



DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



DISCLOSURE QUESTIONNAIRE

Company Name: Banque de Luxembourg
Date Submitted: 04/12/2023

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other	✓	

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other	✓	



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: **Banque de Luxembourg** UPDATED AS OF: **04/12/2023**

DISCLOSURE QUESTIONNAIRE CATEGORY	Penalties
ISSUE DATE	2021
TOPIC	Penalties related to weaknesses in the bank's system for combating money laundering and terrorist financing
SUMMARY OF ISSUE	In 2021, the financial regulator of Luxembourg, the Commission de Surveillance du Secteur Financier (CSSF), gave Banque de Luxembourg a penalty related to operational weaknesses observed during an audit in 201 of the bank's system for combating money laundering and terrorist financing. The audit assessed the years prior to 201 .
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The CSSF imposed a penalty that represented 0.4% of the company's revenues
IMPACT ON STAKEHOLDERS	<p>Money laundering and terrorism financing are damaging to the financial sector and the real economy, they promote crime and corruption that slow economic growth. Additionally, these crimes can make countries less stable, which in turn, can weaken law and order, create civil unrest, and reduce foreign investments or international capital flows.</p> <p>The audit did not reveal any unlawful activity. No stakeholders were affected.</p>
RESOLUTION	The case was closed by a penalty was paid by the company
IMPLEMENTED MGT PRACTICES	<p>In response to a rapidly evolving regulatory landscape, a major upgrade of the bank's AML framework and compliance teams had already been underway at the time of the CSSF's on-site inspection. In it's statement, the CSSF recogni ed efforts delivered prior and since the start of the audit procedures. More precisely, the following measures had been implemented:</p> <ul style="list-style-type: none"> • Adaptation of the bank's internal procedures and strengthening of their alert and escalation processes • Completion of the bank's AML-CFT risk scoring model • Completion of the review of client files classified as medium or high risk • Reorgani ation of the teams in charge of compliance and recruitment and training of dedicated experts • Reinforcement of the compliance culture among all its employees through a specific training program. <p>In addition to these remedial measures, the reinforcement of Banque de Luxembourg's AML-CFT control framework included in their strategic plan enables a timely response to the evolving regulatory framework and to stay up to date with the highest standards of compliance .</p>



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PROVIDED BY: Banque de Luxembourg UPDATED AS OF: 04/12/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Disclosure Industries
TOPIC	Clients in Controversial Industries
SUMMARY OF ISSUE	<p>Banque de Luxembourg, a subsidiary of French company Crédit Mutuel Alliance Fédérale, is a bank with investments in several industries, with a small part in companies that are (partially) involved in the production of fossil fuels and tobacco. The Bank follows a set of rules framing the operations proposed to companies operating in sectors with high greenhouse gas emissions but which does not exclude completely all companies in that sector. As a result, the bank has investments in such sectors.</p> <p>Moreover, the Bank provides financing to companies, one of them is active in the tobacco industry. The financing provided to that company is not related to the production of tobacco. The services provided to clients in controversial industries is the same standard offer as clients in non-controversial industries.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>In the last fiscal year clients from the tobacco industry represented 1,26% of the bank's credits.</p> <p>In the last fiscal year clients from the fossil fuel industry represented 1,46% of the bank's assets under management, and clients from tobacco industry represented 0,15% of the bank's assets under management.</p>
IMPACT ON STAKEHOLDERS	<p>Companies that work with clients in controversial industries can indirectly increase the harmful impact to stakeholders by enabling business growth. Therefore, companies that work with clients in these industries should have practices in place to ensure that their impact is aimed at decreasing the negative impacts of the industry.</p> <p>B Lab has flagged the involvement of companies with clients in controversial industries as a material issue and new standards will be created to address possible risks related to this matter.</p>
IMPLEMENTED MGT PRACTICES	<p>Banque de Luxembourg's parent company has established corporate level position statements in relation to working with controversial industries such as coal, oil and gas, among others. The objective of these sectoral policies is to define a set of rules for operations proposed to companies operating in sectors that emit large amounts of greenhouse gases but also have impacts on health and/or the environment.</p> <p>Banque de Luxembourg Investments (BLI) is a signatory of the United Nations' Principles for Responsible Investment (UNPRI) since 2017 and has since created an in-house ESG committee and the implementation of an environmental, social and governance policy.</p> <p>The company performs due diligence as part of its KYC procedures at account opening as well as in recurring reviews, including a Bad Press search. Since 2023 an ESG analysis has been included in its funding requests, including a section on possible controversies.</p>
REPORT	https://www.bfcm.creditmutuel.fr/fr/rsm/politiques-sectorielles/index.html