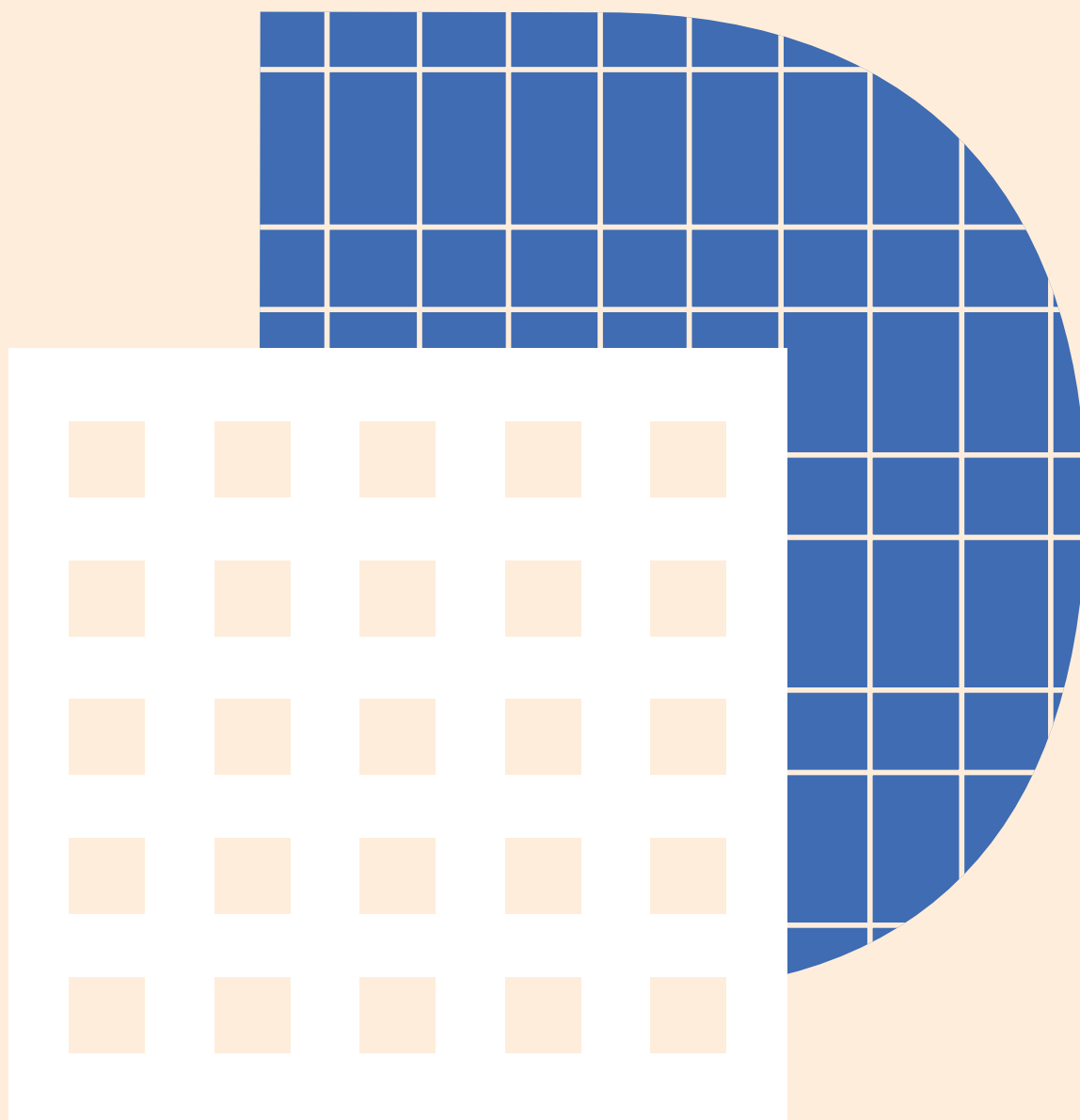


Non-financial report 2022

EN





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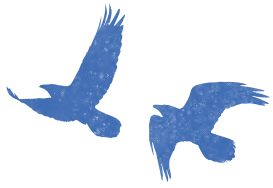
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Pierre Ahlborn

ADMINISTRATEUR DÉLÉGUÉ

**We have the
capacity for
change, and we
wish to accept
our share of
responsibility.**



We were looking for a baseline methodology that would allow our Bank to adopt a process of continuous improvement. We felt that the B Corp roadmap was holistic, demanding, progressive and realistic. Our Bank is now B Corp Certified.

The B Corp certification reflects our commitment to continuously improving our business model. To achieve this, we have defined a number of actions, which will be detailed in this report.

Our main drivers rely firstly, on our role as asset manager and secondly, on our business as a credit provider. We are thus an intermediary in the allocation of capital, which is necessary for sustainable economic development in terms of financing environmental, social and societal transformation. By contributing to a more responsible allocation of resources, we will have made a contribution to building a better world.

We have set clear and measurable targets. By publishing a financial report annually, our aim is to inform on and demonstrate the progress made every year.

Enjoy reading!





Banque de Luxembourg Information and key figures



Our decision-making bodies

BOARD OF DIRECTORS

Président

Éric Charpentier,
Directeur Général Adjoint du CIC, Paris

Vice-Président

Daniel Baal,
Directeur Général du Crédit Mutuel
Alliance Fédérale, Strasbourg

Administrateur délégué

Pierre Ahlborn,
Luxembourg

Administrateurs

Valérie Benquet,
Directrice CIC Corporate, Paris

Jacques Delvaux¹,
Lawyer, Luxembourg

Carine Feipel,
Lawyer, Luxembourg

Philippe Hoss,
Lawyer, Luxembourg

Georges M. Lentz Jr.,
Administrateur délégué,
Brasserie Nationale, Luxembourg

Thomas K. Müller³,
CEO, CIC-Suisse

Pit Reckinger,
Lawyer, Luxembourg

Charles Ruggieri¹,
President of Batipart Invest, Luxembourg

Bich Van Ngo,
Chartered Accountant, Luxembourg

Présidents Honoraires

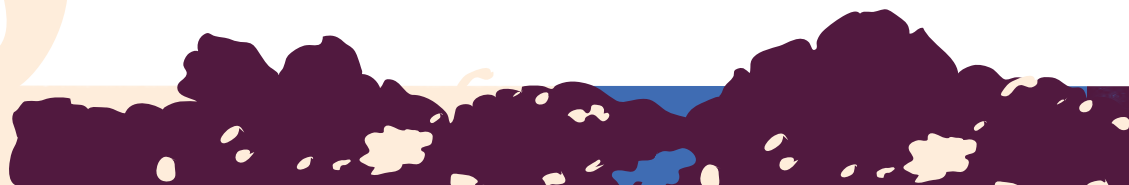
Robert Reckinger, Luxembourg

Jean Weber, Le Plan-de-la-Tour

Secretary to the the Board of Directors

Benoît Elvinger, Luxembourg

1. Terms of office expire at the General Meeting convened to approve the 2022 accounts





EXECUTIVE COMMITTEE

Pierre Ahlborn,

Administrateur délégué

Nicole Dochen,

Talent and Diversity, Internal Communication &
Change Management

Benoît Elvinger,

Dealing Room and Loans & Credits

Etienne Planchard,

Compliance and Risk Management

Fernand Reiners,

Professional Banking

Luc Rodesch,

Private Clients

Romain Weiler,

Finance, Facility, IT,
Operations and Transformation

Florence Winfield-Pilotaz²,

Secrétaire Générale

2. In this position since March 2023

Our employees

Total workforce*

1 030

Breakdown
Women

45%

Men

55%

Nationalities*

23

Breakdown

France

35%

Luxembourg

33%

Belgium

20%

* Figures (number of employees)
at 31/12/2022

Italy

4%

Portugal

3%

Germany

3%

Other

2%

Our branches/subsidiaries

BANQUE DE LUXEMBOURG

www.banquedeluxembourg.com

14, Boulevard Royal
L-2449 Luxembourg
Banque de Luxembourg head office

55, rue des Scillas
L-2529 Luxembourg-Howald



Subsidiary BANQUE DE LUXEMBOURG INVESTMENTS (BLI)³

100% owned by Banque de Luxembourg
www.banquedeluxembourginvestments.com

16, Boulevard Royal
L-2449 Luxembourg



Branch BANQUE DE LUXEMBOURG BELGIUM

www.banquedeluxembourg.be

Chaussée de La Hulpe, 120
B-1000 Brussels

Kortrijksesteenweg 218
B-9830 Sint-Martens-Latem



3. See statements in annex

In-house teams

The definition and implementation of our CSR initiatives are based on the daily commitment of our internal experts.

Within their respective teams, whether commercial or technical, our experts give concrete expression to our commitments on a daily basis and actively participate in defining and implementing our targeted goals.



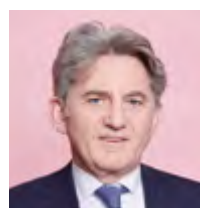
Pierre Ahlborn,
Administrateur délégué

General Secretariat,
Audit, Businesses
& Entrepreneurs,
Communications, Legal



Luc Rodesch,
Executive Committee

Private Clients, Belgian
Branch



Romain Weiler,
Executive Committee

IT, Operations, Facility,
Finance, Transformation



**Étienne
Planchard,**
Executive Committee

Risk Management
and Compliance



**Benoît
Elvinger,**
Executive Committee

Dealing Room and
Loans & Credits



**Fernand
Reiners,**
Executive Committee

Professional clients



**Nicole
Dochen,**
Executive Committee

Talent and Diversity,
Internal Communication
& Change Management

Dedicated CSR team

This team is responsible for the day-to-day management and operational implementation of the CSR strategy, as defined and approved by the Board of Directors. It reports regularly to the Executive Committee.

Team members:



Philippe Depoorter,
CSR Ambassador⁴



Florence Winfield-Pilotaz,
Head of CSR⁵



Laura Giallombardo



Déborah Guez⁶



Manon Feyder



Gabrielle Da Costa

In the course of 2023, we decided to review the remit and structure of the CSR Committee. It has been now been changed into a management committee⁷, whose responsibilities will include approval of this non-financial report.

It will be in charge of proposing CSR strategy, setting the objectives and monitoring the implementation of the CSR roadmap, as well as ensuring the consistency, objectivity and transparency of our CSR-related decisions and actions.

^{4.} Retired during 2023
^{5.} In this position since March 2023

^{6.} In this position since June 2023
^{7.} The role of management committees is to assist and provide the Executive Committee with critical assessments of the organisation and operation of the institution in their particular areas of expertise.

2022

Key figures*

* Figures at 31/12/2022
These figures relate to Banque de
Luxembourg and do not include
the branch and subsidiary

Equity capital
in €m

1 045

Net profit
in €m

72

Liquidity coverage
ratio
(LCR) as %

1 43.1



Client deposits
in €m

79 427

Solvency ratio
as %

24.3

of which
cash in €m

12 639

Loans and advances
to clients
in €m

3 943

Net income from
banking
operations in €m

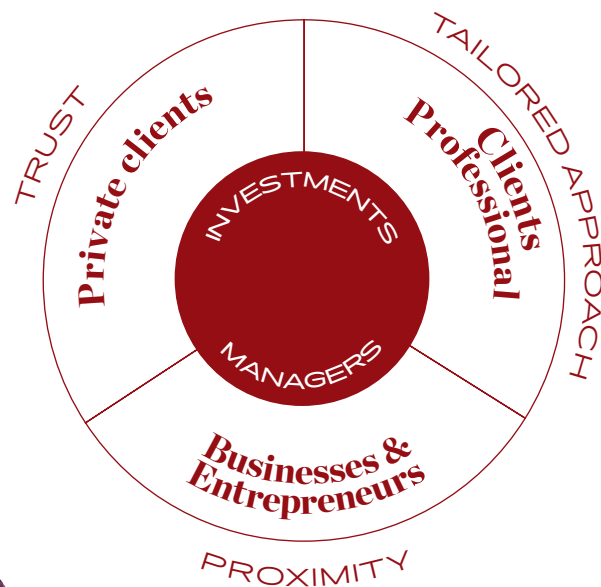
345

of which securities
in €m

66 788

Our activities

Banque de Luxembourg offers its expertise to three categories of clients.

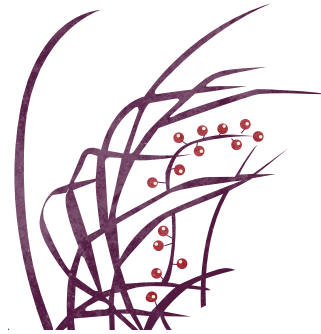


Private clients

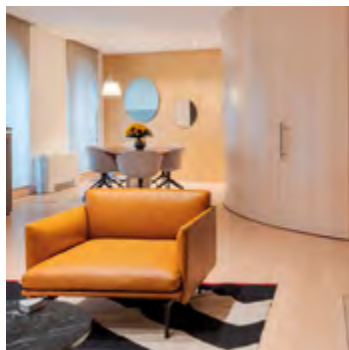
Beyond traditional investment solutions and loans, our comprehensive offering for private clients also includes private equity funds, philanthropy (for individuals, families and foundations) and estate planning services. Following discussions with clients, we craft flexible, bespoke solutions that are built on transparency, and incorporate a balance between risk-taking and the performance objectives sought by our clients.

The responsible approach of our private banking business is also reflected in our investment solutions. In addition to traditional financial criteria, we integrate Environmental, Social and Governance (ESG) criteria into our analyses. As a result, all of our management mandates combine financial returns with a sustainable social and environmental approach.

In addition, our expertise in cross-border wealth management recognised throughout Europe, attracts private clients with complex international asset management needs. In this difficult financial market environment, our clients increasingly



entrust us with the discretionary management of their assets, while at the same time relying on our ability to finance their projects, particularly in the property sector. And just as they are keen to maintain proximity and trust with their regular adviser, they also want to be able to interact with their bank remotely for day-to-day transactions. We are continuing to digitalise our services to meet our clients' expectations and optimise the client experience.



SERVICES OFFERED

- Management of portfolios invested in BL funds, direct lines and external funds
- Investment advice
- Wealth management
- Tailor-made financing solutions and mortgages
- Philanthropy advice

Professional clients

From launching a project, adapting it or enhancing it, the discussions held at a very early stage with our partners enable us to establish a relationship of trust. Our ability to respond to a wide range of needs from asset management professionals makes us a partner of choice. The trust placed in us by our clients made 2022 a year in which our assets under custody held firm at around EUR 94 billion, despite the adverse performance of the markets. Assets held in custody for investment funds increased slightly. We have won numerous mandates, mainly for Private Equity funds, and more specifically, for several impact funds. This strengthens our position as a service provider for ESG products. In our Independent Investor Services (iis) business (custodian services for independent asset managers), the positive trend in net inflows succeeded in compensating for the decline in assets in a context of declining markets.



Our ambition is to continue to grow in each of our activities, to respond to the needs of our clients over the long term.



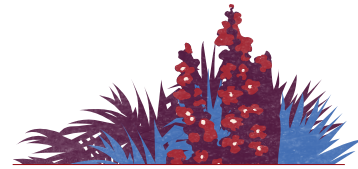
SERVICES OFFERED

- Assistance in the creation and launch of investment funds
- Custodian services for liquid and alternative investment funds
- Custodian services for independent asset managers
- Domiciliation and management company services
- Partnerships with administration, accounting, valuation and reporting service providers
- Privileged access to our dealing room
- Reporting and connectivity

Businesses & Entrepreneurs

We listen, understand and adopt a proactive approach to support the needs of Luxembourg companies that are facing the challenges of economic, social, environmental and regulatory changes.

We ensure that the number of clients per adviser is limited, in order to guarantee a high level of quality in the services we offer and to provide support that matches needs as closely as possible. Consequently, in an ever more digitalised world, we lay emphasis on face-to-face meetings and human contact with entrepreneurs, often accompanying the company over several generations. Individual and personalised advice allows us to offer services that go beyond loans and credits, such as transferring the business, managing cash surpluses, bringing in the upcoming generation, etc.



The success of our specific Next Gen programmes bolsters our approach, with the Summer Academy for 18-25 year olds not yet working in the family business, and the Family Business Junior Executive Programme, for 25-35 year olds who have joined the family business with a view to taking over the reins.



SERVICES OFFERED

- Project and equipment financing
- Real estate financing
- Working capital financing
- Leasing
- Complete range of bank guarantees
- Management of surplus cash
- Daily management of financial flows
- Agent in club deal operations
- Support for the family business in the different phases of its transfer

SUPPORT FOR CLIENTS:

- Businesses active in Luxembourg
- Real estate professionals
- Liberal professions

BLI - Banque de Luxembourg Investments

The Bank also holds a 100% stake in BLI – Banque de Luxembourg Investments (referred to below as "BLI"). BLI is the asset management company of Banque de Luxembourg. BLI offers its services and products under two different brands:

- BLI: for its expertise in asset management through investment funds and discretionary mandates across a range of asset classes;
- Conventum Third Party Solutions (Conventum TPS): for its specialist investment fund management company services offered to third-party fund initiators.

In July 2017, BLI signed the United Nations Principles for Responsible Investment (UN PRI); this marked the beginning of a formal, long-term commitment to integrating environmental, social and governance factors into the investment decision-making process.

The pace for 2022 was set by the implementation of the EU Regulation on sustainability-related disclosures in the financial services sector (SFDR).

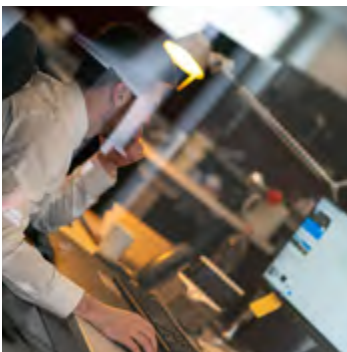
To meet this major challenge, BLI launched a multi-disciplinary project involving members of the management team, the SRI, operations, risk management, legal, and other teams.

But to reduce SFDR-related measures to a simple compliance exercise is not doing them justice. The entry into force of these regulations has seen sustainable and responsible investment evolve from a niche trend into the mainstream, forcing the entire investment industry to position itself on the issue.

At BLI, it was decided to take this opportunity to flesh out the model of sustainable and responsible management, to deepen it and improve it. The aim is to build an ecosystem that not only complies with regulations and is easy to understand, but above all adds value for investors.

In this way, BLI has been able to capitalise on the structures set up over the last few years to develop increasingly robust and comprehensive sustainable and responsible methodologies – in terms of both equity management strategies and bond and multi-management investments. This approach has allowed BLI to address a variety of topics, including the classification of products, the definition of the notion of sustainable assets, the creation of a tool for analysing and reporting on principal adverse impacts, etc.

As part of its investment fund management company services for third-party initiators, BLI is committed to helping its clients define their sustainability strategy.



SERVICES OFFERED

- Management of open-ended funds and dedicated mandates
- Investment fund management company services for third-party fund initiators.

Our partnerships and memberships

Signatory of:



BLI - BANQUE DE LUXEMBOURG INVESTMENTS
has been a signatory of the United Nations Principles
for Responsible Investment since 2017.

BANQUE DE LUXEMBOURG is an active member
of the main professional and sector
associations in Luxembourg.



VIA DEDICATED WORKING GROUPS AND EVENTS, THE BANK
supports and participates in national and sectoral initiatives related
to corporate social responsibility and sustainable finance.





Our responsible approach

to be a bank that is mindful
of future generations



Committed economic player with strong local roots, we have always supported our clients and stakeholders, with a particular focus on the long term. We are aware that the sustainable development challenges facing us are numerous and complex, and require the commitment of everyone. This is why corporate social and societal responsibility is a lynchpin of our strategy and permeates throughout our business culture and know-how.

To increase the impact of our commitments, in 2022 we redefined our vision and our purpose with a single promise: **"to be a bank that is mindful of future generations"**

Central to our purpose is the very essence of the definition of sustainable development: "A development that meets the needs of the present

without compromising the ability of future generations to meet their own needs". Brundtland (1987)

For many years now, we have acted with a particularly keen awareness of the impact of our activities on our community and the environment. We seek to be a bank that plays a relevant role, both now and in the future, in the transition to an economically prosperous, socially equitable and environmentally resilient society.

WE ARE THE BANK THAT IS

PURPOSE

Attentive: a long-term partner for our clients;

Solid: our foundations are built on a sustainable vision;

Accountable to all our stakeholders;

Conscious of how our decisions affect coming 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, well-considered momentum**.

In the face of the environmental and social emergency, we want to consider our planet's scarce resources in all our activities so that later generations will inherit much more than just a financial legacy, **but also a future brimming with opportunities**.

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

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

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

Because our purpose is only meaningful if we remain open to change and if we are **mindful of the interests of future generations**.

**Our purpose
is therefore fully
reflected in our
CSR strategy,
which is based on
five major pillars**



EMPLOYEES



As an engaged bank, we rally our employees to meet societal challenges.

COMMUNITY



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

CLIENTS



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

GOVERNANCE



As a sound bank, we ensure the efficiency of our governance, organisation and technological infrastructure.

ENVIRONMENT



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

The pillars of our commitment

1

GOVERNANCE



- Ensure our long-term Performance
- Guarantee integrity and professional ethics in business conduct
- Ensure transparent communication
- Diversify membership of decision-making bodies
- Support participatory governance



2

EMPLOYEES



- Support long-term employment and continuously develop employee skills
- Promote diversity and equal opportunities
- Guarantee staff well-being



0

COMMUNITY



- Finance and supporting the local economy
- Evaluate our suppliers' practices
- Encourage commitment at every level



4

ENVIRONMENT



- Reduce our carbon footprint
- Reduce our energy consumption
- Manage in-house waste, materials and consumables



01

CLIENTS



- Offer our clients innovative products with social, societal and environmental impact
- Protect our clients' wealth



Our five main pillars

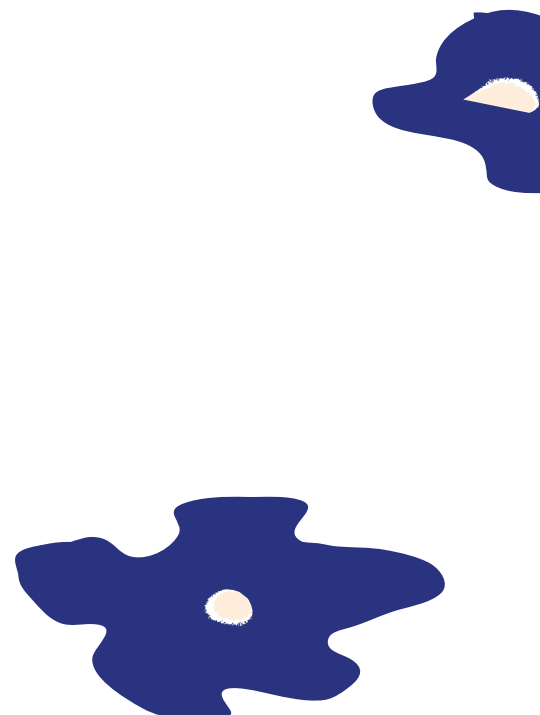
①

GOVERNANCE

For players in the financial sector, their future as a business depends on their reputation, which is in turn based on ethical business conduct and a strong culture of compliance.

However, good governance goes far beyond complying with anti-money laundering rules, combating market abuse, preventing corruption and reducing conflicts of interest.

Accordingly, we are turning transparent communication, the diversified membership of our decision-making bodies and participatory governance into the cornerstones of our future longevity.



Guaranteeing integrity and professional ethics in business conduct

The many initiatives undertaken include the creation of an Ethics and Compliance Committee in 2022 to ensure compliance with the Bank's Code by all staff, including the Executive Committee.

Concerned about the conflicts of interest that might arise from the Bank's employees holding corporate mandates, we created a Mandate Acceptance Committee in 2022. Having accomplished this objective, initially set for 2021 but postponed until 2022, we are now in a better position to oversee mandates.

“

Fully aware of our responsibilities, we strive to be beyond reproach in our conduct, in compliance with regulations, careful in our advice and mindful of our reputation and that of our clients. We make it a point of honour to conduct our business in an ethical manner, allowing our values to shape our commercial decisions in order to protect both our clients and ourselves.”

Using our values to further our objectives

Our values are deeply rooted in our corporate culture and reflected in all of our actions: they enable us to cultivate responsible and ethical behaviour among employees and clients, which is at the core of our culture of compliance.

- **Responsibility**
- **Engagement**
- **Agility**
- **Rigour**

Diversifying the membership of decision-making bodies

The diversity of a company's governance bodies is essential to ensuring that they are representative of employees, clients and the society in which the business operates. One of the Bank's major challenges is to ensure that a spirit of diversity is maintained in its decision-making bodies, both in terms of gender, age and skills, and via the inclusion of under-represented social groups.

The first objective of our plan is to achieve better gender balance in the Bank's decision-making bodies.

Women on the Board (+2)

3

Women on the
Executive Committee⁸

1

Women with
managerial responsibility

69

Men on the Board

9

Men on the
Executive Committee

6

Men with
managerial responsibility

125

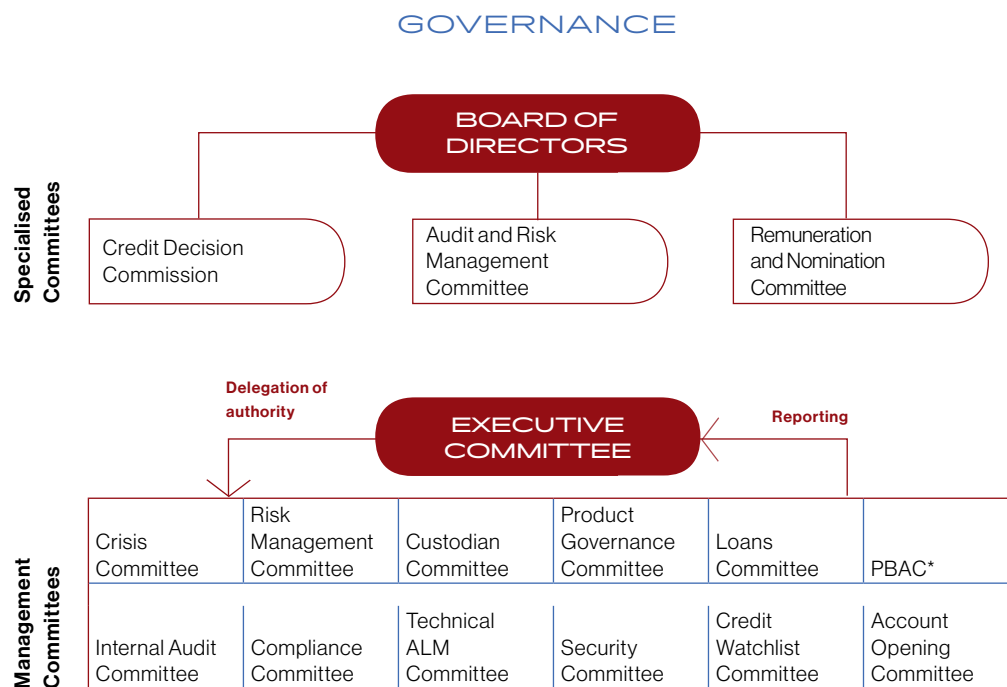


8. Another appointment is planned for 2023

Governance structure and membership

Our Bank's governance is structured to reflect our desire and commitment to be a transparent and ethical institution. The governance operating rules are based on CSSF Circular 12/552, as amended, concerning central administration, internal governance and risk management.

The Chairman of the Board of Directors does not exercise any executive functions within the Bank. The duties of Administrateur délégué (executive role) are performed by another person.



The Board of Directors (hereinafter referred to as the "Board") is responsible for determining the Bank's strategy and general policy. It looks after the long-term interests of the various stakeholders (clients, employees, shareholders). It oversees risk management and monitoring.

It is assisted in this task by three specialist committees:

- **1. The Credit Decision Commission**
- **2. The Remuneration and Nomination Committee**
- **3. The Audit and Risk Management Committee**

The work of these committees is to provide the Board with critical assessments of the Bank's organisation and operation in their specific areas of expertise.

Members of the Board are collectively and individually assessed every year on a number of aspects using an evaluation grid. This assessment chiefly covers their knowledge of sustainability risks, as well as their expertise in corporate social responsibility.⁹

PRÉSIDENT

Eric Charpentier,

Directeur Adjoint of CIC, Paris

M	NE	NI	<1 year	5 EM	12 NEM	100%
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VICE-PRÉSIDENT

Daniel Baal,

Directeur Général of Crédit Mutuel Alliance Fédérale,
Strasbourg

M	NE	NI	5 years	4 EM	6 NEM	100%
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ADMINISTRATEUR DÉLÉGUÉ

Pierre Ahlborn,

Luxembourg

M	EX	NI	23 years	1 EM	23 NEM	100%
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ADMINISTRATEURS

Valérie Benquet,

Directrice CIC Corporate, Paris

F	NE	NI	<1 year	1 EM	7 NEM	100%
---	----	----	---------	------	-------	------

Jacques Delvaux¹⁰,

Lawyer, Luxembourg

M	NE	NI	50 years	0 EM	2 NEM	100%
---	----	----	----------	------	-------	------

Carine Feipel,

Lawyer, Luxembourg

F	NE	IND	6 years	0 EM	12 NEM	80%
---	----	-----	---------	------	--------	-----

Philippe Hoss,

Lawyer, Luxembourg

M	NE	IND	5 years	0 EM	12 NEM	80%
---	----	-----	---------	------	--------	-----

Georges M. Lentz Jr.,

Administrateur délégué, Brasserie Nationale,
Luxembourg

M	NE	NI	16 years	1 EM	6 NEM	80%
---	----	----	----------	------	-------	-----

Thomas K. Müller¹⁰,

CEO, CIC-Suisse

M	NE	NI	5 years	2 EM	9 NEM	100%
---	----	----	---------	------	-------	------

Bich Van Ngo¹¹,

Chartered Accountant, Luxembourg

F	NE	IND	<1 year	1 EM	5 NEM	100%
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Pit Reckinger,

Lawyer, Luxembourg

M	NE	NI	19 years	1 EM	7 NEM	100%
---	----	----	----------	------	-------	------

Charles Ruggieri¹⁰,

President of Batipart Invest, Luxembourg

M	NE	NI	11 years	4 EM	16 NEM	60%
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- * M: Male
F: Female
NE: Non-executive member
EX: Executive member
NI: Non-independent member
IND: Independent member
EM: Number of executive mandates in other companies
NEM: Number of non-executive mandates in other companies
CIC: Crédit Industriel et Commercial
... **Number of years on the Board as at 31/12/2022**
%: Participation rate

9. These evaluation grids are subject to change to reflect regulatory developments

10. Terms of office expire at the General Meeting convened to approve the 2022 accounts

11. Director since October 2022

SPECIALIST COMMITTEES

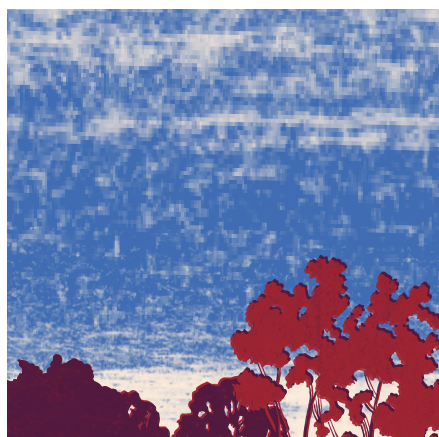
CREDIT DECISION COMMISSION

MAIN RESPONSIBILITIES

- Determining credit policy
- Defining competency thresholds and monitoring commitments
- Taking decisions within the scope of its loan approval authority
- Loan applications > EUR 30m Commitments Decision Committee of Crédit Mutuel Alliance Fédérale for decision at group level
- Aligning credit analysis and decision-making processes with Crédit Mutuel Alliance Fédérale methodology and procedures

MEMBERS

Jacques Delvaux¹⁰, Chairman
 Valérie Benquet
 Pit Reckinger
 Pierre Ahlborn
 Benoît Elvinger
 Thierry Lescroart, Secretary

REMUNERATION AND
NOMINATION COMMITTEE

MAIN RESPONSIBILITIES

- Ensuring compliance with the remuneration policy
- Ensuring that incentives support the strategy
- Approving the remuneration of the Administrateur délégué, members of the Executive Committee, CRO and CCO
- Periodically reviewing the policies of the Board of Directors (hereinafter the "Board") on the selection and appointment of authorised senior executives, and making recommendations to the Board
- Identifying and recommending candidates for key vacancies to the Board
- Assessing the structure, size and membership of the Board
- Assessing the knowledge, expertise and experience of the Board, specialist committees and the Executive Committee

MEMBERS

Charles Ruggieri¹⁰, Chairman
 Eric Charpentier
 Daniel Baal
 Florence Navarro, Secretary

AUDIT AND RISK
MANAGEMENT COMMITTEE

MAIN RESPONSIBILITIES

- Monitoring the financial reporting process
- Changes to and compliance with the Bank's risk appetite
- Making recommendations on the renewal/appointment of the Réviseur d'Entreprises
- Quality assurance for Internal & External Audit, Compliance, Risk Management & Legal
- Verifying the status of internal controls and compliance with set rules
- Ensuring appropriate follow-up by management, without undue delay, of the recommendations of the internal control functions, supervisory authorities and statutory auditor

MEMBERS

Carine Feipel, Chair
 Eric Charpentier
 Jacques Delvaux¹⁰
 Bich Van Ngo
 Anne Goedert, Secretary

The Board of Directors and the specialised committees are assisted by an Executive Committee, which is responsible for the day-to-day management and operational implementation of the strategy and objectives (including on CSR) defined and approved by the Board of Directors.

The Bank has a series of policies covering measures to ensure ethical practices, in particular, as regards combating corruption, and managing conflicts of interest and payment practices. These include the:

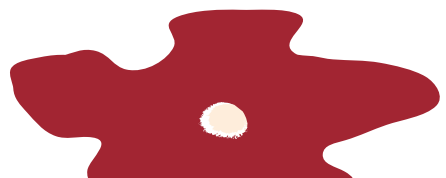
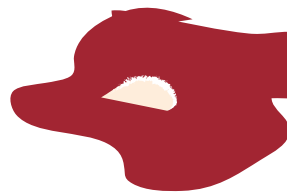
- Policy for handling conflicts of interest
- Code of Ethics and Professional Conduct
- Rules of conduct for corporate mandates
- In-house policy on market abuse
- AML/FT policy (Anti Money Laundering and countering the Financing of Terrorism)
- Own funds policy
- IFS (International Financial Sanctions) policy.

These policies are updated regularly, at least once a year, and submitted to the Executive Committee and the Board of Directors for approval. They are made available to all staff via the Bank's intranet.

During the period covered by this report, we had no significant cases of non-compliance with laws and regulations, and we recorded zero cases for which fines were incurred.

Data protection

Protecting the privacy and confidentiality of information provided by our clients and stakeholders is important to us. The Bank is compliant at all times with GDPR regulations. The Executive Committee has appointed a Data Protection Officer (DPO) and a team to assist them with their tasks. In addition, DPO contacts have been assigned in each department to ensure ongoing compliance with regulatory requirements.



Supporting participatory governance

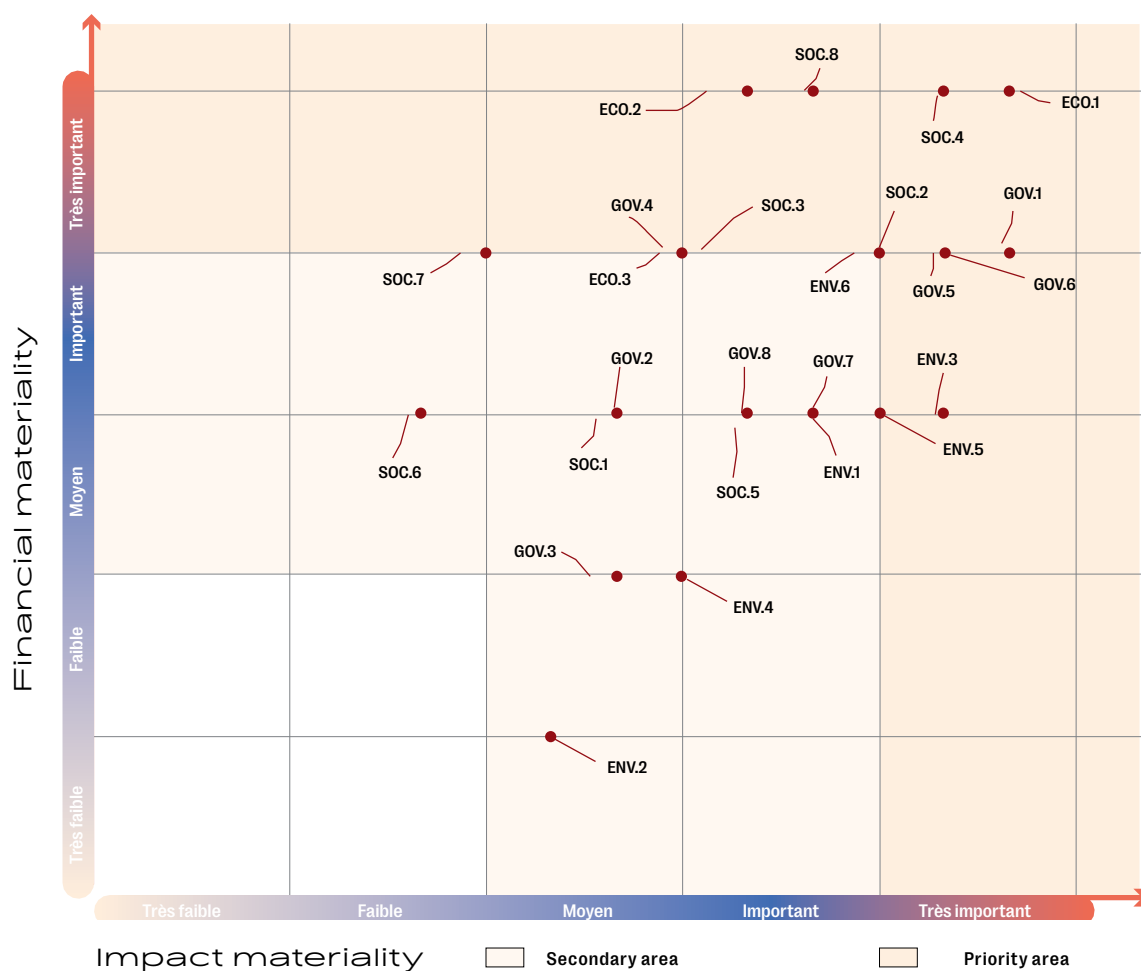
The Bank has made participatory governance its hallmark. The spirit of consultation that underpins its actions and business is reflected in open and transparent lines of communication between the Bank and its stakeholders: shareholders, clients, suppliers, employees and professional organisations.

In 2022, the Bank conducted a double materiality analysis that applied a scale of importance to assess the “inside-out” impact materiality and the “outside-in” financial materiality of the relevant topics – which were determined upstream through a series of workshops for its various business lines – on the pillars of sustainable development (Social, Economic and Environmental). Specifically, the Private Banking & Investments, Professional Banking, Businesses and Credits business lines, and the Banque de Luxembourg as a whole, were involved in this process.

At the end of this exercise, 25 relevant topics were identified. The impact materiality as a function of financial materiality and the impact of the topic on financial value is shown in Figure 1, with the list of topics identified shown in Figure 2.

This exercise will serve as the basis for engagement with stakeholders planned for 2023.

DOUBLE MATERIALITY MATRIX



Non-financial topics:

ECO.1: Developing and adapting ESG products and services
ECO.2: Ensuring continuity and sustainability
ECO.3: Ensuring proximity to clients

GOV.1: Identifying and managing climate and social risks
GOV.2: Ensuring transparent governance
GOV.3: Encouraging responsible purchasing
GOV.4: Encouraging responsible business relationships
GOV.5: Developing ESG skills and capabilities
GOV.6: Developing the ESG vision, positioning and strategy & Integrating CSR and ESG within the Bank
GOV.7: Promoting ethical practices and governance
GOV.8: Engaging and consulting with stakeholders

ENV.1: Developing internal sustainable practices for the transition
ENV.2: Protecting ecosystems and biodiversity
ENV.3: Combating pollution and reducing emissions
ENV.4: Waste management and materials recycling
ENV.5: Protecting water resources and responsible water consumption
ENV.6: Promoting reasoned and responsible digitisation

SOC.1: Identifying and managing supply chain risks
SOC.2: Promoting diversity and inclusion
SOC.3: Promoting health, safety and well-being at work
SOC.4: Data protection
SOC.5: Supporting access to responsible finance
SOC.6: Helping and supporting local communities
SOC.7: Promoting quality of life at work
SOC.8: Promoting skills development

Main areas of progress in 2022

- Creation of a dedicated CSR team
- Creation of the Mandate Acceptance Committee with the aim of providing an appropriate framework for the exercise of corporate mandates by the Bank's employees.
- Definition of our purpose: Banque de Luxembourg, mindful of future generations
- Creation and launch of the Ethics Committee and formalisation of feedback and complaint mechanisms outside direct lines of command
- Highlight the personal commitment of our employees through dedicated videos and articles on our intranet
- Integration of ESG risks and considerations into each business line
- Upgrade of the ESG culture through the provision of compulsory training for all sales staff and control functions on the regulatory requirements arising from SFDR and the Taxonomy Regulation
- Training for all staff on sustainable development and the main principles of corporate social responsibility
- Publish a bimonthly newsletter dedicated to our CSR initiatives and actions

Our goals for 2023

- Promoting supplier engagement in support of human rights objectives and traceability in the supply chain
- Creation of a CSR Management Committee mandated by the Executive Committee



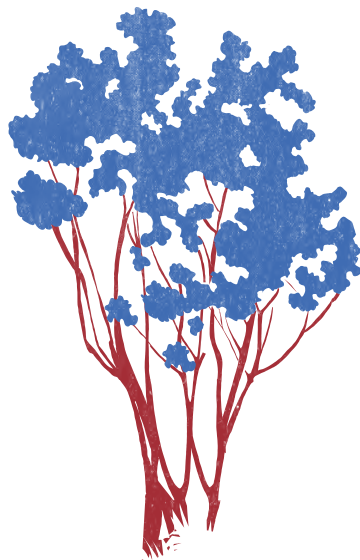
EMPLOYEES

In 2022, the Executive Committee signed a letter of commitment expressing its willingness to actively support initiatives for a better gender balance and the development of a more inclusive management policy. A Diversity, Equity and Inclusion (DEI) Committee was created with the mission of driving the DEI theme, proposing and following up on initiatives in this area while giving visibility to both in-house and external actions. Meanwhile, one day of volunteering leave per year is offered to employees who wish to lend a helping hand to a non-profit organisation, while pay equity is measured every two years.

Supporting long-term employment and continuously developing employee skills

We support all of our employees in developing their skills and maintaining their employability.

- We encourage internal mobility: the variety of our business lines, their constant transformation, the emergence of new jobs and a coherent and transparent career model, are all opportunities for professional growth.
- We support our staff: a manager and an HR partner provide employees with guidance throughout their professional career. They are also assigned a tutor or mentor when they arrive at the Bank or join a new team.
- Our support for the development of their skills is a common thread at every stage of their career:
 - The Individual Development Plan (IDP) is a structured development aid that sets out, firstly, one or more formal development objectives identified and validated mutually by the manager and the employee, and secondly, the means that will be used in order to achieve these objectives.
- We offer a diversified range of training: alongside training specific to our business lines, the development of strategic cross-disciplinary skills and managerial support, we offer programmes focused on professional and personal balance and development for the various target groups.



“As a caring employer, we manage our resources with compassion. We provide personalised support for our employees at all stages of their career, offering them the best conditions for their professional development and dynamic career management.”

Statistics on training for 2022

**Number of
hours received**

34 000

**% of payroll allocated
to training**

3.23%

**Number of different
training courses
organised in-house**

240

**Number of external
training courses**

230

In addition to training courses, each employee has free access to an e-learning library (to acquire soft and hard skills).

Promoting diversity and equal opportunities

Diversity is a reflection of the open-mindedness that we encourage and which is fully in line with our values. As part of our strategy and our responsible approach, our Executive Committee is committed to supporting and developing diversity, inclusion and equal opportunities for all our employees, creating leverage for our collective performance.

The Diversity, Equity & Inclusion Committee, set up in 2021, meets once a month to deliberate and put forward ideas to ensure that the Bank maintains recruitment processes that are sensitive to gender and under-represented groups in the different roles and professions. It helps to support the commitment of the Bank's employees to the values of diversity, equity and inclusion by giving impetus to and monitoring the various initiatives focused on these themes.

As a responsible employer, we attach great importance to the diversity of our employees' profiles. When recruiting, we pay particular attention to whether a gender is underrepresented in certain roles, with the aim of achieving greater parity.

All our managers have received training on unconscious bias and stereotypical judgements, especially regarding their impact on managerial decisions.

Parental leave (PL)

***41** people
took parental leave
in 2022, of whom

16 women &

25 men

Cultural, sporting and voluntary activities outside the workplace

To strengthen ties between colleagues, foster a spirit of solidarity and cultivate a feeling of accomplishment within the community, the Bank's annual calendar is packed with programmes and events allowing employees to relax and get involved in social causes according to their personal preferences. With this in mind, we now offer a day's volunteering leave to encourage employees to play their part.

Forging caring and lasting relationships

We are delighted with the loyalty that has resulted from our initiatives and programmes, and we plan to do more to give all our employees a strong incentive to stay with us for as long as possible.

At the end of 2022, our staff turnover was ¹² of **7.62%**.

Staff departures: key figures

Employees leaving the company (including re-tirements)

78

Total departures due to resignation, dismissal, end of trial period and termination of contract ¹³

56

Recruitment in 2022

	Women			Men		
	LU	BE	TOTAL	LU	BE	TOTAL
Permanent	44	1	45	38	3	41
Temporary	3	0	3	1	0	1
Full time	41	1	42	38	3	41
Part time	6	0	6	1	0	1

12. Staff turnover is calculated using the formula: number of departures in 2022 / (workforce at 31 December 2021 + workforce at 31 December 2022) / 2)

13. Including 3 terminations by mutual agreement

The Bank's workforce as at 31 December 2022

	Women			Men		
	LU	BE	TOTAL	LU	BE	TOTAL
Total staff	456	12	468	546	46	562
Permanent	453	12	465	545	16	561
Temporary	3	0	3	1	0	1
full time	253	6	259	499	14	513
part time	197	12	209	44	5	49
Executives	175	6	181	285	16	301
Non-execu- tives	281	6	287	261	0	261
With managerial responsibility	67	2	69	123	2	125
With no managerial responsibility	389	10	399	423	14	437

Age pyramid
(Figures for the period 1 January 2022
to 31 December 2022)

	Women	Men	Total
< 25 years	11	4	15
25-29 years	43	67	110
30-34 years	41	83	124
35-39 years	55	63	118
40-44 years	77	86	163
45-49 years	84	96	180
50-54 years	91	87	178
55-59 years	62	65	127
60 years and over	4	11	15

Details of age and years of service
(Figures for the period from 1 January 2022
to 31 December 2022)

	Luxembourg	Belgium	Total
Average age	43	43	43
Average years of service	13*	6*	13*

*. Figures are expressed in number of years and have been rounded up

Covered by
collective
agreements

53.20%



For the reporting period,
the Bank worked with:

311 external staff
of which

41 trainees

The Bank uses consultants to carry out specific assignments or projects on an ad hoc basis, particularly in its Facility Management, IT, Transformation and Audit departments. In addition, the Bank takes on trainees throughout the year, offering them either their first experience of working for a company or a place where they can put into practice the knowledge they have acquired during their studies.

Communication of critical concerns

A whistleblowing policy is in place, which was completely reviewed during 2022 to bring it into line with regulatory requirements. The policy sets out the general principles that apply to whistleblowing and describes the organisational systems in place within the Bank that aim to provide:

- firstly, appropriate protection against reprisals, discrimination or any other type of unfair treatment for the employee who reports the offence within the Bank;
- secondly, protection of personal data, both for the person reporting the offence and for the individual allegedly responsible for the offence;
- lastly, clear rules guaranteeing confidentiality under all circumstances for the person reporting offences committed within the Bank, unless disclosure is required by or pursuant to a law.

The Compliance or (in some cases) Human Resources departments to whom incidents are reported in complete confidentiality, record them in an encrypted directory. These reports are then presented to the Bank's Ethics Committee and ultimately to the Board of Directors.

The satisfaction barometer “VOUS AVEZ LA PAROLE” (Speak Up)

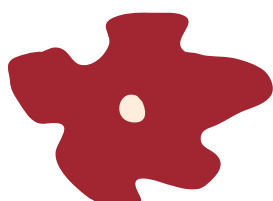
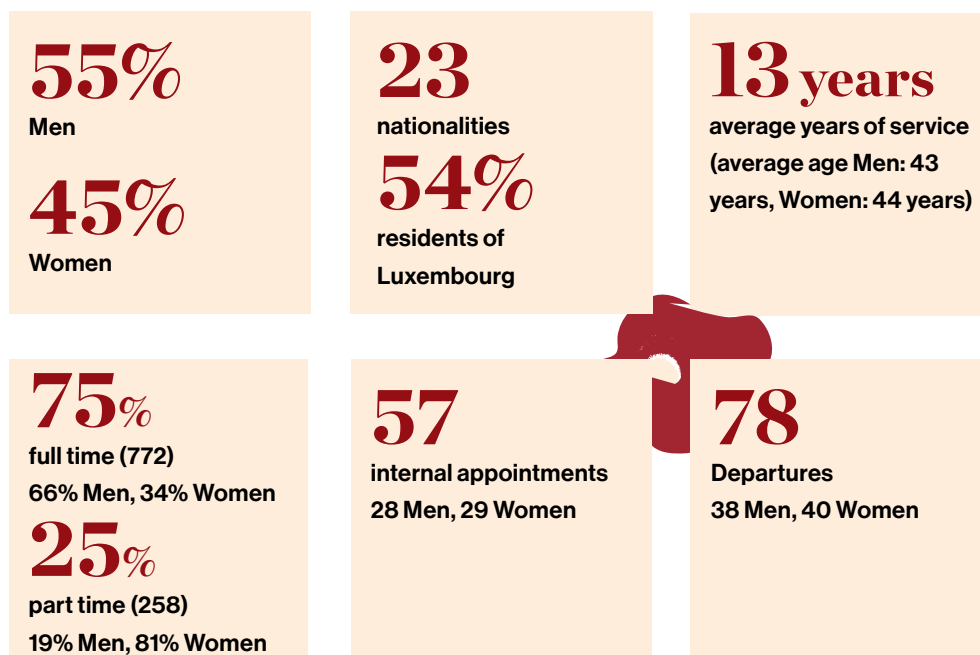
Every two years, the Crédit Mutuel Alliance Fédérale group runs a survey called "Baromètre, vous avez la parole". The aim is to gather feedback from the Group's employees on a range of relevant issues, such as corporate strategy and objectives, social commitment, respect for the environment and quality of life at work.

Confidentiality is guaranteed during this process, in accordance with the GDPR, and employees are able to express their thoughts and feelings without fear or favour.

By analysing feedback and contributions, we can identify areas of strength, priority issues and good practice, and define action plans to address concerns within the Bank as closely as possible.

Other more targeted and/or personalised methods for certain groups are also used to measure satisfaction from time to time (in particular, monitoring the integration of new recruits, etc.).

The summary for 2022 is as follows:



Main areas of progress in 2022

- A letter of commitment from the Executive Committee, jointly and individually undertaking to support initiatives targeting better gender balance and the development of a more inclusive management policy
- Introduction of extraordinary 10-day leave for the 2nd parent in the event of birth or adoption
- Equity of treatment on return from maternity leave: the system has been adapted so as not to penalise women returning from maternity leave in terms of their salary package.
- Introduction of teleworking: 2 days' teleworking per week (within the tax and social security limits imposed by the regulations in force for cross-border workers)
- Formalisation of the double materiality exercise
- Training for all employees in sustainable development and corporate social responsibility
- Training for all sales staff, management and control functions on the regulatory requirements arising from SFDR and the Taxonomy Regulation
- Training for all managers in open and inclusive leadership¹⁴
- Workshops held for all staff on diversity, inclusion and equal opportunities
- Awareness raised about diversity among all employees via dedicated discussion workshops, training courses and communications focused on diversity, equity and inclusion.

Our goals for 2023

- To raise awareness among all employees of unconscious bias and its impacts via master classes
- Review of the Sophia programme to support people in their transition to retirement
- Implementation of an LMS (Learning Management System) to boost a culture of learning and enhance the learning experience
- Creation of a change management program for all managers
- Implementation of a training programme on performance objectives and individual development objectives
- Expansion of the range of soft skills offered, linking it with our new skills reference framework
- Signature of the Women in Finance charter

14. Training in progress at 31 December 2022 – completed in March 2023



COMMUNITY



Supporting the economic and social fabric

Being mindful of future generations also means taking an interest in local initiatives that help to strengthen the social fabric, environmental resilience and local economic development.

Banque de Luxembourg's commitment to community support is ingrained in its DNA. 2022 saw the start of a partnership with Microlux, a Luxembourg microcredit institution, to promote the social and economic inclusion of local micro-entrepreneurs who do not have access to traditional bank credit. It offers zero-interest unguaranteed loans with the possibility of deferring repayment by up to 24 months.

We continue to stand by our partners, both financially and by lending a helping hand in the form of skills sponsorship by our employees. In 2022, a patronage and sponsorship charter was approved by the Executive Committee to bring consistency and transparency to our commitments and to clearly express our CSR approach to patronage and sponsorship.

The Bank offers employees special leave for voluntary work: one day's volunteering leave per year to encourage community involvement.

In summer 2022, we also piloted our project to host student refugees in Luxembourg as interns, in line with our thinking on inclusion. In a similar vein, and in line with previous years, training courses were organised for young people on how to take up a position within the family business. We will discuss this further in Section ¹⁵, Clients.

15. See more details covered in the "Clients" area

Encouraging commitment at every level

Our Bank attaches great importance to its role as a responsible economic actor.

Continuing our tradition of patronage, we offer long-term support to our partners in the humanitarian, socio-cultural and healthcare sectors in Luxembourg and Belgium, providing them with access to voluntary work from our employees, the skills of our teams, and financial, material and logistical resources.

→ **Hëllef Hëllef:**

Internally, we aim to promote solidarity and support our employees' personal initiatives in social, educational or humanitarian projects. In Luxembourgish, "Hëllef Hëllef" means "helping to help".

→ **Our initiatives to support philanthropy**

We seek to make an active contribution to reflections on and the evolution of philanthropic practices, which we have been promoting for more than 10 years through numerous projects aimed at showcasing community-based initiatives, and encouraging donations and volunteering. For many years, we have been advising individuals, families and companies wishing to undertake a philanthropic project. Our aim is to support them, alongside experts and partners, in finding the right way to engage with and implement such projects.

→ **EME - Ecouter pour Mieux s'Entendre (Listening to better understand)**

Annual skills sponsorship for the preparation of annual reports

→ **Stëmm vun der Strooss (Voices from the street)**

Volunteering to host the traditional Christmas meal for people in great difficulty

→ **Fondation Cancer**

Annual support for Relais pour la Vie (Relay for Life), in the form of financial assistance and volunteering by our employees as well as the participation of two teams of runners.

Our partners

Healthcare, social,
humanitarian



**Fondation
Cancer**

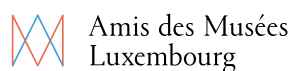
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**FONDATION
KRIIBSKRANK KANNER**



Culture



Entrepreneurs



16. Mission trips are organised to Bangladesh to take part in the Bank's activities

Main areas of progress in 2022

- Allocation of an initial budget of €100 000 to Microlux to promote the social and economic inclusion of entrepreneurs who do not have access to traditional bank credit
- Hosting of three refugee students in Luxembourg over the summer period
- Sponsorship of the IMS (Inspiring More Sustainability) Luxembourg Sustainability Forum
- Approval of a patronage and sponsorship charter to guide our solidarity commitments
- Organisation of internal challenges to raise funds for the non-profit organisation, ELA (the "Mets tes baskets contre la leucodystrophies" campaign)
- Financial and skills sponsorship for our partner associations
- Donation to the Luxembourg Red Cross to support the reconstruction of infrastructure in Ukraine at the end of the war
- Donations to two local non-profit organisations helping Ukrainian refugees in Luxembourg



Our goals for 2023

- Continue hosting refugee students studying in Luxembourg
- Continue financial and skills sponsorship initiatives
- Improve transparency on the impact of the Bank's financing on society and the environment
- Introduce a purchasing policy with well-defined CSR criteria for all the Bank's suppliers



ENVIRONMENT

“

If the annual CO₂ emissions between 2020–2030 stayed, on average, at the same level as 2019, the resulting cumulative emissions would almost exhaust the remaining carbon budget for 1.5°C (...) With further warming, climate change risks will become increasingly complex and more difficult to manage.”¹⁷

IPCC (2023)

17. Climate Change 2023 AR6 Synthesis Report of the Intergovernmental Panel on Climate Change (pages 15 and 20).
Source: https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf

The climate emergency requires immediate action now more than ever. This is a huge challenge for the planet as a whole, and we have never lost sight of the role we have to exercise as a responsible economic agent.

In 2022, we carried out our first carbon assessment (based on the GHG Protocol methodology), with the aim of having a tangible, quantified assessment of our impact on the environment and a basis for monitoring our progress in reducing our environmental footprint over the next three years. Although this first exercise is still partial, as not all of Scope 3 is covered, it has enabled us to consider how best we can act to reduce our impact.

From the point of view of buildings management in particular, the implementation of a number of technical measures has yielded positive results. We have reduced our gas consumption by 22.6% compared with last year (2021).

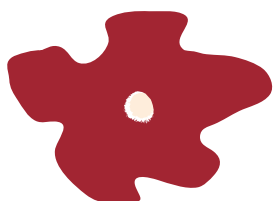
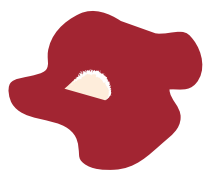
While the proportion of renewables in our electricity mix is 99%, overall consumption also fell slightly.

As energy consumption accounts for a significant proportion of our carbon footprint (Scope 1&2), we continue to pay particular attention to the measures that can be introduced so that we can stay on the right path of constantly reducing consumption. More specifically, our efforts have focused on the following areas:

- Turning down the thermostat in offices to 21.3°C (initiated in winter 2022)
- Re-commissioning (in October 2022) the air handling unit recovery wheels to reduce heat loss from exhaust air
- Switching of computers and printers automatically after 8 p.m.
- Campaign to replace lighting with L.E.D. (since 2019 and still ongoing)
- Replacement of heating/cooling circuit circulation pumps with the latest generation of energy-efficient "smart" pumps

Constantly diminishing energy consumption year after year:

Energy consumption	2018	2019	2021	2022
Total energy consumption (kWh)	10 003 143	9 354 505	9 068 734	8 264 496
Of which electricity (kWh)	7 033 617	6 484 521	5 445 502	5 365 283
Of which gas (kWh)	2 969 525	2 869 984	3 745 792	2 899 213



Managing in-house waste, materials and consumables

Even though we cannot generate zero waste, for us it is a priority to ensure that the notion of waste reduction and recycling is deeply embedded in the Bank's culture. Together with raising employee awareness of the issue of waste management, we have provided the necessary infrastructure to encourage environmentally responsible waste sorting.

While we pursue our initiatives to digitise our processes, we are also continuing our efforts to reduce paper consumption. The downward trend in our use of paper since 2018 continues. IN addition, we have significantly increased the proportion of recycled paper purchased for our supplies.

Paper	2018	2019	2021	2022
In-house and external paper consumption (tonnes)	51.9	44.3	27.6	25.6

Total paper consumption has decreased by

7.7%

The total of
25.6 t.
of paper consumption includes
21.967 t.
of recycled paper,
representing a proportion of
89.29%

The tonnage of recycled paper increased by

168%

thanks to the widespread use of recycled paper in almost all printers.

“

The best waste is no waste”¹⁸

18. Quote from Béa Johnson, zero waste activist

Main areas of progress in 2022

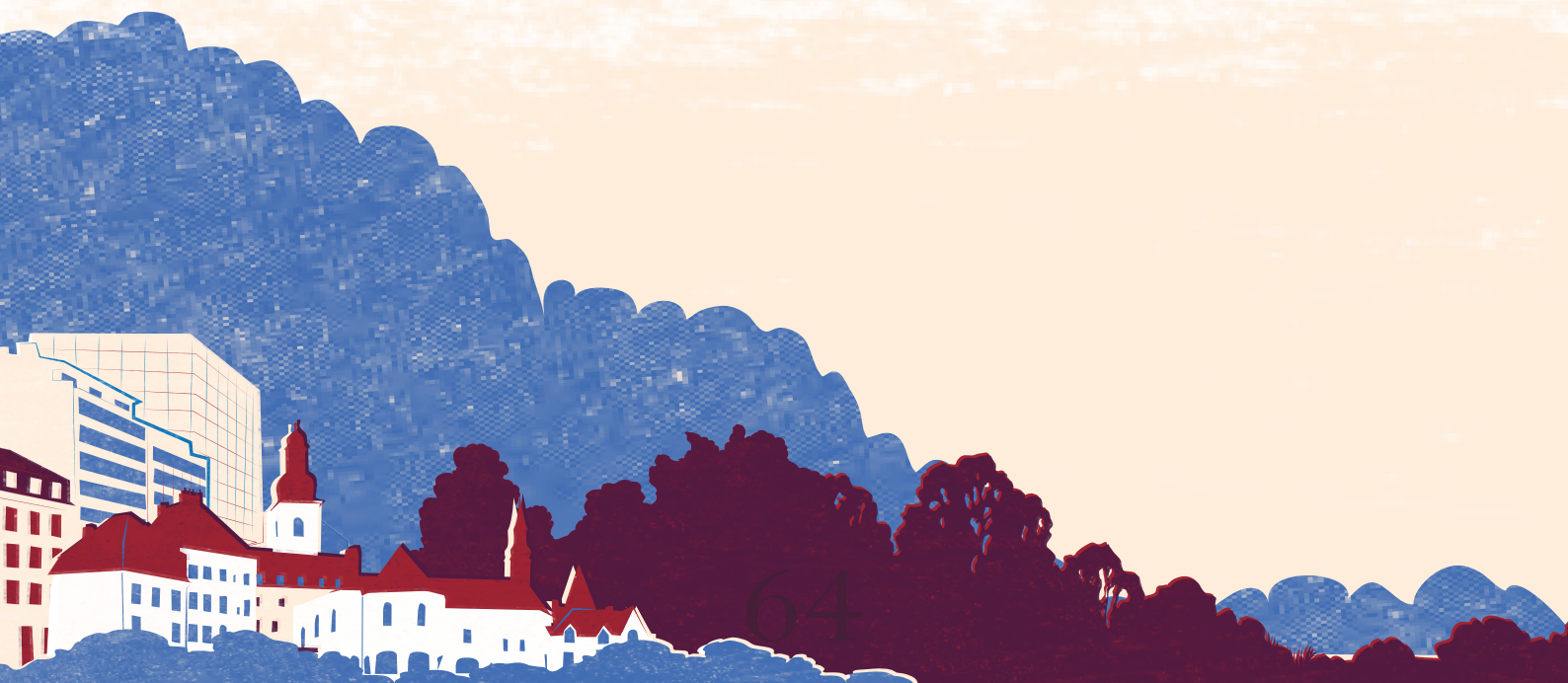
- Our first carbon assessment carried out (Scope 1&2)
- End to purchases of products with single-use packaging
- Precise monitoring of energy and water consumption in the Bank's buildings
- Reduction of energy consumption
- More selective waste sorting
- First moves to reduce the carbon footprint of our digital devices
- Overhaul of the supplies department with a reduced, eco-responsible catalogue
- Part of the in-house fleet replaced with hybrid and electric vehicles and electric charging points installed in the Bank's car parks
- Bicycle shelters built and equipped with recharging points (energy self-sufficient bicycle shelters using photovoltaic panels in Howald)
- The second Data Deletion Week held (raising awareness among all employees of the carbon footprint of data storage)

Our goals for 2023

- Installation of a system for sorting cigarette butts and their subsequent recycling by a partner
- Optimising the carbon footprint calculation (Scope 3), in particular, employee mobility and the carbon footprint of our branch office
- Encouragement and guidance for Banque de Luxembourg clients (in particular SMEs) to carry out their carbon footprint assessment so that a complete calculation can be made of the Scope 3 carbon footprint
- Reduction of our water consumption
- Implementation of an environmental management policy
- Optimisation of our facilities to reduce our energy consumption



CLIENTS



ESG risk profiles

Since August 2022, the Bank has introduced a questionnaire to collect client sustainability preferences for investment advisory and/or management services.

This questionnaire enables us to assign a neutral, responsible or engaged profile to each client, and to adapt our investment advice accordingly.

Your ESG profile

NEUTRAL



RESPONSIBLE



ENGAGED



Highlight: In the spirit of its B Corp certification, the Bank has decided to assign a responsible profile by default, in the absence of any response to the questionnaires.

Sustainable and responsible investment approach

To address these preferences, the Bank has launched a major project to construct its own approach to sustainable and responsible investment.

Signature of the UN Principles for Responsible Investment (UNPRI) in 2017 by BLI was a decisive step in this construction process, committing Banque de Luxembourg's funds to the integration of ESG (Environmental, Social, and Governance) criteria into their investment decisions.

In line with the Bank's long-term investment philosophy, these criteria are now naturally taken into account in our investment decisions.

The Bank and BLI have since added other considerations, applying a global framework to the responsible investment universe. For example:

- Taking into account controversies, which highlights a company's involvement in social, environmental or governance controversies.
- Sector exclusions covering companies whose activities are not in line with our policy, e.g. exclusions for coal or controversial weapons such as anti-personnel mines and cluster munitions.

Another important step has been to identify the different types of investment possible and their non-financial characteristics.

At Banque de Luxembourg,
we divide investments into
four main categories



The Bank has also entered into a contract with data provider MSCI ESG Manager.

This tool gives us access to regularly updated non-financial data from a wide range of sources.

MSCI Figures

ESG rating coverage for

+ 140 000
issuers
including
8 500
companies

BASEDON this data, the Bank has been able to establish precise indicators and thresholds guaranteeing the ESG approach and requirements applied not only via Banque de Luxembourg funds but also through its other centralised discretionary management solutions.

In general, this tool has helped us to categorise our product range in a consistent and relevant way, to ensure that our framework is complied with and to identify areas for improvement.

To measure the responsible aspect of an investment, MSCI's ESG model assesses each company's exposure to the main ESG risks, from which it derives a rating from CCC to AAA.

Examples of thresholds

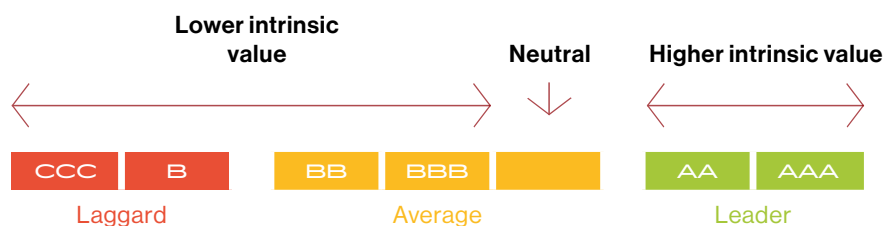
To hold

75%

of assets covered
by MSCI

To qualify as an **Article 8** ¹⁹ product under the SFDR (Sustainable Finance Disclosure Regulation)

To have an average MSCI rating of **A** at portfolio level



The definition of a sustainable asset was undoubtedly the most difficult stage. In fact, definitions may vary significantly among financial market participants, depending on the nature of their businesses, their choice of methods, and the data sources used.

The approach used by the Bank is in line with the UNPRI²⁰ recommendations and aims to identify whether the revenues of portfolio companies are aligned with the Sustainable Development Goals (SDGs). This approach is deliberately conservative because it does not consider the company as a whole as a sustainable asset, but only the part of the revenues that can be attributed to it, and only if its activity does not cause significant harm to the other objectives.

19. Where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, providing that the companies in which investments are made follow good governance practices" as defined by the SFDR.

20. <https://www.unpri.org/download?ac=10795>

The 17 Sustainable Development Goals – SDGs



The Bank uses a methodology that groups the seventeen SDGs²¹ into four main themes and thirteen sub-categories considered crucial to sustainable development:

- **Climate change:** alternative energy, energy efficiency, green housing
- **Natural capital:** water, pollution prevention, sustainable farming
- **Basic needs:** healthcare, hygiene, nutrition, and affordable housing
- **Empowerment:** education, SME finance, connectivity

ENVIRONMENTAL IMPACT		SOCIAL IMPACT	
Climate change Alternative energy (%) Energy efficiency (%) Sustainable construction (%)		Basic needs Treatment of major illnesses (%) Hygiene (%) Nutrition (%) Affordable housing (%)	
Natural capital Sustainable water manage- Pollution prevention Sustainable agriculture (%)		Empowerment Education (%) SME finance (%) Connectivity (%)	







21. Note that SDG 16 (Peace, justice and strong institutions) and SDG 17 (Partnerships for the goals) are not included in this methodology for the time being because these themes are difficult to relate to a company's revenues.

Current projects

Ongoing projects in terms of investment products are related to impact.

Impact investing is a niche investment area in the financial sector and, because of its additionality, is mainly found on the private market. Impact investing differs from "traditional" investing in that it adds a measurable positive impact objective alongside the "financial return" component. The Bank has currently set up an Impact working group to study the development of a Private Asset impact product range, in conjunction with a number of renowned asset management companies specialising in this market segment.

Banque de Luxembourg Investments Funds

		EXCLUSIONS	ESG INTEGRATION	MONITORING OF CONTROVERSIES	ENGAGEMENT	UNIVERSE REDUCTION	IMPACT (SDGS)
EQUITIES	BL American Small & Mid Caps	×	×	×	×		
	BL Equities America 	×	×	×	×	×	
	BL Equities Europe 	×	×	×	×	×	
	BL Equities Europe PEA	×	×	×	×	×	
	BL European Family Businesses	×	×	×	×		
	BL European Small & Mid Caps	×	×	×	×		
	BL Equities Emerging Markets 	×	×	×	×	×	
	BL Equities Asia	×	×	×	×		
	BL Equities Japan 	×	×	×	×	×	
	BL Global Equities	×	×	×	×		
MIXED FUNDS	BL Equities Dividend	×	×	×	×		
	BL Global Impact 	×	×	×	×	×	×
	BL Global Flexible EUR 	×	×	×	×	×	
	BL Global Flexible USD	×	×	×	×		
	BL Global 30	×	×	×	×		
	BL Global 50	×	×	×	×		
	BL Global 75	×	×	×	×		
	BL Emerging Markets	×	×	×	×		
	BL Bond Dollar	×					
	BL Bond Euro	×	×	×			×
BONDS	BL Bond Emerging Markets USD	×	×	×			×
	BL Bond Emerging Markets Euro	×	×	×			×
	BL Corporate Bond Opportunities	×	×	×			×
	BL Global Bond Opportunities	×	×	×			×

Signatory of:



Signatory of the Principles for Responsible Investments since 2017, rated 'A' in 'Governance and Strategy' in 2020



50%

of the assets in the BL SICAV, BLI's main investment vehicle, awarded the French SRI Label.

6

funds with the French SRI label:

BL Sustainable Horizon, BL Equities Europe, BL Equities America, BL Equities Emerging Markets, BL Equities Japan, BL Global Flexible EUR

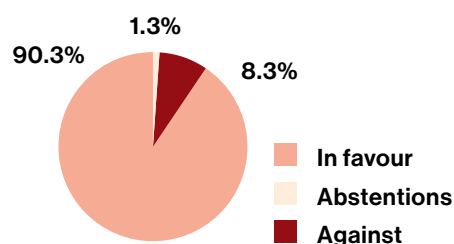
4972

votes cast
by BLI at

386

General Meetings

Breakdown of votes



70

35%

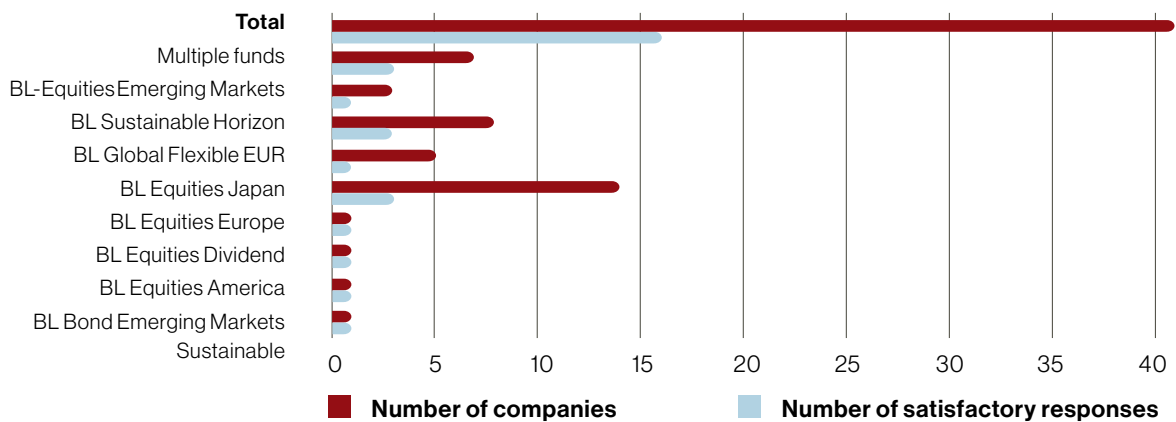
of BLI's assets under management hold an independent ESG label.

Engagement

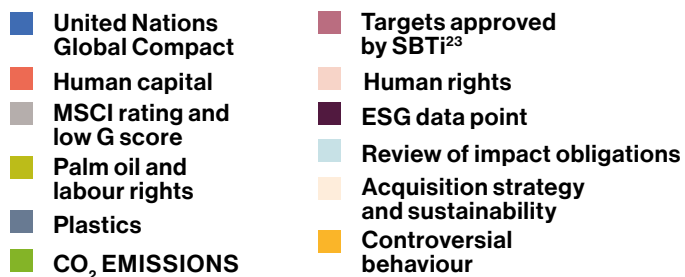
75 engagements
were carried out for equity,
mixed and bond funds

Over the period, given SFDR's emphasis on transparency, BLI focused its engagement efforts on two main areas: the publication of specific statistics – such as certain PAIs²² – not yet published by companies, and the signing of the Global Compact, which commits companies to reporting on four major ESG areas. In addition, this adhesion represents an impact factor for all SRI-labelled funds.

Breakdown by fund of engagements considered satisfactory



Engagement topics



22. Principal adverse impacts

23. Science Based Targets Initiative

Preserving our clients' wealth

For our entrepreneur clients in particular, and their families, protecting their wealth in perpetuity also includes supporting them at every stage of their business's lifecycle. We thus provide assistance in transferring the company in order to ensure its continued existence, while preserving family harmony.

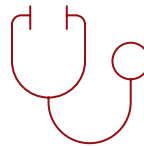
STATUS REVIEW

Interviews with stakeholders



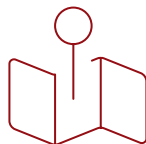
DIAGNOSIS

Mapping of needs



ROADMAP

Sequencing of levels of intervention



ACTION PLAN

Implementation of decisions taken



Convinced that a successful transfer requires the full support of current and future generations, for over 10 years we have provided a forum where peers can discuss the issues and challenges involved in handing down a family business. In total, more than 300 young people from Luxembourg, Belgium and France have been able to take part in our 'Next Gen' programmes since they were launched in 2011.



THE SUMMER ACADEMY

18 to 30 years old
The family business:
to join or not to join?

This programme is dedicated to young people aged between 18 and 30, who come from families that run their own company but are not yet working in the family business. The programme aims to make each participant the master of their own choices and to create a team spirit useful both during and after the seminar.



FAMILY BUSINESS JUNIOR EXECUTIVE PROGRAMME

25 to 35 years old: How
do you go from being the
'son or daughter of' to
being a legitimate executive
in your own right?

This programme is aimed at the children of entrepreneurs, aged between 25 and 35, who have recently joined the family business with a view to taking it over one day. The focus is on establishing legitimacy, working alongside parents and finding one's own area of expertise.



AN IMMERSION TRIP TO BANGLADESH

25 to 35 years old
For those who have
recently joined the
company as a future
manager. Refocusing
on the basics.

The purpose of this trip is to help participants – through meetings with local family business owners, learn about the actions of an NGO long supported by Banque de Luxembourg, and discussion and reflection workshops – to consider three aspects of leadership: flexibility, innovation and responsibility.

Main areas of progress in 2022

- The launch of an internal, multidisciplinary working group dedicated to impact finance whose aim is to submit concrete proposals for products to be developed
- Implementation of the Bank's overall framework for responsible and sustainable investment
- Classification of centralised discretionary management solutions based on MSCI ESG Manager data and the overall framework
- Continued implementation of regulatory requirements on transparency and communication
- Creation of an SRI (Socially Responsible Investment) committee within our Private Banking division, which meets on average once a month. It is responsible for shaping and implementing the policy for integrating sustainability risks. It is also a source of ideas for positioning responsible and sustainable products
- Continued targeted in-house and external communications on responsible and sustainable investment issues
- The Summer Academy and the Family Business Junior Executive Program organised again this year, as well as conferences on business valuation, business continuity and the limits of the family business model
- Inclusion of a CSR questionnaire in financing applications in order to take into account the ESG commitment and positioning of our Business clients
- Financing of 5 social housing projects for a total of €3.4m, representing a total of 19 units

Our goals for 2023

- Develop additional resources to explain regulations, market developments and our expertise in responsible and sustainable investment.
- Make the non-financial data communicated to clients based on their ESG profile easier to understand
- Present a roadmap to management, with a view to launching an impact product at the end of 2023/beginning of 2024
- Develop a partnership between BLI and the Funds for Good company for the launch of two Article 9 funds, the FFG European Impact Equities fund and the FFG American Impact Equities fund, where the impact on the real economy will come from the transfer of part of the fund management fees to the non-profit organisation, Funds for Good Impact
- Expand the Bank's range of products designed for family businesses. Together with our programs intended for the next generation, we are planning to organise a seminar for the current generation for the first time. It will be directed at directors and shareholders of family companies who are thinking about transferring their business or have already initiated this process. AS with the Summer Academy and the Family Business Junior Executive Programme, the aim of this new programme is also to provide a forum for this generation to exchange ideas, so as to find their bearings and position themselves in relation to their own business transfer
- Set up an ESG loan range specifically for companies committed to a sustainable approach
- Provide support to our clients on sustainability issues, related future regulatory deadlines and sharing non-financial information, in particular by offering a series of workshops on sustainable development as a value creator
- Take ESG factors into account in credit risk assessment and lending decisions



Our shareholder



Our shareholder



Banque de Luxembourg is a wholly owned subsidiary of Crédit Mutuel Alliance Fédérale via Crédit Industriel et Commercial (CIC), which owns 100% of the Bank's capital.

Crédit Mutuel Alliance Fédérale offers its clients a comprehensive and innovative range of banking and insurance services.

Its strength stems from a combination of factors, including its cooperative and mutualist structure, policy of diversification of products and services, decentralisation of its networks to empower locally-based services, a strong and recognised brand, a growing international presence and highly trained, skilled employees.

Crédit Mutuel Alliance Fédérale bases its development on four main principles established in its strategic development plan:

- 1— Be a benchmark client-focused bank** in an omnichannel world
- 2— Be an engaged bank that is relevant** to today's world
- 3— Be an innovative multiservice bank**
- 4— Put solidity at the core of the development of the mutualist model**

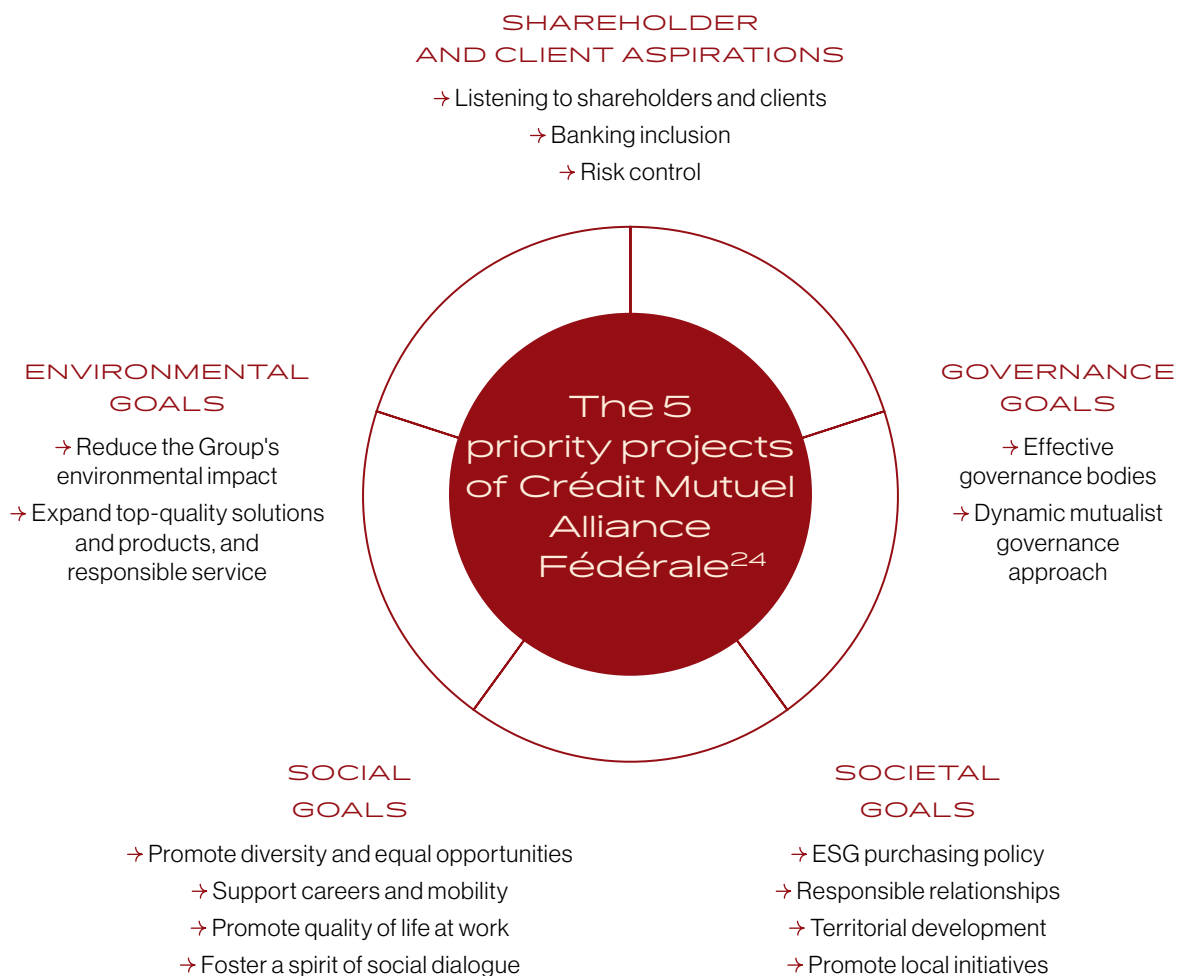
France's leading "Mission-led Bank", achieving net profit of EUR 3.5 billion for the second year in a row. Crédit Mutuel Alliance Fédérale is deeply committed to the mutual model and has decided to introduce a societal dividend representing 15% of its consolidated net profit in order to contribute to a more united and sustainable society.

In 2022, Crédit Mutuel's excellent external ratings were confirmed by Moody's (Aa3) and Fitch Ratings (Senior Preferred: AA-) and S&P Global Ratings (A+), with a stable outlook. The three agencies highlight the solidity of Crédit Mutuel's bancassurance model and its good level of profitability, asset quality, capitalisation and liquidity.

Crédit Mutuel Alliance Fédérale is one of 113 major European banks supervised directly by the ECB under the Single Supervisory Mechanism (SSM).

The approach of our shareholder

The Bank's CSR strategy is aligned with the Social and Mutualist Responsibility (SMR) approach of our shareholder, Crédit Mutuel Alliance Fédérale. In October 2020, our shareholder became the first mission-driven bank in France. The theme of its future strategic plan, "Powering the Community Together", remains fully consistent with its responsible approach.



²⁴ For more details, please see the website:
<https://www.creditmutuelalliancefederale.fr/en/who-are-we/our-responsibilities.html>



Annexes



ANNEX 1

Statement

1. This non-financial report covers the period from 1 January 2022 to 31 December 2022, in line with the period for which the financial report is published.
2. BLI – Banque de Luxembourg Investments, a subsidiary of Banque de Luxembourg, mentioned in this non-financial report is not included in the Bank's financial report. It publishes its own financial report.
3. This version of Banque de Luxembourg's non-financial report remains consistent with the two previous versions. However, one adjustment to a disclosure should be pointed out: the number of participants in the Summer Academy was reported in relation to the 18 to 25 age group; however, given that participants aged over 25 took part in 2022, it was necessary to broaden the age group in this report. It was therefore expanded to the 18 to 30 age group.⁶⁷
4. The Secrétaire Générale and CSR Manager mentioned in the report took up her position in February 2023 and oversaw the publication of the report for 2022.
5. The training for all managers in open and inclusive leadership extended beyond the reporting period (31 December 2022)
6. To simplify the content and make it easier to read, we have decided not to apply inclusive writing systematically in this report.

ANNEX 2

GRI content index and material topics

Statement of Use

Banque de Luxembourg has disclosed the information cited in this GRI standards content index for the period from 1 January 2022 to 31 December 2022

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	disclosure	page	Omission		
			require- ments omitted	Reason	Explanation
The organisation and its reporting practices					
GRI 2 General disclosures on the organisation	2-1 Organisational details	7			
	2-2 Entities included in the organisation's sustainability reporting	7			
	2-3 Reporting period, frequency and contact point	79, 87			
	2-4 Restatements of information	79			
	2-5 External assurance		GRI 2-5	Not applicable	This report has not been subject to a sustainability audit. Steps have been taken to ensure that this is done for future reports
	2-6 Activities, value chain and other business relationships	16, 20			
	2-7 Employees	11, 45			
	2-8 Workers who are not employees	47			
	2-9 Governance structure and members	31, 32 34			
	2-10 Nomination and selection of the highest governance body	33			
	2-11 Chair of the highest governance body	31			
	2-12 Role of the highest governance body in overseeing management of impacts		GRI 2-12	Not applicable	A CSR Management Committee is currently being set up to oversee this report and ensure that it is communicated to the Board of Directors

GRI Standard	disclosure	Page	Omission		
			requirements omitted	Reason	Explanation
GRI 2 General disclosures on the organisation	2-13 Delegation of responsibility for managing impacts	13			
	2-14 Role of the highest governance body in sustainability reporting			Not applicable	A CSR Management Committee is currently being set up to oversee this report and ensure that it is communicated to the Board of Directors
	2-15 Conflicts of interest	34			
	2-16 Communication of critical concerns	48			
	2-17 Collective knowledge of the highest governance body	32			
	2-18 Evaluation of the performance of the highest governance body	32			
	2-19 Remuneration policies	33			
	2-20 Process to determine remuneration	33			
	2-21 Annual total remuneration ratio			Confidentiality constraints	
	2-22 Statement on sustainable development strategy	27			
	2-23 Policy commitments	42			Avenues are being explored for working in greater detail on policy commitments specifically linked to respect for human rights
	2-24 Embedding policy commitments	42			
	2-25 Processes to remediate negative impacts	48			
	2-26 Mechanisms for seeking advice and raising concerns	48			
	2-27 Compliance with laws and regulations	34			
	2-28 Membership associations	21			
	2-29 Approach to stakeholder engagement	36			
	2-30 Collective bargaining agreements	43			

GRI Standard	disclosure	Page	Omission		
			requirements omitted	Reason	Explanation
GRI 3 Material Topics 2021	3-1 Process to determine material topics	36			
	3-2 List of material topics	36, 37, 84			

Material topics defined during the double materiality exercise

ECO.1 Developing and adapting ESG products and services	74			
ECO.2 Ensuring continuity and sustainability	27			
ECO.3 Ensuring proximity to clients	72			
GOV.1 Identifying and managing climate and social risks	36			
GOV.2 Ensuring transparent governance	29			
GOV.3 Encouraging responsible purchasing	57			
GOV.4 Encouraging responsible business relationships	57			
GOV.5 Developing ESG skills and capabilities	38			
GOV.6 Developing the ESG vision, positioning and strategy and Integrating CSR and ESG within the Bank	13			
GOV.7 Promoting ethical practices and governance	22			
GOV.8 Engaging and consulting with stakeholders	36			
ENV.1 Developing internal sustainable practices for the transition	58-63			
ENV.2 Protecting ecosystems and biodiversity	58-63			
ENV.3 Combating pollution and reducing emissions	59			
ENV.4 Waste management and materials recycling	61			
ENV.5 Protecting water resources and responsible water consumption	63			
ENV.6 Promoting reasoned and responsible digitisation	61			

	disclosure	page	Omission		
			requirements omitted	Reason	Explanation
Material topics defined during the double materiality exercise					
	SOC.1 Identifying and managing supply chain risks	38			In the process of being drawn up
	SOC.2 Promoting diversity and inclusion	30			
	SOC.3 Promoting health, safety and well-being at work	42			
	SOC.4 Data protection	35			
	SOC.5 Supporting access to responsible finance	74			
	SOC.6 Helping and supporting local communities	53			
	SOC.7 Promoting quality of life at work	43			
	SOC.8 Promoting skills development	40			

ANNEX 3

Comparison between the list of material topics for 2022 and for the previous reporting period.

2021	2022
Economic themes	
ECO.1.1 Achieve economic performance that creates sustainable value while listening to stakeholders	ECO.1 Develop and adapting ESG products and services
	ECO.2 Ensure continuity and sustainability
	ECO.3 Ensure proximity to clients
Governance themes	
GOV.1.2 Transparent and trustworthy communication	GOV.1 Identify and manage climate and social risks
GOV.1.3 Guarantee ethical business conduct and fighting against corruption	GOV.2 Ensure transparent governance
	GOV.3 Encourage responsible purchasing
	GOV.4 Encourage responsible business relationships
	GOV.5 Develop ESG skills and capabilities
	GOV.6 Develop the ESG vision, positioning and strategy and Integrating CSR and ESG within the Bank
	GOV.7 Promote ethical practices and governance
	GOV.8 Engage and consult with stakeholders
Governance themes	
ENV.1.1 Reduce the organisation's energy consumption	ENV.1 Develop internal sustainable practices for the transition
ENV.1.2 Reduce the organisation's emissions	ENV.2 Protect ecosystems and biodiversity
ENV.2.1 Have responsible purchasing practices in relations with suppliers	ENV.3 Combat pollution and reducing emissions
ENV.2.2 Evaluate the environmental and social practices of suppliers	ENV.4 Waste management and materials recycling
	ENV.5 Protect water resources and responsible water consumption
	ENV.6 Promote reasoned and responsible digitisation
2021	2022
Social themes	

SOC.1.2 Provide a working environment that reconciles performance with health and well-being	SOC.1 Identify and manage supply chain risks
SOC.1.7 Work towards long-term employment of employees	SOC.2 Promote diversity and inclusion
SOC.1.8 Continuously enhance employee expertise and professional development opportunities	SOC.3 Promote health, safety and well-being at work
	SOC.4 Data protection
	SOC.5 Support access to responsible finance
	SOC.6 Help and support local communities
	SOC.7 Promote quality of life at work
	SOC.8 Promote skills development

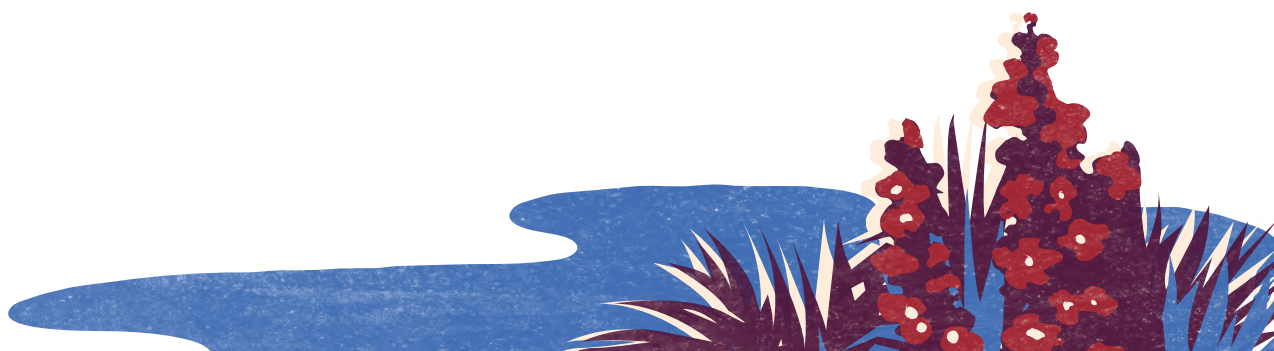
ANNEX 4

Content specific to the Sustainable Development Goals (SDGs)

SDGs	Our contribution	page
Quality education		
	<p>We support all of our employees in developing their skills and maintaining their employability.</p> <p>We host refugee students in Luxembourg as interns to give them their first work experience in a company.</p>	40, 41, 53
Gender equality		
	<p>We attach great importance to the diversity of our employees' profiles.</p> <p>We encourage parents of all genders to take advantage of their parental leave entitlement.</p>	11, 42, 43, 50
Decent work and economic growth		
	<p>We are increasing our efforts to help our employees achieve a healthy work/life balance.</p>	42
Responsible consumption and production		
	<p>Our aim is to work with a sustainable purchasing policy that will guide our choice of suppliers and the terms of our supplier relationships.</p>	57
Climate action		
	<p>We have carried out our first carbon audit to measure our impact on the environment. This will serve as a basis for monitoring our progress in the reduction of our environmental footprint.</p>	59
Partnerships for the goals		
	<p>We are working in collaboration with various organisations and associations in order to make a permanent contribution to bettering the collective actions relating to our mutual goals.</p>	21

FOR MORE INFORMATION

Florence Winfield-Pilotaz
Email: Florence.pilotaz@bdl.lu
Tel.: 49924-2385





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Banque de Luxembourg, société anonyme,
14, boulevard Royal, L-2449 Luxembourg

RCS Luxembourg B5310

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www.banquedeluxembourg.com

Banque de Luxembourg
14, Boulevard Royal
L-2449 Luxembourg
Tel.: (+352) 499 24-1

