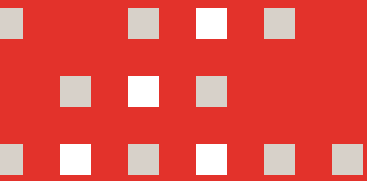




# LUXEMBOURG'S FINANCIAL CENTRE & ITS HUMAN RIGHTS POLICIES





# TABLE OF CONTENTS

<b>Acronyms</b> .....	05
<b>Executive Summary</b> .....	06
<b>01 Introduction</b> .....	09
<b>02 Methodology</b> .....	11
<b>03 Analysis</b> .....	13
<b>3 A Controlling Actors</b> .....	14
<b>3 B Controlling and Regulatory Actors</b> .....	16
<b>3 C Controlling and Representative/Lobby Actors</b> .....	18
<b>3 D Representative/Lobby Actors</b> .....	20
<b>3 E Other Actors</b> .....	27
<b>04 Case Studies</b> .....	29
<b>05 Conclusions</b> .....	35
<b>06 Recommendations</b> .....	41
<b>Sources</b> .....	43
<b>Notes</b> .....	47

This study was published by Action Solidarité Tiers Monde asbl (ASTM) in the context of its campaign: [#NoCorporateImpunity – Human Rights before Profit](#) ([www.nocorporateimpunity.org](http://www.nocorporateimpunity.org)).

The content is made available by ASTM under the terms of the Creative Commons Attribution 4.0 International Public License.

Authors: Antoniya Argirova, Nadine Haas

Action Solidarité Tiers Monde asbl - RCS F6030  
136-138, rue Adolphe Fischer | L-1521 Luxembourg  
[www.astm.lu](http://www.astm.lu)

Luxembourg, January 2022



# ACRONYMS

## **ABBL**

Association des Banques et Banquiers, Luxembourg / Luxembourg Bankers' Association

## **ACA**

Association des Compagnies d'Assurances et de Réassurances du Grand-Duché de Luxembourg / Luxembourg Insurance and Reinsurance Association

## **ADA**

Appui au Développement Autonome

## **AIF**

Alternative Investment Fund

## **ALCO**

Luxembourg Compliance Officer Association for the Financial Sector

## **ALFI**

Association of the Luxembourg Fund Industry

## **ALPP**

Association luxembourgeoise des professionnels du patrimoine

## **AML/CFT**

Anti-Money Laundering and Countering the Financing of Terrorism

## **BCEE**

Banque et Caisse d'Épargne de l'État – Spuerkeess

## **BCL**

Banque Centrale du Luxembourg

## **BIL**

Banque Internationale à Luxembourg

## **CAA**

Commissariat aux Assurances

## **CSR**

Corporate Social Responsibility

## **CSDD**

Conseil Supérieur du Développement Durable

## **CSSF**

Commission de Surveillance du Secteur Financier

## **EIB**

European Investment Bank

## **ESG**

Environmental, Social, and Governance

## **ESR**

Entreprise socialement responsable

## **FATF/GAFI**

Financial Action Task Force/Groupe d'Action Financière

## **FDC**

Fonds de compensation commun au régime général de pension (Luxembourg Pension Fund)

## **FEDIL**

Fédération des Industriels Luxembourgeois / Federation of Luxembourgish Industrials

## **GHRSR**

Global Human Rights Sanctions Regime

## **IMS**

Inspiring More Sustainability Luxembourg

## **INDR**

Institut National pour le Développement durable et la Responsabilité sociale des entreprises

## **InFiNe**

Inclusive Finance Network Luxembourg

## **IRE**

Institut des réviseurs d'entreprises

## **KYC**

Know Your Customer / Know Your Client

## **L3A**

Luxembourg Alternative Administrators Association (former LIMSA)

## **LFF**

Luxembourg for Finance

## **LGX**

Luxembourg Green Exchange

## **LIMSA**

Luxembourg International Management Services Association (now L3A)

## **L MDF**

Luxembourg Microfinance and Development Fund

## **LPEA**

Luxembourg Private Equity and Venture Capital Association

## **LSFI**

Luxembourg Sustainable Finance Initiative

## **LSFS**

Luxembourg Sustainable Finance Strategy

## **LuxFLAG**

Luxembourg Finance Labelling Agency

## **LuxSE**

Luxembourg Stock Exchange

## **NCP**

National Contact Point (OECD Guidelines for Multinational Enterprises)

## **OEC**

Ordre des experts-comptables

## **OHCHR**

United Nations High Commissioner for Human Rights

## **PE/VC**

Private Equity / Venture Capital

## **PROFIL**

Fédération des professionnels du secteur financier Luxembourg / Luxembourg Financial Industry Federation

## **PFS/PSF**

Professionals of the Financial Sector / Professionels du secteur financier

## **SDGs**

United Nations Sustainable Development Goals

## **SFDR**

Sustainable Finance Disclosure Regulation

## **SICAV-FIS**

Société d'investissement à capital variable-Fonds d'investissement spécialisé

## **UCI**

Undertakings for Collective Investment

## **UEL**

Union des Entreprises luxembourgeoises

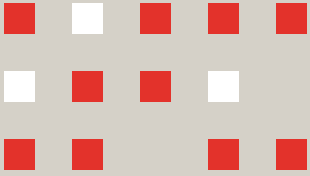
## **UNEP FI**

United Nations Environment Programme Finance Initiative

## **UNGP**

United Nations Guiding Principles on Business and Human Rights

Institutional names are used in their French original unless there is an official English name.



## EXECUTIVE SUMMARY

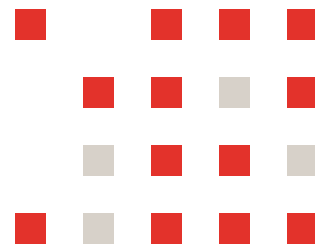
**The United Nations Guiding Principles on Business and Human Rights (UNGP) recognise the responsibility of companies – including those of the financial sector – to respect human rights. To what degree has the Luxembourg financial centre implemented the UNGP, 10 years after their endorsement? To answer this question, this study takes a look at the human rights policy commitments of institutional actors in the financial centre.**

By institutional actors we mean actors who represent, control, or regulate other private actors within the financial centre, and who thus participate in the setting of standards in Luxembourg through policy guidance and policy influence:

- The Central Bank of Luxembourg (BCL), the Luxembourg Stock Exchange (LuxSE), as well as the Order of Chartered Accountants (OEC) are controlling actors who have a supervisory function over other institutions of the financial sector. These three actors have adopted governance documents, but none of them mentions human rights.
- The Commissariat aux Assurances (CAA) and the Commission de Surveillance du Secteur Financier (CSSF), besides their controlling function, have a regulatory function in the sense that they prepare draft laws

and regulations. Neither of the two actors has published any recommendation with respect to human rights.

- Some actors, like the Barreau de Luxembourg, the Chambre des notaires, the Institut des réviseurs d'entreprises, as well as the Luxembourg Finance Labelling Agency (LuxFLAG), combine a supervisory function with representative and/or lobby functions. Of these actors, only the Barreau has adopted an internal regulation, but the document does not make any reference to human rights.
- The largest category analysed comprises actors that represent their members and/or lobby for their specific interests: Luxembourg Bankers' Association (ABBL), Luxembourg Insurance and Reinsurance Association (ACA), Luxembourg



Compliance Officer Association for the Financial Sector (ALCO), Association of the Luxembourg Fund Industry (ALFI), Luxembourg Association of Professional Wealth Managers (ALPP), Inspiring More Sustainability (IMS), National Institute for Sustainable Development and Corporate Social Responsibility (INDR), Luxembourg Alternative Administrators Association (L3A), Luxembourg for Finance (LFF), Luxembourg Private Equity and Venture Capital Association

(LPEA), and Luxembourg Sustainable Finance Initiative (LSFI). Out of these, seven actors have published a code of conduct or strategy document, but only in three cases are human rights even mentioned, and only in a recommendatory sense.

- The Luxembourg pension fund Fonds de compensation (FDC) and the Luxembourg Microfinance and Development Fund (LMDF) play a special role vis-à-vis other actors in the

sense that they set standards and act as examples for their sub-sector. While the FDC has not adopted any commitment with respect to human rights, the LMDF conducts human rights due diligence for its investments.

The study also presents four case studies that show the socio-economic interdependence between the Luxembourg financial sector and the Global South, and demonstrate that voluntary commitments are insufficient to prevent human rights impacts.

## MAIN FINDINGS

- The commitment to human rights of the institutional actors in the Luxembourg financial centre is insufficient. Only three of the actors analysed mention human rights in their governance documents, and even these focus on the voluntary nature of their statement and do not include a recommendation to conduct human rights due diligence.
- Despite the elaboration by the Luxembourg government of two national action plans for the implementation of the UNGP with the participation of institutional actors from the financial sector, these awareness-raising efforts are clearly insufficient as none of the actors analysed commits to the UNGP.

- There is an imbalance between representative/ lobby associations and those institutions that are supposed to control and regulate the sector. Also, in terms of staff strength, the regulatory institutions carry little weight compared with private companies and lobby associations. This structural weakness might have a negative impact on the enforcement of possible mandatory human rights due diligence legislation in the future.
- Within the financial centre, the public and private spheres are intermingled in many areas, especially when it comes to sustainable or inclusive finance. The state must take its responsibility and not leave the steering wheel to private actors and lobby groups. In taking the lead in these discussions, the state must include all stakeholders, including civil society organisations.
- The public discussion around the concept of sustainable finance needs to be recentred to make it more comprehensive and include the respect of human rights. Sustainable finance is understood by most actors in the Luxembourg financial centre to mean exclusively green or climate finance. The Luxembourg Sustainable Finance Initiative should include human rights in its strategy and raise awareness among stakeholders about the UNGP.

## RECOMMENDATIONS

### TO THE GOVERNMENT:

- Adopt mandatory human rights due diligence legislation that includes the financial sector, as soon as possible.
- Ensure that public institutions dealing with actors of the financial sector have the mandate, skills and resources to promote respect for human rights. In this context, the laws governing public institutions should oblige them to consider respect for human rights a fundamental aspect of their functioning and, in the case of controlling institutions, of their controlling criteria.
- Increase efforts to raise awareness about the UNGP in the financial sector and help financial actors to align their practices with the UNGP.
- In the context of the National Action Plan 2020-2022 on Business and Human Rights, which foresees the implementation of pilot projects on human rights due diligence in companies with majority state ownership, the government should support the Luxembourg Pension Fund on setting an example and incorporating human rights due diligence into its investment policy.
- Promote policy coherence regarding the human rights responsibilities of the financial

sector in the context of state institutions or initiatives tasked with promoting sustainable finance and sustainable development, such as the Luxembourg Sustainable Finance Initiative.

### TO ASSOCIATIONS OF THE FINANCIAL CENTRE:

- Establish requirements for members to implement the UNGP and hold accountable those members who do not integrate respect for human rights into their business decisions and activities.
- Build internal capacity around human rights and human rights due diligence and offer guidance for members on the investor responsibility to respect human rights, including for example practical case studies of investor due diligence across asset classes.
- As part of the efforts to implement the UNGP, consult with relevant stakeholders such as civil society organisations or trade unions.



# 01 INTRODUCTION

This study takes a look at the institutional actors<sup>1</sup> in Luxembourg's financial centre and their policies towards human rights within the framework of the United Nations Guiding Principles on Business and Human Rights (UNGP).<sup>2</sup>

The UNGP recognise:

- ▶ the obligation of states to respect, protect and fulfil human rights,
- ▶ the responsibility of business enterprises to comply with applicable laws and respect human rights, and
- ▶ the right of victims to access an effective remedy.

This responsibility to respect human rights also applies to the financial sector: article 14 of the UNGP specifies that the “responsibility of business enterprises to protect human rights applies to all enterprises regardless of their size, sector, operational context, ownership and structure”. As explained

by the Office of the High Commissioner for Human Rights in 2013, “the application of the Guiding Principles to all enterprises regardless of sector is understood to also comprise all enterprises in the financial sector, including institutional investors”.<sup>3</sup>

The National Action Plan of Luxembourg for the implementation of the UNGP identified the financial sector, among others, as having potential adverse impacts on human rights due to its general predominance in the Luxembourg economy and the international nature of its activities.<sup>4</sup>

The UNGP state that, as a first step and as a basis for embedding their responsibility to respect human rights, companies should adopt a corresponding policy commitment which is approved at the most senior level and communicated internally and externally.<sup>5</sup> On the basis of this commitment, business enterprises should conduct human rights due diligence, which includes “assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed”.<sup>6</sup>

For companies, the UNGP are ultimately a voluntary instrument. 10 years after the endorsement of the UNGP in 2011, the discussion about corporate human rights due diligence in Luxembourg is more topical than ever before. In the context of the discussion about the introduction



of binding due diligence legislation at the national level, the Luxembourg government commissioned a study<sup>7</sup> that concludes that the proposal to introduce a national law is both well founded and feasible.

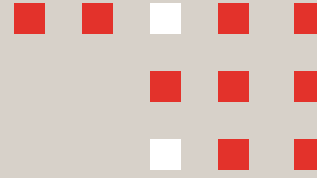
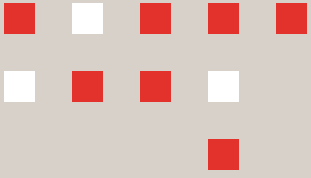
The National Action Plan of Luxembourg for the implementation of the UNGP identified the financial sector, among others, as having potential adverse impacts on human rights due to its general predominance in the Luxembourg economy and the international nature of its activities.

Instead of waiting for the EU to take further steps in this matter, “Luxembourg could determine its preferred legislative approach to human rights and environmental due diligence in accordance with international standards, congruent with both its economic reality and its human rights ambitions, and present it to proactively contribute to the developments at the EU level”.<sup>8</sup>

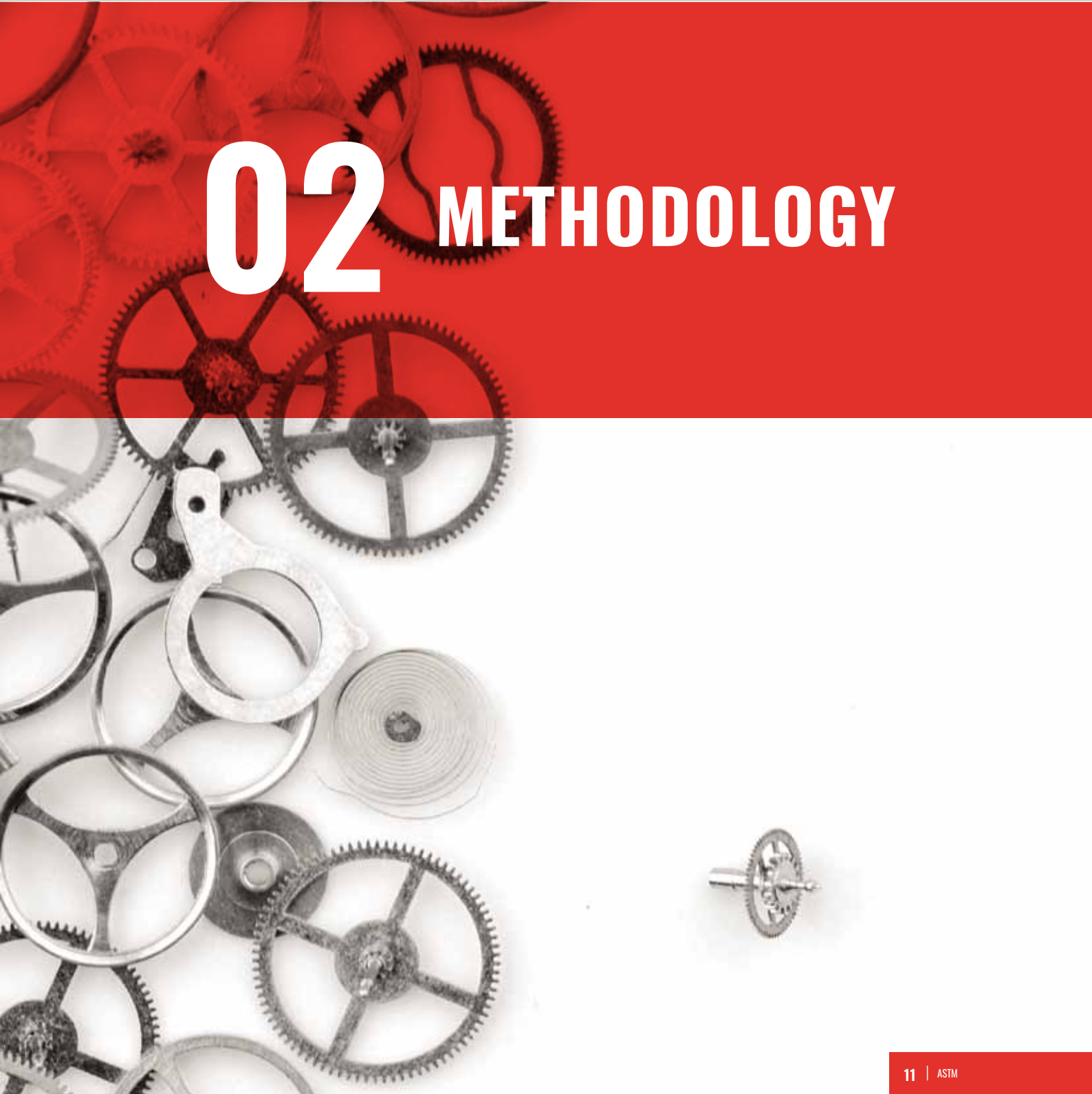
At the same time, the EU Taxonomy Regulation<sup>9</sup> and the EU Sustainable Finance Disclosure Regulation (SFDR)<sup>10</sup> have brought in new transparency and reporting requirements for financial market participants in the area of sustainability.<sup>11</sup> While the focus of the taxonomy lies on sustainability in the sense of climate and environmental aspects,<sup>12</sup> it also makes clear that sustainability is not possible without the respect of human rights: “Economic activities should only qualify as environmentally sustainable where they are carried out in alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights”.<sup>13</sup> In other words, the underlying norm of the (binding) taxonomy regulation is adherence to voluntary principles. The SFDR, for its part, requires certain financial market participants to publish their due diligence policies with regard to potential negative impacts on sustainability factors, which explicitly include the respect for human rights. The SFDR is a transparency measure that

focuses on disclosure, not the practice of human rights due diligence. In February 2021, the Luxembourg government presented the Luxembourg Sustainable Finance Strategy (LSFS). In this document, the definition of sustainability is based on that of the European Commission and includes human rights issues.<sup>14</sup> However, the human rights aspect remains undeveloped in the strategy and there is no reference to the above-mentioned second National Action Plan of Luxembourg for the implementation of the UNGP that had identified the financial sector as a risk sector for potential human rights violations. In the LSFS, as in the Luxembourgish public debate in general, sustainability is limited to the climate and environmental aspects and neglects human rights and other social aspects.

This study aims to provide a snapshot of the uptake of the Guiding Principles among standard setting-bodies in Luxembourg’s financial centre. Have the institutional actors of the financial centre integrated human rights commitments and recommendations in their policies and codes of conduct? What guidance do they provide regarding human rights policies? To what extent do they monitor human rights compliance? And are these measures sufficient to guarantee that the activities of the Luxembourg financial centre are not linked to or cause human rights violations, especially in the Global South?



# 02 METHODOLOGY



**This study both examines the human rights policy commitment of the public and private institutional actors who play a role in setting the standards in Luxembourg and looks at the guidance they provide to the actors they represent, control, or regulate.**



The analysis is based on the UN Guiding Principles Reporting Framework,<sup>15</sup> a guidance document with a set of concise questions<sup>16</sup> for companies to report on human right issues. In adapting that framework to the role of institutional actors, this analysis is guided by the following underlying questions:

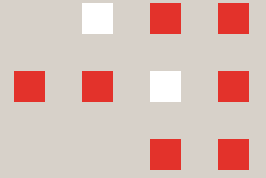
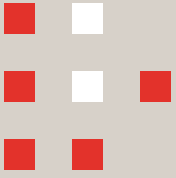
1. **a.** Is there any institutional corporate social responsibility (CSR) policy, code of conduct or other policy commitment?
  - b.** Does this document refer to human rights?
2. How was the commitment developed, at which governance level was it adopted?

3. Whose human rights does the commitment address, what specific rights are we talking about?<sup>17</sup>
4. How is the commitment communicated and where is it published? Are any further actions taken to disseminate the message among related stakeholders and/or the general public?

Based on these questions, this study takes a look at 22 actors of the financial centre, focusing mainly on those that participate in the setting of standards in Luxembourg through policy guidance, policy influence, control, and regulation. These actors cover the spectrum of the different sub-sectors of the financial centre: banking, investment funds, insurance, capital markets, as well as service providers like legal or audit companies.

As there is no general corporate governance code in Luxembourg, the study analyses the existing voluntary initiatives such as codes of conduct, corporate governance principles, as well as professional and membership organisation codes of conduct. The study is based on desktop research, publicly available documents and, in a few cases and where indicated, answers from some of the actors to information requests.<sup>18</sup>

As a development cooperation organisation, ASTM wants to show the socio-economic interdependence between Luxembourg and the Global South, particularly the impact caused by policies adopted in Luxembourg on people in the Global South. The second part of the study therefore presents case studies that provide examples of actors in Luxembourg's financial centre that are linked to human rights impacts affecting people in the Global South.



# 03 ANALYSIS



## 3A Controlling Actors

Controlling actors are defined as actors who have a supervisory function over other institutions in the financial sector. This applies to the Central Bank of Luxembourg (BCL), in charge of supervising Luxembourg-based banks with regard to market liquidity, the Luxembourg Stock Exchange (LuxSE), which monitors specific aspects of listed companies established under Luxembourg law, as well as the Order of Chartered Accountants (OEC), which is responsible for the supervision of chartered professional accountants.

All three institutions have adopted some type of governance document, whereby the BCL code of conduct is applicable only to its staff and not to supervised institutions. The documents adopted by the OEC and the LuxSE do not mention human rights, although the LuxSE documents recommend certain CSR aspects.

### BANQUE CENTRALE DU LUXEMBOURG (BCL)

The Luxembourg Central Bank (BCL) is a public institution, the monetary authority of Luxembourg and a member of the European System of Central Banks. While the state is its sole shareholder, the BCL is independent as per its organic law. The BCL has around 415 staff members and is governed by an executive board and a council whose members are appointed by the government and the Grand Duke. Its missions are related to monetary policy (interest rates), financial stability (supervision of market liquidity at national and institutional levels), the issuing of banknotes, oversight of payment systems, foreign exchange operations, as

well as research and economic analysis. The BCL as the “bank of banks” lends money to Luxembourg-based commercial banks and holds their deposits. The BCL has a code of conduct for its staff members that focuses on issues like professional secrecy, the prohibition to use privileged information, or conflicts of interests.<sup>19</sup> The document does not include any policy commitment or reference to human rights.

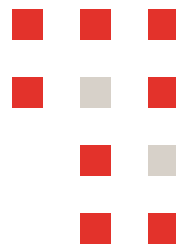
### LUXEMBOURG STOCK EXCHANGE (LuxSE)

The Luxembourg Stock Exchange, founded in 1928, lists over 37,000 securities. The 16-member board of directors is assisted by the executive committee and several business and operational units (total staff of 135 people).<sup>20</sup> The major shareholders of LuxSE are the Luxembourg banks Spuerkeess and BIL, the Luxembourgish State, as well as the insurance company Foyer and the Banque de Luxembourg (through their common holding Tradhold SA).

LuxSE has a corporate governance document entitled X Principles<sup>21</sup>

that contains a) principles (mandatory for all Luxembourg companies whose shares are traded by LuxSE, so-called target companies<sup>22</sup>), b) recommendations (on a “comply or explain” basis) and c) guidelines (indicative, not binding). The X Principles also require the establishment of a monitoring system that “must ensure close compliance with the X Principles”.<sup>23</sup> Since 2017, the X Principles include a chapter on corporate social responsibility: target companies must define and disclose their policy related to social, societal and environmental responsibility.<sup>24</sup> In addition to this binding principle, it is recommended that each target company integrates CSR aspects in its strategy, reports on the sustainability of its activities and considers the company’s non-financial risks, in particular “social and environmental risk”. The underlying concept of sustainability is not clearly defined, and there is no reference to human rights.

Since 2006, LuxSE monitors the application of the X Principles and publishes its findings. The newest report refers to the



year 2018, the first year that the new principle on companies' CSR policies was in force.<sup>25</sup> The report analysed 13 companies<sup>26</sup> under Luxembourg law whose shares are listed for trading on LuxSE and found that eight of them had complied by publishing a CSR policy, while only five had a CSR strategy.

Besides the X Principles, LuxSE has published a guiding document on ESG Reporting<sup>27</sup> that illustrates how asset managers or companies can collect data and report on ESG factors. Among others, the document refers to the UNGP Reporting Framework as one of the tools available for identifying ESG factors for reporting.

In 2016, LuxSE launched a platform for sustainable finance, the Luxembourg Green Exchange (LGX). LGX includes financial instruments such as green, social, or sustainable bonds or funds or

other instruments. Social bonds are defined as those “used exclusively to finance or refinance social projects”, for instance access to essential services or affordable housing. None of the different sustainability standards and labels<sup>28</sup> refer to human rights due diligence.

### **ORDRE DES EXPERTS-COMPTABLES (OEC)**

The Order of Chartered Accountants (OEC) is responsible for the supervision of and access to the profession of accountants. By law, the tasks of chartered accountants not only include bookkeeping and the financial and organisational analysis of companies, but also tasks such as domiciling companies, giving advice on tax matters or acting as auditors. OEC membership is compulsory for chartered accountants authorised to practice in Luxembourg. The OEC

is governed by a seven-member council, employs six people, and counts 1,192 individuals and 550 companies among its members.<sup>29</sup> A disciplinary council may sanction or suspend OEC members for violations of legal requirements or professional misconduct and negligence.<sup>30</sup>

Special provisions apply to accountants (just as for lawyers and notaries) when it comes to the fight against money laundering and the financing of terrorism. There are specific supervision and risk assessment procedures in place<sup>31</sup> and the due diligence to be carried out by accountants with regard to AML/CFT is set out in a specific document.<sup>32</sup> However, no specific policies or regulations have been defined by OEC with regard to human rights due diligence, either in the Internal Regulation<sup>33</sup> or in the Code of Ethics<sup>34</sup>.



LGX includes financial instruments such as green, social, or sustainable bonds or funds or other instruments. Social bonds are defined as those “used exclusively to finance or refinance social projects”, for instance access to essential services or affordable housing. None of the different sustainability standards and labels refer to human rights due diligence.

## 3B Controlling and Regulatory Actors

In addition to the supervisory function of controlling actors, the institutions in the following category also have a regulatory function. This is the case for the Commissariat aux Assurances (CAA) and the Commission de Surveillance du Secteur Financier (CSSF), two public institutions which prepare draft laws and regulations for their respective sub-sector. Neither the CAA nor the CSSF have published any recommendation with respect to human rights.



### COMMISSARIAT AUX ASSURANCES (CAA)

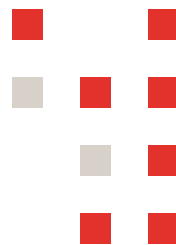
The Insurance Commission CAA, a public institution under the authority of the Ministry of Finance with a staff of 61 people,<sup>35</sup> is the supervisory authority of the insurance, reinsurance, and insurance intermediary sectors in Luxembourg.<sup>36</sup> The CAA's highest executive authority, the directorate, consists of a president and two members. The council of the CAA, composed of five members appointed by the government, sets the financial framework within which the CAA's activities are carried out and decides on the general policy pursued by the directorate.

The CAA's Consultative Committee on Prudential Regulation may be asked to give its opinion on any law or regulation related to the supervision of the sector. The CAA also prepares draft laws and regulations related to the insurance sector and participates in the High-Level Committee of the Financial Sector (a committee that brings together the Ministry of Finance and private actors from the financial sector).

The main mission of the CAA is to ensure the protection of policyholders and beneficiaries.

This includes the prudential supervision of the authorised actors in the sector. For this purpose, reports are regularly submitted to the CAA on the activities of the actors in the sector as well as their assets and liabilities. The CAA undertakes controls and may impose sanctions. The supervision includes monitoring of compliance with AML/CFT-related legal obligations. The CAA has not published any policy statement or commitment related to human rights.





## COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (CSSF)

The CSSF is a public institution with the main task of supervising actors and products of the Luxembourg financial sector. This includes banks, PFS, UCIs and alternative investment fund managers, payment and electronic money institutions, securitisation undertakings, pension funds, securities markets, information systems and professional auditors. The CSSF is governed by a board and an executive board (composed of one director general and four directors) and employs more than 900 people.<sup>37</sup>

By law, the missions of the CSSF include the prudential supervision of the financial sector in line with national and international laws and regulations, the follow-up at the European and international level on issues relating to the financial sector, as well as to present to the government suggestions to improve the legislative and regulatory environment of the sector.<sup>38</sup> The CSSF drafts regulations and guidelines, carries out on-site inspections, and may impose sanctions. According to its mission statement, the CSSF “applies a prudential approach in line with the international standards, in accordance with the principle of proportionality”.<sup>39</sup>

The CSSF website lists sustainable finance as one of its key concerns, and the CSSF states that it “will use all the means at

its disposal as the supervisory authority of the financial sector to contribute to the achievement of [the] objectives [of the SDGs and the Paris Agreement on Climate Change]”. This means above all “to make sure that supervised entities are preparing for new regulations notably resulting from the European Commission’s Action Plan: Financing Sustainable Growth”, but also to “integrate ESG factors into their strategy and their risk management”. Sustainable finance, as understood by the CSSF, focuses on climate and environmental issues; human rights are not included in their definition.<sup>40</sup>

In the area of AML/CFT, the CSSF is responsible for ensuring that all supervised entities comply with the corresponding national and international legislation. This includes international financial sanctions adopted by the EU and the UN.<sup>41</sup> Within the context of national legislation<sup>42</sup> and the EU’s Global Human Rights Sanctions Regime (GHRSR<sup>43</sup>), the CSSF is responsible for monitoring the implementation of such restrictive measures.

In 2016, a law on non-financial and diversity information introduced specific requirements for the disclosure of environmental and social problems, staff matters, and issues concerning human rights, anti-corruption and bribery matters.<sup>44</sup> In this context, the CSSF issued two reports that examine non-financial information published by certain issuers for the years 2017 and

In 2016, a law on non-financial and diversity information introduced specific requirements for the disclosure of environmental and social problems, staff matters, and issues concerning human rights, anti-corruption and bribery matters.

2018. While the second report observes a general improvement regarding compliance with this law, it also states that “boilerplate terminology has unfortunately still a large place in the statements, in particular when describing some of the policies applied on non-financial matters like human rights and anti-corruption and bribery”<sup>45</sup>. For this report, the CSSF had examined only 28 entities; no other report on this topic has been published since. The CSSF has not published any recommendation related to human rights.

## 3C Controlling and Representative / Lobby Actors

In addition to a supervisory function, the actors in the following category assume representative and/or lobby functions, including policy influence and guidance. This applies to the Barreau de Luxembourg, the Chambre de notaires, and the Institut des réviseurs d'entreprises, which respectively unite all Luxembourg based lawyers, notaries, and auditors, as well as the labelling agency LuxFLAG.

Out of these four actors, only the Barreau has adopted an internal regulation, but this document does not make any reference to human rights.

### BARREAU DE LUXEMBOURG

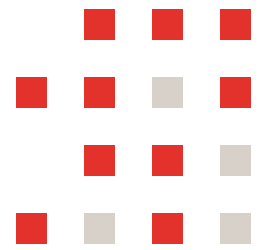
The Luxembourg Bar Association is the professional organisation that comprises all lawyers established in Luxembourg (around 3,000). It is governed by a President, a Council, and the General Assembly. Its missions include ensuring that the rules of the profession are respected by its members as well as supervising the exercise of the profession and the monopoly of legal representation.

Around 20 committees within the bar association deal with specific areas and give opinions to the Council; one of them is related to human rights (no public information available on its activities) and another one, the internal control committee, monitors lawyers' compliance with AML/CFT regulations.<sup>46</sup>

Luxembourg's second National Action Plan for the implementation of the UNGP<sup>47</sup> lists trainings for lawyers organised in collaboration with the bar association as one of the activities planned to raise awareness about the UNGP. There is no information available on the bar association's website on whether such an activity has been implemented.

In its Internal Regulation<sup>48</sup> as well as in different opinions on draft laws<sup>49</sup>, the bar association highlights values such as privacy and data protection and defends the professional secrecy of lawyers as "one of the essential





principles of a democratic state". No document or publication of the bar association refers to a human rights policy or human rights due diligence.

## CHAMBRE DES NOTAIRES

The Chamber of Notaries is composed of seven members elected from among the 36 notaries of the country. Among other things, the Chamber represents notaries in their professional interests and exercises disciplinary power through its disciplinary board. Notaries are public officers and by law are bound to observe independence and impartiality. The Chamber of Notaries does not reveal whether it employs any staff.<sup>50</sup>

The Chamber has the responsibility to ensure that notaries comply with their obligations in the area of AML/CFT legislation. In fact, notaries must carry out specific checks and controls on their clients, in particular on their identity and on the origin of the funds to be used for a given transaction. In the AML/CFT context, notaries must carry out a risk assessment, for which they may rely on the National Risk Assessment (Ministry of Justice) or the publications and recommendations of the Financial Action Task Force (FATF/GAFI).<sup>51</sup>

The Chamber of Notaries has not published any human rights related policy or recommendation.

## INSTITUT DES RÉVISEURS D'ENTREPRISES (IRE)

The Institute of Statutory Auditors IRE was established by law in 1984

and is a mandatory membership organisation for auditors and audit firms. It is governed by a seven-member council. The number of IRE employees is confidential.<sup>52</sup> In Luxembourg, audit firms employ over 9,100 people, including 580 auditors.<sup>53</sup> The IRE's responsibilities include defending the rights and interests of the profession, establishing professional standards and ensuring their compliance, ensuring compliance by its members with their professional obligations arising from AML/CFT legislation, and performing certain tasks entrusted to it by the CSSF. The IRE's disciplinary board may sanction members who violate legal requirements, refuse to provide requested information or for professional misconduct or negligence, while the CSSF conducts the public oversight of the audit profession.<sup>54</sup> The IRE has not published any human rights related statement or commitment.

## LUXEMBOURG FINANCE LABELLING AGENCY (LuxFLAG)

The labelling agency LuxFLAG is a non-profit association created in 2006 in the form of a public-private partnership.<sup>55</sup> The LuxFLAG secretariat is carried out by ALFI. The declared objective of LuxFLAG is to promote the financing of responsible and sustainable investment by granting labels to investment funds and other financial products. The association's statutes do not include a definition of these concepts nor a clear policy.

LuxFLAG claims to transparently and independently assess investment vehicles based on pre-defined criteria. The agency

attributes a cross-sectoral label (ESG) and thematic labels (in the fields of microfinance, environment, and climate finance) for investment funds, as well as a label for fixed income instruments (green bonds). The eligibility criteria for the latter state that in order to receive the label investments must exclude projects that violate human rights.<sup>56</sup>

As for the four fund labels, there are no specific human rights related criteria apart from the general alignment with EU SFDR requirements.<sup>57</sup> The Eligibility Committee members come from the public and private sectors; representatives from the private sector (including representatives of KPMG, PWC, Deloitte as well as independent directors) have a majority on all five committees.<sup>58</sup>

In a comparison of investment product labels, LuxFLAG has been described as serving the purpose of transparency rather than quality control.<sup>59</sup> A recent study described the LuxFLAG ESG label eligibility and exclusion criteria as being rather general and vague.<sup>60</sup> By December 2021, LuxFLAG had labelled 365 investment products, out of which 239 were domiciled in Luxembourg<sup>61</sup> (corresponding to 6.8% of all Luxembourg domiciled funds<sup>62</sup>). LuxFLAG has not published any policy commitment or statement related to human rights.

## 3D Representative/Lobby Actors

The following category comprises actors that represent their members and/or lobby for their specific interests, a role that involves policy influence and guidance.

This category includes seven associations such as the Luxembourg Bankers' Association (ABBL), the Luxembourg Insurance and Reinsurance Association (ACA), the Luxembourg Compliance Officer Association for the Financial Sector (ALCO), the Association of the Luxembourg Fund Industry (ALFI), the Luxembourg Association of Professional Wealth Managers (ALPP), the Luxembourg Alternative Administrators Association (L3A) and the Luxembourg Private Equity and Venture Capital Association (LPEA),

but also two business networks: Inspiring More Sustainability (IMS) and the National Institute for Sustainable Development and Corporate Social Responsibility (INDR), and two public-private partnerships: Luxembourg for Finance (LFF) and the Luxembourg Sustainable Finance Initiative (LSFI).

Out of these 11 actors, seven have published a code of conduct or strategy document, but only in three cases – ABBL, INDR and LSFI – are human rights even mentioned. However, none of those three documents develops the concept of human rights in any detail, and they remain either recommendatory (ABBL and INDR) or avoid a clear commitment (LSFI).

### ASSOCIATION DES BANQUES ET BANQUIERS, LUXEMBOURG (ABBL)

The Luxembourg Bankers' Association ABBL is the professional association of the financial sector. It has over 210 member organisations, including banks, but also consultants, lawyers, auditors, LuxSE, etc. In addition to representing the interests of the employers in the sector, the ABBL promotes the financial centre at national and international level, provides technical and strategic input for its members and publishes proposals

on legislation, taxation, and banking regulations. Within the ABBL there are subgroups, such as the Private Banking Group or the Retail Banking Cluster, as well as working groups, technical committees, and forums. With 40 employees, the ABBL is governed by a Board of Directors and a three-member Management Board. The current Board of Directors is chaired by representatives of the Banque Raiffeisen and Pictet & Cie and includes representatives from Luxembourg and international banks (e.g. Bank of China), LuxSE, as well as FinTech (e.g. PayPal) and accounting companies (e.g. KPMG).

In 2018, a working group was established to define a sustainable finance strategy, and in 2019 the ABBL endorsed the UNEP FI Principles for responsible banking. Still, only three Luxembourg banks (Spuerkeess, Raiffeisen, Banque Internationale à Luxembourg) have signed these Principles.<sup>63</sup>

The ABBL members' code of conduct,<sup>64</sup> adopted by the General Assembly, contains seven commitments. One of these commitments deals with "Responsible Banking" and states that ABBL members commit to "consider how to integrate



environmental, social and corporate governance (ESG) aspects in their policies” and “engage towards sound and responsible business practices (...) including human rights, into their credit and investment appraisal processes”.<sup>65</sup> ABBL members are expected to respect these commitments and can be suspended from the association if they are “falling significantly or repeatedly short of lawful, generally acceptable or expected professional or market conduct or where continued membership may pose a risk to the ABBL, its reputation or that of the Luxembourg financial centre.”<sup>66</sup>

There is no information available on whether ABBL has suspended members based on these grounds.

The ABBL CSR Policies<sup>67</sup> focus on issues such as governance of the association, employee wellbeing, equal opportunities, and waste management. The ABBL has been awarded the “Entreprise Socialement Responsable” label by the INDR. The ABBL Ethics Charter<sup>68</sup> highlights values such as responsible banking, commitment to society, respect for the individual and environmental friendliness. A recent CSR report<sup>69</sup> states that “financial

institutions, and therefore the ABBL as their professional association, have a significant role to play in terms of CSR. It is therefore important for the ABBL to set an example”. However, the above mentioned code of conduct does not go beyond the weak formulation of “engag(ing) towards (...) including human rights”, and the CSR report clearly states that, for the ABBL, human rights due diligence “remains a voluntary approach”.<sup>70</sup> None of the documents mentioned provides details on the ABBL’s underlying understanding of human rights. The Code of Conduct, as well as the Ethics

Charter and CSR report, are available on the ABBL website.

### **LUXEMBOURG INSURANCE AND REINSURANCE ASSOCIATION (ACA)**

The Luxembourg Insurance and Reinsurance Association was founded in 1956 to promote the sector and communicate with and inform its members. ACA has 141 members, including 86 insurers and reinsurers, and employs 14 people. The 18-member ACA Board comprises representatives from national and international sector companies. ACA represents the sector in dealings with the public authorities (e.g. in the High-Level Committee of the Financial Sector<sup>71</sup>), participates in LFF missions abroad, collects and publishes sector statistics and organises professional trainings.<sup>72</sup>

ACA is a signatory of the UNEP FI Principles for Sustainable Insurance and has been awarded the INDR ESR label.<sup>73</sup> In 2020, ACA adopted a Code of Governance and a Code of Ethics.<sup>74</sup> The first document recommends that companies define their social, societal and environmental policies and specify how they implement them. The second one recommends integrating social, environmental and ethical concerns into policies and practices. None of the two documents refers explicitly to the respect of human rights.

### **THE LUXEMBOURG ASSOCIATION OF COMPLIANCE OFFICERS FOR THE FINANCIAL SECTOR (ALCO)**

ALCO was created in 2000 and represents more than 800

members from 150 institutions. It aims to connect compliance officers<sup>75</sup> in Luxembourg through sectoral and thematic working groups as well as by organising meetings and events on compliance issues. ALCO is managed by a Board of Directors who represent banks as well as investment, legal and accounting companies.<sup>76</sup> The ALCO working groups and its publication “Le Bulletin”<sup>77</sup> focus on subjects such as anti-money laundering and countering the financing of terrorism (AML/CFT), FinTech, KYC and risk analysis. There is no human rights commitment or a reference to human rights due diligence in any publicly available ALCO document.

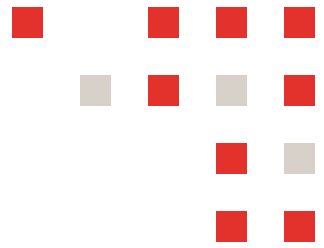
### **ASSOCIATION OF THE LUXEMBOURG FUND INDUSTRY (ALFI)**

ALFI is a lobby association of the Luxembourg fund industry that aims at influencing legislative and regulatory processes as well as fostering industry standards and promoting the Luxembourg financial centre abroad. ALFI is governed by a 24-member Board of Directors (including representatives of investment companies, banks, legal services and accounting companies<sup>78</sup>) and a five-member Executive Committee. A Strategic Advisory Board and a Regulation Advisory Board advise the Board of Directors on various issues. In addition, there are technical committees and sub-committees as well as working groups on specific issues and forums. ALFI is a member of the High-Level Committee of the Financial Sector.<sup>79</sup> The association currently employs around 35

people and represents 1,500 companies, including 930 funds and investment vehicles.<sup>80</sup> The ALFI Code of Conduct and complementary guidance documents set a framework of voluntary principles and recommendations, focusing on transparency, governance, and investor interests.<sup>81</sup> Since 2014, ALFI has been awarded the CSR label delivered by INDR, but ALFI’s initiatives in this area are limited to small-scale local actions like environmentally friendly waste management, support of philanthropic NGOs or encouraging the use of soft mobility for their staff. While ALFI claims to actively promote sustainable finance and responsible investing, it opposes legislative measures or mandatory ESG reporting because this would increase “the overall regulatory burden and complexity”<sup>82</sup> and “unduly restrict future financial products innovations”<sup>83</sup>. There is no reference to human rights in the ALFI code of conduct nor any other human rights commitment on the ALFI website.

### **ASSOCIATION LUXEMBOURGEOISE DES PROFESSIONNELS DU PATRIMOINE (ALPP)**

The Luxembourg Association of Professional Wealth Managers (ALPP) is an association with over 100 member companies whose activities cover investment advice, asset management and organisation, purchase and sale of securities, domiciliation and administration of companies, mutual funds, and life insurance. The purpose of ALPP is to represent its members and to protect their professional interests.



ALPP does not disclose any information on the association’s governance structure or number of staff members. The ALPP code of ethics focuses on client relations, especially the responsibility to protect client information and pursue the client’s economic interests.<sup>84</sup> There is no mention of human rights in the code.

### INSPIRING MORE SUSTAINABILITY (IMS)

IMS is a business network that aims to promote CSR as “a voluntary approach by companies

campaigns, trainings and conferences, sharing of recommendations and members’ practices.<sup>86</sup>

Since 2019, one of IMS’ areas of activities has been “Business & Human Rights”. For IMS, companies “need to constantly reconsider the respect of [human] rights since this assumes a legal conformity of the structure based in Luxembourg, but also that of the entirety of the value chain, which is too often neglected.”<sup>87</sup> Apart from this statement, which is quoted on its website, IMS has not published any human rights related policy statement

Corporate Social Responsibility (INDR) was founded in 2007 by the Union of Luxembourg Companies (UEL) with the mission of guiding companies in the adoption of CSR commitments so that they “contribute to a sustainable development and improve their competitiveness and image”.<sup>90</sup> The members of INDR are the same as those of the UEL, namely the professional chambers and sectoral employers’ federations in Luxembourg.<sup>91</sup> Representatives from these institutions also compose the INDR Board. INDR employs five people.<sup>92</sup>

While ALFI claims to actively promote sustainable finance and responsible investing, it opposes legislative measures or mandatory ESG reporting because this would increase “the overall regulatory burden and complexity” and “unduly restrict future financial products innovations”.

to integrate not only economic responsibility but also environmental and social responsibility”.<sup>85</sup> In 2020, IMS had some 170 members, most of them private companies, which represented 17% of the Luxembourg workforce. Its board of directors is composed mainly of actors from the financial sector and consulting companies. IMS employs 16 people, and its activities include the publication of a magazine and communication

or commitment. IMS projects in this area are limited to two trainings<sup>88</sup> and one conference contribution.<sup>89</sup>

### INSTITUT NATIONAL POUR LE DÉVELOPPEMENT DURABLE ET LA RESPONSABILITÉ SOCIALE DES ENTREPRISES (INDR)

The National Institute for Sustainable Development and

The INDR has developed the “ESR label” (Entreprise socialement responsable – socially responsible company).<sup>93</sup> The labelling process is based on a self-evaluation by the company and a subsequent one-time assessment by an external expert. The self-evaluation questionnaire covers 40 objectives related to governance, social responsibility, and the environment. One of these objectives is related to the respect of human rights through the entire value chain of the company. The methodology does not correspond to a proper due diligence process as companies have the possibility to opt out of certain topics and declare them as not applicable to their business.<sup>94</sup> INDR does not disclose how many of the 40 objectives need to be fulfilled to obtain the label. The label has so far been awarded to 200 companies.

When it comes to companies’ responsibility to protect human rights, INDR – like the UEL – strongly advocates for

voluntary commitments, or, if it must be a law, then one at EU level to guarantee a “level playing field” to all companies operating in the EU. In July 2021, INDR, together with the UEL and the Ministry of Foreign Affairs, launched the National Business and Human Rights Pact, a voluntary commitment based on the UNGP. INDR and UEL encourage companies to sign this Pact and underline “the opportunity that compliance with the UNGP can represent in terms of competitiveness and risk management, in particular reputational risk”.<sup>95</sup> While the Pact confirms a company’s commitment to the UNGP, it is still unclear how companies will report on their commitment and who will be responsible for the follow-up. Furthermore, the concept of human rights is not further developed in the Pact. While the text of the Pact is promoted on the INDR website, the number of signatories to the Pact is unknown.

### LUXEMBOURG ALTERNATIVE ADMINISTRATORS ASSOCIATION (L3A)

L3A is a lobby association that represents fund and corporate administrators of alternative assets in Luxembourg. According to L3A, the alternative investment fund (AIF) industry in Luxembourg employs more than 3,000 people. L3A was founded in 2004 by investment and consulting companies<sup>96</sup> and its four declared goals are “to lobby, to inform, to educate and to network”.<sup>97</sup> L3A is governed by a 10-member Board and is a member of the

High-Level Committee of the Financial Sector. The L3A Code of Conduct refers to the applicable legislation and other regulations and indicates that special attention should be paid to avoid money laundering.<sup>98</sup> It does not include any policy commitment or statement referring to human rights.

### LUXEMBOURG FOR FINANCE – AGENCY FOR THE DEVELOPMENT OF THE FINANCIAL CENTRE (LFF)

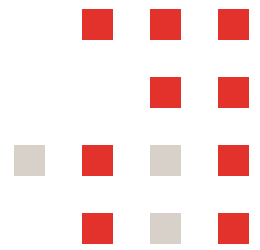
Luxembourg for Finance (LFF) was founded in 2008 as a public-private partnership between the government and the Federation of Financial Sector Professionals Luxembourg (PROFIL)<sup>99</sup> with the objective of developing and promoting the Luxembourg

financial centre. LFF is mainly directed towards international investors and journalists and provides information on the financial centre and its legal framework at national and EU level. LFF is governed by a Board (with members representing ABBL, ACA and ALFI, as well as the Ministry of Finance and the Chamber of Commerce) and employs 17 people.<sup>100</sup>

In its communications, LFF highlights the leading role of the Luxembourg financial centre when it comes to sustainable finance, defining it as a “financial service which integrates (...) ESG criteria into business operations or investment processes and decisions for the enduring benefit of both clients and society at large”.<sup>101</sup> Within the area of sustainable finance, LFF

In June 2020, LFF published a document describing its six ambitions for a “sustainable future” for the financial centre. While one of them aims at “Leading on Sustainable Finance”, the detailed ambition statement does not even mention human rights, but continues to focus on green and blended finance.





traditionally highlights green finance and inclusive finance<sup>102</sup> as well as initiatives such as LuxFLAG or the Luxembourg Green Exchange (LGX). Only recently has LFF started to look at human rights aspects: a study commissioned by LFF and published in 2020 documents the current status of human rights implementation in the finance industries of six European countries and issued recommendations on

how to advance human rights in corporate practice within the finance industry.<sup>103</sup> Among other things, the study finds that “governments should set clear legal standards by enacting mandatory human rights regulations – respect for human rights should not be left to voluntary initiatives alone”.<sup>104</sup> At the same time, however, human rights due diligence is not among LFF’s priorities for the near future. In June 2020, LFF

published a document<sup>105</sup> describing its six ambitions for a “sustainable future” for the financial centre. While one of them aims at “Leading on Sustainable Finance”, the detailed ambition statement does not even mention human rights, but continues to focus on green and blended finance.<sup>106</sup>



### LUXEMBOURG PRIVATE EQUITY AND VENTURE CAPITAL ASSOCIATION (LPEA)

LPEA is a lobby association with over 300 members, including investors and fund managers, service providers (legal, tax, accounting) as well as affiliated individuals.<sup>107</sup> Its Board of Directors includes 30 representatives of investing, legal and audit

Civil society associations have noted that the LSFS is mainly concerned with the quantity of sustainable financial initiatives in Luxembourg instead of looking at their quality.

companies as well as banks; LPEA employs five people.<sup>108</sup> LPEA provides a platform for private equity and venture capital (PE/VC)<sup>109</sup> practitioners and promotes PE/VC through events, publications, and the work of technical committees, which, for example, prepare legal or regulatory proposals related to investments or the tax framework. LPEA also operates thematic clubs or working groups, one of them dealing with ESG and the objective of developing a common approach on their subsector's role in this area.<sup>110</sup> LPEA has not disclosed any public statement or commitment on human rights.

### LUXEMBOURG SUSTAINABLE FINANCE INITIATIVE (LSFI)

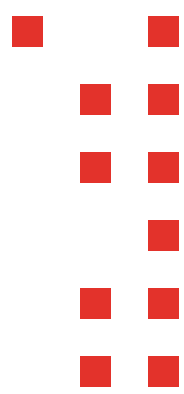
The Luxembourg Sustainable Finance Initiative was founded in 2020 as a public-private, not-for-profit association by the Luxembourg government, LFF, and the High Council for Sustainable Development.<sup>111</sup> Its mission is to define and implement a sustainable strategy for the Luxembourg financial centre. The LSFI's Board of Directors is co-chaired by the Ministry of Finance and the Ministry of Environment, Climate and Sustainable Development. LSFI has three employees.<sup>112</sup>

LSFI's understanding of sustainable finance, like that of the European Commission, is based on ESG criteria, in which the social criterion includes human rights. However, the LSFI does not further develop its

understanding of human rights. The LSFI's main document, the Luxembourg Sustainable Finance Strategy (LSFS),<sup>113</sup> describes existing initiatives related to sustainable finance and sets out an action plan for the LSFI. One of the objectives is to measure the progress of the financial sector towards more sustainability.

At this point, the LSFS refers to the technical environmental and social criteria being developed in the context of the EU Taxonomy and announces the creation of a working group to develop quantitative and qualitative key performance indicators (KPI) to measure and monitor the progress of the Luxembourg financial sector.

Civil society associations have noted that the LSFS is mainly concerned with the quantity of sustainable financial initiatives in Luxembourg instead of looking at their quality. "For the LSFS to deliver on its objectives, it needs to identify approaches and measures that lead to actual sustainable development in the real economy." Another argument criticises the fact that the LSFS barely mentions human rights, adding that "the consideration of human rights should be a cornerstone of the assessment of and education on sustainable finance as proposed in the LFSF".<sup>114</sup> While the LSFS is promoted as a strategic document and was publicly presented by the Ministers of Finance and of the Environment, it does not include a clear commitment with respect to human rights.



## 3E Other Actors

In this last category, we analyse financial centre actors that play a special role vis-à-vis other actors in the sense that they set standards and act as examples for their sub-sector. This is the case of the Luxembourg Pension Fund (FDC), a public institution and institutional investor, and the Luxembourg Microfinance and Development Fund (LMDF), a social investment fund created by the Ministries of Finance and of Foreign Affairs, among others. While the FDC has not adopted any commitment with respect to human rights, the LMDF conducts a sustainability risk analysis for its investments, which includes human rights due diligence.

### FONDS DE COMPENSATION COMMUN AU RÉGIME GÉNÉRAL DE PENSION (FDC)

The Luxembourg pension fund, FDC, is a public institution under the supervision of the Ministry of Social Security. The FDC manages the reserve of the general pension insurance scheme by investing this reserve on the financial markets, in particular through a collective investment scheme (SICAV-FIS) created in 2007. The Board of Directors of the FDC includes 12 delegates

representing the insured (employees), the employers and the government, each category representing one third of the delegates. An Investment Committee assists the Board of Directors in making investment decisions. This committee has the same tripartite composition as the board, but additionally includes three external experts who are also administrators within the FDC SICAV. The FDC does not employ its own staff but uses the administrative services of the National Pension Insurance Fund.



The FDC's investment strategy derives from its legal mandate and aims at ensuring the management of the pensions scheme reserve through a diversified portfolio subject to strict risk and return criteria. In 2020, the FDC published its first Sustainable Investor Report, in which it recognises its particular responsibility as a public actor and an institutional investor: "As an institutional asset manager, FDC is aware of its ecological, social and good governance responsibilities".<sup>116</sup> However, the report focuses on a climate analysis of the funds' investment portfolio and does not include human rights related aspects.

Since 2011, the FDC sets up a blacklist of companies that are excluded from investments after an evaluation based on international conventions ratified by Luxembourg (covering human rights, the environment, international labour standards, the fight against corruption, and controversial weapons).<sup>117</sup> However, this mechanism has proven to be insufficient to guarantee that the FDC does not invest in companies involved in human rights violations.<sup>118</sup>

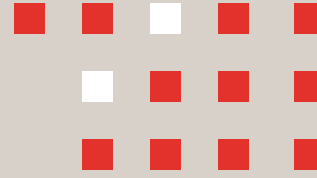
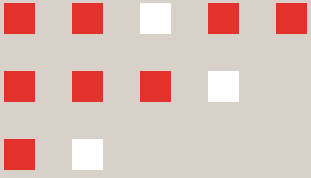
The FDC has a code of ethics for its staff and governing bodies that deals with issues like professional secrecy, the use of privileged information or conflicts of interests.<sup>119</sup> No statement or commitment related to human rights has been published by the FDC.

In March 2021, ASTM sent letters to the FDC and the Luxembourg Intergenerational Sovereign Fund (FSIL)<sup>115</sup> asking them to assume their responsibility to respect human rights by integrating human rights due diligence in their investment policies. Neither of the two institutions replied to this request.

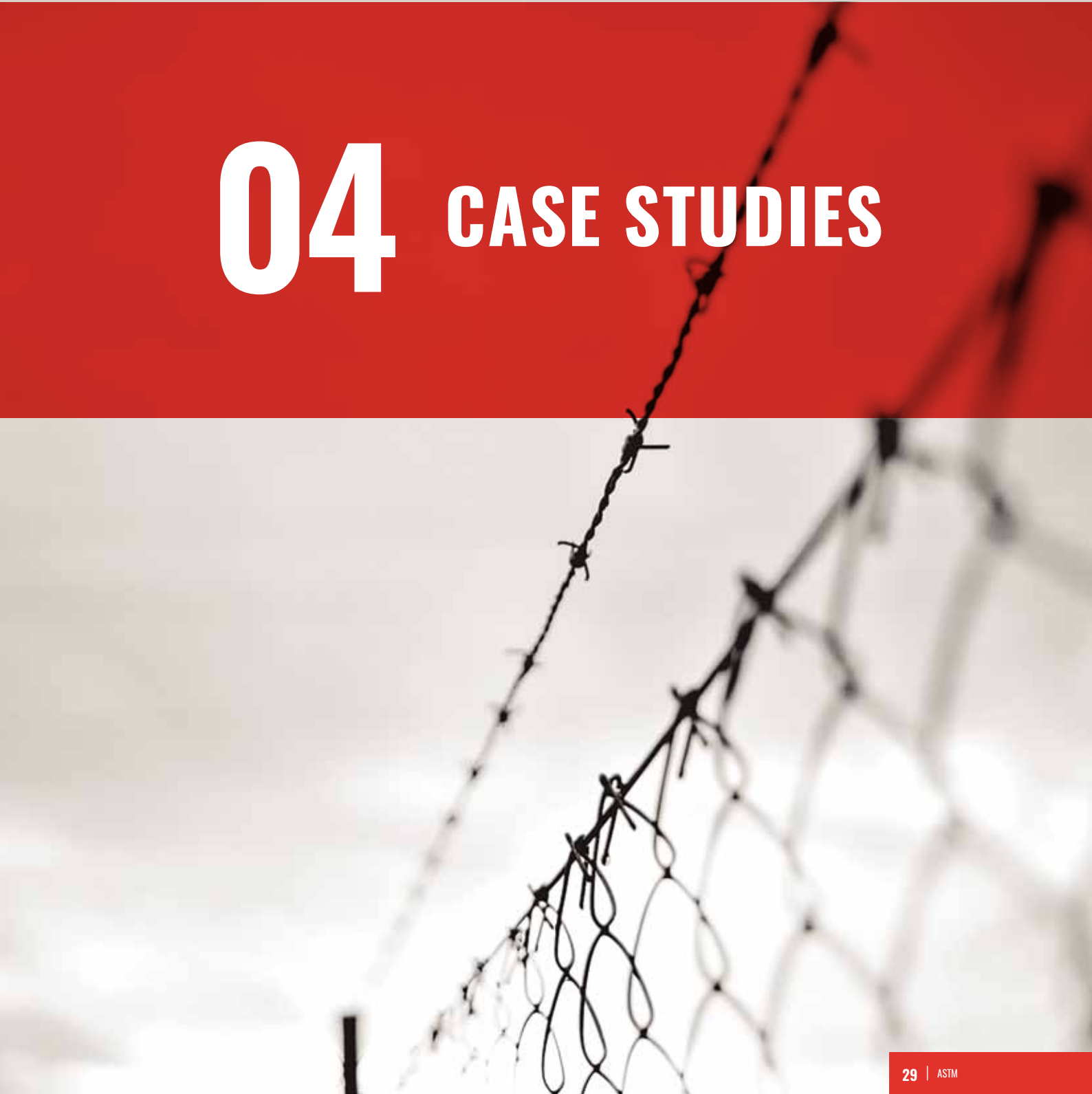
### **LUXEMBOURG MICROFINANCE AND DEVELOPMENT FUND (LMDF)**

LMDF is a social investment fund created in 2009 by state actors, civil society organisations, banks, and insurance companies.<sup>120</sup> The LMDF Board includes representatives of the State, banks, lawyer and accounting companies, as well as private investors and independent directors. LMDF employs six people.<sup>121</sup> The Fund invests in microfinance institutions in Asia, Africa, and Latin America that provide financial services (microcredit, deposits, money transfer and micro-insurance) to small entrepreneurs. LMDF partners with the NGO ADA which is responsible for investment proposals, oversight of microfinance institutions and due diligence.<sup>122</sup>

The LMDF website contains ESG Disclosures with details on monitoring and reporting procedures as well as an analysis of sustainability risks, including human rights violations. There is no explicit human rights commitment, but LMDF provides information on the due diligence process carried out.<sup>123</sup>



# 04 CASE STUDIES



## FUNDS INVEST IN COMPANY ACCUSED OF CYBER-SURVEILLANCE IN THE CONTEXT OF CRIMES AGAINST HUMANITY AGAINST THE TURKIC MUSLIM MINORITY IN CHINA

Luxembourg ranks second in the world behind the United States in terms of assets under management in investment funds. With a diversified offering and great expertise, the country has managed to attract a large number of international promoters. However, either as a victim of its rapid success, or by neglecting the responsibility that comes with this success, the government, through its regulator CSSF, has no overview of the respect of human rights in the investment policies of the thousands of funds domiciled in Luxembourg.

The Luxembourg mutual fund (FCP) BPSA FONDS LUX, managed by Gerifonds (Luxembourg) SA, and the Luxembourg mutual fund NEF, are examples of how the pursuit of profit takes precedence over the respect for human rights. In its 2020 annual report, the BPSA FONDS LUX includes, for the BPSA Bonds sub-fund, a position valued at 1,100,290 USD (0.92% of the fund portfolio) invested in the company Tencent Holdings Ltd, a Chinese technology giant.<sup>124</sup> As for the NEF fund, it holds assets worth 18,787,147.66 € in Tencent Holdings Ltd (5.73% of the NEF Emerging Market Equity fund's portfolio) according to its report of 30 June 2021.<sup>125</sup>

According to the Chinese Ministry of Commerce, in 2019, Luxembourg-domiciled funds represented 79.6% of European assets invested in China and 32.4% of global investment funds in China.<sup>126</sup>

The Chinese company Tencent has been accused of playing an important role in the implementation of cyber-

China, which the human rights organisation Human Rights Watch considers as a crime against humanity:

“As many as a million people have been arbitrarily detained in 300 to 400 facilities, which include “political education” camps, pretrial detention centers, and prisons. Courts have handed down harsh prison

The government, through its regulator CSSF, has no overview of the respect of human rights in the investment policies of the thousands of funds domiciled in Luxembourg.

surveillance and censorship by the Chinese government within China, but also internationally.<sup>127</sup> According to media articles and reports from civil society organisations, its instant messaging application WeChat has contributed to the cyber-surveillance of the Turkic Muslim minority in the province of Xinjiang in China, which also includes the Uyghur community.<sup>128</sup> This cyber-surveillance is used among others in the context of the large-scale repression of the Turkic Muslim community in

sentences without due process, sentencing Turkic Muslims to years in prison merely for sending an Islamic religious recording to a family member or downloading e-books in Uyghur. Detainees and prisoners are subjected to torture and other ill-treatment, cultural and political indoctrination, and forced labor. The oppression continues outside the detention facilities: the Chinese authorities impose on Turkic Muslims a pervasive system of mass surveillance, controls on



movement, arbitrary arrest and enforced disappearance, cultural and religious erasure, and family separation.”<sup>129</sup>

In May 2021, the European Union suspended the ratification of an investment pact with China over human rights abuses against Uyghurs in Xinjiang.

The organisation Ranking Digital Rights publishes the Corporate Accountability Index, which evaluates and ranks the 26 most powerful digital platforms and telecommunication companies in the world according to their disclosed policies and practices that affect people’s rights to freedom of expression and privacy. In the 2020 ranking, Tencent obtained a score of 22% and ranked 13th out of 14 digital platforms.<sup>130</sup> Tencent did not respond to the ranking.

77 investors representing over 5.9 trillion USD in assets under management responded to the Corporate Accountability Index by publishing a statement about

their deep concern with “the weak governance of digital rights risks and the lack of transparency and accountability in the information and communications technology sector, affecting people’s rights to privacy and freedom of expression, including a lack of users’ control over their own information and how it is used”.<sup>131</sup> The above-mentioned investment funds are not among the signatories.

---

### **COMPANY LISTED IN THE LUXX INDEX REFUSES TO FULFIL ITS CORPORATE RESPONSIBILITY TO REMEDY**

Aperam is a Luxembourg multinational company with a leading global position in the field of stainless, electrical and other specialty steels. The Luxembourg State is a 0.563% shareholder in Aperam.<sup>132</sup> Aperam shares have been listed in the LuxX index<sup>133</sup> since 2011. The company was created that year as a result of the spinoff

of ArcelorMittal’s stainless-steel division. Its immediate incorporation into the national index indicates the strength of the sector and its promise of future performance.

And indeed, since its creation, Aperam has seen its shares increase in value by over 500%.<sup>134</sup> The company’s management announced “record results” and “the best quarter in its history” at the end of the first quarter of 2021, reporting a 14% increase in its steel shipments compared to the previous quarter, and net profits rising to 116 million €.

With its six main factories in Belgium, France and Brazil, Aperam has a capacity of 2.5 million tons of flat stainless steel, produced mainly using low-cost coal-fired blast furnaces. But it is in Brazil, far from the eyes of its investors, that the price of Aperam’s performance had to be paid by the local people.

Between 1974 and 1978, Aperam Bioenergia<sup>135</sup> dumped illegal

deposits of aldrin next to the Serra stream, which supplies water to the Mandingueiro community in Itamarandiba, Minas Gerais. Aldrin is a lethal, extremely polluting pesticide banned in over 100 countries, including Brazil. The pesticide was used by the company in its eucalyptus plantation to extinguish termites and ants. The eucalyptus, which is not native to the region, is processed into charcoal and then used in blast furnaces to produce steel. Besides the effects on the environment, aldrin can cause a variety of health problems. Residents of the region reported symptoms of intoxication, such as headaches, skin irritation, fainting and convulsions, as well as an increase in cases of cancer.<sup>136</sup>

Since the 1970's, the aldrin deposits remained buried and forgotten. They were not removed until May 2019, after the Public Prosecutor's Office of Minas Gerais, at the request of the community, initiated an investigation. In November 2019, the Public Prosecutor's Office filed a public civil action against Aperam,<sup>137</sup> requesting that the company pays compensation to implement a recovery and rehabilitation plan for the contaminated area. On 8 February 2021, Aperam was ordered to pay the state 1.5 million R\$ (approximately 235,000 €) in compensation and to inform the community about the soil contamination and the need to consider restricting access to the area.<sup>138</sup>

To date, Aperam continues to reject this verdict and refuses to

pay compensation, maintaining that there has been no damage to the environment or the community, and that reparations are therefore not necessary. It also claims that paying the compensation would result in

thanks to the eucalyptus-based charcoal it produces in Brazil through FSC-certified forestry that Aperam maintained its best-in-class CO2 footprint among stainless steel producers.<sup>139</sup>

To date, Aperam continues to reject this verdict and refuses to pay compensation, maintaining that there has been no damage to the environment or the community, and that reparations are therefore not necessary.

losses and delays in the payment of workers' salaries. While the headquarters in Luxembourg are announcing record profits, in Brazil, according to expert reports, the consequences of the illegal aldrin landfill will continue to be felt by the local population even after the removal of the contaminated deposits.

Meanwhile, in its 2020 Sustainability Report, Aperam announced "several important achievements in the environmental field". According to the company, it is partly

### NATIONAL BANK INVESTS IN COMPANY ACCUSED OF SELLING MACHINERY USED BY ISRAEL TO DEMOLISH PALESTINIAN HOMES

BGL BNP Paribas is one of the largest banks of Luxembourg's financial centre. On its website, the French group BNP Paribas, the latest to acquire the historic Banque Générale à Luxembourg (BGL), points to its dominant position in the banking sector at national level.<sup>140</sup> Indeed, on 1 January 2021, the bank





employed 4,050 staff, making it the largest employer in the sector and the seventh largest employer in the country.<sup>141</sup>

On its website, BGL BNP Paribas dedicates a large section to its corporate social responsibility activities, explaining how it actively contributes to the SDGs by assuming its “economic responsibility” and its duty to “finance the economy ethically”.<sup>142</sup> The bank further stresses that, “as an economic actor in Luxembourg, it has a responsibility towards all its stakeholders: its customers, its employees, civil society, its economic partners and its shareholders”.

A closer look at the 2020 annual report shows that the bank is in a business relationship with entities of JCB, a controversial UK group. At the end of 2020, the bank held 25% of the shares of JCB Finance Holdings Ltd,<sup>143</sup> a joint operation between BNP Paribas Lease Group and JCB Financial Solutions UK, fully owned by JCB Service.<sup>144</sup> BGL BNP Paribas also holds shares of the branches of JCB Finance in Germany, Italy and France, indicating a clear business relationship as defined by the UNGP.<sup>145</sup>

JCB is a British manufacturer of construction, agricultural, waste handling and demolition equipment. In September 2018, Lawyers for Palestinian Human Rights (LPHR) called on JCB to ensure that its products were not involved in the imminent demolition of the Palestinian village of Khan al-Ahmar in

the West Bank planned by the Israeli government.<sup>146</sup> As there was no response by JCB, and after exhaustive evidence had been gathered on the use of JCB products “in a number of specific demolition and displacement incidents”, LPHR filed a complaint against JCB for involvement in human rights violations in the occupied Palestinian territory with the UK National Contact Point (NCP) for the OECD Guidelines in December 2019.<sup>147</sup>

In February 2020, JCB was listed on the UN database of all companies involved in activities related to Israeli settlements in light of its involvement in “the supply of equipment and materials facilitating the construction and the expansion of settlements and the wall, and associated infrastructures”.<sup>148</sup> The international community considers settlements built on land occupied by Israel to be in violation of international law.<sup>149</sup>

In its conclusions published on 12 November 2021, the UK NCP declared that JCB “did not take any steps to conduct human rights due diligence of any kind despite being aware of alleged adverse human rights impacts and that its products are potentially contributing to those impacts”.<sup>150</sup> The UK NCP recommended JCB to “write a statement of policy which expressly states its commitment to respect human rights” and to “carry out human rights due diligence to assess actual and potential human rights impacts”.

Amnesty International UK published a report in November

2021 entitled “JCB Off Track” which concluded that “JCB’s failure to conduct proper human rights due diligence on the end use of its products represents a failure to respect human rights. This is something the company must do at all times in line with international human rights standards for business, regardless of business opportunity or expediency”.<sup>151</sup>

The UNGP apply to all business enterprises, including commercial banks and other entities in the financial sector, regardless of “size, sector, operational context, ownership and structure”.<sup>152</sup> To meet their responsibility to respect human rights, banks such as BGL BNP Paribas should conduct due diligence. Such a due diligence process “should cover any impacts a bank may cause, those that it may contribute to through its own activities and impacts that may be directly linked to its operations, products or services through its clients or customers (i.e. its ‘business relationships’).” This means that a bank’s own activities include actions and decisions (including omissions) involving third parties, such as providing financial products and services to companies like JCB.

---

## LUXEMBOURG PENSION FUND INVESTS IN MINING COMPANY INVOLVED IN VIOLATIONS AGAINST HUMAN RIGHTS DEFENDERS

“Our products help build a better, clearer future” – states BHP, a multinational mining,

metals and petroleum company headquartered in Australia, on its website. However, according to non-government organisations, communities living near BHP mines in Latin America have for many years faced environmental issues and human rights abuses linked to the company's activities.<sup>153</sup>

For example, the 2015 collapse of a dam in Brazil owned by Samarco (a joint venture between BHP and Vale SA) released more than 33 million cubic meters of mine tailings into the environment, taking the lives of 19 people and travelling 650 kilometres before reaching the Atlantic coast 17 days later.<sup>154</sup>

The Luxembourg Pension Fund's 2020 annual report<sup>155</sup> shows that the FDC systematically invests in BHP within different portfolios (see graphic below). BHP is also the major shareholder (13.57%) of SolGold,<sup>156</sup> a company focusing on the development of copper-gold deposits in Ecuador. The company is listed on the London and Toronto stock exchanges.

According to its corporate report released in April 2021, SolGold is the largest concession holder in Ecuador, holding 75 concessions throughout the country. One of the projects in which SolGold is involved together with BHP and other transnational companies is the Warintza Mining Project, situated on the territory of the indigenous Shuar Arutam People in the province of Morona Santiago in Ecuador.<sup>157</sup>

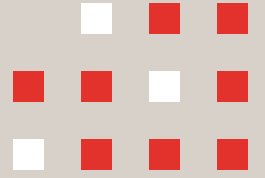
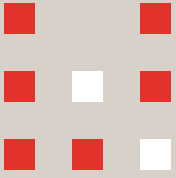
According to the organisations united in the Alianza por los Derechos Humanos Ecuador, including the ASTM partner organisation Acción Ecológica, concessions covering 60% of the territory of the Shuar Arutam People have been granted to transnational mining companies without respecting their right to free, prior and informed consent and in a context of systematic human rights violations.<sup>158</sup> The government of Ecuador has attempted to impose extractive activities in the territory of the Shuar Arutam People by means of various institutions and officials.

This has led to an escalation of the conflict as the community refuses the mining projects. In a public complaint published in September 2021, the Alliance warned that there are significant risks to "the physical and psychological integrity of members of the community who are being intimidated, persecuted, harassed and even targeted with death threats".<sup>159</sup>

On 29 January 2021, in the face of all the violations of their rights, the Governing Council of the Shuar Arutam People, together with Public Services International, filed a complaint with the ILO against the government of Ecuador for breaching the ILO Convention 169 by violating their collective rights and not consulting them on projects being carried out on their territory.<sup>160</sup>

In June 2021, the Alliance published the report "Rights Defenders under Threat in Ecuador, which shows that the company SolGold is involved in at least two cases of violations against human rights defenders in Ecuador."<sup>161</sup>

SICAV	Investee	Amount of shares/bonds
FDC Sicav Actions Monde – Actif 2	BHP Group Limited	1,146,066 AUD
FDC Sicav Actions Monde – Indexé	BHP Group Limited	4,216,434 AUD
FDC Sicav Actions Monde – Indexé	BHP Group plc	2,664,735 GBP
FDC Sicav Actions Monde Indexé 2	BHP Group Limited	4,008,997 AUD
FDC Sicav Actions Monde – Indexé 2	BHP Group plc	2,343,112 GBP
FDC Sicav Obligations Monde – Indexé	Billiton Finance USA Limited 5.000% - 30/Sep/43	480,228 USD (Bonds)



# 05 CONCLUSIONS

The commitment to human rights in the institutional policies of the Luxembourg financial centre's institutional actors is insufficient. While over half of the institutions analysed do have a corporate governance document or policy statement, only three of the actors even mention human rights (ABBL, INDR and LSFI).

However, they focus on the voluntary nature of their statement and do not include a recommendation to conduct human rights due diligence, nor do they provide a clear understanding of whose human rights they are referring to. In all three cases, the documents are available on the institutions' website.

#### Institutional actors in the Luxembourg financial centre and their human rights policies

	Q1a	Q1b	Q2	Q3	Q4
<b>ABBL</b>	yes (member code of conduct)	yes (voluntary approach)	adopted by an ordinary general meeting	not specified	published on website
<b>ACA</b>	yes (member governance & ethics codes, recommendatory level)	no	adopted by a general meeting	-	-
<b>ALCO</b>	no	-	-	-	-
<b>ALFI</b>	yes (voluntary code of conduct for investment funds)	no	-	-	-
<b>ALPP</b>	yes (member code of ethics)	no	-	-	-
<b>BCL</b>	yes (staff code of conduct)	no	-	-	-
<b>Barreau</b>	yes (internal regulation)	no	-	-	-
<b>CAA</b>	no	-	-	-	-
<b>Ch. des not.</b>	no	-	-	-	-
<b>CSSF</b>	no	-	-	-	-
<b>FDC</b>	yes (staff code of ethics)	no	-	-	-

## QUESTIONS

1. a. Is there any institutional corporate social responsibility (CSR) policy, code of conduct or other policy commitment?  
b. Does this document refer to human rights?
2. How was the commitment developed, at which governance level was it adopted?
3. Whose human rights does the commitment address, what specific rights are we talking about?<sup>17</sup>
4. How is the commitment communicated and where is it published?  
Are any further actions taken to disseminate the message among related stakeholders and/or the general public?



	Q1a	Q1b	Q2	Q3	Q4
<b>IMS</b>	no	-	-	-	-
<b>INDR</b>	yes (business & HR pact)	yes (voluntary approach)	signatories to date unknown	not specified	published on website
<b>IRE</b>	no	-	-	-	-
<b>L3A</b>	yes (member code of conduct)	no	-	-	-
<b>LFF</b>	no	-	-	-	-
<b>LMDF</b>	no (but ESG disclosures incl. HR due diligence)	-	-	-	-
<b>LPEA</b>	no	-	-	-	-
<b>LSFI</b>	yes (strategy paper LSFS)	yes, but no details and no commitment	adopted at government level	not specified	published on website and presented by ministers
<b>LuxFLAG</b>	no	-	-	-	-
<b>LuxSE</b>	yes (X Principles)	no	collective process incl. stakeholders	not specified	published on website
<b>OEC</b>	yes (code of ethics, internal regulation)	no	-	-	-

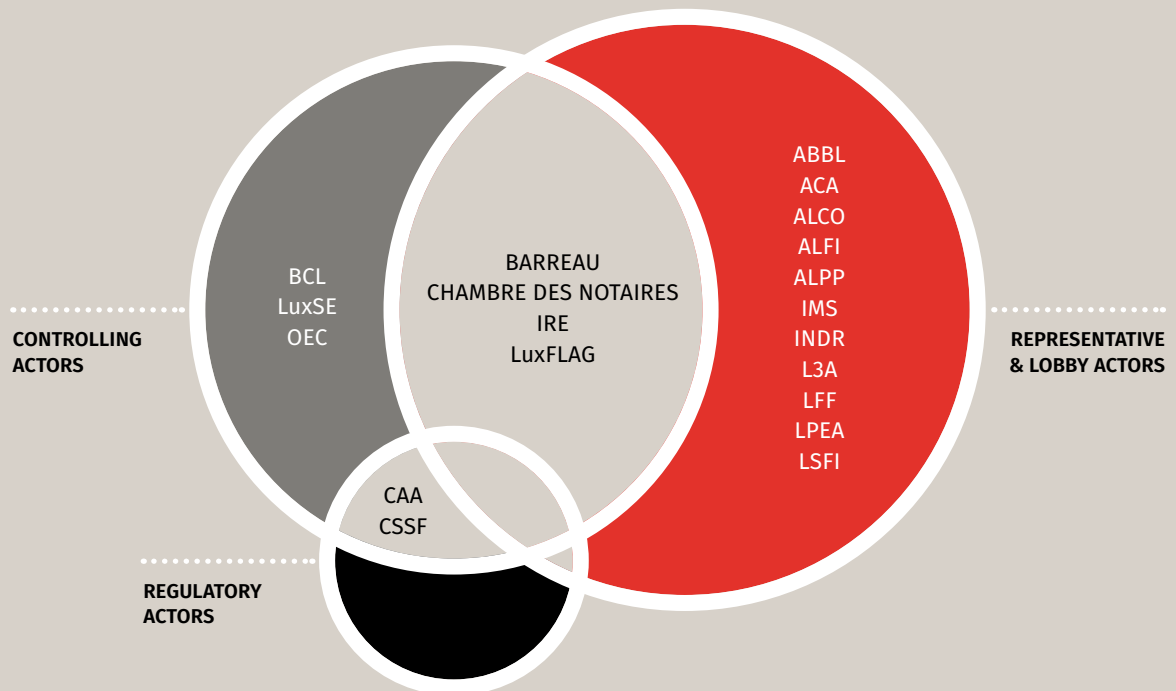
- Despite the adoption by the Luxembourg government of two national action plans for the implementation of the UNGP, these awareness-raising efforts are insufficient, as none of the actors analysed commits to the UNGP in their corporate documents or on their websites.
- The Luxembourg Sustainable Finance Initiative should include human rights in its strategy and raise awareness about the UNGP among stakeholders.

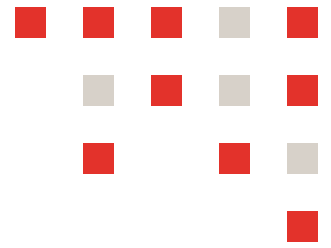
The LSFI has to make it clear that the respect of human rights is an essential part of sustainable finance.

- The study shows that, while the popular INDR ESR label has been awarded to 200 companies including five of the analysed institutions, it is insufficient when it comes to human rights, as the labelled institutions can simply declare that human rights are not an applicable category for their business.

- The mapping of institutional actors' policies shows that there is an imbalance between representative and lobby associations in the financial sector on the one hand, and those institutions who are supposed to control and regulate the sector on the other. Among the institutions analysed, the representative and lobby associations outnumber the controlling and regulating institutions by 15 to 9 (see graphic below).

### Institutional actors in the financial centre and their main roles





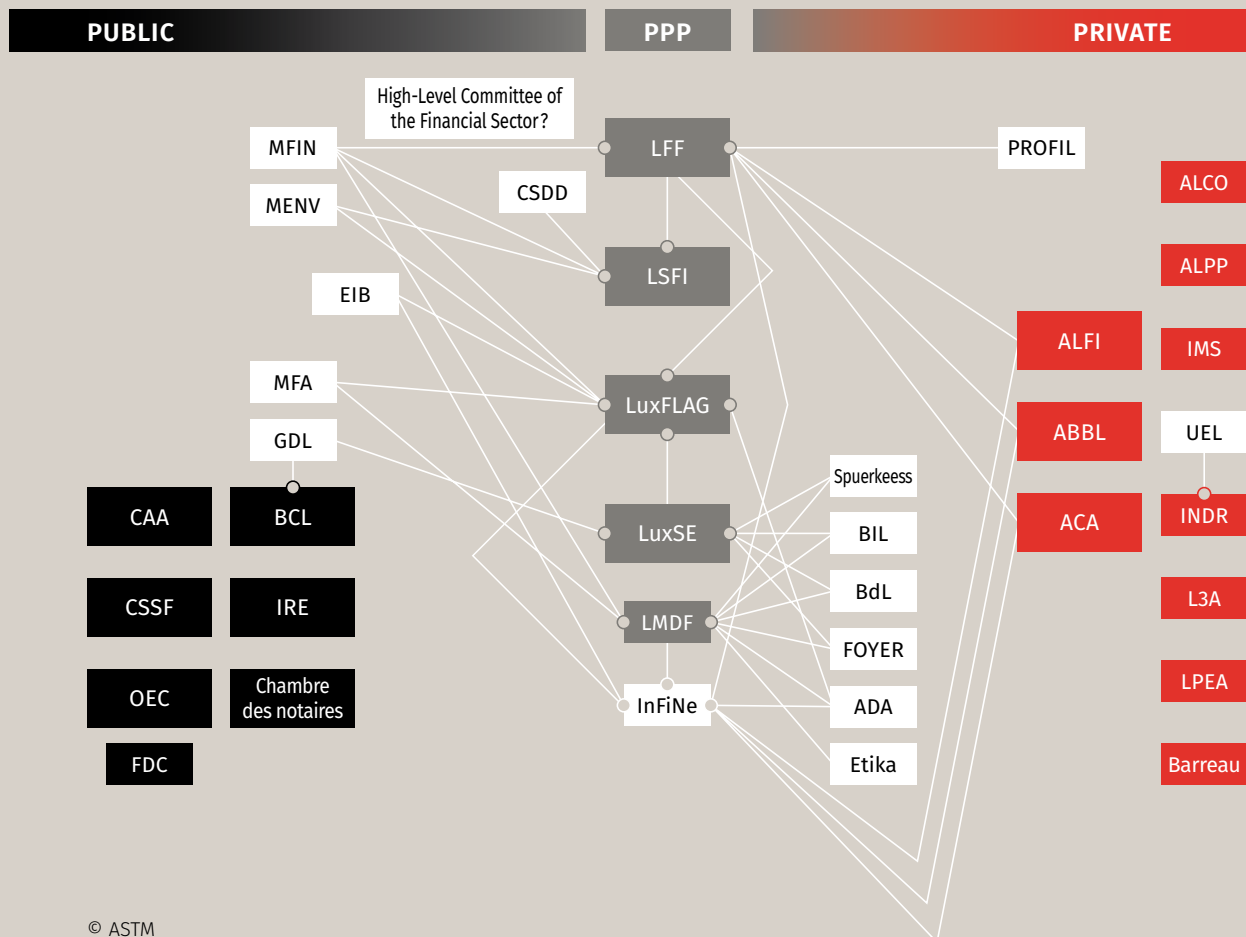
Not only in terms of the number of institutions, but also in terms of staff strength, the regulatory institutions carry little weight compared with the private companies and lobby associations in the financial sector. The controlling institutions BCL, CAA, CSSF, OEC and LuxSE employ around 1.500 people, while the entire workforce of the financial centre is estimated at over 50,000.<sup>162</sup> This structural weakness might have a negative impact on the enforcement of

possible mandatory human rights due diligence legislation in the future. The human and financial resources of these institutions must therefore be increased in order to be able to fulfil their tasks.

■ When it comes to the governance of the institutions analysed in this study, it becomes clear that the big legal and accounting companies – KPMG, EY, PWC and Deloitte – are represented as members or even board members of the majority of the private associations and

PPP.<sup>163</sup> In addition, the public and private spheres are intermingled in many institutions or associations, especially when it comes to sustainable or inclusive finance (see graphic below). The state must take its responsibility here and not leave the steering wheel to private actors and lobby associations. In taking the lead in these discussions, the state must include all stakeholders, including civil society organisations.

### Financial centre actors placed on the spectrum ranging from state to private actors, and the main links between them

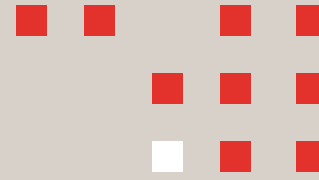
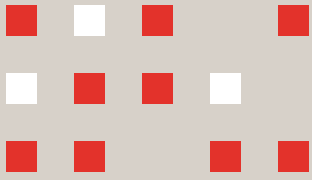


Sustainable finance is understood by most actors in the Luxembourg financial centre to mean exclusively green or climate finance.

- There is a need to refocus the public discussion around the overused and at the same time vague concept of sustainable finance, in order to make it more comprehensive and include the respect of human rights. Sustainable finance is understood by most actors in the Luxembourg financial centre, including public actors such as CSSF or FDC, to mean exclusively green or climate finance. If social aspects are

considered at all, they do not mean human rights, but rather refer to specific areas like philanthropy, inclusive finance, or projects that work towards access to essential services. Even the recently launched image campaign by Luxembourg for Finance, while repeating that “the Luxembourg financial centre has been a pioneer in the field of sustainable financing for many years”, completely ignores human rights.<sup>164</sup>





# 06 RECOMMENDATIONS



## RECOMMENDATIONS TO THE GOVERNMENT

- Adopt mandatory human rights due diligence legislation that includes the financial sector, as soon as possible.
- Ensure that public institutions dealing with actors of the financial sector have the mandate, skills and resources to promote respect for human rights. In this context, the laws governing public institutions should oblige them to consider respect for human rights a fundamental aspect of their functioning and, in the case of controlling institutions, of their controlling criteria.
- Increase efforts to raise awareness about the UNGP in the financial sector and help financial actors to align their practices with the UNGP.
- In the context of the National Action Plan 2020-2022 on Business and Human Rights, which foresees the implementation of pilot projects on human rights due diligence in companies with majority state ownership, the government should support the Luxembourg Pension Fund on setting an example and incorporating human rights due diligence into its investment policy.
- Promote policy coherence regarding the human rights



responsibilities of the financial sector in the context of state institutions or initiatives tasked with promoting sustainable finance and sustainable development, such as the Luxembourg Sustainable Finance Initiative.

## RECOMMENDATIONS TO ASSOCIATIONS OF THE FINANCIAL SECTOR

- Establish requirements for members to implement the UNGP and hold accountable those members who do not integrate respect for human

rights into their business decisions and activities.

- Build internal capacity around human rights and human rights due diligence and offer guidance for members on the investor responsibility to respect human rights, including for example practical case studies of investor due diligence across asset classes.
- As part of the efforts to implement the UNGP, consult with relevant stakeholders such as civil society organisations or trade unions.

# SOURCES

## **ABBL (2019)**

Code of Conduct, as adopted by the Ordinary General Meeting on 29 April 2019 (<https://www.abbl.lu/content/uploads/2017/06/Code-of-Conduct.pdf>)

## **ABBL (2021)**

Corporate Social Responsibility 2019-2020 ([www.abbl.lu/content/uploads/2021/04/ABBL-CSR-Report-2021-2.pdf](http://www.abbl.lu/content/uploads/2021/04/ABBL-CSR-Report-2021-2.pdf))

## **ACA (2021)**

Annual report 2020 (<https://indd.adobe.com/view/4bfa956d-969d-4e30-80ce-b608ef84c9c8>)

## **ACA (2020)**

Code of Professional Ethics of Insurance and Reinsurance Undertakings ([www.aca.lu/media/5f71e39bdd78e\\_aca\\_code\\_of\\_prof\\_ethics\\_2020.pdf](http://www.aca.lu/media/5f71e39bdd78e_aca_code_of_prof_ethics_2020.pdf))

## **ACA (2020)**

Governance Code of Insurance and Reinsurance Undertakings ([www.aca.lu/media/5f71e39ba37bb\\_aca\\_code\\_of\\_governance2020.pdf](http://www.aca.lu/media/5f71e39ba37bb_aca_code_of_governance2020.pdf))

## **Action Solidarité Tiers Monde (2020)**

Risques d'impacts des activités des entreprises sur les populations dans les pays du Sud. Études de cas du Luxembourg, p. 14 ([https://nocorporateimpunity.org/wp-content/uploads/2020/10/Rapport-ASTM\\_webFINALE.pdf](https://nocorporateimpunity.org/wp-content/uploads/2020/10/Rapport-ASTM_webFINALE.pdf))

## **Alecci, Scilla / International Consortium of Investigative Journalists (24.11.2019)**

How China Targets Uighurs 'One by One' for Using a Mobile App (<https://www.icij.org/investigations/china-cables/how-china-targets-uighurs-one-by-one-for-using-a-mobile-app/>)

## **ALFI (2021)**

Annual Report 2020-2021. A year in transition ([www.alfi.lu/getattachment/9dc74e78-0fa3-48c8-9ea1-9c57a7ea6ad2/app\\_data-import-alfi-alfi-annual-report-2020-2021.pdf](http://www.alfi.lu/getattachment/9dc74e78-0fa3-48c8-9ea1-9c57a7ea6ad2/app_data-import-alfi-alfi-annual-report-2020-2021.pdf))

## **ALFI (2013)**

Code of Conduct for Luxembourg Investment Funds ([www.alfi.lu/getattachment/e70bb682-4a0d-4fb5-9656-f8d921457054/app\\_data-import-alfi-alfi-code-of-conduct.pdf](http://www.alfi.lu/getattachment/e70bb682-4a0d-4fb5-9656-f8d921457054/app_data-import-alfi-alfi-code-of-conduct.pdf))

## **ALFI (2020)**

Response form for the Joint Consultation Paper concerning ESG disclosures ([www.alfi.lu/Alfi/media/Statements/2020/ALFI-answer-to-ESA-consultation-on-ESG-Disclosures-1-September-2020.pdf](http://www.alfi.lu/Alfi/media/Statements/2020/ALFI-answer-to-ESA-consultation-on-ESG-Disclosures-1-September-2020.pdf))

## **Alianza por los Derechos Humanos (15.06.2021)**

Rights Defenders Under Threat in Ecuador: How Government Protection is Insufficient and Favors Industry Interests (<https://ddhhecuador.org/2021/06/15/documento/rights-defenders-under-threat-ecuador-how-government-protection-insufficient>)

## **Alianza por los Derechos Humanos (09.09.2021)**

Public Complaint: We demand that Shuar Arutam People's decisions, in the exercise of their right to self-determination, are respected, and we denounce that the beginning of infrastructure works are facilitating the entrance of mining projects in Maiki (<https://ddhhecuador.org/2021/09/09/documento/public-complaint-we-demand-shuar-arutam-peoples-decisions-exercise-their-right>)

## **ALPP (undated)**

Code de déontologie ([www.alpp.lu/uploads/Qui\\_Sommes\\_Nous/doc/3\\_1\\_Code%20de%20d%C3%A9ontologie.pdf](http://www.alpp.lu/uploads/Qui_Sommes_Nous/doc/3_1_Code%20de%20d%C3%A9ontologie.pdf))

## **Amnesty International (2021)**

JCB off Track. Evading responsibility for human rights violations committed with JCB machines in the Occupied Palestinian Territories ([www.amnesty.org/en/wp-content/uploads/2021/11/MDE1549852021ENGLISH.pdf](http://www.amnesty.org/en/wp-content/uploads/2021/11/MDE1549852021ENGLISH.pdf))

## **Aperam (2020)**

Sustainability Report ([www.aperam.com/sites/default/files/documents/2020\\_AperamMadeforLifeReport\\_Main.pdf](http://www.aperam.com/sites/default/files/documents/2020_AperamMadeforLifeReport_Main.pdf))

## **Bağlayan, Başak (2021)**

A Study on Potential Human Rights Due Diligence Legislation in Luxembourg ([https://ccdh.public.lu/content/dam/ccdh/dossiers\\_th%C3%A9matiques/entreprises\\_et\\_droits\\_de\\_l'homme/etudes/A-study-on-potential-human-rights-due-diligence-legislation-in-Luxembourg.pdf](https://ccdh.public.lu/content/dam/ccdh/dossiers_th%C3%A9matiques/entreprises_et_droits_de_l'homme/etudes/A-study-on-potential-human-rights-due-diligence-legislation-in-Luxembourg.pdf))

## **Banque Centrale du Luxembourg (2017)**

Code de Conduite de la Banque Centrale du Luxembourg ([www.bcl.lu/fr/apropos/organisation/corporate\\_governance/Code-de-conduite/Code-de-conduite-version-2017-VI.pdf](http://www.bcl.lu/fr/apropos/organisation/corporate_governance/Code-de-conduite/Code-de-conduite-version-2017-VI.pdf))

## **BGL BNP Paribas**

Annual Report 2020, p. 19 ([www.bgl.lu/content/dam/publicsite/pdf/documents-officiels/donnees-financieres/rapports-annuels/en/web\\_EN\\_Rapport\\_annuel\\_2020\\_0621\\_BGL.pdf](http://www.bgl.lu/content/dam/publicsite/pdf/documents-officiels/donnees-financieres/rapports-annuels/en/web_EN_Rapport_annuel_2020_0621_BGL.pdf))

## **Bourse de Luxembourg (2019)**

Rapport 2018 Application des X Principes de gouvernance d'entreprise ([www.bourse.lu/documents/legislation-GOVERNANCE-rapport\\_2018.pdf](http://www.bourse.lu/documents/legislation-GOVERNANCE-rapport_2018.pdf))

## **Commissariat aux Assurances**

Rapport annuel 2020-2021 ([https://caa.lu/uploads/documents/files/rapport\\_annuel\\_2020.pdf](https://caa.lu/uploads/documents/files/rapport_annuel_2020.pdf))

## **Conselho Nacional de Justiça (18.02.2021)**

Empresa deve depositar R\$ 1,5 milhão por dano ambiental em Minas Gerais ([www.cnj.jus.br/empresa-deve-depositar-r-15-milhao-por-dano-ambiental-em-minas-gerais/](http://www.cnj.jus.br/empresa-deve-depositar-r-15-milhao-por-dano-ambiental-em-minas-gerais/))

## **Council Decision (CFSP)**

2020/1999 of 7 December 2020 concerning restrictive measures against serious human rights violations and abuses (<http://data.europa.eu/eli/dec/2020/1999/oj>)

**Council Regulation (EU)**

2020/1998 of 7 December 2020 concerning restrictive measures against serious human rights violations and abuses (<http://data.europa.eu/eli/reg/2020/1998/oj>)

**CSSF**

Annual report 2020 ([www.cssf.lu/wp-content/uploads/CSSF\\_RA\\_2020\\_EN.pdf](http://www.cssf.lu/wp-content/uploads/CSSF_RA_2020_EN.pdf)).

**Etika, Greenpeace Luxembourg, ASTM, Commission Justice & Paix, SOS Faim, Cercle de Coopération des ONGD (2021)**

Why the Luxembourg Sustainable Finance Strategy will not deliver. Components for bringing sustainable finance into the mainstream ([https://actionsolidaritetiersmonde.org/wp-content/uploads/2021/09/numerique\\_Common-Statement-LSFS1.pdf](https://actionsolidaritetiersmonde.org/wp-content/uploads/2021/09/numerique_Common-Statement-LSFS1.pdf))

**Finance & Human Rights asbl, Geneva Center for Business and Human Rights, Luxembourg for Finance (2020)**

Sustainable finance and human rights. How are European financial institutions addressing human rights in their activities? (<https://www.luxembourgforfinance.com/en/publication-mag/human-right-finance/>)

**Fonds de compensation (2006)**

Code de déontologie (<https://fdc.public.lu/dam-assets/publications/2006-Code-de-deontologie-final.pdf>)

**Fonds de compensation (2020)**

Sustainable Investor Report (<https://fdc.public.lu/dam-assets/publications/Sustainable-Investor-Report-2020-final-web-version-.pdf>)

**Fonds de Compensation de la Sécurité Sociale (SICAV-FIS)**

Annual Report, including audited financial statements as of 31 December 2020 (<https://fdc.public.lu/dam-assets/publications/SICAV-Audited-Annual-Report-20201231-signed.pdf>)

**Freedom House (29.03.2019)**

Worried about Huawei? Take a closer look at Tencent (<https://freedomhouse.org/article/worried-about-huawei-take-closer-look-tencent>)

**Gérifonds**

Rapport annuel incluant les états financiers audités au 31 décembre 2020, BPSA FONDS LUX (Fonds commun de placement

(FCP) de droit luxembourgeois à compartiments multiples) ([www.gerifonds.lu/sites/default/files/2021-04/ral\\_fr\\_589\\_bpsa\\_1220\\_0.pdf](http://www.gerifonds.lu/sites/default/files/2021-04/ral_fr_589_bpsa_1220_0.pdf))

**Human Rights Watch (19.04.2021)**

“Break Their Lineage, Break Their Roots”. China’s Crimes against Humanity Targeting Uyghurs and Other Turkic Muslims ([www.hrw.org/report/2021/04/19/break-their-lineage-break-their-roots/chinas-crimes-against-humanity-targeting](http://www.hrw.org/report/2021/04/19/break-their-lineage-break-their-roots/chinas-crimes-against-humanity-targeting))

**IMS (2020)**

Activity Report 2019 ([https://imslux.lu/assets/publication/78/Rapport\\_2019\\_EN\\_BD.pdf](https://imslux.lu/assets/publication/78/Rapport_2019_EN_BD.pdf))

**IMS (2021)**

Activity Report 2020 ([https://imslux.lu/assets/publication/95/Activity\\_report\\_2020\\_BD.pdf](https://imslux.lu/assets/publication/95/Activity_report_2020_BD.pdf))

**IRE (2021)**

Rapport d’activité juin 2020-mai 2021 (<https://ire.lu/item/L'Institut---/Rapports%20d'activit%C3%A9---1298>)

**Kenyon, Miles / The Citizen Lab (07.05.2020)**

WeChat Surveillance Explained (<https://citizenlab.ca/2020/05/wechat-surveillance-explained/>)

**Lage, Nilmar; Grigori, Pedro / Repórter Brasil (08.12.2020)**

Aterro de agrotóxico proibido contaminou solo e água por quatro décadas em Minas Gerais, diz MP (<https://reporterbrasil.org.br/2020/12/aterro-de-agrotoxico-proibido-contaminou-solo-e-agua-por-quatro-decadas-em-minas-gerais-diz-mp/>)

**Lawyers for Palestinian Human Rights (18.09.2018)**

LPHR urges JCB to ensure its products are not involved in the demolition of Khan al-Ahmar ([www.business-humanrights.org/de/neuste-meldungen/lphr-urges-jcb-to-ensure-its-products-are-not-involved-in-the-demolition-of-khan-al-ahmar/](http://www.business-humanrights.org/de/neuste-meldungen/lphr-urges-jcb-to-ensure-its-products-are-not-involved-in-the-demolition-of-khan-al-ahmar/))

**Lawyers for Palestinian Human Rights (10.12.2019)**

LPHR files OECD Guidelines complaint against JCB for involvement in human rights breaches in the occupied Palestinian territory ([www.business-humanrights.org/de/neuste-meldungen/lphr-files-oecd-guidelines-complaint-against-jcb-for-](http://www.business-humanrights.org/de/neuste-meldungen/lphr-files-oecd-guidelines-complaint-against-jcb-for-)

involvement-in-human-rights-breaches-in-the-occupied-palestinian-territory/)

#### **LMDF (2020)**

Building on a decade of social performance. Social Performance Report 2020

([www.lmdf.lu/wp-content/uploads/2021/01/2020-LMDFs-3rd-Social-Performance-Report-2020-final-online-version\\_1.pdf](http://www.lmdf.lu/wp-content/uploads/2021/01/2020-LMDFs-3rd-Social-Performance-Report-2020-final-online-version_1.pdf)).

#### **Loi du 23 décembre 1998 portant création d'une commission de surveillance du secteur financier**

(<http://data.legilux.public.lu/eli/etat/leg/loi/1998/12/23/n2/jo>)

#### **Loi du 23 juillet 2016 concernant la publication d'informations non financières (...)**

(<http://data.legilux.public.lu/eli/etat/leg/loi/2016/07/23/n19/jo>)

#### **Loi du 19 décembre 2020 relative à la mise en œuvre de mesures restrictives en matière financière**

(<http://data.legilux.public.lu/eli/etat/leg/loi/2020/12/19/a1072/jo>)

#### **Luxembourg for Finance**

Activity Report 2020

([www.luxembourgforfinance.com/wp-content/uploads/2021/02/LFF\\_RAPPORT\\_2020\\_final.pdf](http://www.luxembourgforfinance.com/wp-content/uploads/2021/02/LFF_RAPPORT_2020_final.pdf))

#### **Luxembourg for Finance (2020)**

Ambitions 2025: Financing a Sustainable Future ([www.luxembourgforfinance.com/wp-content/uploads/2020/09/LFF\\_AMBITIONS\\_2025\\_HD.pdf](http://www.luxembourgforfinance.com/wp-content/uploads/2020/09/LFF_AMBITIONS_2025_HD.pdf))

#### **Luxembourg for Finance (2020) Sustainable Finance**

([www.luxembourgforfinance.com/wp-content/uploads/2019/01/LFF\\_SUSTAINABLE\\_FINANCE\\_2020.pdf](http://www.luxembourgforfinance.com/wp-content/uploads/2019/01/LFF_SUSTAINABLE_FINANCE_2020.pdf))

#### **Luxembourg Stock Exchange (2017<sup>4</sup>)**

Corporate Governance. The X Principles of Corporate Governance of the Luxembourg Stock Exchange ([www.bourse.lu/documents/legislation-GOVERNANCE-ten\\_principles-EN.pdf](http://www.bourse.lu/documents/legislation-GOVERNANCE-ten_principles-EN.pdf))

#### **Luxembourg Stock Exchange (2017<sup>4</sup>)**

Gouvernance d'entreprise. Les X Principes de gouvernance d'entreprise de la Bourse de Luxembourg ([www.bourse.lu/documents/legislation-GOVERNANCE-ten\\_principles-FR.pdf](http://www.bourse.lu/documents/legislation-GOVERNANCE-ten_principles-FR.pdf))

#### **Luxembourg Stock Exchange (undated)**

LuxSE Guide to ESG Reporting

([www.bourse.lu/documents/brochure-Guide\\_to\\_ESG\\_Reporting.pdf](http://www.bourse.lu/documents/brochure-Guide_to_ESG_Reporting.pdf))

#### **Luxembourg Sustainable Finance Initiative (2021)**

Luxembourg Sustainable Finance Strategy ([https://lsfi.lu/wp-content/uploads/2021/02/Luxembourg-Sustainable-Finance-Strategy\\_EN.pdf](https://lsfi.lu/wp-content/uploads/2021/02/Luxembourg-Sustainable-Finance-Strategy_EN.pdf))

#### **Luxemburger Wort (03.05.2021)**

Les avocats s'autorégulent en attendant le GAFI ([www.wort.lu/fr/economie/les-avocats-s-autoregulent-en-attendant-le-gafi-608fd867de135b9236d405e7](http://www.wort.lu/fr/economie/les-avocats-s-autoregulent-en-attendant-le-gafi-608fd867de135b9236d405e7))

#### **LuxSE (2021)**

Sustainability Report 2020

([www.bourse.lu/documents/LuxSE-Sustainability\\_report\\_2020-desktop.pdf](http://www.bourse.lu/documents/LuxSE-Sustainability_report_2020-desktop.pdf))

#### **Megaeva, K.; Engelen, J.P.;**

#### **Van Liedekerke, L. (2021)**

A comparative Study of European Sustainable Finance Labels. University of Antwerp (<https://ssrn.com/abstract=3790435>)

#### **Ministério Público do Estado de Minas Gerais**

Processo Judicial Eletrônico, Peças Processuais (Inteiro Teor), Numeração Única: 5000678-24.2019.8.13.0325 (TJMG 1a. Instância) (<https://reporterbrasil.org.br/wp-content/uploads/2020/12/Processo-MPMG.pdf>)

#### **National Action Plan of Luxembourg for the implementation of the United Nations Guiding Principles on Business and Human Rights (2018-2019)**

(<https://maee.gouvernement.lu/dam-assets/directions/d1/pan-entreprises-et-droits-de-l-homme/2018-2019/PAN-LU-entreprises-et-DH-2018-2019-EN.pdf>)

#### **NEF Fonds Commun de Placement**

Unaudited semi-annual report as at 30/06/21 (<https://neam.lu/document/semi-annual-report-2019/>)

#### **OEC (2019)**

Code of Ethics for Professional Accountants (<https://oec.lu/myeteam/index.htm#PDF/245710>)

#### **OEC (2018)**

Internal Regulation (<https://oec.lu/myeteam/index.htm#PDF/167508>)

#### **OEC (2020)**

Professional standard on anti-money laundering and combating the financing of terrorism (<https://oec.lu/myeteam/index.htm#PDF/280051>)

#### **OEC (2020)**

Rules for AML/CFT Control (<https://oec.lu/myeteam/index.htm#PDF/227284>)

#### **Paperjam (12.03.2018)**

Alfi statement for 'Action Plan for Sustainable Finance' (<https://paperjam.lu/article/communiqu-alfi-statement-action-plan-sustainable-finance>)

#### **Paperjam (12.01.2021)**

New China-EU investment deal – possible implications for Luxembourg (<https://paperjam.lu/article/new-china-eu-investment-deal-p>)

#### **Plan d'action national du Luxembourg pour la mise en œuvre des Principes directeurs des Nations Unies relatifs aux entreprises et aux droits de l'Homme (2020-2022)**

(<https://maee.gouvernement.lu/fr/directions-du-ministere/affaires-politiques/droits-de-l-homme/entreprises-droits-de-l-homme/pan-2.html>)

#### **Platform on Sustainable Finance (2021)**

Draft Report by Subgroup 4: Social Taxonomy ([https://ec.europa.eu/info/sites/default/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/sf-draft-report-social-taxonomy-july2021\\_en.pdf](https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sf-draft-report-social-taxonomy-july2021_en.pdf))

#### **Ranking Digital Rights (2020)**

Corporate Accountability Index (<https://rankingdigitalrights.org/index2020/>)

#### **Ranking Digital Rights (18.10.2021)**

Investors with S&T in assets press the tech sector to commit to RDR's human rights standards (<https://rankingdigitalrights.org/2021/10/18/investors-with-gt-in-assets-press-the-tech-sector-to-commit-to-rdrs-human-rights-standards/>)

#### **Règlement Intérieur de l'Ordre des Avocats du Barreau de Luxembourg tel que adopté par le Conseil de l'Ordre lors de sa réunion du 9 janvier 2013**

(<http://data.legilux.public.lu/eli/etat/leg/ri/2013/01/09/n1/jo>)

**Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector**

(<http://data.europa.eu/eli/reg/2019/2088/oj>)

**Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088**

(<http://data.europa.eu/eli/reg/2020/852/oj>)

**Report of the United Nations High Commissioner for Human Rights (12.02.2020) A/HRC/43/71**

(<https://undocs.org/en/A/HRC/43/71>)

**Schmit, Laurent (04.05.2021)**

Unsere Erfahrungen mit dem Transparenzgesetz.

([www.reporter.lu/journalismus-informationszugang-luxemburg-unsere-erfahrungen-mit-dem-transparenzgesetz/](http://www.reporter.lu/journalismus-informationszugang-luxemburg-unsere-erfahrungen-mit-dem-transparenzgesetz/))

**Shift; Mazars (2015)**

UN Guiding Principles Reporting Framework ([https://www.ungpreporting.org/wp-content/uploads/UNGPREportingFramework\\_2017.pdf](https://www.ungpreporting.org/wp-content/uploads/UNGPREportingFramework_2017.pdf))

**SolGold (2021)**

Fuelling the Sustainable Future with Copper. Corporate Presentation

([https://ucarecdn.com/7505361c-9972-4187-9f6b-d0f4168e5eef/SolGold\\_Corporate\\_Investor\\_Apr152.pdf](https://ucarecdn.com/7505361c-9972-4187-9f6b-d0f4168e5eef/SolGold_Corporate_Investor_Apr152.pdf))

**Sternberger-Frey, Barbara (2018)**

Nichts als Nebel. Label für Finanzanlagen. In: Öko-Test Magazin 4

**UK National Contact Point (12.11.2021)**

Final Statement: Lawyers for Palestinian Human Rights complaint to UK NCP about JCB

([www.gov.uk/government/publications/lawyers-for-palestinian-human-rights-complaint-to-uk-ncp-about-jcb/final-statement-lawyers-for-palestinian-human-rights-complaint-to-uk-ncp-about-jcb](http://www.gov.uk/government/publications/lawyers-for-palestinian-human-rights-complaint-to-uk-ncp-about-jcb/final-statement-lawyers-for-palestinian-human-rights-complaint-to-uk-ncp-about-jcb))

**United Nations High Commissioner for Human Rights (12.06.2017)**

OHCHR response to request from BankTrack for advice regarding the application of the UN Guiding Principles on Business and Human Rights in the context of the banking sector

([www.ohchr.org/Documents/Issues/Business/InterpretationGuidingPrinciples.pdf](http://www.ohchr.org/Documents/Issues/Business/InterpretationGuidingPrinciples.pdf))

**United Nations Office of the High Commissioner for Human Rights (2011)**

Guiding Principles on Business and Human Rights

([https://www.ohchr.org/documents/publications/guidingprinciplesbusiness-hr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusiness-hr_en.pdf))

**United Nations Office of the High Commissioner for Human Rights (2013)**

The issue of the applicability of the Guiding Principles on Business and Human Rights to minority shareholdings

([www.ohchr.org/Documents/Issues/Business/LetterSOMO.pdf](http://www.ohchr.org/Documents/Issues/Business/LetterSOMO.pdf))

**UN Working Group on Business and Human Rights (2021)**

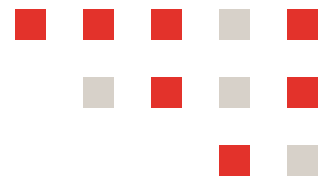
Taking stock of investor implementation of the UN Guiding Principles on Business and Human Rights. Adendum report of the Working Group on the issue of human rights and transnational corporations and other business enterprises

([www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf](http://www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf))

**Votum Klima (2017)**

Der luxemburgische Pensionsfonds und die Menschenrechte

(<https://actionsolidaritetiersmonde.org/wp-content/uploads/2019/10/Votum-Klima-Der-luxemburgische-Pensionsfonds-und-die-Menschenrechte-1.pdf>)



## NOTES

- P. 09** ▪ (1) In this context, “institutional actors” means public institutions and private associations that play a role in guiding, influencing, controlling or regulating the private actors (companies) in the financial centre.
- P. 09** ▪ (2) United Nations Office of the High Commissioner for Human Rights (2011): Guiding Principles on Business and Human Rights (UNGP) ([https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf)).
- P. 09** ▪ (3) United Nations Office of the High Commissioner for Human Rights (2013): The issue of the applicability of the Guiding Principles on Business and Human Rights to minority shareholdings ([www.ohchr.org/Documents/Issues/Business/LetterSOMO.pdf](http://www.ohchr.org/Documents/Issues/Business/LetterSOMO.pdf)).
- P. 09** ▪ (4) National Plan of Luxembourg for the implementation of the United Nations Guiding Principles on Business and Human Rights (2018-2019) (<https://maee.gouvernement.lu/dam-assets/directions/d1/pan-entreprises-et-droits-de-l-homme/2018-2019/PAN-LU-entreprises-et-DH-2018-2019-EN.pdf>), p. 28. See also: Plan d’action national du Luxembourg pour la mise en oeuvre des Principes directeurs des Nations Unies relatifs aux entreprises et aux droits de l’Homme, 2020-2022 (<https://maee.gouvernement.lu/fr/directions-du-ministere/affaires-politiques/droits-de-l-homme/entreprises-droits-de-l-homme1/pan-2.html>).
- P. 09** ▪ (5) UNGP, art. 16
- P. 09** ▪ (6) UNGP, art. 17
- P. 09** ▪ (7) Bağlayan, Başak (2021): A Study on Potential Human Rights Due Diligence Legislation in Luxembourg ([https://ccdh.public.lu/content/dam/ccdh/dossiers\\_th%C3%A9matiques/entreprises\\_et\\_droits\\_de\\_l'homme/etudes/A-study-on-potential-human-rights-due-diligence-legislation-in-Luxembourg.pdf](https://ccdh.public.lu/content/dam/ccdh/dossiers_th%C3%A9matiques/entreprises_et_droits_de_l'homme/etudes/A-study-on-potential-human-rights-due-diligence-legislation-in-Luxembourg.pdf)).
- P. 10** ▪ (8) Bağlayan, p. 9
- P. 10** ▪ (9) [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en)
- P. 10** ▪ (10) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (<http://data.europa.eu/eli/reg/2019/2088/oj>).
- P. 10** ▪ (11) The publication of the final Regulatory Technical Standards (RTS) of both the Taxonomy and the SFDR has been delayed several times and is not expected before July 2022.
- P. 10** ▪ (12) The discussions about further developing the social aspects (including human rights) of the EU taxonomy are still at the very beginning. Cf. Platform on Sustainable Finance (2021): Draft Report by Subgroup 4: Social Taxonomy ([https://ec.europa.eu/info/sites/default/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/sf-draft-report-social-taxonomy-july2021\\_en.pdf](https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sf-draft-report-social-taxonomy-july2021_en.pdf)).
- P. 10** ▪ (13) Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (<http://data.europa.eu/eli/reg/2020/852/oj>), art. 35
- P. 10** ▪ (14) Luxembourg Sustainable Finance Initiative (2021): Luxembourg Sustainable Finance Strategy, p. 61 ([https://lsfi.lu/wp-content/uploads/2021/04/LSFI\\_LUX-SUS-FIN-STRATEGY\\_FR.pdf](https://lsfi.lu/wp-content/uploads/2021/04/LSFI_LUX-SUS-FIN-STRATEGY_FR.pdf)).
- P. 12** ▪ (15) Shift; Mazars (2015): UN Guiding Principles Reporting Framework ([https://www.ungpreporting.org/wp-content/uploads/UNGPReportingFramework\\_2017.pdf](https://www.ungpreporting.org/wp-content/uploads/UNGPReportingFramework_2017.pdf)).
- P. 12** ▪ (16) “Policy Commitment: What does the company say publicly about its commitment to respect human rights? How has the public commitment been developed? Whose human rights does the public commitment address? How is the public commitment disseminated?” UNGP Reporting Framework, p. 6
- P. 12** ▪ (17) According to the UNGP, businesses should – as a minimum – respect the internationally recognised human rights expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work (art. 12).
- P. 12** ▪ (18) The study takes into account information published up to 1 December 2021.
- P. 14** ▪ (19) Banque Centrale du Luxembourg (2017): Code de Conduite de la Banque Centrale du Luxembourg ([www.bcl.lu/fr/apropos/organisation/corporate\\_governance/Code-de-conduite/Code-de-conduite-version-2017-VI.pdf](http://www.bcl.lu/fr/apropos/organisation/corporate_governance/Code-de-conduite/Code-de-conduite-version-2017-VI.pdf)).
- P. 14** ▪ (20) LuxSE (2021): Sustainability Report 2020 ([www.bourse.lu/documents/LuxSE-Sustainability\\_report\\_2020-desktop.pdf](http://www.bourse.lu/documents/LuxSE-Sustainability_report_2020-desktop.pdf)).
- P. 14** ▪ (21) Luxembourg Stock Exchange (2017): Corporate Governance. The X Principles of Corporate Governance of the Luxembourg Stock Exchange ([www.bourse.lu/documents/legislation-GOVERNANCE-ten\\_principles-EN.pdf](http://www.bourse.lu/documents/legislation-GOVERNANCE-ten_principles-EN.pdf)).
- P. 14** ▪ (22) Information requests regarding the number of “target companies” have remained unanswered by LuxSE. The X Principles are mandatory for at least nine companies, i.e. the ones listed in the LuxX index (Aperam, ArcelorMittal, Brederode, Luxempart, Reinert Investments, RTL Group, SES FDR, Socfinaf, Socfinasia).
- P. 14** ▪ (23) X Principles, p. 8
- P. 14** ▪ (24) Original wording in French: “La société définit sa politique en matière de responsabilité sociale, sociétale et environnementale. Elle précise les mesures prises pour la mise en œuvre de sa politique et leur donne une publicité adéquate.” Luxembourg Stock Exchange (2017): Gouvernance d’entreprise. Les X Principes de gouvernance d’entreprise de la Bourse de Luxembourg ([www.bourse.lu/documents/legislation-GOVERNANCE-ten\\_principles-FR.pdf](http://www.bourse.lu/documents/legislation-GOVERNANCE-ten_principles-FR.pdf)) The English version of the document is not precise in its translation of this principle and uses the more general term “corporate social responsibility policy”.
- P. 15** ▪ (25) Bourse de Luxembourg (2019): Rapport 2018 Application des X Principes de gouvernance d’entreprise ([www.bourse.lu/documents/legislation-GOVERNANCE-rapport\\_2018.pdf](http://www.bourse.lu/documents/legislation-GOVERNANCE-rapport_2018.pdf)).
- P. 15** ▪ (26) Cf. note on target companies above. Examined companies are not named.
- P. 15** ▪ (27) Luxembourg Stock Exchange (undated): LuxSE Guide to ESG Reporting ([www.bourse.lu/documents/brochure-Guide\\_to\\_ESG\\_Reporting.pdf](http://www.bourse.lu/documents/brochure-Guide_to_ESG_Reporting.pdf)).
- P. 15** ▪ (28) [www.bourse.lu/sustainability\\_standards\\_and\\_labels](http://www.bourse.lu/sustainability_standards_and_labels)
- P. 15** ▪ (29) Information received by OEC upon request (September 2021).
- P. 15** ▪ (30) <https://oec.lu/myeteam/index.htm#HTML/29>
- P. 15** ▪ (31) OEC (2020): Rules for AML/CFT Control (<https://oec.lu/myeteam/index.htm#PDF/227284>).
- P. 15** ▪ (32) OEC (2020): Professional standard on anti-money laundering and combating the financing of terrorism (<https://oec.lu/myeteam/index.htm#PDF/280051>).

- P. 15** ▪ (33) OEC (2018): Internal Regulation (<https://oec.lu/myeteam/index.htm#PDF/167508>).
- P. 15** ▪ (34) OEC (2019): Code of Ethics for Professional Accountants (<https://oec.lu/myeteam/index.htm#PDF/245710>).
- P. 16** ▪ (35) Commissariat aux Assurances: Rapport annuel 2020-2021 ([https://caa.lu/uploads/documents/files/rapport\\_annuel\\_2020.pdf](https://caa.lu/uploads/documents/files/rapport_annuel_2020.pdf)), p. 12
- P. 16** ▪ (36) In 2021, the Luxembourg insurance sector comprised 279 companies and employed 13.230 people, including 4.512 staff in Luxembourg and the remaining in subsidiaries abroad (CAA Rapport annuel 2020-2021, p. 34-38).
- P. 17** ▪ (37) In 2020, the number of employees was 938, equivalent to 845 full-time jobs. CSSF: Annual report 2020, p. 22 ([www.cssf.lu/wp-content/uploads/CSSF\\_RA\\_2020\\_EN.pdf](http://www.cssf.lu/wp-content/uploads/CSSF_RA_2020_EN.pdf)).
- P. 17** ▪ (38) Loi du 23 décembre 1998 portant création d'une commission de surveillance du secteur financier (<http://data.legilux.public.lu/eli/etat/leg/loi/1998/12/23/n2/jo>).
- P. 17** ▪ (39) [www.cssf.lu/en/about-the-cssf/](http://www.cssf.lu/en/about-the-cssf/)
- P. 17** ▪ (40) [www.cssf.lu/en/sustainable-finance/](http://www.cssf.lu/en/sustainable-finance/)
- P. 17** ▪ (41) [www.cssf.lu/en/international-financial-sanctions/](http://www.cssf.lu/en/international-financial-sanctions/)
- P. 17** ▪ (42) Loi du 19 décembre 2020 relative à la mise en œuvre de mesures restrictives en matière financière (<http://data.legilux.public.lu/eli/etat/leg/loi/2020/12/19/a1072/jo>).
- P. 17** ▪ (43) According to the GHRSSR, the EU may adopt the freezing of funds and economic resources as well as travel bans to those responsible for serious human rights violations, but also to individuals and entities associated with them. Serious human rights violations and abuses include genocide, crimes against humanity, torture, slavery, extrajudicial killings, enforced disappearance, arbitrary arrests, etc., but also others such as violations of the freedom of opinion or association when they are widespread or systematic. Cf. Council Decision (CFSP) 2020/1999 of 7 December 2020 concerning restrictive measures against serious human rights violations and abuses (<http://data.europa.eu/eli/dec/2020/1999/oj>) and Council Regulation (EU) 2020/1998 of 7 December 2020 concerning restrictive measures against serious human rights violations and abuses (<http://data.europa.eu/eli/reg/2020/1998/oj>).
- P. 17** ▪ (44) Loi du 23 juillet 2016 concernant la publication d'informations non financières (...) (<http://data.legilux.public.lu/eli/etat/leg/loi/2016/07/23/n19/jo>), article 68bis (2).
- P. 17** ▪ (45) [www.cssf.lu/en/2020/02/examination-of-non-financial-information-published-by-certain-issuers-for-2018-financial-year/](http://www.cssf.lu/en/2020/02/examination-of-non-financial-information-published-by-certain-issuers-for-2018-financial-year/)
- P. 18** ▪ (46) Luxemburger Wort (03.05.2021): Les avocats s'autorégulent en attendant le GAFI ([www.wort.lu/fr/economie/les-avocats-s-autoregulent-en-attendant-le-gafi-608fd867de135b9236d405e7](http://www.wort.lu/fr/economie/les-avocats-s-autoregulent-en-attendant-le-gafi-608fd867de135b9236d405e7)).
- P. 18** ▪ (47) Plan d'action national du Luxembourg pour la mise en oeuvre des Principes directeurs des Nations Unies relatifs aux entreprises et aux droits de l'Homme, 2020-2022 (<https://maee.gouvernement.lu/fr/directions-du-ministere/affaires-politiques/droits-de-l-homme/entreprises-droits-de-l-homme1/pan-2.html>).
- P. 19** ▪ (48) Règlement Intérieur de l'Ordre des Avocats du Barreau de Luxembourg tel que adopté par le Conseil de l'Ordre lors de sa réunion du 9 janvier 2013 (<http://data.legilux.public.lu/eli/etat/leg/ri/2013/01/09/n1/jo>).
- P. 19** ▪ (49) E.g. opinion on the draft law on the creation of a register of beneficial owners (2018) or on the draft law on the exchange of information in tax matters (2019) (<https://www.barreau.lu/avis-du-conseil-de-l-ordre>).
- P. 19** ▪ (50) Chambre des notaires e-mail communication from 23 September 2021
- P. 19** ▪ (51) <https://mj.gouvernement.lu/fr/professions-droit/le-notaire.html>, [www.notariat.lu/le-notaire/lutte-contre-le-blanchiment-dargent-et-le-financement-du-terrorisme/](http://www.notariat.lu/le-notaire/lutte-contre-le-blanchiment-dargent-et-le-financement-du-terrorisme/)
- P. 19** ▪ (52) Answer received by IRE upon information request (October 2021).
- P. 19** ▪ (53) IRE (2021): Rapport d'activité juin 2020-mai 2021 (<https://ire.lu/item/L'Institut---7/Rapports%20d'activit%C3%A9---1298>).
- P. 19** ▪ (54) <https://ire.lu>
- P. 19** ▪ (55) Founding members: Ministry of Finance, Ministry of Foreign and European Affairs, Ministry of the Environment, Climate and Sustainable Development, LuxSE, LFF, EIB, ABBL, ADA, ALFI. Each of these members is represented on the LuxFLAG Board of Directors.
- P. 19** ▪ (56) LuxFLAG Green Bond Label Eligibility Criteria ([www.luxflag.org/media/pdf/criteria\\_procedures/LuxFLAG-Green-Bond-Label-criteria-V16062017.pdf](http://www.luxflag.org/media/pdf/criteria_procedures/LuxFLAG-Green-Bond-Label-criteria-V16062017.pdf)).
- P. 19** ▪ (57) [www.luxflag.org/label-landing-page.html](http://www.luxflag.org/label-landing-page.html). In March 2021, LuxFlag announced that its label eligibility criteria had been revised in order to align them with articles 8 and 9 of the EU Regulation 2019/2088 on sustainability related disclosures in the financial services sector. There is a transition period for full compliance in the course of 2021.
- P. 19** ▪ (58) [www.luxflag.org/labels/microfinance/eligibility-committee.html](http://www.luxflag.org/labels/microfinance/eligibility-committee.html), [www.luxflag.org/labels/climate-finance/eligibility-committee.html](http://www.luxflag.org/labels/climate-finance/eligibility-committee.html), [www.luxflag.org/labels/environment/eligibility-committee.html](http://www.luxflag.org/labels/environment/eligibility-committee.html), [www.luxflag.org/labels/esg/eligibility-committee.html](http://www.luxflag.org/labels/esg/eligibility-committee.html), [www.luxflag.org/labels/green-bond/eligibility-committee.html](http://www.luxflag.org/labels/green-bond/eligibility-committee.html)
- P. 19** ▪ (59) LuxFLAG "verlangt zwar Ausschlusskriterien, gibt dafür aber keine verbindlichen Normen vor. Damit dient auch dieses Label mehr der Transparenz als der Qualitätssicherung." Sternberger-Frey, Barbara (2018): Nichts als Nebel. Label für Finanzanlagen. In: Öko-Test Magazin 4, p. 118
- P. 19** ▪ (60) According to the study, the LuxFLAG ESG label eligibility criteria are "defined rather general (...). Also the exclusion criteria of the label are rather vague as the exclusion thresholds are not specified in the criteria documents. In general, there is little information to be found in the official sources and the ones which are available are very short and sometimes insufficient." Megaeva, K.; Engelen, J.P.; Van Liedekerke, L. (2021): A comparative Study of European Sustainable Finance Labels. University of Antwerp (<https://ssrn.com/abstract=3790435>), p.121
- P. 19** ▪ (61) Information provided by LuxFLAG upon request (June 2021).
- P. 19** ▪ (62) According to the ALFI website, in 2021 there were more than 3,500 funds domiciled in Luxembourg ([https://www.alfi.lu/Alfi/media/Statistics/Luxembourg/L1\\_Funds\\_units\\_net\\_assets\\_EN.pdf](https://www.alfi.lu/Alfi/media/Statistics/Luxembourg/L1_Funds_units_net_assets_EN.pdf)).
- P. 20** ▪ (63) The Principles for Responsible Banking are a framework established by the United Nations Environment Programme Finance Initiative (UNEP FI) that wants to align banking practices with the SDGs and the Paris Agreement. Signatory banks commit to 1) analyse their current impact on people and planet, 2) set and implement targets, and 3) publicly report on progress ([www.unepfi.org/banking/bankingprinciples/](http://www.unepfi.org/banking/bankingprinciples/)).
- P. 20** ▪ (64) ABBL Code of Conduct, as adopted by the Ordinary General Meeting on 29 April 2019 (<https://www.abbl.lu/content/uploads/2017/06/Code-of-Conduct.pdf>)
- P. 21** ▪ (65) ABBL Code of Conduct, p. 10
- P. 21** ▪ (66) ABBL Code of Conduct, p. 3
- P. 21** ▪ (67) [www.abbl.lu/about-us/corporate-social-responsibility/](http://www.abbl.lu/about-us/corporate-social-responsibility/)



- P. 21** ▪ (68) <http://788427609a.testurl.ws/topic/the-abbls-ethics-charter/>
- P. 21** ▪ (69) ABBL (2021): Corporate Social Responsibility 2019-2020 ([www.abbl.lu/content/uploads/2021/04/ABBL-CSR-Report-2021-2.pdf](http://www.abbl.lu/content/uploads/2021/04/ABBL-CSR-Report-2021-2.pdf)).
- P. 21** ▪ (70) ABBL: CSR, p. 19
- P. 22** ▪ (71) The Haut Comité de la Place Financière is a committee that brings together the Ministry of Finance and private actors from the financial centre; its exact composition is not made public. See also Schmit, Laurent (2021): Unsere Erfahrungen mit dem Transparenzgesetz. Reporter.lu, 4 May 2021 ([www.reporter.lu/journalismus-informationszugang-luxemburg-unsere-erfahrungen-mit-dem-transparenzgesetz/](http://www.reporter.lu/journalismus-informationszugang-luxemburg-unsere-erfahrungen-mit-dem-transparenzgesetz/)).
- P. 22** ▪ (72) [www.aca.lu/en/aca/our-organisation](http://www.aca.lu/en/aca/our-organisation)
- P. 22** ▪ (73) ACA (2021): Annual report 2020 (<https://indd.adobe.com/view/4bfa956d-969d-4e30-80ce-b608ef84c9c8>)
- P. 22** ▪ (74) ACA (2020): Governance Code of Insurance and Reinsurance Undertakings ([www.aca.lu/media/5f71e39ba37bb\\_aca\\_code\\_of\\_governance2020.pdf](http://www.aca.lu/media/5f71e39ba37bb_aca_code_of_governance2020.pdf)), ACA (2020): Code of Professional Ethics of Insurance and Reinsurance Undertakings ([www.aca.lu/media/5f71e39bdd78e\\_aca\\_code\\_of\\_prof\\_ethics\\_2020.pdf](http://www.aca.lu/media/5f71e39bdd78e_aca_code_of_prof_ethics_2020.pdf)).
- P. 22** ▪ (75) The role of a compliance officer is to ensure that financial sector institutions “comply with the current legislative, statutory and ethical standards” ([www.alco.lu](http://www.alco.lu)). By Luxembourg law, the compliance function is compulsory for financial sector institutions.
- P. 22** ▪ (76) [www.alco.lu/Lists/Board/AllItems.aspx](http://www.alco.lu/Lists/Board/AllItems.aspx)
- P. 22** ▪ (77) [www.alco.lu/SitePages/LastBulletins.aspx](http://www.alco.lu/SitePages/LastBulletins.aspx)
- P. 22** ▪ (78) [www.alfi.lu/Alfi/media/Governing-bodies/ALFI-Board-of-Directors-2021.pdf](http://www.alfi.lu/Alfi/media/Governing-bodies/ALFI-Board-of-Directors-2021.pdf)
- P. 22** ▪ (79) ALFI (2021): Annual Report 2020-2021. A year in transition ([www.alfi.lu/getattachment/9dc74e78-0fa3-48c8-9ea1-9c57a7ea6ad2/app\\_data-import-alfi-alfi-annual-report-2020-2021.pdf](http://www.alfi.lu/getattachment/9dc74e78-0fa3-48c8-9ea1-9c57a7ea6ad2/app_data-import-alfi-alfi-annual-report-2020-2021.pdf)), p. 19
- P. 22** ▪ (80) Data provided by ALFI upon request (31 May 2021).
- P. 22** ▪ (81) ALFI (2013): Code of Conduct for Luxembourg Investment Funds ([www.alfi.lu/getattachment/e70bb682-4a0d-4fb5-9656-f8d921457054/app\\_data-import-alfi-alfi-code-of-conduct.pdf](http://www.alfi.lu/getattachment/e70bb682-4a0d-4fb5-9656-f8d921457054/app_data-import-alfi-alfi-code-of-conduct.pdf)). This Code was first published in 2009 and a revised version was published in 2013. According to ALFI, the code is currently being updated. ALFI also informed us that “not all of ALFI’s member funds disclose the adoption of the Code in their annual financial statements, for this reason it is difficult to provide precise numbers concerning the adoption.” (ALFI e-mail communication from 31 May 2021).
- P. 22** ▪ (82) Paperjam (12.03.2018): ALFI statement for the ‘Action Plan for Sustainable Finance’ (<https://paperjam.lu/article/communique-alfi-statement-action-plan-sustainable-finance>).
- P. 22** ▪ (83) ALFI (2020): Response form for the Joint Consultation Paper concerning ESG disclosures ([www.alfi.lu/Alfi/media/Statements/2020/ALFI-answer-to-ESA-consultation-on-ESG-Disclosures-1-September-2020.pdf](http://www.alfi.lu/Alfi/media/Statements/2020/ALFI-answer-to-ESA-consultation-on-ESG-Disclosures-1-September-2020.pdf))
- P. 23** ▪ (84) ALPP (undated): Code de déontologie ([www.alpp.lu/uploads/Qui\\_Sommes\\_Nous/doc/3\\_1\\_Code%20de%20d%C3%A9ontologie.pdf](http://www.alpp.lu/uploads/Qui_Sommes_Nous/doc/3_1_Code%20de%20d%C3%A9ontologie.pdf))
- P. 23** ▪ (85) <https://imslux.lu/eng/qui-sommes-nous/presentation>
- P. 23** ▪ (86) IMS: Activity Report 2020 ([https://imslux.lu/assets/publication/95/Activity\\_report\\_2020\\_BD.pdf](https://imslux.lu/assets/publication/95/Activity_report_2020_BD.pdf)), <https://imslux.lu/eng/qui-sommes-nous/conseil-d-administration>
- P. 23** ▪ (87) <https://imslux.lu/eng/business-human-rights>
- P. 23** ▪ (88) The trainings entitled “Droits humains, du risqué à l’opportunité” aimed to deepen participants’ knowledge of human rights laws and corporate responsibility. ASTM collaborated with IMS in the 2019 training.
- P. 23** ▪ (89) IMS: Activity Report 2019 ([https://imslux.lu/assets/publication/78/Rapport\\_2019\\_EN\\_BD.pdf](https://imslux.lu/assets/publication/78/Rapport_2019_EN_BD.pdf)), IMS: Activity Report 2020.
- P. 23** ▪ (90) <https://indr.lu/fr/qui-sommes-nous/notre-mission/>
- P. 23** ▪ (91) UEL, ABBL, Association des Compagnies d’Assurances et de Réassurances, Chambre de Commerce, Chambre des Métiers, Confédération luxembourgeoise du Commerce, Fédération des Artisans, FEDIL, Fédération nationale des Hôteliers, Restaurateurs et Cafetiers.
- P. 23** ▪ (92) <https://indr.lu/fr/qui-sommes-nous/>
- P. 23** ▪ (93) [www.esr.lu](http://www.esr.lu)
- P. 23** ▪ (94) <https://indr.lu/fr/les-services-aux-entreprises/evaluer-sa-responsabilite/methode-devaluation/>
- P. 24** ▪ (95) <https://indr.lu/fr/lancement-du-pacte-national-entreprises-et-droits-de-lhomme/>
- P. 24** ▪ (96) ABN AMRO Trust Company, Alter Domus, Benelux Trust, BGL-Mees Pierson Trust, Citco, Deloitte, Ernst&Young, Fiduciaire Winandy&Associés, First Trust, ING Trust, Luxembourg International Consulting, Maitland Luxembourg, Mercuria Services, Services Généraux de Gestion, and TMF Management Luxembourg. The association was founded as Luxembourg International Management Services Association (LIMSA), then renamed in 2018 as Luxembourg Association of Corporates (sic) Services Providers & Alternative Funds Administrators, and again in 2019 as Luxembourg Alternative Administrators Association (L3A).
- P. 24** ▪ (97) [www.l3a.lu/](http://www.l3a.lu/)
- P. 24** ▪ (98) [www.l3a.lu/code-of-conduct](http://www.l3a.lu/code-of-conduct)
- P. 24** ▪ (99) The federation PROFIL was set up in the year 2000 by associations and institutions in the financial sector (IRE, OEC, Barreau de Luxembourg, CETREL S.A., Clearstream International S.A., LuxSE, LPEA, ABBL, ALFI, ACA, ALPP, FTL (former Association des PSF de support), L3A (former LIMSA), Chamber of Commerce as a promotion and lobby organisation ([www.profil-luxembourg.lu/index.php?id=7&L=0](http://www.profil-luxembourg.lu/index.php?id=7&L=0)).
- P. 24** ▪ (100) Luxembourg for Finance: Activity Report 2020 ([www.luxembourgforfinance.com/wp-content/uploads/2021/02/LFF\\_RAPPORT\\_2020\\_final.pdf](http://www.luxembourgforfinance.com/wp-content/uploads/2021/02/LFF_RAPPORT_2020_final.pdf)).
- P. 25** ▪ (101) Luxembourg for Finance (2020): Sustainable Finance ([www.luxembourgforfinance.com/wp-content/uploads/2019/01/LFF\\_SUSTAINABLE\\_FINANCE\\_2020.pdf](http://www.luxembourgforfinance.com/wp-content/uploads/2019/01/LFF_SUSTAINABLE_FINANCE_2020.pdf)), p. 5
- P. 25** ▪ (102) Another example of the government’s promotion of initiatives in the area of inclusive finance is the creation of the Inclusive Finance Network Luxembourg (InFiNe). One of the main objectives of this association is to consolidate Luxembourg’s position as a centre of excellence in the field of inclusive finance. Created in 2014, InFiNe is the successor to the Luxembourg Microfinance Roundtable launched in 2004 upon the initiative of and financed by the Development Cooperation Directorate of the Ministry of Foreign Affairs. InFiNe has 34 members, the majority of them from the private sector. Its board members include representatives from the public and private sectors as well as civil society, and its co-presidency rotates twice a year. InFiNe organises conferences and workshops, disseminates knowledge about and good practice in inclusive finance, and co-organises the European Microfinance Award together with the Ministry of Foreign Affairs and the European Microfinance Platform ([www.infine.lu/about-us/](http://www.infine.lu/about-us/)). Inclusive finance, according to InFiNe, seeks to fight poverty and support the economic empowerment of vulnerable populations. The concept does not include human rights due diligence.

- P. 25** ▪ (103) Finance & Human Rights asbl, Geneva Center for Business and Human Rights, Luxembourg for Finance (2020): Sustainable finance and human rights. How are European financial institutions addressing human rights in their activities? ([www.luxembourgforfinance.com/wp-content/uploads/2020/10/Sustainable-Finance-and-Human-Rights-survey.pdf](http://www.luxembourgforfinance.com/wp-content/uploads/2020/10/Sustainable-Finance-and-Human-Rights-survey.pdf)).
- P. 25** ▪ (104) Sustainable finance and human rights, p. 4
- P. 25** ▪ (105) Luxembourg for Finance (2020): Ambitions 2025: Financing a Sustainable Future ([www.luxembourgforfinance.com/wp-content/uploads/2020/09/LFF\\_AMBITIONS\\_2025\\_HD.pdf](http://www.luxembourgforfinance.com/wp-content/uploads/2020/09/LFF_AMBITIONS_2025_HD.pdf)).
- P. 25** ▪ (106) Blended finance “brings together development finance and often philanthropic funding to mobilise commercial capital for sustainable investment projects” (LFF: Ambitions 2025, p. 42).
- P. 26** ▪ (107) <https://lpea.lu/about/>
- P. 26** ▪ (108) <https://lpea.lu/about/governance/>, <https://lpea.lu/team/>
- P. 26** ▪ (109) Private Equity (PE) and Venture Capital (VC) refer to investments in companies that are not publicly listed (PE) or young businesses/start-ups (VC).
- P. 26** ▪ (110) <https://lpea.lu/about/committees/>, <https://lpea.lu/about/committees/>
- P. 26** ▪ (111) Conseil Supérieur du Développement Durable (<https://csdd.public.lu>).
- P. 26** ▪ (112) <https://lsfi.lu/who-we-are/>
- P. 26** ▪ (113) Luxembourg Sustainable Finance Initiative (2021): Luxembourg Sustainable Finance Strategy ([https://lsfi.lu/wp-content/uploads/2021/02/Luxembourg-Sustainable-Finance-Strategy\\_EN.pdf](https://lsfi.lu/wp-content/uploads/2021/02/Luxembourg-Sustainable-Finance-Strategy_EN.pdf)).
- P. 26** ▪ (114) Etika, Greenpeace Luxembourg, ASTM, Commission Justice & Paix, SOS Faim, Cercle de Coopération des ONGD (2021): Why the Luxembourg Sustainable Finance Strategy will not deliver. Components for bringing sustainable finance into the mainstream ([https://actionsolidaritetiersmonde.org/wp-content/uploads/2021/09/numerique\\_Common-Statement-LSFS1.pdf](https://actionsolidaritetiersmonde.org/wp-content/uploads/2021/09/numerique_Common-Statement-LSFS1.pdf)).
- P. 27** ▪ (115) In March 2021, ASTM sent letters to the FDC and the Luxembourg Intergenerational Sovereign Fund (FSIL) asking them to assume their responsibility to respect human rights by integrating human rights due diligence in their investment policies. Neither of the two institutions replied to this request.  
The FSIL is a public institution placed under the authority of the Ministry of Finance. According to the Ministry’s website, its mission is to build up savings whose income can be used, under certain conditions and within certain limits, to contribute to the well-being of future generations. There is no mention of human rights, human rights due diligence or the UNGP in its investment strategy and its general policy (<https://mfin.gouvernement.lu/fr/le-ministere/fonds-souverain-intergenerationnel-luxembourg.html>).
- P. 28** ▪ (116) Fonds de compensation (2020): Sustainable Investor Report (<https://fdc.public.lu/dam-assets/publications/Sustainable-Investor-Report-2020-final-web-version-.pdf>), p. 4
- P. 28** ▪ (117) <https://fdc.public.lu/en/investissement-responsable.html>. This exclusion instrument was introduced after political and public pressure caused by the revelation that the FDC had invested in companies that produce cluster munitions, contrary to the UN Convention on Cluster Munition ratified by Luxembourg.
- P. 28** ▪ (118) Votum Klima (2017): Der luxemburgische Pensionsfonds und die Menschenrechte (<https://actionsolidaritetiersmonde.org/wp-content/uploads/2019/10/Votum-Klima-Der-luxemburgische-Pensionsfonds-und-die-Menschenrechte-1.pdf>).
- P. 28** ▪ (119) Fonds de compensation (2006): Code de déontologie (<https://fdc.public.lu/dam-assets/publications/2006-Code-de-deontologie-final.pdf>).
- P. 28** ▪ (120) Founding members: Ministry of Foreign Affairs, Ministry of Finance, ADA, Etika, BIL, BGL BNP Paribas, Spuerkeess, Banque de Luxembourg, Fortuna Banque, CBP, Foyer, LaLux. LMDf (2020): Building on a decade of social performance. Social Performance Report 2020 ([www.lmdf.lu/wp-content/uploads/2021/01/2020-LMDFs-3rd-Social-Performance-Report-2020-final-online-version\\_1.pdf](http://www.lmdf.lu/wp-content/uploads/2021/01/2020-LMDFs-3rd-Social-Performance-Report-2020-final-online-version_1.pdf)).
- P. 28** ▪ (121) [www.lmdf.lu/en/about-lmdf/who-we-are/](http://www.lmdf.lu/en/about-lmdf/who-we-are/)
- P. 28** ▪ (122) [www.lmdf.lu/en/about-lmdf/a-social-fund/](http://www.lmdf.lu/en/about-lmdf/a-social-fund/)
- P. 28** ▪ (123) [www.lmdf.lu/en/environmental-social-and-governance-disclosures](http://www.lmdf.lu/en/environmental-social-and-governance-disclosures)
- P. 30** ▪ (124) Gérifonds: Rapport annuel incluant les états financiers audités au 31 décembre 2020, BPSA FONDS LUX (Fonds commun de placement (FCP) de droit luxembourgeois à compartiments multiples) ([www.gerifonds.lu/sites/default/files/2021-04/ral\\_fr\\_589\\_bpsa\\_1220\\_0.pdf](http://www.gerifonds.lu/sites/default/files/2021-04/ral_fr_589_bpsa_1220_0.pdf)).
- P. 30** ▪ (125) NEF Fonds Commun de Placement. Unaudited semi-annual report as at 30/06/21 (<https://neam.lu/document/semi-annual-report-2019/>).
- P. 30** ▪ (126) Paperjam (12.01.2021): New China-EU investment deal – possible implications for Luxembourg (<https://paperjam.lu/article/new-china-eu-investment-deal-p>).
- P. 30** ▪ (127) Miles Kenyon / The Citizen Lab (07.05.2020): WeChat Surveillance Explained (<https://citizenlab.ca/2020/05/wechat-surveillance-explained/>).
- P. 30** ▪ (128) Freedom House (29.03.2019): Worried about Huawei? Take a closer look at Tencent (<https://freedomhouse.org/article/worried-about-huawei-take-closer-look-tencent>), Alecci, Scilla / International Consortium of Investigative Journalists (24.11.2019): How China Targets Uighurs ‘One by One’ for Using a Mobile App (<https://www.icij.org/investigations/china-cables/how-china-targets-uighurs-one-by-one-for-using-a-mobile-app/>).
- P. 31** ▪ (129) Human Rights Watch (19.04.2021): “Break Their Lineage, Break Their Roots”. China’s Crimes against Humanity Targeting Uyghurs and Other Turkic Muslims ([www.hrw.org/report/2021/04/19/break-their-lineage-break-their-roots/chinas-crimes-against-humanity-targeting](http://www.hrw.org/report/2021/04/19/break-their-lineage-break-their-roots/chinas-crimes-against-humanity-targeting)).
- P. 31** ▪ (130) Ranking Digital Rights (2020): Corporate Accountability Index (<https://rankingdigitalrights.org/index2020/>).
- P. 31** ▪ (131) Ranking Digital Rights (18.10.2021): Investors with \$6T in assets press the tech sector to commit to RDR’s human rights standards (<https://rankingdigitalrights.org/2021/10/18/investors-with-6t-in-assets-press-the-tech-sector-to-commit-to-rdrs-human-rights-standards/>).
- P. 31** ▪ (132) [https://te.public.lu/fr/participations/societes\\_droit\\_privé/cotees\\_en\\_bourse/aperam\\_sa.html](https://te.public.lu/fr/participations/societes_droit_privé/cotees_en_bourse/aperam_sa.html)
- P. 31** ▪ (133) LuxX is the main Luxembourg stock market index (see also note 22).

- P. 31** ▪ (134) <https://www.boursier.com/actions/graphiques/aperam-LU0569974404,NL.html>
- P. 32** ▪ (135) At that time, the company was called Acesita Energética.
- P. 32** ▪ (136) Lage, Nilmar; Grigori, Pedro / Repórter Brasil (08.12.2020): Aterro de agrotóxico proibido contaminou solo e água por quatro décadas em Minas Gerais, diz MP (<https://reporterbrasil.org.br/2020/12/aterro-de-agrotoxico-proibido-contaminou-solo-e-agua-por-quatro-decadas-em-minas-gerais-diz-mp/>).
- P. 32** ▪ (137) Ministério Público do Estado de Minas Gerais: Processo Judicial Eletrônico, Peças Processuais (Inteiro Teor), Numeração Única: 5000678-24.2019.8.13.0325 (TJMG 1a. Instância) (<https://reporterbrasil.org.br/wp-content/uploads/2020/12/Processo-MPMG.pdf>)
- P. 32** ▪ (138) Conselho Nacional de Justiça (18.02.2021): Empresa deve depositar R\$ 1,5 milhão por dano ambiental em Minas Gerais ([www.cnj.jus.br/empresa-deve-depositar-r-15-milhao-por-dano-ambiental-em-minas-gerais/](http://www.cnj.jus.br/empresa-deve-depositar-r-15-milhao-por-dano-ambiental-em-minas-gerais/)).
- P. 32** ▪ (139) Aperam (2020): Sustainability Report ([www.aperam.com/sites/default/files/documents/2020\\_AperamMadedforLifeReport\\_Main.pdf](http://www.aperam.com/sites/default/files/documents/2020_AperamMadedforLifeReport_Main.pdf)).
- P. 32** ▪ (140) <https://www.bnpparibas.lu/fr/bnp-paribas/bnp-paribas-luxembourg/>
- P. 32** ▪ (141) [https://statistiques.public.lu/stat/TableViewer/tableView.aspx?ReportId=13298&IF\\_Language=eng&MainTheme=4&FldrName=1](https://statistiques.public.lu/stat/TableViewer/tableView.aspx?ReportId=13298&IF_Language=eng&MainTheme=4&FldrName=1)
- P. 33** ▪ (142) <https://www.bnpparibas.lu/fr/bnp-paribas/responsabilite-sociale-environnementale/>
- P. 33** ▪ (143) BGL BNP Paribas: Annual Report 2020, p. 119 ([www.bgl.lu/content/dam/publicsite/pdf/documents-officiels/donnees-financieres/rapports-annuels/en/web\\_EN\\_Rapport\\_annuel\\_2020\\_0621\\_BGL.pdf](http://www.bgl.lu/content/dam/publicsite/pdf/documents-officiels/donnees-financieres/rapports-annuels/en/web_EN_Rapport_annuel_2020_0621_BGL.pdf))
- P. 33** ▪ (144) JCB Finance Holdings Limited Directors' report and financial statements for the year ended 31 December 2020 <https://find-and-update.company-information.service.gov.uk/company/06545359/filing-history>  
JCB Service is fully owned by JCB Group Holdings, which is under the direct control of the Bamford family.
- P. 33** ▪ (145) According to the Guiding Principles, "business relationships" are understood to include relationships with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services, page 16.
- P. 33** ▪ (146) Lawyers for Palestinian Human Rights (18.09.2018): LPHR urges JCB to ensure its products are not involved in the demolition of Khan al-Ahmar ([www.business-humanrights.org/de/neuste-meldungen/lphr-urges-jcb-to-ensure-its-products-are-not-involved-in-the-demolition-of-khan-al-ahmar/](http://www.business-humanrights.org/de/neuste-meldungen/lphr-urges-jcb-to-ensure-its-products-are-not-involved-in-the-demolition-of-khan-al-ahmar/)).
- P. 33** ▪ (147) Lawyers for Palestinian Human Rights (10.12.2019): LPHR files OECD Guidelines complaint against JCB for involvement in human rights breaches in the occupied Palestinian territory ([www.business-humanrights.org/de/neuste-meldungen/lphr-files-oecd-guidelines-complaint-against-jcb-for-involvement-in-human-rights-breaches-in-the-occupied-palestinian-territory/](http://www.business-humanrights.org/de/neuste-meldungen/lphr-files-oecd-guidelines-complaint-against-jcb-for-involvement-in-human-rights-breaches-in-the-occupied-palestinian-territory/)).
- P. 33** ▪ (148) Report of the United Nations High Commissioner for Human Rights (12.02.2020): A/HRC/43/71 (<https://undocs.org/en/A/HRC/43/71>).
- P. 33** ▪ (149) Resolution 2334 (2016) adopted by the Security Council at its 7853rd meeting on 23 December 2016
- P. 33** ▪ (150) UK National Contact Point (12.11.2021): Final Statement: Lawyers for Palestinian Human Rights complaint to UK NCP about JCB ([www.gov.uk/government/publications/lawyers-for-palestinian-human-rights-complaint-to-uk-ncp-about-jcb/final-statement-lawyers-for-palestinian-human-rights-complaint-to-uk-ncp-about-jcb](http://www.gov.uk/government/publications/lawyers-for-palestinian-human-rights-complaint-to-uk-ncp-about-jcb/final-statement-lawyers-for-palestinian-human-rights-complaint-to-uk-ncp-about-jcb)).
- P. 33** ▪ (151) Amnesty International (2021): JCB off Track. Evading responsibility for human rights violations committed with JCB machines in the Occupied Palestinian Territories, p. 5 ([www.amnesty.org/en/wp-content/uploads/2021/11/MDE1549852021ENGLISH.pdf](http://www.amnesty.org/en/wp-content/uploads/2021/11/MDE1549852021ENGLISH.pdf)).
- P. 33** ▪ (152) United Nations High Commissioner for Human Rights (12.06.2017): OHCHR response to request from BankTrack for advice regarding the application of the UN Guiding Principles on Business and Human Rights in the context of the banking sector ([www.ohchr.org/Documents/Issues/Business/InterpretationGuidingPrinciples.pdf](http://www.ohchr.org/Documents/Issues/Business/InterpretationGuidingPrinciples.pdf)).
- P. 34** ▪ (153) Alianza por los Derechos Humanos Ecuador, Friends of the Earth, Rainforest Action Group.
- P. 34** ▪ (154) Action Solidarité Tiers Monde (2020): Risques d'impacts des activités des entreprises sur les populations dans les pays du Sud. Études de cas du Luxembourg, p. 14 ([https://nocorporateimpunity.org/wp-content/uploads/2020/10/Rapport-ASTM\\_webFINALE.pdf](https://nocorporateimpunity.org/wp-content/uploads/2020/10/Rapport-ASTM_webFINALE.pdf)).
- P. 34** ▪ (155) Fonds de Compensation de la Sécurité Sociale (SICAV-FIS): Annual Report, including audited financial statements as of 31 December 2020 (<https://fdc.public.lu/dam-assets/publications/SICAV-Audited-Annual-Report-20201231-signed.pdf>).
- P. 34** ▪ (156) SolGold (2021): Fuelling the Sustainable Future with Copper. Corporate Presentation ([https://ucarecdn.com/7505361c-9972-4187-9f6b-d0f4168e5eef/SolGold\\_Corporate\\_Investor\\_Apr152.pdf](https://ucarecdn.com/7505361c-9972-4187-9f6b-d0f4168e5eef/SolGold_Corporate_Investor_Apr152.pdf)).
- P. 34** ▪ (157) <https://ejatlas.org/conflict/la-lucha-del-pueblo-shuar-arutam-psha-contra-solaris-resources#>
- P. 34** ▪ (158) Alianza por los Derechos Humanos (09.09.2021): Public Complaint: We demand that Shuar Arutam People's decisions, in the exercise of their right to self-determination, are respected, and we denounce that the beginning of infrastructure works are facilitating the entrance of mining projects in Maiki (<https://ddhhecuador.org/2021/09/09/documento/public-complaint-we-demand-shuar-arutam-peoples-decisions-exercise-their-right>).
- P. 34** ▪ (159) Idem.
- P. 34** ▪ (160) Luxembourg ratified the ILO Convention 169 in 2018.
- P. 34** ▪ (161) Alianza por los Derechos Humanos (15.06.2021): Rights Defenders Under Threat in Ecuador: How Government Protection is Insufficient and Favors Industry Interests (<https://ddhhecuador.org/2021/06/15/documento/rights-defenders-under-threat-ecuador-how-government-protection-insufficient>).
- P. 39** ▪ (162) Cf. Portail des Statistiques: emploi salarié intérieur par branche d'activité 1995-2021 ([https://statistiques.public.lu/stat/TableViewer/tableView.aspx?ReportId=12914&IF\\_Language=fra&MainTheme=2&FldrName=3&RFPPath=92&sCS\\_ChosenLang=fr](https://statistiques.public.lu/stat/TableViewer/tableView.aspx?ReportId=12914&IF_Language=fra&MainTheme=2&FldrName=3&RFPPath=92&sCS_ChosenLang=fr)).
- P. 39** ▪ (163) ABBL, ACA, ALCO, ALFI, ALPP, FTL, InFiNe, IMS, INDR, IRE, L3A, LMDF, LPEA, LuxFLAG (eligibility committee members).
- P. 40** ▪ (164) [www.eisfinanzplaz.lu](http://www.eisfinanzplaz.lu)

