

Human Rights Report

**National Business and Human Rights Pact
2024**

Based on the UN Guiding Principles Reporting Framework



Luxembourg Financial Labelling Agency

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Company data

Prerequisite data

Organisation name: LuxFLAG

Human rights coordinator: Chrysa Alexandraki (on maternity/parental leave from 1 November 2024 and replaced by Maria Pawelek until 31 October 2025)

Signature date of the Business and Human Rights National Pact: 06/07/2022

Number of employees in Luxembourg: 12

Number of employees outside of Luxembourg: 0

Number of entities concerned by this report: 0

Names of concerned entities: 0

Background information

In which sector of activity does your organization operate?

Financial sector

List the 10 most important countries in which you operate (*max. 10*): N/A.

List the 10 most important countries in which you supply (*max. 10*): N/A

Human Rights Report

PART A: HUMAN RIGHTS GOVERNANCE

According to Principle 16 of the UN Guiding Principles on Business and Human Rights, to anchor responsibility for respecting human rights, the company must formulate its commitment publicly through a policy statement that: (a) is approved at the highest level of the company, (b) is drawn up using internal and/or external expertise, (c) sets out what the company expects of its staff, business partners and other parties directly linked to its activities, products and services in the field of human rights, (d) is accessible to the public and is the subject of internal communication.

A1: PUBLIC ENGAGEMENT

The adoption of a human rights policy is the first important step in embedding respect for human rights in the company's values, as it will trigger the adoption and development of internal policies and procedures to meet this commitment. The policy communicates externally and internally the company's minimum standard of responsible behaviour, including management's expectations of how all employees and business partners have to act, and demonstrates an understanding of the risks and opportunities.

UNGP	Information and objectives	Answers <i>[Please insert your answers in this column. The examples in grey are for inspiration only.]</i>
A1	What public statements does your company make about its commitment to respecting human rights?	<i>LuxFLAG signed the "Charte du Pacte National Entreprises et Droits de l'homme" in 2022. We report on an annual basis based on this charter and publish the report on our website. Additionally, we are original signatory/founder of the Women in Finance Charter which was founded in March 2023. Lastly, we have the "ESR" label since 2015 and we report on this label every three years. We communicate about these efforts on our website and our LinkedIn page.</i>
A1.1	How has this public commitment been developed?	<i>Through an internal consultation process that contributed to the development of the public commitment and the approval of that commitment by the Management and the Board.</i>
A1.2	Who is the public commitment to human rights aimed at?	<i>LuxFLAG's employees and contractors Workers in our value chain</i>

		<p><i>Affected communities</i></p> <p><i>Customers & end-users</i></p> <p><i>Other vulnerable groups.</i></p>
A1.2	<p>Which human rights are covered by your commitment?</p> <p><i>(Please tick the human rights you have addressed.)</i></p>	<p><input checked="" type="checkbox"/> Right to self-determination</p> <p><input checked="" type="checkbox"/> Right to life</p> <p><input checked="" type="checkbox"/> Right not to be subjected to torture or cruel, inhuman and/or degrading treatment or punishment</p> <p><input checked="" type="checkbox"/> Right not to be subjected to slavery, servitude or forced labour</p> <p><input checked="" type="checkbox"/> Right to liberty and security of oneself</p> <p><input checked="" type="checkbox"/> Right of detainees to be treated humanely</p> <p><input checked="" type="checkbox"/> Right to freedom of movement</p> <p><input checked="" type="checkbox"/> Right of foreigners to a fair hearing in the event of threatened expulsion</p> <p><input checked="" type="checkbox"/> Right to a fair trial</p> <p><input checked="" type="checkbox"/> Right not to be subjected to retroactive criminal legislation</p> <p><input checked="" type="checkbox"/> Right to recognition of one's legal personality</p> <p><input checked="" type="checkbox"/> Right to privacy</p> <p><input checked="" type="checkbox"/> Freedom of thought, conscience and religion</p> <p><input checked="" type="checkbox"/> Freedom of opinion and expression</p> <p><input checked="" type="checkbox"/> Right not to be subjected to propaganda in favour of war or to advocacy of national, racial or religious hatred</p> <p><input checked="" type="checkbox"/> Freedom of assembly</p> <p><input checked="" type="checkbox"/> Right to family protection and right to marry</p> <p><input checked="" type="checkbox"/> Right to children protection</p> <p><input checked="" type="checkbox"/> Right to participate in public life</p> <p><input checked="" type="checkbox"/> Right to equality in front of the law, equal protection of law and freedom from discrimination</p> <p><input checked="" type="checkbox"/> Rights of minorities</p> <p><input checked="" type="checkbox"/> Right to work</p> <p><input checked="" type="checkbox"/> Right to just and favourable conditions of work</p>

		<input checked="" type="checkbox"/> Right to form and join trade unions and to strike
A1.3	How is the public commitment disseminated?	<i>LuxFLAG's Website, Staff Code of Conduct, Vendor Code of Conduct. Other public engagements are all posted on the LuxFLAG LinkedIn page.</i>
<p><u>Progression plan to be undertaken for part A1</u></p> <p><i>Human Rights risk assessment has been developed along with two new Codes of Conduct – one for staff (on which training has been given) and one for vendors. Both are published internally, with the Vendor Code of Conduct also communicated externally to our vendors.</i></p> <p><i>We will continue to share our commitment, including any updates, regularly with both internal and external stakeholders. We will also continue training in these areas, as needed, including to new employees.</i></p>		

A2: INTEGRATION OF HUMAN RIGHTS COMPLIANCE

UNGP	Information and objectives	Answers
		<i>[Please insert your answers in this column. The examples in grey are for inspiration only].</i>
A2	How does your company demonstrate the importance it places on implementing its commitment to human rights?	<p><i>Public Commitment to Human Rights</i></p> <p><i>As a signatory of the Pacte national Entreprise des Droits de l'Homme, our organization reaffirms its dedication to respecting fundamental human rights principles. We publicly declare this commitment and take active steps to uphold these principles through reporting and awareness initiatives.</i></p> <p><i>Awareness and Sensitization Efforts</i></p> <p><i>We actively engage in events and meetings aimed at raising awareness about human rights issues. These efforts include participation in collaborative discussions and</i></p>

		<p>knowledge-sharing platforms to enhance understanding and commitment across industries.</p> <p>Employee Training and Education</p> <p>Recognizing the importance of internal capacity-building, we organized a comprehensive training session for our employees on March 28, 2023. The agenda focused on key pillars of corporate social responsibility:</p> <ul style="list-style-type: none"> - Environmental Social Responsibility - Ethical and Human Rights Social Responsibility - Economic Corporate Responsibility <p>The session underscored the ESR labelling by INDR, for which LuxFLAG is audited every three years, ensuring our adherence to these principles.</p> <p>We plan to repeat this training in 2025 to ensure all new employees have the benefit of the training, and continuing employees have the opportunity to update their knowledge.</p> <p>Women in Finance Initiative</p> <p>As a founding partner of the Women Finance Charter, launched on International Women’s Day, March 8, 2023, we are committed to advancing gender equality and empowering women in the finance sector.</p> <p>Transparency and Reporting</p> <p>Our association</p> <p>is committed to publishing annual reports detailing progress in human rights initiatives as part of the Pacte national Entreprise des Droits de l'Homme. This ensures accountability and transparency in meeting our obligations and fostering trust with stakeholders.</p> <p>Reflecting Importance of Human Rights in our Product/Label Offering</p> <p>During the course of 2024, LuxFLAG developed its new Social Impact Label which enables investment funds and other financial products to be granted this label if they meet the label criteria, including showing they have a strategy</p>
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		<p>enabling the generation of a positive, measured and managed social impact (including on human rights) alongside a financial return. The label was approved by the LuxFLAG Charter and Board Members and formally launched in 2025, demonstrating LuxFLAG's commitment to recognising human rights and other social impact issues.</p>
A2.1	<p>How are the day-to-day responsibilities for respecting human rights organized within your company, and why?</p>	<p>Appointment of a Human Rights Coordinator</p> <p>A dedicated Human Rights Coordinator has been appointed to oversee all matters related to human rights within the association. This role involves monitoring compliance, addressing potential breaches, and ensuring alignment with our commitment to human rights principles. This Human Rights coordinator has been communicated internally and will also be communicated externally.</p> <p>Formalization in the Staff and Vendor Codes of Conduct</p> <p>In 2024, we introduced comprehensive Codes of Conduct for both our employees and our vendors. These Codes of Conduct communicate our minimum standard of responsible behaviour, including management's expectations of how all employees and business partners have to act to uphold human rights.</p> <p>Rationale for This Structure</p> <p>Assigning a specialized role ensures focused oversight and a prompt response to any human rights concerns. Further, the introduction of the two Codes of Conduct ensures transparency, consistency, and accessibility, embedding a culture of human rights and respect throughout the organization and its supply chain. This approach reflects our dedication to proactive management and continuous improvement in human rights practices.</p>
A2.2	<p>What types of human rights-related issues are discussed by senior management and the board of directors, and why?</p>	<p>Open Door Policy and Employee Rights</p> <p>Senior management maintains an open-door policy to facilitate open dialogue on employees' rights and broader human rights concerns. This approach ensures that employees feel heard and supported, fostering a culture of</p>

		<p>transparency and respect. Additionally, management encourages staff to contribute to charitable causes, aligning with our commitment to societal well-being.</p> <p>Internal CSR Committee</p> <p>An internal Corporate Social Responsibility (CSR) Committee, comprising five employees, meets quarterly to address human rights-related questions. This committee explores ways to enhance the association's contributions to society, including through benevolent activities. Discussions focus on how the organization, both as an association and through individual efforts, can positively impact communities and uphold human rights.</p> <p>Board of Directors Oversight</p> <p>The Board of Directors is regularly informed about human rights issues and CSR activities during quarterly board meetings. This ensures alignment between the organization's operational activities and its strategic vision for human rights, enabling the board to provide oversight and guidance on these critical issues.</p>
A2.3	<p>How are employees and contract workers made aware of how respect for human rights should guide their decisions and actions?</p>	<p>Internal Training Programs</p> <p>We conduct regular internal training sessions for all employees, including senior management, to raise awareness and enhance understanding of human rights principles. These sessions aim to equip employees with the knowledge and tools to make decisions and take actions that align with our commitment to respecting human rights.</p> <p>Development of a Staff and Vendor Codes of Conduct</p> <p>As detailed above, in 2024 we introduced both a Staff Code of Conduct and a Vendor Code of Conduct to set clear standards and requirements around behaviours of staff and vendors. The staff was provided with training on both Codes of Conduct and the vendors have been provided with copies of the Vendor Code of Conduct.</p>
A2.4	<p>How does your company clearly communicate the importance it places on respecting human rights in its business relationships?</p>	<p>Strict ESG Labelling Policy</p> <p>Our association upholds a rigorous policy for financial products seeking LuxFLAG ESG Labels. As outlined in our ESG Exclusion Policy (published on our website), applicants</p>

		<p><i>must adhere to internationally recognized standards, including:</i></p> <ul style="list-style-type: none"> - <i>The United Nations Global Compact (UNGC) 10 principles, which encompass human rights, labor, environment, and anti-corruption.</i> - <i>OECD Guidelines for Multinational Enterprises or equivalent frameworks.</i> <p><i>In cases where significant breaches of these principles occur, we actively engage with the companies in question to prompt corrective action. If the engagement fails to yield meaningful changes within a pre-defined period (e.g., two years), we require the applicant fund to exclude the non-compliant company from its investment universe.</i></p> <p>Verification of Members and Partners</p> <p><i>Prior to establishing relationships with members and partners, we verify compliance with legal standards and human rights principles. This due diligence ensures that our business relationships align with our values.</i></p> <p>Zero Tolerance for Violations</p> <p><i>We terminate relationships with parties implicated in human rights violations, whether through ongoing investigations or credible negative press reports. This policy underscores our commitment to maintaining partnerships with entities that respect human rights.</i></p> <p>Reflecting Importance of Human Rights in our Product/Label Offering</p> <p><i>As outlined above, LuxFLAG has introduced the Social Impact label demonstrating LuxFLAG's commitment to recognising human rights and other social impact issues.</i></p>
A2.5	<p>What lessons has your company learned during the reporting period regarding ensuring respect for human rights, and what changes have resulted from these insights?</p>	<p>Key Lessons Learned</p> <p><i>During the reporting period, we recognized the importance of having formal documents that clearly outline our Association's commitment to human rights. Publicly disclosing these documents further reinforces transparency</i></p>

		<p>and accountability, helping to build trust with stakeholders and employees.</p> <p>Additionally, while our Association does not directly cause negative human rights impacts through its activities, we learned that raising awareness about human rights among our employees, stakeholders, and partners is vital to fostering a culture of respect and shared responsibility.</p> <p>Changes Implemented</p> <p>Codes of Conduct: We finalized and internally published both a Staff Code of Conduct and a Vendor Code of Conduct. These documents set clear standards and requirements around behaviours of staff and vendors, including on human rights matters.</p> <p>Human Rights Assessment Matrix: To better evaluate and mitigate risks related to human rights within our activities, we created a Human Rights Assessment Matrix. This tool will enable us to identify and address salient risks effectively, ensuring that our operations remain aligned with our values. The Matrix is planned to be implemented in 2025 (first assessment), with such assessment against the matrix being carried out by the LuxFLAG legal team on an annual basis.</p> <p>By institutionalizing these changes, we have strengthened our approach to human rights and laid the groundwork for continuous improvement in our practices.</p>
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Progression plan to be undertaken for part A2

In 2024, we have developed a Complaints Management Policy which has been approved by our CEO and adopted. In 2025, this policy will be published on our website (currently being revamped) and will provide a means via which stakeholders can raise concerns, including any related to human rights.

The Human Rights Assessment Matrix will be implemented in 2025.

LuxFLAG will continue staff training on the Codes of Conduct referenced above.

PART B: DEFINING THE REPORTING AXIS

According to **Principle 18** of the UN Guiding Principles on Business and Human Rights, in assessing human rights risks, companies should identify and assess all actual or potential adverse human rights impacts in which they may have a stake, either through their own activities or as a result of their business relationships.

Identifying and assessing actual and potential negative impacts is an essential step in ensuring a proper human rights due diligence process. This will enable you to take appropriate action. A proper assessment must take into account all areas of the company, across operations and relationships (including supply chains) where human rights risks are most likely to be present and most significant. The assessment must go beyond the identification of material risks to the company and include risks to rights-holders.

UNGP	Information and objectives	Answers <i>[Please insert your answers in this column. The examples in grey are for inspiration only].</i>
B1	<p>Statement of salient matters:</p> <p>Indicate the salient human rights issues related to your company's activities and business relationships during the reporting period.</p> <p><i>(Please tick the salient risks identified and/or add other identified risks.)</i></p>	<p><input type="checkbox"/> Risks related to the acquisition, construction or operation on the territory of indigenous people</p> <p><input checked="" type="checkbox"/> Risks related to the health and safety of consumers, company workers, neighbouring communities and within the value chain</p> <p><input checked="" type="checkbox"/> Risks relating to the mental health of workers or the deterioration of working conditions</p> <p><input type="checkbox"/> Risks related to forced labour (e.g.: use of temporary workers)</p> <p><input type="checkbox"/> Risks related to illegal employment</p> <p><input checked="" type="checkbox"/> Risks related to subcontracting or value chains</p> <p><input checked="" type="checkbox"/> Risks related to fair and equitable working conditions (working hours (e.g.: pressure to work outside the scope of the contract), remuneration, breaks, etc.)</p> <p><input type="checkbox"/> Legal and reputational risks arising from retroactive criminal legislation</p> <p><input checked="" type="checkbox"/> Risks related to discrimination practices (gender, family status, disabled people, age, residence, etc.), violence and harassment in the workplace</p>

		<input checked="" type="checkbox"/> Risks related to discrimination or persecution of individuals on the grounds of their religious beliefs, opinions or practices <input checked="" type="checkbox"/> Risks related to private life (for employees: issues linked, for example, to the organization of telecommuting work or the risk of misuse of a surveillance camera) <input checked="" type="checkbox"/> Risks linked to non-respect for individual freedom, censorship, or reprisals for the expression of divergent opinions. <input type="checkbox"/> Risks relating to the right of association and collective bargaining (e.g.: discrimination against unionized employees, failure to provide the means for the exercise of representation, negotiation, etc.) <input checked="" type="checkbox"/> Risks related to the prohibition of child labour (e.g.: trainees on construction sites) <input checked="" type="checkbox"/> Risks related to the marginalization or unjustified exclusion of people from decision-making processes and public affairs <input checked="" type="checkbox"/> Risks related to the deterioration of working conditions <input checked="" type="checkbox"/> Risks related to fair and equitable working conditions (working hours (e.g.: pressure to work outside the scope of the contract), remuneration, breaks, etc.). <input checked="" type="checkbox"/> Risks linked to economic insecurity, poverty and inadequate access to basic needs, which can compromise well-being and human dignity <input checked="" type="checkbox"/> Risks linked to lack of access to adequate health care, discrimination in the provision of health services <input checked="" type="checkbox"/> Risks linked to the prohibition of participation in cultural life and scientific progress, as well as the protection of the moral and material interests of creators <input type="checkbox"/> Other identified risks:
B2	Identification of salient concerns: Describe how the salient human rights issues were determined, including any input from stakeholders	<i>Salient human rights issues were carefully considered during the creation of the Human Rights Assessment Matrix for LuxFLAG. The Matrix was developed by the LuxFLAG Legal team and evaluates which human rights issues are salient to LuxFLAG. This matrix will be implemented in 2025 (first assessment) and updated</i>

		<p><i>internally, with future assessments being conducted on an annual basis.</i></p> <p><i>Additionally, there is also an ongoing monthly monitoring of the LuxFLAG labelled funds which is performed by the operations team.</i></p>
B3	Choice of main geographical areas: If your report on salient human rights issues focuses on particular geographical areas, explain how this choice was made	N/A
B4	Other serious implications: declare any serious human rights implications that have arisen or are still being dealt with during the reporting period that do not relate to salient human rights issues, and explain how they have been managed	N/A
<p>Progress plan to be undertaken for B</p> <p>A Human Rights assessment will be conducted in 2025 by LuxFLAG Legal team and using the Matrix that has been developed in 2024.</p> <p>The LuxFLAG Sustainability Operations team will continue to monitor labelled investment funds and products, including those issued with our Social Impact Label.</p> <p>Finally, once implemented, the Legal team will monitor and respond to any matters raised under the Complaints Management Policy.</p>		

PART C: MANAGING KEY HUMAN RIGHTS ISSUES

[Part C is optional for new 2024 signatories.]

According to **Principle 19 and 20** of the UN Guiding Principles on Business and Human Rights, to prevent and mitigate adverse human rights impacts, companies should consider the results of their impact assessments across all relevant internal functions and processes and take appropriate action. To verify whether negative human rights impacts are being addressed, companies should monitor the effectiveness of the measures they have taken.

SPECIFIC POLICIES

UNGP	Information and objectives	Answers <i>[Please enter your answers in this column. The examples in grey are for inspiration only.]</i>
C1	Does your company have specific policies in place to deal with salient human rights issues, and if so, which ones?	<p>Human Resources policies: Our Human Resources' policies and procedures ensuring that all employees are aware of their rights and responsibilities and providing guidance on how to address any human rights concerns that may arise in the workplace, are currently being updated and combined.</p> <p>Staff Code of Conduct: This code sets clear expectations for staff behavior in relation to, amongst other things, human rights, emphasizing respect for diversity, equality, and fair treatment. It includes protocols for reporting and addressing any breaches of human rights within the association.</p> <p>Vendor Code of Conduct: This vendor-specific code of conduct, which will be disseminated to all vendors in 2025, outlines our expectations for how vendors should uphold human rights principles, including fair labor practices and non-discrimination.</p>
C1.1	How does your company communicate the relevance and	Employee Training and Induction

importance of these policies to those who have to implement them?

Upon joining the association, new employees are introduced to our policies and procedures, including the two Codes of Conduct, through a formal induction process. We also conduct regular training sessions for all staff, which include detailed explanations of our policies on human rights, ethical conduct, and reporting mechanisms. These training sessions help employees understand not only the policies but also the rationale behind them and their practical implications in the workplace.

Leadership and Role Models

Senior management and leaders within the organization actively promote the importance of respecting human rights. Through their actions and communications, they set an example for others in the association to follow. Leaders also ensure that these policies are integrated into the association's strategic goals and daily operations.

Progress plan to be undertaken for part C1

Internal Communication Channels

In 2025, we plan on utilising a variety of internal communication channels to ensure that all employees and stakeholders are fully informed about the relevance and importance of our human rights policies. These channels will include email updates, internal newsletters, and organization meetings and trainings. Through these communications, we would emphasize how these policies align with our core values and business goals.

Vendor Engagement

Additionally, to communicate the relevance of the Vendor Code of Conduct, we actively engage with our vendors through dedicated communication efforts. This includes sending out the Code for review and requesting formal acknowledgment and signatures. Additionally, we offer periodic workshops or information sessions to explain the expectations and ensure vendors understand their responsibilities regarding human rights.

Ongoing Awareness Campaigns

We plan on conducting regular awareness campaigns, including posters, digital signage, and internal discussions, to reinforce the importance of human rights policies and keep them top of mind. These campaigns will be aimed at encouraging employees and vendors to actively engage with and implement the policies in their daily work.

ENGAGING WITH STAKEHOLDERS

UNGP	Information and objectives	Answers <i>[Please enter your answers in this column. The examples in grey are for inspiration only.]</i>
C2	What is your company's approach to stakeholder engagement for each salient human rights risk?	<p><i>LuxFLAG takes a proactive and systematic approach to stakeholder engagement on salient human rights risks. We aim to ensure that the perspectives of those affected by or involved with these risks are heard, considered, and integrated into decision-making.</i></p> <p><i>Our approach includes identifying relevant stakeholders, whose interests are impacted by or relevant to our human rights risks, including employees, vendors, customers, local communities, and civil society organizations.</i></p> <p><i>For this reason, in 2024 we developed a Human Rights Assessment Matrix that has been published internally and guides us on identifying and assessing any human rights risk. This Matrix will be implemented in 2025.</i></p> <p><i>In addition to these engagements, we also introduced screening checks for Associate Members of LuxFLAG to ensure they are not subject to ongoing investigations or sanctions. This was done to mitigate any potential human rights risks tied to our external partnerships.</i></p> <p><i>Similarly, as part of our hiring process, employees are required to provide a copy of their criminal record prior to being hired. These checks help us ensure that our internal operations and external business relationships maintain the highest ethical and human rights standards.</i></p>
An	How does your company identify the stakeholders with whom it collaborates on each salient issue, and what is the timing and nature of this collaboration?	N/A
C2.2	During the reporting period, with which stakeholders did the company engage with on each	N/A

	salient issue, and what were the reasons for this collaboration?	
C2.3	During the reporting period, how have stakeholder opinions influenced the company's understanding of each salient issue and/or the way it manages them?	N/A

Progress plan to be undertaken for part C2

The Human Rights Assessment will be conducted in 2025 by the LuxFLAG Legal team, using the Matrix that has been developed in 2024.

Further, the introduction of the Complaints Management Policy will enable a new channel for concerns, including those related to human rights, to be raised in a confidential manner.

In addition, an anti-money laundering (AML) policy and procedure has been drafted to ensure we screen and monitor all our relevant stakeholders in terms of money laundering and related financial risks. The draft will be approved and published by Q2 2025.

IMPACT ASSESSMENT

UNGP	Information and objectives	Answers <i>[Please enter your answers in this column. The examples in grey are for inspiration only.]</i>
C3	How does your company identify changes in the nature of each salient human rights issue over time?	<p>Periodic Progress Reports by Internal CSR Committee: Our internal CSR Committee conducts periodic progress reports on human rights-related matters, ensuring we stay updated on the latest developments and trends. This includes reviewing any new policies, potential risks, or shifts in the legal and regulatory landscape. The Committee also evaluates how the organization is addressing evolving challenges and identifies emerging human rights issues.</p> <p>Ongoing Stakeholder Engagement: Through continuous engagement with internal and external stakeholders, including employees, suppliers, and local communities, we stay informed about changing concerns and expectations.</p>

		<p><i>This feedback helps us understand how human rights issues are shifting over time.</i></p> <p>Monitoring Industry Trends and Legal Frameworks: <i>We monitor industry-specific human rights trends, legal regulations, and global human rights frameworks to anticipate changes. This helps us ensure that our policies remain aligned with evolving international standards.</i></p> <p>Human Rights Risk Assessment:</p> <p><i>To be updated by LuxFLAG Legal team on an annual basis.</i></p>
C3.1	During the reporting period, were there any notable trends or patterns observed in relation to any of the salient issues, and if so, which ones?	No
C3.2	During the reporting period, did your company identify any serious incidents related to a salient issue and, if so, which ones?	<i>There has not been any serious incidents related to salient issues.</i>
<p>Progression plan to be undertaken for part C3</p> <p>In 2024, we have developed a Complaints Management Policy which has been approved by our CEO and adopted. In 2025, this policy will be published on our website and will provide a means via which stakeholders can raise concerns, including any related to human rights.</p>		

INTEGRATION OF RESULTS AND RESPONSES

By identifying actual and potential impacts, you will be able to adequately prioritize your resources to prevent, mitigate and remedy negative impacts on human rights. Establishing an adequate governance structure to ensure that responsibility is assigned to the appropriate authority and department, and that sufficient resources are available to implement measures, is essential for successful integration into business practices.

UNGP	Information and objectives	Answers <i>[Please enter your answers in this column. The examples in grey are for inspiration only.]</i>
C4	How does your company integrate its findings on each salient human rights risk into its decision-making processes and actions?	<p><i>LuxFLAG ensures that its findings on each salient human rights risk are integrated into its decision-making processes at all levels within the organization. Human rights considerations are a core element of both our internal and external activities. This includes:</i></p> <p><i>Embedding Human Rights in Strategic Decisions:</i> Human rights risks and opportunities are directly incorporated into the strategic decision-making process, influencing our priorities, policies, and long-term goals. These considerations are present in every aspect of our operations, from investments to partnerships.</p> <p><i>Operationalizing Human Rights Risks:</i> The results of human rights assessments are used to guide operational decisions, ensuring that potential risks are proactively identified and managed.</p> <p><i>Influencing Partnerships and Investments:</i> Our findings help guide us, ensuring that our partners and associate members align with our commitment to human rights. By screening applicants and monitoring the human rights practices of potential partners, we reduce risks associated with non-compliance.</p>
C4.1	How are company departments whose decisions and actions may affect the management of salient	N/A

	risks involved in finding and implementing solutions?	
C4.2	In cases where tensions arise between the prevention or mitigation of impacts associated with a critical risk and other corporate objectives, how are these tensions managed?	N/A
C4.3	During the reporting period, what measures did the company implement to prevent or mitigate the potential impacts attributable to each salient issue?	<p>During the reporting period, LuxFLAG took several key actions to prevent or mitigate the potential impacts associated with its salient human rights risks:</p> <ul style="list-style-type: none"> • Participation in Sectoral Initiatives: LuxFLAG actively engaged in various sectoral initiatives aimed at raising awareness about human rights. These collaborations helped foster a broader understanding of human rights challenges within the industry and promoted collective action to address them. By joining industry groups and initiatives, LuxFLAG contributed to shared knowledge and best practices for mitigating risks. • One example of participation in Sectoral initiatives is the participation in the Luxembourg Women in Finance Charter as original signatories. We regularly provide updates to our members about this charter and post about it on our social media platforms (LinkedIn). There is also an annual reporting done for this charter. • Implementation of Stricter Internal Rules: LuxFLAG strengthened its internal policies to ensure that human rights considerations were embedded throughout its operations and those of its vendors via introduction of the Staff and Vendor Codes of Conduct. These policies were put in place to prevent potential negative impacts of human rights risks in the organization's activities. • Ongoing Monitoring and Risk Management: LuxFLAG also enhanced its monitoring processes to better identify and assess any emerging human rights risks. By staying proactive, the organization

		<i>ensured that potential impacts were minimized and managed in a timely manner.</i>
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Progress plan to be undertaken for part C4

With its combination of robust policies and oversight measures, including having a dedicated Human Rights coordinator (our Legal and Compliance officer), LuxFLAG is well placed to ensure its resources are adequately prioritised to prevent, mitigate and remedy negative impacts on human rights. This is supported by the Staff and Vendor Codes of Conduct, regular Human Rights Assessment Matrix reviews and ongoing training and engagement.

PERFORMANCE MONITORING

According to the UN **Guiding Principle 21** on business and human rights, in the interests of reporting on how companies are addressing their human rights impacts, they have to be prepared to disclose information externally, particularly when concerns are raised by or on behalf of stakeholders

UNGP	Information and objectives	Answers <i>[Please enter your answers in this column. The examples in grey are for inspiration only.]</i>
C5	How does your company know whether its efforts to address each key human rights issue are effective in practice?	<i>We were awarded the ESR label in 2015 as a result of our efforts to address human rights' issues. We have also identified potential risks using our Human Rights Assessment Matrix, which is comprehensive and will be launched in 2025 and then used annually to conduct assessments.</i>
C5.1	During the reporting period, what are some examples of effective management of salient issues?	<i>We implemented training on our Staff and Vendor Codes of Conduct to raise awareness amongst our staff.</i>

Progress plan to be undertaken for C5

As noted above, the Human Rights risks' assessment (using our matrix) will be conducted in 2025. We will also implement our Complaints Management Policy which will enable reporting of any potential issues, including those relating to human rights, in a confidential manner.

REPARATION

According to **Principle 29**, the UN Guiding Principles on Business and Human Rights, for grievances to be addressed promptly and be subject to direct remedial action, business enterprises should establish or participate in effective grievance mechanisms at the operational level for individuals and communities likely to be adversely affected. An effective grievance mechanism is a crucial tool for the subsequent identification of negative human rights impacts, as it enables you to identify potential negative human rights impacts in a timely manner. It can also help build good relations with your stakeholders, as it shows that you are aware and serious about the fact that negative impacts can occur despite the processes in place, and that there is a proactive attitude to rectifying them if they do occur

UNGP	Information and objectives	Answers <i>[Please enter your answers in this column. The examples in grey are for inspiration only.]</i>
C6	What is your company's approach to providing an effective remedy if people are harmed by its actions or decisions affecting salient human rights aspects?	<p><i>LuxFLAG is committed to providing effective remedies for any harm caused by its actions or decisions that affect human rights. This commitment is embedded in the implementation of a Complaints Management Policy, which ensures that stakeholders affected by LuxFLAG's activities have access to a clear, accessible, and fair mechanism for remedy. This process involves identifying the harm caused, assessing the situation, and offering appropriate measures to restore rights and mitigate the effects of the harm.</i></p> <p>Policy and Action: The Complaints Management Policy will be implemented in Q2 2025.</p> <p>Effective Resolution: The policy outlines processes for investigating complaints, determining the appropriate response, and ensuring the effectiveness of the resolution.</p>
C6.1	Via what means can your company receive complaints or claims related to each salient topic?	<i>LuxFLAG provides multiple channels for receiving complaints or claims related to human rights risks:</i>

		<p>Complaints Management System: A dedicated mechanism will be established as part of the Complaints Management Policy. This system will be accessible via the LuxFLAG website and available in writing or via email, allowing stakeholders to submit concerns related to human rights risks.</p> <p>Direct Communication: Employees and stakeholders may also report concerns directly to LuxFLAG’s designated Human Rights Coordinator or CSR Committee. There is an open-door policy at LuxFLAG and open communication is accepted and greatly encouraged to ensure all employees feel heard and feel comfortable in sharing their complaints.</p> <p>Vendor and Associate Membership Feedback: LuxFLAG engages with vendors and Associate Members to ensure they are aware of their right to lodge complaints, and feedback can be submitted as part of ongoing monitoring.</p>
C6.2	<p>How does your company ensure that people feel able and empowered to make a complaint or claim?</p>	<p>LuxFLAG takes a proactive approach to creating an environment where stakeholders feel comfortable and confident in voicing their concerns:</p> <ul style="list-style-type: none"> • Confidentiality: LuxFLAG guarantees that all complaints are treated confidentially, protecting the identity of individuals who raise concerns. • Non-Retaliation: A clear anti-retaliation policy is embedded in the complaints mechanism, ensuring that individuals who report violations are not subject to any form of retaliation. • Awareness Campaigns: Training and awareness campaigns, including those related to the Staff and Vendor Codes of Conduct, emphasize the importance of human rights and encourage individuals to report any issues related to human rights violations. • Accessibility: LuxFLAG ensures that the complaints process is simple, accessible, and available to all stakeholders, including employees, vendors, and partners.

C6.3	<p>How does your company deal with complaints and evaluate the effectiveness of the solutions?</p>	<p><i>LuxFLAG's approach to managing complaints is as follows:</i></p> <ul style="list-style-type: none"> • Investigation and Resolution: Each complaint is investigated in a timely and transparent manner. If the complaint is substantiated, LuxFLAG takes appropriate actions to address the issue, including corrective measures, financial compensation, or changes in policy or behavior. • Follow-Up: After a resolution is implemented, LuxFLAG will conduct follow-up assessments to ensure the effectiveness of the solution and whether the harm has been fully remedied. • Evaluation of Effectiveness: The effectiveness of the resolutions is evaluated through regular audits, feedback from stakeholders, and monitoring of any recurrence of similar issues.
C6.4	<p>During the reporting period, what trends and patterns characterized complaints or claims and their resolutions on each of the salient topics, and what insights has the company gained?</p>	<p><i>During the reporting period, no significant complaints or claims were filed.</i></p>
C6.5	<p>During the reporting period, did your company offer or facilitate remedies for actual incidents related to a salient issue? If so, can you provide representative examples?</p>	<p><i>No actual incidents related to salient human rights issues occurred during the reporting period. However, LuxFLAG took proactive steps to prepare for potential human rights-related incidents:</i></p> <ul style="list-style-type: none"> • Preventative Framework: As part of its governance updates, LuxFLAG developed the Complaints Management Policy and began the implementation of the Staff and Vendor Codes of Conduct, which will serve to prevent incidents before they arise. • Vendor Screening: LuxFLAG strengthened its vendor screening processes to ensure compliance with human rights principles, mitigating the risk of engaging with partners involved in human rights violations.

Progress plan to be undertaken for part C6

We will implement our Complaints Management Policy to enable reporting of any potential issues, including those relating to human rights, in a confidential manner.

We will conduct a Human Rights risk assessment by using our matrix, established in 2024, in 2025.