negative impacts on health and/or the environment, such as coal, non-conventional hydrocarbons, controversial weapons, etc.

Like our investments, our financing strategy is also based on the principles of prudence and respon-

sibility, with the objective of supporting our clients' financial stability and growth at the different stages of their lives.

Our lending policies incorporate financial and non-financial criteria, based on our exclusionary and sectoral policies, which ensure that our financing does not support activities likely to harm the environment, society or governance.

At the beginning of 2024, we launched transition credit offers specially designed for businesses, and we plan to follow on by devising similar offers for our private banking clients, thus widening our support for a sustainable economy.

TRANSACTION SECURITY

We are committed to ensuring the security of transactions carried out by or on behalf of our clients. We have intensified our vigilance in the face of the various types of fraud risk.

Internal fraud:

- All our employees are required to adhere to our Code of Ethics and Professional Conduct. This reminds employees that they must carry out their activities in accordance with the Bank's values and in compliance with legal and regulatory provisions, the Articles of Association and internal procedures.
- The separation of tasks and functions is an essential rule to avoid conflicts of interest and ensure data security.
- A robust internal control system is in place, based on the principles of the 'three lines of defence' model. This includes ongoing and ad hoc operational controls, as well as independent assessments by the internal audit function to prevent fraudulent activity.

External fraud:

- We conduct regular awareness campaigns with our clients to inform them of essential safety practices.
- We use the latest technologies and market standards, such as encryption and strong authentication.
- Control procedures are in place to monitor transactions, ensuring that any suspicious or unusual activity is detected and acted upon quickly.

Accessibility of transactions

Respect for our clients' rights is central to our mission and our fundamental values. We are committed to ensuring a fair and respectful customer experience, with accessible and transparent information.

This means that our premises are accessible to all our clients, including those with special needs. Our buildings are equipped to facilitate access for people with reduced mobility.

Our commitment to accessibility is not limited to physical but also digital accessibility. Our online services give all our clients the opportunity to manage their finances efficiently. Our user area is accessible at all times, and allows everyone to consult their accounts and track the performance of their assets. Investments can also be managed in real time. To simplify day-to-day management and enhance interactions, we offer personalised notifications and secure communications with our advisers.

Our goal is to guarantee a quality customer experience, where every interaction confirms that choosing our bank is the right thing to do.

The relationship of trust we wish to maintain with our clients is based on transparency. To achieve this, we ensure that our clients clearly understand the features and benefits of our products and services. We undertake to present the terms, conditions and rates in a transparent and easily accessible way. This approach is intended not only to build trust, but also to ensure a fully satisfactory customer experience.

To find out more about our fees and charges, consult our [online brochure](#).



RESPECTING CLIENTS' RIGHTS

Respect for our clients' rights is central to our mission and our fundamental values. We are committed to ensuring a fair and respectful customer experience.

Fair handling of complaints

A system has been put in place to ensure that any dissatisfaction or concerns expressed by our clients are dealt with quickly and fairly.

Clients can contact their adviser directly with any questions or concerns, guaranteeing personalised and tailored treatment, or they can contact our legal department directly:

→ **By post:** Banque de Luxembourg, Legal Department, 14 boulevard Royal, L-2449 Luxembourg.

→ **By email:** Complaints can be sent to the following address:
reclamations@blu.bank

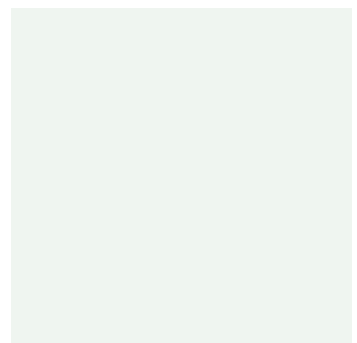
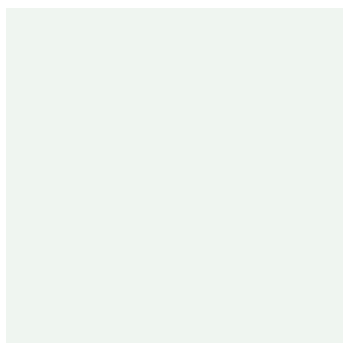
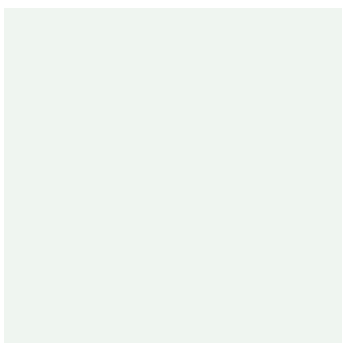
→ **Using the online complaints form:** available on our website.

Each complaint is recorded and an acknowledgement of receipt is sent within 10 working days.

Complaints are dealt with on a priority basis to ensure a response within one month. If this deadline cannot be met, a communication explaining the reasons for the delay and a new estimated resolution date will be provided.

We urge clients to provide a detailed, chronological summary of the facts, together with any relevant information (dates of transactions, correspondence, etc.), as well as a copy of a valid form of identification.

If the proposed solution is not satisfactory, the client has recourse to the Commission de Surveillance du Secteur Financier (CSSF).



Main areas of progress in 2023

- Expansion of the programme for family businesses with a new seminar for the current generation, to complement the existing programmes for the next generation (Next Gen)
- Three new financing products designed specifically for companies committed to sustainable transition: Energy Transition Loan, Sustainable Transition Loan and Social Commitment Loan
- Organisation of a series of workshops until June 2024 to support "business clients and entrepreneurs" on sustainability and regulatory issues, and on disclosing financial and non-financial information
- Training courses set up for teams on basic ESG concepts, including regulations and the analysis of non-financial data
- Work begun on integrating ESG factors into credit risk assessment and lending decisions
- Development of a partnership between BLI and Funds for Good to launch two Article 9 SFDR funds, with a portion of the management fees to be paid to the non-profit organisation Funds for Good Impact
- Application and process to obtain the LuxFLAG label for our SRI mandates. Label obtained in January 2024

Our commitments for 2024

- To finalise the development of ESG products and training advisers to improve client offer
- To intensify efforts to promote responsible financing among Luxembourg companies, highlighting the advantages of sustainable practices
- To continue integrating ESG factors into credit risk assessment and lending decision processes
- To systematically collect ESG data for new financing operations
- To offer targeted training for staff in direct contact with clients and credit support teams, to improve their ability to integrate ESG criteria into their analysis
- To organise a conference for SMEs, focusing on the topics of sustainable business vision and strategy, business model and governance, aimed at raising awareness and equipping small and medium-sized enterprises for future challenges

Our commitment to the environment

OUR SUSTAINABLE MANAGEMENT

We are determined to continue our efforts towards sustainable management, exploring new opportunities to further reduce our environmental impact, support eco-responsible projects and actively contribute to the transition towards a greener, more circular economy.

This section details the Bank's efforts to combat global warming, in line with ESRS E1 standards. We present our energy consumption and greenhouse gas emissions. The climate transition plan is currently being drafted and will gradually be incorporated into future Bank reports.

Reducing our environmental footprint

Conscious of our environmental responsibilities, we have put in place measures to reduce our carbon footprint. This includes optimising the energy efficiency of our buildings, promoting sustainable mobility among our employees and increasing the use of renewable energies. 2023 marks an important milestone, as we are carrying out our first full Carbon Audit (scopes 1, 2 and 3),

which is fundamental in drawing up our energy transition plan.

The organisational scope of our carbon footprint assessment includes out seven operation centres, with five locations in Luxembourg and two in Belgium, covering the following addresses:

Luxembourg

Luxembourg

14, Boulevard Royal
14a, Boulevard Royal
16, 18, Boulevard Royal
L-2449 Luxembourg

55, rue des Scillas
L-2529 Luxembourg-Howald

5-7, rue Léon Laval
L- 3372 Leudelange

Belgium

Brussels

Chaussée de La Hulpe, 120
B-1000 Brussels

Sint-Martens-Latem

Kortrijksesteenweg 218,
9830 Sint-Martens-Latem

Transition to renewable energies

At the Bank, we are gradually moving towards greater use of renewable energy.

In Luxembourg, our suppliers guarantee that our energy consumption (gas and electricity) is covered **exclusively by renewable energy**, certified by "Guarantees of Origin (GoO)" in accordance with European Directive 2009/28/EC.

In Belgium, our approach is based on a mix of Belgian renewable energies, with an emissions calculation based on the product's Life Cycle Assessment (LCA).

66.30%

Share of renewable sources in total energy consumption

32.81%

Share of fossil fuels in total energy consumption

0.89%

Share of non-renewable sources in total energy consumption

Year	Total energy consumption (kWh)	Of which electricity (kWh)	Of which gas (kWh)	Scope
2018	10,003,143	7,033,617	2,969,525	1 and 2
2019	9,354,505	6,484,521	2,869,984	1 and 2
2021	9,068,734	5,445,502	3,745,792	1 and 2
2022	8,264,496	5,365,283	2,899,213	1 and 2
2023	7,293,693	4,900,475	2,293,218	1, 2 and 3

Annual reduction in energy consumption

GHG emissions: 2023 valuation

To assess our GHG emissions* in 2023, our method is based on the Greenhouse Gas Protocol* and the V23 Carbon Baseline, using additional GWP** and IPCC*** values.

Our operational scope of analysis encompasses Scope 1 (stationary combustion, mobile com-

bustion, fugitive emissions), Scope 2 (purchased electricity), and Scope 3 (purchased goods and services, energy- and fuel-related activities, waste generated in operations, employee commuting, capital goods, business travel, investments).

Gross GHG emissions	Results in 2023	
	Location-based ****	Market-based *****
Scope 1	1,078.061 tCO ₂ e	1,078.06 tCO ₂ e
Scope 2	2,013.247 tCO ₂ e	160.658 tCO ₂ e
Scope 3	4,134.944 tCO ₂ e	4,045.254 tCO ₂ e

Gross GHG emissions in 2023 in metric tonnes of CO₂ (tCO₂e)

Total GHG emissions	Results in 2023	
	Location-based	Market-based
Totals	7,226.252 tCO ₂ e	5,283.973 tCO ₂ e

Gross GHG emissions in 2023 in metric tonnes of CO₂ (tCO₂e)

* GHG: Greenhouse gases, gaseous compounds that trap heat in the atmosphere, contributing to global warming.

** GWP: Global Warming Potential, a measure that compares the warming impact of a greenhouse gas with that of carbon dioxide over a specific period.

*** IPCC: Intergovernmental Panel on Climate Change, international body assessing scientific information on climate change.

**** Market-Based: assessment of an entity's indirect greenhouse gas (GHG) emissions, which can be offset by purchasing carbon credits on the market.

***** Location-Based: assessment of an entity's direct and indirect GHG emissions in a specific location, with no possibility of external offsetting.

Scope 3		Results in 2023
3-1	Products and services purchased	2,712.05 (\pm 1142 tCO ₂ e) partially included
3-7	Employee commuting	857.71 (\pm 81 tCO ₂ e)
3-3	Energy- and fuel- related activities (not included in Scope 1 or Scope 2)	location-based: 418.61 (\pm 62 tCO ₂ e); market-based: 328.92 (\pm 42 tCO ₂ e)
3-6	Business travel	64.64 (\pm 19 tCO ₂ e)
3-2	Capital goods	50.38 (\pm 13 tCO ₂ e)
3-5	Waste generated	31.54 (\pm 2 tCO ₂ e) partially included

Gross Scope 3¹ GHG emissions by significant category in 2023, excluding financial emissions

Our financed emissions

2023	
Total Scope 3 - financed emissions on the balance sheet (Scope 1 & 2) ²	195,347
Total Scope 3 - financed emissions on the balance sheet (Scope 3) ³	270,276
Total Scope 3 - emissions from clients' assets ⁴	2,948,917
Total GHG emissions	3,414,540
of which Sovereign Debt	732,508

Gross GHG emissions in 2023 in metric tonnes CO₂

1 We calculate Scope 3 emissions using the Bilan Carbone® methodology (version 8, 2023). This methodology enables us to accurately assess the indirect emissions generated throughout our value chain, including business travel, purchases of goods and services, and investments. The data collected is then converted into equivalent CO₂ emissions by applying specific emission factors.

2 Financial emissions on the Balance Sheet (Scope 1 & 2): Covers the indirect emissions resulting from the activities financed by our loans and investments, corresponding to the Scope 1 and 2 emissions of the entities financed.

3 Financial emissions on the Balance Sheet (Scope 3): Covers Scope 3 emissions of financed entities, reflecting indirect emissions generated by their own activities and value chains.

4 Emissions from Clients' Assets: Covers emissions associated with assets held by our clients, assessing their environmental impact across our portfolio of investments.

This year, we adopted the Partnership for Carbon Accounting Financials (PCAF) methodology to accurately calculate the carbon emissions produced by our financing and investment activities.

The PCAF methodology involves quantifying greenhouse gas emissions in relation to a financial

institution's loans and investments. It provides a standardised framework for assessing the carbon emissions of financial assets, facilitating comparability and transparency. By adopting this methodology, we are able to gain a better understanding of the climate impact of our financial portfolios and identify opportunities to reduce our carbon footprint.

Breakdown by asset class under PCAF	Outstanding (€ million)	Scope 1 & 2 emissions (tCO2e)	Scope 3 emissions (tCO2e)	Scope 1, 2 & 3 emissions (tCO2e)	Average PCAF Data Quality Score* (%)	Economic intensity tCO2/ €M	Cover ratio**
Quoted shares and corporate bonds	459	223	985	1,208	2.7	2.6	99%
Sovereign debt	969	162,740	117,286	280,026	1.0	289	100%
Unlisted shares and loans to companies	3,371	19,638	152,005	171,644	5.0	51	100%
Commercial real estate	553	4,398		4,398	3.8	8	95%
Real estate loans	1,366	8,348		8,348	3.6	6	96%
Loans for motor vehicles	9	n/a	n/a	n/a	n/a	n/a	n/a
Total	6,727	195,347	270,276	465,624	4.3	69	98.7%

Financed emissions on the balance sheet at 31/12/2023

*The average quality score for PCAF data is calculated on the basis of gross book value

** Percentage of financial assets whose greenhouse gas emissions have been calculated in relation to total financial assets.

The impacts, risks and potential opportunities of climate change

In accordance with the ECB's Guide on Climate-Related and Environmental Risks, we are in the process of implementing a climate risk assessment of our business. This initiative is being conducted by our risk management department in collaboration with our parent company and involves detailed

analyses of the climate and environmental risks inherent in our financing projects and investments.

Managing in-house waste, materials and consumables

This year, as in all past years, we are actively committed to reducing and recycling waste, by promoting selective sorting and gradually reducing our paper consumption, favouring the use of recycled paper in our supplies.

In addition, we have been awarded the SuperDreckskschicht quality label, which complies with the ISO 14024:2018 international standard on the management of in-house waste, materials and consumables. An inspection was carried out in March 2024 to confirm that the label would be maintained until April 2025.

Year	Paper consumption (in-house and external) (in tonnes)
2018	51.9
2019	44.3
2021	27.6
2022	25.6
2023	12.2

Paper consumption trends (2018 to 2023)

Total paper consumption
compared to 2022 has
fallen by

52%

75%

Proportion of
recycled paper consumed
in 2023 compared to total
consumption



Main areas of progress in 2023

- Optimisation of calculation of the Bank's carbon footprint (Scope 1, 2 and 3). Still in progress at the date of publication
- Ongoing encouragement and support for the Bank's clients, particularly SMEs, to carry out their own carbon footprint by applying environmentally-friendly practices
- Stress test started to assess our resilience to environmental risks. We are currently in the data collection phase
- We have entered into a partnership with "The Happy Cyclist" to promote soft mobility
- 2.66% reduction in water consumption: In 2023, we replaced all standard taps with infrared sensor mixers in our headquarters, and set up a monitoring system with smartphone alerts to detect anomalies
- Replacing bottled water-coolers with multi-purpose dispensers to reduce the transport-related carbon footprint
- Energy efficiency: In 2023, we launched a number of initiatives to reduce energy consumption, including the replacement of ventilation units, continuing the relighting campaign and the installation of insulating film on windows exposed to the sun in our offices in Howald

Our commitments for 2024

- To finalise and roll out an environmental management policy
- To set precise decarbonisation targets
- To renew the SuperDrecksKëscht (SDK) label
- To install photovoltaic panels at our head office
- To replace the photovoltaic panels at our offices in Howald
- To install a rainwater recovery tank at our headquarters
- To replace the two inverters at our headquarters
- To continue with the three-year plan to replace ventilation units

Annexes

NOTE ON METHODOLOGY

2023 Report

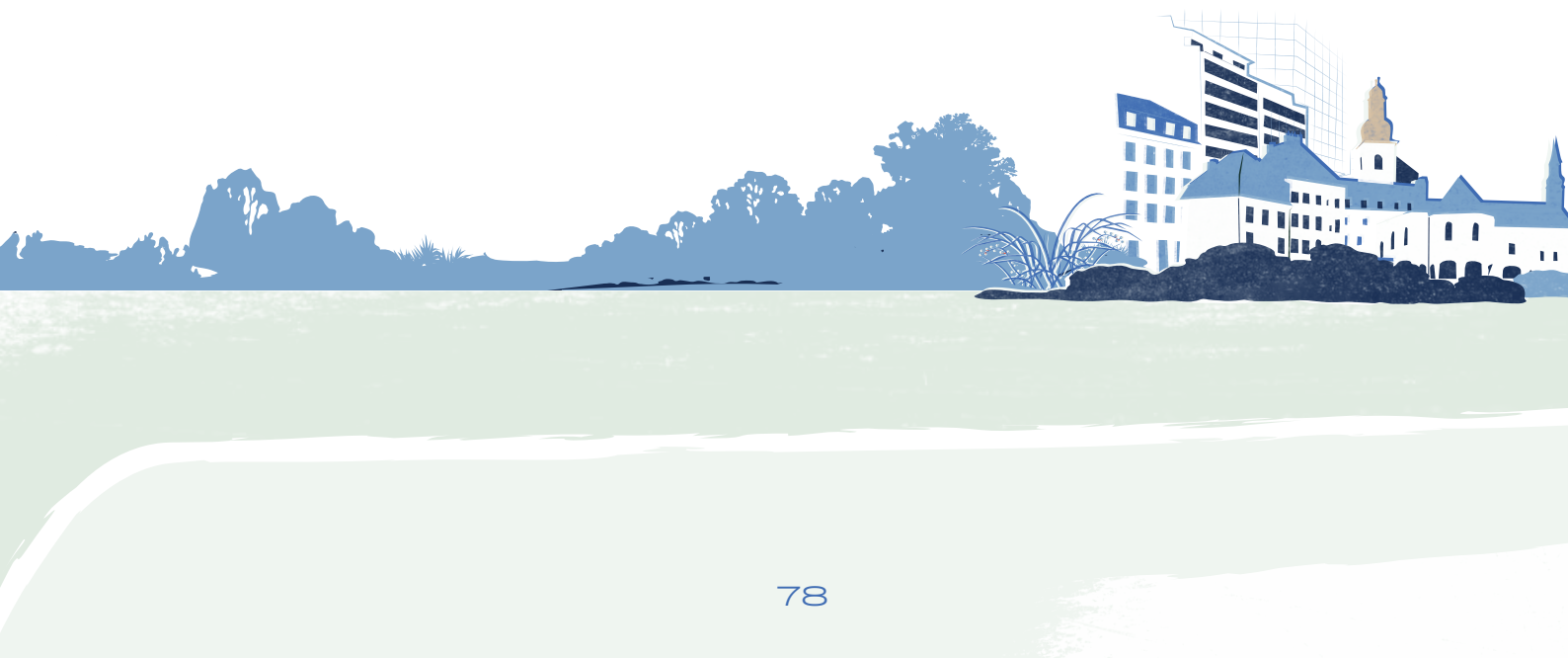
This report provides an overview of Banque de Luxembourg's non-financial performance for 2023 and is progressively aligning with the European Sustainability Reporting Standards (ESRS) established by the Corporate Sustainability Reporting Directive (CSRD).

In preparing it, we hired external specialists to ensure the integrity and accuracy of the data collection and analysis processes. The information has mainly been collected from internal sources, using data collection sheets specially designed to be in line with the ESRS, and expanded by interviews, surveys and workshops with our stakeholders, which enabled us to obtain an accurate and nuanced representation of our activities.

The ESRS indicators detailed in this report represent our priority themes identified during our double materiality update exercise, as well as feedback from our stakeholder surveys.

While recognising certain limitations in our current data collection methodologies, we have taken steps to reduce uncertainties wherever possible, with the help of our external consultants. These efforts have enabled us to define a progress plan for the coming year.

Annexed to this report, we have included a correlation table illustrating how the different parts of this report relate to the ESRS standards and the Global Reporting Initiative (GRI), making it easier for those interested to make a comparison and analysis.



Materiality

Between September and December 2022, a materiality analysis was carried out. This study included two approaches: analysis of the impact of our activities on the environment, the economy and society (inside-out approach), and an assessment of the financial impact of these on the Bank (outside-in approach).

Twenty-five key topics in the CSR 2022 strategy were examined in eight participative workshops, involving support and operational teams, as well as stakeholder consultations, including surveys of clients, employees and the Executive Committee.

In 2023, the Bank built on this approach by defining priority topics according to ESRS topics, in order to gradually align itself with the requirements of the CSRD. As a result, in December 2023, a workshop was organised to update the double materiality exercise, involving the CSR team and the heads of various departments (corporate, private banking, credit, and compliance). Decisions were taken to refine the selection of themes to be reported on.

The methodology adopted was structured in several successive stages. The process began by aligning the Bank's priority themes with the topics defined in the ESRS standards (10 topics and 33 sub-topics). We then proceeded to reassess the positive and negative impacts (inside-out and outside-in approaches) as well as the associated risks and opportunities. The points of view and opinions of our stakeholders, both internal and external, have been incorporated through a detailed survey. This consultative approach has allowed us to consolidate results that reflect the expectations of all the parties concerned.



ESRS AND GRI CONTENT INDEX

ESRS 2 - General information to be published

ESRS	GRI	Description	Pages
Basis of preparation of disclosures	GRI 2-2	Entities included in the organization's sustainability reporting	Pages 7-8
	GRI 2-22	Statement on sustainable development strategy	Page 32
	GRI 3-1	Process to determine material topics	Pages 28, 79
	GRI 3-2	List of material topics	Page 28
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	GRI 2-14	Role of the highest governance body in sustainability reporting	Page 24
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	GRI 2-27	Compliance with laws and regulations	Page 38
	GRI 2-29	Approach to stakeholder engagement	Pages 29-30
	GRI 201-1	Direct economic value generated and distributed	Pages 8-9
Management of impacts, risks and opportunities	GRI 3-3	Management of material topics	Page 30

ESRS E1 - Climate change

ESRS	GRI	Description	Pages
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	GRI 201-2	Financial implications and other risks and opportunities due to climate change	Page 76
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Metrics and targets	GRI 302-1	Energy consumption within the organization	Page 72
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ESRS S1 - Own workforce

ESRS	GRI	Description	Pages
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	GRI 2-23	Policy commitments	Page 49
	GRI 2-25	Processes to remediate negative impacts	Page 39
	GRI 2-29	Approach to stakeholder engagement	Pages 17, 29-30
	GRI 403-1	Occupational health and safety management system	Pages 50-51
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ESRS S4 - Consumers and end-users

ESRS	GRI	Description	Pages
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	GRI 2-24	Embedding policy commitments	Pages 61-66
	GRI 2-25	Processes to remediate negative impacts	Page 69
	GRI 2-26	Mechanisms for seeking advice and raising concerns	Page 69
	GRI 2-29	Approach to stakeholder engagement	Pages 29-30, 17
	GRI 3-3	Management of material topics	Page 28

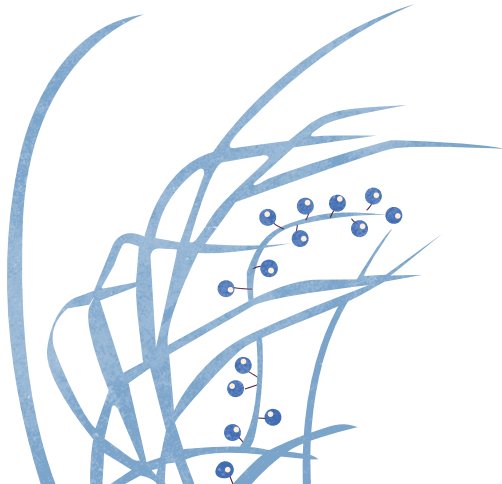
ESRS G1 - Business conduct

ESRS	GRI	Description	Pages
Governance	GRI 2-9	Governance structure and composition	Pages 20-22, 33-34
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	GRI 2-16	Communication of critical concerns	Page 39
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