LUXSE SUSTAINABILITY REPORT 2022

"ALWAYS IN MOTION"

LUXEMBOURG STOCK EXCHANGE

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A WORD FROM OUR CEO

What does sustainability mean to LuxSE?

Sustainability is at the heart of our strategy and business operations. At the Luxembourg Stock Exchange (LuxSE), we place our best efforts to contribute in concrete ways to the United Nations Sustainable Development Goals (SDGs). Our commitment to sustainability is embodied in our long-term vision and mission. Sustainability is a way to continuously challenge our strategy and the way we do business and improve our impact. As the CEO of a leading international exchange, home of the world's first platform exclusively dedicated to sustainable securities, I am committed to delivering on our ambitions, including our goal to achieve net zero by 2050.
It is LuxSE's duty to encourage a transition towards a more sustainable economy. Our teams are working together to bring positive change, act in a responsible way and contribute to addressing issues that affect all our stakeholders: our people, our clients and industry, our communities, and our planet.

The Sustainability Report 2022 unveils a new structure. Can you tell us more about it?

Our vision is to lead by example in how we manage our own sustainability strategy. With the slogan "Always in motion", our goal is to embed our sustainability strategy into our overall business strategy and operations, by considering a wider and more complex set of environmental, social and governance (ESG) topics. This year, for the first time, we unveil a Sustainability Report that is structured around our three sustainability objectives for the next two years – climate transition, education and gender equality – rather than our 4 sustainability pillars – think BUSINESS, think PEOPLE, think PLANET, think COMMUNITY.
These three goals are the cornerstones of our sustainability strategy, built on our vision, mission and corporate values. Each of these objectives incorporates initiatives that are linked to our 4 pillars. While the structure might have changed, the Sustainability Report, in its fourth edition, continues to provide a transparent and comprehensive account of the progress made towards our sustainability strategy by highlighting sustainability-related activities and the impacts created through different initiatives.

2022 was a year of new challenges and learnings. What progress has LuxSE made towards achieving its sustainability goals?

Although we made good progress and strengthened our sustainability agenda in 2021, the past year has further highlighted the need to accelerate the transition to a low-carbon and more inclusive economy.
As a stock exchange leader in sustainability, we are uniquely positioned to influence capital markets and driving global change. In 2022, we continued to play a crucial role in developing sustainable finance and tackling the challenges of financing more sustainable and inclusive economies. In the pages below, we have highlighted in detail how we have tackled sustainability throughout the year and the tangible progress we have made towards achieving our three sustainability goals: climate transition, education and gender equality.

In 2021, you committed to achieving net zero by 2050. Could you tell us more about your journey towards net zero and how you accelerated your ambitions?

We created the Luxembourg Green Exchange (LGX) in 2016 as a response to the UN SDGs and Paris Climate Agreement, and LGX is still the world's leading platform for sustainable securities. Over the past years, LGX has seen tremendous growth and we have expanded our core activities to address market gaps related to data and education, as well as to support market developments. In 2020, we expanded the scope of the platform to SLBs, an instrument that reflects the issuers' overall sustainability strategy and commitments, notably on climate. At the same time, we gradually expanded our reflection on transition to the entire exchange, beyond LGX: we started to look at our issuers' alignment to a 2-degree scenario and looked at how they were contributing to the SDGs. However, there is still a long way to go and enormous opportunities to make a substantive contribution to addressing climate change, which is what led us to become a signatory to GFANZ in 2021, as part of our greater climate transition plan. In this context, we committed to support the goal of net zero greenhouse gas (GHG) emissions as soon as possible and by 2050 at the latest.

Looking ahead, what will LuxSE's sustainability priorities for 2023 be?

In 2023, we will continue to build on the momentum of last year's positive actions. We have defined ambitious objectives, but we will continue to innovate and invest to progress towards our three sustainability objectives – climate transition, education, and gender equality. As we look into the future, we stand ready to further support the markets in which we operate to move to a more inclusive and sustainable future, where net zero will become the new normal.

Julie Becker,
CEO

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INTRODUCTION TO THE LUXEMBOURG STOCK EXCHANGE

About the Luxembourg Stock Exchange

AN EXCHANGE UNLIKE ANY OTHER

As of December 31, 2022

€ 7.46 tn
issued in total
(-0.5% from 2021;
2021: € 7.5 tn)

40,674 securities
listed in total on the official list
(BdL + Euro MTF + SOL, except ATT)
(+7% from 2021)

1,869
total issuers

98
countries

71
currencies

Throughout the course of 2022

€ 1.10 tn
amount issued
in 2022

12,346 new securities
listed in 2022
(-3% from 2021)

76
new issuers
joined LuxSE

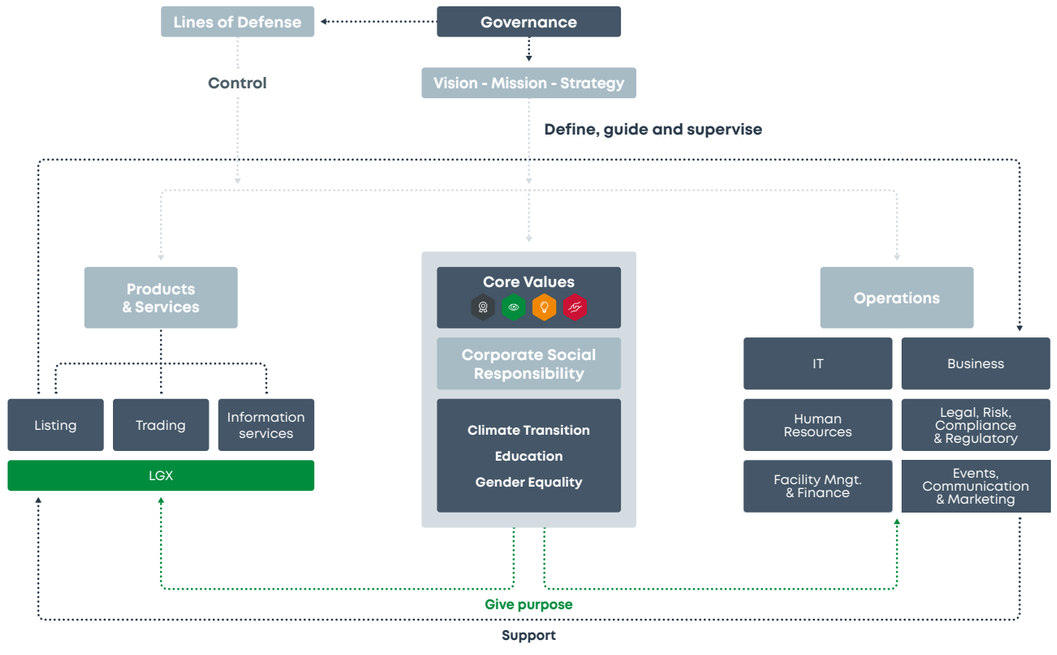
Thanks to its rich 90-year history, combined with an unparalleled experience in listing and a unique, international scope, LuxSE attracts a wide range of issuers to Luxembourg and is recognised as a pillar of Luxembourg's flourishing financial ecosystem and international capital markets. Since 1928, LuxSE has solidified its footprint across the globe and become the world's leading exchange for the listing of international debt securities with 40,000+ securities listed, including 36,000+ debt instruments, from 1,800 issuers in near 100 countries. A renowned market infrastructure provider, we have contributed to transparent and stable international capital markets for more than five decades.

After a decade of almost uninterrupted growth, capital markets entered turbulent waters in 2022 when inflation reared its head. Coupled with rising interest rates, the Russia-Ukraine war and geopolitical tensions, this led to significant pullback of capital market activity across asset classes. Despite this challenging backdrop resulting in a decrease of 40% in the total number of international bond listings globally, LuxSE managed to consolidate its leading position in the listing of international debt securities and sustainable finance and delivered a strong business performance with core business revenues stable compared to 2021.

Our company motto 'Always in motion' means that we are constantly striving to go the extra mile – be it for our people, our clients, and partners, or for our industry and the communities in which we operate.
LuxSE is much more than an exchange. We are the meeting place for the world's issuers and investors, and champions of sustainable finance through LGX, the first and leading platform for sustainable securities. We have made it our mission to transform finance and work to make it sustainable by default.

A MARKET OPERATOR AND SERVICE PROVIDER AT THE CORE OF INTERNATIONAL CAPITAL MARKETS AND LEADER IN INTERNATIONAL BOND LISTING

Our issuers benefit from Luxembourg's vibrant and integrated financial ecosystem and proximity to a powerful network of international experts, including but not limited to law firms, banks, and consulting firms. By combining three business lines – listing, trading, and information services – we give issuers and investors a comprehensive service offering, available under one roof.



About the Luxembourg Green Exchange (LGX)

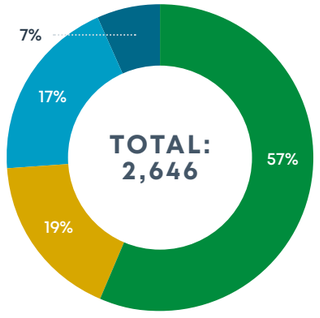
In 2016, LuxSE established the LGX as a contribution to the Paris Climate Agreement and the SDGs. As the first platform to turn voluntary market standards into mandatory requirements for green bonds, LGX shed the light on sustainable securities under enhanced criteria of transparency. Entirely dedicated to sustainable securities, LGX has become the leading platform for the world's listed green, social, sustainability and sustainability-linked bonds (GSSS bonds). As of December 2022, LGX encompasses more than 2,900 securities raising a total of EUR 830+ billion for sustainable development projects across the world.

Since the inception of LGX, we have continued to promote the visibility of sustainable products and fill gaps in the market. We regularly update products eligible to be displayed on our platform, and continuously enlarge our services; launching the LGX DataHub, the LGX Academy and more recently the LGX Assistance Services to foster the deployment of sustainable finance.

GENERAL MARKET OVERVIEW

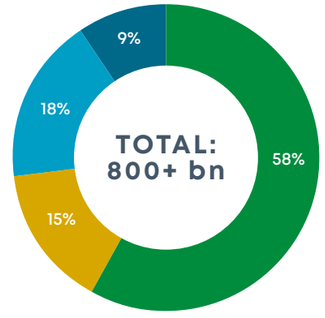
The figures gathered in the LGX DataHub indicate that sustainable bonds issuance listed worldwide (hereafter referred to as GSSS bonds) in 2022 reached close to EUR 803 billion, approximately 15% less than the 2021 record. After jumping to become a trillion-dollar market in 2021, the challenges triggered by geopolitical conflict and inflation brought more than a decade of growth in sustainable bond issuance to an end.

2022 Sustainable bond issuance volume breakdown*



- 1,498 Green bonds
- 459 Social bonds
- 516 Sustainability bonds
- 173 Sustainability-linked bonds

2022 Sustainable bond issuance value breakdown (in € bn)*



- 466.23 bn Green bonds
- 121.76 bn Social bonds
- 141.10 bn Sustainability bonds
- 73.87 bn Sustainability-linked bonds

Source: LGX DataHub

LGX: THE LEADING PLATFORM FOR SUSTAINABLE SECURITIES

Despite many competing initiatives, LuxSE, through LGX, remains the leading exchange for the listing and display of sustainable bonds worldwide.

Over the last year, LGX continued to innovate by strengthening its full suite of sustainable finance services and solidified its position as the leading venue for sustainable debt securities.

As of 31 December 2022

€ 830 bn
issued in total
(+30% from 2021)

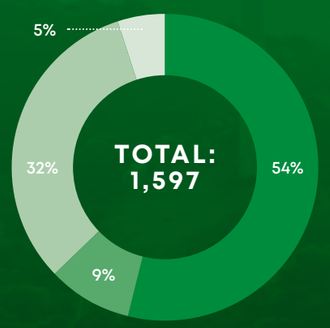
3,120 securities
displayed in total
(+21% from 2021)
1,597 GSSS bonds
1,377 Sustainable funds*
146 Bonds issued by CAI

265
total issuers

53
countries

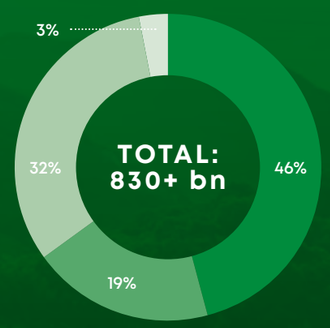
41
currencies

LGX displays in NB of bonds



- **865** Green bonds
- **151** Social bonds
- **509** Sustainability bonds
- **72** Sustainability-linked bonds

LGX displays in EUR bn



- **380.91 bn** Green bonds
- **156.02 bn** Social bonds
- **267.27 bn** Sustainability bonds
- **26.58 bn** Sustainability-linked bonds

+41%
in total amount issued by Green Bonds on LGX

+16%
in total amount issued by Social Bonds on LGX

+21%
in total amount issued by Sustainability Bonds on LGX

**Number of share classes article 8 as per the Sustainable Finance Disclosures Regulation (SFDR): 1,151 and article 9 as per SFDR: 226*

THE LGX PLATFORM
Providing trust and transparency

In 2022, the LGX platform welcomed major listings including, but not limited to the following:

CEB issued first social bond targeting Ukraine refugee crisis

In April, the **Council of Europe Development Bank (CEB)** chose LuxSE as its listing venue to issue a EUR 1 billion seven-year social inclusion bond (SIB) to bolster its response to the social crisis resulting from the war in Ukraine. The bond is displayed on LGX and the proceeds will help CEB member countries to support longer term needs of refugees and their host communities, including through social housing, education, health and social care, job creation and preservation concepts.

EIB issued largest climate awareness bond to date

In May, the EIB issued a EUR 4 billion climate awareness **Euro-Area Reference Note (EARN)**, the largest climate awareness bond issued by the bank at that time, was displayed on LGX. This came shortly after EIB announced the decision to issue climate awareness bonds in EARN format "in response to growing volumes of eligible disbursements and investor clamour for larger, more liquid bonds."

B3 brought inaugural SLB to LGX

In September, the Brazilian stock exchange **Brasil, Bolsa, Balcão (B3)** brought its inaugural SLB to LGX.
The USD 700 million bond's sustainable performance targets are linked to achieving a 35% women's representation in management and leadership roles and creating a gender diversity index, in line with SDG 5 'Gender Equality'.

KfW's green bond milestone

In September, **KfW**, a promotional bank owned by the Federal Republic of Germany and the German federal states, reached the milestone of EUR 50 billion in total green bond issuance since 2014.
This achievement was marked by a Ring the Bell ceremony at LuxSE, the reference listing venue for KfW's green bonds, which are also displayed on LGX. KfW issued its first green bond 8 years ago and has since issued about 100 green bonds raising an equivalent of EUR 50 billion for green projects.
Its significant green funding programme makes it one of the 10 largest sustainable bond issuers in the world.

The Republic of Uruguay issued inaugural SLB

In October, **the Republic of Uruguay** brought its inaugural USD 1.5 billion SLB to LGX, the second-ever from a sovereign issuer and the first-ever featuring the possibility of either a coupon step-up or step-down.
The targets to be achieved via Uruguay's bonds include achieving a reduction in aggregate greenhouse gas (GHG) emissions, expressed in CO_2 equivalent per real GDP unit, by 2025 compared to 1990 and maintaining or increasing the native forest area covering Uruguay's territory by 2025 compared to 2012.

THE LGX ACADEMY
Supporting sustainable finance literacy

The LGX Academy, launched in 2020 to provide training for financial professionals, delivered courses to prospective issuers, law firms, private banks, external reviewers, audit firms, and other exchanges throughout the world in 2022.

In line with our mission to support emerging economies in the development of their expertise in sustainable finance, the LGX Academy has been widely active in these regions. The tailor-made courses, were made to help local market players and public entities learn all about the different sustainable products and the issuance process. Our lecturers also contributed to building capacity in several emerging economies, such as in Cambodia, Sri Lanka and Cabo Verde.

THE LGX DATAHUB
Bridging the data gap

Since we launched the LGX DataHub in 2020, our experts have worked continuously to increase the scope of the sustainability data included in the tool. We reached the 9,000 GSSS bonds mark at end of December 2022, which means that the DataHub covers close to the entire universe of the world's listed sustainable bonds.

Thanks to the data available on the LGX DataHub, the **OECD produced a report** on the GSSS bond market in developing countries, analysing the state of the market and the barriers to growth.

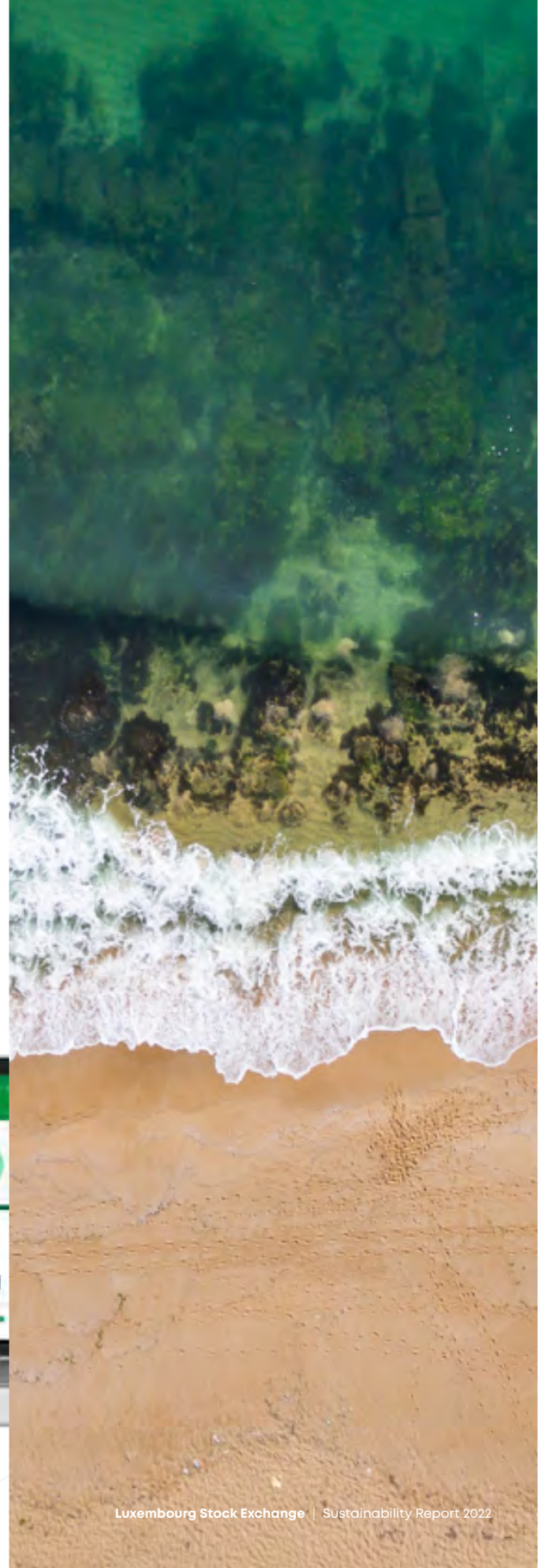
"The LGX DataHub provided invaluable data for our analysis on GSSS bonds in developing countries. The data housed in the LGX DataHub is rich and granular, and the coverage of issuances including in emerging and developing markets is very comprehensive. In addition to key information about the terms and structure of the bonds, as well as the type and location of the issuers, it allows users to explore the sustainability aspects of GSSS bonds, with descriptions about the eligibility criteria of use of proceeds bonds, the targets of sustainability-linked bonds, the possible contributions to SDGs. The user interface is intuitive and quite easy to navigate, which makes it a great pleasure to work with the database."

Jieun Kim,
Policy Analyst, OECD

In 2022, we also integrated post-issuance information on sustainability-linked bonds into the LGX DataHub and added a feature called "My portfolio" to continue helping better inform our clients' sustainable investment decisions.

As part of our efforts to spread knowledge in the industry and the broader ecosystem and capitalise on the insightful source of information that is the LGX DataHub, LuxSE released two market studies in 2022:

- The **first**, focused on the growing SLB market, its trends and characteristics
- The **second**, focused on the current level of EU taxonomy-related disclosure for GSSS bonds listed worldwide



THE LGX ASSISTANCE SERVICES
Supporting issuers in their sustainable finance journey

Throughout the year, LGX also provided Assistance Services to issuers. Via the LGX Assistance Services, our experts assist issuers in the overall process of structuring the disclosures related to their sustainable bonds.

With the expertise accumulated in this field, the LGX team offers tailored-made assistance to help issuers upgrade their internal expertise and frameworks in compliance with the best practices of domestic or international standards depending on their location and the rationale behind the issuance.

In 2022, LGX assisted, for instance, Symbiotics in establishing a solid framework integrating the gender dimension, in line with market best practices. Our expert team notably leveraged the LGX DataHub to provide insights into peers' gender reporting practices.

"BIL was the first bank in Luxembourg to set up a Green Bond Framework. As a local pioneer, we were keen to have a robust methodology for our green bond issuance that reflects best market practices in a constantly evolving environment. The insights and know-how of LGX's sustainable finance experts were invaluable during the definition of our strategy and the main features of our Green Bond Framework."

Olivier Habay,
Head of Long Term Funding at BIL

Getting recognised for the important work carried out

With its innovative platform, LuxSE has been widely recognised for its important work carried out through LGX. Its contribution to facilitating sustainable investment and reorienting capital flows towards investment projects with positive environmental and social outcomes have been recognised on multiple occasions.

Global Climate Action
United Nations Climate Change

"UN Global Climate Action Award" 2020 in the category of Financing for Climate Friendly Investment

Environmental Finance
Sustainable Investment Awards
2022 Winner
Stock exchange of the year

"Stock Exchange of the Year" as part of Environmental Finance's Sustainable Investment Awards

Our sustainability strategy in a nutshell

Our vision is to lead by example in how we manage our own sustainability strategy by embedding sustainability into our overall business strategy and operations, and by considering a wider and more complex set of ESG topics.

Much like last year, we continued to work to integrate a sustainability dimension into everything we did. In 2022, we made great strides towards our climate transition, education and gender equality goals, the cornerstones of our sustainability strategy. These three goals are built on our vision, mission and corporate values and are directly linked to the four pillars of our long-term sustainability strategy: think BUSINESS, think PEOPLE, think COMMUNITY, think PLANET.

3

OUR KEY SUSTAINABILITY FOCUS AREAS

Climate transition, Education and Gender equality are the cornerstones of our sustainability strategy, built on our vision, mission and corporate values.

In the following pages, we have described each of these goals in detail, outlined our engagement in each area, how we understand our responsibility, the actions we have taken until now and how we have measured our progress.

CLIMATE TRANSITION

PLAYING A PIVOTAL ROLE IN ACCELERATING THE NET-ZERO TRANSITION

Efforts to tackle the very real threats of climate change and limit the global temperature increase to 1.5°C above pre-industrial levels are a global priority. Finance and cooperation are at the heart of this challenge, as trillions of dollars need to be mobilised towards climate action and channelled into scalable solutions that have the potential to make a measurable and meaningful difference.

As the world's leading exchange for the listing of debt securities and home of the LGX, we are uniquely positioned to influence capital markets and are working towards net zero emissions within our own operations and in our broader market.

We are convinced that only when the financial sector comes together, can we make finance part of the solution to our global challenges. At LuxSE, we are prepared to do our part and we are now working towards reducing our own carbon emissions and becoming a net-zero business by 2050 at the latest. To encourage transparency and accountability in the market, we will disclose on our data and progress annually as part of our climate transition plan.

In November 2021, LuxSE announced that it was joining the Glasgow Financial Alliance for Net Zero (GFANZ) through Net Zero Financial Service Providers Alliance (NZFSPA)

Since then, we have actively contributed to the creation of the **Target Setting Guidance for Exchanges,** through 4 consultation rounds

Throughout the year, **LuxSE has engaged with local and global policymakers, standard setters and organisations to promote climate-related actions and policies.**

We participated in **5 Working Groups (WG) dedicated to climate,** responded to **19 consultations on the topic,** and publicly advocated at **major events such as COP27**

For the first time, in this report, we are publicly disclosing our GHG emissions

We started measuring our carbon footprint in 2019 and will continue to do so annually

DELIVERING ON OUR AMBITIONS AND COMMITMENTS

Enabling the shift of capital towards sustainable assets

Despite a significant decrease in annual sustainable debt issuance throughout the world in 2022, LGX kept its leading position and displayed 535 new GSSS bonds in 2022, which represents a 4% decrease compared to 2021. In total, these new sustainable bonds raised EUR 207 billion for specific green and social projects and sustainable development across the world. While this represents a decline of 16% year-on-year in terms of amount issued, it is an impressive result given the global market downturn. LuxSE successfully managed to increase its market share both in the conventional and sustainable bond space and get a bigger share of a smaller market.

In 2022, GSSS bonds accounted for 18% of total new issued amounts on LuxSE's markets. LuxSE's 12-month market share at the end of Q4 2022 was approximately 40% in terms of volume issued through internationally listed GSSS bonds. Its development has been consistent both in terms of the number of instruments displayed and the new products and services offered.

Joining forces to reach net zero

At COP26 in Glasgow, in November 2021, LuxSE announced that it was joining GFANZ, a global coalition of leading financial institutions committed to accelerating the decarbonisation of the economy. As an exchange, LuxSE joined GFANZ through NZFSPA. We recognise the essential role played by GFANZ and NZFSPA when it comes to increasing awareness, inspiring action, and accelerating the climate transition. Global challenges require a global response and alliances like GFANZ facilitate international coherence, cooperation, and progress. We are determined to make a meaningful contribution to the commitments of the Alliance, and we are confident that LuxSE can bring a valuable voice to this cooperation.

What have we committed to?

Based on the best available science, including the findings of the Intergovernmental Panel on Climate Change (IPCC), on the drivers and impacts of climate change, we believe there is an urgent need to accelerate the transition towards global net zero GHG emissions and for service providers such as ourselves to play a part in helping deliver the goals of the Paris Agreement and ensuring a just transition to a low-carbon economy.

As a member of NZFSPA, we commit to support the goal of net zero GHG emissions by 2050 or sooner, consistent with a maximum average global temperature rise of 1.5°C above pre-industrial levels. In order to fulfil this Commitment, we will:

1. Align all relevant services and products to achieve net zero GHG emissions by 2050 or sooner, scaling, and mainstreaming Paris Agreement-alignment into the core of our business.
2. Build internal capability to understand the risks and opportunities of the net zero transition using best-practice net zero methodologies where they exist and, where methodologies or data are missing, proactively and collaboratively work to address those gaps.
3. Set an interim target for relevant services and products offered to be aligned to the net zero transition which is consistent with a fair share of the 50% global reduction in carbon emissions needed by 2030. Review and update such targets at least every five years with a view to increasing the proportion of services and products to achieve full alignment.
4. Address our own operational impacts by setting science-based emissions reduction targets across all operational emissions (Scopes 1 and 2 and, where material, 3) in line with 1.5°C emissions pathways. Set interim science-based reduction targets within 12 months of joining for no later than 2030 across all operational emissions.
5. Consistently raise with our key stakeholders the importance and implications of setting net zero targets and strategies across Scopes 1, 2 and 3 emissions and understanding the impact businesses can have to help reduce GHG emissions.
6. Work to ensure our relevant services and products consider the best available climate science, including credible emissions reduction pathways to net zero. Support innovation and prioritise our efforts where we have, or can have, the most significant impact. Support the development of products and services supporting the net zero transition.
7. Advance our efforts by proactively engaging with stakeholders and policymakers on corporate and industry action, as well as public policies, that support a net zero transition of economic sectors in line with science and with regards to social impacts. Contribute to Glasgow Financial Alliance for Net Zero (GFANZ) efforts within the financial services provider alliance, which will aim to bring together existing tools and alliances.
8. Report progress, individually as firm signing this Commitment, at least annually, including publishing disclosures aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and climate action plans.

What have we achieved so far?

Developing a target setting protocol and guidance

As part of the exchange subgroup, supervised by the United Nations Sustainable Stock Exchanges (UN SSE) initiative, LuxSE has met with other exchanges on a regular basis to develop a net zero target setting methodology, subject to approval by the Expert Peer Review Group (EPRG) - an independent party comprising 18 scientific and technical experts and practitioners - and Race to Zero (RtZ).

After 4 consultation rounds and input from experts, a Target Setting Protocol and Guidance document has been developed and validated by the stock exchanges part of the initiative. The guidance was under reviewed by EPRG end of 2022.

The subgroup will continue to work, with the guidance of the SSE initiative, to ensure that these targets are validated then re-evaluated on a regular basis. This way, decisive and challenging action can be taken over the long-term.

LuxSE is also member of the SSE Comment Group, which actively shapes the commitments that exchanges must take as part of the Alliance.

As part of GFANZ, LuxSE will report progress on its targets to reach a net-zero pathway on an annual basis, starting from 2024. The targets, based on UN SSE's Guidance for Stock Exchanges, will be:

- On the one hand, exchange-focused targets, meaning how LuxSE approaches its own operations
- On the other hand, market-focused targets, that is, how LuxSE approaches its market participants and suppliers

Calculating, disclosing, and reducing our GHG emissions

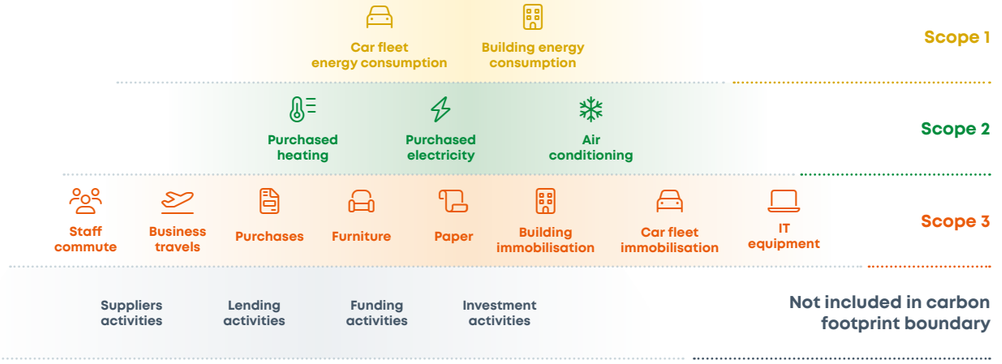
As part of LuxSE's climate strategy plan, we started measuring our carbon footprint in 2019. Since then, we continued tracking progress and are now disclosing publicly our GHG emissions for the first time. The carbon footprint assessment gives us the opportunity to evaluate our emissions and draw up actions to further reduce it.

We have chosen an internationally recognised standard, the International Greenhouse Gas Protocol (GHG Protocol), a Corporate Accounting and Reporting Standard as a guideline to calculate our internal footprint. The GHG Protocol is the most used international standard to quantify and communicate GHG emissions.

As per the GHG Protocol, direct and indirect GHG emissions are split into three scopes:

- **Scope 1:** All direct GHG emissions from sources that are owned or controlled by the reporting entity
- **Scope 2:** Indirect GHG emissions from the purchase of electricity, heat, steam, or cooling
- **Scope 3:** Other indirect emissions

The GHG Protocol requires to report at least on scope 1 and 2 emissions while reporting on scope 3 emissions is optional. In line with our commitment to be fully transparent, we decided to measure and report on both direct and indirect emission (scope 1, 2 and 3). When applied to our business, this means our calculations cover:



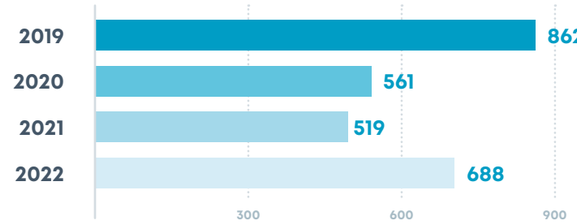
KEY RESULTS	2019	2020	2021	2022	Δ 2022 VS. 2019
Total GHG emissions (tCO_2e)	862	561	519	688	-20%
Scope 1 (tCO_2e)	101	62	61	59	-42%
Scope 2 (tCO_2e)	81	89	102	25	-69%
Scope 3 (tCO_2e)	679	410	356	605	-11%
Total number of FTEs	120.4	135.0	137.4	137.7	+14.3%
Total GHG emissions per FTE	7.2	4.2	3.8	5.0	-30.2%

Note: Fundsquare was part of the LuxSE Group until September 2022, when it was acquired by FE fundinfo

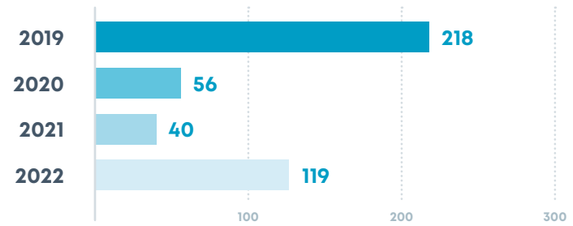
From 2019 to 2022, our total GHG emissions decreased by 20%, from 862 to 688 tCO_2e. Although these reductions are significant, a large part is linked to the impact of the global pandemic on our business and activities. The global pandemic changed the way we do business and interact with our clients and stakeholders and forced us, like many other businesses, to implement remote working and drastically reduce our business travel significantly in 2020 and 2021. However, as the pandemic recedes, the way we approach business will be carefully managed. We are working to ensure that our carbon emissions do not go back to pre-pandemic levels by embracing the new ways of working that have been brought to the fore by the pandemic.

As part of GFANZ, LuxSE commits to reducing our absolute GHG emissions (scope 1, 2 and 3) by 2030, with an interim target by 2025 - from a 2019 baseline. Our emissions reduction targets will aim to be consistent with a 1.5 degrees scenario and sectoral pathways where available to reach net-zero emissions by 2050. In 2023, we will develop an action plan for 2025, 2030 and 2050 with concrete actions to reduce our emissions were possible and offset residual emissions if needed.

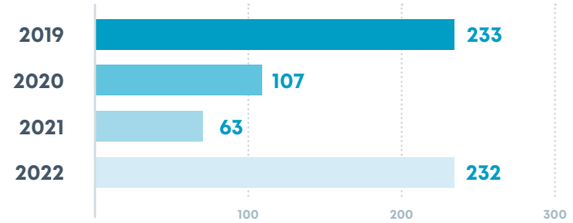
Total GHG emissions (tCO_2e)



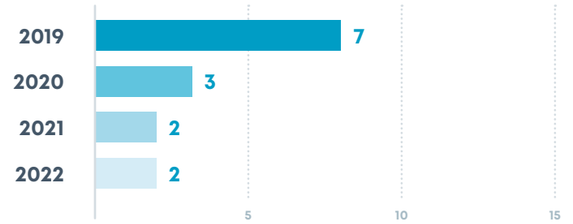
Business Trips (tCO_2e)



Staff Commuting (tCO_2e)



Waste (tCO_2e)



Carbon footprint certified

Our carbon footprint measurements have all been certified by *Energie et Environnement S.A.*, an independent Luxembourg –based consulting firm that supports companies measuring their carbon footprint. We are considered "carbon checked" for 2019, 2020, 2021 and 2022 and on a pathway to become "carbon optimised" before 2025.

The "carbon checked" label recognises that we have calculated our carbon footprint according to the most rigorous international standards in the management of GHG emissions: PAS 2060 or the future ISO 14068. The "carbon optimised" label is granted to companies that through all their decisions apply initiatives to reduce their CO_2 emissions.

The certification has been awarded after careful assessment of the emissions calculations conducted by our teams. The calculations followed an extensive review of internal and external documentation and activity data.

Our emissions reduction targets will aim to be consistent with a **1.5 degrees scenario** and sectoral pathways where available to **reach net-zero emissions by 2050**

Engaging with our market, employees, and stakeholders

Throughout the year, we not only continued to engage with local and global policymakers, standard setters and organisations to promote climate-related actions and policies externally, but also internally with employees to whom we started offering climate-related trainings.

Assessing our issuers' alignment to a 2-degree scenario

The 2° Investing Initiative (2DII) is an independent, non-profit think tank working to align financial markets and regulations with the goals of the Paris Agreement.

PACTA is a free, open-source methodology and tool, which measures investment portfolios' and/or bank loan portfolios' alignment with various climate scenarios consistent with the Paris Agreement.

In 2021, the Luxembourg Sustainable Finance Initiative (LSFI) coordinated a country-wide assessment of Luxembourg's financial sector. LuxSE, although not qualifying as a bank or an investor, participated in this initiative nonetheless.

Throughout the course of 2021 and 2022, we evaluated our issuers' alignment to a 2-degree scenario using PACTA. Whilst the exercise proved to be a very good first step, the coverage of the tool was not sufficient on its own to answer all our needs.

As a result, we have decided to develop an approach over 2023/2024 to assess our issuers more globally. This should ultimately help us understand to what extent our bond issuers have made net zero commitments and if they are adopting credible climate transition plans.

Once we have defined our approach, we aim to report on the engagement and other actions taken to promote net zero commitments and transition plans by issuers and other market participants.

Addressing high-polluting sectors to encourage transition

Throughout 2022, we took a pro-active approach combining both listing and assistance services addressed to debut issuers in the sustainable debt market in high-polluting transitioning sectors, such as the shipping sector. Our experts also participated in a series of industry events, including the Marine Money industry events in which we encouraged companies involved in the sector to reap the benefits of public markets and sustainable formats to efficiently fund their decarbonisation investments.

Our climate-related advocacy in action

In 2022 alone, we participated in 6 Working Groups (WG) dedicated to climate, responded to 19 consultations on the topic and publicly advocated at major events such as COP27. Going forward, we will continue to keep our world pioneer position, and explain progress achieved when possible.

In the below table are some examples of WGs on climate where we actively advocate for more action and transparency related to climate and environment.

CLIMATE WORKING GROUPS	DESCRIPTION
ICMA's Climate Transition Finance Working Group (WG)	The International Capital Market Association (ICMA) represents financial institutions active in the international capital markets worldwide. Its mission is to promote resilient well-functioning international and globally coherent cross-border debt securities markets, which are essential to fund sustainable economic growth and development. The mission of the Climate Transition Finance WG is to inform and educate on the various tools and methodologies available to issuers and investors when demonstrating adherence to the Climate Transition Finance Handbook published in December 2021.
Glasgow Financial Alliance for Net Zero (GFANZ)	GFANZ is a global coalition of leading financial institutions committed to accelerating the decarbonisation of the economy. Through this initiative, we aim to achieve the objective of the Paris Agreement to limit global temperature increases to 1.5°C from pre-industrial levels, develop credible plans for transition to a low-carbon, climate-resilient future and ensure implementation of such plans.
World Federation of Exchanges (WFE) Sustainable WG	The WFE is the global industry association for exchanges and clearing houses. Its Sustainable WG aims to push sustainable business practices among market players, promote the debate over ESG issues and make recommendations to member exchanges of the WFE.

Fostering awareness of sustainable finance

- **As part of the ASEAN Day event** organised by the Luxembourg Ministry for Foreign and European Affairs, in partnership with the Chamber of Commerce, the Ministry of the Economy, the Ministry of Finance and the ASEAN Brussels Committee, our Sustainability Research Manager Paul Chahine and Head of Sustainable Finance Laetitia Hamon discussed how to unlock the potential of green, sustainable, and inclusive finance in the region

- **In April 2022**, our CEO Julie Becker took part in a panel organised by the *Fédération des Femmes Cheffes d'Entreprise du Luxembourg* (FFCEL) and the Luxembourg's Banker's Association (ABBL) on sustainable finance and how it can act as a catalyst for Luxembourg businesses in their transition efforts

- **In May 2022**, our CEO Julie Becker took part in a panel discussion on sustainable finance and transitioning to a green economy as part of FESE's annual convention, which focused on Europe's competitiveness

- **In October 2022**, LuxSE sponsored Climate Bonds Initiative (CBI)'s flagship global conference Climate Bonds CONNECT 2022 on the topic 'Mobilising USD 5 trillion of Climate Bonds per year by 2025' which addressed the most relevant topics combining science, policy, and finance

- **At the 2022 Greek Ship Finance Forum**, our Senior Business Development Manager and Sustainable Finance Expert Chiara Caprioli discussed how sustainable debt issuances can help maritime and shipping companies access the capital needed to meet decarbonisation objectives

- **As part of COP27 in November 2022**, we co-organised a side event with Global Green Growth Institute (GGGI) on Finance Day that took a deep dive into how Luxembourg's financial ecosystem can contribute to accelerating sustainable finance in Africa.

EDUCATION

BRIDGING THE KNOWLEDGE GAP AND BUILDING CAPACITY FOR MORE SUSTAINABLE CAPITAL MARKETS

As the world's leading exchange for the listing of debt instrument and the home of LGX, LuxSE plays a crucial role in the development of sustainable finance and tackling the challenges of financing more sustainable economies. LuxSE acts as a sustainable finance ambassador bringing visibility to issuers of sustainable instruments, bridging knowledge gaps, and providing access to data with the aim of creating meaningful change in international capital markets.
Securing a low-carbon and inclusive economy begins with putting concrete sustainable finance education in place.

Education is at the heart of LuxSE's mission

The LGX Academy hit new records in 2022:
171 hours of knowledge shared
and **316 participants trained**

Internal trainings to LuxSE's employees:
61% of employees have taken part in the LGX Academy courses,
and our ambition is to train 100% of the staff by the end of 2023

In 2022, LuxSE continued its mission of making sustainable finance truly global by **increasing cooperations with financial institutions, with a strong focus on emerging and developing markets**

LuxSE, through LGX, accompanied issuers in their sustainable finance journey from initial capacity building and bespoke services to guidance on listing in countries such as Cabo Verde, Cambodia, Sri Lanka

LuxSE contributed to market developments and advocacy by:

Publishing **2 market studies**
powered by the LGX DataHub

Actively participating in local and international working groups and business associations

Regularly discussing with local, EU and international governmental institutions and authorities

Speaking at
80+ panels and conferences
on the topics of sustainable finance

DELIVERING ON OUR AMBITIONS AND COMMITMENTS

Upskilling our workforce on sustainable finance

Education is at the heart of LuxSE's mission as a market operator and we are convinced that it plays an instrumental role in enabling sustainable finance to become mainstream. It is with this in mind that we launched the LGX Academy in May 2020.

The objective of the LGX Academy is to broaden the overall market understanding of the foundations of sustainable finance, promote inclusive investment products and help direct future capital flows towards sustainable investment projects.

In 2022, LuxSE began offering all its employees access to LGX Academy courses to systematically raise awareness and upskill their knowledge of sustainable finance, regardless of their role within the organisation. As of December 2022, 61% of employees have taken part in such trainings, either through intensive sessions or as part of the regular, 18-hour format. Our objective is that by the end of 2023, 100% of our employees will have attended our dedicated courses and received their certificates of completion.

"I really enjoyed the LGX Academy sustainable finance training because it helped me better understand the sustainable finance regulatory framework, and our LGX experts share their deep knowledge in a very interesting and interactive way. For instance, the case studies are very useful, and I would recommend taking part in the LGX Academy, whether you are a beginner or an advanced learner."

Catherine Charlier,
Prospectus Approval Officer

Raising climate awareness internally

As change should start with ourselves, in 2022, we also started offering a climate-related training to our employees: *Climate Fresk*, a 3-hour workshop which teaches participants the fundamental science behind climate change and empowers them to act. To be able to take meaningful actions and build solutions, we first need to understand the problem. At the end of 2022, 35% of our employees had completed this training.

Delivering trainings and sharing expertise with financial market players

Since its launch, the LGX Academy has seen a strong growth in bespoke trainings and university lectures and has worked with recognised institutions to provide trainings at a national and international level.

In 2022, the LGX Academy hit new records. With over 310 participants from various sectors showing a keen interest in sustainable finance from all around the globe, our expert lecturers successfully delivered several series of in-house, tailor-made or intensive courses, amounting to a total of 171 hours of training.

Throughout the year, the LGX Academy also contributed to several courses organised with partner institutions, including:

» **The House of Training (HoT)**, where our experts delivered courses:

- As part of the HoT Advanced Course in Sustainable Finance with participants from the Luxembourg financial sector
- As part of the HoT ATTF (Financial Technology Transfer Agency) Programme, with participants from Armenia, Bulgaria, Cabo Verde, Croatia, Egypt, Ethiopia, Kosovo, Laos, Latvia, Lithuania, Moldova, Mongolia, North Macedonia, Serbia, Slovakia and Ukraine
- For the Capital Markets and Financial Instruments Certificate (CAMFIN) trainings, which are held in Luxembourg twice a year and jointly organised by ICMA Luxembourg and HoT. Over the course of the 5-day trainings, our lecturers shared knowledge with back and front office financial professionals joining from Egypt, Serbia, Moldova, Albania, Czechia, Luxembourg, Cabo Verde and Laos to name just a few

» The business law firm **Arendt & Medernach**, through their Arendt Institute, where the LGX Academy co-delivered a course on how the EU sustainable finance package is applied in funds and capital markets

» **The University of Luxembourg's Wealth Management Master's degree**, where the LGX Academy delivered a full course on sustainable and green finance

In addition to its standard courses, the LGX Academy provided tailor-made trainings to specific actors to respond to their needs.

Finally, our expert lecturers held multiple pro-bono presentations on sustainable finance in different universities, including:

» The Luxembourg Business School (Luxembourg)
» The European Financial Planner Association Luxembourg (EFPA)
» The University of Bologna (Italy)
» The European College of Parma Foundation (Italy)
» The Berlin IKEM Institute (Germany)

The LGX Academy also met with students from the University of Paris Dauphine (France) and Solvay Business School (Belgium).

Through each of these sessions, the LGX Academy continues to take steps towards its goal of positively shaping the views, knowledge, and behaviour of the world's future financial professionals.

Fostering the issuance of sustainable bonds in emerging markets

In December 2022, LuxSE, through the LGX Academy, was asked to become part of the jury panel for the investors pitch presentation, as part of the Green Bond Technical Assistance Programme (GB-TAP) executive training, delivered in partnership with HEC Paris.

GB-TAP was launched in 2018 by the International Finance Corporation (IFC), the largest global development institution focused on the private sector in developing countries, to stimulate the issuance of sustainable bonds in emerging markets by providing technical assistance on green bond issuances, executive trainings and sharing best practices. The programme was developed in partnership with the Swiss State Secretariat for Economic Affairs (SECO), the Swedish International Development Cooperation Agency (SIDA), and the Ministry of Finance of Luxembourg. Via GB-TAP and the Amundi Planet Emerging Green One Fund (AP EGO Fund), IFC aims to stimulate both the demand and supply of sustainable bonds in emerging economies.

As a member of the jury panel, the LGX Academy evaluated participating teams' work in designing and executing a green bond issuance and framework within a hypothetical bank. MICRO, SMALL, MEDIUM ENTEPRISES BONDS S.A. and Banque Ouest Africaine de Développement (BOAD) both participated in GB-TAP and issued sustainable bonds at LuxSE, displayed on LGX.

Joining forces on education in Latin America

In October 2022, LuxSE, through the LGX Academy, became the international certifying institution of the ESG Certification Analysis initiative, organised by GOVERNART – a think tank & Hispanic American ESG advisory firm – in association with the Santiago Stock Exchange.

The educational programme will be launched in 2023 and aims to train professionals from various sectors and give them the knowledge they need to analyse and integrate ESG factors into their sustainable business or responsible investment strategies.

"This initiative is aligned with our commitment as a market facilitator and our role as a promoter of ESG best practices. We are very pleased with the opportunity to provide new tools and resources to professionals that are interested in sustainable development. Their unique backgrounds and visions will undoubtedly add immense value to creating a more sustainable and trustworthy financial market, that properly represents the interest of our stakeholders."

José Antonio Martínez,
CEO of the Santiago Stock Exchange

Strengthening cooperation with counterparts in Africa

While Europe is in the driving seat of sustainable finance, Africa represents only a tiny part of global GSSS bonds issuances, only accounting for 0.75% of such issuances according to figures from the LGX DataHub at the end of 2022. Strengthening cooperation with LuxSE's counterparts in Africa was a key priority in 2022, considering that massive amounts of sustainable capital are needed to finance sustainable development in the continent.

» **In February 2022**, LuxSE signed a Memorandum of Understanding (MoU) with the **Cabo Verde Stock Exchange (BVC)** to facilitate cooperation in capital market activities, with a specific focus on sustainable finance. Via LGX, the world's leading platform dedicated to sustainable securities, LuxSE committed to support the growth of sustainable finance in Cabo Verde through knowledge exchange, capacity building, educational programmes, and the sharing of best practices.

- The first training by the LGX Academy in Cabo Verde took place in 2021 with more than 30 participants from public and private entities in the country in cooperation with UNDP.

- A subsequent mentoring and capacity building mission took place in 2022 in the context of the MoU and the Cooperation Agreement signed between LuxSE and BVC for the establishment of the Blu-X platform (officially launched on 18 November 2022) and fostering sustainable finance.

The MoU extended to a Cooperation Agreement to support the efforts of BVC in establishing the Blu-X platform, launched in partnership with the United Nations Development Programme (UNDP). Blu-X promotes the listing of financial instruments, including sustainable bonds with a specific focus on the blue economy. BVC will leverage the knowledge and experience LuxSE has in sustainable finance to become the leading venue for sustainable finance in Africa and especially for Portuguese-speaking countries.

Find out more here

» **In March 2022**, LuxSE also signed an MoU with the **Rwanda Stock Exchange (RSE)**. Along with the aim of contributing to orderly financial markets through capacity building and skills development within Rwanda's Kigali International Financial Centre, the MoU also facilitates joint work on market developments and new products, including a possible future dual-listing scheme between the two institutions.

Find out more here

» **In September 2022**, LuxSE joined forces in the realm of sustainable finance with the West-African regional exchange **Bourse Régionale des Valeurs Mobilières (BRVM)**, one of the cornerstones of the West African Economic and Monetary Union which works towards greater integration between Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal and Togo. Through this MoU, the two exchanges will explore the creation of a bond market dedicated to sustainable bonds at BRVM and analyse opportunities for dual listing of sustainable securities. In addition, as part of the BRVM Academy, LuxSE will collaborate with the regional exchange on sustainable finance training programmes.

Find out more here

Strengthening cooperation with LuxSE's counterparts in Africa was a key priority in 2022

» **In December 2022**, LuxSE signed a Cooperation Agreement with GGGI, an international intergovernmental organisation dedicated to supporting and promoting strong, inclusive and sustainable economic growth in developing countries and emerging economies by achieving poverty reduction, social inclusion and environmental sustainability.

- At COP27 in November 2022, LuxSE co-organised a side event with GGGI on Finance Day that took a deep dive into how Luxembourg's financial ecosystem can contribute to accelerating sustainable finance in Africa. During the event, expert guests from Africa and Luxembourg also explored what capital market players can do to help close the financing gap and accelerate sustainable finance in the region.

The replay can be found here

- As part of the Cooperation Agreement, LuxSE will work with GGGI in the context of its Global Trust Fund on Sustainable Finance Instruments via capacity building, pre- and post-issuance assistance, knowledge sharing and advocacy.

Advancing cross-border cooperation with Asia

As the world's leading exchange for the listing of debt securities, LuxSE has been working very closely with Asian issuers for several years to facilitate their access to international capital markets. This cooperation has since naturally expanded into the field of sustainable finance.

Many successful joint initiatives have been put in place, notably in the fields of listing, information dissemination and indexes, with the main objective being to facilitate international investors' access to Asian issuers and securities.

» **In June 2022**, LuxSE and **India International Exchange IFSC (India INX) – India's first international exchange** – strengthened their cooperation by signing a second agreement that aims to enhance the visibility of listed Indian securities towards international investors by facilitating admissions of such securities on LuxSE. Through this cooperation, Indian issuers benefit from wider, international visibility and increase their exposure to the international investment community.

Find out more here

» **In October 2022**, our LGX Academy experts travelled to **Cambodia and Sri Lanka** as part of a collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP). These missions were the firsts in a series of trainings to be conducted to build capacity in selected public and private entities in Southeast Asia to enable these entities to issue sustainable bonds in the future.

» **In December 2022**, LuxSE and **Vietnam Exchange (VNX)** signed an MoU in the presence of the Prime Minister of Vietnam HE Pham Minh Chinh and Luxembourg Minister of Finance Yuriko Backes. With its sustainable finance expertise, LuxSE will support Vietnam in its efforts to decarbonise its economy and organise educational activities to strengthen financial knowledge among market participants as well as to foster awareness among issuers and investors of ESG information disclosure and ESG disclosure standards.

Find out more here

Working Groups & Business Associations

Throughout the year, by participating in local, European and international associations, working groups or task forces, LuxSE has continued to contribute to market developments, making capital markets more sustainable and society more inclusive. In parallel, we held important dialogues with local and global actors and institutions.

At a local level:

The Association des Banques et Banquiers, Luxembourg *(ABBL)*, the Chambre de Commerce Luxembourg *(CdC)*, the Luxembourg Capital Markets Association *(LuxCMA)*, the Luxembourg Finance Labelling Agency *(LuxFLAG)*, the Haut Comité de la Place Financière *(HCPF)*, the Association of the Luxembourg Fund Industry *(ALFI)*, the Institut Luxembourgeois des Administrateurs *(ILA)*, the Inspiring More Sustainability *(IMS Luxembourg)*, the Association Luxembourgeoise des Actionnaires Privés *(INVESTAS)*, Luxembourg for Finance *(LFF)*, Luxembourg House of Financial Technology *(LHoFT)* and the Fédération des Professionnels du Secteur Financier, Luxembourg *(PROFIL)*

At a European Union and international level:

The International Capital Market Association *(ICMA)*, the Federation of European Securities Exchanges *(FESE)*, the Financial Data Exchange Templates *(FinDatEx)*, the Financial Information Services Association *(FISD)*, the United Nations Sustainable Stock Exchanges *(UN SSE)* initiative and the World Federation of Exchanges *(WFE)*

Sharing knowledge with the market

As a leading exchange for sustainable finance, we make it our priority to actively share our knowledge with the market. Throughout the year, our experts spoke at 80+ major industry events, webinars and conferences on topics including sustainable finance, transition finance, sustainable development, and the green transition.

In our speeches, we highlighted the need to accelerate the transition to an inclusive, low-carbon economy and called for other market players across sectors to embrace sustainability.

- **In January 2022**, our Head of Sustainable Finance Laetitia Hamon made a virtual appearance as part of Abu Dhabi's Sustainability Week in a panel on the importance of technical assistance and financing in reaching Abu Dhabi's 2050 goals.

- **In March 2022**, our Head of Sustainable Finance Laetitia Hamon not only took part in the Latin American ESG Debt Markets Summit where she discussed Latin America ESG markets review & outlook but also moderated a panel on corporate and ESG reporting obligations during the ALFI European Asset Management Conference.

- **In April 2022**, our Head of Sustainable Finance Laetitia Hamon participated in a Community of Practice on Private Finance for Sustainable Development (CoP – PF4SD) meeting on scaling up GSSS bonds organised by the OECD.

- **In June 2022**, the European Commission (EC), EIB and the European Stability Mechanism (ESM) organised their 4th annual Capital Markets Seminar, where our CEO Julie Becker was part of a panel about sustainable capital markets.

- **In September 2022**, our Senior Business Development Manager Chiara Caprioli was in Clearstream's offices in Kirchberg, Luxembourg, to take part in an ESG panel as part of the Summit's first in-person event since 2019, as part of the GFF Summit.

- **In October 2022**, our Senior Business Development Manager Chiara Caprioli discussed blended finance during an insightful panel discussion at the Organization for Economic Cooperation and Development (OECD) Forum on Green Finance and Investment, while our CEO Julie Becker delivered the keynote speech at the Official Monetary and Financial Institutions Forum (OMFIF) Team Europe Borrowers Forum, which is part of OMFIF Sovereign Debt Insitute.

- **In November 2022**, our Director of International Capital Markets and Member of the Executive Committee Arnaud Delestienne discussed how Europe and China can continue to cooperate on ESG matters at the European Forum for Development and Investment Opportunities of Shanghai Global Asset Management Centre 2022 organised by Bank of China. The same month, our CEO Julie Becker discussed the Capital Markets Union and EU Green Deal during the EU Roundtable of Financial Centers.

Participating to policy development

We have regular dialogues, including discussions on sustainable finance, with different local institutions and authorities, such as the Commission de Surveillance du Secteur Financier (CSSF), the Ministry of Environment and the Ministry of Finance in Luxembourg.

At an EU and international level, we also interact and participate in working groups, workshops, meetings and contribute to public consultations handled by EC, Members of the European Parliament, ESMA and the International Organization of Securities Commissions (IOSCO).

- **In September 2022**, our Head of Sustainable Finance Laetitia Hamon was appointed by the EC as a member of its High-Level Expert Group (HLEG) on scaling up sustainable finance in low- and middle-income countries (LMICs). Through this HLEG involvement, LuxSE continues to give a voice to emerging market issuers that are using our exchange to gain international visibility by providing unique guidance and recommendations on what is needed to scale up sustainable finance in LMICs.

- **Later in the year**, Laetitia Hamon was appointed to the Financial Conduct Authority (FCA)'s ESG Data and Ratings Code of Conduct Working Group on developing a globally consistent voluntary Code of Conduct for ESG data and ratings providers. Through FCA, LuxSE continues to foster an effective, trusted and transparent market by promoting effective competition, helping build trust in the market and protecting market integrity.

Providing market intelligence

In 2022, LuxSE released two market studies as part of our efforts to spread knowledge in the industry and the broader ecosystem and foster capital flows towards sustainable development projects.

- **'Trends and Characteristics of the Sustainability-linked Bond (SLB) Market'** gives a detailed overview of the current state of the SLB market and thoroughly analyses SLB characteristics, including targeted themes, bond characteristics, pre-issuance verification and KPI & Sustainability Performance Targets (SPT) assessment.

  Download the study here

- **'EU Taxonomy: How are issuers approaching the new disclosures?'** focuses on the current level of EU Taxonomy-related disclosures for GSSS bonds listed worldwide, for which the LGX team analysed 5,451 sustainable bonds and searched for references to elements of the EU Taxonomy in the relevant pre- and post-issuance documentation.

  Download the study here

Going forward, LuxSE will continue raising visibility on sustainable bonds and their specificities through research and public studies.

GENDER EQUALITY

ENSURING FAIRNESS, INCLUSION AND RESPECT

At LuxSE, we are convinced that advancing gender equality leads to better talent pools, higher productivity, more business and improved social and economic outcomes. While significant progress has been made over the last decades, there is still a long way to go before we reach global gender equality.

As a stock exchange, LuxSE is at the nexus of companies, financial institutions and investors interactions. As a central player in the environments and markets in which we operate, LuxSE is well-placed to take action to promote and advance gender equality.

Improving gender balance within our company, contributing to gender equality more broadly and working towards the achievement of SDG 5 – ***"Achieve Gender Equality and Empower all Women and Girls."*** – are all cornerstones of one of LuxSE's three sustainability objectives: Gender equality.

LuxSE aims to make substantive and concrete changes that contribute to women's empowerment by better linking finance and gender such as:

MoU with UN Women
setting out joint commitment to
mobilise capital flows and meaningfully contribute to SDG 5

Now flagging sustainable debt instruments displayed on LGX
which raise financing for projects advancing
gender equality and women's empowerment

As of 31 December 2022,
nearly 50% of all gender-focused bonds worldwide were listed at LuxSE and displayed on LGX

LuxSE acts for equality between women and men

To improve gender balance within the company,
during the summer of 2022, we ran a survey on how our staff perceives gender equality in the workplace.
82.8% of our staff responded to the survey, and we are now **defining an action plan**

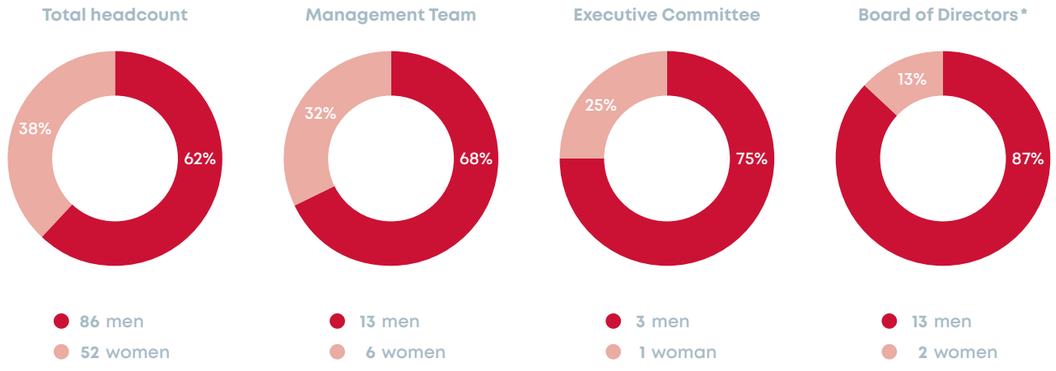
To promote equality of employment and treatment,
a working group composed of 9 employees from 7 departments was created to
design a Fairness, Diversity and Inclusion Charter

DELIVERING ON OUR AMBITIONS AND COMMITMENTS

Where do we stand in terms of gender equality

Employees are our most valuable asset, and equity and inclusivity of our staff, regardless of gender, helps bring unique perspectives and ideas to create a more innovative, productive, and resilient workplace. While there is still a long way to go to narrow the gender gap, over the last few years, LuxSE has pushed for greater gender representation, including in key decision-making positions.

GENDER BREAKDOWNS



Measuring where we stand and our improvement areas

During the summer of 2022, we asked our employees, in the form of an anonymous survey, how they perceive gender equality in the workplace. 82.8% of our staff responded to the survey, ensuring a maximum diversity of viewpoints.

"Acting for equality between women and men is at the core of our corporate culture. The purpose of the survey was to analyse how gender equality is perceived within our company, gather ideas on how to improve gender balance and define an action plan outlining concrete steps that LuxSE will take in 2023 to ensure that progress is made."

Christopher Frères,
LuxSE's Head of Human Resources

The action plan is being created by an internal working group consisting of 8 staff members, will be validated by the Ministry of Equality before implementation and will be closely monitored.

This survey was conducted as part of the Actions Positives initiative, a voluntary programme run by the Luxembourg Ministry of Equality, which assists companies in promoting gender equality in the workplace. The programme consists of several phases and involves a close cooperation between LuxSE and the Ministry of Equality.

The programme's goal is to analyse, improve and ensure gender equality within our company, and consists of 3 fields of action:

- **For equal treatment:** When recruiting, in the calculation of remuneration and in the valuation of qualifications
- **Equality in decision-making:** For professional advancement, in the access to continuing education and in the equal participation in decision-making
- **Reconciliation of professional/private life:** After parental leave, in the organisation of work and for a balanced life as well as increased job satisfaction

**including one observer*

Translating our diversity, inclusion, respect and fairness commitments into a formal Charter

In 2022, LuxSE launched the Diversity Project to further recognise and foster diversity, inclusion, and equity initiatives across the company. To lead our Diversity Project and move from awareness and commitment to action, a working group composed of 9 employees from 7 departments was created.

The team designed a Fairness, Diversity and Inclusion Charter which applies to all LuxSE employees.
The Charter is an important milestone and commitment of our firm to go beyond the legal obligation with respect to non-discrimination. The Charter promotes equality of employment and treatment and provides guidance on how we implement practices that promote equity and cohesion.

Promoting gender equality-related initiatives through a dedicated gender committee

To define and organise initiatives that promote gender equality at work, we established a Gender Committee under the She@LuxSE initiative in 2019. The Committee is composed of 20 employees from 10 different departments - both women and men - with different hierarchical positions, backgrounds, and points of view. The Committee represents all employees and gives members the opportunity to exchange views on how men and women can work, grow together, and support each other. The Committee, which meets once a month, also helps employees make more informed decisions on how the company can further ensure gender equality within its different departments.

Raising awareness of diversity & inclusion with the Corporate Social Responsibility (CSR) Committee

In 2022, LuxSE's CSR Committee organised several initiatives related to Diversity and Inclusion (D&I), including but not limited to two dedicated weeks:

- **Diversity Week:** Officially taking place on May 12, for Diversity Day, LuxSE decided to go big and extend celebrations to a full week. From 5 May to 16 May 2022, during the week-long celebration, a series of initiatives were organised around a variety of D&I topics, including gender equality, discrimination, and unconscious biases.
- **Pride Week:** In line with LuxSE's commitment to foster D&I in the workplace, we proudly sponsored the Luxembourg Pride Week organised by Rosa Lëtzebuerg. We kicked off celebrations by launching an educational newsletter and employees showed their support throughout the week by wearing *"I am an Ally"* sticker in the office. LuxSE also marched for equality, together with hundreds of individuals, associations, and companies to show support and to peacefully raise political and social awareness of current issues facing the LGBTIQA+ community in Luxembourg and beyond.

*"The Gender Committee strives to empower all employees to take action to contribute to gender balance in our company and more generally in society.
All our members are involved in the organisation of internal and external events and initiatives that raise awareness of this essential topic to foster a more inclusive and equal environment."*

Lorraine Bedo,
Senior Communication Officer in charge of the Gender Committee

Linking gender and finance: Financing gender equality and women's empowerment

In May 2022, LuxSE and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) signed an MoU to strengthen their cooperation and promote joint initiatives that advance financing for gender equality and women's empowerment. The MoU sets an agenda of joint work to advance sustainable debt for gender equality and promote gender lens investing.

The overarching goal of these efforts is to mobilise capital flows to meaningfully contribute to the UN SDGs, and to SDG 5, ***"Achieve Gender Equality and Empower all Women and Girls."***

"This partnership really matters because we are bringing innovation to the area of gender equality. I am so pleased that we are going to be able to build on the long-standing partnership that we have with Luxembourg to really push the envelope and to try to make substantive and visible change in the lives of women by unleashing the power of finance."

Anita Bhatia,
Assistant Secretary General
and Deputy Executive Director of UN Women

As part of LuxSE's commitment to linking gender and finance, we are now flagging all sustainable debt instruments displayed on LGX which raise financing for projects advancing gender equality and women's empowerment. As of December 2022, LuxSE counted 48 gender-focused bonds, all of which are displayed on LGX.

By highlighting gender-focused bonds, LuxSE makes it easier for investors to identify such securities. Gender-focused bonds are GSSS bonds which allocate all or part of their proceeds or set clear KPIs related to advancing gender equality in their issuer documentation and carry post-issuance reporting attesting to the issuer's concrete actions.

Going forward, LuxSE will also leverage the LGX Academy to specifically promote and raise awareness of gender finance, coordinate work with relevant institutions in Luxembourg to better link finance and gender as well as promote superior gender equality practices within the exchange itself.

Playing a role in international initiatives to empower women

United Nations Women's Empowerment Principles

In March 2022, LuxSE signed the United Nations Women's Empowerment Principles (WEPs). Established by the UN Global Compact and UN Women, the WEPs are a set of seven principles aimed at guiding businesses on how to promote gender equality and women's empowerment in the workplace, marketplace, and community.

As signatory, LuxSE commits to:

- **Establishing high-level corporate leadership for gender equality**
- **Treating all women and men fairly at work (respect and support human rights and non-discrimination)**
- **Ensuring the health, safety and well-being of all women and men workers**
- **Promoting education, training, and professional development for women**
- **Implement enterprise development, supply chain and marketing practices that empower women**
- **Promoting equality through community initiatives and advocacy**
- **Measuring and publicly reporting on its progress in achieving gender equality**

Ring the Bell for Gender Equality

On 8 March 2022, LuxSE together with 115+ exchanges from all over the world, stayed true to tradition by ringing its bell to celebrate *"gender equality today for a more sustainable tomorrow"* as part of International Women's Day 2022.

The event started with an inspiring keynote address by Luxembourg Minister of Finance Yuriko Backes, the first female Minister of Finance in the nation's history. The Minister's speech was followed by an engaging panel discussion moderated by LuxSE's CEO Julie Becker. Panellists Claude Marx, Director General of the CSSF, Julie Linn Teigland, Area Managing Partner for Europe, Middle East, India and Africa of EY and Françoise Thoma, CEO of Spuerkeess discussed the importance of education and women's empowerment in a hybrid working model, as well as the role of regulation in helping to break the bias.

Supporting local initiatives to empower women

At LuxSE, we recognise our responsibility to share our expertise and knowledge with the communities that surround us. As part of our mission, we took part in several local, dedicated initiatives.

We notably sponsored the university studies of two Romanian female students through Study Help and our employees gave career and job-hunting advice to women, in cooperation with *Dress for Success Luxembourg*.

Study Help Sponsorship

Since October 2022, LuxSE is proud to sponsor the university studies of two Romanian female students through the NGO Study Help - Daciana Timis and Roberta Prejmer. Study Help is a Luxembourg-based non-governmental organisation (NGO) that helps female students from underprivileged backgrounds by financing studies they would not have otherwise been able to pursue. Through this sponsorship, LuxSE commits to transfer monthly amounts for the entire duration of the students' studies. As sponsors, LuxSE receives regular updates from Daciana and Roberta on how their studies are progressing.

"I am grateful for everything the Stock Exchange does for me. Thanks to this sponsorship, you gave me the opportunity to pursue my studies and follow my dream!"

Daciana Timis,
Student sponsored by LuxSE

"Thank you so much for all LuxSE's help in making our university studies possible. I have now passed the first exam session with flying colours. They were a bit difficult, being the first ones, I have had to take in college. I am now looking forward to starting my internship at the Save the Children Association."

Roberta Prejmer,
Student sponsored by LuxSE

Dress for Success

Following the great success of the previous editions, LuxSE's Gender Committee organised another edition of the popular career-coaching workshop in cooperation with Dress for Success Luxembourg in November 2022. The goal of the 1-to-1 coaching sessions given by mentors – both LuxSE employees and ExCo members – is to give career and job-hunting advice to participants and help them best prepare for future job interviews. The third edition of the career-coaching workshop, organised in cooperation with Dress for Success Luxembourg, saw 12 participants find a full-time job (permanent contract) out of the 15 coached.

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