Non-financial report

2024

EN

Contents

Introduction

1. Manifesto

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

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 maintaining careful and conscious momentum.**

In the face of climate and social emergencies, our aim is 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 impacts**, we are members of the B Corp community.

Every day, we leverage the power of our people, resources and ecosystem to maximise our positive impact. We integrate sustainability in our 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 what we do is only meaningful if we remain open to change and **attentive to the needs of the generations to come.**

2. Opening statement

As a banking partner and a company mindful of future generations, we believe we must shoulder our full share of responsibility. That means that all our actions must take place within a larger framework, grounded in foresight, transparency and positive impact on our environment in the broadest sense.

The publication of this report, which is voluntarily aligned with the European CSRD (Corporate Sustainability Reporting Directive), is an important milestone on our journey towards better sustainability. It is part of a broader effort to anticipate regulatory changes and improve the transparency of our ESG efforts.

Our Governance bodies – the Board of Directors and Executive Committee – now play a greater role in defining and strategically steering our sustainability ambitions, supported by a recently established dedicated CSR team. This is a major advance, designed to accelerate the cross-functional integration of social, environmental and governance issues throughout our operations.

Achieving B Corp certification in 2023 was a driving force and encouraged us to restructure our efforts across five key categories: Governance, Employees, Clients, Community and Environment.

B Corp is a globally recognised certification with a holistic approach that considers the full spectrum of CSR criteria. One of its greatest strengths lies in its requirement for continuous improvement. Measurable and sustained progress is required to maintain the certification, which means that our teams are also encouraged to improve and grow.

B Corp certification has inspired our Bank with a sense of pride and passion, along with a desire to share our knowledge and pass it on to our clients. In this way, we aim to make Banque de Luxembourg a trusted institution, close to its stakeholders, a consistent driver of progress and a catalyst for positive impact.

We thank our clients, colleagues and partners for their loyalty. Together, we will rise to the challenges of the future and leverage the power of finance as a force for positive change.

Pierre Ahlborn

Administrateur délégué

Nicole Dochen

Member of the Executive Committee in charge of CSR

3. Context and our sustainability commitments

Since it was founded, Banque de Luxembourg has been an active, diligent and responsible partner for its clients – individuals, institutions, families and businesses – supporting them in managing, growing and passing on their wealth. Close relationships, based on listening and trust, are the bedrock of our banking approach.

We operate in a constantly changing landscape, shaped by geopolitical, economic and regulatory shifts. Amid these developments, we remain a stable and reliable partner, offering tailored solutions while protecting our clients' long-term interests.

Drawing on the expertise of our parent company, Crédit Mutuel Alliance Fédérale (CMAF), we adhere to the principles of prudence, financial stability and rigorous management. Our investment strategy is based on selecting companies with solid fundamentals and significant long-term growth potential. For our clients, this positioning delivers stable performance in full compliance with the legal, regulatory and ethical standards that govern our operations.

With its roots in the heart of Luxembourg City, our Bank represents a balance between tradition and innovation. Our headquarters play a pivotal role in delivering on our mission, coordinating all our business activities and upholding the quality of service for which we are renowned.

Two entities extend our reach and help us stay close to our clients:

- Banque de Luxembourg Investments (BLI), our subsidiary, exemplifies our commitment to responsible, high-quality asset management, developing clear, rigorous investment strategies that are tailored for a complex world and the specific needs of our clients;
- Banque de Luxembourg Belgium extends our geographical reach through branches in Brussels and Sint-Martens-Latem to offer our Belgian clients the same level of service provided to those in Luxembourg, including local, personalised support.

Our CSR commitments and their four key drivers

Clients

As a Bank with a long-term view, we actively contribute to a sustainable future, supporting our clients on their transition journeys and offering them responsible investment and financing solutions.

Community

As a B Corp certified company, we aim to generate local impact by supporting the community beyond our banking activities.

Employees

As a committed business, we value diversity in our workforce and promote our employees' skills development and personal fulfilment.

Environment

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

B Corp: an overarching strategic commitment

Dedicated to maintaining a lasting balance between economic performance and social responsibility, Banque de Luxembourg has made sustainability a central pillar of its strategy. Our commitment was formalised in 2023 when we became a certified B Corp, joining an international community of companies combining profitability with positive impact on society and the environment. We were the first bank in Luxembourg to achieve the certification, which is only awarded after a rigorous evaluation process to measure a company's overall impact on all its stakeholders. B Corp differs from other more market- and product-focused certifications by providing the framework for a comprehensive evaluation of our Bank, based on five pillars.

1

Governance

This pillar reviews the company's mission, the integration of sustainability objectives in its strategy and the transparency of its governance. Banque de Luxembourg is committed to making responsible decisions, considering not just their financial aspects but also their social, environmental and societal impacts. Sustainability is formally integrated into our governance bodies and at the highest level of our strategic management.

2

Employees

This pillar assesses working conditions, employee well-being, equal opportunities, diversity and workplace safety. Banque de Luxembourg strives to provide an inclusive, inspiring and fair working environment. We invest in employee training, promote a culture of listening within the Bank and actively support a healthy work-life balance.

3

Clients

This pillar focuses on how the company interacts with its clients, offers them responsible solutions and factors in their ethical, social and environmental expectations. Our Bank's services are shaped by our clients' CSR concerns. We support them with sustainable asset management and develop a range of responsible, sustainable and impact investment solutions.

4

Community

This pillar evaluates the company's commitment to the communities in which it operates, its philanthropy policy, its support for the local economy and efforts to promote social inclusion. Our Bank supports many local initiatives in the fields of solidarity, culture, education and health. We also encourage volunteering by our employees through skills sponsorship and community partnerships.

5

Environment

The final pillar examines the company's efforts to reduce its environmental footprint, manage its resources responsibly and support the transition to a low-carbon economy. We measure and manage our carbon footprint (scopes 1, 2 and 3), invest in the energy efficiency of our buildings, opt for green electricity where possible and offer financing to accelerate the energy transition. Our goal is to be carbon neutral by 2050, with intermediate targets for 2030.

As B Corp certification needs to be renewed every three years, a commitment to continuous improvement is essential. Each recertification cycle requires us to demonstrate tangible progress in each of the five pillars. This process compels us to challenge our practices, strengthen our commitments and structure our sustainability efforts within a long-term perspective. It was a driving force in the development of BLU27, our new strategy for 2024-2027, which prioritises our response to major social and environmental challenges as one of its main themes. Through this plan, we aim to strengthen our business model to better integrate our responsibilities, generate positive local impact beyond our banking activities, support the decarbonisation of our portfolio (including on-balance-sheet and off-balance-sheet exposures) and reduce our environmental footprint.

It fully aligns with the vision of our parent company Crédit Mutuel Alliance Fédérale (CMAF), which adopted the status of mission-driven company ('Entreprise à Mission' under France's PACTE Law) in 2020. This positioning affirms the Group's commitment to serving the public interest by aligning economic objectives with a meaningful contribution to a better world. The Group's five key statutory commitments – to put people first in its decision-making, support local communities, promote a fair and sustainable society, strengthen inclusion and drive the transition to environmental sustainability – resonate with the Bank's long-held values of proximity, integrity and responsibility.

4. Scope, reporting framework and rationale for our progressive alignment with the CSRD

As part of the CMAF Group and a subsidiary of Crédit Industriel et Commercial (CIC), we are exempt from the reporting requirements of the Corporate Sustainability Reporting Directive (CSRD). This is because our majority shareholder is included in the scope of the regulation and consolidates sustainability information in its annual report, available here.

However, we have been proactively publishing our own non-financial report since 2021 as part of our sustainable development strategy and our long-standing commitment to corporate social responsibility (CSR).

This 2024 report builds on our established practices with a voluntary initiative to gradually align with the CSRD requirements. We therefore decided to continue releasing our Annual Report as a separate publication and to structure our reporting according to the principles and methodologies of the European Sustainability Reporting Standards (ESRS), while drawing on our previous experience with the Global Reporting Initiative (GRI) framework. Our environmental, social and governance (ESG) information has been organised by theme, making it easier to navigate while maintaining continuity with our previous sustainability reports.

This statement includes information relating to the upstream and downstream value chain which we identified as material during the analysis of impacts, risks and opportunities carried out as part of our double materiality assessment. For more information about the methodology used and the results of this assessment, see Chapter 4, 'Materiality'.

We are aware that transparency and completeness in sustainability reporting are ongoing processes, and we are committed to improving our methodology in the coming years to optimise the quality and relevance of disclosures.

5. Additional information

In some cases, indicators and quantitative data are derived from estimates and assumptions. We publish indicators incorporating information from our value chain. This information includes data provided directly by our clients and the companies in which we invest, as well as estimated figures obtained indirectly from third-party suppliers. The latter figures may be based on estimation factors that have a significant effect on the published results. The Bank has no influence over estimates and assumptions made by these external providers.

The most significant estimates and assumptions relate to the reporting of greenhouse gas (GHG) emissions. Such estimates are subject to a high degree of uncertainty due to limitations in the approach and the available data, especially given our reliance on external sources for calculating GHG emissions from financed activities. In our analyses and when defining our climate objectives, we use estimates based on the prevailing reference frameworks at the time of preparation. However, changes in methodology or assumptions could lead to different conclusions. Thus, GHG emission factors, for example, are subject to change. Uncertainties are also exacerbated by challenges in the area of data availability and quality. Accordingly, our methodologies are designed to adapt to ongoing developments.

We anticipate a gradual improvement in the quality, exhaustiveness and availability of data in the coming years. This evolution will be accelerated by key factors such as the growing number of companies disclosing non-financial data.

Overview of the Bank

1. Key figures

Equity capital in €m
1 084

Net income from banking operations in €m
385

Solvency ratio as %
21.03

Net profit in €m
79.4

Liquidity ratio as %
157.4

Loans and advances to clients in €m
3 407

Non-liquid securities in €m
38 935

Total client deposits in €m
124 909

Liquid securities in €m
73 975

Cash in €m
11 999

1 LuxGAAP figures at 21 December 2024

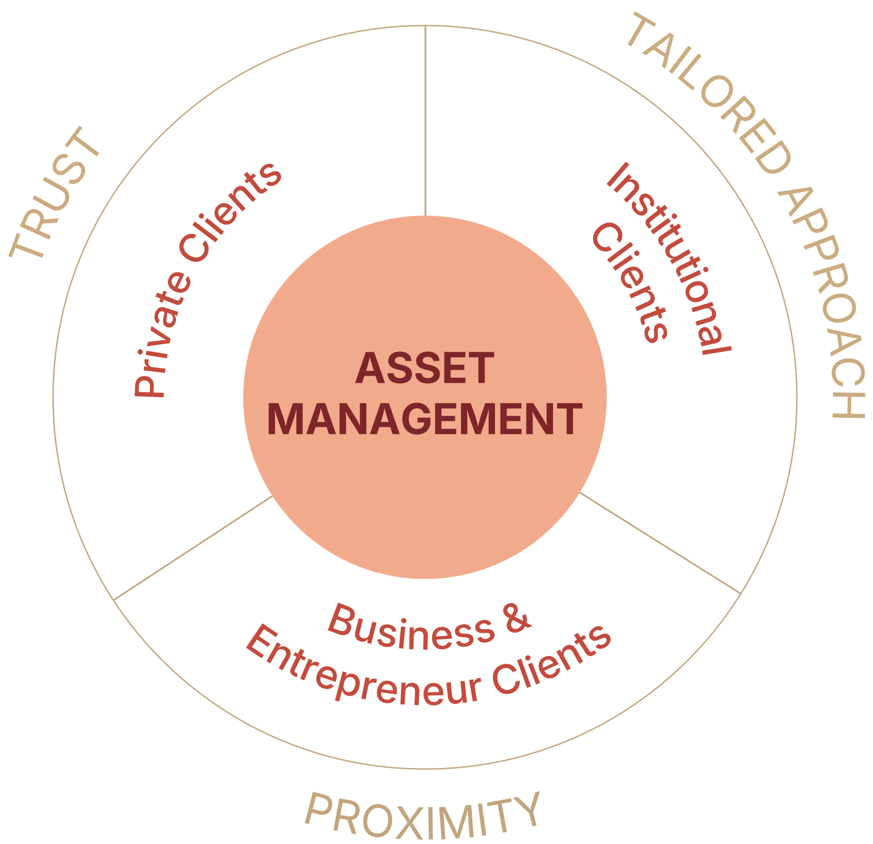
2. Our business model

As a committed and firmly established economic entity, Banque de Luxembourg exemplifies the values of the B Corp community, maintaining its commitment to clients and partners with a long-term perspective.

We strive to reconcile today's needs with the preservation of resources for future generations. Mindful of our impact and guided by the rigorous social and environmental standards defined by B Corp, we work to strengthen our role in the transition towards an economically stable, fair and environmentally sustainable society.

By continually questioning the consequences of our actions, as well as the methods and resources they require, we translate our purpose of being 'attentive to future generations' into meaningful action.

We provide services to three families of clients – Private Clients, Businesses & Entrepreneurs, and Institutional Clients – supporting each one with a tailored range of solutions designed to align fully with their goals and expectations.



Private clients: personalised and responsible wealth management

We support our private clients through an approach that is both comprehensive and individually tailored, with an emphasis on preserving and passing on their wealth. Our range of investment solutions integrates traditional and alternative options, including private equity, financing and philanthropic initiatives like setting up foundations. We base our approach on open and transparent dialogue to ensure the right balance between performance and risk, while incorporating ESG criteria in our investment decisions. This combination of expertise and close relationships is the key to long-term support that is consistent with our clients' wealth management objectives.

Institutional clients: a trusted partner for asset management professionals

We build close personal links with finance professionals, partnering with investment funds, asset managers and institutional clients. We provide depositary banking services to sponsors of liquid and alternative asset funds, supporting them across the full lifecycle of their investment solutions. We also work with third-party asset managers to safeguard the assets of their private clients and life insurance portfolios. Drawing on our expertise and strong relationships, we help our institutional clients to grow by delivering tailored solutions that comply with industry best practices. We also offer services to third-party clients through our Belgian branch, cementing our position as a partner of choice in asset servicing.

Business & Entrepreneur clients: bespoke service to facilitate growth

In a constantly changing economic landscape, we support businesses and entrepreneurs with tailor-made financial solutions. These include business financing, real estate financing and leasing, as well as management of surplus cash. In addition to financing, we provide this client group with guidance on succession planning and on involving the next generation in the management of their business assets. Always mindful of sustainability, we incorporate ESG criteria into all our financing decisions and promote responsible practices in the companies we work with.

BLI - Banque de Luxembourg Investments

Our asset management company, Banque de Luxembourg Investments (BLI), specialises in active asset management guided by firmly held principles and a commitment to sustainability. As a signatory to the United Nations Principles for Responsible Investment (UN PRI), BLI is committed to integrating ESG criteria across all its investment processes. It applies a methodology focused on quality and long-term profitability, only selecting companies with solid fundamentals and responsible governance. Enabled by disciplined and independent management, BLI offers an extensive portfolio of investment funds, including equities, bonds and multi-asset strategies, as well as tailored solutions for institutional and private investors.

BLI is also recognised for its expertise in impact investing, placing particular emphasis on investments that make a measurable contribution to environmental and social objectives. As a strategic partner, it provides third-party fund sponsors with the tools and infrastructure they need to manage and expand their sustainable investment offerings.

3. Our value chain

Our Bank's business model is grounded in trust, strong relationships and a commitment to long-term positive impact.

Driven by a culture of continuous improvement and transparency, we have undertaken a comprehensive analysis of our value chain, in accordance with EFRAG (European Financial Reporting Advisory Group) recommendations. The value chain is understood as the full set of activities, resources and relationships that enable the Bank to design, produce, distribute and develop its products and services; from upstream phases (design, sourcing, financing) to downstream phases (delivery, use, impact and end-of-life).

This analysis has several goals:

- To identify the key processes and stakeholders, internal and external, that make up our value chain;
- To link each phase to the IROs (Impacts, Risks and Opportunities) identified as material in regard to sustainability criteria;
- To systematically map these IROs as part of the impact analysis and the risk/opportunity review within the non-financial reporting process.

Our value chain analysis is two-tiered:

- A simplified version highlighting the key flows and drivers of value creation;
- A detailed version based on extensive consultations with key departments, used for internal management purposes.

The exercise draws on input from numerous departments, with a particular focus on those whose operations directly or indirectly affect ESG outcomes. The Facility Management teams share their knowledge on energy and water consumption and waste management; Human Resources helps to identify internal social issues such as well-being, training and inclusion; the Risk Management Department provides insights on incorporating climate risks; and the Finance Department evaluates financial analysis methods relevant to modelling sustainability risks and opportunities. Meanwhile, the General Secretariat and the CSR team help to frame the process, providing a cross-functional perspective on different activities and their strategic weighting. Client-facing teams – especially advisers and managers – also provide insights on the expectations, ESG preferences and concerns expressed by their clients, ensuring that the analysis is optimised from an end-user perspective.

This cross-functional review is updated annually to incorporate advances made in our various ESG initiatives, increase the level of detail in less-covered areas and strengthen the overall double materiality assessment framework.

By analysing our value chain in this way, we can build a more cohesive sustainability strategy, achieve a deeper understanding of the drivers of action throughout the organisation, and ensure a rigorous, evidence-based assessment of our impacts, risks and opportunities in a transition context.

Our value chain

UPSTREAM

Investors / Shareholder	Government, regulatory bodies and NGOs	Suppliers / Business service providers
CMAF Group	ESMA/EBA Commission de Surveillance du Secteur Financier (CSSF) Financial Action Task Force on Money Laundering (FATF) NGOs	Rating agencies (Moody's) Consulting firms (IT, marketing, advisory) Data and IT service providers (Euro-Information) Depositary providers (referral partners, sponsors) Data providers (MSCI)

INTERNAL OPERATIONS

Key activities	Support function
Bank services	**Internal functions (non-exhaustive list)**
Investment solutions - Advisory Fund management Loans & credits	Legal Department Risk Management Department Finance Department Compliance Department Human Resources Department General Secretariat CSR team Internal Audit Department IT Department Facility Management Department

DOWNSTREAM

Clients	Community / Civil society / Environment
Private clients Professional clients Businesses & Entrepreneurs	Association of the Luxembourg Fund Industry (ALFI) Luxembourg Bankers' Association (ABBL) Companies in the financial sector

We operate within a structured and interconnected ecosystem involving a broad range of stakeholders at every stage of our value chain. These stakeholders play a vital role in the quality, compliance, innovation and sustainability of the services we offer our clients.

Upstream, we are supported by our shareholder, which provides a long-term perspective on sustainability. We are supervised by several national and European regulatory bodies, including Luxembourg's financial regulatory authority the Commission de Surveillance du Secteur Financier (CSSF), the European Banking Authority (EBA), the European Stability Mechanism (ESM) and international agencies like the global money laundering watchdog, the Financial Action Task Force (FATF). These ensure that our activities comply with the strictest financial, prudential and ethical standards.

We also work with a diverse range of suppliers and business partners:

- Rating agencies (e.g. Moody's) to benchmark our financial stability;
- Consulting firms (in strategy, IT, marketing, etc.) to enhance our technical and methodological capabilities;
- IT and data providers (especially Euro Information and MSCI ESG Manager) for data analysis, reporting and integration, including ESG data.
- Depositary providers and referral partners who have a pivotal role in the distribution and implementation of financial products and services.

The Bank's operations are centred on our key services: asset management, wealth advisory, fund management, and financing solutions. These business areas draw on the support of several internal teams – Legal, Risk Management, Compliance, Finance, CSR, IT, HR, General Secretariat, and Internal Audit – all liaising closely to maximise the robustness, integrity and efficiency of our internal processes.

Downstream, we serve three client families – private clients, businesses & entrepreneurs and institutional clients – delivering tailor-made services and solutions that incorporate their ESG preferences. Our client relationships are forged over time and grounded in trust, proximity and active listening.

We also engage with the local community, non-governmental organisations (NGOs) and industry associations like the Association of the Luxembourg Fund Industry (ALFI) and the Luxembourg Bankers' Association (ABBL), fostering a cooperative approach, sharing best practices and co-developing future standards for sustainable finance at the local level.

Thanks to this strong network of stakeholders at every stage of the value chain, we remain agile, responsible and resilient in an ever-evolving environment, while continually optimising the quality and sustainability of our services.

4. Key stakeholders

This 2024 report reaffirms our commitment to a structured stakeholder engagement process as a cornerstone of our approach to sustainable growth. Our engagement process seeks diverse perspectives – from our employees, clients, service providers and other members of our ecosystem – to ensure that our strategy is grounded in current realities and needs. By gathering and analysing their expectations, we strengthen our governance framework, set the direction for our strategic priorities and demonstrate our commitment to transparency. The regular and open dialogue established as part of the process is a true driver of innovation and co-creation. It helps us to build solid, trust-based relationships while cultivating a shared vision of a responsible and sustainable future.

Our stakeholder consultation process

To ensure that our approach remains balanced and relevant, we implemented a structured consultation process with our key stakeholders in 2024. We applied direct and indirect consultation methods, tailored to the profile of the stakeholders involved, to capture the diverse range of expectations, challenges and interactions between the Bank and its ecosystem.

Clients, the cornerstone of our relationship model, were represented by the departments in direct contact with them: Private Banking, Businesses & Entrepreneurs, and Asset Servicing. These teams were tasked with compiling the ESG perceptions, expectations and concerns raised during their daily interactions with clients. We structured data gathering through internal questionnaires, business workshops and by analysing indicators across all stages of the client journey: sustainable investment choices, ethical considerations, environmental preferences and feedback on informational documents.

Meanwhile, we consulted internal employees by conducting targeted qualitative interviews with key departments of the Bank. The goal was to build on their operational knowledge as a basis for identifying impacts, risks, and opportunities (IROs) specific to their respective business areas. This cross-functional exercise involved the Human Resources, Facility Management, Finance, Legal, Risk Management and Compliance departments, the General Secretariat and the CSR team. Each team brought its own insights on wide-ranging topics such as well-being at work, energy consumption, ESG data management and internal governance. These discussions enhanced the quality of our analysis and ensured that the priorities identified were relevant.

Our parent company also participated in the consultation, bringing its aspirations and approaches into the conversation through calls, video conferences and face-to-face meetings. The two-way process helped to ensure strategic alignment with the Group's sustainability ambitions, while also enhancing local insights by sharing initiatives and best practices across the network.

The Bank's management teams played a key role. The Executive Committee and specialised committees (particularly the CSR Management Committee) were actively involved to optimise alignment between CSR strategies and the Bank's strategic governance. This engagement has reinforced the relevance of the priorities set and contributed to a firmly embedded, long-term CSR strategy.

Suppliers were represented, indirectly, by teams responsible for procurement and contract management. Those involved in contractual relationships provided input on suppliers' commitments and selection criteria as well as insights gained during tendering and follow-up processes. We are sharpening our focus on addressing ESG challenges within the supply chain, reflecting our determination to create impact beyond the boundaries of our own organisation.

The expectations of public authorities, regulators, certifiers and rating agencies were taken into account through applicable regulatory frameworks (CSRD, EU taxonomy, CSSF guidelines, etc.) and through external audits linked to our voluntary commitments, including B Corp certification. Through these formal interactions, the Bank stays aligned with industry best practices while proactively monitoring changes in the regulatory landscape.

Overall, this consultation process, guided by principles of accountability and balanced stakeholder participation, has deepened our understanding of the distinct expectations of each stakeholder group. It also provided concrete, context-specific input for our mapping of ESG impacts, risks, and opportunities. It has proved to be an essential methodological foundation for building a sustainable action plan that is fully aligned with our mission and long-term strategy. We are committed to further expanding this culture of open dialogue in the coming years, diversifying our consultation tools and enhancing feedback mechanisms within our ecosystem.

Stakeholder	Engagement tools	Key topics covered
Clients	Represented by direct contact departments (Private Banking, Businesses & Entrepreneurs, Asset Servicing): - Questionnaires - Workshops - Analyses	- CSR perspectives and expectations - Ethical and environmental preferences - Sustainable investment choices - Feedback on information documents
Internal employees	- Targeted qualitative interviews with key departments - Cross-functional approach involving several teams (HR, Facility Management, Finance, Legal, Risk, Compliance, General Secretariat, CSR team)	- Well-being at work - Carbon footprint - Internal governance - IROs
Parent company/Group	- Regular discussions via calls, video conferences and face-to-face meetings	- Strategic alignment with the Group's sustainability ambitions - Sharing of best practices and internal initiatives
Management teams	Regular discussions with the Executive Committee (ExCo) and management committees (e.g. CSR Management Committee)	- CSR strategy alignment - Governance and relevance of priorities - Long-term strategic integration
Suppliers	- Indirect consultation via procurement and contract management teams - Analysis of supplier commitments and selection criteria	- Addressing CSR/ESG challenges within the supply chain - Monitoring of service delivery and tender processes
Public authorities, regulators, certifiers and rating agencies	- Consideration of regulatory frameworks and reference standards (CSRD, EU Taxonomy, CSSF guidelines, etc.) - External audits (e.g. B Corp)	- Regulatory alignment - Industry best practices - Regulatory monitoring and compliance

Understanding our key stakeholders' interests and perspectives

In accordance with our business model built on strong relationships, trust and sustainability, understanding the interests and expectations of our key stakeholders is of paramount importance. Attentive listening is key to continuously improving our strategy, services and societal impact.

Drawing on a comprehensive analysis of our value chain and regular dialogue with departments interacting directly with our stakeholders, we can identify the most important priorities for:

- Our clients, who expect personalised financial services that are transparent and consistent with their preferences;
- Our employees, who increasingly seek meaningful work, inclusion and opportunities for personal development;
- Our suppliers and partners, who are increasingly mindful of responsible selection criteria;
- Our external stakeholders (including regulators, professional associations, and civil society), who expect transparency, compliance and clear commitment.

This mutual understanding enhances our Bank's ability to adapt its operating model while remaining in lockstep with ongoing economic, social and environmental changes.


DIRECTIONS

Sustainability governance

1. The role of our decision-making bodies and key functions

Banque de Luxembourg's governance structure clearly demonstrates its commitment to transparency and ethics. In accordance with CSSF Circular 12/552, as amended – relating to central administration, internal governance and risk management – executive and non-executive roles are clearly separated to foster responsible management.

Our governance structure comprises several key bodies, each playing a critical role in providing oversight and strategic direction.

We prioritise diversity in our governance bodies, firmly believing that it adds value to our decision-making and bolsters innovation, creativity and overall performance.

With this in mind, we have made it our mission to improve the gender balance in our decision-making bodies, while also promoting diversity in age, skills and knowledge.

Board of Directors

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

In accordance with its internal charter, the Board of Directors oversees management, monitors risks and convenes regularly to discuss strategic issues. It is also responsible for evaluating and re-approving the review of social and environmental performance. The Chair of the Board of Directors holds no executive responsibilities; the role of Administrateur délégué is distinct and held separately. This structure is designed to guarantee rigorous supervision and appropriate decision-making.

Composition of the Board of Directors as at 31/12/2024

61	7	4	1	10	4
Average age of members	Men	Women	Executive [2]	Non-executive [3]	Independent

As of 31 December 2024, 36.36% of the members of the Board of Directors are considered independent, in accordance with the criteria defined by the applicable regulations.

Specialised committees

To uphold its ongoing commitment to exemplary governance, the Bank draws on the stability and expertise of its specialised committees. The cornerstones of our decision-making structure, these committees ensure the integrity, transparency and effectiveness of our operations.

Credit Decision Committee

The Credit Decision Committee is responsible for determining competency thresholds and monitoring credit commitments. This Committee plays an active role in credit approval, handling credit applications above a specified threshold. It also ensures that credit analysis is aligned with decision-making processes, adhering to the methodology and procedures of Crédit Mutuel Alliance Fédérale.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee ensures that financial incentives support the Bank's overall strategy. The Committee is responsible for proposing the remuneration for key management positions and maintaining an appropriate balance among the members of the Board of Directors. It is also involved in identifying and recommending candidates for vacancies on the board, as well as assessing the skills, expertise and experience of current members.

2 Executive profile: an individual in a management position, responsible for day-to-day decision-making and operational management of the Bank.
3 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.
4 An independent member of the supervisory body has no conflicts of interest that could affect their ability to exercise impartial judgment, stemming from a current or recent professional, familial or other relationship with the Bank, its controlling shareholder, or the management of either. To assess independence, we applied the criteria set out in Section 9.3 of EBA/GL/2021/06.

Audit and Risk Management Committee

The Audit and Risk Management Committee monitors the financial reporting process and upholds compliance with internal control rules. It assesses the Bank's risk appetite and the quality of the work performed by the Internal Audit, Compliance and Risk Management functions. The Committee makes recommendations regarding the appointment or reappointment of the external auditor and guarantees effective follow-up on the recommendations of the internal control functions, supervisory authorities and the external auditor.

Executive Committee

Banque de Luxembourg's Executive Committee oversees the efficient, sound and prudent day-to-day management of the Bank's operations. It operates as a centralised body where all major decisions are taken under the guidance of the Administrateur délégué. The Committee is responsible for ensuring that the strategy defined and approved by the Board of Directors is implemented across our operations. Its members have an in-depth understanding of the various facets of day-to-day operations, enabling informed and effective decision-making.

The Executive Committee meets weekly. At regular intervals, heads of departments are invited to attend the meetings to share their expertise and views on specific topics and/or regulatory developments. The Executive Committee has delegated its decision-making powers on certain matters to management committees. Its members engage in continuous professional development, completing a minimum of 18 hours of training per year.

Under the leadership of our Administrateur délégué, the Bank's organisation is structured around key pillars to deliver coherent and strategic management at every level. Each member of our Executive Committee oversees critical areas, ensuring that our CSR commitments are embedded in all our processes and practices.

Banque de Luxembourg organisation chart as at 28/02/2025

PIERRE AHLBORN Administrateur délégué	LUC RODESCH Executive Committee	FLORENCE WINFIELD-PILOTAZ Executive Committee	BENOÎT ELVINGER Executive Committee	SYLVIE REMONT Executive Committee	ROMAIN WEILER Executive Committee	NICOLE DOCHEN Executive Committee
Internal Audit	Private Banking	Fund & Institutional Clients	Markets	Risk Management	IT	Human Resources
Legal	Private Banking Investments / Credits	Business Development	Credits	Compliance	Operations	Change Management & Internal Communication
Data Privacy	Private Banking Support	Independent Investor Services			Facility	CSR
General Secretariat	Belgian branch	Market Desk			Finance	
	Personal Banking	Depositary Control & Oversight			Transformation	
	Marketing and Business Development	Business Management Office			Data	
	Key Clients					
	Tax					
	Businesses & Entrepreneurs					
	Communication & Experience					

Selection process for decision-making bodies and key functions

We are committed to a rigorous and transparent process when appointing members of our decision-making bodies and key functions, in accordance with best governance practices and the regulatory requirements set out by the Commission de Surveillance du Secteur Financier (CSSF), including the amended CSSF Circular 12/552, as well as the guidelines issued by the European Securities and Markets Authority (ESMA) and the European Banking Authority (EBA).

Appointments to a management body must always be preceded by an individual assessment of the person concerned, based on the following four criteria:

- **Good repute, honesty and integrity:** Candidates must demonstrate good repute, integrity and moral standing, verified through a rigorous due diligence process, including the provision of a clean criminal record certificate;
- **Individual and collective knowledge, skills and experience:** Knowledge and experience are evaluated taking into account the nature, size and complexity of the Bank's activities, as well as the position's specific responsibilities;
- **Time commitment to the role:** We ensure that candidates are able to devote sufficient time to carrying out their duties;
- **Conflicts of interest and independence of mind:** We assess whether there are any financial or non-financial interests that could lead to potential conflicts of interest, focusing particularly on past and/or present relationships that could influence the candidate's judgement.

As a specific requirement, all members of the decision-making body must possess basic theoretical knowledge in banking covering the following areas:

- Financial markets;
- Regulatory framework and obligations;
- Strategic planning, familiarity with a credit institution's business model, and strategy implementation;
- Risk management (identification, assessment, monitoring, control and mitigation of a credit institution's primary risk categories), including environmental, social, and governance (ESG) risks;
- Assessing the effectiveness of a credit institution's frameworks and establishing robust governance, oversight and control mechanisms;
- Interpreting a credit institution's financial information, identifying major issues based on this information and implementing appropriate measures and controls.

Members of the management body must also demonstrate expertise in social and environmental responsibility.

The Remuneration and Nomination Committee also evaluates the management body as a whole. It makes sure that the overall composition reflects a sufficiently broad spectrum of knowledge, skills and experience to understand the Bank's activities – including the primary risks to which it is exposed – and allow for the expression of independent opinions and sound decision-making within management.

When appointing a new member to a specialised committee of the Board of Directors, the specific skills of the specialised committees' members and chairs must also be reviewed and assessed, comprising:

- Knowledge and experience in the specialised committee's specific field;
- Possession of any relevant professional certifications;
- The collective competencies of the specialised committee.

Moreover, the Bank assesses whether the Director qualifies as an independent director, based on established criteria. This means that the individual must not have any conflicts of interest that could impair their ability to make impartial decisions, due to a current or former business relationship – familial or otherwise (including employment relationships) – with the Bank, its controlling shareholder, or the management of either.

Appointments to the Board require further approval by the Annual General Meeting. Lastly, appointments to the Board of Directors and the Authorised Management (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 full compliance with all applicable regulatory requirements.

Ongoing evaluation

The Bank continuously evaluates the members of its management body and the holders of key positions. All the competencies initially required for the role are re-evaluated annually, including those related to social and environmental responsibilities. The Bank is also obliged to inform the relevant authorities immediately if it becomes aware of any incident or information that could cast doubt on an individual's capability, of any significant shortcomings identified in the overall composition of the management body, and of the corrective measures planned by the institution and accompanying timeframe for their implementation. The annual assessment encompasses the effectiveness, competencies and commitment of the members of decision-making bodies and of managers in key functions.

Training

As part of our commitment to effective corporate governance, we have established a comprehensive training programme for the members of our Board of Directors, beginning with induction training when a Director assumes office to familiarise them with the Bank's operations and strategy. In addition, all members of the Board of Directors follow ongoing training (either individually or collectively) on governance, risk management, recent developments in the sector and other relevant topics. Depending on each member's individual needs, supplementary training may be provided on specific topics to sustain and deepen their knowledge.

Each year, Directors must complete at least 12 hours of training, and members of the Executive Committee at least 18 hours, to ensure that they remain informed and vigilant, particularly in overseeing the Bank's sustainable and ethical practices.

Continuity and succession

Continuity of functions and succession planning are key components of our governance strategy. Mindful of challenges that could arise from unforeseen employee absences or departures, we have established a robust framework to ensure seamless transitions and safeguard operational integrity. This framework includes:

1. Succession planning: A succession plan is defined for each key function, specifying the selection criteria and appointment procedure for successors. This guarantees 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: We invest in the development of our people, providing training and growth opportunities to prepare them for future leadership roles;
4. Transition management: Protocols are in place to manage departures and/or changes of function, thus minimising operational impact and ensuring effective communication with all stakeholders;

Transfer of sustainability-related information to the Bank's administrative, executive and supervisory bodies

A formal process guarantees regular and effective communication on sustainability issues with our decision-making bodies. Every year, the outcomes of the IROs identified as part of the double materiality assessment, updated in line with regulatory requirements, are submitted to the Executive Committee for approval. This process ensures informed decision-making and optimal integration of ESG risks and opportunities in the Bank's overarching strategy.

In the context of the first edition of this report in alignment with CSRD requirements, we have strengthened our governance by introducing two dedicated committees:

1. An Operational Committee responsible for collecting, analysing and consolidating ESG data, and overseeing the implementation of initiatives and policies in accordance with due diligence requirements;
2. A Steering Committee, which studies the consolidated results and strategic directions before they are submitted to higher governing bodies.

The conclusions of the Committees' work were presented to the CSR Management Committee and the Executive Committee, who endorsed the strategy and actions required to guarantee optimal delivery on the Bank's sustainability commitments.

This governance framework ensures rigorous oversight and the effective incorporation of ESG considerations into our strategy, in accordance with industry best practices and increasingly stringent regulatory requirements.

CSR team

CSR governance occupies a pivotal role in our strategy, underscoring our commitment to balancing performance requirements with sustainability objectives. It is the bedrock of our approach to responsibility and transparency, ensuring that the sustainability principles guiding our daily actions are applied practically and consistently.

In 2024, we transformed our CSR governance in favour of a more cross-cutting and strategic approach. The CSR team, which was previously part of the General Secretariat, became a separate entity under the leadership of Executive Committee member Nicole Dochen. Under this new arrangement, it will be able to take a more active role in shaping CSR and ESG initiatives and in accelerating their implementation by facilitating collaboration across the Bank's various teams.

Deploying a CSR team to implement the sustainability strategy is a key component of our approach. The team works closely with all departments to encourage ethical and sustainable practices, ensuring that sustainability principles are integrated at every level of our operations. It reports regularly on its progress to the Executive Committee, providing for transparent management that aligns with the Bank's strategic objectives.

The CSR team added two new members in 2024.

CSR Management Committee

Set up in 2023, our CSR Management Committee reflects the Bank's determination to embed social and environmental considerations at the core of its operations and stakeholder relationships. Fulfilling a role that extends far beyond overseeing sustainability compliance, this strategic committee embodies the Bank's vision for inclusive, ethical and environmentally responsible growth.

In 2024, discussions were initiated to revisit the structure of the CSR Management Committee, with a view to incorporating members of the Executive Committee. This development marks a significant step towards an enhanced governance framework by ensuring strategic oversight of sustainability at the highest level of our organisation.

Due to be fully operational in 2025, this new CSR governance structure exemplifies our commitment to embedding sustainability at the core of our strategy and maintaining cohesive integration of CSR criteria at every level of our organisation.

This transformation is part of a broader alignment with leading industry practices, aimed at amplifying our positive impact, mitigating financial risks, seizing opportunities and meeting our stakeholders' growing expectations in the area of social responsibility.

CSR Forum

We have also created a special sustainability Forum as a platform for cross-functional dialogue and engagement on ESG issues. The Forum brings together a diverse group of members from the Bank's various business units, ensuring a well-rounded representation of internal expertise and perspectives. This diversity enhances our CSR discussions and decision-making, enabling us to develop precise targets, deploy effective strategies and rigorously evaluate our performance on key issues.

Private Banking SRI Committee

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

Its duties include:
- Ensuring that model portfolios are in line with the ESG criteria set out in the policy;
- Tracking controversies and managing sector-specific policies;
- Ensuring that regulatory changes are taken into account in PBI (Private Banking Investment) management and implemented in portfolios;
- Assessing and approving any new products that could constitute 'responsible', 'sustainable' or 'impact' investing for Private Banking clients;
- Developing proposals on the positioning of ESG investment products for Private Banking clients.

ESG Financing Committee

The ESG Financing (Loans) Committee, up and running since the second half of 2024, plays a key role in embedding sustainable development in our financing policies. This committee rigorously evaluates specific loan applications from an ESG perspective and ensures that our credit procedures are aligned with ESG criteria. As part of its commitment to responsible financial governance, the committee convenes as necessary to review applications. It consistently strives to reach a consensus in its assessments.

2. Ethics policy

Our sustainability commitments are underpinned by a strict ethics policy, which is an indispensable and central component of our business model. As a responsible bank, we do everything in our power to guarantee the integrity, compliance and transparency of our operations. This commitment is reflected in a solid procedural framework, built on clearly defined and regularly updated internal policies that address all critical aspects of responsible governance. These include conflict of interest prevention, anti-money laundering and counter-terrorism financing, data protection, professional integrity and due diligence, as well as the integration of ESG criteria into investment, credit and management decisions.

This framework is supported by two independent and complementary control functions: Compliance and Internal Audit. The Compliance Department ensures that our activities consistently meet all applicable regulatory and ethical requirements. It is responsible for issuing alerts, providing guidance and training, supervising activities, and verifying that all procedures implemented comply with current regulations.

Internal Audit provides independent and objective oversight of the Bank’s monitoring and governance mechanisms. Specifically, it verifies the effectiveness of risk management systems, the adequacy of internal controls and adherence to ethical and sustainability principles. These measures guarantee rigorous oversight and continuous improvement of our practices.

As part of the preparation for this first voluntary disclosure, broadly aligned with the CSRD, we also established temporary committees dedicated to sustainability governance, tasked with overseeing ESG data collection and consolidating the results of our analyses. This multi-tiered system strengthens cross-functional collaboration and traceability, ensuring that our ethics policy extends beyond mere regulatory compliance to embody a corporate culture firmly grounded in responsibility, integrity and long-term thinking in all decisions. The ethics policy is inseparable from our mission of being attentive to future generations and is critical for fostering trust, mitigating risks and making sure our practices align with the best international standards.

As a signatory to the National Business and Human Rights Pact, we are firmly committed to promoting its fundamental principles, including respect, fairness and the protection of human rights across all our activities. This commitment is part of a comprehensive CSR strategy and translates into concrete initiatives that serve our clients’ interests. The publicly stated commitment detailed in our Human Rights Policy, published in 2024, applies in its entirety to Banque de Luxembourg (including its Belgium branch) and its subsidiary Banque de Luxembourg Investments (BLI). It concerns employees (all employees under contract to the Bank), service providers (all persons and entities providing goods and services to the Bank), partners (strategic partners involved in the Bank's activities) and clients (private, professional and corporate clients).

Governance and implementation of human rights commitments are based on close collaboration between the CSR team, the Human Rights Officer, the Executive Committee and the Board of Directors, who respectively ensure operational implementation, strategic supervision and overall assessment and compliance with current standards and regulations.

Materiality

1. Double materiality assessment

In 2024, we conducted a double materiality assessment (DMA), in accordance with the CSRD requirements and European Financial Reporting Advisory Group (EFRAG) guidelines. This was a key step in structuring our sustainability efforts. The DMA exercise aims to identify significant impacts the Bank could potentially have on environmental, social and governance issues (impact materiality), as well as risks and opportunities that could affect its financial position (financial materiality).

The assessment was guided by a set of objective criteria and conducted in consultation with the various business areas. It led to a careful selection of the European Sustainability Reporting Standards (ESRS) most relevant to our organisation, which now form the basis of our sustainability reporting. The material topics are focused in key areas of our operations: financing, investment activities, human resources management, client relations, internal governance structures and digital processes.

The DMA gave us greater insight into key priorities and will help to shape future developments in our sustainability strategy, governance and risk management.

2. Identification of impacts, risks and opportunities (IROs)

Methodologies and assumptions used to identify significant IROs

The methodology adopted is based on identifying and evaluating IROs according to criteria set out in the ESRS standards. Impacts are evaluated from four angles – scale, scope, irreversibility and likelihood of occurrence – while risks and opportunities are evaluated in terms of their likelihood of occurrence and the potential scale of their financial implications.

To streamline data collection and ensure consistency in feedback, a structured questionnaire was distributed to the relevant departments. The results were consolidated by averaging scores allocated on a scale from 1 to 5. Likelihood of occurrence was assessed over a three-year time horizon in an effort to balance strategic relevance with operational feasibility.

IRO identification process

The analysis focused on business areas with a heightened risk of negative impacts, particularly Private Banking, Businesses & Entrepreneurs and Asset Servicing, as well as asset management through BLI. It also incorporated cross-functional departments such as Facility Management, Human Resources, Finance, Risk Management, the General Secretariat and Credits.

Given that our management is centralised at our Luxembourg headquarters, we have focused on our primary regions of activity: Luxembourg and Belgium. The analysis enabled us to identify the key stages in our value chain and the ESG topics that may lead to material impacts.

Analysis of direct and indirect impacts

We assessed the impacts for which we are responsible, across both our internal operations and our external business relationships. The scope includes direct impacts linked to our energy consumption, social practices and management processes, as well as indirect impacts resulting from our investment decisions, the design of financial products and supplier selection.

In-depth interviews were conducted with the Bank's various departments to learn their views on potential impacts and ESG risks related to their activities. These discussions led to the identification of specific IROs, which were used to compile the shortlist of topics to be assessed.

Stakeholder engagement

To verify the relevance of our analysis, we consulted the key stakeholders identified in our value chain analysis. We used a transparent and well-documented consultation system, primarily based on structured questionnaires and targeted discussions with the relevant departments.

Ranking IROs by priority

The IROs identified were evaluated by each department in relation to predefined criteria. The results were consolidated by topic, based on average scores for each IRO. A qualitative review was then conducted to check the overall consistency of the results and to allow for any minor adjustments deemed necessary by the CSR team and the Steering Committee, ultimately endorsed by the Executive Committee.

Relationships between impacts, dependencies, risks and opportunities

The analysis revealed interdependencies between the Bank's impacts (in the areas of emissions, human resource management and governance practices, for example) and the risks and opportunities associated with them. These links were formally integrated into the double materiality matrix, ensuring a holistic view of ESG and financial issues.

Assessing the likelihood, scale and nature of effects

We defined a qualitative classification system to assess the likelihood of each IRO occurring over a three-year horizon. The scale of impacts was assessed in relation to potential effects on the environment, society and the Bank's financial results. Each IRO was rated by the relevant departments using illustrated evaluation grids, to ensure consistency across responses. The results were aggregated in Excel files categorised by theme, with a breakdown of scores per department and a final consolidated overview.

Balancing sustainability risks with other risk categories

While the Bank's overall risk management framework has yet to systematically incorporate all sustainability risks, these are gradually being integrated into steering committees and strategic risk assessments. The Risk Management Department participated in the double materiality exercise to coordinate evaluation tools and support progressive alignment with traditional risk management approaches.

Decision-making and internal control mechanisms

The entire DMA process was overseen by the CSR team, in close collaboration with the various business lines. Decisions regarding the methodology (such as the occurrence threshold for the shortlist of ESG topics and the system for consolidating scores) were approved by the CSR Management Committee.

Internal control mechanisms were established to guarantee the reliability of the analysis, including traceability of assessments, documentation of assumptions and cross-checking of results.

Integration into the risk management process

The Bank will gradually incorporate IRO identification, assessment and follow-up into its wider risk management strategy. The results of the DMA exercise inform risk mapping, strategic discussions and long-term thinking on business model development.

We plan to embed ESG considerations more deeply into our decision-making processes, leveraging the progressive development of the CSR function and enhancing collaboration between the Compliance and Risk Management Departments.

Data sources and input parameters

The DMA exercise draws on internal data (from interviews, questionnaires, audits, and ESG documentation) and external references (industry benchmarks, market reports and CMAF Group documentation). Its scope includes Banque de Luxembourg S.A. (including its operations in Belgium) and BLI.

The main assumptions include a three-year time horizon for likelihood analysis, a qualitative assessment scale, and the application of professional judgment in cases of ambiguous or 'borderline' materiality results.

Applying materiality thresholds and criteria

The Bank applied a materiality threshold to help determine which IROs should be disclosed. Rather than being defined arbitrarily or in absolute terms, this threshold was established through a comparative analysis of the scores assigned to the various IROs, supplemented by professional judgment. IROs with scores above the defined threshold were deemed material and included in the disclosure scope.

In some instances, IROs scoring just below the threshold were still considered material, owing to their particular relevance to our business model or because they reflected specific expectations in the banking sector. Conversely, some IROs that met or exceeded the threshold were excluded if they lacked a substantial connection to our activities, or if they concerned topics of limited relevance in the local context.

3. Mapping our key issues

Significant IROs and their distribution across the Bank's activities

Environment

The negative environmental impacts identified are mainly linked to our financing and investment activities. For example, the Bank may finance real estate projects associated with high greenhouse gas (GHG) emissions or provide guarantees for residential buildings with low energy efficiency. Investments in GHG-intensive sectors have also been identified as potential sources of adverse environmental impacts.

Our environment-related impacts are primarily concentrated in banking products and financing portfolios, particularly in the real estate sector and carbon-intensive industrial projects. They stem directly from the Bank's business model as a provider of financing and investment services.

Environment-related risks include increased exposure of the client portfolio to climate-related hazards, particularly in the real estate sector, where asset values could be affected by extreme weather events or new regulatory standards.

At the same time, we identified substantial opportunities linked to the green transition. We are developing financing products to help companies work towards their energy efficiency and decarbonisation ambitions. These solutions are an integral part of our commercial strategy and a driving force for differentiation and product innovation.

Social

The negative social impacts identified chiefly relate to information system security and the safeguarding of client data. Phishing attempts, interruptions to digital services and data breaches may lead to financial losses for clients and undermine their trust in us. These impacts are concentrated in client relationship management, digital banking service delivery and IT system management.

By contrast, several positive impacts were identified linked to our HR policy, particularly in terms of internal mobility, continuous training, work-life balance and diversity and inclusion. Structured dialogue with employee representatives further enhances these positive impacts.

With regard to clients, our strong focus on tailoring our products and services to individual needs is a key factor in building loyalty.

We identified social risks linked to rising recruitment and training costs, driven by tensions in the labour market.

Nonetheless, many opportunities present themselves: enhancing employee well-being can reduce staff turnover costs, boost engagement and productivity and strengthen the Bank's appeal as an employer. In addition, the ESG product offering unlocks access to new client segments and elevates our brand reputation.

Governance

No significant negative impacts on governance have been identified at this point. On the contrary, we are observing multiple positive impacts, arising particularly from shareholder engagement and philanthropic activities, which encompass both financial support and sharing of professional expertise.

In terms of opportunities, we foresee gains in efficiency and credibility through enhanced ESG data governance and optimised IT processes. These internal improvements reinforce our ability to comply with regulatory demands and meet rising stakeholder expectations.

Current and projected effects on the business model, strategy and decision-making process

The IROs identified directly affect our strategic positioning. In the short to medium term, exposure to environmental risks, especially in the real estate sector, necessitates a thorough review of credit policies and the integration of environmental criteria into credit approval decisions.

Over the longer term, we will gradually adapt our business model to expand the proportion of products aligned with our sustainability objectives. Building a portfolio of finance products that support the energy transition is a concrete way to address these challenges. From a social standpoint, strengthening our internal policies on talent management, diversity and social dialogue will preserve our brand appeal and our stability as an institution.

Our governance is also undergoing transformation, with the deployment of ESG-specific steering mechanisms, targeted team upskilling and improved cross-functional collaboration.

Impacts arising from the strategy and business model

Most of the impacts identified originate from the Bank's business model, which is based on credit granting, asset management and the provision of personalised banking services. Some environmental impacts stem directly from our financing strategy, while others result from investment decisions. Likewise, there are social impacts – positive and negative – associated with our organisational culture, digitalisation processes and approach to talent management and client relations.

Time horizon for impacts

In general, environmental impacts tend to materialise over the medium to long term (three to ten years), driven by evolving regulations and the gradual effects of climate change. By contrast, social impacts, especially those related to cybersecurity or employee satisfaction, can occur in the very short term. Therefore, we based our likelihood analyses on a three-year horizon, also factoring in systemic challenges that could arise beyond this timeframe.

The Bank's relationship to identified impacts

In most cases, the impacts identified are directly linked to the Bank's own activities (e.g. financing, HR management, digital services). However, some impacts also stem from business relationships, notably through invested partners, data providers and loan recipients.

For example, a negative environmental impact may result from a project financed by the Bank but operated by a third party, while a cybersecurity risk may arise from a vulnerability at a digital service provider.

Current financial impacts and risks of future accounting adjustments

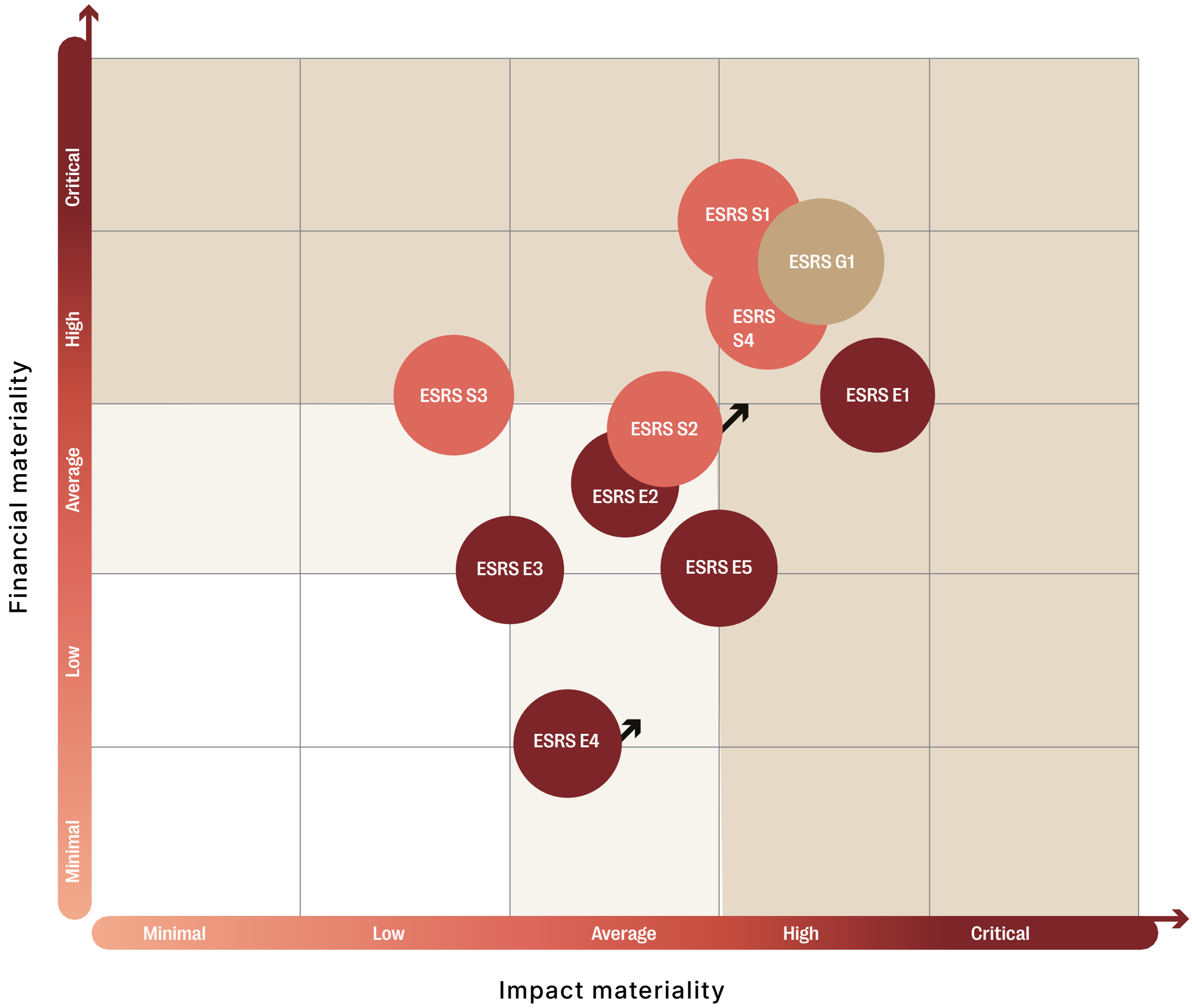
To date, the identified impacts have not resulted in any material adjustments to the book values disclosed in the financial statements. However, certain risks carry significant potential for future adjustments, particularly those related to the possible devaluation of financed assets exposed to climate hazards or to increasingly stringent environmental regulations.

The identified opportunities may also contribute positively to future results, notably through an expanded ESG product offer and talent retention, both of which indirectly influence financial performance.

Distinction between IROs covered by the ESRS and those disclosed voluntarily

The vast majority of the IROs identified in this exercise correspond to topics covered by the ESRS standards. The Bank has also opted to publish supplementary information not strictly mandated, but deemed relevant in light of its specific characteristics or to address stakeholder expectations.

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

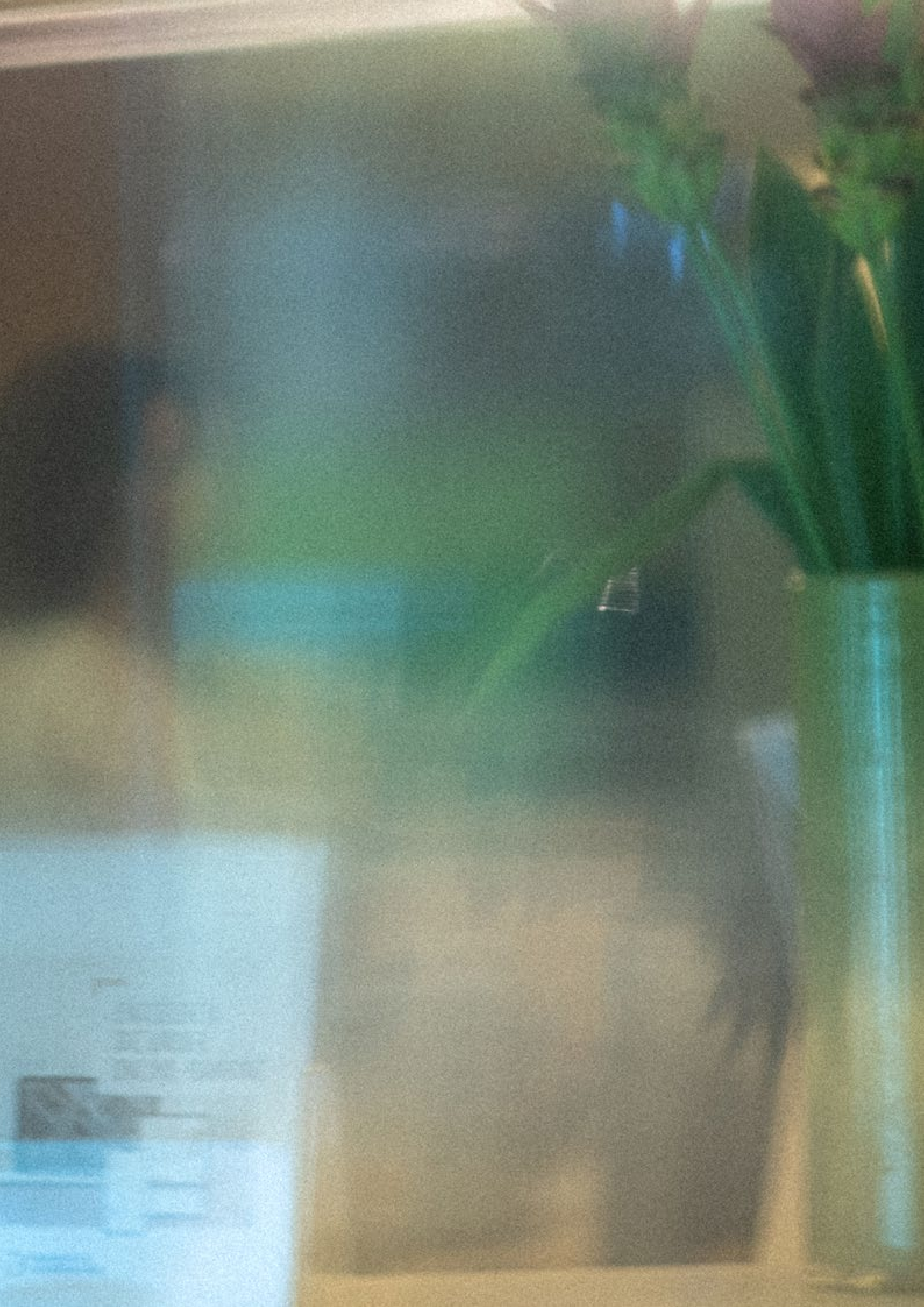
ESRS G1 Business conduct

Priority area
Secondary area
Emerging issue

Not important
Of little importance
Important
Very important

for stakeholders

Following the DMA exercise to define the material ESRS topics, the outcomes were approved by our Executive Committee. A summary table of the material topics for 2024 is provided in Annex 2 – ESRS content index, along with page references to the corresponding information in this statement.



ESG performance

Sustainability was embedded in our DNA long before it emerged as a key priority in the wider banking sector. Today, our long-standing commitment is embodied in an ambitious strategy, grounded in concrete actions and robust management of environmental, social and governance issues.

1. Environment

We are reaffirming our commitment to sustainable growth by fully integrating climate considerations into the core of our strategy and operations. Embracing our role in the transition to a low-carbon economy, we are taking tangible steps to reduce our environmental impact, support environmentally responsible initiatives and help build a greener, more circular economy.

In this section of the report, we outline the measures implemented to reduce greenhouse gas emissions related to our activities and energy consumption. We also set out the initial steps in our climate transition plan, which is still under development. The climate transition plan will be the roadmap for our contribution to carbon neutrality by 2050, in alignment with the CMAF Group's objectives.

This section also addresses our approach to incorporating environmental risks in our overall risk management, including physical and transition risks related to climate change, and their gradual integration into our evaluation and decision-making processes.

Climate change

Carbon footprint

It is now four years since we began monitoring our greenhouse gas (GHG) emissions, using an internationally recognised methodology to calculate our carbon footprint. The approach considers two factors: our operational emissions (also called the 'internal footprint') and our financed emissions.

All GHG emissions are in scope and are classified according to the categories defined by the GHG Protocol:

- Scope 1 emissions are direct emissions from resources owned or controlled by the Bank, including those from our vehicle fleet and heating systems;
- Scope 2 emissions cover indirect emissions from the consumption of purchased energy, such as electricity and thermal energy used to heat and cool our buildings;
- Scope 3 is split into two categories: indirect operational emissions and financed emissions:
    - o Operational emissions arise from the purchase of goods and services (e.g. office supplies and internal or external events), waste management, capital goods (equipment, furniture and infrastructure), business travel and employee commuting;
    - o Financed emissions are those caused by the Bank's financing and investment activities, such as business loans, asset portfolios and financial products offered to clients.

Breakdown of emissions by GHG Protocol category

Scope 3 upstream	Scope 1 and 2	Scope 3 downstream
Purchases of goods and services (6195t)	**Own activities and buildings** Energy consumption and emissions linked to buildings (2.153t)	**Financed activities** Financing across all asset classes **Investments** Direct investments by the Bank (436083t)
Fixed assets (20t)	**Car fleet** Bank vehicles (1009t)	**Waste generated** Financing across all asset classes (55t)
Upstream energy (397t)		
Upstream transport (11t)		
Employee mobility Business travel and employee commuting (886t)		

Scope of the Bank's carbon footprint

OPERATIONAL EMISSIONS

account for less than 1% of our total emissions

FINANCED EMISSIONS

account for almost all of our emissions (more than 99%)

Two widely accepted methodologies are used to calculate our carbon footprint:

- For operational emissions, we apply the principles of the Greenhouse Gas Protocol (GHG Protocol) and Base Carbone V23, supplemented with Global Warming Potential (GWP) values and data from the Intergovernmental Panel on Climate Change (IPCC);
- For financed emissions (stemming from our financing and investment activities), we use the framework developed by the Partnership for Carbon Accounting Financials (PCAF), specifically designed for the financial sector.[5]

Continuously improving data quality is one of our core objectives. For example, in the area of financed Scope 3 emissions, we aim to progressively increase the proportion of primary data collected directly from our clients or investment counterparties. When such data is unavailable, we utilise alternative sources such as the MSCI ESG Manager platform, adhering to the quality standards defined by the PCAF framework to ensure the reliability and traceability of results.

Carbon footprint management is overseen by the CSR team. It coordinates the entire calculation and analysis process, working with a wide range of departments and functions within the Bank. On the operational side, the Human Resources, Facility Management, IT and Communication Departments are instrumental in collecting data and implementing corrective measures. In the area of financed emissions, the Finance, Credit and Businesses & Entrepreneurs teams, as well as specialists from other business areas, collaborate closely to guarantee comprehensive coverage and a detailed understanding of carbon exposures. This collaborative, cross-functional approach helps to embed carbon footprint management at the centre of the Bank's internal processes, in close alignment with our sustainability strategy and long-term climate commitments.

We are implementing a structured decarbonisation plan to support the transition to carbon neutrality by 2050, including ambitious interim targets for reduction of GHG emissions across Scopes 1, 2 and the financed emissions portion of Scope 3 by 2030. This trajectory is underpinned by a robust approach to measuring and managing the carbon footprint of our activities.

More detailed information and quantified targets for each source of carbon emissions will be outlined in the Bank's transition plan, which is due for completion by the end of 2025. The transition plan will provide an operational framework for medium- and long-term efforts as we fulfil our commitment to carbon neutrality.

5 The PCAF methodology quantifies GHG emissions based on a financial institution's loans and investments. It provides a standardised framework for assessing the carbon emissions of financial assets, promoting comparability and transparency.

Gross GHG emissions

	Baseline year: 2021	2023	2024
Scope 1 GHG emissions			
Gross scope 1 GHG emissions (tCO_2e)	1,673	1,078	916
Scope 2 GHG emissions			
Gross scope 2 GHG emissions – location-based method (tCO_2e)	2,054	2,013	2,246
Gross scope 2 GHG emissions – market-based method (tCO_2e)	62	161	316
Material scope 3 GHG emissions			
Total gross indirect scope 3 GHG emissions (tCO_2e) [6 7]	1,039	469,758	443,647
1. Products and services purchased	464	2,712	6,195
2. Capital goods	8	50	20
3. Activities related to the fuel and energy sectors (not included in scopes 1 and 2)	531	419	397
4. Upstream transport and distribution	0	0	11
5. Waste generated during operations	35	32	55
6. Business travel	0	65	58
7. Employee commuting	0	858	828
15. Investments (baseline year 2023)	Not applicable	465,623	436,083

Gross scope 3 GHG emissions (financed)

	2023	2024
GHG emissions (tCO_2e)		
Total scope 3 - financed emissions on the balance sheet (scope 1 & 2)	195,347	207,236
Total scope 3 - financed emissions on the balance sheet (scope 3)	270,276	228,847
Total	**465,623**	**436,083**

6 Scope 3 coverage was expanded between 2023 and 2024 to include all purchased goods and services.
7 Total gross indirect scope 3 GHG emissions are calculated using the 'location-based' method, as defined by the GHG Protocol. Using the 'market-based' method, activities related to the fuel and energy sectors (excluding scopes 1 and 2) accounted for 437 tCO_2e in 2021 and 258 tCO_2e in 2024.

Policies related to climate change mitigation

Mindful of climate challenges and our duty to the environment, we have formalised our commitment by developing and implementing a comprehensive environmental policy. It will guide our every action and decision to reduce our carbon footprint and continuously improve our energy performance. Under the policy, energy audits were conducted on the main buildings occupied or owned by the Bank. These enabled us to identify several opportunities for optimisation, many of which have already been acted upon. We are tracking these measures carefully to evaluate their effectiveness and prioritise future investments.

Every year, we allocate funds to targeted energy improvement projects, focusing particularly on the renovation of heating, ventilation and air conditioning systems and the modernisation of technical equipment. The Bank has also installed real-time energy consumption monitoring to enable proactive control of equipment and swift detection of any irregularities. This system is supplemented by routine reviews of energy invoices to verify that measured data matches actual consumption.

These efforts are part of a wider strategy for responsible procurement and sustainable resource management. CSR criteria are now automatically integrated into all key procurement decisions, whether they relate to equipment, services or office supplies. These combined initiatives ensure that the energy transition remains central to our operational priorities.

We are extending our commitment by continuously advancing our efforts in renewable energy production and utilisation. In 2024, we reached a milestone in our sustainability journey with the commissioning of 26 photovoltaic panels on the roof of our building at 14 Boulevard Royal. Covering approximately 50 m², this solar installation allows for a theoretical on-site consumption of 10.3 MWh per year. It reflects our commitment to decentralised production and complements the efforts already made to reduce the energy consumption of our infrastructure.

Beyond this initiative, we have opted to power all our owned sites exclusively with electricity from renewable sources. By using 100% certified green energy, we actively reduce indirect emissions (scope 2) and increase our positive environmental impact.

In Luxembourg, our suppliers guarantee that our energy consumption (gas and electricity) is covered exclusively by renewable energy. In Belgium, we rely on a mix of Belgian renewable energy sources, with emissions calculated based on the product's Life Cycle Assessment (LCA).

In accordance with our environmental policy, we have obtained the Label SDK (SuperDrecksKëscht® fir Betriber), which is only awarded to Luxembourg organisations actively committed to sustainable waste management. To obtain it, we implemented a series of concrete measures, including: strict waste sorting to support specialised waste management streams, secure and compliant storage, use of certified collection services and precise monitoring of both hazardous and non-hazardous waste flows. The Label SDK underscores our determination to improve our environmental performance in a structured and measurable way that complies with national standards and upholds the commitments defined in our overall CSR strategy.

Alongside these initiatives, employees are informed and educated about responsible practices, notably through internal campaigns focusing on waste reduction, sorting and recycling. Our environmental policy also extends to the Bank’s procurement processes, with a clearly stated preference for partners that share our CSR commitments. A CSR due diligence process is currently being established to assess the practices of key suppliers before entering into any partnership. The assessment will be based on a dedicated questionnaire designed to confirm whether a formal environmental strategy is in place, whether a sustainability report has been published, and whether the supplier adheres to a code of ethics or conduct. This approach aims to strengthen our supply chains and prioritise suppliers who demonstrate a clear commitment to sustainable development.

The Bank also focuses on raising awareness and engagement among its employees, for example through our immersive training programme ‘The Week’, which was initially attended by members of the Executive Committee and their direct reports and then gradually made available to all employees. By the end of 2024, more than 100 people had completed this programme, designed to deepen understanding of climate issues and inspire collective engagement. After completing the training, participants are encouraged to share tangible ideas for improving the Bank’s environmental footprint. Their ideas are then analysed by the CSR team, in coordination with the CSR Forum and the CSR Management Committee, to assess their feasibility and decide on actions to be implemented. This collaborative system aims to generate innovative, employee-driven solutions that align with the Bank’s strategic commitments.

We are addressing water consumption by installing regulation devices and alert systems to identify anomalies or excessive use. These systems help to minimise consumption in our buildings while cultivating responsible workplace habits.

Parallel initiatives are underway to promote green mobility by encouraging alternatives to individual motorised transport, particularly by developing cycling infrastructure, providing EV charging points and adopting more sustainable internal transport policies.

In the area of financed emissions, we are pursuing two complementary routes to support the ecological transition. The first involves preparations for dialogue with our highest-emitting institutional clients, with the aim of helping them move toward lower-carbon business models. The second focuses on expanding our range of sustainable financial products – such as transition loans and green financing – designed to support projects with a positive environmental impact.

This multidimensional approach reflects our determination to transition toward a more resilient, carbon-efficient and responsible business model.

Transition plan

The Bank has set emissions reduction targets for 2025, defined jointly with our various business units.

The leading priority is to reduce our internal footprint through a set of specific measures:
- Optimise the energy performance of our buildings;
- Improve our procurement and waste management;
- Transition our vehicle fleet to electric mobility solutions.

While these emissions account for less than 1% of our measured total, we believe it is important to address all sources and are working hard to reduce our internal footprint.

Secondly, we are focused on managing our financed emissions by:
- Integrating ESG criteria into our financing and investment decisions;
- Gradually reducing our exposure to the highest-emitting sectors;
- Scaling up green financing options via transition loans (corporate and private banking);
- Enhancing our portfolio of sustainable products to better meet the needs of all our clients.

In 2024, the Bank did not have a formalised transition plan. However, recognising the critical importance of planning in our response to the climate crisis and our stakeholders' increasing expectations, we have launched an initiative to develop a robust and ambitious transition plan.

We are in the process of defining a pathway for reduction of GHG emissions, with the goal of implementing a transition plan within the next 12 months. Key steps in the process include:
- Establishing an accurate inventory of our current GHG emissions, to be conducted annually as part of our carbon footprint assessment;
- Identifying key opportunities to reduce our emissions;
- Defining ambitious but achievable emission reduction targets for the short, medium, and long term, in line with the most recent scientific guidance;
- Creating a detailed roadmap comprising:
  - o Concrete measures to reduce our direct and indirect emissions;
  - o Steps to embed climate factors in our decision-making processes;
  - o A timeline for implementation and metrics for tracking progress.

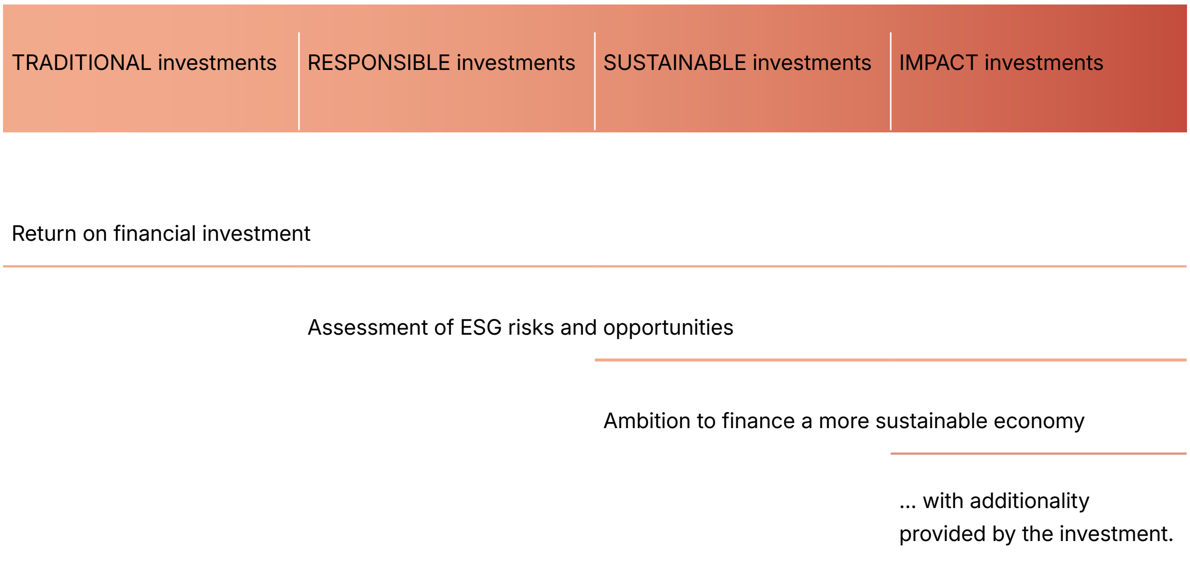
The transition plan will be a dynamic framework, subject to regular revision and updates as climate science and industry best practices evolve. Pending its finalisation, we are simultaneously rolling out initiatives to reduce our environmental impact and support our clients in their transition.

Responsible investment strategy

BLI signed the United Nations Principles for Responsible Investment (UN PRI) in 2017. This was a pivotal step in the integration of ESG criteria into Banque de Luxembourg's asset management. In keeping with our long-term investment philosophy, these ESG criteria are now fully factored into our investment decision-making.

Since then, the Bank and BLI have supplemented their approach by incorporating other key aspects:
- Consideration of controversies, which involves assessing a company's potential or confirmed involvement in incidents or practices that raise societal, environmental or governance concerns;
- Sectoral exclusions, which apply to companies whose activities do not comply with our exclusion policy, as detailed below.

There is no official definition of 'responsible and sustainable investment' and the term is widely used to encompass various practices and methodologies designed to offer investors an approach that aligns more fully with their values and concerns. At Banque de Luxembourg, we group investments under four main categories:



- Traditional investments, which generally focus on maximising financial returns, without considering ESG criteria;
- Responsible investments, where we integrate ESG criteria into the investment selection process, aiming to generate financial returns while encouraging companies to adopt more responsible practices in terms of ESG processes and policies. At the Bank, responsible investing means applying exclusions (both sectoral and controversy-based) and integrating ESG ratings from our data provider MSCI (using a 'best-in-class' approach) into our methodology;
- Sustainable investments, which – in addition to ESG criteria – incorporate the concept of long-term sustainability into the investment process. Their goal is to deliver financial returns by investing in companies that support sustainable development, meaning that they advance the United Nations Sustainable Development Goals (UN SDGs) without causing significant harm to other environmental or social objectives;
- Impact investments, which go even further by seeking to generate a positive social or environmental impact that is meaningful, measurable and, above all, creates additionality. Impact investing is a proactive approach to addressing urgent social and environmental problems such as poverty, climate change and access to healthcare. The concept of additionality,

meaning that the intended positive impact could not have been achieved otherwise, is central to this type of investment.

We adhere to the Principles for Responsible Investment framework and evaluate the degree to which portfolio companies' revenues align with the Sustainable Development Goals (SDGs). To achieve this, we selected MSCI as our ESG data provider.

Exclusion policy

In the course of our financing and investment activities, we carefully review transactions involving sensitive sectors with exposure to social and environmental risks. Recognising our responsibility in this regard, and as a wholly owned subsidiary of CMAF, we are committed to adopting a policy that aligns with the Group's strategy and its broader approach to sustainable development. The Group's ambition is to support its clients in transforming their business models while playing an active role in the fight against global warming, biodiversity loss and environmental damage.

CMAF has tightened the application criteria for its exclusion policies by introducing dedicated analytical frameworks for each industry sector. They take into account counterparties' non-financial ratings to give a more objective assessment of their ESG performance. The aim is to foster ethical business relationships and strengthen financial analysis through a responsible approach.
Exclusion policies are applied in several key sectors:

- Mobility (aviation, maritime and road transport): financing strictly limited to low-carbon assets to accelerate the decarbonisation of transportation;
- Coal: exclusion of companies whose activities rely heavily on coal extraction, targeting a complete withdrawal from coal financing by 2030;
- Oil and gas: cessation of funding for new exploration and production projects, with increasingly stringent criteria applied to companies active in unconventional hydrocarbons;
- Mining: financing prohibited for projects that pose critical risks to the environment and biodiversity, particularly in protected areas;
- Civil nuclear power: strict monitoring of operations and financial activities to verify compliance with international standards and regulations;
- Defence and security: refusal to participate in any activities involving controversial weapons, coupled with strict adherence to principles governing the financing of companies within the sector;
- Deforestation: implementation of safeguards to prevent involvement in any project contributing to deforestation or the degradation of forest ecosystems;
- Agriculture: robust measures to support farmers, such as subsidies and grants to cover costs related to environmental certifications;
- Real estate: support for the renovation of building energy and thermal systems, as well as the sector's broader decarbonisation objectives.

Like our investment strategy, our financing policy is grounded in principles of prudence and responsibility, guiding our clients towards sustainable, rigorously managed growth at every stage of their journey. Our credit decisions are based on both financial and non-financial analyses, incorporating our exclusion and sector policies, to ensure that our financing does not contribute to activities that conflict with our ESG commitments.

Integration of climate risks into our strategy

We are incorporating climate and environmental risks (CER) into our strategy through a phased and tailored process, taking into account the specific characteristics of each business line. Five key approaches are applied, underpinned by a comprehensive set of complementary measures in line with best practice and adapted to the specific business activity:

- Exclusion of highly carbon-intensive or controversial assets, by avoiding financing or investment in sectors or activities that are particularly polluting or that conflict with the Bank's ethical and environmental commitments;
- Promoting and supporting sustainable assets by channelling financing into projects that have a positive environmental impact or contribute to the ecological transition;
- Performance-based support for the transition through financing linked to measurable sustainability targets;
- Selection on a 'best effort' basis to support rapidly transitioning companies with a credible, fast-tracked plan to reduce their carbon footprint;
- A 'best-in-class' approach that prioritises companies leading their sector in terms of environmental responsibility.

The implementation of these five approaches differs depending on the business activity:

- Financing: The Group's sector policies are applied to actively exclude highly emitting and controversial sectors. For real estate projects, we are in the process of adapting our policy specifically for the Luxembourg market, which differs from the French market, particularly with respect to regulatory requirements such as energy certificates. We also offer energy and green transition loans, as well as sustainable financing that is conditional on the beneficiary company's ESG performance;
- Investment: The Group's sector policies apply in full to financing and, where explicitly stated, are extended to investment activities that clearly fall within their scope.

We apply a CER identification methodology that maps the materiality of the Bank's activities against their potential exposure to environmental risks. The framework factors in concentrations by economic sector, geographic region, market, product and service.

This integrated approach involves identifying activities with potential sensitivity to climate or environmental factors – including physical and transition risks – and assessing the materiality of their potential impacts. It is a dynamic process, which considers the Bank's environment, its products and services and the evolving availability of technical indicators. Following the identification of sensitivity to climate or environmental factors, the next step is to assess the potential transmission to banking risks. This analysis specifically applies to the Bank's credit risks, operational risks (including reputational and legal risks) and to strategic and business risks.

The exercise is conducted through collaborative workshops with key business lines, guided by a list of potential climate and environmental risk factors. Based on this discussion phase we are able to compile a shortlist of the CER deemed most material for the Bank, identify quantifiable risks and assess data needs (both internal and external). To ensure consistency and alignment, we systematically cross-reference the analyses with our ESG framework.

The exercise is supplemented by the following focused assessments:

- A survey of operational risk losses experienced over a 20-year timeframe;
- An inventory of the Bank's products and services considered in light of climate factors;
- Progress monitoring on the development of control systems, the collection of client and market data and the analysis of exposures and guarantees received.

The consolidated results of this exercise are validated by the Executive Committee (ComEx), securing optimal strategic alignment and the integration of CER at all levels of the organisation.

Climate and environmental risks identified as relevant to the Bank's activities are presented in the table below.

RISKS RELATED TO CLIMATE AND ENVIRONMENT

PHYSICAL RISKS

Acute weather events	Chronic climate change
An increase in the frequency and severity of acute extreme weather events, and the worsening of chronic gradual climate change, leading to degradation or destruction of real estate assets or infrastructure, and disruptions to the operations of businesses and financial institutions.	
Floods *Value of real estate collateral* *Corporate solvency*	**Temperature variations** *Corporate solvency*
Storms / Hail / Snow *Value of real estate collateral* *Corporate solvency*	**Precipitation variations** *Corporate solvency*
Drought / Soil shrinkage *Value of real estate collateral*	**Water stress** *Corporate solvency*
Heatwaves *Corporate solvency*	

TRANSITION RISKS

Regulatory	Technological	Behavioural
Impacts of the transition to a low-carbon economy, including climate policies (carbon taxes, bans on combustion engine vehicles, etc.), disruptive technological innovations, and changes in preferences and behaviours, causing economic shocks with financial implications (profitability of activities, sudden revaluations of assets and expected returns in certain sectors, etc.)		
New regulations leading to lower value/yield on real estate assets *Value of real estate collateral*	**New technologies causing adaptation challenges** *Corporate solvency*	**Declining interest in less energy-efficient properties** *Value of real estate collateral*
New regulations leading to a reallocation of investments *Value of pledged securities* *Commission base* *Own portfolio*		**Unanticipated change in preferences** *Corporate solvency*
New regulations involving substantial adaptation costs *Corporate solvency* *Costs / Bank profitability*		**Declining interest in solutions without ESG considerations, or overestimation of interest** *Commission base* *Service/product development costs*
Greenwashing (even unintentional) *Compliance* *Reputation*		

Since the fiscal year ending 31/12/2024, the standardised approach of the six-monthly Internal Capital Adequacy Assessment Process (ICAAP) incorporates stress assumptions related to physical and transition climate risks, in accordance with the methodology of the Bank's parent company.

2. Social

Responsible human resource management

People are at the centre of our strategy. We see our employees as a key driver of our performance and long-term success. We take our social responsibilities seriously and are committed to providing a fair and inclusive workplace where everyone's fundamental rights are respected. Equal opportunities, diversity, inclusion and adherence to labour standards are core priorities throughout every level of the organisation. From the moment they join the Bank, we ensure that each team member is welcomed into a nurturing environment that fosters personal and professional growth. Attracting, supporting and retaining talent is a key strategic priority, fuelling our ongoing transformation and the continued development of our corporate culture.

In this section of the report, we outline the measures we have put in place to ensure equal treatment and pay, improve working conditions, protect workers' rights, and promote inclusion for all, as part of a sustainable and responsible approach.

Characteristics of our workforce

The 'workforce' referred to in this report corresponds to our own employees, meaning those who have a direct contractual relationship with the Bank. This includes employees on permanent contracts and employees on fixed-term contracts. The scope does not include interns, corporate officers, temporary workers or external contractors. Workforce numbers are counted in full-time equivalents (FTE), whether employees work full-time or part-time, with part-time employment expressed as a percentage of full-time hours.

We rely on a stable and engaged workforce, enriched by diversity at multiple levels. This diversity is not limited to cultural background or nationality – although our teams are made up of many nationalities – but also encompasses a variety of career paths, professional backgrounds, ages, skills and viewpoints. We strive to ensure fair representation of women and men at all levels, supported by a robust equal opportunity policy. Our low employee turnover rate and investment in employee training underscore a stimulating, inclusive work environment that fosters personal growth. This mix of stability, diversity and employee engagement is a cornerstone of the resilience and innovation that sustain our long-term strategy.

By gender

Gender	Number of employees (headcount/FTE)
Men	626
Women	524
All employees	1,150

Average workforce[8]

Men	605
Women	514
Total workforce	1,119

Other workers at the Bank

229 external agents[9]	62 interns[10]

By contract type and gender

	Women	Men	Total
Number of employees (headcount/FTE)	524 / 484	626 / 615	1,150 / 1,099
Number of permanent employees (headcount/FTE)	519 / 479	624 / 613	1,143 / 1,092
Number of temporary employees (headcount/FTE)	5 / 5	2 / 2	7 / 7
Number of employees with non-guaranteed working hours (headcount/FTE)	-	-	-
Number of full-time employees (headcount/FTE)	328 / 328	569 / 569	897 / 897
Number of part-time employees (headcount/FTE)	196 / 156	57 / 45	253 / 201

8 The workforce figure corresponds to the total headcount at 31 December 2024, while the average workforce is the mean of the headcounts at 31 December 2023 (1,186) and 31 December 2024 (1,150).
9 Employees of external service providers with active access at 31 December 2024, with no indication of FTE or contract duration.
10 Interns present at the Bank during 2024, with no indication of duration or activity as at 31 December 2024.

Turnover

Gender	Employee exits	Turnover rate
Men	40	7%
Women	36	7%
All employees	76	7%

Age and years of service

Luxembourg and Belgium		
	Men	Women
Average age	42	43
Average years of service	11	12

Nationalities

	Men	Women
Number of nationalities represented	13	19

Senior Management employees[11]

Gender	Total	Percentage
Men	25	74%
Women	9	26%

Breakdown of employees by age group

	Men	Women	Total
Under 30	100	70	**170**
30-49	342	276	**618**
50 and over	184	178	**362**
Total	**626**	**524**	**1,150**

11 Senior Management refers to the Executive Committee (ComEx) and one level below (ComEx -1).

Policies related to our own workforce

We have established robust policies on diversity, equity and inclusion (DEI), anti-discrimination and internal mobility to ensure a fair working environment for all our employees.

→ DEI policy

Our DEI policy translates our diversity, equity and inclusion commitments into measurable targets. By 2030, we commit to:
- Promoting gender balance on the Board of Directors, the Executive Committee and in roles with managerial responsibilities, with a target of 40% female representation;
- Achieving a 50/50 gender balance in management positions.

The DEI policy reaffirms our commitment to eliminating all forms of discrimination based on diversity criteria as defined by legal and regulatory frameworks, including but not limited to: gender, sexual orientation, age, skin colour, language, disability, nationality, religion or beliefs. The policy was last updated in September 2024 following recent CSSF publications and has been approved by the Executive Committee and the Board of Directors.

→ Anti-discrimination and DEI guide

In its employee guide ('Diversity, Equity & Inclusion: A guide to challenging some of our limiting beliefs and behaviours'), Banque de Luxembourg defines discrimination as behaviour driven by stereotypes and prejudices. It means applying differential and unequal treatment to individuals or groups based on their origins, affiliations or opinions, whether real or perceived.

In its updated Diversity, Equity & Inclusion policy, Banque de Luxembourg specifies among its objectives a guarantee of zero discrimination based on diversity criteria, to provide Bank employees and partners with a professional environment that respects each individual's uniqueness.

The DEI policy sets out:
- The Bank's DEI objectives;
- The scope of application;
- The policy's framework (encompassing decision-making processes, awareness-raising and corporate culture initiatives, dedicated measures for the management body, measures applicable to all employees and monitoring procedures).

The overall aim is to provide our employees and partners with a respectful work environment where everyone is valued for their individuality.

We have temporarily implemented targeted measures to rebalance our talent pool. These include recruiting 70% female candidates (Master's degree or equivalent and under 35 years old), and systematically drawing up gender-balanced shortlists when recruiting externally for leadership positions, aiming to promote the underrepresented gender when qualifications are equal.

To align with our parent company's commitments and better meet the needs of our employees, we are also rolling out initiatives to embrace diversity in a broader sense.

The Bank stepped up its efforts in 2024, notably through our 'Flip it to test it!' event – held on Luxembourg's Diversity Day – which encouraged us to think, individually and collectively, about what inclusion and exclusion mean and the situations in which they might arise.

In 2025, we are focusing intensively on four themes, aiming to:
- Better understand and enhance cultural diversity within teams;
- Improve support for neurodivergent team members;
- Deepen our understanding of the challenges faced by people with disabilities;
- Foster an inclusive environment for LGBTQIA individuals.

Engaging with our employees

We recognise the vital role of our employees' interests, perspectives and rights in shaping our overall strategy and business model.

This is the context for surveys like our biennial campaign ***Vous avez la Parole*** (meaning 'Have your say' in English), which addresses wide-ranging topics spanning work-life balance, working conditions, change management, strategy and internal communication, leadership, recognition, training, career development and environmental commitments. The survey responses give us a comprehensive understanding of how employees perceive their work environment, management practices and company culture.

At 85%, the response rate for the third annual survey, conducted in 2024, was up 12 points on 2022 (73%). The high participation rate reflects employees' interest in and commitment to this process of listening and continuous improvement.

The *Vous avez la Parole* campaign is a qualitative tool designed to gather direct, honest feedback anonymously. The results are shared with management, heads of department and various teams, helping to identify strengths, priority issues and best practices, and guiding the development of action plans that are directly relevant to employee concerns.

The Staff Representation Committee also plays a crucial role in our efforts to recognise employees' interests, perspectives and rights. Serving as an intermediary between employees and Human Resources, it ensures that employee concerns are heard and taken into account, helping to foster constructive dialogue and build a culture of trust.

We have also put several additional measures in place to ensure that the voices of potentially vulnerable employees are heard, including those with disabilities.

In the summer of 2024, we conducted a self-assessment (HandiDiag) to identify opportunities to help people with disabilities find their place in the organisation and to round out our inclusion policies and practices.

Since 2024, we have created the role of HR & Care Counsellor, whose responsibilities include supporting the integration and inclusion of employees with disabilities.
This new role is a significant step towards supporting employees as they navigate challenging situations – whether temporary or ongoing – and in times of change in their professional and personal lives. It provides them with a listening ear and a space for confidential, non-judgmental dialogue. The HR & Care Counsellor is also responsible for initiatives and awareness-raising activities aimed at promoting employee well-being and preventing psychosocial risks. These include workplace well-being programmes to improve the working environment. Other specific initiatives, such as DUO DAY, a workplace disability awareness day, help to promote inclusion. Awareness-raising talks organised in cooperation with the Staff Representation Committee also address disability and diversity and strengthen our culture of inclusion.

Internal processes and channels for reporting harassment concerns

The Bank has implemented a number of measures to ensure that all employees are informed about its internal procedures. An annual communication is shared via the intranet to ensure that key information is widely and easily accessible. Employees can also access all relevant documents via a dedicated space for the Bank's internal regulations and guidelines. In addition to these communication channels, we have also introduced a mandatory online training course to raise awareness around ethics and professional conduct, including relevant procedures. These measures aim to ensure that all employees are fully informed.

Harassment in any form is strictly prohibited, and we are committed to taking all necessary steps to immediately stop any act of harassment, whatever its nature. In accordance with current legislation, we have implemented a procedure that is reviewed annually and aims, in particular, to:
- Prevent inappropriate behaviour by raising employee awareness around harassment issues and establishing proactive measures to avoid such situations;
- Uphold legal obligations in regard to harassment prevention and response, in accordance with applicable regulations;
- Take effective action in cases of harassment by defining clear protocols for handling reported incidents;
- Support victims and take appropriate action against offenders.

We have established internal channels for our employees to report harassment through our internal whistleblowing system and/or by contacting the Staff Representation Committee, the HR & Care Counsellor or the HR Business Partner[12].

Externally, our employees can also raise their concerns directly with the ASTF (*Association pour la Santé au travail des secteurs Tertiaire et Financie*r, Luxembourg's Occupational Health Association for the Tertiary and Financial Sectors) and the Inspectorate of Labour and Mines (ITM), the agency responsible for working conditions and the protection of workers.

A sustainable approach to talent development

→ Continuous training: key to our competitiveness and employer brand

We firmly believe that the professional development of our staff is an investment in the future, enhancing job satisfaction and employee engagement. In 2024, we invested EUR 1,909,618 (excluding payroll) in training, an estimated 3.76% of total payroll costs. We remain committed to making this a key contributor to our competitiveness, attractiveness and retention.

In a further enhancement, we rolled out a new training management platform, MyAcademy, in March 2024. In keeping with the BLU27 shared vision, it reflects our commitment to future generations by offering:
- An expanded range of development tools, aligned with the Bank's competency framework, to better target employee skills development;
- Easier and more efficient access to training resources (including mandatory courses);
- Bank-specific training pathways tailored to the different business areas;
- Dashboards enabling managers to track and manage learning progress within their teams.

We offer a diverse range of training, including seminars, workshops, and e-learning modules available to employees at all levels of the organisation.

We have continued to focus on improving managerial skills (by expanding our offering and making it more flexible) and on developing the e-learning portfolio (financial products and markets, behavioural skills, office software and IT skills). In technology, we have supplemented the enhanced e-learning offerings with a range of in-person training modules to deepen proficiency in software development and data management. Alongside this, we actively encourage and support professional certifications and diplomas, including CFA (Chartered Financial Analyst) and ICMA (International Capital Market Association).

We continue to support career development at both managerial and non-managerial levels (e.g. through Assessment Centres and Individual Development Plans), and have now extended our training offer to include Senior Management[13].

In 2024, we also focused on:
- Developing managerial skills through targeted training and coaching;
- Promoting openness and inclusion, with training for all employees;
- Enhancing technological skills, particularly in software development and data management.

In addition to this, we:
- Expanded our soft skills training offer, in alignment with our new competency framework;
- Encouraged staff to pursue professional certifications and diplomas, such as the CFA, as a way of improving their career prospects and mobility;
- Continued to support career development at both managerial and non-managerial levels through Assessment Centres and Individual Development Plans.

Training hours per employee

Gender	Average number of hours
Men	37
Women	38
Total workforce	37

→ ESG awareness: embedding sustainability in day-to-day activities

Recognising the critical impact of environmental, social and governance (ESG) issues, we have developed a dedicated training programme tailored to the needs of our employees. These courses were followed by 76% of our employees in 2024, helping them to build ESG considerations into their daily work practices.

→ Internal mobility

We rolled out a new career model in 2022 to promote internal mobility. It offers non-linear career prospects based on clear guidelines for advancement. In 2024, the mobility rate was 9% with 100 people changing jobs during the year. It should be noted that 55% of these moves were among managers and 45% among contract employees.

By encouraging vertical, horizontal and diagonal career moves, we aim to align employees' aspirations with the Bank's strategic objectives. This approach helps to build a dynamic and responsive corporate culture, where transfers within or across departments are perceived as opportunities for learning and growth.

With promotion of equal opportunities as a key social objective, vacancies are routinely published on the intranet since 2023, with access to all job descriptions and to the competency framework. This ensures that all our people have equal access to career opportunities and equips everyone with the tools to manage their own career and professional development. We have also made the internal selection process more robust through competency-based interviews and the introduction of a personality questionnaire. For those taking on managerial responsibilities for the first time, key skills are assessed through an Assessment Centre conducted by external experts. For management positions, the final candidate is approved by a Careers Committee comprising the HR Director and the Executive Committee member responsible for the business unit, further validating the appointment.

12 HR Business Partners act as intermediaries between HR and their assigned business lines, supporting them in meeting their objectives.
13 Senior Management refers to the Executive Committee (ComEx) and the level immediately below the ComEx (N-1).

→ Evaluating performance

The performance review process, ***Mon Bilan, Mon Avenir*** ('My Review, My Future'), takes place every year between mid-September and the end of October. During this period, employees are initially invited by email to complete a self-assessment of their goals and soft skills in relation to their role (according to the competency framework). This exercise is a key opportunity for dialogue between the manager and the employee, providing the basis for a constructive discussion and a comprehensive assessment of objectives, behavioural competencies and technical expertise. During the review meeting, performance objectives for the year are set and an Individual Development Plan may be agreed.

Performance objectives are set for each employee by their manager, and are aligned with the Bank's overall objectives (cascading objectives principle) and the responsibilities of the role. Each employee has four objectives (individual and collective), defined using the SMART[15] criteria, with qualitative and/or quantitative performance indicators. An additional objective related to compliance criteria is set for all employees in order to meet regulatory requirements, security principles, audit points and other obligations.

All managers are informed and trained on best practices and a mandatory training day is held annually for managers who have recently taken up their role. The purpose of this training is to revisit the various components of the integrated HR policy (job classification, guidelines for advancement, career and competency framework, remuneration policy, etc.) and the concept of Performance & Development. This ensures that managers are equipped to prepare for performance reviews (from setting objectives to evaluating them, including the assessment of soft skills and the definition of an Individual Development Plan) via practical case studies conducted throughout the training.

All other managers are invited to a practical discussion session aimed at supporting them in preparing for performance reviews. The discussions focus on each manager's specific cases, allowing them to fairly assess the achievement of objectives, mastery of competencies and technical expertise, while also verifying the quality of the objectives and performance indicators they plan to set.

→ Collective bargaining and social dialogue

We demonstrate our commitment to social dialogue by taking part in the Luxembourg banking sector's collective bargaining agreement, which preserves a fair, transparent and protective work environment for contracted employees. Our HR Management actively participates in discussions during negotiations aimed at renewing or adapting the provisions of this agreement.

For the 2024-2026 period, non-executive employees are covered by the collective labour agreement for bank employees, concluded between the Luxembourg Bankers' Association (ABBL), representing employers, and three national trade unions:
- The ***Association Luxembourgeoise des Employés de Banque et d'Assurance (ALEBA)***, Luxembourg's bank and insurance employees' association, a historic sector-specific trade union for employees in the financial sector;
- ***L'Onofhängege Gewerkschaftsbond Lëtzebuerg (OGBL)***, Luxembourg's independent trade union confederation, the country's largest cross-sector trade union;
- ***Le Lëtzebuerger Chrëschtleche Gewerkschaftsbond (LCGB)***, Luxembourg's Christian trade union confederation, a generalist trade union promoting social and family values.

This collective agreement regulates fundamental aspects of working conditions, such as:
- Remuneration systems and job categories;
- Legal provisions (probation period, notice periods, etc.);
- Working hours, leave, and public holidays.

On 31 December 2024, 50% of the Bank's employees were covered by this collective agreement.

→ Social dialogue with trade unions and social policy

Social dialogue plays a vital role in our human resource management, and we encourage frequent, open discussions between the HR Director and employees. The HR Director is supported by HR Business Partners assigned specifically to each business unit, making it easier to address each

100%

of employees participated in regular performance and career development assessments.

14 Including training related to Diversity, Equity and Inclusion (DEI)
15 A SMART objective is Specific, Measurable, Achievable, Realistic, and Time-bound.

team's specific needs. Regular meetings, formal and informal, are held between the HR Director, the CEO and the Staff Representation Committee.

→ Health, safety and well-being at work

Health, safety, and workplace well-being are fundamental components of our social responsibility towards employees. We have continuous preventive measures in place to ensure a safe, healthy and supportive work environment. Thanks to our ongoing vigilance, the number of workplace accidents remained extremely low in 2024.

To round out our support for our people, and to complement the active listening and tailored assistance provided through the dedicated 'HR Care Counsellor' role, we have established a network of trusted individuals. These are employees trained in listening and mental health support, who are available to speak informally with anyone experiencing psychological distress, provide assistance and signpost them to appropriate resources if needed. While they cannot replace healthcare professionals, they play an essential role in identifying early warning signs and helping to build a caring work environment. Each member of the network has completed specialised training in mental health coaching, to develop the appropriate responses and behaviours for different situations.

Managing working hours and work-life balance

→ Flexibility and balance

Respect for working hours and flexible working arrangements are key elements of our HR policy, helping to ensure a better balance between business demands and our employees' personal needs. Since July 2022, we have aligned with industry practices by offering employees the option of working remotely for up to two days per week, within the limit of the annual 'tolerance threshold' (number of days during which a cross-border worker can work remotely from outside Luxembourg), under the tax agreements Luxembourg has signed with its neighbouring countries.

We also have two satellite offices – one at the French border and one at the Belgian border (since 2025) – helping cross-border employees to reduce commuting time and improve their work-life balance.

We understand the importance of well-being at work and have implemented several initiatives to help employees manage stress and maintain a healthy equilibrium between their professional and private lives. These initiatives include training sessions, mindfulness workshops, seminars on detecting burnout, and a dedicated health week.

→ Family leave and support systems

We fully respect our employees' rights to family leave, in accordance with Luxembourg legislation. All employees are entitled to family leave, which includes maternity leave, paternity/parental leave, leave for family reasons, standard parental leave and leave for caregivers.

Paternity/parental leave is an exceptional leave allowance of 10 days, fully paid by the Bank, for the father or second parent in the case of the birth of a child or the adoption of a child under the age of 16. It must be taken in the two months following the birth or adoption, giving new parents the opportunity to be fully involved from the beginning of this new stage in their family life.

Caregiver leave allows each employee to take five days per year to assist a family member or another member of their household in the event of a serious medical condition confirmed by a doctor.

Employees also have the option of purchasing additional leave days so that they can maintain their usual work schedule and weekly workload, as specified in their employment contract (whether full-time or part-time), while benefiting from extra time away from work. The extra days are paid for through a deduction from their gross thirteenth-month salary.

Employees may also use the Time Savings Account system to allocate unused leave. The hours saved up can be used later for early retirement, a personal project, the extension of maternity or parental leave or for a special family event.

These provisions reflect our commitment to a better balance between work and personal life.

In 2023 we expanded our Sophía support programme for employees who are approaching retirement. Structured in five key stages, this course is designed to facilitate a smooth and informed transition to the next phase of their lives:

- Practical information: introduction to the main aspects of retirement to enable effective preparation;
- Personal reflection: exploring the significance of retirement and the personal values associated with it;
- Health and well-being: improving awareness of the physical and mental health challenges associated with this transition;
- Preparing for handover: defining the new roles for

future retirees and their successors to guarantee seamless continuity;
- Personalised dialogue discussions on exit arrangements, tailored to individual needs.

The Sophía programme embodies the Bank's commitment to supporting employees at every stage of their professional journey, up to and including the transition into retirement.

Pay equity and transparency

We are actively committed to promoting pay equity and transparent compensation principles, in line with legal requirements and industry best practices.

Our remuneration policy is based on the following principles:
- Internal equity: applying a rigorous classification of managerial roles to ensure fair compensation based on responsibilities and required skills;
- Gender pay equity: ensuring that men and women receive equivalent remuneration for comparable positions and skills, in compliance with Articles L. 225-1 and L. 225-5 of the Luxembourg Labour Code;
- External attractiveness: using external benchmarks to ensure that our salaries remain competitive in the market.

For several years, we have been using LOGIB, an analysis tool provided by the Luxembourg government, to assess pay equity within the Bank. LOGIB is based on a scientifically validated multiple regression method, verified by an independent third party, which detects any unexplained pay gaps between men and women after accounting for objective factors such as experience, education and level of responsibility.

Over the past three years, the gender pay gap (encompassing salaries and variable compensation) within the Bank, including our Belgian branch, has decreased as follows:

	Gross pay gap	Adjusted pay gap[16]
2022 remuneration	-14.9%	-2.4%
2023 remuneration	-14.5%	-1.5%
2024 remuneration	-12.10%	+0.20%

These results underscore our ongoing commitment to reducing pay disparities and fostering equity in compensation throughout our organisation.

On 8 March 2023, we signed the Women in Finance Charter, an initiative launched by the ABBL with the support of the Ministry of Finance to foster gender balance in Luxembourg's financial sector. By becoming a signatory, we committed to publishing measurable gender diversity targets for the Board of Directors, Executive Committee and Senior Management, and to reporting annually on our progress.

To fulfil our commitment, we aim to achieve the following targets by 2030, as outlined in the DEI policy:

40%[17]
women on the Bank's Board of Directors

40%[17]
women on the Executive Committee of the Bank and its subsidiary

40%[17]
women at Vice-Chair level on the Executive Committee of the Bank and its subsidiary

Situation at 31 December 2024:
- 36% women in decision-making bodies: the Bank's Board of Directors and the Executive Committees of the Bank and its subsidiaries.
- 22% women at the Vice-Chair level of the Executive Committee of the Bank and its subsidiaries.

16 The LOGIB tool calculates the adjusted difference using a statistical methodology based on multiple regression, which identifies any potential unexplained salary differences between men and women after accounting for objective factors such as experience, education and level of responsibility.
17 Minimum 33%

Responsible client relationship management

Client relationships have been central to our business model for more than 100 years. As a private institution, we are committed to supporting our different client segments – individuals, professionals, entrepreneurs and businesses – at every stage of their lives, through an approach grounded in close relations, personalisation, active listening and high quality service.

This commitment is evident in our ongoing efforts to ensure clear and accessible information, fair treatment, protection of clients' fundamental rights and solutions that are tailored to their evolving expectations. Our focus on end-users is embodied in a rigorous approach to client relationships, rooted in the Bank's long-standing values and aligned with the sustainability principles that now underpin our operations.

This section of the report focuses on what we are doing to ensure that our clients and their concerns remain at the core of our strategy.

Tailored solutions to meet individual client needs

→ Private Banking

Our Private Banking offer is developed with a focus on rigour, clarity and sustainability. It is based on prudent management principles, a robust methodology and a long-term vision that avoids fleeting trends and approaches driven by short-term profits. Our clients share this commitment and benefit from personalised support designed to promote clear understanding of wealth management challenges, notably through educational initiatives, such as an updated web page explaining the principles of responsible investing and what the Bank is doing to put these principles into practice.

In line with our ESG commitments, we offer a range of investment solutions that fully integrate environmental, social and governance criteria:

- SRI (socially responsible investment) discretionary mandate: Fully invested in socially responsible funds, this mandate is characterised by a rigorous selection of assets based on the highest ESG and impact standards. It received the LuxFLAG[18] ESG certification in 2024, renewed in 2025, attesting to our ability to balance sustainable performance with quality standards;
- ESG advisory services: The recommendations provided by our advisory services take into account the ESG preferences expressed by clients, while systematically excluding issuers associated with controversies or operating in sensitive sectors (coal, hydrocarbons, etc.). We also include solutions classified under Article 9 of the SFDR (Sustainable Finance Disclosure Regulation), especially through our partnership with BLI - Funds For Good (see below);
- Private Asset investing: In 2024, we launched the BL Private Assets Future Horizon Fund, an unlisted investment vehicle focused on decarbonisation, exemplifying our determination to actively contribute to the climate transition.

We maintain close relationships with clients, supported by careful and systematic oversight. Each client is assigned a dedicated Private Banking Adviser who partners with them across all services offered by the Bank, providing a comprehensive review of their financial situation, investment projects and portfolio, as applicable.

Ultimately, we strive to enhance the social, educational and societal impact of our wealth management support and have implemented high-value educational initiatives to do so, such as themed workshops for our clients. In November 2024, we organised an event dedicated to foundation governance, highlighting the importance of rigorous and responsible governance structures in philanthropic initiatives.

We also develop specialised informational content, ranging from publications and articles to interactive materials, covering key topics such as estate planning, ESG challenges in wealth management, and relevant tax and legal developments. Through these activities, we aim to help our clients navigate wealth management challenges in an ever-changing environment, enabling them to make informed decisions that align with their personal and family values.

We regularly gather feedback to evaluate these initiatives, enhance our offer, tailor our formats and ensure that our services are continually evolving. This approach demonstrates our commitment to building lasting relationships with our clients, anchored in trust, transparency and the co-creation of solutions that generate positive impact.

→ Businesses & Entrepreneurs

We continue to build on our core principle of staying close to our clients, especially the leaders of family businesses whom we have supported, in many cases, for multiple generations. This relationship

18 The LuxFLAG label is an independent certification that recognises investment products with the highest standards in responsible and sustainable investing.

of trust is founded on a personal approach with bespoke support and a long-term perspective.

We deliberately limit the number of clients per adviser to ensure we provide the most effective and tailored response based an in-depth understanding of each situation. As an attentive Bank, we prioritise direct and regular dialogue, which we consider fundamental to the quality of our advice and relationships.

Mindful of our role in the energy and societal transition, we introduced a new range of specialised financing products at the beginning of 2024, designed to support businesses in their sustainability efforts:
- An energy transition loan to support renovation projects, improvements in energy efficiency and renewable energy production;
- A sustainable transition loan, which incorporates sustainability indicators into the credit analysis, to support business transformation;
- A societal engagement loan aimed at supporting entrepreneurial initiatives with a strong social impact.

As a result of this new offer, six transition projects were financed in 2024, demonstrating our commitment to providing tangible solutions for business leaders keen to play their part in a more sustainable economic model.

In the context of our B Corp certification, we created a dedicated engagement programme to coordinate the efforts of Luxembourg family businesses around sustainability issues.

In 2024, we launched a series of five themed workshops, co-facilitated with subject-matter experts, focusing on assessing and reducing environmental impact. The workshops are designed to help businesses:
- Evaluate their maturity on ESG topics;
- Share practical solutions with peers;
- Develop a customised roadmap to enhance their sustainability performance.

Fifteen businesses took part in the first edition and, in response to keen interest, a new series of workshops is planned for 2025.

We are steadily expanding our services for family businesses, with a particular focus on supporting the next generation (Next Gen). In 2024 we added to our programme:
- A dedicated CSR Masterclass for the Next Gen to create awareness and engagement around current sustainability issues;
- A new seminar for the incumbent generation, complementing the existing support framework.

As a founding member of the Luxembourg chapter of the Family Business Network, we seek to foster connections, encourage the sharing of experiences and inspire the Next Gen to shape the changes ahead.

→ Asset Servicing

Banque de Luxembourg has been a key player in Asset Servicing for several decades, partnering with investment funds, institutional clients and independent asset managers. We offer a comprehensive range of depositary banking services, spanning custody, execution, settlement and delivery, clearing, financing and reporting. These solutions are all designed to address the growing complexity of financial markets, backed by over 40 years of experience and rooted in our heritage of private banking expertise.

Our approach centres on long-term, trust-based relationships and individually tailored support. To customise our services to the specific needs of our partners and their end clients, we have developed connectivity flows and dedicated banking platforms, providing a broad range of efficient, digitalised services, including:
- Fully digital account opening to streamline the client journey;
- Access to individual or grouped overviews of positions and transactions;
- Transmission of individual or consolidated orders;
- Extended access to the trading desk until 10 p.m., providing greater flexibility.

As part of our efforts to continually enhance client relationships, we are rolling out a client relationship management (CRM) tool to optimise relationship management with prospects and clients, increase operational agility and tailor our business communications more effectively.

Amid increasingly stringent regulations and growing interest in responsible investments, the integration of ESG criteria represents a strategic opportunity for our depositary banking business.

While we do not yet offer structured ESG services to our clients, a voluntary process is underway to assess our assets under management against environmental, social and governance criteria. Leveraging external ESG data sources and the development of analytical dashboards, the initiative sets out to assess the ESG footprint of portfolios and proactively align with our clients' evolving expectations.

To optimise service quality, our Funds & Institutional Clients (F&IC) teams have implemented a structured framework for gathering feedback and tracking client satisfaction:
- For strategic clients, annual relationship reviews (Client Relationship Plans) are conducted by the Relationship Managers;
- These are supplemented by Service Quality Reviews, conducted monthly, quarterly or annually, depending on each client's preference;
- A CRM system is currently being deployed, featuring key performance indicators (KPIs) and a consolidated RAG (Red, Amber, Green) rating to assess satisfaction and help prioritise corrective measures.

In addition to Relationship Managers, several key roles contribute to client relationship management and operational oversight. Operational teams provide cross-functional coordination to uphold service quality and ensure efficiency in processing instructions and, when necessary, handling potential incidents.

Furthermore, the Depository Control Department plays a crucial supervisory role, conducting regular reviews of transactions, cash flows, net asset values, and distributions as well as targeted due diligence with management companies and their service providers.

The Asset Servicing management team also maintains regular dialogue with its partners through formal governance mechanisms (committees, site visits, strategic reviews), scheduled as part of an annual engagement plan.

For the External Asset Managers business, we conduct annual reviews with our main asset management and insurance firm partners. These discussions are formalised in client reports, which provide the basis for continuous qualitative analysis of the relationship.

→ BLI

Through BLI, Banque de Luxembourg's asset management company, we focus on meeting client expectations by offering a targeted range of tailored financial products.

BLI's solutions are developed through ongoing dialogue with distributors, primarily with Banque de Luxembourg itself. Our close partnership is based on consistent interaction between the two entities, including monthly meetings providing opportunities to communicate the needs expressed by end clients.

This feedback is then analysed by BLI's Product Governance Committee, which is responsible for adapting and evolving the product offer based on market demands. Overseen directly by BLI's Executive Committee, the Product Governance Committee ensures clear governance and a direct link to the company's decision-makers.

All product management activities take place within a strict regulatory framework, most notably under the UCITS Directive, ensuring maximum transparency for end clients.

BLI has established a three-tier structure to organise the gathering and processing of feedback from its various distributors:
- The 'Distributor Relations & Communication' team: responsible for daily interactions with distributors, this team supports fund marketing, centralises distributor feedback and coordinates follow-up on requests with the relevant BLI departments;
- The Oversight team: as well as supervising Banque de Luxembourg as a distributor, this team organises regular Quality Meetings with the Bank's teams, providing a platform for addressing underlying challenges that could not be resolved through daily operational exchanges;
- The Complaints Handling Officer: as a last resort, and if previous levels have not resulted in a satisfactory solution, clients may submit a formal complaint to BLI's Complaints Handling Officer, who ensures rigorous follow-up of each case.

BLI is conscious of the growing importance of sustainability issues and actively promotes transparency regarding the integration of ESG criteria within its products. It provides information to all its clients and partners through multiple channels, including:
- Thematic blog articles;
- Its annual non-financial report;
- Collaboration with Banque de Luxembourg's sales teams during client meetings;
- ESG Masterclasses, primarily targeting Next Gen clients.

A large proportion of the SICAV BL funds is now classified under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR), confirming BLI's commitment to embedding environmental, social and governance factors in its investment policy.

For over ten years, BLI has partnered with Funds For Good[19], a specialist in impact investing. There are two complementary components to this partnership:
- Funds For Good Impact, the social pillar, supports entrepreneurs facing challenges by offering them zero-interest loans ('loans of honour') and personalised support to help them carry out their projects;
- Funds For Good Invest, the economic pillar, creates high-performing investment funds that incorporate strict sustainability criteria. Funds For Good redistributes half of the profits generated to its social pillar, thereby ensuring a virtuous and solidarity-based model.

Since 2023, we have deepened our collaboration by launching a 'Double Impact' fund range, which combines financial performance with tangible social impact.

Client interests and perspectives

Our strategy is based on in-depth understanding of our clients' needs and values, which play a central role in shaping our priorities, particularly in terms of sustainability. Our offer is rooted in a long-standing tradition of bespoke advisory services and structured around our three key client segments.

To maintain alignment between our strategy and our clients' expectations, we have implemented several listening and co-development mechanisms:
- Stakeholder consultation: we regularly organise consultation campaigns. In early 2024, we conducted a survey among our clients which helped to define their sustainability priorities and directly informed the development of our ESG strategic roadmap. This feedback has strengthened our resolve to advance our solutions and reinforce our positioning as a committed and responsible Bank;
- Personalised support: in line with our private banking ethos, we deliberately limit the number of clients per adviser to ensure close relationships, attentive listening and better capacity to meet individual needs. Our advisers are not paid on commission. They make independent recommendations and focus entirely on their clients' real needs and best interests, in keeping with our responsible and sustainable advisory principles;
- Innovation and adaptation: we continuously develop new products and services that align with societal and environmental changes;
- Consideration of ESG preferences: to address diverse sustainability expectations, we have implemented an ESG questionnaire comprising nine questions, which allows us to assign each client a 'neutral', 'responsible' or 'committed' profile, depending on their sensitivity to sustainability issues. This categorisation is used for more precise targeting and tailoring of our products and services.

By giving our clients' expectations and values a central role in our decision-making, and by promoting responsible practices that respect human rights, we reaffirm our position as a trusted partner, attentive to the transition journeys undertaken by our clients and society as a whole.

Client security

→ Internal and external fraud prevention

Deeply committed to protecting the security of transactions carried out by or on behalf of our clients, we maintain heightened vigilance against all forms of fraud.

To prevent internal fraud:
- All our employees are required to adhere to our Code of Ethics. 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 duties and functions is a non-negotiable rule to avoid conflicts of interest and ensure data security;
- The Bank has a robust internal control system in accordance with 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.

To combat external fraud:
- We conduct regular awareness campaigns with our clients to keep them informed on essential security practices;
- We apply advanced technologies and the most recent market standards, including encryption and strong authentication;
- Control procedures are in place to monitor transactions, ensuring swift detection and prompt response to any suspicious or unusual activity.

In today's environment, where digital tools are increasingly prevalent in financial services, digitalisation presents both significant opportunities

19 Funds For Good is a social enterprise that finances and supports entrepreneurs in precarious employment situations or undertaking projects with a social dimension.

and emerging risks. Effective management of these risks is crucial to safeguard the integrity of our systems and maintain our clients' trust.

→ Cybersecurity and digital incident management

In response to the rising threat of phishing[20] attacks targeting our identity, employees and clients, the Bank has established a rigorous management policy built on four pillars: detection, prevention, response and remediation. Our strategy is based on advanced filtering technologies, continuous monitoring of the digital environment and enhanced authentication procedures.

We conduct regular awareness campaigns for clients and employees to increase vigilance against fraud attempts. The secure messaging system, which is our preferred communication channel, will be redesigned in the near future to improve usability. An information campaign will also be launched to encourage its adoption. Furthermore, all communications sent via unsecured messaging platforms include a warning message about phishing risks.

In the event of confirmed identity theft or fraud, an immediate and coordinated response is activated, involving preventive blocking, alerts to affected clients, access security measures and cooperation with authorities when necessary. Each incident is followed by an in-depth analysis to adapt our systems, improve our processes and, where applicable, coordinate collective actions at banking sector level.

→ Managing IT systems downtime

Banque de Luxembourg is firmly committed to maintaining a resilient IT infrastructure. While service disruptions are infrequent and isolated, business continuity and disaster recovery measures are in place and routinely tested to ensure swift restoration of services.

We are particularly attentive to the impact on clients with the highest dependence on digital services (institutional and professional clients). Should an incident occur, we tailor our communications to provide clear information, functional alternatives and prioritised support, including for individual customers.

The Bank has robust continuous monitoring and incident management systems in place to ensure the availability of its services. Every software update is accompanied by rigorous testing, careful planning and proactive communication with our clients. If system downtime cannot be avoided, measures are taken to mitigate the impact.
In the event of an incident, business continuity and disaster recovery plans are activated immediately. Secure data recovery is carried out when necessary. Each incident is thoroughly analysed to gather insights and, if need be, adapt the service architecture or internal processes. In addition to these measures, test scenarios are regularly enhanced to prepare for complex situations and strengthen the overall resilience of the system.

→ Governance framework for personal data protection

Protecting the personal data of all individuals who interact with the Bank is one of our highest priorities. A data protection policy can be found on our public website, and specific information notices are made available internally for our employees, candidates, directors and external service providers.

This governance framework is overseen by our Data Privacy team, which applies procedures based on prevention, responsiveness and transparency. In the event of a confirmed breach, we conduct a thorough analysis of the incident to identify necessary measures, both technical and regulatory.

We ensure that robust and effective procedures are in place to address significant adverse events that could impact our clients, operations or reputation. This approach is supported by rigorous management, routine monitoring of existing measures and a commitment to continuous improvement.

We use risk monitoring indicators to assess incident trends, including their frequency, severity, impact and resolution times. Remediation actions are analysed and determined on a case-by-case basis, in close collaboration with the relevant departments.

Corrective measures may take various forms, including:
- A request for software development or the improvement of an existing tool to permanently address the technical cause of the incident;
- Updating organisational procedures to tighten controls and prevent reoccurrence;
- Targeted support for employees through specific training provided by relevant departments (Compliance, Security, IT, Data Privacy, etc.).

20 These attacks, which target Luxembourg's entire banking sector, aim to fraudulently collect sensitive data or misappropriate funds.

We regularly conduct simulation exercises and internal audits to test the robustness of our system, identify areas for improvement and adjust our practices accordingly.

By following this structured and proactive approach, we are confident that every major incident receives an appropriate, swift and sustained response, contributing to the overall reinforcement of our risk management framework.

→ Channels for clients to voice concerns

Client satisfaction is our highest priority. If, despite our efforts, a client or another party is dissatisfied and wishes to raise a complaint, we have a system and appropriate procedures in place, in accordance with the applicable regulatory requirements for diligent, transparent and objective handling of grievances. Various communication channels are available:
- The claimant may contact their usual adviser by telephone, letter, fax or e-mail;
- The claimant may lodge a complaint directly with the Legal Department, whose contact details are provided in our General Terms and Conditions and on our website;
- The claimant may fill out the 'Concerns or complaints' form provided on our website;
- The claimant may fill out the standard contact form provided on our website.

If the claimant is not satisfied with the solution proposed by the Bank, a written complaint may be submitted to the CSSF. Claimants are informed of this right in our General Terms and Conditions.

As an attentive Bank, we promote the availability of these channels by:
- Facilitating easy access to the various channels available;
- Including the complaint handling procedure in our contractual documents;
- Raising employee awareness on this topic by implementing suitable procedures and training programmes.

The operational risk management (ORM) team works alongside business lines to implement risk mitigation plans and analyses of incidents and complaints. This department works closely with the business and support teams to:
- Centralise complaints;
- Ensure complaints are properly followed up;
- Analyse the root causes and identify opportunities to improve our operational procedures;
- Ensure action plans are implemented where relevant;
- Prepare quarterly internal reports;
- Prepare the annual report for submission to national regulatory authorities.

To protect our own and our clients' integrity and reputation, it is essential that anyone reporting an issue can freely raise any dysfunction or behaviour they consider to be non-compliant with legal or regulatory obligations, professional standards or applicable internal procedures – especially if such matters have not received a response they deem satisfactory.

The Bank offers clients who report issues in good faith the highest level of confidentiality and protection against any acts or threats of retaliation or reprisal. Every precaution is taken to ensure data security at every stage of the process, from collection and transmission to storage.

Humanitarian, social and solidarity commitments

Staying true to our long-standing tradition of corporate sponsorship, we deliver on our role as a committed economic actor by actively engaging in local community life and uniting our stakeholders around future challenges. We demonstrate this commitment by providing long-term support to partners in the fields of humanitarian work, social projects, health and culture. We contribute to our team members' expertise, encourage employee volunteering and offer financial, logistical and in-kind resources.

The Bank works closely with the Luxembourg Red Cross to support initiatives for vulnerable populations both locally and internationally. We also partner with Friendship, an international NGO primarily active in Bangladesh, to help improve access to healthcare, education and climate resilience in the most remote communities. These and many other partnerships reflect our determination to create positive impact, locally and globally, through cooperation with organisations recognised for the quality and sustainability of their actions. Our philanthropy and sponsorship activities are guided by an internal evaluation framework, which ensures rigorous selection of supported projects and guarantees that each initiative makes a measurable and meaningful contribution to the public interest.

In the same spirit, we collaborate with experts to support our clients in structuring their philanthropic projects.

Fostering entrepreneurship and economic development

The Bank supports local entrepreneurial initiatives and has partnered with Microlux since 2022 to assist micro-entrepreneurs in Luxembourg. One of our specialists sits on the Microlux Credit Committee, contributing to the quality of support and strengthening Luxembourg's economic fabric. We also partner with programmes such as Women in Business (WIB).

Support for culture

Firm in our belief that culture is a powerful driver of social cohesion, we support institutions and initiatives including the Lët'z Arles association; *Amis des Musées d'Art et d'Histoire Luxembourg* (Friends of the Museums of Luxembourg); *Mudam – Musée d'Art Moderne Grand-Duc Jean* (Luxembourg's contemporary art museum); *Philharmonie Luxembourg*; and Luca – Luxembourg Centre for Architecture. Through these partnerships, we affirm our commitment to preserving and nurturing cultural heritage, while strengthening ties between individuals and generations.

Support for nature

We have signed a partnership agreement with the *Fondation de Luxembourg* as part of its *Fondation Climat*, established in 2024. Initiated by the *Fondation Hëllef fir d'Natur of natur&ëmwelt*, this project aims to preserve local biodiversity and freshwater reserves. It is fully aligned with the European Union's Water Framework Directive (WFD) and supports the sustainable management of local ecosystems.

Support for health

Banque de Luxembourg has supported the *Relais pour la Vie* (Relay for Life), organised annually by the *Fondation Cancer*, since its launch. Over and above a financial donation, our support involves around a hundred employees and several running teams who volunteer their time and energy to ensure the success of this 24-hour event.

Promoting a culture of volunteering

We actively encourage volunteering by offering our employees one paid volunteer day per year. We also support employee-led projects, both financially and through donations in kind, via our internal initiative *Hëllef Hëllefen* ('Help to Help'). This approach helps make volunteering a cornerstone of our corporate culture.

3. Governance and business conduct

We consider ethics, integrity and transparency to be of paramount importance in the conduct of our business. In accordance with our mission of responsible asset management and our strong local roots, we strive to uphold the highest standards of professional conduct across all our operations, both in our governance and in our relationships with clients, partners and employees.

This section of the report describes how the Bank delivers on its business conduct commitments through structured governance, robust internal control mechanisms, a culture of integrity and a clear framework for preventing ethical risks and combatting corruption. It also outlines the policies and practices in place to ensure regulatory compliance, protect stakeholders and promote exemplary conduct at all levels of the organisation.

Ethics, compliance and alignment with ESG standards

Corporate culture

Banque de Luxembourg's corporate culture is built on core values of responsibility, integrity, inclusion and transparency. These values guide all our actions and decisions and are at the heart of our sustainable development strategy.
To sustain this culture, we have implemented several programmes and initiatives aimed at promoting a collaborative and ethical work environment:
- Employees are encouraged to participate in training programmes covering topics such as ethics, corporate social responsibility and compliance with sustainability regulations;
- We cultivate ethical and authentic leadership at all levels of the organisation.

The Bank's culture is promoted via numerous channels and activities, including:
- Conferences, workshops and events;
- Internal communication campaigns (intranet and newsletters) highlighting our values.

We make sure that our values are shared and reflected in our relationships with clients and partners. Our commitments to sustainable development and social responsibility are regularly communicated in our non-financial reports, on social media and via our website.

As part of our B Corp certification, we also assess our corporate culture and the actions implemented to ensure they match our sustainability and responsibility objectives.

In the firm belief that corporate culture is key to the achievement of our long-term sustainability goals, we make every effort to establish, nurture, promote and evaluate a culture grounded in strong values of integrity, responsibility and collaboration.

Policies related to business conduct

The Bank has robust business conduct policies and has established reliable mechanisms to identify, report and review any concerns associated with unlawful behaviour or violations of its internal rules.

→ Code of Ethics

Our Code of Ethics is reviewed annually. Comprising 12 sections, it details the standards of good conduct applicable to all employees in the execution of their duties, particularly with regard to mitigating conflicts of interest and combatting corruption. Employees must conduct their activities in accordance with the Bank's values, applicable regulatory requirements and internal standards.

The Code is available to all employees on our intranet and annual updates are shared through internal news channels. In addition, we organise an annual e-learning programme on the Code for employees, focusing particularly on whistleblowing, corruption and conflicts of interest.

This online training includes practical examples and reiterates the principles outlined in the Code's different sections. Employees complete a test at the end of the course to verify their understanding of each section.

The HR Monitoring & Ethics team conducts regular checks to ensure compliance with the Code. The results are presented to the Ethics and Conduct Committee, and any instances of non-compliance are reported to the Compliance Department (Regulatory & Ethics team).

Based on defined risk criteria, anonymised cases may be escalated to the Ethics and Conduct Committee. Following analysis, the Committee will propose measures to the HR Director, who will make a decision after consulting the Head of the relevant business line. A report summarising cases submitted to the Ethics and Conduct Committee and its conclusions is presented to the Executive Committee at least once a year for information purposes.

→ Internal whistleblowing policy

Our Internal Whistleblowing Policy offers a mechanism for any employee to raise concerns about significant and legitimate issues related to internal governance. It covers a broad range of topics, including but not limited to: banking, finance, accounting, anti-corruption, competition law, market abuse, environmental protection, human rights and freedoms, occupational health, labour rights, discrimination, harassment, hygiene and safety.

The Policy sets out the general principles applicable to whistleblowing and defines the organisational arrangements within the Bank to ensure:
- confidentiality for whistleblowers;
- protection of personal data in accordance with applicable regulations;

- a prohibition on retaliation, discrimination or unfair treatment against employees who report a concern internally.

The whistleblower's identity must not be disclosed without their explicit consent, except to designated staff members who are authorised and competent to receive or follow up on such reports. The same restrictions apply to any other information from which the whistleblower's identity can be directly or indirectly inferred. We have established secure reporting channels that ensure the confidentiality of the whistleblower's identity and those of any third parties mentioned, while preventing access by unauthorised employees.

All processing of personal data is carried out in accordance with data protection regulations, including the General Data Protection Regulation (GDPR).

Personal data that is clearly irrelevant to the handling of a specific report is not collected or, if collected inadvertently, is deleted. The retention of data resulting from the use of the internal whistleblowing system is governed by the following conditions: when a report is not acted upon, the data is destroyed or archived within two months following the closure of verification procedures; otherwise, it is retained until the conclusion of the process. Any information identifying the whistleblower or the persons implicated is destroyed.

Under no circumstances may sanctions or disciplinary measures be taken against any person who, acting in good faith, has made use of this system, even if the information provided proves to be inadequate or inaccurate.

→ Anti-corruption manual

The Bank maintains a zero-tolerance policy towards corruption and bribery. Prevention of these practices is a critical priority and an integral part of our overall commitment to responsible business conduct. We have implemented a robust framework for detection, control and awareness-raising, aligned with applicable regulations, including the requirements of the French Sapin II law. This framework is designed to protect the integrity of our operations, preserve stakeholder trust and ensure a sustainable culture of compliance.

Our anti-corruption manual is intended for all employees and describes the applicable standards of good conduct, along with our organisation and framework.

Employees are asked to read this manual alongside the Code of Ethics, as it supplements and elaborates on certain provisions related to corruption. The framework comprises a set of measures and procedures to ensure compliance with the prevailing regulatory requirements and alignment with the practices implemented within our parent company.

The following policies and procedures related to the Code of Ethics form part of the Bank's anti-corruption framework:
- The procedure for declaring gifts and benefits;
- The market abuse policy;
- The conflict of interest management policy;
- The Code of Conduct for the Mandate Acceptance Committee, which decides on requests to hold corporate mandates;
- The procedure for transactions by sensitive personnel defines how the list of sensitive employees is drawn up, their obligations to declare personal transactions, and the monitoring of these transactions.

The conflict of interest management policy reiterates to employees that they must never directly or indirectly favour their own personal interests, those of a close associate or those of any company or entity with which they have a privileged relationship, to the detriment of the Bank's interests. While the link between a conflict of interest and an act of corruption is not always direct, professional behaviour may be influenced by related activities or responsibilities. An employee may be tempted to use their position for personal gain. Preventing conflicts of interest is therefore a key element in the broader anti-corruption framework.

Recognising that any function may be susceptible to corruption risks, the Bank implements a comprehensive awareness programme. All our employees participate in training and prevention programmes addressing the fight against corruption and bribery, irrespective of their role or level within the organisation. We consider that risk may be present in any business unit and therefore promote vigilance across all our departments.

To ensure adequate training for members of the management, executive and supervisory bodies, we have developed a specific policy that requires them to complete a minimum number of training hours. This is underpinned by a structured training plan, due to be phased in during 2025, aimed at developing their anti-corruption competencies.

During the reporting period, no cases of corruption, attempted corruption or bribery were recorded within the Bank. We have never been subject to any convictions or sanctions related to such practices. The fact that there are no such cases is due to our strict preventive measures, supported by a robust internal control system, a zero-tolerance policy, regular training programmes and a code of conduct clearly communicated to all our employees.

Political influence and lobbying activities

In the interest of transparency and compliance with best practices in responsible governance, we wish to stress that the Bank does not engage in any lobbying activities, either directly or through representatives, professional associations or specialised consultants. Therefore, no related topic or subject, whether pertaining to environmental, social, regulatory or economic policies, is addressed in this report. Furthermore, the Bank does not make any political contributions – either monetary or in kind – to parties, candidates, electoral campaigns or politically affiliated organisations, at national, European or international level. This position reflects our firm commitment to independence, political neutrality and strict compliance with applicable regulations.

We ensure that our interactions with regulatory authorities or institutional representatives are strictly limited to a technical, regulatory or prudential framework, and are conducted in an ethical, transparent and proportionate manner, in the interests of our clients, our employees and the stability of the financial sector.

Conclusion

Banque de Luxembourg has proactively embarked on a phased alignment with the Corporate Sustainability Reporting Directive (CSRD). This initiative is a natural extension of our long-standing commitment to sustainability, which was integral to our strategy well before it became a regulatory requirement. In line with our conviction that a financial institution's performance cannot be measured solely in terms of economic results, it was a priority for us to structure and enhance our non-financial reporting.

The CSRD imposes more stringent transparency standards. We began aligning progressively with these in 2024, aiming to anticipate upcoming regulatory changes while improving the clarity, comparability and reliability of our information for all our stakeholders.

This was the first step towards overhauling our ESG reporting framework: we consolidated data collection processes, optimised our CSR governance and completed a double materiality assessment following the methodology recommended by EFRAG. Building on this exercise, we identified and prioritised the most significant environmental, social and governance issues for our business model and for our internal and external stakeholders.

Meanwhile, we keep a close eye on ongoing regulatory developments, particularly the changes expected under the 'Omnibus' proposal, which will fine-tune certain ESRS requirements and introduce new clarifications and simplifications. In this regard, we are prepared to conduct any necessary gap analyses and adapt our sustainability reporting accordingly.

Our objective remains clear: to prepare transparent and well-organised disclosures on our sustainability commitments, impacts and progress, making our report a strategic tool that contributes to a responsible, forward-looking financial sector.

In accordance with the provisions of the CSRD, we have exercised the option to omit certain specific information related to intellectual property, expertise and/or innovation outcomes. This decision was made to keep strategic and competitive elements confidential, while ensuring a transparent report that complies with regulatory requirements.

In some cases, indicators and quantitative data are derived from estimates and assumptions. In the coming years, we expect to see a gradual improvement in data quality, exhaustiveness and availability – an evolution that will be accelerated by key factors such as the growing number of companies disclosing non-financial data.

Acknowledgements

We are extremely grateful to everyone who contributed to the production of this report. We also thank our employees, clients and partners for their ongoing engagement and trust, which inspire us every day.

We acknowledge the valuable contributions made by our shareholders, management and the members of the Board of Directors, whose strategic vision and commitment to action have been crucial throughout this process.

Finally, we would like to thank all those whose expertise, dedication and diligence have brought significant value to this work.

It is through this collective endeavour that Banque de Luxembourg, driven by ambition and a strong sense of responsibility, continues its journey towards a future that is both more sustainable and rich in purpose.

Appendices

Annex 1: Glossary

Acronym	Definition
ABBL	The Luxembourg Bankers' Association
ALFI	Association of the Luxembourg Fund Industry
ASTF	Occupational Health Association for the Tertiary and Financial Sectors
ECB	European Central Bank
BLI	Banque de Luxembourg Investments
BLU27	Banque de Luxembourg's strategic plan for 2024-2027
CFA	Chartered Financial Analyst
CIC	Crédit Industriel et Commercial
CMAF	Crédit Mutuel Alliance Fédérale
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CSSF	Commission de Surveillance du Secteur Financier
EBA	European Banking Authority
EFRAG	European Financial Reporting Advisory Group
ESG	Environmental, Social, Governance
ESM	European Stability Mechanism
ESMA	European Securities and Markets Authority
ESRS 1	European Sustainability Reporting Standard 1 - General requirements
ESRS 2	European Sustainability Reporting Standard 2 - General disclosures
ESRS E1	European Sustainability Reporting Standard E1 - Climate change
ESRS E2	European Sustainability Reporting Standard E2 - Pollution
ESRS E3	European Sustainability Reporting Standard E3 - Water and marine resources
ESRS E4	European Sustainability Reporting Standard E4 - Biodiversity and ecosystems

ESRS E5	European Sustainability Reporting Standard E5 - Resource use and circular economy
ESRS G1	European Sustainability Reporting Standard G1 - Business conduct
ESRS S1	European Sustainability Reporting Standard S1 - Own workforce
ESRS S2	European Sustainability Reporting Standard S2 - Workers in the value chain
ESRS S3	European Sustainability Reporting Standard S3 - Affected communities
ESRS S4	European Sustainability Reporting Standard S4 - Consumers and end-users
EU	European Union
ExCo	Executive Committee
FATF	Financial Action Task Force on Money Laundering
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
IROs	Impacts, Risks and Opportunities
LGBTQIA	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and Asexual
LOGIB	Lohngleichheitsinstrument Bund
MUDAM	Musée d'Art Moderne Grand-Duc Jean
MWh	Megawatt Hour
PATM	Private Assets Transaction Management
PCAF	Partnership for Carbon Accounting Financials
SDG	Sustainable Development Goals
SICAV	Société d'Investissement à Capital Variable
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
SRI	Socially Responsible Investing
UCITS	Undertaking for Collective Investment in Transferable Securities
UN	United Nations
UNPRI	United Nations Principles for Responsible Investment
WIB	Women in Business

Annex 2: ESRS content index

Standard	Disclosure requirement	Page references
ESRS 2 – General information to be published	BP-1 – General basis for preparation of sustainability statements	Page 9
	BP-2 – Disclosures in relation to specific circumstances	Page 10
	GOV-1 – The role of the administrative, management and supervisory bodies	Pages 23-30
	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Page 28
	GOV-3 – Integration of sustainability-related performance in incentive schemes	Not covered
	GOV-4 – Statement on due diligence	Not covered
	GOV-5 – Risk management and internal controls over sustainability reporting	Pages 23-31
	SBM-1 – Strategy, business model and value chain	Pages 14-18
	SBM-2 – Interests and views of stakeholders	Pages 18-21
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Pages 33-38
	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	
	IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	
	Policies MDR-P – Policies adopted to manage material sustainability matters	Pages 31, 43-47, 52-57, 62-64, 66-69
	Actions MDR-A – Actions and resources in relation to material sustainability matters	Pages 40-69
	Metrics MDR-M – Metrics in relation to material sustainability matters	
	Targets MDR-T – Tracking effectiveness of policies and actions through targets	
ESRS E1 Climate change	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	Not covered
	E1-1 – Transition plan for climate change mitigation	Page 44
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Pages 33-38
	ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Pages 33-38
	E1-2 – Policies related to climate change mitigation and adaptation	Pages 43-44
	E1-3 – Actions and resources in relation to climate change policies	Not covered

ESRS E1 Climate change	E1-4 – Targets related to climate change mitigation and adaptation	Page 43
	E1-5 – Energy consumption and mix	Not covered
	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Pages 40-42
	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Non-material
	E1-8 – Internal carbon pricing	Non-material
	E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not covered
ESRS E2 Pollution	ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Non-material
	E2-1 – Policies related to pollution	
	E2-2 – Actions and resources related to pollution	
	E2-3 – Targets related to pollution	
	E2-4 – Pollution of air, water and soil	
	E2-5 – Substances of concern and substances of very high concern	
	E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	
ESRS E3 Water and marine resource	ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Non-material
	E3-1 – Policies related to water and marine resources	
	E3-2 – Actions and resources related to water and marine resources	
	E3-3 – Targets related to water and marine resources	
	E3-4 – Water consumption	
	E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	
ESRS E4 Biodi-versity and ecosystems	E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Non-material
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	
	ESRS 2 IRO-1 – Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	
	E4-2 – Policies related to biodiversity and ecosystems	
	E4-3 – Actions and resources related to biodiversity and ecosystems	
	E4-4 – Targets related to biodiversity and ecosystems	
	E4-5 – Impact metrics related to biodiversity and ecosystems change	
	E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	

ESRS E5 Resource use and circular economy	ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Non-material
	E5-1 – Policies related to resource use and circular economy	
	E5-2 – Actions and resources related to resource use and circular economy	
	E5-3 – Targets related to resource use and circular economy	
	E5-4 – Resource inflows	
	E5-5 – Resource outflows	
	E5-6 – Anticipated financial effects from resource use and circular economy-related risks and opportunities	
ESRS S1 Own workforce	ESRS 2 SBM-2 – Interests and views of stakeholders	Pages 18-21
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Pages 33-38
	S1-1 – Policies related to own workforce	Page 52
	S1-2 – Processes for engaging with own workers and workers' representatives about impacts	Pages 52-53
	S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	Pages 53-54
	S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Pages 54-57
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not covered
	S1-6 – Characteristics of the undertaking's employees	Pages 49-51
	S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	Non-material
	S1-8 – Collective bargaining coverage and social dialogue	Page 56
	S1-9 – Diversity metrics	Pages 49-51
	S1-10 – Adequate wages	Non-material
	S1-11 – Social protection	Non-material
	S1-12 – Persons with disabilities	Non-material
	S1-13 – Training and skills development metrics	Pages 54-55
	S1-14 – Health and safety metrics	Non-material
	S1-15 – Work-life balance metrics	Pages 56-57
	S1-16 – Compensation metrics (pay gap and total compensation)	Pages 57-58
	S1-17 – Incidents, complaints and severe human rights impacts	Non-material

ESRS S2 Workers in the value chain	ESRS 2 SBM-2 – Interests and views of stakeholders	Non-material
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	
	S2-1 – Policies related to value chain workers	
	S2-2 – Processes for engaging with value chain workers about impacts	
	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	
	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	
	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
ESRS S3 Affected communities	ESRS 2 SBM-2 – Interests and views of stakeholders	Non-material
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	
	S3-1 – Policies related to affected communities	
	S3-2 – Processes for engaging with affected communities about impacts	
	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	
	S3-4 – Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches	
	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
ESRS S4 Consumers and end-users	ESRS 2 SBM-2 – Interests and views of stakeholders	Pages 18-21
	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Pages 33-38
	S4-1 – Policies related to consumers and end-users	Pages 59-62
	S4-2 – Processes for engaging with consumers and end-users about impacts	Page 62
	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Pages 63-65
	S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
	S4-5 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Not covered

BANQUE DE LUXEMBOURG

www.banquedeluxembourg.com

Banque de Luxembourg
14, Boulevard Royal
L-2449 Luxembourg
Tel.: (+352) 49 924 1

Certified B Corporation