

TERMS OF REFERENCE

LSFI ESG Data Working Group

1. General Mandate & Objectives

The general mandate and aim of this working group is to help the financial sector address some of the multiple ESG data challenges which emerged in the transition towards sustainability. To fulfil its mandate, the working group will primarily work on the following first objective.

- **First objective – Address** the lack of definition and clear understanding of what exactly the ESG data challenges are (e.g., type, coverage, accessibility, usability, ...), providing definitions and understanding, as well as examples and tips.

As the second objective, it is foreseen that the working group will focus on the task described below.

- **Second objective - Support** financial institutions by creating a guideline including key questions to be addressed to data providers so that Financial Institutions (FIs) better understand the data they are using and its reliability.

Challenges and needs related to ESG data are very extensive and complex to address for the financial sector. Therefore, while focusing on the first objective, the appointed working group members - under the guidance of the Chair (and Co-chair) - will define more precisely and confirm the scope and goal of the second objective.

The objectives mentioned above are considered key to tackling the existent data challenges and thus further advance sustainable finance and position Luxembourg as a pioneer in the space.

2. Deliverables

In line with the working group objectives, each conclusion and practical solution proposed by the working group members will be supported by an outcome document (e.g., ppt slides, word document, guidelines, ...).

3. Confidentiality

As long as the working group's work is ongoing and not made public by the LSFI, the data shared during the sessions will be considered under development and confidential. Likewise, the members won't be allowed to use any information or material shared or discussed at the working group without the explicit authorisation of the LSFI.

4. Membership

The working group aims to be composed of professionals with relevant experience and expertise in sustainable finance and ESG data who are willing to contribute actively and regularly to the objectives of this working group. These professionals have to be part of an

organisation which fully supports their attendance. Working group members include representatives of the:

- Financial industry associations and institutions.
- Financial industry at large (core, inclusive, impact, etc.).
- Supervisory or regulatory authorities.
- International organisations or governmental bodies.
- NGOs.
- Think tanks, research, and education organisations.

Preferably, candidates should be based in Luxembourg to ensure regular attendance at the working group meetings. However, a candidate based outside Luxembourg with proven vested interests within the Luxembourg financial industry and adequate expertise could also apply and be considered.

Alternate members are not allowed in the working group.

It has to be noted that the working group is not a marketing or advertising platform for any organisation.

4.1. Number of Members

The number of members will be limited to 10-12 persons to ensure efficiency in the discussions and that the working group's objectives are achieved.

4.2. Member Selection

The members are selected by the LSFI team and approved by the LSFI Board based on the profile, experience, expertise, and availability of the applicant while ensuring a balanced representation of stakeholders and sectors. The selection of the members falls under the full and only discretion of the LSFI based on the above-mentioned criteria.

4.3. Selection and Role of the Chair

The LSFI will appoint a Chair (and if relevant a Co-chair) based on expertise, commitment to the topic and availability.

The Chair (and Co-Chair) propose(s) an agenda to the working group, moderates and steers the discussions to ensure the delivery of practical and useful activities aligned with the working group's objectives.

The Chair (and Co-Chair) will be invited to report on the working group's achievements and proposals to the LSFI Board and, if relevant, at the LSFI Stakeholder Assembly.

5. Meetings

5.1. Meetings Calendar

The working group is expected to start in November 2023 between the weeks of 6th and 20th November. Considering its mandate and objectives, the working group is expected to deliver its conclusions regarding the “first and second objectives” by April 2024. Under the guidance of the Chair (and Co-Chair), the members will confirm whether the estimated timeline is sufficient to deliver both objectives.

5.2. Meeting Duration & Frequency

The working group is held regularly, and the meetings are expected to last 1.5 to 2 hours. The working group will convene every 2/3 weeks to cover its objectives.

The meetings calendar will be confirmed during the working group's first meeting.

5.3 Meeting Format

Ideally, the first and the decisional meetings will be held in person. Besides that, most will be online or hybrid for time efficiency purposes. However, if interaction with participants is needed, the chair might require holding them in person. Overall, the LSFI secretariat will try to accommodate members' availability and preferences.

6. Required Attendance

The working group members are required to ensure their availability. In case of persistent absence, working group members can be excluded. 3 excused or non-excused unattendances will be considered as persistent absence¹.

We recommend applicants carefully consider the meeting objectives and frequency when applying to ensure their availability.

7. Secretariat

The LSFI will hold the secretariat. The secretariat supports the working group from an organisational and administrative point of view. Its role is also to ensure the alignment of the working group with the objectives set out in the Terms of Reference.

In case you need additional information, please contact: info@lsfi.lu.

¹ Exceptions will be made only for absences related to health reasons.

PROCESS TO BECOME A MEMBER

Please send an email to LSFI at info@lsfi.lu, attaching the filled-out **application form**.

Applications must be submitted by 20th October 2023 at 7:00pm.

The working group call for members will be published on LSFI's website and promoted through the initiative's communication channels, as well as communicated by email to the members of the LSFI Stakeholder Assembly.

The final list of working group members will be made public on LSFI's website once the members have been selected.

8. Sub-workstreams

This working group is allowed to set up sub-working groups if extremely relevant for its purpose. The secretariat needs to approve the launch of any new sub-working group. If the sub-working group requires a call for new members, the LSFI will take charge of drafting the Terms of Reference, in collaboration with the Chair of the working group, and launching the call for applications. The meetings of these sub-working groups will be held within the same working group's timeline to support the umbrella working group's conclusions in due time.

Date of approval by LSFI's Board of Directors: 12/09/2023