

2022

Annual Report

LSFI

Luxembourg
Sustainable Finance
Initiative



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1. Foreword from the President

Dear readers,

At the global level, 2022 has been a challenging year, marked by war, inflation, and in turn social struggles and economic turmoil. This has highlighted how relevant it is to reshape our economies and its structural activities, such as energy supplies. Likewise, the planet has continued showing its urgent need for care through increased heatwaves and continued floods across the globe. In the case of Luxembourg, last summer our country experienced record high temperatures with its evident negative impact on agriculture, biodiversity, and water levels and the related big financial losses.



To face these issues, the transition towards sustainability is imperative and finance, in particular sustainable finance, plays a key role in doing so. USD 3.3-4.5 trillion per year needs to be mobilized if we hope to achieve the 2030 Agenda for Sustainable Development. Luxembourg's unique features and thriving financial centre can be instrumental in this urgent transition. The country has long been characterized by its pioneer initiatives in sustainable finance. Going forward, coordination and building a discussion-sharing platform are essential to find synergies, share best practices and identify practical solutions, thus ensuring the advancement of sustainable finance. The Luxembourg Sustainable Finance Initiative (LSFI) has played an essential part over the last year in this journey.

In 2022, the LSFI has been focused on consolidating its role by successfully continuing the implementation of its action plan and mission: further raising awareness across all sectors and publics, helping the financial industry unlock its potential by helping create a knowledgeable ecosystem, and starting to establish a monitoring framework that would help to track progress. During the year, the LSFI team also launched and conducted flagship and innovative initiatives: organizing the first Luxembourg Stakeholder Assembly, a platform of exchange that connect the main sustainable finance players in Luxembourg; conducting the first Luxembourg Sustainable Finance Study; and launching a cross-sectoral working group on sustainable finance education and training.

In the upcoming year, we aim to build on these achievements and findings and to go a step further. We will organize the second edition of the LSFI Stakeholder Assembly, ensuring it becomes a space for regular exchanges among sustainable finance stakeholders in Luxembourg. We will also launch additional working groups and continue raising awareness and sharing knowledge through different events and workshops to help tackle and upskill the sector according to this. We will also assist the sector by providing a simplified overview of the complex regulatory landscape through a dedicated website toolkit.

While 2022 was a challenging year, it was also a year of consolidation and development for the LSFI mission and objectives, when we were delighted to collaborate with all our stakeholders to push the financial sector towards increased sustainability. I hope that in 2023 we will all continue navigating the sustainable finance path together. Likewise, I wish that the achievements made in 2022 and the findings obtained through the intense work of the LSFI team and all the actors involved in this ecosystem will help speed up the transition we urgently need and contribute to achieve the SDGs and the Paris Agreement goals.

Jimmy Skenderovic, LSFI President

2. Message from the General Manager

Dear reader,

In a time where the social, economic and political uncertainty have been at the centre of our agendas, the potential of sustainable finance to overcome this situation has become irrefutable. Not only can it be the tool to shift the use of capital to cause a positive impact on our economies, but it can also be a key enabler in transforming our societies towards greater equality and fairness. The power of collaboration and cooperation are also two equally important factors in this process and are intrinsically linked to the advancement of sustainable finance. More than ever, this year has shown that we all need to join efforts if we want to reach the goal of transforming our world into a truly sustainable one while ensuring none is left behind.



In 2022, the LSFI put great attention on this front. While 2021 was when we kicked off our activities, 2022 was when we focused on consolidating our role, strengthening our actions and, especially, further connecting a unique ecosystem of active and committed players. The aim has always been to advance the sustainable finance ecosystem by leveraging synergies and fostering knowledge sharing. In line with this, this year, we have organized the first LSFI Stakeholder Assembly, coordinated roundtables and launched a unique working group on sustainable finance training and education. Our mission, supporting the transition of the financial sector towards sustainability, has remained unchanged, and we are aware that to deliver it and transition successfully at speed, it is fundamental to have an open dialogue with and among all the stakeholders involved. The objectives have to be aligned and streamlined, and the experiences and the expertise must be shared and combined.

Sustainable finance is also a complex journey. To advance successfully, the sector needs to develop an entirely new set of skills, collect additional and granular data on dimensions that were until now unexplored, update their governance, strategies and processes to fulfil the regulatory requirements and measure and disclose in a consistent and standardized manner over time. Acknowledging these challenges, at the LSFI, we have tried to help the Luxembourg sector by providing easily accessible information on instruments and trainings: our collection of instruments can help financial institutions navigate and implement the sustainable finance path; and our gathering of sustainable finance training courses can support them to upskill according to their seniority, needs and knowledge gap. We have also stepped into the data world by developing a sustainable finance study which provides granular information on where we are while starting the discussion into where we have to go next: impact measuring. In this respect, guiding and accompanying the sector has been and will remain a priority for us.

We are delighted to have developed these projects, and hence to be implementing our action plan as per the Luxembourg Sustainable Finance Strategy. I would like to sincerely thank the LSFI team, the LSFI Board members and all our stakeholders for their support, commitment, and cooperation. Thanks to you, the LSFI's work and activities over the last year have been possible and successful.

Going forward we will continue working across our three pillars of action (raising awareness, unlocking potential and measuring progress) in order to support and foster the Luxembourg sustainable finance ecosystem so that it can continue being a pioneer in this space, facing the existing challenges and advancing the transition that we very much need.

3. Key Figures & Timeline

LSFI's key figures...



Monthly Newsletter

- ~1000 subscribers
- 40% opening rate
- 9 in-house interviews to experts



Technical Webinars

- 10 technical webinars
- 5 topics covered
- +1650 participants reached



Stakeholders Coordination

- +240 meetings stakeholders
- +60 core finance sector
- 1st Stakeholder Assembly



Study on Sustainable Finance in Luxembourg

- 1st baseline of sustainable finance in Luxembourg
- 2,215.8bn ESG AuM analysed
- +1000 online views



Sustainable Finance Survey

- 1st Luxembourg survey on sustainable finance among the general public
- 3 partners (LSFI, CSSF, Fondation ABBL)
- +1.000 individuals interviewed



Working Groups

- 4 working groups announced
- 1st working group on "Sustainable Finance Education & Training" launched
- 12 members across 4 sectors

- 2022 LSFI's timeline -



4. Governance

Board of Directors

The LSFI was founded in 2020 by:

- The Luxembourg State, represented by the Ministry of Finance and the Ministry of the Environment, Climate and Sustainable Development
- Luxembourg for Finance (LFF)
- The High Council on Sustainable Development (Conseil Supérieur pour un Développement Durable or CSDD)

Each founding member is represented at the LSFI’s Board of Directors. The two State representatives chair the association as President on an annual rotation basis; whoever is not chairing the association is appointed as Vice-President. An internal regulation allows each director to select an alternate director.

In 2022, the LSFI’s Board was as follows:

Institution	Director	Alternate Director
Ministry of the Environment, Climate and Sustainable Development	Jimmy Skenderovic (President)	Alyssa Di Cara
Ministry of Finance	Jennifer de Nijs (Vice-President)	Lennart Duschinger
Luxembourg for Finance	Philipp von Restorff (Treasurer)	Margot Jacquet
High Council on Sustainable Development	Christina Ehlert (Secretary)	Kaspar Wansleben

Notes:

Lennart Duschinger was appointed as Vice-President as of the 16th of September.
Kaspar Wansleben joined the LSFI Board on the 30th of November.

Team

In 2022, the LSFI team was composed by:



Nicoletta Centofanti
Interim
General Manager



María Tapia Rojo
Communication
Manager



Laura Marongiu
Sustainable Finance &
Communication Analyst



José Godonou Atata
Stakeholder
Coordinator



Maria Ouli
Administrative
Assistant

Notes:

Mrs Centofanti was appointed as Interim General Manager on the 31st of May. She was formerly the LSFI Sustainability Adviser.

Mr Godonou and Mrs Ouli joined the LSFI during the summer, whereas Mrs Marongiu was hired in December, after an internship.

5. 2022 Activities

5. Pillar 1 – Raising Awareness & Promotion

As described in the Luxembourg Sustainable Finance Strategy, the LSFI aims to be a central information platform on sustainable finance with two main objectives:

- Be a central and easily accessible information hub about sustainable finance, actively informing and enhancing the knowledge of identified targets in an adapted manner (Awareness).
- Promote existing and upcoming public and private sustainable finance initiatives of the Luxembourg financial centre and showcase them as best practices (Promotion).

In 2022, the LSFI launched and worked on multiple initiatives and actions to fulfil these objectives. Most of these can be found on the following pages.

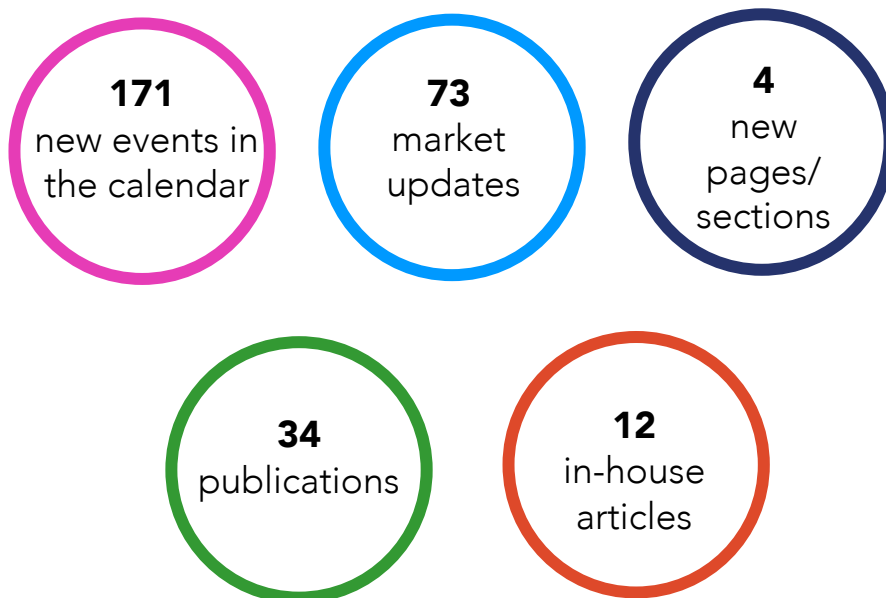
5.1 Online Presence – Website

The LSFI website is an important tool to raise awareness and promote sustainable finance, reaching a broad audience by targeting financial professionals, civil society and the large public at the national and international levels.

In 2022, the LSFI team focused on continuing to consolidate this platform as a central source of information on sustainable finance, as well as enhancing it by creating new sections with content, toolkits and data.

With regular information being issued within the sustainable finance ecosystem, the LSFI helped financial professionals stay up to date by sharing, on a weekly basis, events and webinars, regulatory updates and publications on its website. It also gathered interviews conducted by the LSFI with key industry players aiming to dive deep into the latest trends in this space. The LSFI made its best effort to make www.lsf.lu an accurate newsfeed and a repository where information on sustainable finance can be retrieved.

- LSFI's Website in figures -



The team also created the following new website sections:

- [“Take Action – Training”](#): this section gathers over 100 sustainable finance training in order to help financial professionals find a suitable training course (more information on [page 31](#)). Additionally, the Take Action webpages mapping Instruments (Initiatives, Frameworks, Standards and Tools) was updated ensuring relevant and updated information.
- [“General Public Survey on Sustainable Finance”](#): this section contains the main findings of the survey that the CSSF, the Foundation ABBL for Financial Education and the LSFI launched to assess the level of knowledge and understanding of the general public on sustainable finance as well as their interest and the best way to approach them to engage in this path (see [page 33](#)).
- [“Sustainable Finance in Luxembourg”](#): this webpage provides an overview of the main findings of the study “Sustainable Finance in Luxembourg: a quantitative and qualitative approach” the LSFI published in collaboration with PC (see [page 35](#)). This page feeds the financial sector with the latest information as well as granular data on the state of the play of sustainable finance in Luxembourg, the trends, the investments strategies and the gaps.



[Instruments](#) [Training](#) [Regulation](#)

Training

Sustainable Finance is a fast-evolving topic that requires professionals with the fin- find a comprehensive list of sustainable finance training in Luxembourg, abroad of expertise or your topics of interest.



[Survey](#) [Key findings](#) [In detail](#) [Key figures](#) [Next steps](#)



[About the Study](#) [Study's main findings](#)

About the Study

To foster transparency, we created dedicated pages for each of the three pillars of our action plan, containing the main activities we worked on.

The LSFI website had over [42.000 visits in 2022](#).

The objective in 2023 will be to enrich the LSFI website, consolidate its regular information sharing and launch new sections dedicated to regulation and the general public in line with the LSFI's action plan.

- LSFI's Website Visits -



5.2 Online Presence – Social Media

The LSFI's main social media platform is LinkedIn, but the initiative is also active on YouTube. Given the LSFI core audience and mission, in 2022 LinkedIn continued to be the optimal platform in order to reach financial professionals in Luxembourg and beyond. It is also a way to immediately gather and inform our audience while supporting our mission to raise awareness and promote sustainable finance.

The LSFI LinkedIn account is a [means to ensure the audience stays up to date on sustainable finance](#). To do so, the LSFI team regularly posted about regulatory updates, upcoming relevant events, publications and studies, interviews, awareness dates and sustainable finance news in Luxembourg.

The LSFI team managed its LinkedIn account, and the information and topics treated were synthesized to ensure they were accessible and easily understood by the audience.

In less than a year, LSFI's LinkedIn page gained additional 1.248 followers (71% increase), surpassing the 3.000 followers and had an engagement rate of 6%.



On its YouTube channel, the LSFI shared all its webinars and videos, providing flexibility to the audience as well as ensuring all its content was publicly available. Key figures are shown in the image below.

5.3 Online Presence – Newsletter

The LSFI's newsletter is another essential activity of LSFI's online presence and mission to promote sustainable finance.

In 2022, the LSFI sent its subscribers a new edition every month. Anyone can subscribe to the newsletter through LSFI's website. Each edition included up-to-date, varied and unique content and was divided into the following sections:

- LSFI Highlight of the month: an in-house article prepared by the LSFI team about a relevant topic with regard to its stakeholders' needs or trends.
- Latest sustainable finance news.
- Regulatory and supervisory authorities' updates.
- Latest reports & publications.
- Upcoming sustainable finance-related events.

The highlight of the month remained the central piece of LSFI's newsletter. It was researched and drafted by the team based on trends or topics of interest, and it usually took the shape of an interview or an announcement. In 2022, the following topics were covered in this section of the newsletter:

- [Interview with Claude Marx, Director General of the Luxembourg Commission de Surveillance du Secteur Financier \(CSSF\)](#) (January, 2022)
- [Interview with Michael Halling, chair in Sustainable Finance at the University of Luxembourg.](#) (February, 2022)
- [Interview with Jan Vandermosten, Senior EU policy analyst at Principles for Responsible Investment.](#) (March, 2022)
- [Luxembourg 2021 Climate Scenario Analysis - An Overview](#) (April, 2022)
- [Interview with Enrico Benetto, Head of the Life Cycle Sustainability Analysis Group at the Luxembourg Institute of Science and Technology \(LIST\).](#) (May, 2022)
- [Interview with Isabelle Delas, LuxFLAG's Chief Executive Officer.](#) (June, 2022)
- [Interview with Marc-André Bechet, Deputy Director General at the Association of the Luxembourg Fund Industry \(ALFI\)](#) (July, 2022)
- [Interview with Stephan Peters, Managing Director at the International Climate Finance Accelerator \(ICFA\)](#) (August, 2022)
- [General public survey on sustainable finance: there is interest among the public in the subject but also need for better and additional information.](#) (September, 2022)
- [Interview with Emilie Allaert, Head of the Luxembourg Blockchain Lab](#) (October, 2022)
- [Interview with Jimmy Skenderovic, Senior Adviser at the Luxembourg Ministry of the Environment, Climate and Sustainable Development, and Lennart Duschinger, Adviser for Sustainable Finance at the Luxembourg Ministry of Finance.](#) (November, 2022)
- [Study Release - Sustainable Finance in Luxembourg: A Quantitative and Qualitative Overview.](#) (December, 2022)

In 2022, this newsletter reached + 1000 subscribers while keeping an average opening rate of 39-40% - a high and above-average opening rate. The LSFI in-house article rose monthly as the most accessed link.

5.4 Online & Offline Presence – Events

As per our action plan, organizing events is one important tool to raise awareness and promote sustainable finance. Therefore, the team organized and co-organized several webinars and in-person events throughout 2022, always complementing the existing offer of sustainable finance-related events in Luxembourg.

The topics covered in these events were based on identified stakeholders' needs and ongoing national and international developments. On some occasions, the LSFI established partnerships with national and international stakeholders to foster synergies, share efforts and reach its different targets.

LSFI's events of 2022 can be classified into two main categories:

- Knowledge-Sharing Events targeting the Financial Industry

Targeting Luxembourg's core financial industry, these events serve to showcase best practices from industry professionals and pioneers in sustainable finance. In this respect, these events always brought together experts from various backgrounds to provide practical guidance to financial professionals on key sustainable finance issues.

As mentioned above, the LSFI organized these events individually and in collaboration with stakeholders and partners. In particular, in 2022 we continued the partnership with the University of Luxembourg by organizing webinars under the "Luxembourg Sustainable Finance Seminar Series"; these brought academia, research and practice together. We also continued our partnership with IMS, aiming to upskill corporates by providing their members with an overview of sustainable finance instruments and insights on sustainable finance standards and tools.

The webinars organized in 2022 were:

"Climate Risk Measurement: Regulatory Ambition versus Practical Feasibility", organized in collaboration with the University of Luxembourg. This session explored existing climate risk assessment methodologies, regulatory requirements, practical challenges and what research says. Date: 31/03/2022

[“Analyzing the EU Sustainable Finance Regulation: expectations, challenges and solutions”](#), organized in collaboration with the University of Luxembourg. In this webinar, experts on EU regulation gave an overview of the Sustainable Finance Disclosure Regulation (SFDR) and the Environmental Taxonomy. Date: 05/07/2022

[“Blended Finance: mobilizing private investors towards financing sustainable development”](#), LSFI COP27 side event. This in-person and online event was intended to provide insight to a national and international audience into different Luxembourg blended finance initiatives, showcasing how this structuring approach helps mobilize the private sector and also encourages investments to achieve sustainable development. Date: 08/11/2022

“Take Action – Sustainable Finance Instruments”, organized in collaboration with IMS. This series of webinars comprised three sessions where the LSFI team and industry experts provided an overview of instruments that might support companies in its sustainable finance journey and deep-dived into standards and tools. Dates: 21/04/2022; 28/09/2022; 07/12/2022

- Awareness Raising events targeting corporates, students and civil society:

Civil society, corporates and students are also part of LSFI’s target audience as they have central roles to play in the transition towards sustainable finance. Adapting the content to each audience type, in 2022 the LSFI organized several sustainable finance introductory and awareness-raising sessions. To reach the right audience, the LSFI also partnered on this occasion with different institutions. For instance, we started a collaboration with Jonk Entrepreneuren asbl (more information on [page 23](#)) and we also continued our partnership with the LHoFT, providing several awareness-raising sessions to startups as part of their Kickstarter project. We also participated in the national fair “Klima Expo” where we raised awareness through dedicated sessions and provided practical tips to the general public.

The LSFI staff also participated as speakers, moderators and interviewers at numerous events, sharing expertise and participating in insightful discussions around sustainable finance trends.

- LSFI's events in figures-

- 2022 Event's timeline -



5.5 Offline Presence – Public Relations and Written Media

Transparency is paramount to us, as it enables us to clarify our role and establish our credibility as an independent entity, while also demystifying the intricacies of sustainable finance. In 2022, LSFI remained committed to its transparent approach, diligently responding to all pertinent press inquiries. In addition, we issued several press releases and continued our bi-annual press breakfast/conference to keep the media abreast of LSFI's activities and industry trends.

Issued Press Releases

- Announcement of the LSFI Stakeholder Assembly
Title: [A Stakeholder Assembly gathering sustainable finance players in Luxembourg is launched by the LSFI](#)
Date: 22/07/2022
- Release of the general public survey on sustainable finance conducted in collaboration with the CSSF and Fondation ABBL
Title: [General public survey on sustainable finance: interest in the subject but need for better information](#)
Date: 21/09/2022
- Publication of the LSFI Sustainable Finance study
Title: [Sustainable Finance in Luxembourg - A quantitative and qualitative overview](#)
Date: 13/09/2022

Organised in-person Press Breakfast / Press Conference

Organisers	Topic	Date
LSFI	Press breakfast	14/07/2022
CSSF, ABBL Foundation and LSFI	Press conference on the survey release "Sustainable Finance Survey among the Luxembourg General Public"	21/09/2022
LSFI & PWC	Press conference on the study release: "Sustainable Finance in Luxembourg - A quantitative and qualitative overview"	14/12/2022

5.6 Offline Presence – International Presence

As foreseen in the LSFI's Action Plan, collaborating with other countries, institutions, and entities both at European and international levels is key to developing the Luxembourg sustainable finance sector's knowledge and visibility.

In 2022, the LSFI continued being an active [Financial Centre for Sustainability \(FC4S\)](#) member. This network gathers international financial centres to support the objectives set out by the Sustainable Development Goals and the Paris Agreement. FC4S's activities revolve around research on emerging issues, guidance on best practices, strategic advice, project development and support services. It is a platform for the LSFI to get acquainted with its peers from other financial centres around the globe and have an international platform to test and showcase its initiatives. As part of this collaboration, the LSFI organized the private workshop "Roundtable with FC4S and Luxembourg Sustainable Finance Key Players" where key sustainable finance players in Luxembourg discussed with the FC4S team about trends and challenges across the world. In addition, the LSFI and FC4S organized for the members' network the technical webinar "Take Action Toolkit: an introduction to Initiatives, Frameworks, Standards and Tool to enhance your sustainable finance journey".

The LSFI also became an observer member of the pan-European [association Eurosif](#), dedicated to promoting sustainable finance at the EU level, committed to the growth and integrity of meaningful sustainable investment flows and supporting the ambition of European policymakers in enabling a fully transparent sustainable investment market. Being a member of this network allowed the LSFI to exchange with other financial centres on developed activities and industry's challenges, as well as to stay up to date on the latest European Union regulation. In this context, the LSFI also attended Eurosif's Annual Meeting, being this an opportunity to exchange with peers and showcase Luxembourg's expertise in the sustainable finance ecosystem.

5.7 National Branding

Through its activities, the LSFI also aims to support the integration of sustainability into national branding, in order to foster Luxembourg's role as a sustainable finance hub. In this regard, the LSFI had a stand at the Klima Expo and participated in the workshops that took place within this fair (more information about the events organized by the LSFI in this context can be found in page 23). We also attended the COP27, where we met with counterparties across the globe, gained insights into challenges and solutions and, as already mentioned, we organized a dedicated side event on blended finance (see page 23). The LSFI team also contributes to the "Plateforme pour l'action climat et la transition énergétique".

6. Pillar 2 – Unlocking Potential

Under Pillar 2, the work of the LSFI aims to give solid support and guidance to the financial sector to:

- Navigate sustainable finance and deeply embed a sustainable finance culture into the Luxembourg financial sector to build an extensive sustainable finance community.
- Identify areas where Luxembourg can leverage its financial ecosystem, innovate and potentially gain a first-mover advantage.

6.1 Stakeholders Coordination

2021, LSFI's first year of activity, was key for the LSFI to get to know its stakeholders in order to become a discussion platform on sustainable finance. In 2022, the LSFI paid great attention to consolidating these relationships and its role by keeping a regular and open dialogue with these stakeholders. Therefore, the LSFI continued organizing meetings such as:

- Regular meetings with the core financial industry's key stakeholders, including industry associations, supervisory authorities, and monetary authorities.
- Ad-hoc meetings with other stakeholders of the sustainable finance landscape in Luxembourg, such as representatives of the inclusive finance sector, and the FinTech sector, research innovation sector, civil society, and public institutions.
- Ad-hoc meetings with projects' partners, especially in the context of common events preparation and shared projects (see Pillar 1 [page 23](#) and Pillar 3 [page 33](#) for more information).
- Other introductory, one-off meetings requested by financial institutions, service providers or sustainable finance related startup companies.

All these dialogues helped us identify the different areas and themes which led to the organization of the LSFI Stakeholder Assembly, the official announcement of the LSFI Working Groups and the development of the Take Action – Training toolkit. In particular, meeting representatives from different sectors helped the LSFI connect different fields of expertise, share updates and find synergies. Meetings with new players were an opportunity to explain what the LSFI does while getting exposure to new players, as well as direct insights on challenges and solutions.

LSFI Meetings in 2022		
LSFI Stakeholders	Core Finance	61
	Public Institutions/Organisations	22
	Civil Society/Companies	20
	Education/Research/ Innovation/Fintech	16
	Inclusive Finance	6
Other	Partners	67
	Communications	51
	Total	243
1st Meeting	New contacts	42

6.2 Stakeholder Assembly

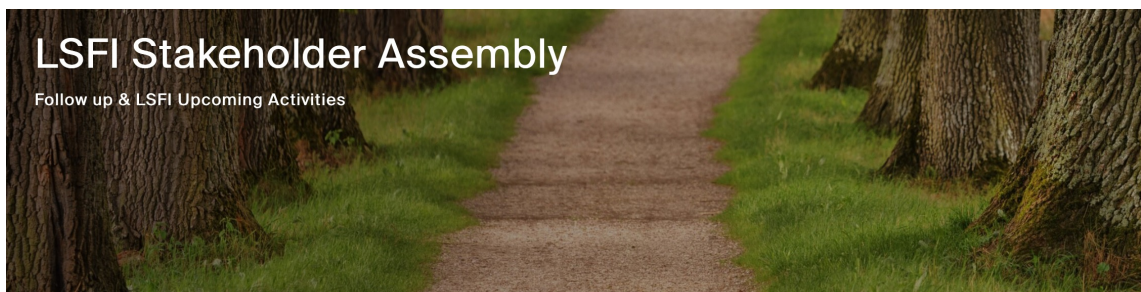
On the 21st July 2022 the LSFI launched its first Stakeholder Assembly. This forum gathered players from different industries and aimed to be a platform to introduce and connect the different actors active in Sustainable Finance in Luxembourg, exchange challenges and needs, and find synergies. The Assembly was also assisted by the Luxembourg Minister of Finance, H.E. Yuriko Bakes, and the Luxembourg Minister for the Environment, Climate and Sustainable Development, H.E. Joëlle Welfring, underlying the importance of such an event.

In particular, the first LSFI Stakeholder Assembly gathered representatives - at a Director/CEO level - of over 20 organizations from the financial industry, the microfinance and inclusive finance sectors, research and education, corporates, civil society and public bodies.

During this first meeting, the LSFI presented its work and exposed some of the projects which would be developed over the following months. Likewise, the participants introduced their past, present and future activities in the sustainable finance domain and could present their needs, challenges, and expectations to develop and foster sustainable finance, both in general and directed to the LSFI. Among the organizations attending the Stakeholder Assembly, 17 stakeholders presented, raising over 50 topics, among which the need to coordinate and further raise awareness, help follow regulations, analyze and face the data challenges or cover training gaps were recurrently mentioned.

Understanding our stakeholders' needs and challenges is central to developing our mission. Following the LSFI Stakeholder Assembly, the LSFI issued the document [“LSFI Stakeholder Assembly: Follow-up & LSFI Upcoming Activities”](#) which exposed the main activities we will perform throughout 2022 and 2023 in response to and aiming to address the needs exposed by our stakeholders during the Assembly.

The LSFI will hold one LSFI Stakeholder Assembly per year: the objective is to remain updated on the activities, opportunities and challenges of the Luxembourg stakeholders on sustainable finance and have an exchange and networking platform among all the actors of the different sectors active in the space.



[About the Stakeholder Assembly](#) [Stakeholder's Needs](#) [LSFI's Follow-up](#) [Conclusion](#) [Annexe](#)

About the LSFI Stakeholder Assembly

6.3 Knowledge and Experience-sharing Platform

In order to keep creating a knowledge and experience-sharing platform and to foster a constructive dialogue between the Luxembourg sustainable finance players, the LSFI continued organizing the operating committees launched the year before. We also created new ones and took part in different working groups from our stakeholders in order to share best practices and find synergies. Some of the main committees and working groups where we are present can be found below.

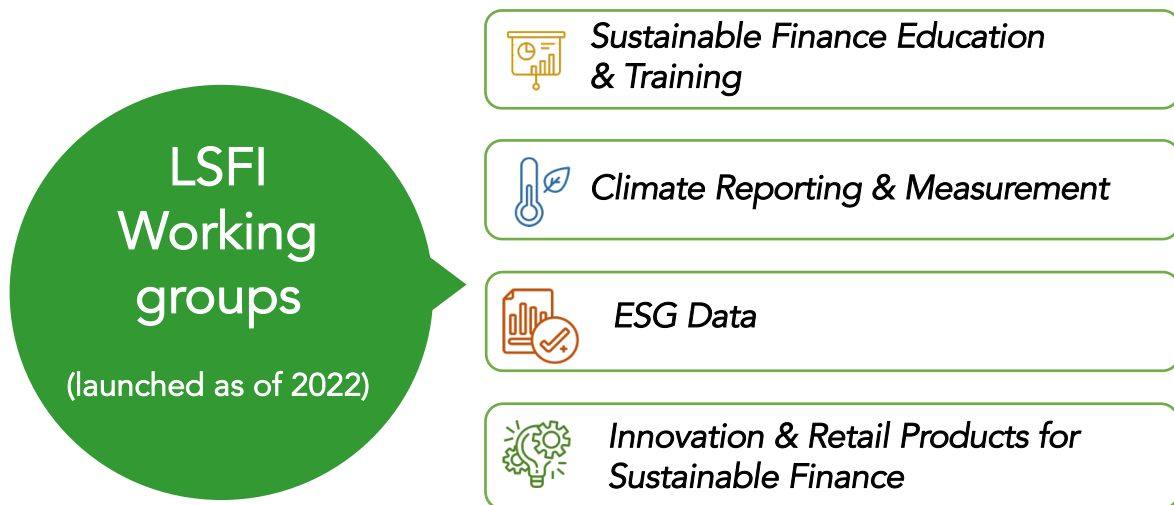
- **Sustainable Finance Operating Committee:** it gathers representatives of Luxembourg's main financial industry associations. It aims to share information on sustainable finance-related initiatives for coordination purposes and identify possible synergies. In 2022, the committee met on 4 occasions.
- **EU Sustainable Finance Regulation Committee:** it includes representatives of the Ministry of Finance, the Ministry of the Environment, Climate, and Sustainable Development, the CSSF and CAA, the Environment Administration and Luxembourg for Finance. This committee aims to be a forum where its members can discuss and share updates on sustainable finance-related regulations at the EU level for coordination. The LSFI's role on this occasion is limited to being the Secretariat. The Committee met one time in 2022.
- **Committee with the groupe "finance durable" de la société civile:** it gathers NGOs in Luxembourg that are active in sustainable finance and it aims to share information on sustainable finance initiatives among its members as well as to find synergies. This Committee was launched in 2022 and its kick-off meeting occurred in November.
- The LSFI also joined some of the financial associations' working groups as an observer or presenter. In particular, we were invited to speak at ABBL's Sustainability Committee (13/10/2022) and attend the LPEA's ESG Club (e.g., 21/10/2022).
- The LSFI followed the work of [Findatex's ESG](#) working group, this one issued the first European ESG Template (EET) in March 2022 and that was updated several times throughout the year following the regulatory updates.

6.4 Multi-stakeholders Workstreams & Working Groups

During 2021 and 2022, the LSFI conducted a thorough mapping exercise to identify the gaps and needs of the financial sector when it comes to sustainable finance. Following this exercise and in line with the Luxembourg Sustainable Finance Strategy Action Plan, the LSFI decided to organize cross-sectoral working groups to help address these gaps and advance sustainable finance. The Working Groups themes and timeline were approved by the LSFI Board of Directors.

The overall goal behind these working groups is to help the financial players transition towards increased sustainability and to ensure coordination between the involved actors by regularly exchanging information, fostering dialogue, sharing best practices and proposing practical solutions.

In July 2022, during the LSFI first Stakeholder Assembly, we officially announced that the LSFI would be progressively launching the following four cross-sectoral working groups:



Following this announcement, the LSFI and its board decided to launch the Working Group on Sustainable Finance Education and Training in 2022 and the other three throughout 2023 and 2024.

Sustainable Finance Education & Training working group.

In September 2022, we launched the call for the application of the first LSFI working group dedicated to Education and Training.

The working group's objectives were set out on its specific terms of reference. According to this, the general mandate of the working group is "cover and strengthen the sustainable finance skills and competencies of Luxembourg's financial sector players to push sustainable finance".

The call for applications was open from 29th September to 14th October. Following a selection process, the LSFI announced the applicants' selection on 31st October and the kick-off session was held on 15th November.

More in detail, this working group is composed of twelve professionals, including a chair and vice-chair, with relevant experience and expertise in the field of sustainable finance and education who are willing to contribute actively and regularly to the objectives of this working group. They represent financial industry institutions, research and sustainable finance education organizations, consulting industry and NGOs organizations. To ensure the neutrality of the members and the quality of the work to be done, each member received a conflict-of-interest policy to be signed. Membership includes:

- **Chair:** Patrick LEVALDAUR, EFPA
- **Vice-chair :** Catherine BOURIN, ABBL
- Paul CHAHINE, LGX Academy
- Joanne FITZGERALD, BlackRock
- Olivier GOEMANS, BIL
- Denis GRAAS, PwC
- Nicolas JUTARD, Société Générale
- Hakan LUCIUS, EIB
- Alice MARTINOU, BNP Paribas Wealth Management
- Peter (Dr) MATHIS, Université de Luxembourg
- Ekkehart SCHMIT, Etika
- Denise VOSS, LuxFLAG

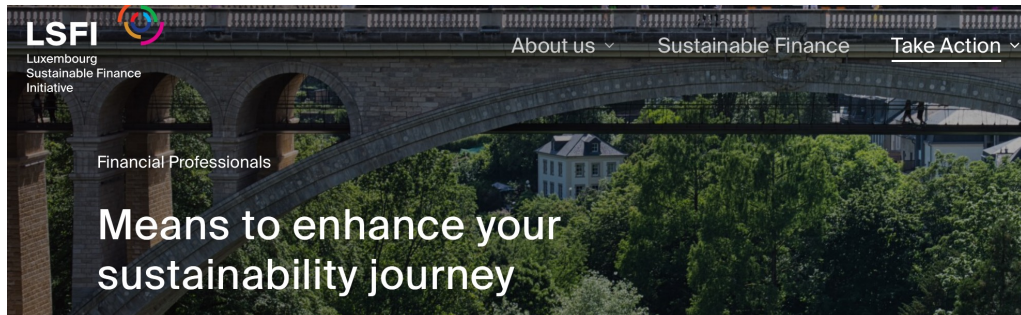
In 2022 the working group met a total of 3 times, it will continue its activities and reach its first conclusion in 2023. Access more information about the working group [here](#).

6.5 Development of Toolkits

As previously stated (see [page 15](#)), in 2022, the LSFI continued developing its Take Action Toolkit. Take Action is a website-based toolkit introducing existing means to help navigate the sustainable finance landscape. In the current version, the toolkit targets financial professionals, a section dedicated to retail investors and savers will be developed in the future.

The LSFI focused on enhancing this toolkit by creating a new section dedicated to sustainable finance education and training. This one gathers a comprehensive list of over 100 sustainable finance training in Luxembourg, abroad and online. The toolkit includes synthetic information about the training to ease the navigation of the users, such as what the training is about, what are the main themes it covers, if there are any pre-requisites to attend it, the location, the duration and the level of professionals/seniority it addresses. To simplify the user's navigation, a search box and filters have been integrated into the table to help them find which learning best suits their needs depending on their level of expertise or topics of interest.

[Access the toolkit](#)



INSTRUMENTS

A comprehensive list of Initiatives, Frameworks, Standards & Tools for asset managers, asset owners, financial institutions and other financial actors. Find out their use and the most suitable to your needs filtering by theme, region or profile.

[Discover more](#)

TRAINING

A selection of Sustainable Finance training in Luxembourg and abroad directed to professionals looking to upskill on this field. This section provides information about the topics covered, the format, the locations and the requirements.

[Discover more](#)

6.6 Sustainable Finance Education and Training

As mentioned on [page 30](#), the LSFI is working on sustainable finance education and training for financial professionals through its working group.

In addition, in 2022 we also started working on further raising-awareness among school students. In particular, we developed two sustainable finance awareness modules targeting secondary school students in collaboration with Jonk Entrepreneuren asbl. These modules are part of Jonk Entrepreneuren's Fit For Life Programme and target 14-16 years old. The sessions combine theory, practice and games, providing an overview of introductory finance concepts. They also deep dive into what sustainable finance is, why it is so relevant to tackle the current social and environmental challenges and what role we can all play in this respect.

More information on Fit for Life and LSFI modules are [available here](#).

7. Pillar 3 – Measuring Progress

Under the Pillar 3, the LSFI's role is twofold:

- To support the financial industry in Luxembourg in measuring and monitoring the progress of the path towards the implementation of certain sustainable finance initiatives, and,
- To support the development of the financial industry's capacity to organize data collection, measurement, monitoring and communication of the progress made over time.

7.1 Data collection, measurement and analysis - 2022 Survey among the Luxembourg general public on Sustainable Finance

While the financial sector and its transition towards increased sustainability are the core target of the LSFI, the general public, and hence, the retail investors are also central when it comes to raising awareness on sustainable finance, as well as advancing the transition of the financial sector and of our economy.

As part of Pillar 1 (see [page 21](#)), the LSFI develops awareness raising sessions to further spread knowledge around this topic. In order to go a step forward, it was important to understand the level of interest, the needs and the concerns of the general public, a very relevant target in sustainable finance.

As a consequence, in 2022 the LSFI, together with the Commission de Surveillance du Sector Financier (CSSF) and Fondation ABBL, conducted a survey to assess the level of knowledge and understanding of the general public in sustainable finance, as well as their interest in sustainable finance products and the best way to support them to engage in this path.

The three partners designed the survey questionnaire and the distribution was conducted by a specialized firm, ILRES. It was rolled out from mid-April to mid-May 2022 using a representative sample of 1.011 people living in Luxembourg and representing a wide range of ages (from 24 to 65 years old), education, professional expertise and geographical distribution. Half of the interviews were done by phone and the other half online.

Key figures



The survey highlighted the fact that the majority of the interviewed people deemed that the financial sector can positively impact the world, particularly in the development of renewable energy, local communities or the environment and climate.

However, according to the survey responses, sustainable finance is a subject that the general public still has trouble understanding: 47% of the interviewees admitted not knowing or facing difficulties in knowing what it means. For the respondents, transparency and the need to be better informed are key factors in overcoming the lack of knowledge and understanding of sustainable finance.

The survey also showed a significant interest in sustainable investment products: 21% claimed to have already invested and 53% could imagine themselves making one.

In order to better understand how to approach this target further, the survey also questioned the most reliable sources of information and where the sources used to retrieve information in this matter. The survey showed that people interviewed overall trust their banker or financial professionals for this purpose. Likewise, the banker, internet and financial newspapers are the main sources of information.

The below findings will guide the LSFI work directed to retail investors and general public over 2023, helping us understand where our efforts should be placed to fill the gaps found regarding understanding and knowledge of this topic and the sources.

[Access the survey](#)

7.2 Data collection, measurement and analysis - 2022 Sustainable Finance Study in Luxembourg

Measuring the progress of the financial sector with regard to sustainable finance and understanding the gaps is a required step to understand the progress over time and identify improvement actions that can ensure its further advancement.

Following its mission, in 2022 the LSFI embarked on the undertaking to analyze the status of sustainable finance in Luxembourg. We wanted to complement the extensive work of financial players over the last years in the area of Sustainable Finance and further deep dive into it by having a closer look at the extent to which Sustainable finance is applied as well as how it is applied. Consequently, the LSFI conducted a study aiming to provide a baseline for the financial industry, bring transparency and clarity, and identify strengths and gaps to help identify improvement actions and appropriate solutions for advancing sustainable finance.

In particular, this study aimed to present an analysis of the current status of the sustainable finance universe within the Luxembourg financial industry and endeavoured to go a step ahead by analyzing less traditional dimensions. Moreover, this study tried to answer how the impact of sustainable finance investments can be assessed and provide an overview of its developments within the industry.

In order to define the scope and structure of the study, the LSFI commenced with a preparatory work to determine the best way to assess the industry, the most viable options for doing so, as well as data availability for the different sectors. The LSFI appointed a consulting firm to help elaborate this study based on the discussions mentioned above and the main outcome. In selecting a consulting firm to partner with, the LSFI looked out for the ability to conduct a financial sector analysis focusing on ESG dimensions and strategies: the LSFI provided all the invited consulting firms with a defined structure and key data points to be developed, together with the provision of additional research, guidance and key contacts to leverage on. PwC Luxembourg was selected for this collaboration. To provide an additional layer of procedural rigour, the LSFI also appointed an Advisory Committee comprising researchers and industry practitioners with related experiences to intermittently review the study (mid-term and final reviews) and ensure supervisory oversight, providing constructive feedback as and when needed over the course of the study.

The study begins with a quantitative analysis of overall Luxembourg-domiciled UCITS with a particular focus on ESG funds in Luxembourg, analyzing key fund metrics such as AuM, net flows, investments by asset class, distribution by investor type, SFDR classification, etc, as well as new dimensions such as applied sustainable strategies, invested geographies, sector allocation and the investor headquarters. The data used in this part is from Q2 2022 and was sourced from Refinitiv Lipper. It then continues with a qualitative analysis in which it describes additional Sustainable Finance investment practices in Luxembourg, Sustainable Bonds and Blended Finance, and presents a description of major impact methodologies identified in the financial market as a way to assess the impact of investments on the real economy.

This section also includes a pilot assessment of a methodology currently under development to assess the impact of funds developed by the Luxembourg Institute for Science and Technology (LIST). Finally, the study includes the proposal of a new classification scheme for investments that are focused on impact developed by Eurosif. Some of the study's key finds can be found below:



Note: The study's quantitative section is based on data from June 2022.

The study was released in December 2022. The key finding of the analysis will be key to guide the LSFI work in 2023 in order to help the financial sector advance in the journey towards sustainability. [Access the Study here](#)

7.3 Climate Change Assessment

An overview of the carbon intensity of the investments the financial sector is exposed to is an important indicator to support the financial centre's efforts to shift towards sustainable finance increasingly.









In early 2022, the LSFI closed the Luxembourg Climate Scenario Analysis launched the year before. This exercise targeted Luxembourg's core financial sector, mainly banks, insurance companies and investment funds. It was conducted voluntarily and anonymously, and it supported the financial sector in integrating climate-related consideration, upskilled its professionals and raised awareness. This analysis was performed using Paris Agreement Capital Transition (PACTA) methodology, developed by the not-for-profit think tank 2° Investing Initiative (2DII). PACTA enables financial institutions to measure the alignment of their portfolios with climate scenarios across a set of climate-critical sectors and technologies. In February 2022, the LSFI released the document "[Luxembourg Financial Centre - 2021 Climate Scenario Analysis: An Overview](#)" which outlines the main characteristics of the Analysis and insights from participating institutions.


To build up on this exercise, we announced the launch of the working group "Climate Measurement and Reporting". To be launched in 2023, this working group will coordinate actors involved in climate measurement and reporting. Among its objectives, it will propose practical tools and exercises on climate measurements and reporting for Luxembourg financial institutions as a follow-up to the 2021 Climate Scenario Analysis.


Annexes

LSFI Action Plan – Medium Term Goals* (2022-2024)

- Pillar 1: Raising Awareness & Promotion -

Action	Description	Timing	Status	More info
LSFI Website	<ul style="list-style-type: none">Regular updates of LSFI website, including development of new features.	Throughout 2022		Visit Pillar 1
LSFI Newsletter	<ul style="list-style-type: none">Regular newsletter with relevant info about SF.	Throughout 2022		Visit Pillar 1
LSFI Social Media	<ul style="list-style-type: none">Regular posting about SF on LSFI social media channels and launch of new platforms.	Throughout 2022		Visit Pillar 1
Events	<ul style="list-style-type: none">Organise regular SF focused events.Organise regular major conferences on SF, involving other international SF initiatives.Organise a campaign or programme targeting civil society.	Throughout 2022		Visit Pillar 1
		- Q3 2022	 	
International Presence	<ul style="list-style-type: none">Promote Luxembourg in international networks, associations and/or initiatives on SF, identifying synergies and sharing best practices.	Throughout 2022		Visit Pillar 1
National Branding	<ul style="list-style-type: none">Support the integration of sustainability into national branding, Luxembourg as SF hub.	Throughout 2022		Visit Pillar 1






 Achieved

 Foreseen as per the LSFI's action plan

*As per the Luxembourg Sustainable Finance Strategy, medium term goal refer to the period 2022 to 2024. The table hereby indicates the status of the activities developed in 2022. Other activities that haven't been achieved yet are foreseen and will be developed within the following years and in line with the timeline. This is applicable to the 3 pillars.

LSFI Action Plan – Medium Term Goals (2022-2024)

- Pillar 2: Unlocking Potential -

Action	Description	Timing	Status	More info
Structuring Workstreams	<ul style="list-style-type: none">Based on the mapping and on the needs prioritised, leveraging financial sector expertise, support existing WGs, set up new WGs or use LSFI’s internal resources.	Throughout 2022		Visit Pillar 2
Education & Training	<ul style="list-style-type: none">Based on identified gaps and existing expertise, strengthen new training offerings and identify other training opportunities (e.g., themes: impact investing, targets: civil society).	Q4 2022		Visit Pillar 2
	<ul style="list-style-type: none">Bridge SF financial sector and the University, leveraging respective needs and expertise.	Throughout 2022		
Standards & Best practices	<ul style="list-style-type: none">Develop toolkits to support SF (e.g., ESG reporting, long term investment incentives). Promote existent SF best practices to support SF growth within the financial industry.	Throughout 2022		Visit Pillar 2
Regulation Monitoring	<ul style="list-style-type: none">If relevant, develop an online EU and local SF-related regulations dashboard.	Throughout 2022		Visit Pillar 2

LSFI Action Plan – Medium Term Goals (2022-2024)

- Pillar 3: Measuring Progress -

Action	Description	Timing	Status	More info
Climate Change Assessment	<ul style="list-style-type: none">Identify and target areas of improvement for the Luxembourg financial sector.Identify other potential methodologies to cover other financial industry sectors (e.g., private equity, real estate, etc.), or other sustainability criteria.Repeat PACTA study via PACTA tool by 2DII.	Q1 & Q3 2022	<div><div></div></div> <div><div></div></div>	Visit Pillar 3
Data collection, measurement and Analysis	<ul style="list-style-type: none">Based on financial sector lessons-learned from new regulations on SF and from PACTA output, confirm identified KPIs to start measuring and monitoring progress of the Luxembourg financial sector on SF via sector-wide surveys.If needed, launch additional working groups to address other issues related to data collection (e.g., creation of a Luxembourg ESG data centre).	Q3 & Q4 2022	<div><div></div></div>	Visit Pillar 3
Fintech	<ul style="list-style-type: none">Leverage Luxembourg’s fintech hub and sector expertise, to create frameworks and tools to support the SF industry on regulatory requirements and data needs.Explore financial technology to achieve broader sustainability objectives.	Throughout 2022	<div><div></div></div>	Visit Pillar 3
		-	<div><div></div></div>	

LSFI Action Plan – Goals/KPIs evolution

		KPIs	
Pillar	Activity	2021	2022
Pillar 1	Website	<ul style="list-style-type: none"> • 101 events • 15 market updates • 3 new sections • 27.000 visits 	<ul style="list-style-type: none"> • 171 events • 73 market updates • 4 new sections • 42.000 visits
Pillar 1	Newsletter	<ul style="list-style-type: none"> • 10 newsletter editions • 39% opening rate • 600 subscribers 	<ul style="list-style-type: none"> • 12 newsletter editions • 39% opening rate • 1.000 subscribers
Pillar 1	Social Media	<ul style="list-style-type: none"> • 1.600 LinkedIn Followers • 80 Posts • 500 replays 	<ul style="list-style-type: none"> • 3.000 LinkedIn Followers • 97 Posts • 900 replays
Pillar 1	Events	<ul style="list-style-type: none"> • 9 webinars for financial professionals • 7 sustainable finance awareness raising sessions • 1.500 people reached 	<ul style="list-style-type: none"> • 10 webinars for financial professionals • 8 sustainable finance awareness raising sessions • 2.000 people reached
Pillar 1	International Presence	<ul style="list-style-type: none"> • 1 International Organisation Membership • 47 Meetings with international stakeholders 	<ul style="list-style-type: none"> • 2 International Organisation Membership • 1 Roundtable with FC4S • 1 Annual Meeting with Eurosif • 30 Meetings with International stakeholders • COP Attendance • 1 stand at international conference (Responsible Investor)
Pillar 1	National Branding	<ul style="list-style-type: none"> • Stand at KlimaExpo • 2 Press Breakfast 	<ul style="list-style-type: none"> • 3 Meetings Plateforme pour l'action climat et la transition énergétique • Stand at KlimaExpo • 1 Press Breakfast

LSFI Action Plan – Goals/KPIs evolution

		KPIs	
Pillar	Activity	2021	2022
Pillar2	Structuring Workstream	<ul style="list-style-type: none"> • 2 Operating Committees • 384 Meetings with Stakeholders • 5 Working Groups attendance 	<ul style="list-style-type: none"> • 3 Operating Committees • 243 Meetings with Stakeholders • 4 Working Groups Announcement • 5 Working Groups attendance • 1 Stakeholder Assembly
Pillar 2	Education & Training	<ul style="list-style-type: none"> • 1 Collaboration with the University of Luxembourg 	<ul style="list-style-type: none"> • 1 Collaboration with University of Luxembourg • 1 Working group on Sustainable Finance Education and Training • 1 Collaboration with Jonk Entrepreneuren
Pillar 2	Compilation of Standards & Best practices	<ul style="list-style-type: none"> • 108 Instruments listed under Take Action 	<ul style="list-style-type: none"> • 111 Training listed • 161 Instruments listed under Take Action
Pillar 2	Regulation Monitoring	<ul style="list-style-type: none"> • Regular updates sharing in the Newsletter • 15 market updates uploaded on the LSFI website • 1 Webinar on regulation 	<ul style="list-style-type: none"> • Regular updates sharing in the Newsletter • 73 market updates uploaded on the LSFI website • 1 Webinar on regulation
Pillar 3	Climate Change Assessment	<ul style="list-style-type: none"> • 1 Climate Scenario Analysis Exercise coordinated 	<ul style="list-style-type: none"> • 1 Climate Scenario Analysis Overview publication released • 1 Working Group on climate measurement and reporting announced
Pillar 3	Data collection, measurement and analysis	-	<ul style="list-style-type: none"> • 1 study on Sustainable Finance in Luxembourg released • 1 Survey among the General Public released • 1 Working Group on ESG data announced

