



CORPORATE SUSTAINABILITY REPORT

CACEIS Investor Services Bank S.A.

1 November 2022 to 31 October 2023

TABLE OF CONTENTS

MESSAGE OF THE CEO	4
DEFINITIONS AND ACRONYMS	5
INTRODUCTION	6
WHO WE ARE – CACEIS IS BANK.....	7
About CACEIS IS Bank.....	7
Corporate Citizenship at CACEIS IS Bank.....	7
OUR STRATEGIC PRIORITIES.....	8
CACEIS bold ambition	8
CACEIS Vision, Values and Code of Conduct	9
VALUE FOR OUR PLANET.....	11
Climate Change.....	12
Building energy performance	13
Waste Management and Recycling.....	13
Water.....	13
Third-Party Supplier Assessment	14
Sustainable Communities	14
Policies on Environmental-Related Risks	15
Protecting our Local Environment.....	15
Indicators of the European Taxonomy on Sustainable Activities:.....	16
VALUE FOR OUR EMPLOYEES.....	19
IS Bank ESG Focus Areas	20
Attract and retain the right talent.....	20
Enable our people to do their best work.....	25
Strengthen our culture of inclusion and belonging	27
VALUE FOR OUR CLIENTS	32
Client Satisfaction and Loyalty.....	33
Digital Enablement.....	34
Privacy	34
Cyber Security	36
VALUE FOR SOCIETY	37
Community and Social Impact.....	38
Investing in Local Youth	38
GOVERNANCE AND INTEGRITY.....	39
IS Bank ESG strategy.....	40
Responsible governance – IS Bank Level.....	42
Whistleblowing Policy.....	42
Conflicts of Interest Policy	43
Nomination Committee	44

Conduct and Trust 46
Anti-Bribery and Anti-Corruption Policy 46
IS Bank position on human trafficking and Human Rights 47
Risk Management 48

MESSAGE FROM THE CEO



There is an increasing sense of urgency when it comes to climate. Addressing it will be one of the biggest and most challenging undertakings of our lifetime. At CACEIS IS, we are willing to do our part to address the host of environmental, social and governance challenges facing us. Not only to earn the right to be our clients' first choice but also because we firmly believe we must do our part in working towards a sustainable future.

We operate in a complex and continuously evolving regulatory requirement. Through the Green Deal, Europe has defined an ambitious strategic roadmap for the ecological and energy transition. This is a great opportunity for the financial sector to provide the right impetus and to redirect financing towards sustainable activities. At CACEIS IS, we are aware that more needs to be done on our side to move towards a more sustainable, and therefore fairer, society.

After the COVID years, 2023 was another pivotal year for our company. The acquisition by CACEIS of RBC IS Bank in July 2023 consolidates CACEIS' position as a European leader in our sector. This is an opportunity for us to benefit from CACEIS' global footprint as well as Credit Agricole's and CACEIS' robust ESG strategy and to integrate ESG factors into our business strategies.

It is also equally important to continue strengthening Diversity and Inclusion within our company. Diversity and Inclusion was a central pillar of our people strategy. It continues to be so in the "New CACEIS" that was designed taking into account the best practices of both companies. I am particularly pleased to report that CACEIS IS has signed the Luxembourg Women in Finance Charter in March 2023 and by doing so, commits to achieve 36% of women in Senior Management and 45% in Middle and Junior management in 2025 as a step to long-term parity. This is the continuation of our efforts to reduce gender inequality in line with our commitment to eliminate gender pay gap.

On a personal note, I was honoured to be appointed jury to the fifth edition of the Diversity Awards 2023 in Luxembourg organized by the IMS. Diversity is a fact, but inclusion is a choice we make every day. This journey involves synergies within and between companies. I would like to thank the Diversity Charter for giving us this opportunity. It has been an honor to share our successes yet also humbling and inspiring to discover the many achievements of other members.

Philippe Renard

DEFINITIONS AND ACRONYMS

CACEIS Investor Services Bank	or “CACEIS IS Bank” or “CACEIS IS” or the “Bank” refers to CACEIS Investor Services Bank S.A. excluding its subsidiaries and branches.
CACEIS	or “CACEIS Group” or the “Group” refers to CACEIS IS Bank’s Shareholder
ABAC	Anti-Bribery and Corruption
AML	Anti-Money Laundering
ATF	Anti-Terrorist Financing
CCT / CBA	Convention Collective du Travail /Collective Bargaining Agreement
CDC	Citizenship and Diversity Committee
ECB	European Central Bank
GHG	Greenhouse Gas
ERM	Enterprise Risk Management
SDG	Sustainable Developments Goals
WFH	Working From Home
Project RIPA	Acquisition of the IS Bank business by CACEIS and the transition to the new shareholders

INTRODUCTION

Scope

This Corporate Sustainability Report (the “**Report**”) includes information of CACEIS Investor Services Bank S.A. Luxembourg on an unconsolidated¹ basis (“**CACEIS IS**”).

Selected metrics contained in this report may have different scopes and are noted as such.

This Report provides an overview of our priorities, Key Performance Indicators (KPI) and highlights from 2023 on corporate citizenship issues relevant to IS Bank in particular. It complements the information on the results of our operations and financial condition provided in our 2023 CACEIS IS Bank Annual Report.

Reporting Period

All data and examples contained in this Report reflect activities undertaken during the period from November 1, 2022 to October 31, 2023 unless otherwise noted. In many cases, we have provided data for 2023 as well as for the two preceding years to provide readers with a view of trends in our performance over a three year period.

Limitations

In 2023, CACEIS Group completed the acquisition of the legacy RBCIS Bank, with the legal merger of CACEIS IS into the CACEIS Group expected in the near future. As a consequence, CACEIS IS Bank is in a transition period. There are activities undertaken to integrate CACEIS IS into CACEIS Bank, Luxembourg Branch (transition expected to take place in the near future). RBC legacy terminology can sometimes still be used.

Considering the nature of the Bank’s activities and limited extent of its lending portfolio at year end, GHG emissions are deemed immaterial, hence not reported. The Bank is gradually aligning to Credit Agricole / CACEIS ESG Strategies and will be included in related Credit Agricole / CACEIS reporting.

¹ Figures used for taxonomy are for CACEIS IS Bank on a consolidated basis

WHO WE ARE – CACEIS IS BANK

About CACEIS IS Bank

CACEIS IS Bank was a fully-owned subsidiary of the RBC Group, and was acquired in 2012 through RBC's purchase of the remaining 50% of RBC Dexia. On October 17 2022, RBC announced the signing of a Memorandum of Understanding with CACEIS to sell the RBC European asset servicing activities.

The RBC legal entities sold to CACEIS comprise 100% of the shares of RBC Investor Services Bank S.A. This is an opportunity for IS Bank's European clients to benefit from CACEIS' global footprint. CACEIS is owned by two of Europe's largest banking groups - Crédit Agricole S.A. (69.5%) and Banco Santander (30.5%) which gives the resources to define the most effective strategy to support our clients.

The sale to CACEIS was completed on July, 03rd 2023. The Bank has continued to support its clients and its employees to ensure a smooth transition to the new owner.

Headquartered in Luxembourg, IS Bank is the parent company and head office of a consolidated group of subsidiaries and branches. IS Bank is comprised of five subsidiaries, four branches² and one representative office, and is a fully-licensed bank. Through its subsidiaries, it holds several banking and financial services licenses. IS Bank is designated as a "significant supervised entity" and is supervised by the European Central Bank under the Single Supervisory Mechanism ("SSM"). IS Bank is the primary operating entity for IS business in Europe and Asia, providing services across 8 countries with a focus on leading in the key offshore markets of Luxembourg and Ireland. IS Bank undertakes operational activities exclusively around investor services for its clients.

IS Bank serves circa 240+ Clients with custody, fund administration, shareholder services, treasury and market services, trustee and depositary services as well as Private Capital Services. CACEIS IS in Luxembourg employs 850 people from different backgrounds, cultures and experience. We have employees of 43 different nationalities which is an asset for our company.

Corporate Citizenship at CACEIS IS Bank

We believe corporate citizenship is about integrity, business ethics and strong governance.

We hold ourselves to the highest standards and know we must conduct our business responsibly to build trust. We define corporate citizenship as an approach to business where we work to make a positive impact on society, the environment and the economy.

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- ² On June 17, 2021, following the decision from Intesa Sanpaolo, who acquired Pramerica in 2020, to consolidate its fund business activities with its current service provider, the Bank has decided to exit the domestic asset services in the Italian market and to close the IS Bank Milan branch office. Clients have been transferred to the new provider and the Branch has run in closure mode since then, with a view to get to final closure when possible.
 - In the context of the RIPA project, the business of CACEIS IS Bank, London Branch has been transferred to CACEIS Trustee and Depositary Services (CTADS) on December 31, 2023 pending regulatory approval (FCA) and Trade Register process.

OUR STRATEGIC PRIORITIES

CACEIS IS is a subsidiary of CACEIS and operates as an execution centre of the overarching strategy. Therefore, its strategy is mostly defined by CACEIS Group. Some specificities will come from its current and target positioning on the markets it serves, including its client segments.

CACEIS bold ambition

#1 Asset Service Provider in Europe

- Partner of choice for Asset Managers and Asset owners
- Employer of choice thanks to its human capital program

The current trajectory from 2018 to 2023 is on track to achieve this ambition, showing almost a doubling AUC, AUA, NBI (Net Banking Income) and Net income in the period with a Net Income 15% CAGR over the last five years.

The acquisition by CACEIS of the Bank in July 2023 consolidates CACEIS position as a European leader, placing CACEIS in the top 3 asset servicing businesses in Luxembourg and in the top 5 asset servicing businesses in Ireland, and provides increased visibility of the CACEIS brand in the United Kingdom and in the United States.

Strategic Priorities : how to deliver the strategy:

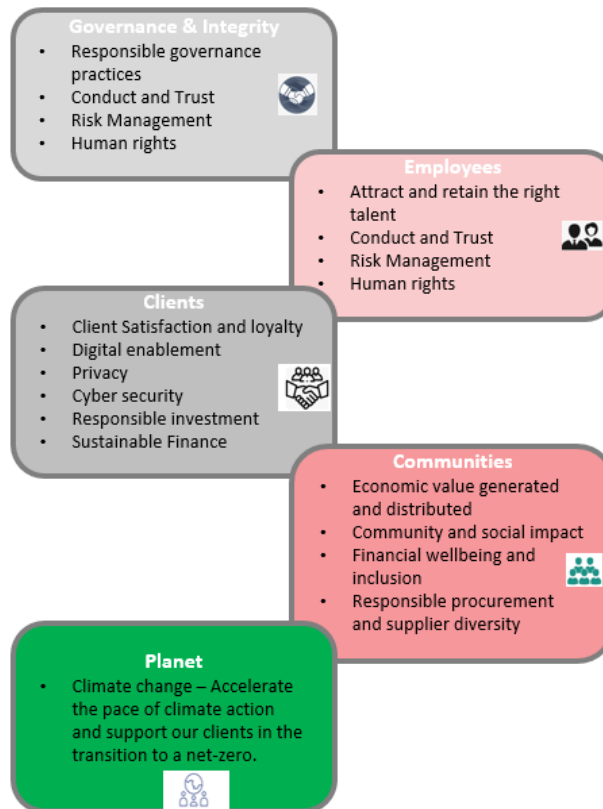
- (i) **Client acquisition** is key to achieve our targets. We need to sharpen our sales process, make it more efficient and scalable.
- (ii) **Client satisfaction**: Client experience is as key enabler for client retention and upsell. This is also about our reputation for prospects and new clients win.
- (iii) **Cost-to-fee**, as a key enabler to be commercial and win RFPs. It is also a key tenet of future profitability to make predictable and scalable revenues.
- (iv) **Employee engagement**: it is of the utmost importance to empower our people locally to drive and execute on the strategy. We believe our clients will be better served by engaged employees.
- (v) **Operational set-up**: over time we will need to evolve our operating model to focus on local roles that are the key drivers of local strategy aligned to the clients orientations (Countries of Sales, Countries of Production and Countries of Domiciliation).

Our Mid-Term Plan (MTP)

CACEIS launched the MTP three years ago to deploy the strategic priorities in terms of Products and Services to address the structural changes that are impacting the asset service industry. One of the fundamental elements of the plan is to continue bringing into action our Corporate Social Responsibility policies both internally and externally to the overall benefit of the community and the clients we serve.

CACEIS Vision, Values and Code of Conduct

CACEIS IS Bank has a long history stepped in North American ESG culture and standards. As an example, Diversity and Inclusion is an integral part of how we do business. It remains a strong value, part of the “New CACEIS” DNA.



We are guided by our Values.

CACEIS IS Bank’s values define what we stand for and how we do business as One CACEIS. In the context of the project RIPA, a “NEW CACEIS” was designed taking into account the best practices of both companies. Three core values arose from the cultural diagnosis performed by the working group in charge.

**CLIENT
SERVICING
EXCELLENCE**

**PEOPLE
&
EMPOWERMENT**

**DIVERSITY
&
INCLUSION**

Client Servicing Excellence” - an unrivalled client experience with relationships built on trust and constantly-improving service quality.

“People Empowerment” - Enabling every staff member to take decisions for which they have been given responsibility - Promoting personal and professional development while leveraging the combined knowledge of an internal network of contacts.

“Diversity & Inclusion” – Capitalise on our cultural diversity to curate more efficient, creative and inclusive methods of operation – Build a cosmopolitan community founded on respect to enable career development and create value for the group.

Our Code of Conduct

Our **Code of Conduct** is a reference document and a tool to help us make decisions in accordance with our values, our ethical principles and the law. It sets the professional behaviour to be followed and promoted in carrying out our duties and in our working relationships. The Code of Conduct applies to all employees, regardless of the position and role within the Bank.

Our rules of conduct are organised into four sections:

- Customer and supplier relations
- Social, environmental and societal issues
- Anti-corruption (incl. Conflict of interests)
- Protection and reputation of the Group

VALUE FOR OUR PLANET




The environmental issues facing our planet are complex and growing in number and importance. We will continue to manage environmental issues that present risks or opportunities. We are guided by the seventeenth Sustainable Developments Goals (SDG) recommended by the United Nations:

SUSTAINABLE DEVELOPMENT GOALS



Climate Change

Climate change presents environmental, social and financial challenges to the global economy, human health and to our own business operations. Strategies to reduce GHG (greenhouse gas) emissions and mitigate the impacts of climate change commonly include policies to encourage clean technology, energy efficiency and renewable energy development. These can stimulate new economic opportunities for businesses and innovation in certain sectors. We respond effectively to the needs of our clients, shareholders, employees and other stakeholders when providing financial services, operating our facilities and supporting our communities. To achieve this, we must remain current with the evolving scope of risks and opportunities associated with mitigating and adapting to climate change.

IS Bank has implemented a few activities to raise awareness and educate its employees of the challenges of climate change and the importance of adaptation through the Citizenship and Diversity Committee and the  Green stream incl. circular economy. A Green Day was organized within the organization in the context of the Diversity Week (May 2023) during which a second-hand market was organized to namely sell dishes from the canteen.

Building energy performance

An emerging strategy for reducing our environmental impact is choosing to lease or build low energy office space. The energy performance certificate (CPE) or energy passport is the quality label that defines a building's energy performance. The certificate provides information on the energy efficiency of buildings, enabling them to be compared with other buildings.

The CPE of CACEIS IS building in Luxembourg indicates that while heat consumption remains at a safe level, additional efforts will need to be done in the future to reduce our electricity consumption.

Waste Management and Recycling

Demand management, reuse and recycling are the preferred methods of reducing solid waste. However, where solid waste cannot be eliminated, we are committed to careful management and disposal. Specific bins to allow staff to recycle paper, packaging and batteries are deployed within the premises.

CACEIS IS Bank is compliant with Valorlux i.e. a non-profit organization (a.s.b.l.), which has “the objective of promoting and coordinating selected waste collection for household waste packaging in the Grand Duchy of Luxembourg.”

The landlord is “SuperDrecksKëscht fir Betriber”-certified in recognition of successful initiatives to recycle paper, metal, cans, glass and plastic. From July 2022 onwards, waste management for the building is mutualized:

- Containers of general waste as well as those for paper and cardboard boxes were removed. They will respectively be replaced by common compactors.
- Recyclable waste are pooled.
- Glass waste is pooled in a specific container.

Water

Water scarcity and lack of access to clean, fresh water are considered to be two of the largest threats to human health and economic development around the world. Communities, industries and regions are dependent on the preservation and management of marine and freshwater environments. Water quality and quantity present risks and opportunities to be explored.

IS Bank will continue to work to understand the water-related risks as we did in the past and opportunities facing the sectors that we finance and the communities in which we live and work.



Third-Party Supplier Assessment

CACEIS IS Bank purchases goods and services from hundreds of suppliers. We make it a priority to practice responsible and sustainable procurement and seek to manage our supply chain effectively. Third party suppliers approved for use by CACEIS IS Bank are expected to comply with the fundamental principles set by the United Nations with respect to human rights, working conditions, environment protection and anti-corruption.

As part of our responsible and sustainable sourcing strategy, we are committed to working in partnership with our suppliers to set clear expectations as to how their representatives and employees should supply goods and services to the Bank. We ask suppliers to provide details on their commitment to responsible environmental management, employee health and safety, ethical business practices, compliance with labour standards and workforce diversity.

We may also ask prospective suppliers to provide extensive corporate and financial information, including a declaration of conflicts, lawsuits or administrative complaints and charges, industry experience and references.

Besides, IS Bank has implemented a Third-Party Risk Supplier Management Policy to identify and manage risks when engaging third parties. The purpose of this policy is to ensure that risks are identified and managed throughout the third party risk management life cycle.

Sustainable Communities

Our approach to delivering value for communities fuses together our collective resources, talents and connections, enabling us to bring people together in common cause to make positive change. We use a more-than-money approach to multiply the impact of our work, including thought leadership, the power to connect and convene, and the expertise of our employees. This approach includes working with our community partners, subject-matter experts, and the public and private sectors to promote inclusion and vibrancy in our communities.

Through the **Bee Care Club**, CACEIS IS Bank sponsors five beehives located in France. This initiative is important to contribute to the biodiversity and the preservation of many leaving species, through the pollination made by the bees. In addition, the club produces honey that is regularly sold to the employees helping to participate to the beehives maintenance. This also contributes to other initiatives linked to biodiversity and youth (Race for the Kids). Two sales of honey pots were organized over fiscal year 2023 to namely support Race for the Kids and la Croix-Rouge luxembourgeoise. 1300 € were collected.



CACEIS IS' beehives in winter time

Policies on Environmental-Related Risks

CACEIS IS Bank Risk Management team is responsible for establishing policy requirements for the identification, assessment, control, monitoring and reporting of environmental risk, and for ensuring the policies are reviewed and updated periodically. The environmental risk associated with our clients and their operations is evaluated in order to establish the due diligence requirements for transactions. Business segments and corporate functions are responsible for incorporating environmental risk management requirements and controls within their operations.

In November 2020, the ECB published its guide on climate-related and environmental risks. It contains 13 expectations for which the ECB expects all banks under its supervision to comply with. Furthermore, the guide refers to two main risk drivers of climate-related and environmental risks: physical risk and the transition risk. The Bank has committed to address the ECB's expectations. As such, an initial gap analysis was performed in 2020. The analysis and corresponding actions have been communicated with, and reviewed by ECB. The Bank has created a comprehensive governance framework in relation to climate and environmental risks which are reflected in CACEIS IS Bank's risk management framework as well as in the ICAAP, ILAAP and Pillar III disclosure.

CACEIS IS Bank is furthermore subject to various regulatory practices in context of this subject, it has participated to the 2022 ECB Thematic Review on Climate & Environmental Risk and a part of the 2022 Climate Risk Stress Test.

Protecting our Local Environment

Climate and Environmental Risk Management:

CACEIS IS Bank is expected to address climate and environmental risks in its business strategy, governance, risk management frameworks and disclosures.

Climate change and environmental degradation are sources of structural change that affect economic activity and, in turn, the financial system.

Climate and environmental risk at level of CACEIS IS Bank is understood to potentially impact the Bank through degradation of its risk profile in relation to Credit, Market, Liquidity or Operational Risk, as well as reputation or legal risks.

The principal risk drivers of climate-related and environmental risks are:

- **Physical risk**, which refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation. This can directly result in, for example, damage to property or reduced productivity, or indirectly lead to subsequent events, such as the disruption of supply chains.
- **Transition risk**, which refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences. CACEIS IS Bank has conducted an exhaustive assessment in order to identify direct exposures in relation to physical and transition risk. On the basis of identified factors, the level of climate and environmental risk has been assessed to be overall low or non-material.

Furthermore, CACEIS IS Bank continues to incorporate various practices in relation to climate and environmental risk in order to address internal, market and regulatory requirements. The CACEIS IS Bank strategy on climate and environmental risk was documented by our risk group and approved at Board level in June 2021.

Indicators of the European Taxonomy on Sustainable Activities³:

To meet the requirements of the European Regulation 2020/852 of the European Parliament and the Council of June 2020 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") and the Commission Delegated Regulation (EU) 2021/2178 of July 6 2021 as amended, CACEIS IS Bank has developed, similarly to last year, a simplified reporting reflecting the key performance indicators that cover the eligibility objectives of two Taxonomy objectives i.e. climate change mitigation and climate change adaptation.

CACEIS IS Bank has significant exposures in assets such as sovereign, supranational, central bank counterparts which are currently out of scope for determining Taxonomy-eligibility within the six objectives. Additionally, CACEIS IS Bank has an exposure to investment funds. These are significant exposures not covered under the current Taxonomy mandatory reporting which only include large corporations subject to the Non-Financial Reporting Directive (NFRD).

CACEIS IS Bank has excluded all the exposures to undertaking not obliged to publish non-financial information (e.g. SMEs or companies based in non-EU countries non subject to report their KPI under Art. 8 Taxonomy).

³ Figures used for taxonomy are for CACEIS IS Bank on a consolidated basis

Data sources and Limitations:

CACEIS IS Bank largely depends on the data published by their counterparties. The Bank has to use the most recent information published by these counterparties, knowing that the use of estimates in regulatory reporting is prohibited by the regulator. However, the process to obtain the information is very burdensome. This has resulted in challenges to assess the eligibility of certain exposures.

CACEIS IS Bank also needs to determine if a counterparty is subject to NFRD disclosure obligations in order to properly categorise the numerator and denominator of key performance indicators. To complete this NFRD assessment and to our knowledge, no public database or repository is currently available in the EU to determine which counterparties must report on non-financial information. The assessment exercise is therefore very manual and complex. For example, with regards to Cash placements to cash correspondents, CACEIS IS Bank has applied a more restrictive approach by considering them as not subject to EU taxonomy eligibility.

ESG Strategy⁴:

IS Bank has also developed an ESG strategy that laid down strategic objectives in relation to ESG, climate and environmental risks as well as new services offering to clients.(see further details on p. 40)

The table below summarises the relevant metrics to calculate the EU Taxonomy eligible assets. Based on the assessment of the Bank's Covered Assets of in 2023, none are deemed eligible under the EU Taxonomy. In accordance with the Delegated Regulation 2022/1214 of 9 March 2022, CACEIS IS is not directly exposed to nuclear energy and fossil gas as at 31 October 2023.

⁴ In 2023, CACEIS Group completed the acquisition of the legacy RBCIS Bank, with the legal merger of CACEIS IS into the CACEIS Group expected in the near future. The Bank is gradually aligning to Credit Agricole / CACEIS carbon foot print reduction strategies and will be included in related Credit Agricole / CACEIS reporting.

In EUR millions	Nature of accounts	Value as of 30th October 2023	Value as of 30th October 2022	in % of covered assets 2023	in % of covered assets 2022
Total Assets	Total assets corresponding to the consolidated balance sheet	16 084	16 966	100%	100%
- Exposures to central governments, central banks and supranational issuers	Asset exposures related to corresponding portfolio	6 410	12 873	40%	76%
- Trading Book	"Held for Trading" except derivatives	-	-	0%	0%
= Assets in scope ("covered assets")	Total assets accounting for denominator in the KPKs	9 674	4 093	60%	24%

In EUR millions	Nature of accounts	Value as of 30th October 2023	Value as of 30th October 2022	in % of covered assets 2023	in % of covered assets 2022
Exposures to assets that are treated as non-eligible by the EU Taxonomy:		8 837	1 001	91%	24%
Derivatives	Derivatives	231	757	2%	18%
Interbank loans	Intragroup placements	8 606	244	89%	6%
+ Exposures to undertakings that are not subject to the NFRD		149	1 938	2%	47%
Loans and advances to customers	Investment funds are not subject to the NFRD	149	1 576	2%	38%
Investment securities	Bonds issued by financial corporate outside EU and UK	-	362	0%	9%
+ Exposure to assets that are treated as non-eligible due to data constraints or internal assessment		140	475	1%	12%
Loans and advances to credit institutions	Cash placements to cash correspondents*	140	345	1%	8%
Investment securities	Bonds issued by financial corporate inside EU and UK	-	130	0%	3%
= Total EU Taxonomy non-eligible assets**		9 126	3 414	94%	83%
+ Total EU Taxonomy eligible assets		-	-	0%	0%
+ Cash and cash equivalents & Other assets**		548	679	6%	17%

* For a proper categorisation of the numerator, RBCIS Bank needs to know if a counterparty is subject to NFRD disclosure requirements. For this NFRD assessment, no public database or repository is currently available in the EU to determine which counterparties must report on non-financial information. Therefore, we decided to classify all our cash correspondants as subject to the NFRD

** Not all covered assets are included in the total sum of the individual items. Items also include cash and cash equivalents, as well as other assets that are not subject to key performance indicators of financial undertakings

VALUE FOR OUR EMPLOYEES



IS Bank ESG Focus Areas

Attract and retain the right talent – Investing in our employee experience and competitive recruitment to enhance our workforce.

Enable our people to do their best work – Listening and adapting to the evolving needs of our employees to best prepare them for the present and the future.

Strengthen our culture of inclusion and belonging – Advancing diversity, representation and inclusion to drive an equitable and safe work environment.

Attract and retain the right talent

In an increasingly competitive talent market, it is important for CACEIS and our culture to stand out in meaningful ways to current and future employees. This begins with the recruiting and hiring process. The Covid-19 pandemic shifted employees expectations about balancing work and life, as well as their expectations of employers.

In 2023, we continue leveraging on technology to improve the experience for both hiring managers and candidates. With virtual workplaces creating more options for candidates than ever before, our recruitment programs and campaigns showcased our unique culture and the compelling career opportunities at CACEIS to attract a diverse talent pool that reflects the communities we serve.

Competitive Compensation and Benefits for Employees

CACEIS IS Bank remuneration programs are designed to:

- Attract and retain the talent we need to compete and succeed; and
- Align the interests of our employees with the achievement of performance objectives and strategic goals within our risk appetite to drive superior financial performance and generate sustainable shareholder returns.

Our approach to remuneration is based on five key guiding principles:

- 1) Aligns with shareholder interests
- 2) Aligns with sound risk management principles
- 3) Rewards performance
- 4) Enables the Bank to attract, engage and retain talent
- 5) Rewards behaviours that are consistent with the core values of CACEIS and our Leadership Model.

The regular benchmark surveys we receive confirm that CACEIS IS Bank’s global package is aligned with the market practices.

Our Remuneration Policy and any related documents respects the principle of equal pay for male and female workers for equal work or work of equal value. To ensure it, CACEIS IS Bank is monitoring the gender pay gap per local grades. In 2023, CACEIS IS Bank signed the “Women in Finance Charter”. Supported by the Luxembourg Ministry of Finance, this Charter underpins the industry’s ambition to see increased participation of women at all levels within financial services organizations and representative bodies in Luxembourg.

Our “Total rewards” approach is composed by a diverse and complete offer, detailed in the following sections.

Compensation program

IS Bank compensation and benefits programs reflect the principles of flexibility and choice. They also reflect a shared accountability for success informed by a belief in winning together. Our programs are focused on the overall health and wellbeing of our employees and include :

- Flextime arrangement in conjunction with Collective Bargaining Agreement for Bank Employees. The arrangement provides for flexible and adaptable for employees, while respecting statutory limits. Flextime helps employees balance work and their private life which leads to a well-rounded individual and more focus and engagement when the employee is at work.
- Part-time worker program as a way of reaching people who would otherwise not work due to personal circumstances. The initiative is made to bring greater diversity to our employee base.
- Maternity, paternity, parental and family responsibility leaves
- Teleworking Policy, offering the opportunity to employees to improve their professional and personal life balance.

Social and Employee matters

Performance metrics	2023	2022	2021
Employees who took the parental leave (M) (%)	1,70%	1,94%	1,63%
Employees who took the parental leave (F) (%)	1,36%	1,60%	2,06%
Employee turnover (%)	6,44%	7,61%	4,72%
Ratio of employees working under temporary contracts (M) (%)	5,56%	4,66%	3,25%
Ratio of employees working under temporary contracts (F) (%)	13,73%	12,39%	11,05%
Employee consultation processes (Number of yearly events)	1	3	4
Number of persons with disabilities employed	3	3	3

CACEIS IS Bank provides all employees with benefits programs that are comparable to those provided by our peer group such as :

- Car allowance or company car for qualified employees
- Lunch vouchers
- Paid time off (Time Saving Account)
- In-house services
- Social package
- Health insurance
- Pension plans, life and accident insurance, disability coverage

At CACEIS IS we are committed to supporting employees in their efforts to plan and save for the future. Our retirement and savings programs are an important part of that commitment.

Resolving Problems and Concerns

In accordance with European and Luxembourgish legislation, CACEIS IS Bank has a European Work Council (EWC), a Luxembourg Work Council, a joint work council (Cellule paritaire) as well as a staff delegation. The role of the staff delegation is to safeguard and defend employees' interests with regards to working conditions, job security and employment status.

CACEIS IS Bank is a signatory to the Collective Bargaining Agreement (Convention Collective du Travail – CCT) which aims at regulating the general terms of work between the banking members of Association des Banques et Banquiers, Luxembourg (ABBL) and their employees.

Attracting and Retaining talent

Performance metrics	2023	2022	2021	2020	2019
Average tenure of employees (in years)	13,9	14,3	13,5	13,7	12,8
Employees who are under 30	4,65%	5,04%	4,39%	4,30%	4,90%
Percentage of employees covered under collective bargaining agreements	47,79%	51,70%	53,49%	55,02%	57,01%
Absentee rate (percentage of total days scheduled)	3,61%	3,88%	3,40%	3,45%	3,61%
Total employee turnover rate	14,55%	18,85%	12,50%	15,80%	11,40%
Total voluntary employee turnover rate	6,44%	7,61%	4,60%	3,40%	5,50%
Total involuntary employee turnover rate	8,11%	11,24%	8%	12,30%	6%



Workplace Policies

Our Code of Conduct outlines our commitment to provide safe workplaces for all our employees. In addition, we also have specific workplace safety policies in many of our locations. Our business is primarily conducted in an office environment, and consequently presents very few traditional occupational health and safety risks.

Mental health issues, including work-related stress, can have an impact on knowledge-based workplaces such as ours. We have resources to help addressing mental health issues, for example The Link is a group of volunteers that have been trained by the occupational health ASTF (Association pour la Santé au Travail des Secteurs Tertiaire et Financier) to support and guide colleagues to find the resources they need when facing psychological/mental health issues.

We are of the view that healthier employees also tend to be happier and more productive not just at work, but also in their homes and communities too. We provide tips, tools and advice to empower employees to make healthy choices, such as wellness campaigns, special programs, events and more.

Europe Safety Policy

The Bank assigns great importance to the safety of all personnel using its premises. We consider this responsibility as equal to that of any other management function. In the design, construction, operation and maintenance of all plant, equipment and facilities, management does everything reasonable to prevent personal injuries and ill health to its employees, customers, visitors, contractors and members of the public. To this end, the Bank will provide such training and equipment as necessary to enable employees to work safely.

The Bank carries out the checks required to identify hazards and control of risk. We conduct risk assessments taking into consideration health, safety and welfare. Employees are expected to behave responsibly and to take reasonable care for their own health and safety at work, and to co-operate with management to create a safe and healthy working environment.

The Bank's health and safety objectives in Europe are to:

- Provide a safe and healthy working environment.
- Contribute to the safe, efficient and timely execution of the Bank's activities by the prevention of ill-health and injury. Through the implementation of the safety management system, ensure there are as few as possible reportable incidents.
- Minimize risks and nuisance to others not in the Bank's employ. Through control of Business As Usual activities and major projects, we aim to receive as few as possible but no more than five external complaints regarding health, safety or welfare arising from the Bank's operation in Europe.
- Publicize the Safety Management System to ensure staff are aware of the procedures in place to support them. Published information will be reviewed quarterly for accuracy and regular refreshers will be issued to staff bi-monthly.
- Meet current statutory legal requirements for the safety and protection of staff. All new legislation will be reviewed within a month of release and measures to comply implemented within six months. All existing procedures to meet legal requirements will be reviewed annually.
- Ensure that all members of staff are properly trained in the safety aspects of their work. All Incident Wardens and First Aiders will receive appropriate training to fulfil their roles. Induction information is made available to all employees.

The 2019 European Health and Safety Policy introduces the concept of Health and Safety Officers ("Designated Workers" in Luxembourg) that will: "

- Ensure and organize the general supervision of the respect of the legal and regulatory provisions in force concerning the safety and health of workers.
- Contribute to the development of the company's strategy to develop the safety and health of employees.
- Monitor the working methods and the means implemented, evaluate the risk studies and the provisions relating to the prevention of accidents.
- Collaborate on regular security visits to security registers.
- Collaborate in the updating of safety and health plans, alert, alarm, intervention and evacuation.
- Collaborate on evacuation drills (organization, conduct, debriefing, conclusion and report).
- Evaluate the situation of the company or establishment with regard to safety and health at work.
- Maintain relations with the Labour and Mining Inspectorate, the inspection bodies and the occupational health service to which the company is affiliated and with other supervisory authorities in matters of safety and health as well as with the services in the event of accident and fire in coordination and in full collaboration with other designated workers

- Collaborate on different training plans related to occupational health
- Intervene as a contact person with employees in the context of occupational health
- Contribute to the harmonization of the bank's actions in the field of occupational health with the actions taken by the official bodies of Luxembourg.
- Make all employees aware of the risks related to health, especially mental health.
- Active member of the health and safety committee
- Strength of proposal of actions within the framework of the Wellbeing
- Participates in the implementation of Wellbeing's action

The Europe Health & Safety Policy applies to the activities of all CACEIS IS employees, contractors and visitors to CACEIS IS premises in Europe. It also covers the provision, maintenance and use of all CACEIS IS Europe equipment.

Enable our people to do their best work

We use a variety of tactics to help us understand the unique needs, preferences and experiences of our workforce, including targeted interviews, dedicated workstreams and employee day event.

We continue to foster a culture of high performance that drives impact for our clients and other stakeholders. Our always-on approach to elevating performance and unlocking potential, focuses on building habits to set ambitious goals, providing regular coaching and feedback, recognizing contributions that exemplify our Leadership Model, and having ongoing conversations about professional development.

Enablement of our people

Performance metrics	2023	2022	2021	2020	2019
Average hours of formal training per FTE	26,5	13,6	20	18,93	25,05
Employee Opinion Survey / Employee Engagement Survey response rate	N/A	70,80%	73,70%	-(*)	79%
Employee Engagement Score	N/A	69%	70,50%	-(*)	50%

(*) Well being pulse survey conducted in the context of the Covid-19 pandemic and working from home

Notes:

Hours of training are partial, some trainings facilitated during FY 2023 will be included in the L&D records afterwards.

The average indicated is based on the average of FTE from Nov 22 to Oct 23.

At CACEIS IS Bank, we believe in a shared accountability for career development. This involves the Bank forming a partnership involving employees and their managers to build a successful career.

Available resources for career development include:

- Personal Development Plan
- Talent Management
- Women Empowerment Program
- Creating a People-Oriented Culture
- Leadership Model
- Future Skills
- New People Managers Onboarding program
- CACEIS IS Learn a 24/7 learning platform available for all employees

The Bank has also implemented an Education Assistance and Professional Study Policy and Procedure to:

- Support employability and career mobility between business lines.
- Encourage attainment of job required qualifications as part of the employee's job responsibility and to support business needs.
- Enhance current job performance and career development.
- Foster a high-performance professional workplace and managerial excellence.
- Support a professional standard recognized in the industry and expertise development

EMPLOYEE ENGAGEMENT PLAN

An Employee Engagement Plan (the "EEP") was built on the back of the 2020 Employee well-being surveys. The purpose of the EEP is to keep a high level of engagement of our Employees while strengthening the company culture. It aims at supporting Employees through period of changes, building trust and feeling of belonging to the Bank, enhancing Employees wellbeing at work (in premises and Working From Home) and preparing the Employees to the work of the future.

The EEP consists of four streams (Supportive Management, Positive Work Environment, articulated around 13 themes. The Plan has resulted in 31 actions of which 17 were led to completion.

Main themes:



Strengthen our culture of inclusion and belonging

Diversity & Inclusion

At CACEIS IS, D&I is a Value that is core to our philosophy and a fundamental strength of our organization. We aim at capitalising on our cultural diversity to curate more efficient, creative and inclusive methods of operation, building a cosmopolitan community founded on respect to enable career development and create value for the group.

- **Advancing diversity and representation** by enhancing our hiring and recruitment programs, driving equitable opportunities for pay, promotion and development, and improving representation in leadership at all levels and across all demographic groups.
- **Strengthening inclusion** with a focus on enhancing inclusive leadership capabilities, fostering a listening environment, leading with empathy, enabling employees to feel safe to speak up for inclusion, and driving accountability.
- **Enabling economic inclusion** which includes influencing equitable access to financial products and services, supporting products, programs and initiatives that create social impact, and leveraging our purchasing power to influence supplier and client diversity efforts.

IS Bank in Luxembourg continues promoting various initiatives to educate, inspire and empower our employees as well as to provide valuable gateways to professional development.

Our Diversity and Inclusion objectives are:

- To be a recognized leader in workforce diversity
- To be the financial institution of choice for diverse clients, and
- To leverage diversity for the growth of CACEIS and the success of the clients and communities we serve.


IS Bank is a Member of Inspiring More Sustainability (IMS) Luxembourg. The Bank is a founding member as well as a privileged partner of the Diversity Charter Lëtzebuerg. This Charter is a national commitment text proposed for signature to any organization in Luxembourg wishing to commit to diversity promotion and management through concrete actions that go beyond legal obligations of non-discrimination.


IS Bank has implemented a Diversity Committee back in 2014. The Committee has evolved over time to progressively focus on citizenship matters. And the Citizenship & Diversity Committee (CDC) was born! Since its creation in 2020, the Committee is supported by volunteering employees.


The mission of the CDC is articulated around 3 pillars: Employee Engagement and Education, Community Impact and Brand impact. It pursues the following objectives:


- Educating, inspiring and empowering colleagues to make a difference. Building relationships across the firm and encourage firm culture.
- Community impact; demonstrating commitment to the community in which we live and operate in
- Developing a roster of strategic charitable partnerships

CACEIS IS Bank’s Diversity & Inclusion strategic focus is articulated around five streams:

 **Pride:** Contribute to create a positive, inclusive and sustainable work environment for lesbian, gay, bisexual and transgender (LGBTQIA+) employees. Support the local LGBT community and parents of LGBTQIA+ children.

 **Mosaic:** Promote an environment that recognizes the multicultural interests of its employees, clients and other constituencies, and embraces the inclusion of different perspectives, backgrounds and experiences of all employees.

 **Gender Equality:** Foster the development and career aspirations of women. Create an environment where employees have equal opportunities to grow, succeed and achieve their full potential.

 **Green:** To inform and inspire our colleagues on sustainability, engage CACEIS IS and local associations and act together to lead the sustainability transition.

 **Next Gen:** To engage CACEIS Luxembourg and its employees with local youth.

Strengthening a diverse and inclusive culture

Performance metrics	2023	2022	2021	2020	2019
Total number of employees	894	912	923	967	1098
Percentage of women	43%	44%	43%	43%	44%
Percentage of women in Management (compared to management overall)	37%	37%	35%	34%	35%
Percentage of women in authorized management	16%	29%	14%	29%	29%
Percentage of women executives	11%	9,10%	7,69	23%	31,25
Women Executives appointments	0%	0%	0%	0%	9%
Women Promotions	47%	35%	46%	41%	52%

Throughout the year, the CDC has actively either managed or supported a few initiatives for the benefit of the employees and the communities we live in. CACEIS IS Bank celebrated the Diversity Day in Luxembourg (May 23rd 2023) by organizing almost a whole week of events focusing on citizenship and diversity including the Employee Day, the Charity Day, the Green Day and the Women in Tech Lunch and Learn event. It was also the opportunity to raise funds for charities that support our causes. Circa 40 000€ were raised through various initiatives that were or will be soon donated to charities based in the Grande Région (see also p. 38).

Please find below a sample of activities of the CDC for 2023:

Activity	Description	CDC Pillar
LGBTQIA+ e-learning	E-learning done in collaboration with La Charte de la Diversité	Pride
Luxembourg Pride 2023	Participation to the march for equality during the Pride week in Esch-sur-Alzette	Pride
IMS – HandiDiag Assessment	Self-assessment of company practices to evaluate the place of disability within our company	Mosaic
All in Blue	Encourage the employees to dress in blue to build awareness of autism	Mosaic
Pay Equity	Initiative to work on salary / positions / promotions / recruitment gaps between Women and Men along with HR.	Gender Equality
Women in Tech Event	Event organized on the back of International Women Day (IWD) to act for diversity. Testimonies from Women working or familiar with the Tech world.	Gender Equality
Implementation of Klaxit	Application of car pooling for the benefit of the employees	Green
Flea Market as part of the Green Day (Diversity week)	Sale of goods from the former Canteen / Office.	Green
Networking / partnership with schools and universities	Support to HR department with Unicareers.lu	NextGen
DayCare 2023	In partnership with Care.lu, the Bank welcomed 10 school students in Luxembourg to gain their first experience of the world of work through a one-day work placement.	NextGen

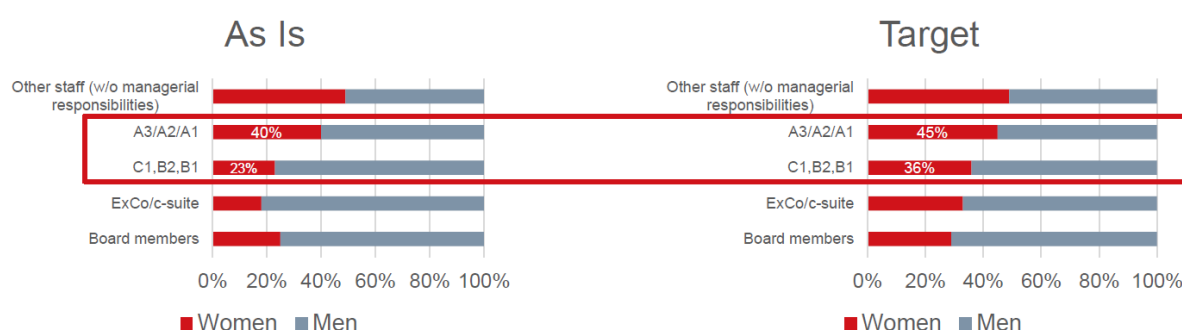
Focus on Gender Equality

CACEIS IS Bank is a signatory of the Luxembourg Women in Finance Charter. The Charter was launched on March, 8 2023 by key players in the financial industry among which the Luxembourg Bankers' Association (ABBL), the Association of the Luxembourg Fund Industry (ALFI) and the Luxembourg Finance Labelling Agency (LuxFLAG). It aims at improving gender diversity in the Luxembourg financial centre. Launched under the patronage of the Luxembourg Ministry of Finance, the Charter supports the industry's ambition to achieve a greater participation of women at all levels within financial organizations as well as in representative bodies in Luxembourg.

As a signatory of the Charter, the Bank committed to:


- Promoting the progression of women at all levels, including at senior and board levels.
- Appointing an Accountable Executive (AE), responsible and accountable for gender diversity and inclusion.
- Setting internal targets and action plans to be integrated in the Bank's goal
- Supporting transparency by publicly reporting on progress against these targets annually.

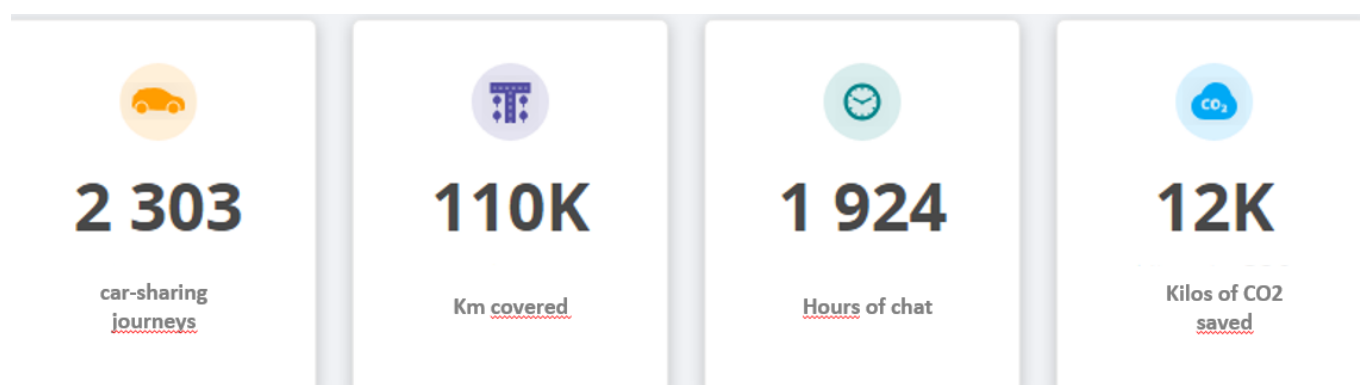
The Bank has committed to achieve 36% of women in Senior Management and 45% in Middle and junior management in 2025. A number of actions were identified to bring gender equality to the next level.



(A3/A2/A1 represents the middle and junior management while C1, B2 and B1 represents Senior management)

Focus on Green

The  **Green Stream** supported by the Bank has implemented the application Klaxit, a specialist in the creation of company car-sharing networks, to encourage and facilitate car-sharing among the employees. Please find below a few figures since the application has been promoted within our organization Q1 2023:



VALUE FOR OUR CLIENTS



CACEIS Investor Services Bank S.A. serves more than 240+ clients in Luxembourg, Continental Europe & Offshore platforms. We are committed to serving our clients with integrity and to safeguarding the trust they place in us. From the ways we develop and sell our products and services to the impact they have on the communities where we operate, we are driven by helping clients thrive and communities prosper. This is fundamental to how we behave and operate.

Sustainability issues have risen up the agenda for organizations around the world. Asset management is not immune as investors are demanding ESG investment strategies coupled with CSR governance across their operations.

We strive to earn our clients' trust by serving them responsibly and providing them with access to the financial products, services and advice they need to make the best decisions for themselves.

Our ESG Focus areas:

- **Client satisfaction and loyalty:** Deliver meaningful solutions, deepen relationships and accelerate innovation.
- **Digital enablement** – Reimagine everyday banking experiences and make daily banking easy, convenient and valuable for our clients.
- **Privacy** – Protect our customers and our business while remaining transparent about how personal information is used.
- **Cybersecurity** – Implement appropriate security and operational controls to safeguard our clients' information and assets.

Client Satisfaction and Loyalty

At CACEIS IS, our clients are at the centre of what we do. Enabled by our investments in technology and talent, we believe our differentiated advice, products and services deliver long-term value and create exceptional experiences.

These differentiated experiences are not just about new products, features and functions. They are also about building new business models, leveraging data and insights, and developing partnerships to deliver meaningful value for our clients. We actively track our client experience and give opportunities to provide feedback regularly. This listening- and action-oriented learning culture translates into an improved experience for the people we serve.

In 2023, underscored by the breadth of our product suite, our depth of expertise and the features of our digital solutions, we continued to focus on:

- Delivering meaningful insights, advice and solutions to help our clients thrive
- Collaboration across the bank and strategic partnerships
- Accelerating our focus on innovation and digital strategies

Within IS Bank, Client Satisfaction is measured monthly, quarterly and half-yearly by customer type.

Digital Enablement

With more than 45 years of offshore experience, CACEIS IS has established in recent years a leading transfer agency (TA) market-share in the key European offshore centres mainly in Dublin and Luxembourg. Business in the Americas is on the upward trend due to exceptional delivery on its strategy to offer a cutting-edge digital offering to its buy-side clients.

Understanding our clients' needs throughout their digitization journey is fundamental to us and prioritizing the evolution of the digital investor experience is a key strategic pillar of our current and future transfer agency offering. Collaboration with our clients and understanding why digitizing a task will enhance their experience is critical to ensuring that their goals and objectives are met every step of the way.

We have continued our significant investment in our digital infrastructure to enhance our client self-service portal, providing our clients with greater access to investor data, dashboard analytics to better understand fund flows and the ability to effectively oversee the service we provide. Our digital and innovation strategies are fundamental to creating exceptional client experiences, driving customer loyalty and acquiring new clients. They also help us mitigate some of the risks associated with digital disruption as we work to differentiate our business and drive value for clients. We are committed to designing and building products, processes, technology and services in faster, simpler and more cost-effective ways.

Privacy

We have a clear approach to how we think about our clients' personal information. Transparency is key. All individuals dealing with CACEIS IS need to know how their personal information is being collected, used and shared and organizations must help them exercise control over this process.

The Data Protection Office is part of the wider Compliance group. In European locations and in the UK we have appointed in addition the Data Protection Officers responsible for overall compliance with regulatory requirements when dealing with personal information. Our privacy program is based on the European and GDPR embedded privacy principles, which include cyber security as part of the Security Safeguards principle. (Our approach to cyber security is discussed below.)

Our Privacy disclosures available to our business partners and customers online, including our Privacy Notices articulate how we collect, use, share and protect the personal information. When we engage third-party service providers to process personal information on our behalf:

- (1) we share only the information necessary to perform the services;
- (2) we require them to protect the information in accordance with CACEIS IS and applicable regulatory standards, ensuring equivalence; and
- (3) we require them to notify us of any actual or suspected privacy breaches so we can work together to contain, remediate and, where required, report them.

Where personal information are being transferred to a different location outside of the EEA or the UK, we are always making sure that it happens based an appropriate transfer mechanism and subject to required safeguards.

All employees are required to complete a privacy fundamentals course periodically, which is supplemented with additional local privacy awareness communications.

IS Bank did not experience any major privacy breaches in 2023. We manage actual and potential privacy incidents and complaints through well-established internal processes. Our policy requires all privacy incidents to be recorded and tracked centrally and reviewed by privacy officers. The same applies to the requests coming from our customers and data subjects whose personal information CACEIS processes.

2023 Highlights

- **International Data Transfers:** As a global organization, IS Bank has been closely following the regulatory changes related to the international data transfers post Schrems II decision (July 2020). This decision invalidating the former US Privacy Shield has in combination with subsequently issued new European Standard Contractual Clauses (June 2021), UK addendum to them (March 2022) and last evolutions in the light of the US equivalence decisions brought substantial changes to the international data transfer frameworks. Our data transfer flows to third countries have been analysed and the contractual templates re-designed to respect the more stringent transfer rules and comply with the requirement of enhanced care and implementation of additional measures to protect the data security and integrity outside of EU/UK space.

2023 continued to be marked by repapering of our remaining legacy transfer arrangements to comply with the new rules contractually but also efforts put in preparation of the separation with RBC Group and subsequent integration with CACEIS Group, including the data protection and transfer aspects.

Cyber Security

Globally, the volume and sophistication of cyber-attacks continue to evolve and increase; the resulting implications could include business interruptions, service disruptions, financial loss, theft of intellectual property and confidential information, litigation, enhanced regulatory attention and penalties, and reputational damage. We continue to enhance our security capabilities, educate our customers and workforce to ensure our cyber defences remain effective in thwarting the threats targeting the financial sector.

We have a dedicated team of technology and cyber security professionals that manage a comprehensive program to help protecting the organization against breaches and other incidents by ensuring appropriate security and operational controls are in place. We continue to strengthen our cyber control framework and improve our resilience and cyber security capabilities, including 24-hour monitoring and alerting of potentially suspicious security events and incidents. Throughout the year, we continued to make investments in the program and conducted multiple scenarios and simulations to test our resiliency strategy.

We are ensuring our cyber policies, standards and controls keep pace with the threat landscape and regulatory environment, and we continue to harness emerging technologies to combat cyber-crime and strengthen our end-to-end view of risks and controls across the enterprise. We continue to upskill to ensure we keep pace with the changing cyber risk profile.



VALUE FOR SOCIETY



Community and Social Impact

We believe in making a positive and measurable impact on our local communities by always doing what is right and supporting employees to make a difference. Our Corporate Citizenship initiatives focus on preparing the youth of today for the work of tomorrow and protecting our environment. By developing strong relationships with local charitable entities and providing them with financial support, we can help our communities grow and prosper. In addition, we empower our employees to make a difference where it matters most to them.

Circa 40 000€ were raised over 2023 through various initiatives thanks to the CDC and our Employees engagement. 14 000€ have been redistributed to local charities in the Grande Region in 2023 while 17 000€ will be redistributed in the course of 2024.

Investing in Local Youth



At CACEIS IS Bank, we understand that unlocking the future potential of the work force and economy around us requires investment today. At IS Bank and through the Citizenship and Diversity Committee / NextGen stream, we:

- reinforce the knowledge sharing between Senior/experienced employees and new joiners/young employees/interns.
- have local partnerships in place with local universities (Uni.lu) and schools,
- reinforce and extend those partnerships to business schools in the Greater Region and in Europe (ICN Nancy, HEC Liège-Luxembourg, IMC, Neoma Business School). Thus, we pro-actively receive the book of CV's for internships and have access to some internal programs.
- work jointly with IMS and Care.lu organizations to map their roadmap, and so support or participate to specific

events related to the next generation. For example, the Bank is engaged on such programs like DayCare.lu, Correspondants Humanitaires, Climate & Resilience Academy which could have an impact on external community but also on our internal one (i.e. our employees and kids of our employees).

In October 2023, IS Bank Luxembourg supported for the third time the DayCare.lu charity event and so welcomed 10 students (17 to 19 years old) during an internship of one day. The aim of the day at CACEIS IS was to present the activity of the bank, but also get a better overview of the types of job opportunities within an international bank. Furthermore, this day at CACEIS IS was also an opportunity for those students to participate to a lunch & learn session on learning, career opportunities, Environmental and Social Responsibility related topics and challenges.

In 2019, the Bank has supported the Uni.lu and especially the Scienceteenslab in the launch of a Pilot Coding Program for students. After the 3 successful sessions arranged for IS Bank in 2021 (36 kids/students in total were introduced to programming and artificial intelligence), IS Bank continued to work with the Scienceteens lab by supporting the early design phase of their new program "Girls & Women in Technology" which will be rolled-out in 2023/2024. Role Models at the Bank were already identified.

GOVERNANCE AND INTEGRITY



Integrity is one of our most important values. Governance and integrity are the foundation of a responsible business. We believe good governance is not just about overseeing CACEIS IS and its practices, but doing so in a way that is transparent, accountable and with integrity. It involves an independent board actively engaging with all stakeholders, knowing the business and its risks, challenging management where necessary, understanding the risks and opportunities of a changing industry and economy, and setting robust standards and principles that will guide CACEIS IS to success.

Our ESG Focus Areas:

- **Responsible governance practices** – CACEIS IS is committed to the ongoing maintenance and improvement of strong and effective governance practices.
- **Conduct and trust** – We believe we have an obligation to serve our clients with integrity and safeguard the trust they put in us.
- **Risk management** – We guide and support the integration of environmental and social risk management across IS Bank, our clients, transactions, products and suppliers.
- **Human rights** – IS Bank is committed to taking actions to meet the responsibility of businesses like ours to respect human rights as set out in the UN Guiding Principles on Business and Human Rights.

We are committed to the ongoing improvement of strong and effective governance practices. Corporate Governance broadly refers to the way a company is controlled and directed. A corporation exhibits responsible governance not only by operating with fairness, transparency and accountability, but also by setting out the rights and responsibilities of the Board of Directors, management and shareholders.

IS Bank ESG strategy⁵

IS Bank has developed an ESG Strategy which aims at creating a positive impact for our clients, our employees and the community we live in, which is integral to how we do business and core to our culture.

The Bank has established five strategic provisions to address climate and environmental risks as well as ESG themes:



⁵ In 2023, CACEIS Group completed the acquisition of the legacy RBCIS Bank, with the legal merger of CACEIS IS into the CACEIS Group expected in the near future. The Bank is gradually aligning to Credit Agricole / CACEIS ESG strategy.

Objectives	Actions
<p>Develop product offer to help our clients implement their own ESG/Climate Risk strategy</p>	<ul style="list-style-type: none"> ▪ Continue to partner closely with our clients ▪ Help them achieve their sustainability objectives and support global efforts to lower carbon emissions
<p>Build market intelligence and communicate around climate and environmental risks</p>	<ul style="list-style-type: none"> ▪ Partner with external advisors to guide IS Bank and conduct market intelligence assessment ▪ Assess how climate-related & environmental risks could impact our competitive landscape and macro-economic environment
<p>Continue pursuing low emissions investment strategy and strive to identify opportunities for reducing own waste and environmental footprint</p>	<ul style="list-style-type: none"> ▪ Reinforce our current investment strategy and continue to reduce our own environment footprint ▪ Support our CDC Green initiatives
<p>Identify and mitigate our exposure to transition and physical climate risks</p>	<ul style="list-style-type: none"> ▪ Risk Management has appointed a Director responsible of climate-related and environmental risks and disclosure (ICAAP, Investment policy, Pillar 3 disclosure)
<p>Empower all employees to embrace ESG culture</p>	<ul style="list-style-type: none"> ▪ Continue to support our Citizenship & Diversity Committee (including the initiatives launched by the Green Stream) ▪ Continue to build awareness and communicate about ESG across IS Bank staff

Responsible governance – IS Bank Level

IS Bank internal governance guidelines are applicable to the Bank and its subsidiaries and branches. They are based on key frameworks and policies including the:

- Whistleblowing Policy
- Conflicts of Interest Policy

CACEIS IS Bank S.A. and its branches and subsidiaries have adhered to the CACEIS Group Procedure on Whistleblowing (the “Whistleblowing procedure”).

Whistleblowing Policy

Scope

The Whistleblowing procedure applies to CACEIS IS Bank and its branches and subsidiaries. In scope are all CACEIS employees, job applicants (where the information was obtained as part of their application), former employees (where the information was obtained as part of this relationship), shareholders, partners and holders of voting rights at the general meeting of the entity, members of the administrative, management or supervisory body, external and occasional employees, and subcontractors and suppliers.

Within the scope of the Whistleblowing procedure, the following may be reported:

- A crime, an offence,
- A threat or harm to the public interest,
- A violation or attempt to conceal a violation of international law, EU law, law, regulation.

Reporting Channels

Employees of CACEIS Investor Services Bank S.A. are encouraged to raise their alert directly via the Group whistleblower tool (BKS), in particular, if they wish to remain anonymous.

Alternatively, if the employee wishes to raise an alert at local level, he/she may do so by requesting a meeting (via email, telephone call or face to face) with their:

- Line Manager;
- Human Resources Department (Head of HR and/or the following email address employee_relations_europe@caceis.com); or
- Compliance Department (either a Director or the Chief Compliance Officer).

CACEIS IS Bank’s branches and subsidiaries should follow their local legal and regulatory requirements with respect to the whistleblowing process and reporting, including reporting to their local regulators, where required by regulation.

External Reporting

All employees are encouraged to follow the internal reporting channels but an external notification to the CSSF is also possible. As per CSSF Circular 12/552, as amended, the CSSF has made available on its

website a tool and a procedure to report incidents directly (<https://whistleblowing.apps.cssf.lu>). This tool is available in French, German and English.

Conflicts of Interest Policy

The policy⁶ sets out the Bank's requirements with respect to the identification, management, recording and disclosure of the conflicts of interest that occur as a result of the business it conducts.

Rationale

The Bank has established this policy to ensure it meets its regulatory requirements with respect to identifying, managing, recording and disclosing conflicts of interest that may entail (or be perceived to entail) a material risk of damage to the interests of a client, or clients.

Conflicts of interest may arise when a person or company exploits their professional or official capacity for their own benefit or for the benefit of the company. Conflicts of interest include actual/ realized conflicts and potential/ perceived conflicts where there is a possibility that a conflict will materialize, and perceived (but not actual) conflicts if the perceived conflict could cause reputational damage to the Bank.

The key types of conflicts of interest affecting the Bank are conflicting interests between:

- the Bank and Client(s);
- Employee and the Bank;
- Employee and Client; and
- Client and Client.

Common situations and activities that can create real or perceived conflicts of interest include, but are not limited to:

- Personal trading activities
- Having access to inside information
- Participation in outside business activities and external directorships (including at the request of the Bank)
- Exchanging gifts and entertainment with external parties

The Policy and the related Control Standards focus on the key relationships and activities described above, however, it is critical to note that conflicts of interests can arise in many other scenarios at the Bank. The Bank's Employees must always be mindful of and consider whether something could trigger a conflict in their day to day activities.

⁶ Applicable to IS Bank (legacy RBC Investor & Treasury Services Conflicts of Interests Policy, until adoption of CACEIS Group ones. CACEIS Policy on the prevention and management of conflicts of interest specific to investment services was endorsed by Exco end October 2023 for instance.

Scope

The Policy sets out the minimum requirements with which all Bank employees (including contract employees) acting on behalf of the Bank must comply. The Policy provides requirements related to:

1. Identification of Conflicts of Interest
2. Disclosure / Reporting of Conflicts of Interests
3. Prevention / Management / Removal of Conflicts of Interest
4. Compliance Monitoring.

Nomination Committee

The Nomination Committee (the “**NomCo**”) is a specialized sub-committee of the Board of Directors of IS Bank, as defined by the CSSF Circular 12/552 (as amended).

It assumes responsibility for assisting the Board in (i) overseeing nominations to the Board, Authorized Management and Key Function Holders and (ii) approving and laying down in writing, notably the guiding principles governing on the appointment and succession to the Management Body and to of individuals with key functions in the Bank, as well as the procedures governing the composition of the Board, including the aspects of diversity, responsibilities, organisation, operation, and individual and collective assessment of its members.

- a) The NomCo will monitor the composition of the Board, Authorised Management and Key Function Holders for compliance with legal and regulatory requirements and the Bank’s policies.
- b) The NomCo will develop and maintain a matrix that specifies the existing experience and strengths of Board members and Authorized Management, as well as the areas of expertise and experience that should be represented on the Board and within Authorized Management. The NomCo will monitor the current and future profile of the Board and Authorized Management and determine the competencies, skills and personal qualities it should seek in new members.
- c) The NomCo will review annually the continuing eligibility of the directors, Authorized Management and Key Function Holders considering:
 - a. qualifications under the applicable laws and regulations;
 - b. compliance with eligibility rules under the conflict of interest requirements in respect to the law dated 10 August 1915 on commercial companies, as amended from time to time and the Circular CSSF 12/552 point 169; and
 - c. the competences, skills, personal qualities and other characteristics of the individual.
- d) The NomCo will receive an annual report from Human Resources with respect to succession planning for Authorised Management and Key Function Holders.
- e) The NomCo will recommend suitable candidates to nominate for election or appointment as directors, members of Authorized Management and Key Function Holders, based on criteria established by the NomCo. The NomCo will focus on diversity, including gender diversity, when considering candidates and will ensure that the Bank complies with Article 435(2)(c) of Regulation (EU) No 575/2013.

f) In case of serious problems, shortcomings and irregularities, the heads of the internal control functions shall immediately inform the Authorised Management, the chairperson of the Board and, where appropriate, the chairs of the specialised committees. In such cases, the heads of the internal control functions may request to be heard by the NomCo in a private meeting.

Responsible Governance

Performance metrics	2023	2022	2021
Number of Board Members	10	10	10
Percentage of independent directors	30%	30%	20%
Percentage of women directors	33%	33%	20%

Conduct and Trust

As a financial services company, we have an obligation to serve our clients with integrity and safeguard the trust they put in us. We define conduct as the manifestation of culture through the behaviours, judgments, decisions and actions of the organization and its individuals. Our organizational direction establishes the expectation of fair conduct outcomes as the operating norm for the organization, including all employees and third-party service providers operating on behalf of CACEIS IS Bank.

Our Values and our Code of Conduct guide our behaviour and decision-making when we serve our clients and when we interact with investors, our fellow employees and our communities.

All employees and contract workers must successfully complete compliance trainings.

Crédit Agricole Group has defined conduct risk as the risk:

- of inappropriate conduct,
- with regards to regulatory or ethical standards
- by one or more employees regardless of the seniority
- in their relations with clients, financial markets, third parties (suppliers, partners, etc.) or other employees,
- with financial or non-financial consequences that would be harmful to the reputation or sustainability of the entity or the Group and their stakeholders.

Following this Group definition, several types of risk may be identified depending on third parties concerned:



- (1) Dark Pool refers to a private system for trading securities operated by an investment service provider or market operator, which is therefore carried out "over the counter".

- (2) Financial security as defined in financial security system and internal control: Group framework

- (3) CSR risk is a typology of risk transversal to the six themes of conduct risk (e.g. Greenwashing = Market abuse/Business practices, Not taking into account the ESG preferences of clients = Business practices, Action of an NGO = Disputes with third parties, ...). It should be noted that the monitoring of this risk will be enriched as the Group deploys the framework mechanisms relating to sustainable finance.

Anti-Bribery and Anti-Corruption Policy

CACEIS Group, and therefore CACEIS IS, is subject to the French Law of 9 December 2016 relating to transparency, the fight against corruption, and the modernization of the economy ("Sapin II Law").

The fight against corruption is an ethical and social responsibility of CACEIS Group and is supported at the Group highest management level. This commitment is in accordance with the

recommendations of the French Anti-Corruption Agency, which places particular emphasis on the role of leadership in the anti-corruption framework.

The CACEIS Group, in line with Crédit Agricole Group policy, employs a “zero tolerance” policy towards any unethical behaviour, in general, and any risk of corruption in particular, constitutes the foundation of the approach to preventing and detecting corruption. This commitment demonstrates the will of the governing body to ensure and encourage behaviour and business ethics that meet strict rules of integrity, and to fight against breaches of integrity.

The CACEIS Group Fight against corruption procedure (the “Procedure”) presents the implementation guidelines of the fight against internal and external corruption within the Group.

This Procedure applies to all CACEIS IS business, operational and corporate functional units and all employees, contract workers, officers and directors of such units. The principles contained in it may also apply to Third Parties, where it would be appropriate to incorporate them into contractual arrangements.

CACEIS IS Bank is committed to maintaining the highest level of professional and ethical standards in the conduct of all of its business affairs and places the highest importance upon its reputation for compliance with all applicable laws and rules, and for honesty and integrity. 99,84 % of the employees took the ABAC training on time within the Bank for fiscal year 2023.

The fight against corruption relies on the daily **vigilance of each staff member** to prevent and detect non-compliant practices. Thus, the CACEIS Code of conduct lists the principles of good conduct to apply.

Conduct and Trust

Performance metrics	2023	2022	2021	2020	2019
Sales conduct and business practices					
Percentage of Employees who completed the ABAC training on time	99,84	99,33	99,44	99,41	99,66
AML, ATF, economic sanctions					
Percentage of employees who completed the Combating Money Laundering and Terrorist Financing training on time	99,69	99,04	99,39	99,36	99,74

IS Bank position on human trafficking and Human Rights

CACEIS IS also fights human trafficking which cannot exist without corruption. IS Bank has approved and endorsed the 2021 RBC Modern Slavery Act Statement and the RBC Human Rights Position statement:

- 2022 Modern Slavery Act Statement

This statement is required under the U.K. Modern Slavery Act 2015 (The U.K. Act) and the Australian Modern Slavery Act 2018 (the Australian Act). This is our seventh statement under the U.K. Act and our third under the Australian Act.

The purpose of both the U.K. and Australian Acts is to combat modern slavery, which encompasses slavery, servitude, forced or compulsory labour, child labour and human trafficking. Both laws require

eligible businesses to produce an annual statement setting out the steps they have taken to ensure there is no modern slavery in their own business and supply chains.

- **Human Rights Position Statement**

The Executive Committee of IS Bank Luxembourg as well as the Board of Directors have approved the 2022 Human Rights Position Statement respectively on March, 14th and 29th 2023.

The Human Rights Position Statement (the “HR Statement”) sets out CACEIS IS’s commitment to respect internationally-recognized human rights through all business units and functions, in line with the United Nations Guiding Principles on Business and Human Rights, which is the leading framework for human rights and business.

The HR Statement recognizes that CACEIS IS can impact human rights, directly and indirectly, through its primary business activities. The HR Statement also provides guidance on how CACEIS IS reduces the risk of negatively impacting human rights and protecting vulnerable groups. It is not a guarantee against negative outcomes, rather a commitment that CACEIS IS has a process to identify risks, escalation procedures to address situations of concern, and an established grievance mechanism.

Risk Management

The CACEIS Group’s Internal Controls is the set of systems aimed at controlling activities and risks of any kind, allowing the regulatory compliance, security and efficiency of operations.

The internal control system applies to all CACEIS entities, regardless of status, in any country, on an individual basis and on a consolidated basis (including subsidiaries and branches). It also applies to all activities, including services or other essential or significant outsourced operational tasks that are the subject of a specific standard.

The collective internal control responsibility of directors, officers, managers and control functions is not only necessary to ensure compliance with regulations, compliance of operations and risk control, but also essential to ensure controlled development and achievement of the Group’s strategic objectives. The Internal Control system must therefore be understood as a management tool and be part of the company’s day-to-day operation.

From a Risk Management perspective, the internal control is based on the following principles:

- The development and dissemination of a risk culture
- A regularly updated risk appetite statement approved by the Board of Directors
- The steering of a risk governance that facilitates the alert escalation processes and decision making process at the appropriate level
- A clear definition of the roles and responsibilities of the three lines of defence
- The regular update of risk policies, procedures, process, tools and reporting

The intent of the Internal Control system is also to promote an understanding of the roles, responsibilities, and authorities for the management of risk, as well as the use of a common risk language. The ability for

CACEIS IS Bank to articulate, measure, and manage its risks is critical for effective risk management. It also ensures that we are able to provide accurate and transparent risk reporting and disclosures aligned with industry best practices. The dynamic nature of the financial services industry, and technological innovation, necessitate that our processes, tools and practices are continuously improving and responding to the changing landscape and emerging risks. We seek to accomplish this through an effective and evolving risk management approach.

All risk taking activities and exposures must be within the Board-approved risk appetite, risk limits and corresponding capital and liquidity constraints. We seek to ensure that our business activities and transactions provide an appropriate balance of return for the risks assumed and the costs incurred. Our organizational design and governance processes ensure that our Risk Management function (including Risk Management and Regulatory Compliance) is independent from the businesses it supports.

Commitments

CACEIS IS Bank manages risk under the oversight of the Board and senior management, including identifying, assessing, measuring, controlling, monitoring and reporting on the significant risks the organization faces. Our Risk Appetite is the amount and type of risk that CACEIS IS Bank is able and willing to accept in the pursuit of its business objectives, and operating within our Risk Appetite is an indicator of a healthy, risk-aware risk culture. Our Risk Appetite Framework outlines the foundational aspects of our approach to Risk Appetite, and articulates CACEIS IS Bank's Risk Appetite statements and their supporting measures and associated constraints, in alignment with strategic, financial and capital planning processes.

Risk Culture at CACEIS IS Bank

The following mechanisms are integral to how we do business and support the ongoing management of risks at CACEIS IS Bank:

- Strong Organizational Culture – CACEIS IS Bank employees must understand and adhere to CACEIS IS Bank's culture of integrity and the expectation of "doing what's right". CACEIS Group's Code of Conduct serves as the foundation of this culture of integrity and our corporate purpose. They guide the conduct and behaviour of all CACEIS Group employees, contract workers, and Board members, and support the protection and enhancement of CACEIS Group's reputation. CACEIS Group employees, contract workers, and Board members must avoid any conduct or association which could affect CACEIS Group's integrity and trustworthiness, and must not engage in behaviour that may reflect poorly on CACEIS Group, both in their professional and personal activities.
- Alignment with Risk Appetite – CACEIS Group is in the business of taking risk. Risk Appetite provides clear boundaries and sets the overall tone for balancing risk-reward trade-offs to ensure the long-term viability of the organization. business strategies and decisions must align with and operate within Risk Appetite to support the effective management of CACEIS Group's reputation.
- Compliance with Regulatory Requirements – The scope and complexity of regulatory requirements applicable to financial institutions continues to increase. Regulators are also increasingly interested in the mechanisms used by financial institutions to manage reputation risk. Complying with our regulatory obligations supports CACEIS Group's reputation for acting with integrity.
- Policies and Procedures – Employees must adhere to all CACEIS Group's policies and procedures, including those governing employee behaviour. Training programs support employees in their

understanding of policy requirements. CACEIS Group policy documents must also be regularly reviewed and remain current and relevant.

- Risk Documentation Activities – Documenting relevant and significant risks and their potential impact on CACEIS Group’s reputation as part of risk management activities across the enterprise supports CACEIS Group’s approach to reputation risk management and allows for consistent, auditable findings and reporting. This includes documenting reputation risks in assessments such as product risk assessments, privacy risk assessments, supplier risk management assessments, and the integrated risk profile assessment.
- Communication Strategies – CACEIS Group’s reputation is managed through coordinated, timely, and open communication strategies for employees, the Board, clients, regulators, the media, and the general public.
- Stakeholder Engagement – CACEIS Group has a wide variety of stakeholders with diverse expectations and opinions on how and if we meet those expectations. As stakeholder expectations will evolve over time, knowing and understanding our stakeholders and proactively engaging with them to seek their feedback and evaluate their expectations is essential to maintaining their trust, proactively building our brand, and managing potential Reputation Risks.