EUROBANK
Private Bank Luxembourg

Sustainability Risk & Remuneration Statement

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1. General Information and Purpose - Sustainable Finance Disclosure Regulation (SFDR) Disclosure

This Sustainability Risk Statement outlines the approach of Eurobank Private Bank Luxembourg (the "Bank") in identifying and managing sustainability risk in the Investment Services[1], subject to the Sustainable Finance Disclosure Regulation (**SFDR**[2]) and other related regulatory and legislative requirements, as highlighted in the related MIFID Information Package available on the Bank's website: https://www.eurobankpb.lu/Media/Publications/SFDR-Disclosures.

Sustainability Risk is defined under the SFDR as "*an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment*".

For further explanation on Sustainability Risks, please refer to the Sustainability Explanatory document available on the Bank's website:
https://www.eurobankpb.lu/Media/Publications/MIFID-II.

The **objective** of this Statement is to:

- describe how certain ESG Factors are integrated within the Bank's investment services processes
- outline how sustainability risks are considered in investment decisions and advisory processes
- provide the approach towards relevant disclosures to clients (including appropriate periodic reporting where applicable), and
- ensure the marketing of certain financial products is performed in a transparent manner.

This Statement will be kept up-to-date to reflect current practice and will be updated as necessary to align with any changes that may occur.

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[1] 'Investment Services', is defined in the 'General Terms for Investment Services' available at Bank's website at https://eurobankpb.lu/Media/Publications/MIFID-II-ESG-Investment
[2] SDFR: Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

2. General approach on the integration of sustainability risks in the Bank's investment decision-making process (SFDR Art.3)

The Bank addresses and manages Sustainability Risks in its governance. Relevant initiatives are related to:

- the integration of sustainability risk in the Bank's processes by Senior Management.
- the consideration of sustainability risks as part of the investment advice.
- the incorporation of sustainability risk in reporting and other internal assessments.
- the timely implementation SFDR reporting requirements.

Moreover, the Bank considers sustainability risks as part of the periodical updates of the Bank's policies and procedures.

ESG factors are considered and integrated, where applicable, into the investment advice service (as described under section 3.a. below). Comprehensive due diligence is performed on relevant products by using internal and external tools and methodologies. Although the Bank has not fully integrated sustainability risks into its discretionary portfolio management service, offered via its affiliate company Eurobank Asset Management, further actions for enhancements in progress are described under section 3.b. below.

3. Integration of Sustainability Risks into the Bank's Investment Services Offering[3]

a. Investment Advice Service

The Bank uses the following main approaches for the set-up of pre-defined Investment Advice Strategies in its Investment Advice process:

- ESG related exclusions: Negative/exclusion screening and norms based screening. This is, exclusion of instruments based on certain ESG-related activities, business practices or business segments (such as excluding instruments related to gambling, weapons, alcohol, fossil fuels that are not in transition etc.).

- ESG integration: Consideration of ESG-related factors (via pre-selected ESG indicators of external rating companies) based on its internal procedures, alongside traditional financial factors, when making investment decisions. The ESG factors that are taken into consideration may include, inter alia, overall ESG rating based on external rating companies models, Low Carbon Designations, SFDR Article 9 & Article 8 products and whether the investee companies are signatories to responsible business codes and standards.

The matching of client's sustainability preferences is performed based on the agreed investment advice strategy (e.g. declared ESG preferences via client questionnaire) and subject to the applicable terms/agreements under the Investment Advice service. It is noted that the Bank may include certain products/instruments with ESG characteristics or objectives

[3] 'Investment Services', as defined under the 'General Terms for Investment Services' available at Bank's website at https://eurobankpb.lu/Media/Publications/MIFID-II-ESG-Investment

in its various Investment strategies, even if clients declare that they do not have ESG preferences.

b. Discretionary Portfolio Management Service

The Bank's Portfolio Management services, are offered by the Bank via its affiliate company Eurobank Asset Management (part of Eurobank Group), licensed by the Hellenic Capital Market Commission (License number: 79/5/09.07.1996, 6/600/11.10.2011 & 8/695/15.10.2014 (http://www.eurobankam.gr)). The Bank uses mainly model-based strategies, via its affiliate company, where investment decisions are taken at the level of each respective strategy in place, at portfolio level.

The matching of Client's ESG preference is performed based on the agreed Portfolio Management mandate (i.e. declared ESG preferences via questionnaires) and subject to the applicable terms/agreements under the Portfolio Management service. It is noted that the Bank may include certain products/instruments with ESG characteristics or objectives in its various traditional Portfolio Management strategies, even if clients declare that they do not have ESG preferences.

The Bank uses mainly model-based portfolios, where investment decisions are taken at portfolio level. Due to the nature of Bank's discretionary mandate, the offering is based on providing model-based or tailor-made solutions through the Bank's affiliate company, Eurobank Asset Management, and specific information can be found in the Discretionary Asset Management Agreement with the Client.

4. Sustainable Investing

Sustainable investing is the approach to identify and address principal adverse impacts (PAIs). The products screening is undertaken based on the regulatory requirements and on "Responsible Investment Policy" of Eurobank Asset Management which is available at https://www.eurobankam.gr/en/esg. The policy incorporates Eurobank Asset Management methodologies, being ESG Integrated and Best In Class.

The Bank works closely with Eurobank Asset Management, particularly in respect of their policies and methodologies relating to integration of ESG factors on the aforesaid services offered by the Bank, whilst applying the Bank's respective SFDR financial product categorisation.

The Bank's offering at this stage under model-based portfolio management service, via Eurobank Asset Management, comprises only of Article 6 SFDR products and therefore it is currently collaborating with Eurobank Asset Management for the offering of model-based solutions under the "sustainable investment approach". In this respect, further update is to be made on this document accordingly.

5. Mitigation of Other Risks

It is noted that the Bank is dependent upon information received by third parties (external rating companies) when assessing the ESG criteria on relevant products or portfolios, therefore, the Bank is reviewing the ESG frameworks of such third parties (taking into account new developments). Furthermore, the Bank has already arranged the relevant training of its staff (and will continue such training based on new ESG developments) and monitoring of its own staff activities.

6. Transparency of remuneration policy in relation to the integration of sustainability risks (SFDR Art.5)

The Bank's Remuneration Policy promotes sound and effective risk management and is consistent with the objectives of the Bank's business and risk strategy, corporate culture and values, risk culture with respect to environmental, social and governance (ESG) risk factors, long term interests and measures used to avoid conflicts of interest and should not encourage excessive risk-taking on behalf of the Bank. Changes of such objectives and measures are taken into account when updating the Remuneration Policy.

The Bank ensures that remuneration practices are aligned with their overall risk appetite, taking into account all risks, including reputational risks and risks resulting from the miss-selling of products. The Bank also takes into account the long-term interests of shareholders.

This disclosures are made in accordance with Articles 3 and 5 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ('SFDR').

This information is provided for informational purposes only and does not constitute investment advice, an offer, or a solicitation to buy, or sell any financial instruments.

This information reflects the policies and practices in effect as of the date of publication and is subject to change. This page will be updated as required by applicable regulation or internal policy changes.

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