

# ANNUAL REPORT 2022



**LUXFLAG**  
*Supporting Sustainable Finance*

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# About LuxFLAG

LuxFLAG, the Luxembourg Finance Labelling Agency, is an independent and international, non-profit organization created in Luxembourg in July 2006 by seven public and private founding partners.

**Our mission:** To support investors in their sustainability journey and to create clarity and transparency by awarding recognizable labels to eligible financial and insurance products.

## **Our Labels:**

Impact Labels - Microfinance, Environment, Climate Finance, Green Bonds

Sustainability Transition Labels - ESG, ESG Insurance Product, ESG Discretionary Mandate

**Our reach:** Financial and insurance products from all different jurisdictions can obtain the labels, provided these products are in line with our eligibility criteria.



[communications@luxflag.org](mailto:communications@luxflag.org)

# Foreword from the Chairwoman



## Denise Voss

*Chairwoman, LuxFLAG*

Dear members, stakeholders, colleagues and readers,

It is with great pleasure and a sense of profound accomplishment that I present to you the Annual Report for the year 2022.

As the Chairwoman of LuxFLAG, it is my honour to reflect upon the significant milestones we have achieved and the extraordinary journey we have undertaken together.

The year 2022 presented our world with an array of complex global challenges that reverberated across industries, economies, and societies. LuxFLAG stood tall, demonstrating once again its ability to weather storms and emerge stronger than ever before.

For LuxFLAG, 2022 was a year of relentless dedication to our mission, driving us to redefine industry standards, expand our reach, and cement our position as an international sustainable finance labelling agency.

We launched a new label that opened doors to an even wider range of sustainable investment opportunities. This label, along with the existing ones, provided a tangible symbol of trust, transparency, and credibility, empowering investors to make informed choices that align with their values.

To support our expanding portfolio and address the evolving needs of the industry, we also focused on growing our talented team. It started with the appointment of Isabelle Delas as new CEO who brings a wealth of experience and a fresh perspective, positioning LuxFLAG for even greater success in the years to come. In addition, we attracted diverse and exceptional professionals whose dedication and hard work played a pivotal role in our ability to adapt swiftly and seize emerging opportunities.

Throughout 2022 we remained steadfast and strengthened our relationships with industry associations and other stakeholders. These enduring partnerships fostered an environment of trust and confidence, solidifying LuxFLAG's reputation as a trusted authority in the sustainable finance arena.

Looking ahead, we are filled with optimism and determination as we continue to build upon the successes of 2022. The year 2023 promises new horizons for growth, innovation, and impact. We will leverage our experience, expertise, and collaborative spirit to pioneer new initiatives and to support the global transition toward a sustainable future.

I am immensely proud of what we have accomplished in 2022. Together, we will continue to shape the future, navigate challenges, and create sustainable value for all our stakeholders.

Kind regards,

Denise Voss  
Chairwoman at LuxFLAG

# CEO Message



## Isabelle Delas

*CEO, LuxFLAG*

Dear members, stakeholders and colleagues,

I am delighted to address you for the first time as the Chief Executive Officer of LuxFLAG in this Annual Report for 2022. It is an honour and privilege to lead this reputable Association and work alongside a talented multi-cultural team dedicated to advancing sustainable finance.

Having joined LuxFLAG in May 2022, I was immediately impressed by the Association's longstanding commitment to promoting impact and sustainability practices in the financial industry. Throughout the year, we remained steadfast in our mission and inspired even more sustainable investment decisions. We maintained our commitment to rigorous assessments and certifications, enabling investors to easily identify investment products that meet high environmental, social, and governance (ESG) standards.

LuxFLAG played an active role in advocating for sustainable finance at both, national and international levels. We actively participated in dialogues, contributed to regulatory discussions and collaborated with other associations and institutions to drive positive change. By leveraging our expertise, we influenced the development of sustainable finance frameworks and facilitated the adoption of responsible investment's practices.

In 2022, LuxFLAG also placed a stronger emphasis on enhancing transparency and communication. We recognized the importance of clearly articulating our value proposition and highlighting the benefits of sustainable finance to all investors. Through various channels, including our annual LuxFLAG Sustainable Investment Week we engaged with a broader audience and disseminated valuable insights and best practices.

Moreover, we prioritized innovation and the exploration of emerging trends in sustainable finance. We closely monitored market developments and assessed new opportunities for LuxFLAG. By expanding our label offering and developing new partnerships, we ensured that LuxFLAG remains at the forefront of the evolving sustainable finance's landscape.

I would like to express my gratitude to the LuxFLAG team for their dedication and hard work. It is through their collective efforts that we have achieved remarkable progress in 2022. I am excited about the journey ahead and the positive impact we can create together.

Thank you for your continued support and confidence in LuxFLAG and its mission.

Yours sincerely,

Isabelle Delas  
Chief Executive Officer, LuxFLAG

# Mission & Values

LuxFLAG supports the financing of sustainable development by providing clarity for investors through awarding labels. LuxFLAG's constant goal is to embrace a number of core values, which may be described as follows.

Clarity for investors is at the core of LuxFLAG's activities. Indeed, it is the very aim that is to be achieved through the main values that accompany LuxFLAG and that give guidance, in all matters, to the persons who bear responsibility for the association

## CLARITY FOR INVESTORS

**RESPONSIBILITY**

**SUSTAINABILITY**

**TRANSPARENCY**

**INDEPENDANCE**





# Governance

LuxFLAG is an independent and international non-profit association created in Luxembourg in July 2006 by seven private and public founding partners to support sustainable finance: the Luxembourg Government, ALFI, ABBL, ADA, the European Investment Bank, Luxembourg for Finance and the Luxembourg Stock Exchange (Charter members).

Her Royal Highness the Grand Duchess Maria Teresa has been the Honorary President of LuxFLAG since 2006.

## Board of Directors

Catherine Bourin	ABBL
Denise Voss	ALFI
Genevieve Hengen	Ministère des Affaires étrangères et européennes
Hakan Lucius	European Investment Bank
Julie Becker	LuxSE
Marguy Köhnen	Ministère de l'Environnement, du Climat et du Développement durable
Maria Löwenbrück	ALFI
Michel Haas	Ministère des Finances
Philippe-Fitzpatrick Onimus	Appui au Développement Autonome - ADA Microfinance
Philippe von Restorff	Luxembourg For Finance

# Charter Members



LE GOUVERNEMENT  
DU GRAND-DUCHÉ DE LUXEMBOURG  
Ministère de l'Environnement, du Climat  
et du Développement durable



LE GOUVERNEMENT  
DU GRAND-DUCHÉ DE LUXEMBOURG  
Ministère des Affaires étrangères  
et européennes



LE GOUVERNEMENT  
DU GRAND-DUCHÉ DE LUXEMBOURG  
Ministère des Finances

Direction de la coopération  
au développement et  
de l'action humanitaire

# LuxFLAG Labels

## Impact Labels

Microfinance

Environment

Climate  
Finance

Green Bond

## Sustainability Transition Labels

ESG

ESG Insurance  
Product

ESG  
Discretionary  
Mandate

# LuxFLAG Labels

## New label launch

In September 2022 we **launched** our **seventh label**, dedicated to **ESG Discretionary Mandates**.

It is the **first sustainability label of this kind in Europe**, developed in close cooperation with the Luxembourg banking industry. It applies to standard mandates for High Net Worth clients, not tailored/custom mandates.

This new label shall further boost the sustainability transition, by adding a new layer of ESG review to a significant financial product in Luxembourg and also available for equivalent international jurisdictions.

The LuxFLAG ESG DM Label is **granted to eligible discretionary mandates** that are enabling the transition toward a more sustainable economy.

LuxFLAG defined the following key features of the **eligibility criteria** for an Applicant Discretionary Mandate:

- Concern an **Article 8 or Article 9 financial product** in the meaning of the SFDR;
- **100% of the portfolio** selected on the basis of an **ESG screening**, including any underlying invested assets; and
- **Comply** with the **LuxFLAG's ESG Exclusion Policy** which excludes specific controversial sectors.



# LuxFLAG Label Figures Q4 2022

## LuxFLAG Labels

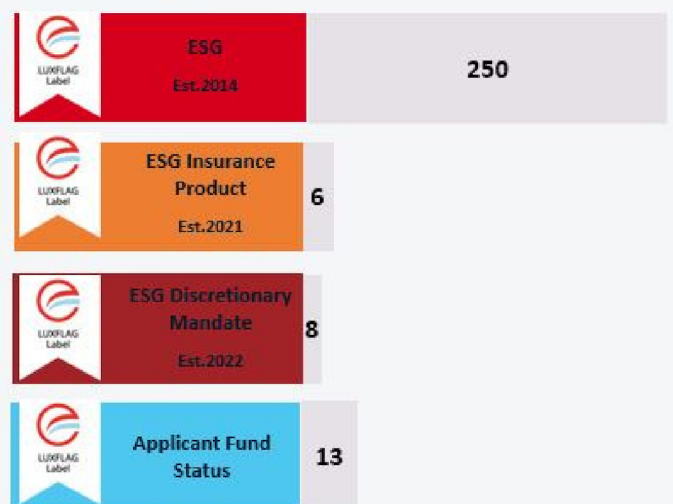
Key figures of Q4 2022



### Impact labels



### Transition Labels



# ISAE 3000 certification

Since 2020, LuxFLAG has been awarded the **ISAE 3000 Type II certification** by the external independent Audit Firm EY Luxembourg. This certification acknowledges LuxFLAG's **robust system of internal controls** designed to facilitate the issuance of labels to Sustainable Finance vehicles.



The ISAE 3000 Type II certification signifies an impartial auditor or assurance provider has conducted a comprehensive evaluation and issued a substantiated opinion regarding the effectiveness of the controls and processes inherent to a specific entity over a sustained period.

Hence, this certification serves as a **testament to the credibility and dependability of our labelling processes**, reaffirming our commitment to the highest standards of quality and integrity in the realm of Sustainable Finance.

# ESG Investing

## What does it mean?

**ESG investing**, also known as Environmental, Social, and Governance investing, is an approach to investment that takes into consideration a company's or investment's environmental, social, and governance factors alongside traditional financial metrics. The goal of ESG investing is to generate financial returns while also having a positive impact on society and the environment.



### **Environmental (E)**

- **Climate Change:** Funds may consider a company's carbon footprint, its efforts to reduce greenhouse gas emissions, and its adaptation to climate change risks.
- **Resource Management:** This involves evaluating a company's efficient use of natural resources, such as water and energy, and its policies regarding waste and pollution.
- **Biodiversity:** Assessing how a company's operations impact ecosystems and biodiversity is another important aspect.

# ESG Investing

## Social (S)

- **Labor Practices:** Funds consider factors like fair wages, safe working conditions, and labour rights within a company's supply chain.
- **Diversity and Inclusion:** Evaluating a company's efforts to promote diversity among its employees, including gender, race, and ethnicity, is increasingly important.
- **Community Engagement:** This involves assessing a company's relationship with the communities in which it operates and its contributions to social well-being.

## Governance (G)

- **Corporate Governance:** Funds analyze a company's governance structure, board composition, and shareholder rights to ensure transparency and accountability.
- **Ethical Business Practices:** This involves looking at a company's adherence to ethical business practices and its efforts to prevent corruption and bribery.
- **Executive Compensation:** Evaluating the fairness and transparency of executive pay packages is another aspect of governance.



# ESG Investing

## Which ESG strategies are applied by sustainable funds?

**Sustainable funds**, also known as ESG funds or socially responsible investment (SRI) funds, typically apply various ESG (Environmental, Social, and Governance) strategies to align their investments with sustainability and responsible practices. The specific strategies employed by sustainable funds can vary, but here are some common ESG strategies that sustainable funds often use.



### **Positive or Best-in-Class Screening:**

Sustainable funds actively seek out and invest in companies that demonstrate strong ESG performance within their respective industries. They select companies that excel in areas like environmental sustainability, labour practices, diversity, and ethical governance.

### **Negative or Exclusionary Screening:**

These funds exclude companies or industries that fail to meet certain ESG criteria or engage in activities considered harmful to society or the environment. Examples include avoiding investments in tobacco, weapons, fossil fuels, or companies with poor human rights records.

# ESG Investing

## ESG Integration

Sustainable funds integrate ESG factors into their investment analysis and decision-making processes alongside traditional financial metrics. ESG integration involves assessing the potential risks and opportunities associated with ESG factors and adjusting the investment portfolio accordingly.

## Impact Investing

These funds focus on investments that intentionally generate measurable, positive social or environmental impacts alongside financial returns. Examples include renewable energy projects or affordable housing initiatives.

## Engagement and Proxy Voting

It refers to exercising voting rights and engagement with companies on ESG matters. This is a long-term process seeking to influence behaviour or increase disclosure. This means, some funds take an active approach by engaging with the companies they invest in, pushing for improved ESG performance. They may also use their voting rights as shareholders to advocate for ESG-related changes.

## Thematic Investing

Some sustainable funds focus on specific ESG themes or impact areas that align with their investors' values and long-term goals. These themes might include clean energy, water conservation, healthcare, or sustainable agriculture.

# Other achievements

With the introduction of the LuxFLAG ESG DM Label, the **CEO** had the privilege of **presenting at the 15th anniversary event of ABBL**, thereby bringing the label into closer focus for the audience.

Further accomplishments in 2022 include the **elucidation of the ESG label criteria** through the **publication of the Appendix – Principles for Derivatives and Other Fund-Management Techniques**. This significant development underscores our commitment to transparency and precision in defining the criteria that underpin the LuxFLAG ESG DM Label, ensuring that stakeholders and industry participants have a comprehensive understanding of the standards guiding our ESG initiatives.

# Event Activities -external-

As we reflect on the past year, we take pride in LuxFLAG's active engagement at various external events, solidifying our commitment to promoting sustainable finance, labelling and raising awareness about its significance in shaping a better future.



## **Panels and moderation:**

### **Sharing expertise and insights**

One of the key ways LuxFLAG has contributed to the sustainable finance discourse is by actively participating in panels and moderation at prominent events throughout the year, such as at the **Sustainable Wealth Forum**, the **ILA and PWC Annual Fund Day**, **STEP Conference**, **European Finance Summit** as well as at the **Finance Malta 15th Annual Conference**.

Our experts and representatives have shared their extensive knowledge and insights, enlightening audiences about the crucial role sustainable finance plays in addressing global challenges such as climate change, social inequality, and environmental degradation.



# Event Activities -external-

## **Educational events:**

### **Empowering the community**

Education is important to us and we have been dedicated to fostering awareness and understanding of sustainable finance principles among various stakeholders. Through our participation in educational events we have empowered professionals, investors, and the public with the knowledge needed to make informed decisions that align with their environmental and social values.

## **Co-organized events:**

### **Amplifying impact through collaboration**

Collaboration is the cornerstone of progress, and LuxFLAG has actively pursued partnerships with like-minded organizations to co-organize impactful events. **Klima Expo Luxembourg** and **Cop27** are just to name some of these co-organized events. These collaborative efforts have enabled us to amplify our reach and influence, bringing together a wider spectrum of industry players and advocates for sustainable finance. By working together, we have created a powerful network of change-makers who share a common vision of building a sustainable and resilient future.

# Event Activities -proprietary-

Looking back at 2022, we are proud about the success of our proprietary events, in particular LSIW. LuxFLAG's events have not only facilitated the exchange of insights and knowledge but have also fostered meaningful connections within the sustainable finance community.



## **Webinars with Associate Members and partners: Collaborative learning for impact**

LuxFLAG's webinars with associate members bring together experts, industry leaders, and certainly our associate members to explore key topics and trends in sustainable finance. The webinars serve as a platform for collaborative learning, allowing participants to gain valuable insights, share best practices, and collectively address challenges faced in the pursuit of sustainable investments. This year, one **joint webinar** was **organized with ACA** to present the LuxFLAG ESG Insurance Product.

## **Associate Member Cocktail: Strengthening bonds within the community**

As part of LuxFLAG's commitment to cultivating a strong and cohesive sustainable finance community, in June 2022 we organized our annual Associate Member Cocktail exclusively for LuxFLAG Associate Members and partners. This event serves as an intimate gathering where professionals from diverse backgrounds come together to connect, collaborate, and build lasting relationships.

# Event Activities -proprietary-

## LSIW22

**22**

### EVENTS

As for previous editions, the 4th edition of LSIW features LuxFLAG's members, who showcase their commitment and concrete actions in sustainable finance by sharing their insights with the sustainable investment community in and outside of Luxembourg

**1800+**

### ATTENDEES

Online and in-person attendees throughout the 3 days including 2 networking cocktails sponsored by Luxembourg Stock Exchange and Société Générale Luxembourg

**6**

### KEY THEMES

Educational sessions about Sustainable Finance, ESG, Impact Investing, SFDR & EU Taxonomy, Private Markets and Climate Change Finance

# Event Activities

## -proprietary-

22 PARTNERS

**LuxFLAG Sustainable Investment Week 2022**  
 Putting sustainability at the forefront of finance  
 17 Oct. 2022 - 19 Oct. 2022

**Partners**


12 SPONSORS

**LuxFLAG Sustainable Investment Week 2022**  
 Putting sustainability at the forefront of finance  
 17 Oct. 2022 - 19 Oct. 2022

**Sponsors**


8 MEDIA PARTNERS

**LuxFLAG Sustainable Investment Week 2022**  
 Putting sustainability at the forefront of finance  
 17 Oct. 2022 - 19 Oct. 2022

**Media Partners**


# Communication - Social Media -

In 2022, LuxFLAG embarked on an exciting journey to strengthen its connection with financial professionals both within Luxembourg and beyond, using the power of social media. Our primary platform of focus was LinkedIn, with additional presence on Twitter and YouTube. The LuxFLAG team expertly managed our social media channels, adhering to a carefully crafted strategy that produced remarkable results.



## LinkedIn

LinkedIn, as the cornerstone of our social media efforts, provided us with a direct channel to engage with our target audience – the financial professionals who play a crucial role in driving sustainable finance. Through this platform, we consistently shared company updates, exciting events, publications, interviews and much more, all centered around the world of Sustainable Finance.

A total of **100+ LinkedIn posts** were crafted and shared, resonating deeply with our audience and igniting meaningful discussions. This heightened engagement not only expanded our reach but also allowed us to foster valuable connections and partnerships within the industry.

The results of our efforts were tangible and gratifying. Throughout 2022, LuxFLAG's LinkedIn presence flourished and we witnessed an **increase of 301 followers**, a testament to the growing interest in sustainable finance.

# Communication - Social Media -

## Twitter and YouTube

Expanding our horizons, we also took Twitter and YouTube to diversify our content outreach.

On Twitter, we posted **above 50 times**, maintaining an active presence while broadening our network of followers.

On our YouTube Channel we shared an informative video about LuxFLAG, its labels and how they are awarded as well as the LSIW22 recordings.



With our firm commitment to enhancing the impact of sustainable finance and fostering meaningful connections within the financial community, LuxFLAG continues to embrace the power of social media.

As we look to the future, we remain steadfast in our mission to engage, educate, and inspire a new wave of sustainable finance advocates through our digital channels.



# Communication - Website -

LuxFLAG's website is the gateway to our organization's transformative impact. The digital realm plays a pivotal role as it serves as the portal through which we connect with stakeholders, partners, and the global community.



## Our website

At LuxFLAG, our website takes center stage in disseminating information about our esteemed labels and associate membership programs. Launched with the objective of transparency and accessibility, it has been designed to offer a user-friendly experience for our page visitors.

In **April 2022**, we proudly **unveiled a revitalized website**, aiming to enhance the navigation of our visitors through crucial pages.

In addition, our website serves as the repository for the latest press releases, news, and upcoming events, providing updates on LuxFLAG's initiatives, projects, and accomplishments.

# Communication - Website -

## Global engagement and reach

In 2022, LuxFLAG's website stood as a beacon of information and engagement, attracting a **diverse audience from around the world**. With **11,000 visitors** gracing our virtual space, we witnessed a thriving community seeking insights and knowledge on sustainable finance. Our visitors demonstrated **genuine interest**, as the **average engagement time** of **1m 20s**.

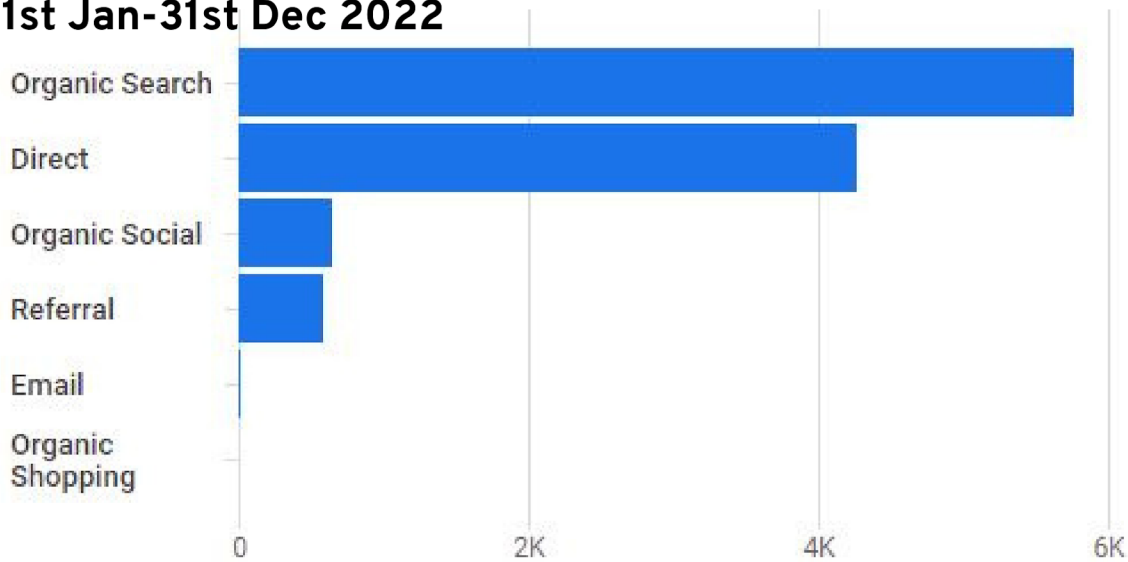
It is heartening to see that most of our visitors discovered us through **organic search**, reaffirming the value and visibility of our online presence. **Direct visitors** and **organic social media** were the second and third traffic driver to our website.

LuxFLAG's digital impact was truly global.

Our home country of **Luxembourg** showed immense support and enthusiasm, making up a **substantial portion of our visitors**. Additionally, we fostered connections with individuals from various nations, notably **France, the US, the UK, Germany, Belgium**, and the **Netherlands**, demonstrating the international appeal and relevance of our initiatives.

# Communication - Website -

## Channel Group 1st Jan-31st Dec 2022



## Users by country 1st Jan-31st Dec 2022



COUNTRY	USERS
<u>Luxembourg</u>	3.3K
<u>France</u>	1.7K
<u>United States</u>	1.2K
<u>United Kingdom</u>	846
<u>Germany</u>	731
<u>Belgium</u>	519
<u>Netherlands</u>	442

# Communication

## - Press -

Through a dynamic array of initiatives, LuxFLAG secured a **staggering 225 media clippings** over the course of the year. This remarkable achievement was the result of our relentless efforts to engage with media through **press releases, interviews, thought leadership, event promotions and more.**



### Press releases

Our press releases served as powerful instruments for disseminating key information, updates, and insights. By strategically crafting and distributing these releases, LuxFLAG was able to capture the attention of both domestic and international media.

### Interviews

Our team actively engaged with journalists and media, sharing expertise and vision for a more sustainable future. These interviews allowed us to address critical topics in sustainable finance, while also highlighting LuxFLAG's role as a pioneer within the industry.

### Quotes

LuxFLAG's expertise and insights were frequently sought after by the media and partners, leading to numerous appearances in articles, reports, and features. This recognition underscored our pivotal role in shaping the discourse around responsible investment.

# Corporate Social Responsibility (CSR)

LuxFLAG aims to create a **positive impact** on society by **supporting** the **development** of **socially and environmentally responsible investments**.

At LuxFLAG we **value diversity** and consider cultural diversity as driver of both adaptability and innovation. Our mission is to **provide equality of opportunity, aspiration**, and **experience** to everyone who works in our Association.



## Diversity Lunch

In 2022, LuxFLAG organized its first Diversity Lunch, inviting employees and their families.

This event, born out of our organization's international spirit, encourages everyone to share the richness of their cultural heritage by preparing and bringing a cherished dish from their home country and passing a nice afternoon altogether,

## Donations

During the distressing conflict in Ukraine, LuxFLAG took compassionate action by extending support to those affected. We directed our efforts towards providing assistance through donations to both, **the Red Cross and Médecins Sans Frontières (MSF)**.



# Our Team

CEO



**Isabelle Delas**

Isabelle Delas was formerly the Head of Luxembourg Branch of Finance in Motion GmbH (FiM), an impact asset manager, as well as a Member of the Board of Managers of FiM Asset Management S. à r. l.

She also worked in Rome, Italy for the International Development Law Organization (IDLO), the intergovernmental organization promoting the rule of law in Asia, Eastern Europe and Central Asia, Latin America, Middle East and North Africa and Sud-Saharan Africa, where she designed and developed technical assistance and capacity building programs with associated research on a wide range of topics, including anti-corruption, environmental and social issues, good governance, human rights, microfinance, procurement, in a number of countries.

Prior to joining IDLO, she was Assistant Professor at the University of Versailles-Saint-Quentin in Yvelines, France and Visiting Professor in the Masters degree on “Management of Development Aid Projects in Africa” at the University of Paris XI, France.

Isabelle holds degrees at post-graduate and Masters levels in Law from the University of Poitiers, France. She is also a volunteer member of the World Association for the Protection of Tangible and Intangible Cultural Heritage in Times of Armed Conflict (WATCH) and of the IUCN World Commission on Environmental Law.

# Our Team

## Sustainability Operations



**Ahmed Ouamara, CFA**

*Head of Sustainability Operations*



**Leonardo Valtierra**

*Senior Sustainability Operations Officer*



**Solène Collin**

*Senior Impact Lead*

# Our Team

## Sustainability Operations



**Anna Letta**

*Sustainability Operations Officer*



**Tony Oliveira**

*Sustainability Operations Associate*



**Penda Fall**

*Sustainability Operations Associate*

# Our Team

Human Resources, Finance  
& Administration



**H el ene Lang**

*Head of Office, CSR Coordinator*



**M elodie Lebeau**

*Marketing & Administration Analyst*



# Our Team

Communication, Marketing  
& Business Development



**Viola Strotz**

*Senior Communications & Marketing Officer*

**Nairi Tarakdjian**

*Business Development & Marketing Associate*



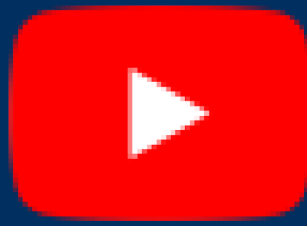
Legal, Compliance & Quality  
Assurance



**Chrysa Alexandraki, PhD**

*Legal, Regulatory & Compliance Officer*





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