



Luxembourg Green Exchange

The world's leading platform
for sustainable finance



LUXEMBOURG
GREEN EXCHANGE



Bringing green issuers and investors together

Launched in 2016, the Luxembourg Green Exchange (LGX) is the largest platform exclusively dedicated to sustainable finance.

By displaying their securities on LGX, issuers generate awareness about their projects and investment portfolios.

The platform also caters for sustainable and responsible investors by providing full and unrestricted access to a comprehensive online database of information on sustainable instruments.



Why did we launch LGX?

“New issuance of green securities has taken off since the ratification of the Sustainable Development Goals and notably the COP21 agreement. There is a real desire for change. By setting strict standards for instruments dedicated to sustainable finance, LGX has created an environment that allows the market to prosper in a secure and transparent way. LGX is our answer and contribution to match the sustainability challenges of the future.”

Robert Scharfe, CEO, LuxSE

Benefits of joining LGX

LGX is the first exchange to translate industry best practices for sustainable financial instruments into mandatory requirements.

LGX caters to asset managers, issuers and investors by providing a clear and transparent framework for sustainable finance.

» Asset managers and issuers benefit from:

- Higher visibility for their additional disclosure efforts
- An enhanced sustainable profile
- Free uploads of sustainability documentation
- Promotion of their sustainable finance strategy

» Investors benefit from:

- Easy access to labelled sustainable financial instruments
- Free and unrestricted access to sustainability-related
- Improved comparability of sustainable financial instruments
- High level of transparency

LGX in numbers

The Luxembourg Stock Exchange is the world's leading exchange for sustainable securities and home to almost half of the world's listed green bonds.



USD 140+ billion
issued in total



310+ securities
denominated in 21 currencies



240+% growth
since 2016



50%
market share
of green, social and
sustainability bonds listed
worldwide

LGX's rapid ascent

2007: First ever green bond listed

March 2016: Largest Nordic green bond listed

July 2016: Biggest green bond by a Chinese issuer in the Eurozone, listed in three currencies

September 2016: Luxembourg Green Exchange (LGX) launched

December 2016: The world's first sovereign green bond displayed on LGX

March 2017: LuxSE recognised by CBI for its pioneering role in green finance market infrastructure and listing rules

April 2017: LuxSE wins 'Best Exchange' at Environmental Finance Awards

May 2017: LGX window for labelled social and sustainable bonds launched

March 2018: Display of the first Chinese domestic green bond under the Bond Connect scheme

March 2018: LuxSE again wins 'Best Exchange' at Environmental Finance Awards 2018

March 2019: LuxSe recognised 'Green Bond Listing Venue 2018' by CBI

April 2019: LuxSE wins 'Exchange of the year' at Environmental Finance Awards 2019

The Luxembourg Stock Exchange works closely with a number of industry groups and bodies:

Climate Bonds INITIATIVE

ICMA
International
Capital
Market
Association

**European
Commission**

wfe WORLD FEDERATION
OF EXCHANGES

**Sustainable
Stock Exchanges
Initiative**

Bonds on LGX

Green bonds

When the proceeds from an instrument are used exclusively to finance or refinance green projects, the bond will be displayed in the green window.

We recognise several broad categories of eligibility for green projects that align with ICMA's Green Bond Principles and/or CBI's Climate Bonds Standard:

- » Renewable energy
- » Energy efficiency
- » Pollution prevention and control
- » Environmentally sustainable management of living natural resources and land use
- » Terrestrial and aquatic biodiversity conservation
- » Clean transportation
- » Sustainable water and wastewater management
- » Climate change adaptation
- » Eco-efficient and/or circular economy adapted products, production technologies and processes
- » Green buildings which meet regional, national or internationally recognised standards or certifications

Chinese domestic green bonds

Chinese domestic green bonds are bonds traded on the China Interbank Bond Market (CIBM) or listed on one of the Chinese stock exchanges (SSE or SZSE). These bonds comply with the following frameworks:

- » People's Bank of China (PBOC) Green Bond Endorsed Project Catalogue
- » National Development and Reform Commission (NDRC) guidelines
- » China Securities Regulatory Commission (CSRC) guidelines

All bonds displayed on LGX are available to international investors and open to trade on their respective domestic markets in China.

A selection of issuers on LGX



LGX displays securities in several different windows. The choice of window depends on the nature of the financial instrument and its sustainability focus. LGX has windows dedicated to bonds and funds.

Social bonds

When the proceeds from an instrument are used exclusively to finance or refinance social projects, the bond will be displayed in the social window.

We recognise several broad categories of eligibility for social projects that align with ICMA's Social Bond Principles:

- » Affordable basic infrastructure
- » Access to essential services
- » Affordable housing
- » Employment generation
- » Food security
- » Socioeconomic advancement and empowerment

Examples of target populations include, but are not limited to:

- » Living below the poverty line
- » Excluded and/or marginalised populations/communities
- » Vulnerable groups
- » People with disabilities
- » Migrants and/or displaced persons
- » Undereducated
- » Underserved
- » Unemployed

Sustainability bonds

When the proceeds from an instrument are used exclusively to finance or refinance a combination of both green and social projects, the bond will be displayed in the sustainable window.

The categories of eligibility for sustainability bonds are a blend of green and social projects, aligned with ICMA's Sustainability Bond Guidelines.



#Poland

LBΞBW



Vestas



Ørsted

KBN



Verbund



FMO



Funds on LGX

As investments are increasingly channelled towards the Sustainable Development Goals (SDG) and meeting international climate change commitments, the need for reliable and transparent information on investment products and opportunities also grows. This is why we have introduced windows dedicated to responsible investment funds which have been awarded a reputable sustainability label.

ESG funds

An ESG fund incorporates environmental, social and governance (ESG) factors into its investment decisions and processes, following specific investment selection strategies. Asset managers may implement different investment strategies, which include one or more of the following:

- » Norms-based screening
- » Multiple exclusions
- » Best-in-class
- » ESG integration
- » Engagement and voting
- » ESG ethical screening
- » Impact investing



Green funds

A green fund invests its assets in sectors and activities that benefit the environment, incorporating specific investment themes into its investment decisions and processes such as:

- » Renewable energy
- » Environmental and ecological
- » Carbon
- » Forestry
- » Water

In addition to the focus on environment-related sectors, asset managers may implement one or more of the investment strategies referred to above.



Social funds

A social fund invests its assets in sectors and activities that have social benefits, incorporating specific investment themes into its investment decisions and processes such as:

- » Social impact
- » Social entrepreneurship and solidarity
- » Microfinance

In addition to the focus on social-related sectors, asset managers may implement one or more of the investment strategies referred to above.





How to join LGX

1

Listing / Registration

Joining LGX begins with a registration on the Securities Official List (SOL) or by listing your financial instrument on one of the two markets operated by the LuxSE: either the regulated market (BdL) or the exchange-regulated market (Euro MTF).

2

Classification

Classify your sustainable financial instrument as green, social, sustainable or ESG.

3

Transparency and disclosure

All applicants shall disclose detailed information about the use of proceeds (for bonds), or the investment policy and strategy (for funds). Mandatory documents, such as external reviews and exclusion policies will be published on the LGX platform.

4

Commitment to ongoing reporting

All financial instruments admitted to display on LGX will require a declaration of commitment to transparency and on-going use of proceeds reporting/impact reporting (for bonds) or responsible investing reporting (for funds). LGX encourages simple and relevant impact reporting.

Luxembourg Stock Exchange

Founded in **1928**, LuxSE is the **worldwide leader** in the listing of international securities. With its first mover attitude, **over the last 50 years** LuxSE has actively contributed to the development of international capital markets.

A leading listing venue for international securities, worldwide

“Listed in Luxembourg”

a recognised label in international capital markets

50+

years of experience in listing international bonds

99%

of all securities listed in less than 2 days

36,000+

listed and tradable securities

11,200+

new listings in 2018

500+

MTN programmes

60+

currencies

120

Sovereign and quasi-sovereign issuers listed on LuxSE

LuxSE has a strong culture of servicing international clients and **addressing their specific needs**. Thanks to its stringent but business-friendly admission process, LuxSE provides **the highest transparency to investors**.

By providing increased visibility to issuers, **LuxSE is the gateway to access international investors**. Issuers on LuxSE benefit from the country's vibrant and integrated financial ecosystem and proximity to a **powerful network of international experts** (e.g. law firms, banks, consulting firms, etc.).

A full-service offer

Listing

Effective answer to market needs

- » Efficient listing process (prospectus comments in less than three business days)
- » Indirect or direct prospectus submission
- » Wide range of securities and currencies
- » Competitive fee structure
- » Three listing possibilities: BdL Market, Euro MTF and Securities Official List (SOL)

Trading

Top-notch trading platform

All securities listed on BdL Market or Euro MTF are systematically admitted to trading (with an open order book)

Euronext partnership:

- » OPTIQ: a state-of-the-art Euronext trading platform
- » Cross-membership: free access to LuxSE markets for Euronext members and reciprocally

Information services

Comprehensive service that meets transparency and regulatory requirements

- » LuxSE website: easy access to centralised information
- » Prospectus publication
- » Financial news services (FNS)
- » Financial Instruments Reporting Services Tool (FIRST)

Sustainable finance

The Luxembourg Green Exchange is the first and only platform exclusively dedicated to sustainable securities

- » Relevant sustainable information on one single platform
- » 50% market share for listed green bonds

Contacts

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