

**Policy:**

**Environmental, Social &  
Governance – ESG Policy  
Andbank Luxembourg S.A.**

**ANDBANK** /  
*Private Bankers*

**RESPONSABLE INVESTMENT POLICY**

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## 1 CONTEXT AND BACKGROUND

In 2015, the United Nations General Assembly put a new framework for sustainable development on the table: the 2030 Agenda for Sustainable Development, the core of which are the Sustainable Development Goals (SDGs) that are the basis for the transition to a decarbonized, more sustainable, resource-efficient and circular economy.

Ensuring the long-term competitiveness of our economies is critical. Along these lines, the Paris Agreement also reinforces this response to climate change by ensuring, among other things, that financial flows are consistent with these claims.

Disclosing information to end-investors on these issues is an essential part of our commitment (Regulation 2019/2088 EU or Disclosure Regulation). Reporting on the integration of sustainability risks, the analysis of adverse sustainability impacts, sustainable investment objectives or the promotion of environmental or social features has become a purpose to pursue in our business strategy and investment decision-making.

In order to achieve this goal, Andbank Luxembourg is adopting measures in this direction, aligning ourselves with the trends related to sustainability, convinced that this is the way to a better future.

In view of the above, we believe that the analysis of sustainability factors during investment management and its decision-making processes can provide benefits that transcend financial markets, as it can increase the resilience of the real economy and the stability of the financial system. In doing so, it can ultimately have an impact on the risk-return trade-off of financial products.

With regard to the integration of extra-financial ESG factors (environmental, social and governance), we would like to point out that:

- Our managers, bankers and all Andbank Luxembourg employees are involved in a continuous training program on the subject. Employees that we consider key in the development of the impacted areas have specific training.
- In our relationship with the client, when providing an investment service, ESG factors and controversies are considered from a materiality perspective.

In this way we ensure that we are able to offer a selection of ESG screened assets in order to comply with our ESG Investment Policy.

Three basic pillars of ESG governance are:

- ESG Investment Policy. Andbank has chosen as its core strategy for the inclusion of extra-financial criteria the integration of ESG criteria itself. The ESG Investment Policy has been approved by Andbank's Management Committee and is available for consultation.
- Retribution Policy. Andbank aligns the compensation of investment decision-makers with the achievement of the objectives set forth in the policies and manuals relating to ESG issues.
- Principal Adverse Incidents (PIAs). Andbank Luxembourg, in accordance with current regulations, as it does not currently have internal measures and procedures for their effective application, does not currently take into consideration adverse incidents on sustainability factors when providing investment advice. Andbank Luxembourg is working internally and with third parties to be able to consider in the future adverse incidents in the provision of the service.

## **2 GOVERNANCE ON ESG MATTERS. POLICY APPROVAL**

The present Environmental, Social & Governance – ESG Policy relies on its approval by the Supervisory Body of Andbank Luxembourg.

Regular internal meetings are held between management and the areas with a significant impact on the development of ESG criteria at Andbank Luxembourg, mainly the risk, investment desk and compliance departments. These issues may also be discussed in other committees of the bank. The aim is to discuss Andbank Luxembourg's progress in sustainability as well as the review, at least once a year, of the Environmental, Social & Governance – ESG Policy.

## **3 DISCLOSURE**

The present policy will be communicated to all Andbank Luxembourg employees internally. Additionally, it will be available for all employees in "document manager" for them too access at any time. The present policy will be published on Andbank Luxembourg's corporate webpage for all users to read.