Regional Banks Luxembourg BRU:1153516

ESG Risk Rating

13.5

+2.4Momentum

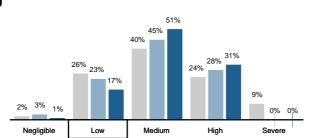
Low Risk

Regional Banks



Last Full Update Oct 28, 2024

ESG Risk Rating Distribution



ESG Risk Rating Ranking UNIVERSE RANK (1St = lowest risk) PERCENTILE (1St = Top Score) Global Universe 1029/14652 8th Banks INDUSTRY 90/1018 10th

23/582

5th

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. De Volksbank NV	40.3 Medium	72.8 Strong	13.0 Low
2. Raiffeisenbank as	35.0 Medium	64.8 Strong	13.4 Low
3. Banque Internationale à Luxembourg SA	38.3 Medium	69.7 Strong	13.5 Low
4. The Fédération des caisses Desjardins du Québec	40.4 Medium	70.6 Strong	13.6 Low
5. Volksbank Wien AG	40.8 Medium	69.8 Strong	14.3 Low

Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

38.3

Beta = 1.04

+4.8

Medium

Momentum



As the oldest universal bank and the fourth-largest bank in Luxembourg (by total assets), Banque Internationale à Luxembourg (BIL) focuses on meeting the financial needs of its local economy. The concentration on a saturated and highly regulated market, along with a significant retail portfolio, exposes BIL to product governance-related challenges. With a focus on maintaining its competitive position and accommodating changing customer needs, the bank has also invested in digital service offerings; however, this might also increase its data privacy risks as a result of the increased volume of sensitive customer data transfer. Furthermore, while supporting the Luxembourgish economy, BIL must attract and retain a talented workforce able to navigate its financial products and customer base.

The company's overall exposure is medium and is similar to subindustry average. Product Governance, Data Privacy and Cybersecurity and Human Capital are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

69.7

-0.9

Strong

Momentum



Product Governance represents the largest contribution to BIL's total unmanaged risk. The bank has a policy commitment addressing fair information provision and transparency towards its clients; however, its responsible product offering programme falls behind best practices due to a lack of relevant regular employee training and of provisions for sharing risk information. The bank's overall management is strong, supported by robust governance structures and regular security audits. However, based on the available information, BIL does not conduct external cybersecurity assessments or audits on a regular basis. BIL has strong policies and programmes concerning its workplace, with a particularly strong discrimination policy.

The company's overall management of material ESG issues is strong.

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure Score Category	ESG Risk Management Score Category	ESG Risk Rating Score Category	Contribution to ESG Risk Rating
Product Governance	7.6 Medium	55.0 Strong	3.4 Low	25.4%
Data Privacy and Cybersecurity	5.7 Medium	55.0 Strong	3.2 Low	23.7%
Human Capital	5.0 Medium	64.1 Strong	2.0 Negligible	14.5%
Resilience	5.0 Medium	84.9 Strong	1.6 Negligible	11.9%
ESG Integration -Financials	4.0 Medium	65.4 Strong	1.4 Negligible	10.3%
Stakeholder Governance	5.0 Medium	78.5 Strong	1.1 Negligible	8.0%
Business Ethics	6.0 Medium	90.6 Strong	0.8 Negligible	6.2%
Overall	38.3 Medium	69.7 Strong	13.5 Low	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

A Severe (0)

△ High (0)

▲ Significant (0)

▲ Moderate (0)

▲ Low (0)



Regional Banks Luxembourg BRU:1153516

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

A None (16)

Access to Basic Services Accounting and Taxation

Anti-Competitive Practices Bribery and Corruption

Business Ethics Carbon Impact of Products

Data Privacy and Security Environmental Impact of Products

Labour Relations Lobbying and Public Policy

Marketing Practices Quality and Safety

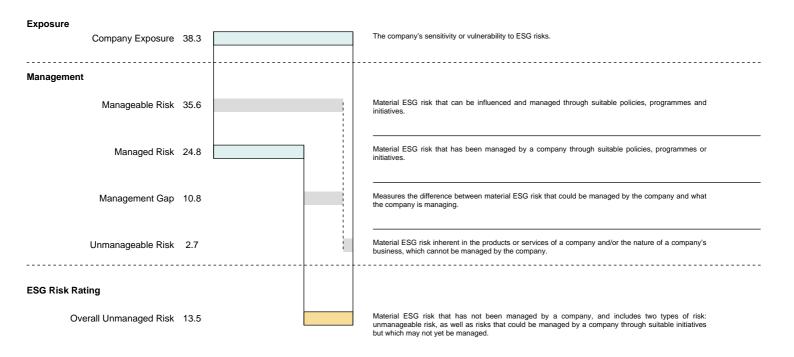
Resilience Sanctions

Social Impact of Products Society - Human Rights



Regional Banks Luxembourg BRU:1153516

Risk Decomposition



Momentum Details







Regional Banks Luxembourg BRU:1153516

ESG Risk Rating Score Change Log View Glossary



Attribute Date	Value Before Change	Value After Change	riangle Change In Value	Change Trigger
2025/01/29	13.6	13.5 ↓	-0.1	Partial Update
2024/05/23	11.2	11.0 ↓	-0.2	Methodology Update



Regional Banks Luxembourg BRU:1153516

Issue



Product Governance

Contribution 25.4 %

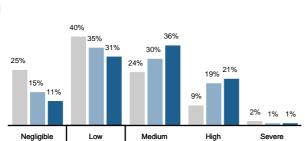
Product Governance encompasses a company's management of the entire lifecycle of its products and services to prevent and mitigate risks and consequences for its customers and end-users.

ESG Risk Rating

3.4



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK P (1 st = lowest risk)	ERCENTILE (1 St = Top Score)
Global Universe	2122 /3770	57th
Banks INDUSTRY	130 /334	39th
Regional Banks	67 /219	31st

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. De Volksbank NV	8.0 High	85.5 Strong	1.2 Negligible
2. Banque Internationale à Luxembourg SA	7.6 Medium	55.0 Strong	3.4 Low
3. Volksbank Wien AG	8.0 High	55.0 Strong	3.6 Low
4. Raiffeisenbank as	8.0 High	53.0 Strong	3.8 Low
5. SpareBank 1 SR-Bank ASA	8.4 High	55.0 Strong	3.8 Low



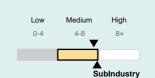
Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

7.6 Medium



BIL's credit risk exposure is predominantly concentrated around three counterparty groups: individuals, SMEs and self-employed (35% of total exposure); central governments (29%); and corporations (21%). Given the bank's substantial retail credit exposure and its role in Luxembourg (fourth-largest bank based on total assets), it is imperative that BIL ensures compliance with consumer protection regulations, as misconduct such as predatory lending can result in significant regulatory and legal risks, especially in highly regulated markets such as the FII

The company's exposure to Product Governance issues is medium and similar to the subindustry exposure.

Exposure Analysis Subindustry Issue Exposure 8.0 Issue Beta x 0.95 Company Issue Exposure 7.6

Beta Indicators	Beta Signal
Access to Basic Services	0.00
Marketing Practices	0.00
Quality and Safety	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Headquarters Location	-0.03
Sales Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.05
Baseline	+1.00
Overall Beta	0.95



Regional Banks Luxembourg BRU:1153516

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

55.0 Strong



BIL has a policy commitment to ensuring transparency towards its clients as well as fair treatment, taking clients' needs into account. This commitment is supported by robust governance structures, including managerial responsibility for responsible product offerings. In addition, BIL has monitoring structures in place to ensure that its products and services continue to fulfil the needs of target customers. It offers mechanisms for receiving and investigating customer complaints and implementing corrective actions, as well as transparently disclosing the nature of customer complaints associated with its products and services. On the other hand, it is unclear whether BIL's frontline employees are regularly trained on responsible product offering and marketing, as well as what provisions the bank has for sharing risk information linked to its products and services.

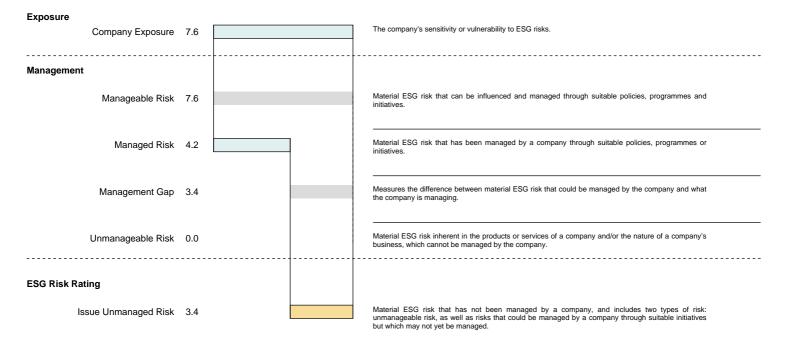
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Responsible Product Offering	75	60.0%	45.0
Responsible Marketing Policy	25	40.0%	10.0
⚠ Access to Basic Services	Category 0	0%	0.0
	Category 0	0%	0.0
Quality and Safety	Category 0	0%	0.0
Weighted Sum			55.0



Regional Banks Luxembourg BRU:1153516

Risk Decomposition





Regional Banks Luxembourg BRU:1153516

Issue

Data Privacy and Cybersecurity

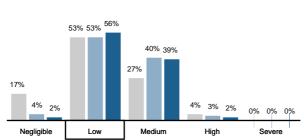
Contribution 23.7 %

Data Privacy and Cybersecurity covers a company's data governance practices, including the collection, use, management and protection of data, to ensure compliance with regulations, safeguard against breaches and address ethical concerns on data use.

ESG Risk Rating



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UN	IIVERSE	(1 St = lowest risk)	PERCENTILE (1 St = Top Score)
	Global Universe	1084 /2229	49th
	Banks INDUSTRY	101 /334	31st
	Regional Banks	64 /219	30th

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Raiffeisenbank as	6.0 Medium	70.0 Strong	2.6 Low
2. Volksbank Wien AG	6.0 Medium	60.0 Strong	3.1 Low
3. Banque Internationale à Luxembourg SA	5.7 Medium	55.0 Strong	3.2 Low
4. De Volksbank NV	6.0 Medium	55.0 Strong	3.4 Low
5. SpareBank 1 SR-Bank ASA	6.3 Medium	55.0 Strong	3.5 Low



Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

5.7 Medium



BIL has expanded its digital offerings to meet the changing needs of its more than 215,000 clients. It has invested in a range of digital solutions, such as BILnet, Open Banking API and MultiLine; in FY2023, 80% of BIL clients had activated LuxTrust Mobile by the end of the reporting period. As such, the bank collects and processes large volumes of sensitive personal data. Breaches could lead to data loss, operational disruptions, lawsuits and regulatory fines.

The company's exposure to Data Privacy and Cybersecurity issues is medium and moderately below the subindustry exposure.

Exposure Analysis Subindustry Issue Exposure 6.0 Issue Beta x 0.95 Company Issue Exposure 5.7

Beta Indicators	Beta Signal
Data Privacy and Security	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Headquarters Location	-0.03
Sales Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.05
Baseline	+1.00
Overall Beta	0.95



Regional Banks Luxembourg BRU:1153516

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

55.0 Strong



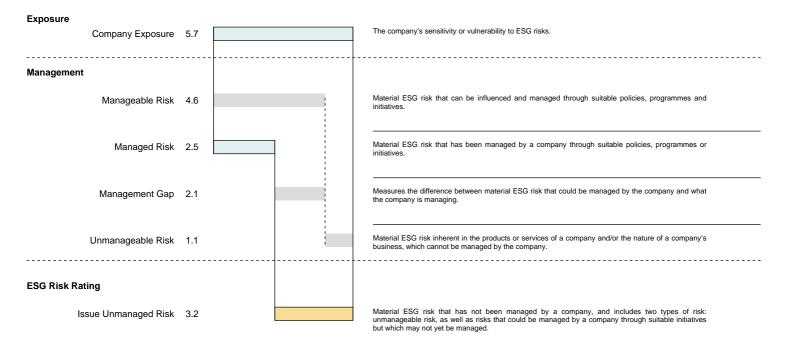
BIL's overall management of data security issues is strong, with its IT security officer, the head of physical security and the chief information security officer ensuring appropriate governance. The bank's privacy policy details clear use cases of customer data, as well as its data retention practices and a commitment to allow data subjects the ability to erase or correct personal data. While regular employee training on data privacy and cybersecurity issues remains an area for improvement, this is somewhat counterbalanced by the bank regularly conducting cyber risk assessments of its technologies. Its privacy policies lacks a commitment to require service providers to protect data at a level consistent with the banks' standards. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Data Privacy Policy	75	20.0%	15.0
Cybersecurity Programme	50	40.0%	20.0
Data Privacy Programme	50	40.0%	20.0
♠ Data Privacy and Security	Category 0	0%	0.0
Weighted Sum			55.0



Regional Banks Luxembourg BRU:1153516

Risk Decomposition





Regional Banks Luxembourg BRU:1153516

Issue

(&)

Human Capital

Contribution 14.5 %

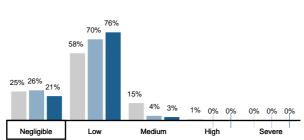
Human Capital encompasses a company's management of its human resources, from acquiring and retaining top talent, to providing advancement opportunities in a diverse and equal work environment, and adopting an inclusive corporate culture.

ESG Risk Rating

2.0



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK F (1 st = lowest risk)	PERCENTILE (1 st = Top Score)
Global Universe	1064 /4392	25th
Banks INDUSTRY	87 /364	24th
Regional Banks SUBINDUSTRY	43 /219	20th

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Volksbank Wien AG	5.3 Medium	80.0 Strong	1.3 Negligible
2. De Volksbank NV	5.0 Medium	78.5 Strong	1.3 Negligible
3. SpareBank 1 SR-Bank ASA	4.8 Medium	70.4 Strong	1.6 Negligible
4. Banque Internationale à Luxembourg SA	5.0 Medium	64.1 Strong	2.0 Negligible
5. Raiffeisenbank as	5.0 Medium	61.0 Strong	2.1 Low



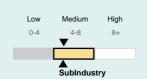
Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

5.0 Medium



In recent years, the financial industry has paid increased attention to shrinking the gender pay gap and strengthening the inclusion of diverse groups. Luxembourg is considered ahead of many other EU countries in terms of gender pay, but some disparities still exist in certain sectors, such as financial services. Failure to create a fair, equal and just workplace, and a lack of adequate retention measures could result in long-term implications for the quality of its human capital and a skill shortage affecting its customer service.

The company's exposure to Human Capital issues is medium and similar to the subindustry exposure.

Exposure Analysis Subindustry Issue Exposure 5.0 Issue Beta x 1.00 Company Issue Exposure 5.0

Beta Indicators	Beta Signal
Labour Relations	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00



Regional Banks Luxembourg BRU:1153516

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

programmes for specific groups.

8trong Average
100-50 50-25

Strong

BIL scores strongly with regards to its management of human capital. The bank has a very strong freedom of association-and discrimination policy, and just over 50% of employees are covered by a collective bargaining agreement in Luxembourg. The company invests in employee development, with an average of 5.5 days of training per employee for 2023. BIL reports the mean (average) raw gender pay gap for the reporting period, with a negative gender pay gap of -1.1%, which underscores its efforts to advocate pay equity in the workplace. Room for improvement consists of its diversity programme, where there's no evidence of mentorship

Weak

25-0

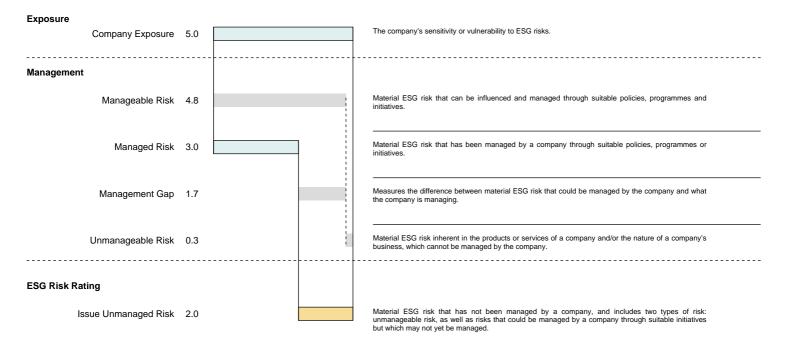
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Discrimination Policy	100	15.0%	15.0
Freedom of Association Policy	100	5.0%	5.0
Collective Bargaining Agreements	75	5.0%	3.8
Human Capital Development	75	27.5%	20.6
Diversity Programmes	50	22.5%	11.3
Employee Training	50	5.0%	2.5
Gender Pay Disclosure	50	5.0%	2.5
Gender Pay Equality Programme	25	10.0%	2.5
Employee Turnover Rate	20	5.0%	1.0
⚠ Labour Relations	Category 0	0%	0.0
Weighted Sum			64.1



Regional Banks Luxembourg BRU:1153516

Risk Decomposition





Regional Banks Luxembourg BRU:1153516

Issue

Resilience

Contribution 11.9 %

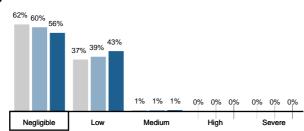
Resilience focuses on the ability of financial institutions to withstand negative shocks arising from changes in economic conditions. It measures financial stability and the management of related risks with an emphasis on capital requirements.

ESG Risk Rating

1.6



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE		PERCENTILE (1 st = Top Score)
Global Universe	86 /217	40th
Banks INDUSTRY	70 /186	38th
Regional Banks SUBINDUSTRY	45 /126	36th

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Volksbank Wien AG	5.3 Medium	88.8 Strong	1.5 Negligible
2. Banque Internationale à Luxembourg SA	5.0 Medium	84.9 Strong	1.6 Negligible
3. De Volksbank NV	5.0 Medium	75.1 Strong	2.0 Negligible



Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

5.0 Medium



Resilience represents the ability of banks to withstand negative shocks arising from changes in economic conditions. The 2023 US banking crisis, where mid-sized banks failed to manage interest rate risk and secure funding sources, led to a rapid loss of investor confidence via bank runs and emergency bailouts by the government; unlike the 2008 global financial crisis, taxpayer involvement was avoided, but shareholders and bondholders were wiped out. The 2008 crisis had already exposed the financial sector to deficiencies in risk management and the dependency of national economies on "too big to fail" institutions. Financial Institutions profited from taking excessive risks, while downside risks and losses were borne by the public; billions of dollars of public funds have been used to rescue distressed institutions. At the height of the 2008 crisis, banks with more conservative business models (such as Canadian banks) generally fared better than their less conservative counterparts. In response, governments and regulators worldwide have enhanced global capital and liquidity standards under Basel III. Regulatory frameworks to address Resilience include the Dodd-Frank Act, passed in 2010, which affects financial regulation in the US and imposes further restrictions. Several Regional Banks received funding from the Trouble Asset Relief Program. Regulation focused on proper liquidity risk management and contingency funding sources will continue to be a key driver of Resilience standards going forward. Certain recurring control measures, such as stress tests and resolution plans (living wills), are emphasized to reduce potential future government bailouts. In addition to demonstrating that they can meet standards for excess Common Equity Tier 1 capital, banks must also show that their controls and risk governance are in order. Consequences for control failures and risk management deficiencies include significant fines and restrictions on operating activities.

The company's exposure to Resilience issues is medium and similar to the subindustry exposure.

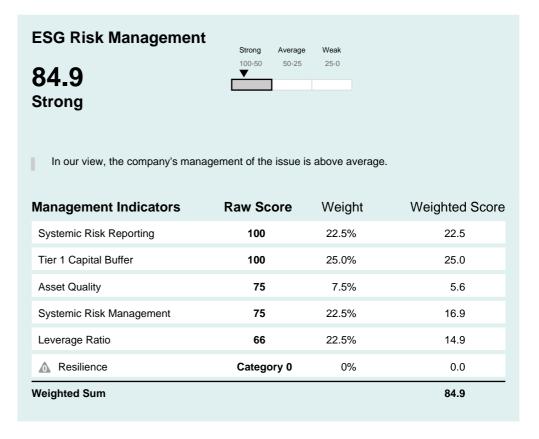
Exposure Analysis

Company Issue Exposure		5.0	
Issue Beta	х	1.00	
Subindustry Issue Exposure		5.0	

Beta Indicators	Beta Signal
Resilience	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	1.00

Regional Banks Luxembourg BRU:1153516

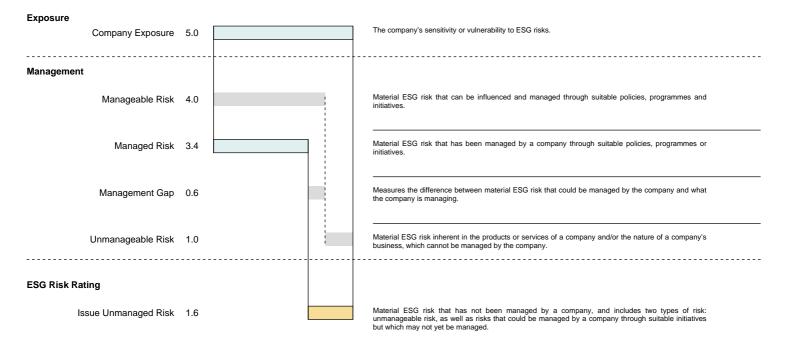
Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.





Regional Banks Luxembourg BRU:1153516

Risk Decomposition





Regional Banks Luxembourg BRU:1153516

Issue

Contribution 10.3 %

ESG Integration - Financials

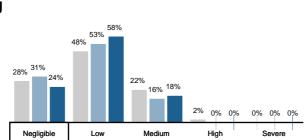
ESG Integration - Financials covers the integration of environmental, social and governance criteria into financial and real estate decision-making as investors aim to lower their risk, maximize returns, and find profitable investment opportunities.

ESG Risk Rating

1.4



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK PERCENT (1 St = lowest risk) (1 St = Top S			
Global Universe	162 /1022	17th		
Banks INDUSTRY	69 /364	20th		
Regional Banks	26 /219	12th		

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. De Volksbank NV	5.0 Medium	77.2 Strong	1.1 Negligible
2. Banque Internationale à Luxembourg SA	4.0 Medium	65.4 Strong	1.4 Negligible
3. Volksbank Wien AG	5.0 Medium	59.9 Strong	2.0 Low
4. SpareBank 1 SR-Bank ASA	5.3 Medium	59.7 Strong	2.1 Low
5. Raiffeisenbank as	5.0 Medium	56.4 Strong	2.2 Low



Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

4.0 Medium



ESG Integration -Financials involves the integration of environmental, social and governance (ESG) criteria and metrics into financial lending and investment decision-making. With their comprehensive product offering, regional banks face a multifaceted array of risks and opportunities related to ESG integration, with each bank facing a different level of exposure depending on its product mix and geographical footprint. In their lending operations, regional banks are subject to criticism and may encounter risks by lending to controversial industries and projects, such as coal mines, hydroelectric dams, controversial weapons manufacturers and palm oil producers. The asset management businesses at regional banks face similar considerations as lending divisions; investment decisions can lead to reputational damage and losses on investments. Although asset managers are often highly diversified, they are exposed to shifts in markets that arise due to ESG issues. Companies employing successful risk management strategies that include ESG considerations may experience a long-term competitive advantage compared to their peers. Regional banks may also be able to capture new business opportunities in the area of responsible finance. For example, some banks have developed new products that cater to sustainability-minded investors and consumers, such as green bonds that invest in renewable energy and energy efficiency projects. Likewise, new lending products catering to businesses and retail customers can establish banks in growth markets that may be particularly important in the event of regulatory and market shifts. Banks that integrate ESG considerations may also reduce criticism from NGOs, the public, and clients. Although most companies may have some level of responsible finance activity, many approach it as a niche area rather than a core part of their business. However, shifting public expectations toward greater corporate accountability suggest that responsible finance will increasingly be an important area of differentiation among regional banks.

The company's exposure to ESG Integration -Financials issues is medium and moderately below the subindustry exposure.

4.0

Beta Indicators

Exposure Analysis Subindustry Issue Exposure 5.0 Issue Beta x 0.80

Company Issue Exposure

Environmental Impact of	0.00
Social Impact of Products	0.00
Carbon Impact of Products	0.00
Society - Human Rights	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Headquarters Location	-0.03
Sales Location	0.00
Responsible Asset Portfolio	-0.15
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00

Beta Signal

Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

Beta Indicators	Beta Signal
Exceptional Event Adjustment	0.00
otal Beta Signal	-0.20
Baseline	+1.00
Overall Beta	0.80



Regional Banks Luxembourg BRU:1153516

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

65.4 Strong

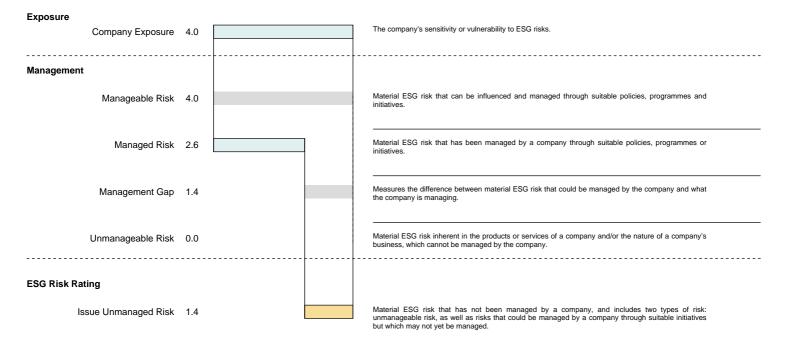


In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Responsible Asset Management	100	17.5%	17.5
Responsible Investment Policy	100	7.5%	7.5
Sustainable Financial Initiatives	100	7.5%	7.5
UNEPFI Signatory	100	2.5%	2.5
Corporate Finance - ESG Integration	75	20.0%	15.0
Responsible Investment Programme	75	12.5%	9.4
Credit & Loan Standards	40	15.0%	6.0
Accessible Finance Commitment	0	7.5%	0.0
Equator Principles Signatory	0	2.5%	0.0
PRI Signatory	0	7.5%	0.0
♠ Carbon Impact of Products	Category 0	0%	0.0
♠ Environmental Impact of Products	Category 0	0%	0.0
♠ Social Impact of Products	Category 0	0%	0.0
▲ Society - Human Rights	Category 0	0%	0.0
Weighted Sum			65.4

Regional Banks Luxembourg BRU:1153516

Risk Decomposition





Regional Banks Luxembourg BRU:1153516

Issue

Stakeholder Governance

Contribution 8.0 %

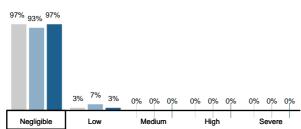
Stakeholder Governance encompasses the mechanisms, processes and policies used by a company to manage its extra-financial risks and broader stakeholder relationships beyond focusing solely on shareholders.

ESG Risk Rating

1.1



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	(1 St = lowest risk) (1 St = Top Score)		
Global Universe	3052 /4615	66th	
Banks INDUSTRY	216 /364	60th	
Regional Banks SUBINDUSTRY	129 /219	59th	

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. SpareBank 1 SR-Bank ASA	2.0 Low	87.4 Strong	0.3 Negligible
2. Raiffeisenbank as	5.0 Medium	81.4 Strong	0.9 Negligible
3. Banque Internationale à Luxembourg SA	5.0 Medium	78.5 Strong	1.1 Negligible
4. Volksbank Wien AG	5.0 Medium	74.2 Strong	1.3 Negligible
5. De Volksbank NV	5.0 Medium	72.6 Strong	1.4 Negligible



Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

5.0 Medium



Public and private companies across all industries are increasingly expected to demonstrate how they have considered their business' impact on a broad range of stakeholders, beyond focusing solely on the needs of shareholders. A core element of this includes establishing safeguards and controls to manage the environmental, social and governance risks arising from a company's operations. At the same time, due to increasing regulatory requirements, firms are being required to enhance disclosures and adopt more robust processes and policies to monitor and manage ESG risks. Companies that fail to adopt the necessary structures to address stakeholders' expectations are subject to increased scrutiny and pressure from a range of interested parties demanding transparency and action. This can leave firms exposed to operational, reputational and financial risks. Companies in which the board and senior management have oversight of and assume responsibility for ensuring that there are appropriate mechanisms in place to mitigate the firm's environmental and social impacts and ensure ethical business conduct are considered to have a competitive advantage.

The company's exposure to Stakeholder Governance issues is medium and significantly above the subindustry exposure.

Exposure Analysis			
Subindustry Issue Exposure		2.0	
Issue Beta	x	2.50	
Company Issue Exposure		5.0	

Beta Indicators	Beta Signal
Qualitative Overlay	0.00
Exceptional Event Adjustment	0.00
Ownership	1.50
Total Beta Signal	1.50
Baseline	+1.00
Overall Beta	2.50

Regional Banks Luxembourg BRU:1153516

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

78.5 Strong

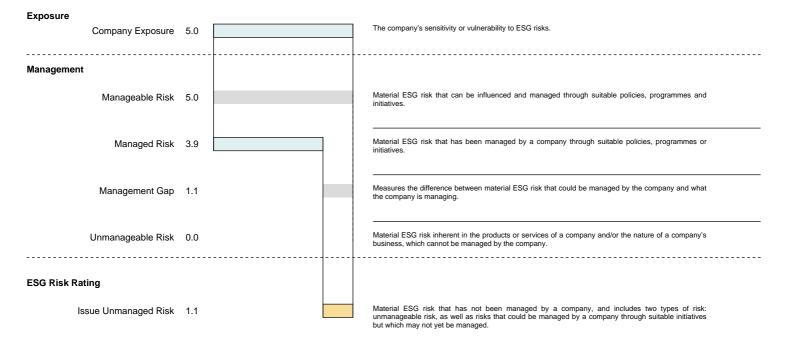


In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Bribery & Corruption Policy	100	10.5%	10.5
Discrimination Policy	100	9.5%	9.5
ESG Governance	100	10.5%	10.5
ESG Reporting Standards	100	6.0%	6.0
Global Compact Signatory	100	6.5%	6.5
Tax Disclosure	100	8.5%	8.5
Transparency on Lobbying and	100	3.5%	3.5
Environmental Policy	75	8.5%	6.4
Political Involvement Policy	75	3.5%	2.6
Scope of Social Supplier Standards	75	4.5%	3.4
Whistleblower Programmes	75	10.5%	7.9
GHG Reduction Programme	25	9.5%	2.4
Supplier Environmental Policy	25	3.5%	0.9
Verification of ESG Reporting	0	5.0%	0.0
Weighted Sum			78.5

Regional Banks Luxembourg BRU:1153516

Risk Decomposition





Regional Banks Luxembourg BRU:1153516

Issue

AMA

Business Ethics

Contribution 6.2 %

Business Ethics encompasses business practices that may be legal or illegal, and result in a financial benefit to an individual specifically or a company while having a negative impact on society or other company stakeholders.

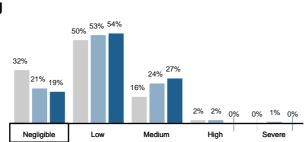
ESG Risk Rating

8.0

Negligible Risk

NEGL	LOW	MED	HIGH	SEVERE
0-2	2-4	4-6	6-8	8+

ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK PERCENTILE (1st = lowest risk) (1st = Top Score)		
Global Universe	163 /4400	5th	
Banks INDUSTRY	7 /364	3rd	
Regional Banks SUBINDUSTRY	4 /219	2nd	

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Banque Internationale à Luxembourg SA	6.0 Medium	90.6 Strong	0.8 Negligible
2. SpareBank 1 SR-Bank ASA	5.7 Medium	80.0 Strong	1.4 Negligible
3. Volksbank Wien AG	6.3 Medium	80.0 Strong	1.5 Negligible
4. Raiffeisenbank as	6.0 Medium	73.1 Strong	1.8 Negligible
5. De Volksbank NV	6.3 Medium	60.6 Strong	2.7 Low



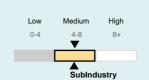
Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

6.0 Medium



Banks play a vital role in the functioning of the global economy, and it is essential that they provide reliable and trustworthy services. Banks offer a broad and complex range of financial products and services and may own multiple business lines, adding to the difficulty of monitoring and enforcing business ethics policies and programmes. Regional Banks must follow the same regulations as Diversified Banks regarding issues like insider trading and anti-money laundering. Additionally, Regional Banks have been implicated in controversies for taking bribes from mortgage insurers to funnel business towards those companies. For many years, the industry's culture focused on financial incentives and underemphasized business ethics, which has contributed to recurring involvement in ethical controversies. Regulatory scrutiny is high, with potential fines in the hundreds of millions of dollars, and controversies are ongoing. Incidents affecting Regional Banks happen regularly but are generally of moderate impact, perhaps because many companies operate in highly regulated environments, such as the US and Japan. Regarding bribery and corruption, Regional Banks face slightly lower exposure than Diversified Banks, as they generally have fewer government contracts. Linking ethics programmes to material incentives is an emerging trend that enables banks to discipline infractions by clawing back bonuses and/or decreasing executive compensation. Overall, Regional Banks will face a strict regulatory environment with high exposure to business ethics for the foreseeable future.

The company's exposure to Business Ethics issues is medium and similar to the subindustry exposure.

Exposure Analysis Subindustry Issue Exposure 6.0 Issue Beta x 1.00 Company Issue Exposure 6.0

Beta Indicators	Beta Signal
Accounting and Taxation	0.00
Anti-Competitive Practices	0.00
Bribery and Corruption	0.00
Business Ethics	0.00
Lobbying and Public Policy	0.00
Sanctions	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00

Regional Banks Luxembourg BRU:1153516

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

Beta Indicators
Total Beta Signal
aseline
verall Beta

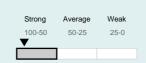


Regional Banks Luxembourg BRU:1153516

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

90.6 Strong

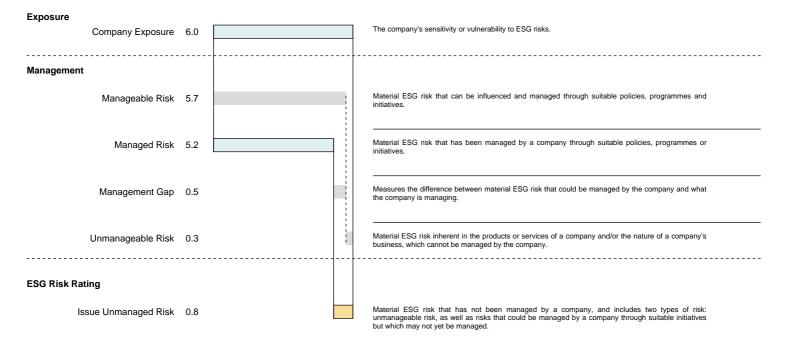


In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Bribery & Corruption Policy	100	10.0%	10.0
Business Ethics Programme	100	22.5%	22.5
Compliance Programme	100	15.0%	15.0
Money Laundering Policy	100	10.0%	10.0
Transparency on Lobbying and	100	5.0%	5.0
Bribery & Corruption Programmes	75	15.0%	11.3
Political Involvement Policy	75	5.0%	3.8
Whistleblower Programmes	75	17.5%	13.1
♠ Accounting and Taxation	Category 0	0%	0.0
♠ Anti-Competitive Practices	Category 0	0%	0.0
Bribery and Corruption	Category 0	0%	0.0
Business Ethics	Category 0	0%	0.0
⚠ Lobbying and Public Policy	Category 0	0%	0.0
♠ Sanctions	Category 0	0%	0.0
Weighted Sum			90.6

Regional Banks Luxembourg BRU:1153516

Risk Decomposition







Exposure Details



Product Governance

EA.E.1 - Access to Basic Services

0.00

Beta Signal

No evidence of relevant controversies

EA.E.24 - Marketing Practices

0.00

Beta Signal

No evidence of relevant controversies

EA.E.28 - Quality and Safety

0.00

Beta Signal

No evidence of relevant controversies

EA.F.1 - Operating Performance

0.00

Beta Signal

The company's net income margin is unknown.

Average Net Income Margin (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 22.91% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.

EA.F.5 - Solvency - Banking

0.00

Beta Signal

The company's Tier 1 capital ratio is unknown.

Average Tier 1 Capital Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 14.77% Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.F.6 - Asset Performance - Banking

0.00

Beta Signal

The company's non-performing asset ratio is unknown.

Average Non-Performing Assets (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 1.4% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.

EA.F.7 - Financial Flexibility - Banking

0.00

Beta Signal

The company's loan-to-deposit ratio is unknown.

Average Loan to Deposit Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 0.8 Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.G.1 - Headquarters Location

- 0.03

Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

Luxembourg: Lower exposure

Source: Sustainalytics Country Risk Rating, December 2020.





Exposure Details

EA.G.3 - Sales Location	EA.S.1 - Qualitative Overlay				
0.00 Beta Signal	0.00 Beta Signal				
The location of the company's sales is unknown.	Answer category for neutral beta signal adjustment				
EA.S.2 - Subindustry Correction Factor	EA.S.3 - Exceptional Event Adjustment				
	0.00				
0.00	0.00				





Management Details _

S.3.1.1 - Responsible Marketing Policy

25	40.00%	10.0							
Raw Score	Weight	Weighted Score							
	The company has a	ı weak policy							
Criteria									
The company had practices	as a general statement a	addressing sustainable marketing							
The company ha	as a policy on responsib	le marketing, but it is limited in scope							
	des a commitment to dis related to products in ma	close potential negative Irketing materials							
	The policy includes a commitment to provide accurate, complete and/or understandable information in marketing practices								
The policy inclu	The policy includes a commitment to target an appropriate audience								
Citations									
Non-public documen	tation shared with Susta	inalytics on 20 Oct 2022							

G.1.3.8 - Responsible Product Offering

75	60.00%	45.0							
Raw Score	Weight	Weighted Score							
	The company has a str	rong programme							
Criteria									
Continuous mo services	onitoring of social impact	and risks of current products and/or							
Impact and risk	k assessment incorporate	ed into product development							
Managerial res	ponsibility for responsible	e product offering							
Mechanisms to action	receive and investigate	complaints and implement corrective							
Objectives to it	mprove customer satisfac	ction							
Policy commitr	ment on responsible prod	ucts and services							
Provision to sh	are risk information								
Regular trainin	g on responsible product	offering and marketing							
Reporting on p	Reporting on product and/or service quality								
Citations									
Banque Internationa	ale a Luxembourg SA Su	stainability Report 2023 (FY2023)							
Non-public docume	ntation shared with Susta	ainalytics on 20 Oct 2022							

Non-public documentation shared with Sustainalytics on 26 Oct 2022





Exposure Details



Data Privacy and Cybersecurity

EA.E.27 - Data Privacy and Security

0.00

Beta Signal

No evidence of relevant controversies

EA.F.1 - Operating Performance

0.00

Beta Signal

The company's net income margin is unknown.

Average Net Income Margin (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 22.91% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.

EA.F.5 - Solvency - Banking

0.00

Beta Signal

The company's Tier 1 capital ratio is unknown.

Average Tier 1 Capital Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 14.77% Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.F.6 - Asset Performance - Banking

0.00

Beta Signal

The company's non-performing asset ratio is unknown.

Average Non-Performing Assets (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 1.4% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.

EA.F.7 - Financial Flexibility - Banking

0.00

Beta Signal

The company's loan-to-deposit ratio is unknown.

Average Loan to Deposit Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 0.8 Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.G.1 - Headquarters Location

- 0.03

Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

Luxembourg: Lower exposure

Source: Sustainalytics Country Risk Rating, December 2020.





Exposure Details

EA.G.3 - Sales Location	EA.S.1 - Qualitative Overlay				
0.00 Beta Signal	0.00 Beta Signal				
The location of the company's sales is unknown.	Answer category for neutral beta signal adjustment				
	EA.S.3 - Exceptional Event Adjustment				





Management Details _____

The company has a strong policy The company has a strong policy The policy addresses the company's data retention practices The policy addresses the company's operations The policy addresses the company's properties security selection of the policy and the company a	S.3.1.3 - Data	Privacy Policy		S.3.1.3.1 - Da	ta Privacy Programn	ne
The company has a strong policy Criteria The policy addresses the company's data retention practices The policy addresses the company's data retention practices The policy applies to a majority of the company's operations The policy applies to a majority of the company's operations The policy contains a commitment to implement appropriate security self-guards The policy contains a commitment to implement appropriate security self-guards The policy contains a commitment to implement appropriate security self-guards The policy contains a commitment to implement appropriate security self-guards The policy contains a commitment to require service providers to protect data at a level consistent with the company's privacy protection of the seminary of the company's privacy reporting to the policy includes a dear description of how data is being disclosed by the company of the what purpose The policy includes a clear description of the type of data being collected by the company of or what purpose The policy includes a commitment to provide data subjects with access to, correction and/or ressure of their data The policy includes a commitment to provide data subjects with access to, correction and/or ressure of their data The policy includes a commitment to provide data subjects to raise concerns about data privacy Citations Banque Internationale a Luxembourg SA Personal Data Processing Policy, released June 2022 S.3.1.3.3 - Cybersecurity Programme Criteria The company has an adequate programme Criteria The company has an adequate programme Criteria The company has an adequate programme or data subjects to raise concerns and or ressures of their data to restrict the data to rest	75	20.00%	15.0	50	40.00%	20.0
Criteria ✓ The policy addresses the company's data retention practices ↑ The policy applies to a majority of the company's operations The policy contains a commitment to implement appropriate security safeguards ↑ The policy contains a commitment to produce service providers to protect data at a level consistent with the company sprivacy policy ↑ The policy includes a clear description of how data is being disclosed by the company and for what purpose ↑ The policy includes a clear description of how data is being used by the company of for what purpose ↑ The policy includes a clear description of how data is being used by the company of for what purpose ↑ The policy includes a clear description of the type of data being collected by the company of for what purpose ↑ The policy includes a commitment to provide data subjects with access to, correction and or erasure of their data ↑ The policy includes a commitment to provide data subjects to raise concerns about data privacy Citations Banque Internationale a Luxembourg SA Personal Data Processing Policy, released June 2024 S.3.1.3.3 - Cybersecurity Programme Criteria ↑ The company has an adequate programme Criteria ↑ The company has an incident management policy or procedure in place to deal with cybersecurity assessments or audits conducted on a regular privacy analysis, risk assessments (PIAs, DPIAs), audits and of or perateval reviews promptives in the company has a mindent management policy or procedure in place to deal with cybersecurity accessments and context in place to deal with cybersecurity assessments or audits conducted on a regular privacy analysis, risk assessments (PIAs. DPIAs), audits and of or perateval reliances communications to privacy management conducts regular privacy analysis, risk assessments (PIAs. DPIAs), audits and of or perateval reliances communications to privacy management and evel company has a management solution of the providers to provide the products and reliances communications. The company has a disaster r	Raw Score	Weight	Weighted Score	Raw Score	Weight	Weighted Score
The policy addresses the company's data retention practices The policy applies to a majority of the company's operations The policy contains a commitment to implement appropriate security safeguards The policy contains a commitment to require service providers to protect data at a level consistent with the company's privacy policy The policy has delar privations around updates The policy includes a clear description of how data is being disclosed by the company and for what purpose. The policy includes a clear description of how data is being used by the company and for what purpose. The policy includes a clear description of how data is being used by the company and for what purpose. The policy includes a clear description of the type of data being collected by the company of the what purpose. The policy includes a commitment to provide data subjects with access to correction and or ensure of their data The policy includes a commitment to provide data subjects with access to naise conceins about data privacy Citations Banque Internationale a Luxembourg SA Personal Data Processing Policy, released June 2024 S.3.1.3.3 - Cybersecurify Programme The company bas an adequate programme Citteria The company conducts regular internal cybersecurity assessments or audits The policy includes a clear description of the type of data subjects to naise conceins about data privacy The policy includes a commitment to provide data subjects to naise conceins about data privacy The company bas an adequate programme The company bas an incident management policy cybersecurity raining for employees The company has an incident management policy or procedure in place to deal with cybersecurity incidents and/or breaches The company has operand and the privacy policy, plan or procedure in place to deal with cybersecurity and plants and or breaches and privacy analysis and privacy analysis. The company has namagement policy or procedure in place to deal with cybersecurity incidents and or privacy analysis and privacy analysis. T		The company has a	strong policy		The company has an adec	uate programme
S.3.1.3.3 - Cybersecurity Programme 50	 ✓ The policy and The policy apple ✓ The policy consafeguards ✓ The policy consafeguards ✓ The policy consafeguards ✓ The policy incompany and ✓ The policy incompany or form the company ✓ The policy incompany 	plies to a majority of the contains a commitment to importains a commitment to recisistent with the company's sclear provisions around upludes a clear description of for what purpose eludes a clear description of the what purpose eludes a commitment to produce the what purpose eludes a commitment and accessible eludes clear and accessible eludes eludes eludes clear and accessible eludes elud	ompany's operations colement appropriate security quire service providers to protect data privacy policy updates If how data is being disclosed by the If how data is being used by the If the type of data being collected by evide data subjects with access to,	The company DPIAs), audit The company The company The company The company The company Citations	s and/ or operational review has governance structures has mandatory privacy trai has regular privacy awarer s's board receives formal pri 's programme includes a br	in place for privacy management ning for employees ness communications to employees vacy reporting each notification process
And Score Weight Weighted Score The company has an adequate programme Criteria The company conducts regular internal cybersecurity assessments or audits The company conducts regular mandatory cybersecurity training for employees The company has a disaster recovery policy, plan or procedure in place The company has an incident management policy or procedure in place to deal with cybersecurity incidents and/or breaches The company has external cybersecurity assessments or audits conducted on a regular basis The company has governance structures in place for cybersecurity management The company has management systems certified to ISO 27001 standards The company's management conducts regular formal cybersecurity reporting to the board			nme			
The company has an adequate programme Criteria ✓ The company conducts regular internal cybersecurity assessments or audits ✓ The company conducts regular mandatory cybersecurity training for employees The company has a disaster recovery policy, plan or procedure in place The company has an incident management policy or procedure in place to deal with cybersecurity incidents and/or breaches The company has external cybersecurity assessments or audits conducted on a regular basis ✓ The company has governance structures in place for cybersecurity management The company has management systems certified to ISO 27001 standards ✓ The company's management conducts regular formal cybersecurity reporting to the board	·····					
Criteria The company conducts regular internal cybersecurity assessments or audits The company conducts regular mandatory cybersecurity training for employees The company has a disaster recovery policy, plan or procedure in place The company has an incident management policy or procedure in place to deal with cybersecurity incidents and/or breaches The company has external cybersecurity assessments or audits conducted on a regular basis The company has governance structures in place for cybersecurity management The company has management systems certified to ISO 27001 standards The company's management conducts regular formal cybersecurity reporting to the board						
The company conducts regular internal cybersecurity assessments or audits The company conducts regular mandatory cybersecurity training for employees The company has a disaster recovery policy, plan or procedure in place The company has an incident management policy or procedure in place to deal with cybersecurity incidents and/or breaches The company has external cybersecurity assessments or audits conducted on a regular basis The company has governance structures in place for cybersecurity management The company has management systems certified to ISO 27001 standards The company's management conducts regular formal cybersecurity reporting to the board		The company has an ade	quate programme			
Unations	 ✓ The company employees The company employees The company deal with cybe The company on a regular b ✓ The company management The company to the board 	conducts regular mandators has a disaster recovery por has an incident management ersecurity incidents and/or has external cybersecurity asis has governance structures has management systems	ony cybersecurity training for olicy, plan or procedure in place ent policy or procedure in place to breaches v assessments or audits conducted s in place for cybersecurity s certified to ISO 27001 standards			
Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)		nale a Luxembourg SA Sus	stainability Report 2023 (FY2023)			



Exposure Details



Human Capital

EA.E.22 - Labour Relations

0.00

Beta Signal

No evidence of relevant controversies

EA.F.1 - Operating Performance

0.00

Beta Signal

The company's net income margin is unknown.

Average Net Income Margin (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 22.91% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.

EA.F.5 - Solvency - Banking

0.00

Beta Signal

The company's Tier 1 capital ratio is unknown.

Average Tier 1 Capital Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 14.77% Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.F.6 - Asset Performance - Banking

0.00

Beta Signal

The company's non-performing asset ratio is unknown.

Average Non-Performing Assets (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 1.4% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.

EA.F.7 - Financial Flexibility - Banking

0.00

Beta Signal

The company's loan-to-deposit ratio is unknown.

Average Loan to Deposit Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 0.8 Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00

Beta Signal

Answer category for neutral beta signal adjustment









Management Details

S.1.1 - Freedom of Association Policy

100	5.00%	5.0
Raw Score	Weight	Weighted Score

The company has a strong policy on freedom of association

Banque Internationale à Luxembourg SA's responsible employer policy states that the bank upholds the freedom of association of its employees and the right to collective bargaining. In addition, the policy commits to aligning with the International Bill of Human Rights and fundamental ILO conventions, in particular the Declaration on Fundamental Principles and Rights at Work.

Citations

Banque Internationale a Luxembourg SA Responsible Employer Policy, released January 2023

S.1.2 - Discrimination Policy

The company has a strong policy							
Raw Score	Weight	Weighted Score					
100	15.00%	15.0					

Criteria

- Commitment to ensure equal opportunity
- List of the types of discrimination the company is committed to eliminate
- Reference to the ILO conventions

Banque Internationale a Luxembourg SA Responsible Employer Policy, released January 2023

S.1.3 - Diversity Programmes

50	22.50%	11.3
Raw Score	Weight	Weighted Score

The company has an adequate programme

Criteria

- Diversity monitoring or audits
- Employee affinity groups, diversity councils, or networking groups
- Initiatives supporting a diverse workforce
- Initiatives to recruit from diverse talent
- Managerial or board level responsibility for diversity initiatives
- Mentorship programmes
- The company has a programme that applies to less than 50% of operations
- Training and guidance regarding diversity

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

The company provided feedback on 22 August 2023

S.1.3.1 - Gender Pay Equality Programme

25	10.00%	2.5
Raw Score	Weight	Weighted Score

The company has a weak programme

Criteria

\checkmark	Commitment to gender pay equality
	Global gender pay gap audit or compensation revi
	Initiatives to close the gender pay gap

Monitoring and measurement

Quantitative targets and deadlines

Citations

Banque Internationale a Luxembourg SA Responsible Employer Policy, released January 2023

Banque Internationale à Luxembourg SA Sustainable Finance Disclosure Regulations (SFDR), Article 5 Remuneration Policy Disclosure; released January

The company provided feedback on 22 August 2023

S.1.3.2 - Gender Pay Disclosure

50	5.00%	2.5						
Raw Score	Weight	Weighted Score						
The company has adequate disclosure								
Criteria								

\cup		of ratio of ployment					wome	n to n	nen fo	r
	opo	 picymoni	σαισε		 01 10	11001011)				

Disclosure of the company's global mean (average) raw gender pay gap Disclosure of the company's global median raw gender pay gap

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

S.1.4 - Collective Bargaining Agreements

75	5.00%	3.8
Raw Score	Weight	Weighted Score
50-74% of the c	company's employees a agreeme	re covered by collective bargaining ents
	of Banque International e bargaining agreement	le à Luxembourg SA's employees were is.
Citations		

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)





Management Details —

S.1.5 - Employee Turnover Rate

20	5.00%	1.0
Raw Score	Weight	Weighted Score
Disclosure on employe	ee turnover is insufficient to performance	determine the company's

Further Quantitative Criteria Details

FY: 2023 Source: -

Metric **Metric Value Employee Turnover Rate**

S.1.5.2 - Human Capital Development

75 Raw Score	27.50% Weight	20.6 Weighted Score
	The company has a stro	ong programme
Critoria		

- Formal mechanisms to promote an open feedback culture Initiatives for talent development
- Initiatives for talent recruitment
- Initiatives for talent retention
- Quantitative targets related to human capital development
- Regular formal performance reviews for all permanent employees aligned with career development
- Reporting on human capital development metrics Reporting on human capital risk assessment

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

The company provided feedback on 22 August 2023

S.1.6.1 - Employee Training

0.0070 2.00	Raw Score	Weight	Weighted Score	
=				
30 300% 73	50	5.00%	2.5	

Further Quantitative Criteria Details

FY: 2023 Source: Reported

Metric	Metric Value
Employee Training Number of Days per Year	5.5 Days





Exposure Details



Resilience

EA.E.29 - Resilience

0.00

Beta Signal

No evidence of relevant controversies

EA.F.1 - Operating Performance

0.00

Beta Signal

The company's net income margin is unknown.

Average Net Income Margin (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 22.91% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.

EA.F.5 - Solvency - Banking

0.00

Beta Signal

The company's Tier 1 capital ratio is unknown.

Average Tier 1 Capital Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 14.77% Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.F.6 - Asset Performance - Banking

0.00

Beta Signal

The company's non-performing asset ratio is unknown.

Average Non-Performing Assets (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 1.4% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.

EA.F.7 - Financial Flexibility - Banking

0.00

Beta Signal

The company's loan-to-deposit ratio is unknown.

Average Loan to Deposit Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 0.8 Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.S.1 - Qualitative Overlay

0.00

Beta Signal

Answer category for neutral beta signal adjustment









Management Details _____

' 5	22.50%	16.9	100	22.50%	22.5
aw Score	Weight	Weighted Score	Raw Score	Weight	Weighted Score
Th	e company has a strong sy	stemic risk reporting	The	company has a very strong	systemic risk reporting
riteria			Criteria		
Board respons	sibility for risk managemen	t	Reporting adh	eres to best practices	
_	sk management office		_	capital planning	
Clawback provisions linked to all variable executive pay components		Reporting on			
Clawback provisions linked to risk management				liquidity planning	into maritana and c
Clawback provisions timeframe of at least three years				management of changing r	isk environment
Employee risk training and awareness Internal audit of risk management system			Reporting on	mainel HSNS	
	based variable compensati		Citations		I.D. (10000 (T)(0000)
_	pensation payout timeframe		·	· ·	ual Report 2023 (FY2023)
_	utive compensation capped	·	Banque Internation	iale a Luxembourg SA Pilla	ar III report, released July 202
Citations		•			
	nale à Luxemboura SA Pilla	ar III report, released July 2024			
S.4.4.3 - Tier 1	I Capital Buffer		S.4.4.5 - Leve	rage Ratio	
100	25.00%	25.0	66	22.50%	14.9
	25.00% Weight	25.0 Weighted Score	66 Raw Score	22.50% Weight	14.9 Weighted Score
Raw Score		Weighted Score			Weighted Score
The	Weight	Weighted Score	Raw Score	Weight	Weighted Score
Raw Score The o	Weight company's core Tier 1 capi	Weighted Score	Raw Score	Weight The company's leverag	Weighted Score
Raw Score The o BIL's CET1 ratio wa	Weight company's core Tier 1 capi as 14.41% for FY2023.	Weighted Score	Raw Score BIL's leverage ratio	Weight The company's leverag of for FY2023 was 5.7%.	Weighted Score
Raw Score The of the o	Weight company's core Tier 1 capi as 14.41% for FY2023. nale à Luxembourg SA Pilla	Weighted Score italization is very strong	Raw Score BIL's leverage ratio	Weight The company's leverag of for FY2023 was 5.7%.	Weighted Score e ratio is strong
Raw Score The o BIL's CET1 ratio wa	Weight company's core Tier 1 capi as 14.41% for FY2023. nale à Luxembourg SA Pilla	Weighted Score italization is very strong	Raw Score BIL's leverage ratio	Weight The company's leverag of for FY2023 was 5.7%.	Weighted Score e ratio is strong
The of Th	Weight company's core Tier 1 capi as 14.41% for FY2023. hale à Luxembourg SA Pilla t Quality 7.50%	Weighted Score italization is very strong	Raw Score BIL's leverage ratio	Weight The company's leverag of for FY2023 was 5.7%.	Weighted Score e ratio is strong
The of Th	Weight company's core Tier 1 capi as 14.41% for FY2023. hale à Luxembourg SA Pilla	Weighted Score italization is very strong ar III report, released July 2024	Raw Score BIL's leverage ratio	Weight The company's leverag of for FY2023 was 5.7%.	Weighted Score e ratio is strong
The of Th	Weight company's core Tier 1 capi as 14.41% for FY2023. hale à Luxembourg SA Pilla t Quality 7.50%	Weighted Score italization is very strong ar III report, released July 2024 5.6 Weighted Score	Raw Score BIL's leverage ratio	Weight The company's leverag of for FY2023 was 5.7%.	Weighted Score e ratio is strong
The of Th	Weight company's core Tier 1 capi as 14.41% for FY2023. hale à Luxembourg SA Pilla t Quality 7.50% Weight	Weighted Score italization is very strong ar III report, released July 2024 5.6 Weighted Score	Raw Score BIL's leverage ratio	Weight The company's leverag of for FY2023 was 5.7%.	Weighted Score e ratio is strong
The of Th	Weight company's core Tier 1 capi as 14.41% for FY2023. hale à Luxembourg SA Pilla t Quality 7.50% Weight company's non-performing	Weighted Score italization is very strong ar III report, released July 2024 5.6 Weighted Score	Raw Score BIL's leverage ratio	Weight The company's leverag of for FY2023 was 5.7%.	Weighted Score e ratio is strong



Exposure Details



ESG Integration - Financials

EA.E.17 - Environmental Impact of Products	EA.E.32 - Social Impact of Products	
0.00	0.00	
Beta Signal	Beta Signal	
No evidence of relevant controversies	No evidence of relevant controversies	
EA.E.46 - Carbon Impact of Products	EA.E.48 - Society - Human Rights	
0.00	0.00	
Beta Signal	Beta Signal	
No evidence of relevant controversies	No evidence of relevant controversies	
EA.F.1 - Operating Performance	EA.F.5 - Solvency - Banking	
0.00	0.00	
Beta Signal	Beta Signal	
The company's net income margin is unknown.	The company's Tier 1 capital ratio is unknown.	

Average Net Income Margin (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 22.91% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.	Average Her 1 Capital Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 14.77% Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.

EA.F.6 - Asset Performance - Banking	EA.F.7 - Financial Flexibility - Banking
0.00	0.00
Beta Signal	Beta Signal
The company's non-performing asset ratio is unknown.	The company's loan-to-deposit ratio is unknown.
Average Non-Performing Assets (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 1.4%	Average Loan to Deposit Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 0.8
Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.	Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.





Exposure Details

EA.G.1 - Headquarters Location EA.G.3 - Sales Location - 0.03 0.00 Beta Signal Beta Signal The location of the company's headquarters indicates slightly lower exposure to The location of the company's sales is unknown. this issue. Luxembourg: Lower exposure Source: Sustainalytics Country Risk Rating, December 2020. **EA.P.5 - Responsible Asset Portfolio EA.S.1 - Qualitative Overlay** - 0.15 0.00 Beta Signal Beta Signal More than 50% of assets under management can be categorized as "responsible Answer category for neutral beta signal adjustment investment" According to BIL's 2023 sustainability disclosure, 58% of its assets under management in BIL Invest can be categorised as responsible. Citations Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023) EA.S.2 - Subindustry Correction Factor **EA.S.3 - Exceptional Event Adjustment** 0.00 0.00 Beta Signal Beta Signal





Management Details

E.3.1.10 - Credit & Loan Standards

40 15.00% 6.0
Raw Score Weight Weighted Score

The company has general standards applicable for all (high risk) industries

Citations

Banque Internationale à Luxembourg SA Pillar III report, released July 2024 The company provided feedback on 22 August 2023

E.3.1.11 - Responsible Asset Management

100 17.50% 17.5

Raw Score Weight Weighted Score

More than 50% of assets under management can be categorized as "responsible

investment'

According to BIL's 2023 sustainability disclosure, 58% of its assets under management in BIL Invest can be categorised as responsible.

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

E.3.1.15 - Sustainable Financial Initiatives

 100
 7.50%
 7.5

 Raw Score
 Weight
 Weighted Score

The company has a strong programme

Banque Internationale à Luxembourg SA offers a range of sustainable financial products, in particular, the bank's corporate finance division offers sustainability-linked loans, where a portion of the interest rate is linked to the borrower's predefined sustainability targets. In addition, the bank offers special terms for hybrid/electric vehicle financing via consumer loans as well as leasing. As for investment activities, the bank has set a target of increasing the share green, social and sustainable bonds in its investment portfolio to at least 30% by the end of 2025

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

S.4.2.19 - Accessible Finance Commitment

0	7.50%	0.0
Raw Score	Weight	Weighted Score
Based on ava	ilable evidence, the compa	any does not have a commitment

Criteria

)	Responsibility of senior management or the board of directors towards
	microfinance commitments

- The company has established partnerships with other financial institutions, communities, NGOs, or governmental authorities to deliver microfinance solutions, in order to achieve its commitments
- The company has initiatives directly related to providing financial education to disadvantaged or low-income individuals
- The company has initiatives directly related to providing microfinancing solutions targeting low-income households, disadvantaged groups and small businesses set up by these individuals/groups
- The company has quantitative targets related to providing microfinance solutions targeting low-income households, disadvantaged groups, and small businesses set up by these individuals/groups
- The company reports on progress towards its microfinance solution targets
- The company sets specific timeframes for its stated target(s)

G.1.3.1 - PRI Signatory

0 7.50% 0.0

Raw Score Weight Weighted Score

The company is not a signatory to the UN Principles for Responsible Investment

Citations

UN Principles for Responsible Investment, www.unpri.org; accessed 23 September 2024

G.1.3.2 - Responsible Investment Policy

100 7.50% 7.5

Raw Score Weight Weighted Score

The company has a strong policy

Criteria

Commitment to engage with companies on ESG issues

Commitment to exclusion based on the companies' activities

 Commitment to integrate ESG factors or select best-in-class companies according to ESG factors

Citations

Banque Internationale a Luxembourg Principal Adverse Impact Statement, released January 2023

Banque Internationale a Luxembourg SA Sustainability Risk Policy, released September 2024





Management Details -

G.1.3.3 - UNEPFI Signatory

100	2.50%	2.5
Raw Score	Weight	Weighted Score
The co	mpany is a signatory to th	e UNEP Finance Initiative

Citations

UNEP FI, www.unepfi.org; accessed 23 September 2024

G.1.3.5 - Equator Principles Signatory

0 Raw Score	2.50% Weight	0.0 Weighted Score		
The company	y is not a signatory to the E	quator Principles		
Criteria				
The company is a signatory to the Equator Principles				
Citations				
Equator Principles, www.equator-principles.com; accessed 23 September 2024				

G.1.3.6 - Responsible Investment Programme

75	12.50%	9.4		
Raw Score	Weight	Weighted Score		
The company has a strong programme				
Criteria				
Active ownership				

- Continuous monitoring of ESG risks
- Investment exclusions based on ESG factors
- Managerial responsibility for responsible investment
- Objectives and targets related to responsible investment
- Other initiatives to promote responsible investment
- Prior ESG risk assessment of investment
- Reporting on RI implementation and performance
- Requirements for investment managers to integrate ESG issues into investment strategies

Citations

Banque Internationale a Luxembourg SA Sustainable Finance Disclosure Regulation, released December 2022

Banque Internationale à Luxembourg SA Pillar III report, released July 2024

Non-public documentation shared with Sustainalytics on 28 Mar 2024

Non-public documentation shared with Sustainalytics on 30 Sep 2023

The company provided feedback on 22 August 2023

G.1.3.7 - Corporate Finance - ESG Integration

Criteria			
	The company has a stro	ong programme	
Raw Score	Weight	Weighted Score	
75	20.00%	15.0	

- Client engagement on ESG issues
- Engagement with transaction stakeholders
- Enhanced due diligence or avoidance of high-risk industries
- Environmental and social risk assessment and categorization
- Managerial responsibility
- Monitoring of environmental and social risks
- Regular internal audits of the company's programme
- Reporting of high-risk loans as percentage of total portfolio
- Training of relationship managers on ESG risk identification

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023) Banque Internationale à Luxembourg SA Pillar III report, released July 2024

The company provided feedback on 22 August 2023

The company provided feedback on 31 August 2023





Exposure Details



Stakeholder Governance

EA.S.1 - Qualitative Overlay	EA.S.3 - Exceptional Event Adjustment
0.00	0.00
Beta Signal	Beta Signal
Answer category for neutral beta signal adjustr	ment
EA.S.4 - Ownership	
1.50	
Beta Signal	
The company is privately owned.	





Management Details _____

The company has a strong policy Criteria Approved by senior management or the board of directors Commitment to crossult with stakeholders on environmental issues Commitment to environmental awareness Commitment to environmental protection Commitment to environmental protection Commitment to environmental protection Commitment to reduce ensistions, releases and waste Commitment to report regularly on environmental pserformance Citations BIL Sustainability Strategy, released December 2023 E.2.1 - Supplier Environmental Policy E.2.1 - Supplier Environmental Policy E.2.2 - 3,50% D.9. Raw Score Weight Weighted Score Weight Weighted Score Banque Internationale à Luxembourg SA sustainabile procurement policy sets out an expectation for suppliers to strive to produce and act in an environmentally responsable manner, however, no specific process-or product-related requirements could be identified. The company's policy includes a commitment to consider suppliers' environmental performance The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance	E.1.1 - Environmental Policy		E.1.7.0 - GHG Reduction Programme			
The company has a strong policy Criteria Approved by senior management or the board of directors Commitment to create environmental savereness Commitment to consult with stakeholders on environmental issues Commitment to environmental protection Commitment to environmental protection Commitment to environmental protection Commitment to environmental protection Commitment to implement an environmental management system Commitment to reduce emissions, releases and waste Commitment to require emissions, releases and waste Commitment to use natural resources or energy more efficiently Citations Bit. Sustainability Strategy, released December 2023 E.2.1 - Supplier Environmental Policy E.2.1 - Supplier Environmental Policy S1.2 - Discrimination Policy S1.2 - Discrimination Policy S1.2 - Discrimination Policy S1.2 - Discrimination Policy Criteria Adoption of key miligation technologies Demonstration of how initiatives put in place closes the emis between current policy and the surface of the strategy of the strategy and the strategy of the strategy of the strategy of the strategy of GHG emissions monitoring and measurement	_			_		
Criteria	Raw Score	Weight	Weighted Score	Raw Score	Weight	Weighted Score
Approved by senior management or the board of directors ✓ Commitment to consult with stakeholders on environmental issues ✓ Commitment to create environmental awareness ✓ Commitment to create environmental protection ✓ Commitment to monitor the company's environmental protection ✓ Commitment to monitor the company's environmental performance ○ Commitment to monitor the company's environmental performance ○ Commitment to replace the emissions, releases and waste ✓ Commitment to use natural resources or energy more efficiently Clitations Bill. Sustainability Strategy, released December 2023 E.2.1 - Supplier Environmental Policy Zes 3.50% 0.9 Raw Score Weight Weighted Score The company has a weak policy The company has a weak policy The company has a weak policy The company has a seneral statement on green product-related requirements could be identified. Criteria The company's policy includes a commitment to consider suppliers' environmental performance Criteria The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Responsible Employer January 2023 Criteria Criteria The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Responsible Employer and province and performance in the procurement decision-making process in provincement performance Criteria The company's policy includes a commitment to engage with suppliers to improve their environmental performance Citations Banque Internationale a Luxembourg SA Responsible Employer' environmental performance Citations Banque Internationale a Luxembourg SA Sustainable Procurement Policy,		The company has a	strong policy		The company has a w	eak programme
25 3.50% 0.9 Raw Score Weight Weighted Score The company has a weak policy Banque Internationale à Luxembourg SA's sustainable procurement policy sets out an expectation for suppliers to strive to produce and act in an environmentally responsible manner, however, no specific process-or product-related requirements could be identified. Criteria The company has a general statement on green procurement The company's policy includes a commitment to consider suppliers' environmental performance in its procurement decision-making process The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Responsible Employer January 2023	Criteria Approved by senior management or the board of directors Commitment to consult with stakeholders on environmental issues Commitment to create environmental awareness Commitment to environmental protection Commitment to implement an environmental management system Commitment to monitor the company's environmental performance Commitment to reduce emissions, releases and waste Commitment to report regularly on environmental issues Commitment to use natural resources or energy more efficiently Citations		Criteria Adoption of key mitigation technologies Demonstration of how initiatives put in place close the emissions gap between current performance and the targeted emissions reduction Emissions reduction coverage ✓ GHG emissions monitoring and measurement GHG reduction target Initiatives are linked to wider TCFD reporting ✓ Initiatives in place to reduce emissions Interim targets Net Zero and Science Alignment Regular GHG audits or verification Citations Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)			
The company has a weak policy Banque Internationale à Luxembourg SA's sustainable procurement policy sets out an expectation for suppliers to strive to produce and act in an environmentally esponsible manner, however, no specific process-or product-related requirements could be identified. Criteria The company has a general statement on green procurement The company's policy includes a commitment to consider suppliers' environmental performance in its procurement to engage with suppliers to improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Sustainable Procurement Policy,			<u>-</u>			9.5
Banque Internationale à Luxembourg SA's sustainable procurement policy sets out an expectation for suppliers to strive to produce and act in an environmentally responsible manner, however, no specific process-or product-related requirements could be identified. Criteria The company has a general statement on green procurement The company's policy includes a commitment to consider suppliers' environmental performance in its procurement decision-making process The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's Policy includes a commitment to monitor suppliers' environmental performance The terman and the foliation of the types of discrimination the company is committed. Citations Banque Internationale a Luxembourg SA Responsible Employer January 2023	Raw Score	Weight	Weighted Score	Raw Score	Weight	Weighted Score
out an expectation for suppliers to strive to produce and act in an environmentally responsible manner, however, no specific process-or product-related requirements could be identified. Criteria The company has a general statement on green procurement The company's policy includes a commitment to consider suppliers' environmental performance in its procurement decision-making process The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Sustainable Procurement Policy,		The company has a	a weak policy		The company has a	strong policy
The company has a general statement on green procurement ✓ The company's policy includes a commitment to consider suppliers' environmental performance in its procurement decision-making process The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Responsible Employer January 2023	out an expectation responsible manne	n for suppliers to strive to p er, however, no specific pr	roduce and act in an environmentally	Commitment of List of the type Reference to	es of discrimination the co	
The company's policy includes a commitment to consider suppliers' environmental performance in its procurement decision-making process The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Sustainable Procurement Policy,	Criteria				nalo a Luvomboura SA Po	enonciblo Employor Policy, rologeo
environmental performance in its procurement decision-making process The company's policy includes a commitment to engage with suppliers to improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Sustainable Procurement Policy,					iale a Luxembourg SA Re	sponsible Employer Policy, release
improve their environmental performance The company's policy includes a commitment to monitor suppliers' environmental performance Citations Banque Internationale a Luxembourg SA Sustainable Procurement Policy,	environmenta	al performance in its procui	rement decision-making process			
environmental performance Citations Banque Internationale a Luxembourg SA Sustainable Procurement Policy,	improve their	environmental performance	ce			
Banque Internationale a Luxembourg SA Sustainable Procurement Policy,			tment to monitor suppliers'			
	Citations					
			stainable Procurement Policy,			



Management Details

S.2.1 - Scope of Social Supplier Standards

75	4.50%	3.4		
Raw Score	Weight	Weighted Score		
The co	mpany has strong socia	l supply chain standards		
Criteria				
Addresses acceptable living conditions				
Addresses child labour				

- Addresses corporal punishment/disciplinary practices
 Addresses forced labour
- Addresses freedom of association and the right to collective bargaining
- Addresses health and safety
- Addresses maximum working hours
- Addresses minimum living wages
- Addresses non-discrimination

Citations

Banque Internationale a Luxembourg SA Sustainable Procurement Policy, released April 2022

G.1.1 - Bribery & Corruption Policy

The company has a very strong policy			
Raw Score	Weight	Weighted Score	
100	10.50%	10.5	

Criteria

- Definition and prohibition of facilitation payments
- Definition of bribery or corruption
- Definition of conflicts of interest and commitment to minimize these
- Guidelines of what is considered acceptable behaviour
- Prohibition of bribery
- There is no evidence of a formal policy but the company has a general statement addressing the issue

Citations

Banque Internationale a Luxembourg SA Anti-Corruption Policy, released March 2022

Banque Internationale a Luxembourg SA Conflict Of Interest Charter, released May 2022

Non-public documentation shared with Sustainalytics on 17 Sep 2021

On Wednesday, October 2, 2024, Sustainalytics sent Banque Internationale à Luxembourg SA the Sustainalytics ESG Feedback Report

G.1.2 - Whistleblower Programmes

75	10.50%	7.9	
Raw Score	Weight	Weighted Score	
The company has a strong programme			

Criteria

- An independent, reporting hotline available 24/7
- Available in local languages
- Available to suppliers, customers and other third parties
- Disclosure on the number of reports received, the types of misconduct and measures taken
- Non-retaliation policy
- Possibility for anonymous reporting and reports are treated confidentially
- Proactively communicated to employees
 - Structures in place to process whistleblower reports

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

Banque Internationale a Luxembourg SA Anti-Corruption Policy, released March 2022

Banque Internationale a Luxembourg SA Whistleblowing Charter, released August 2024

CSSF Hotline, www.whistleblowing.apps.cssf.lu; accessed 24 September 2024

G.1.3 - Global Compact Signatory

100	6.50%	6.5	
Raw Score	Weight	Weighted Score	
The company is a signatory to the UN Global Compact			

Citations

United Nations Global Compact, www.unglobalcompact.org; accessed 23 September 2024





Management Details

G.1.4 - Tax Disclosure

100	8.50%	8.5
Raw Score	Weight	Weighted Score
The company's tax disclosure is strong		

In its FY2023 annual report, Banque Internationale à Luxembourg SA discloses the income taxes paid in key markets, namely China, Denmark, France, Luxembourg, Switzerland.

Criteria

- The company reports on taxes paid by region, continent or using a mixed approach
- The company reports on taxes paid on a country-by-country basis for all of the countries in which it operates

Citations

Banque Internationale a Luxembourg SA Annual Report 2023 (FY2023)

G.2.1 - ESG Reporting Standards

100	6.00%	6.0	
Raw Score	Weight	Weighted Score	
The company's ESG reporting is very strong			

Banque Internationale à Luxembourg SA's FY2023 sustainability report has been prepared in accordance with Global Reporting Initiative (GRI) standards (core option).

Criteria

- The company discloses ESG information on its website or in other publicly available materials, but not as an integrated or standalone report
- The company reports on ESG information, as part of an integrated or standalone report on an annual basis
- The company reports on ESG information as part of an integrated report or a standalone ESG or sustainability report
- The company's ESG reporting follows standards other than best practice standards
- The company's ESG reporting is fully aligned with best practice standards
 The company's ESG reporting is limited in scope or its scope cannot be
- determined
- The company's ESG reporting is partially aligned with best practice standards

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

G.2.2 - Verification of ESG Reporting

0	5.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company has no verification of its ESG reporting

Criteria

At least some parts of the company's ESG report have been externally verified
Data on one ESG topic reported by the company has been externally verified
The company has received limited assurance for its ESG reporting
The company has received reasonable assurance for its ESG reporting
The company's entire ESG report has been externally verified

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

G.2.5 - ESG Governance

100	10.50%	10.5
Raw Score	Weight	Weighted Score

A management committee is responsible for overseeing ESG issues

Banque Internationale à Luxembourg SA's CEO sponsors the bank's sustainability strategy and the group head of sustainability assumes the responsibility of leading the sustainability team as well as conducting a systematic dialogue on ESG issues with key internal and external stakeholders. Banque Internationale à Luxembourg SA's 'towards sustainability committee', with direct reporting to the executive committee, is also led by the global head of sustainability.

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)



Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

Appendix



Management Details

G.3.1 - Political Involvement Policy G.3.2.1 - Transparency on Lobbying and Political Expenses 3.50% 100 3.50% Raw Score Weight Weighted Score Raw Score Weight Weighted Score The company has strong disclosure The company has an adequate policy Criteria Criteria Approved by senior management The company discloses a detailed breakdown of lobbying and political expenses per recipients/ beneficiaries and per country Commits the company to disclose political donations and/or lobbying The company discloses expenditures and/or beneficiaries supported via its lobbying or political finance activities, but with only limited scope Partially prohibits political involvement The company discloses that it does not engage in any lobbying and political Prohibits political involvement of any kind on the company's behalf finance activities The company discloses the causes or themes that it supports through lobbying and political finance activities Banque Internationale a Luxembourg SA Anti-Corruption Policy, released March The company discloses the overall monetary value of lobbying and political 2022 The company partially discloses expenditures and/or beneficiaries supported via its lobbying or political finance activities Citations





Exposure Details



Business Ethics

EA.E.2 - Accounting and Taxation	EA.E.4 - Anti-Competitive Practices	
0.00	0.00	
Beta Signal	Beta Signal	
No evidence of relevant controversies	No evidence of relevant controversies	
EA.E.6 - Bribery and Corruption	EA.E.7 - Business Ethics	
0.00 Beta Signal	0.00 Beta Signal	
No evidence of relevant controversies	No evidence of relevant controversies	
EA.E.23 - Lobbying and Public Policy	EA.E.30 - Sanctions	
0.00 Beta Signal	0.00 Beta Signal	
No evidence of relevant controversies	No evidence of relevant controversies	
EA.F.1 - Operating Performance	EA.F.5 - Solvency - Banking	
0.00	0.00	
Beta Signal	Beta Signal	
The company's net income margin is unknown.	The company's Tier 1 capital ratio is unknown.	
Average Net Income Margin (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 22.91% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.	Average Tier 1 Capital Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 14.77% Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.	





Exposure Details

EA.F.6 - Asset Performance - Banking	EA.F.7 - Financial Flexibility - Banking
0.00 Beta Signal	0.00 Beta Signal
The company's non-performing asset ratio is unknown.	The company's loan-to-deposit ratio is unknown.
Average Non-Performing Assets (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 1.4% Source: Morningstar, August 2021. All Rights Reserved., FactSet, August 2021. All Rights Reserved.	Average Loan to Deposit Ratio (Trailing 3 Years): N/A Subindustry Median (Trailing 3 Years): 0.8 Source: Morningstar, January 2023. All Rights Reserved., PitchBook, January 2023. All Rights Reserved.
EA.S.1 - Qualitative Overlay	EA.S.2 - Subindustry Correction Factor
0.00	0.00
Beta Signal	Beta Signal
Answer category for neutral beta signal adjustment	
EA.S.3 - Exceptional Event Adjustment	
0.00 Beta Signal	





Management Details

G.1.1 - Bribery & Corruption Policy

100	10.00%	10.0
Raw Score	Weight	Weighted Score
	The company has a ve	ry strong policy

Criteria

- Definition and prohibition of facilitation payments
- Definition of bribery or corruption
- Definition of conflicts of interest and commitment to minimize these
- Guidelines of what is considered acceptable behaviour
- Prohibition of bribery
- There is no evidence of a formal policy but the company has a general statement addressing the issue

Citations

Banque Internationale a Luxembourg SA Anti-Corruption Policy, released March 2022

Banque Internationale a Luxembourg SA Conflict Of Interest Charter, released May 2022

Non-public documentation shared with Sustainalytics on 17 Sep 2021

On Wednesday, October 2, 2024, Sustainalytics sent Banque Internationale à Luxembourg SA the Sustainalytics ESG Feedback Report

G.1.1.1 - Bribery & Corruption Programmes

Raw Score	15.00% Weight	Weighted Score	
	The company has a str	ong programme	

Criteria

- Annual signoff of the policy on bribery and corruption by employees
- Internal monitoring system to detect corruption
- Managerial responsibility for bribery and corruption
- Mechanisms for employees to consult on ethical issues
- Operating guidelines addressing record keeping, approval procedures and appropriate behaviour
- Regular bribery and corruption risk assessments
- Regular training on bribery and corruption

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

Banque Internationale a Luxembourg SA Anti-Corruption Policy, released March 2022

Non-public documentation shared with Sustainalytics on 17 Sep 2021

The company provided feedback on 22 August 2023

G.1.2 - Whistleblower Programmes

	The company has a stro	ong programme	
Raw Score	Weight	Weighted Score	
75	17.50%	13.1	

Criteria

- An independent, reporting hotline available 24/7
- Available in local languages
- Available to suppliers, customers and other third parties
- Disclosure on the number of reports received, the types of misconduct and measures taken
- Non-retaliation policy
- Possibility for anonymous reporting and reports are treated confidentially
- Proactively communicated to employees
 - Structures in place to process whistleblower reports

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

Banque Internationale a Luxembourg SA Anti-Corruption Policy, released March 2022

Banque Internationale a Luxembourg SA Whistleblowing Charter, released August 2024

CSSF Hotline, www.whistleblowing.apps.cssf.lu; accessed 24 September 2024

G.1.2.1 - Business Ethics Programme

100	22.50%	22.5
Raw Score	Weight	Weighted Score
The o	omnany has a very strong	programme

Criteria

- Annual training of employees on the Code of Conduct
- Board responsibility for business ethics issues
- Commitment to address major business ethics risks
- Ethical risk assessments
- Incident investigation and corrective actions
- Managerial responsibility for business ethics
- Measures to deter non-compliance and reduce exposure to unethical opportunities
- Operating guidelines

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

Banque Internationale a Luxembourg SA Anti-Corruption Policy, released March 2022

Banque Internationale a Luxembourg SA Conflict Of Interest Charter, released May 2022

Banque Internationale a Luxembourg SA Corporate Governance Charter, released March 2023

Banque Internationale a Luxembourg SA Ethics Policy, released April 2022

Non-public documentation shared with Sustainalytics on 17 Sep 2021

The company provided feedback on 22 August 2023





Management Details -

G.1.4.1 - Money Laundering Policy

100	10.00%	10.0
Raw Score	Weight	Weighted Score
	The company has a strong police	cy on money laundering

Citations

Banque Internationale à Luxembourg SA Summary Of Anti Money Laundering and Know Your Customer Policies, released October 2023

G.1.4.2 - Compliance Programme

100	15.00%	15.0	
Raw Score	Weight	Weighted Score	
	The company has a very s	strong programme	

Criteria

~	Customer due diligence related to illegal activities before starting a
	relationship

Enhanced customer due diligence for clients operating in high risk countries

Incident investigation and corrective actions

Managerial responsibility for compliance

Monitoring existing business relationships

Operating guidelines for reporting suspicious transactions

Reporting of irregularities

Training for employees on anti-money laundering and terrorist financing

Training on avoiding tax evasion facilitation

Training on international sanctions compliance

Citations

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)

Banque Internationale a Luxembourg SA Wolfsberg Questionnaire, released October 2023

Banque Internationale à Luxembourg SA Summary Of Anti Money Laundering and Know Your Customer Policies, released October 2023

The company provided feedback on 22 August 2023

The company provided feedback on 31 August 2023

G.3.1 - Political Involvement Policy

75	5.00%	3.8
Raw Score	Weight	Weighted Score
	The company has an a	adequate policy
Criteria		
Approved by s	senior management	
	company to disclose politic	cal donations and/or lobbying
expenditures		
_ '	bits political involvement	

Citations

Banque Internationale a Luxembourg SA Anti-Corruption Policy, released March 2022

G.3.2.1 - Transparency on Lobbying and Political Expenses

10	0	5.00%	5.0
Raw	Score	Weight	Weighted Score
The company has strong disclosure			
Crite	eria		
	The company discloses a detailed breakdown of lobbying and political expenses per recipients/ beneficiaries and per country		
	The company discloses expenditures and/or beneficiaries supported via its lobbying or political finance activities, but with only limited scope		
✓	The company discloses that it does not engage in any lobbying and political finance activities		
	The company discloses the causes or themes that it supports through lobbying and political finance activities		
	The company disclos expenses	es the overall monetary val	ue of lobbying and political
		y discloses expenditures ar itical finance activities	nd/or beneficiaries supported
Citations			

Banque Internationale a Luxembourg SA Sustainability Report 2023 (FY2023)



Banque Internationale à Luxembourg SA

Regional Banks Luxembourg BRU:1153516

GLOSSARY OF TERMS

Attribute Date

Publication Date when there is any change to the ESG Risk Score, ESG Risk Category, Sub-Industry or Framework.

Beta (Beta, β)

A factor that assesses the degree to which a company's exposure deviates from its subindustry's exposure on a material ESG issue. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Change in Value

Delta between current and previous ESG Risk Scores.

Change Trigger

Explains what triggered a company's score to change (e.g., methodology, event, annual update, partial update).

ESG Risk Category

Companies' ESG Risk Rating scores are assigned to five ESG risk categories in the ESG Risk Rating:



Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

material financial impacts driven by ESG factors

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the ESG Risk Rating; it applies the concept of risk decomposition to derive the level of unmanaged risk for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Event Update

An internal process where an update of an event assessment for a company is performed; the event update is typically done when news about the involvement of a company in a controversy is reaching a certain threshold that requires either an initial event assessment or an update of an existing event assessment

Excess Exposure

The difference between the company's exposure and its subindustry exposure.

Exposure

A company or subindustry's sensitivity or vulnerability to ESG risks.

Full Update

An internal process where a full assessment of a company is performed; the full update is typically done on an annual basis for ESG Risk Ratings.

Idiosyncratic Issue

An issue that was not deemed material at the subindustry level during the consultation process but becomes a material ESG issue for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Methodology Update

An internal process where the methodological architecture of a product is changed leading to changes in the rating/assessment of a company; methodological updates typically occur once within 3-5 years and are rolled out for all companies at once.

Partial Update

An internal process where data points that feed a rating/assessment of a company are updated outside of the full update process and limited in scope; the partial update is typically restricted to a limited number of data points and occurring periodically.



Banque Internationale à Luxembourg SA

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GLOSSARY OF TERMS

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (management gap).

Value after Change

Current ESG Risk Score, ESG Risk Category, Sub-Industry or Framework.

Value before Change

Previous ESG Risk Score, ESG Risk Category, Sub-Industry or Framework.



Banque Internationale à Luxembourg SA

Regional Banks Luxembourg BRU:1153516

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