

Corporate Social Responsibility Report 2019-2020

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1. Foreword

What is Corporate Social Responsibility? CSR encompasses all the practices put in place by a company in order to uphold the principles of sustainable development.

And what does it mean to be a sustainable or responsible organisation? It means that we, as an organisation, need to be economically and socially viable, have a positive impact on society, and respect and preserve the environment.

In recent years, increasing emphasis has been placed on companies and institutions' responsibility for the environment and society. As important economic actors, financial institutions, and therefore 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.

This CSR report covering two years is the first to be published as a stand-alone document, separate from the ABBL Annual Report. It demonstrates our continuous efforts to improve our CSR strategy.

In 2018, the ABBL was awarded the "Entreprise Socialement Responsable" (Socially Responsible Company) label for the third time by the INDR. This recognition is important for the ABBL, not only for itself as an organisation with around 40 employees, but also for the entire banking sector that we represent.

2020 was characterised by the need to flatten the curve of COVID-19 infections. The COVID-19 pandemic shows what sustainable behaviour should mean in real life, for all type of actors. Seen from that point of view, the pandemic crisis is an opportunity for companies to show how resilient and well prepared they are to manage risks and adapt to new circumstances with public health initiatives interfering in company strategy faced to unpredictable exit strategies.

The global call to action to "flatten the curve" of coronavirus infections through social distancing, complete or partial confinement, impacted the human relations but also economic trends, which leads us to various concrete actions:

As responsible institutions, seven Luxembourg banks, under the coordination of the ABBL, took the initiative to provide financial support to their professional clients experiencing cash flow difficulties resulting from the current crisis. This translated as a moratorium on loan repayments, special 'covid' loans, measures complementary to the state guarantee scheme for new bank loans.

The ABBL supported members in their efforts to protect their employees, providing advice on their health and safety obligations, underlining their duty of care to their employees.

Working from home: the ABBL encouraged its members to implement working from home measures from the beginning of the pandemic. Those companies who had anticipated the growing trend and encouraged occasional working from home long before the pandemic were well prepared, and other organisations quickly caught up. In less than a few weeks, it became the new way of working.

The following pages provide an overview of the ABBL CSR Strategy and our CSR achievements in 2019 and 2020. The ABBL CSR strategy includes not only internal actions, but also a whole range of external actions, towards or involving our members.

2. About the ABBL

1.1 The voice of Luxembourg banking

The ABBL represents the banking sector in Luxembourg. Our collective ambition, for and on behalf of our members, is to promote the sustainable development of regulated, innovative and responsible banking services.

The Luxembourg Bankers' Association (ABBL) is an industry association with a long history of promoting, defending and defining the banking sector in Luxembourg. Founded in 1939, over 80 years later we constantly strive to remain relevant for our members, giving them a common voice, providing a platform for the exchange of ideas. The Luxembourg Bankers' Association (ABBL) is the oldest and largest professional association in the financial sector, representing the majority of financial institutions as well as regulated financial intermediaries and other professionals established in Luxembourg, including lawyers, consultants and auditors working in or for the financial sector.

Reflecting the diversity of the Luxembourg financial centre, the ABBL federates and fosters the interests of its members and acts as the voice of the entire sector at both national and international level.

1.2 Our mission and priorities

Our mission



Our collective ambition, for and on behalf of our members, is to promote the sustainable development of regulated, innovative and responsible banking services in Luxembourg.

Our priorities

- Shape and represent the voice of our industry
- Foster collaboration with and amongst our members
- Provide industry and regulatory experience and expertise
- Offer research, thought leadership and financial education
- Collaborate with other economic actors and relevant authorities to ensure the competitiveness of the financial center
- Represent private sector banking members for the purpose of collective employment relations

Services to and relations with members

The ABBL monitors and keeps its members informed and up-to-date on the latest legal and regulatory developments, as well as relevant new technologies impacting their businesses. Via its technical committees and its working groups, the ABBL provides technical and strategic input for the benefit of its members and the Luxembourg financial industry as a whole. As such, it acts as a centre of competence and as a platform for the exchange of ideas. It formulates opinion papers and proposals on legislation, taxation, and banking regulation at national, European and international levels.

The ABBL is an association at the service of its members and all of its stakeholders. It responds to their expectations and involves them in its activities. Improved working flows enable continuous reporting and transparency of ABBL activities.

The ABBL shares its work and analyses it with its members. This includes drawing up of documents, launching surveys in order to reflect member's interests and publishing guides in order to help them apply the regulations. The ABBL regularly organises conferences and series of ABBL Meets Members workshops in order to best inform them. Members briefings are also published on new legislation applicable to the financial sector.

The ABBL also develops professional recommendations and guidelines for its members and encourages ethical commitments to go beyond the legal obligations, as stated in its revised Code of Conduct.

Employer representation

The ABBL represents and assists its members in social matters. It negotiates working and salary conditions in the financial sector via a collective bargaining agreement for bank employees.

As an employers' association, one of the key roles of the ABBL is to assist our members in all social and labour matters. The Social Affairs Committee handles topics related to the relationship between the employer and the employee. We represent the financial sector in the Tripartite, the Luxembourg Economic and Social Council (CES) and in the Luxembourg Employers' Federation (UEL).

As a mediator, ABBL regularly publishes job offers from its members via its website.

Financial Education and Training

Through the House of Training (HoT), the ABBL provides training programs adapted to the needs of banks. These include professional development programs of different levels, seminar programs on a range of subjects and professional banking training courses aimed at various levels of qualification.

The ABBL has set financial literacy as one of its priorities. Through its Fondation pour l'éducation financière, the ABBL conducts various initiatives in the field of financial education and training with a specific focus on sustainable finance, targeting both the general public, the vulnerable population and the professionals.

1.3 A technical, social and political network: our stakeholders

ABBL is also a platform to discuss key issues and to define common strategies for the entire Luxembourg financial sector in economic, financial, social, educational and digital The matters.

The continuous efforts to maintain a constructive cooperation with all relevant actors and to improve efficiency through accurate governance are among the most important objectives pursued over the last decades.



A Community of members

ABBL provides the intelligence, resources and services they need in order to operate in a dynamic financial market and in an increasingly complex regulatory environment in cooperation with its members through different business clusters, technical committees, working groups, forums and special task forces.

The ABBL Staff : a multicultural dedicated team sharing the same values

The ABBL celebrated 80 years of existence in 2019. Since 1939, the ABBL has been representing the banking sector, and continues to face challenges, due to the changing environment. Expertise in the ABBL is founded with a hard core of multidisciplinary advisers growing to a team of more than 40 employees and specialists. The weak turnover shows the loyalty, devotion and conviction of the whole team to face the diversity of tasks and changes with the times.

The whole ABBL staff is an example for diversity: human beings, women and men, in different positions, multidisciplinary talents with different educational, cultural backgrounds of different nationalities and age classes who give their best every single working day. Together they also contribute to the ABBL CSR strategy through their commitment to the same values, and participation to the various initiatives held.

A who's who may be found on the ABBL website.



Our Organisational Structure: 4 pillars

Digital & Innovation

The ABBL believes in the ever-growing importance of technology and its innovative use in making financial institutions in Luxembourg more customer-centric, technologically advanced and highly competitive by adopting new business models and technologies.



Ananda Kautz
Head of Innovation,
Digital Banking and
Payments

Member Relations

The Member Relations units is the main interface between ABBL members and ABBL experts, ensuring that our efforts are always focused on the issues with the most impact on the sector, today and in the future. It brings together the ABBL Clusters, which represent the main businesses of the Luxembourg financial sector: retail banking, private banking, corporate & commercial banking and depositary banking.



Sarah Odru
Head of Member
Relations

Regulatory Affairs

The Regulatory Affairs team closely monitors regulations, directives and laws as they are created. It acts to give a voice to the different interests amongst our members, with the aim of articulating a balanced, measured view towards law-makers and regulators alike.



Sustainability & Conduct

This newly created unit looks at the role of the sector in upholding the highest standards and safeguards the hard-won reputation of Luxembourg as an irreproachable financial centre. The unit also houses the Financial Education section of the ABBL.



Values and goals

The ABBL team defined its values and goals which are the most important in their eyes in their daily working life:



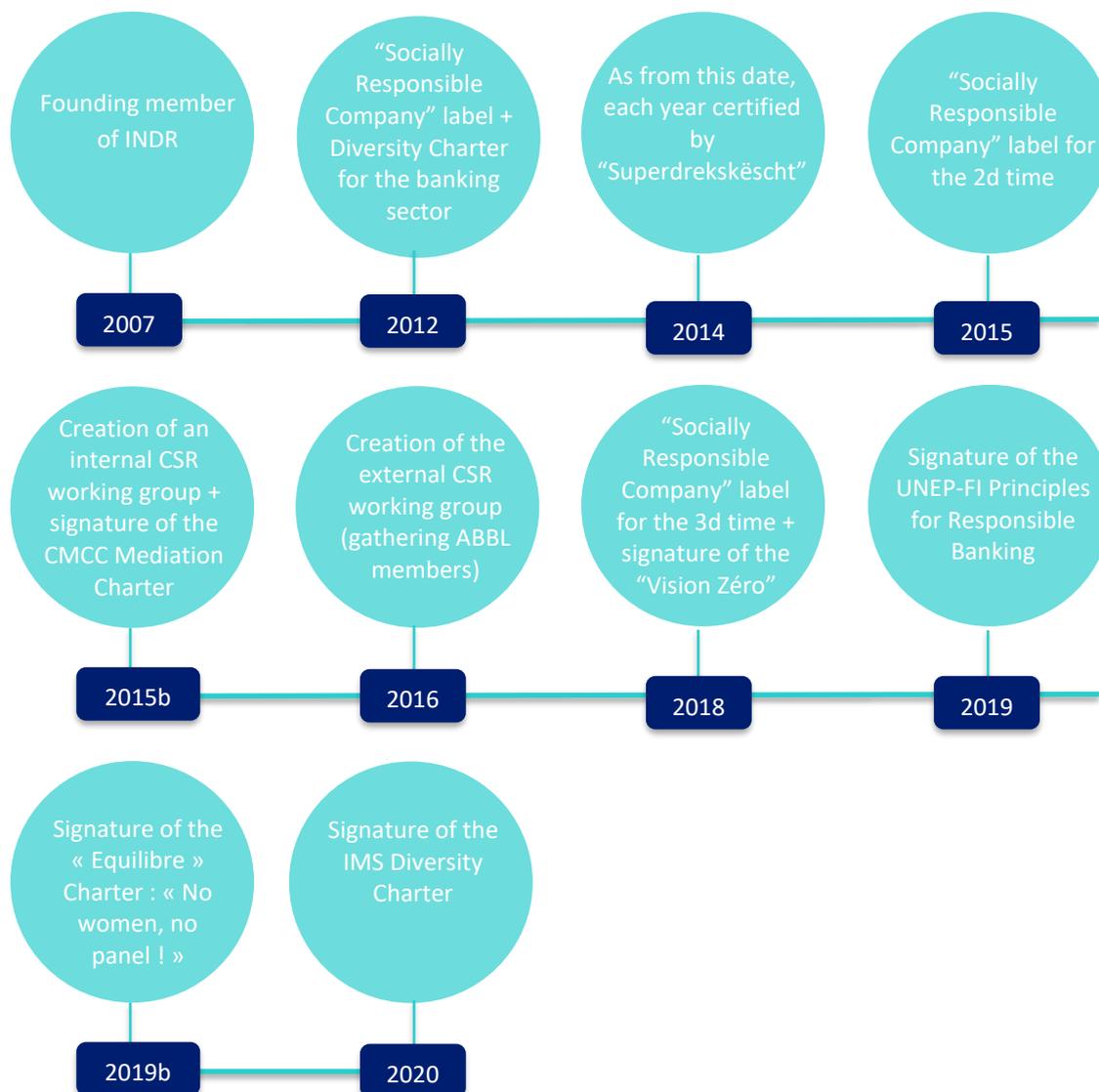
ABBL's commitments

The ABBL has signed a number of commitments over the years, confirming its involvement in a dedicated CSR strategy and policy :

- UNEP FI Principles of responsible banking
- Women Empowerment Principles
- Superdrëckskescht
- Charte de la Médiation
- IMS Charte de la Diversité
- Charte Equilibre
- Label ESR – Entreprise Responsable
- VisionZero



Key Dates for the ABBL



3. ABBL CSR Strategies

Considering its particular role as a professional organisation, the ABBL has developed both an internal and an external CSR strategy.

Federating interests of an entire sector and striving with key actors towards long term sustainable goals needs:

- a commonly defined strategy supported internally and externally
- the continuous balancing between profit, people, and planet goals
- a permanent questioning and forward moving, committing to a responsible approach is part of a spirit of continuous improvement and excellence.

Over the last decade, CSR got a natural and integral part of the overall strategy of ABBL as well for internal and external-related actions with a focus on the three pillars: governance, social, and environment.

The CSR strategy and ABBL's action plan set up for two years (2019 & 2020) has defined a range of key priorities for internal and external actions, set up according to the materiality analysis:

- Sound, accountable governance
- Compliance and ethical behavior
- Respect of personal data
- Quality of services to our members
- Responsible recruitment and employment practices
- Diversity and social inclusion
- Financial Education

There was a clear focus on external actions during these two years and actions turned around

- Promoting a responsible banking and financial sector
- Increasing the level of maturity of our members in terms of CSR strategy
- Strengthening gender diversity
- Creating an innovative approach on financial literacy through the development of training initiatives
- Promoting sustainable finance

3.1. Internal CSR Strategy

The internal CSR strategy is an on-going process consisting of multiple social, environmental and governance initiatives.

1. Governance



Governance: Composition of the Board of Directors

Over the years, the ABBL regularly reviewed its governance, adapting its governance rules (statutes, ROI) and not to mention new Vision and Missions, to ensure better representation in its Board of Directors. The aim is to allow the whole membership to have a voice and cover all their particular needs. It also takes into consideration the evolving nature of the ABBL members, i.e. less banks over the years and more and more new professionals and new financial sector players.

In addition to the CEOs of the six largest banks, the board is composed of representatives from banks based on the geographical groupings having a community of interest and representatives from banking clusters to take into account the existence of different banking business lines (private banking, commercial banking, retail banking, depositary banking, as well as payment cluster) and banking-related business lines (auditors and consultants, lawyers).

Renewed Internal governance

Early 2020, the ABBL Management Board adopted a new structure organised around four main pillars, dedicated to the banking sector of today and of the future: Sustainability & Conduct, Digital & Innovation, Member Relations and Regulatory Affairs. With this structure, the ABBL facilitates a transversal approach, with our Member Relations team acting as the interface between the ABBL experts and ABBL members, ensuring that efforts are always focused on issues that have the biggest impact on the sector, today and tomorrow.

The “Sustainability & Conduct” new unit encompasses Sustainable Finance, Deontology and AML, Data protection, Corporate Social Responsibility, Human Rights, Diversity, Social affairs, as well as Financial Education.

CSR Gouvernance

The internal CSR working group was created in 2016 with 10 staff members. They meet on a regular basis in order to propose to the ABBL Management Board a CSR Strategy and define bi-annual action plans.

Actions of sensibilization are regularly held in order to promote CSR actions and raise awareness of the members of the staff. Inhouse presentations about CSR strategy and action plans are presented in staff meetings.

The CSR working group proposals:

- to work out and support various social or educational NGO projects
- to give creative ideas to improve the wellbeing during working hours
- to organize or participate to events (Relais pour la Vie, Business Run,...)

2. Social : ABBL responsibility towards its employees



Respecting Worklife Balance: Improving working time organisation

To ensure the well-being of its employees, the ABBL endeavours to offer a balance between work and private life thanks to a flexitime policy, part-time work à la carte, time-saving account and the use of remote technologies and devices.

In 2019, the ABBL introduced in its internal procedure the possibility for employees to telework from home.

During confinement in 2020 and the whole year, teleworking became the new regular way of working. People were free to adapt their working plan following personal considerations. Estimating that our staff is acting fully in an autonomous and responsible way, no remote controls had to be applied.

For employees like assistants and receptionists, where a physical presence was necessary to ensure a continuity of services, restricted presence, gradual return and even working exemption have been applied.

Diversity

ABBL has developed many initiatives over the years to show openminded and responsible behavior in the recruitment and management of their employees. The multicultural population covers many different profiles ensuring a multidisciplinary team.

The ABBL guarantees equal opportunities and promotes the employment of both older and younger people as well as diversity (nine nationalities are represented among ABBL employees). A diversity lunch is organized in May each year where every different type of cultural gastronomy can be found.

Most of all, following the internal reorganization, most of the managers are female managers : out of 10 managers, 6 are female.

Health and Safety

The ABBL is a founding member of the ASTF and provides every year, in cooperation with the latter, the annual influenza vaccination, medical examinations, regular check-ups, psychology consultations, etc.. Information sessions for ergonomic are organised for everybody and, specifically for newcomers, a verification of the ergonomic of the workstation has been offered. Almost all of the old desk chairs were replaced during 2019 and 2020.

The ABBL ensures safety in the workplace. Specific individuals are responsible for safety and evacuation in case of a fire. Numerous employees hold certificates in first-aid training and defibrillator use. First aid trainings are offered on a regular basis so as the knowledge are constantly up-to-date.

In 2020, 10 ABBL employees held first-aid certificates, 5 employees held a fire-training certificate.

Information sessions on building and car park safety, as well as evacuation exercises are organized annually.

In 2019, regular Yoga sessions were organized each Wednesday lunchtime for the wellbeing of employees and reducing of stress level. Due to the sanitary crisis, this action was stopped in 2020.

To raise awareness, information and prevention session about breast cancer has been organized for the House of Finance staff in October 2019 and the building has been lightened in rose as a sign that the ABBL supports the prevention campaign.

At least, employees are provided with fresh fruits on a daily basis.

And during confinement...

During confinement in 2020 and the whole year, the main focus consisted to keep employees safe and, teleworking became the new regular way of working. Beside the fact that teleworking is popular among employees, residents and cross border workers, because improving quality of life and avoiding traffic jams, teleworking was the best way to protect employees during pandemic crisis. Employees got a full replication of their working place at home and access was guaranteed to all advisers via VPN.

Even after summer 2020, employees were generally encouraged to continue working from home due to the permanent crisis.

For employees returning to the office premises, additional sanitary measures have been put in place, the main ones are the following:

- Physical distancing: spacing out of working positions, lower capacity attendance in the meeting rooms and elevators with appropriate signage and limited capacity, plexiglass partitions between workstation
- Increased cleaning of office spaces,
- Delivery of a sanitary kit for all employees arriving on premises containing face masks, sanitising gel and disinfectant spray [with refill capabilities]
- Obligation to wear a face mask,
- Specific communications to ensure that employees are aware of the precautionary health measures put in place and the measures related to social distancing (on-line guide, posters, signage, etc.),
- Covid tests for employees returning from holidays paid by the ABBL
- Business trips abroad remain prohibited until further notice, and remote communications solutions are encouraged (telephone, video conference, emails, etc.) whenever possible.

On 3rd July 2020, the ABBL was certified by the ASTF that it implemented health and safety measures in compliance with Covid-19 prevention recommendations.

3. Societal Pillar: ABBL responsibility towards the society



Partnership and Collaboration with IMS

The IMS (Inspiring More Sustainability) is an instigator of numerous important CSR initiatives. It is therefore crucial for the ABBL to take part in their projects. As a member of the IMS, ABBL staff members take part to various actions undertaken by the IMS.

Furthermore, IMS organises seminars and trainings, which have proved to be beneficial for the staff members and our association strongly wishes to gain experience in this field. ABBL regularly follows IMS activities. It also delegates a member of the Management Board in the IMS Diversity Awards pre-jury.

In 2020, the ABBL relaunched the cooperation with a view to complementarity actions through the signature of IMS Diversity Charter on October 6, 2020.

Promoting Diversity and Inclusion

For the Youth: Internships

A partnership with the University has been developed in order to offer internship to students. 5 students were offered internship in 2019.

Lightning of the building HOF for sensibilisation purposes

In 2019, the ABBL participated to the “Light it up” actions and raise awareness:

- Lighting of the building in blue during Autism Week (01/04/2019)
- Lighting of the building in orange for adhesion to the movement against violence to women (November 2019 & 2020)
- Lighting of the building in pink during “October rose “ action for the prevention against breast cancer

Philanthropic actions

- Since 2011, ABBL’s employees have been taking part in the “Relais pour la Vie“, an event that aims to show solidarity with patients affected by cancer. This run symbolizes the journey embarked on by a patient affected by cancer, with its highs and lows: “you have to see it through, you must not give up or get discouraged for twenty-four hours”.
- ABBL bought twice cotton masks for all employees to support vulnerable people:
- The first initiative was the purchase of masks for all employees to the benefit of “Association musculation Hayange”.

- The second initiative was the purchase of masks made by a refugee and his family. The masks were given to all our employees and to all our members and partners as a wish of good health with our traditional Unicef Christmas cards. The ABBL reported in its Christmas card the rather special story of these masks: Mohammed Al-Hashimi is an engineer and his wife is a seamstress, and together with their two children, they sewed 14,000 masks and distributed them, free of charge, in Luxembourg: to hospitals, retirement homes and local communes, during the confinement, as a mean to thank Luxembourg for its hospitality to his family. After fleeing Baghdad in 2017, the Al-Hashimi family arrived in Luxembourg, where they were granted refugees status. The ABBL was proud to support sustainable production “made in Luxembourg” and in particular the project of the Al-Hashimi family.
- Stëmm vun der Stroos: donation of 2000 € (Honorary Member), following Solidarity Breakfasts held in the House of Finance Building, where employees cooked cakes and tart and sell them, as well as books, CDs, DVDs, home-made marmalades, etc.
- DONNA Luxembourg: sale of pink Christmas bubbles (action for the prevention of breast cancer) (December 2019)
- Toy drive among House of Finance staff, given to the Croix Rouge in December 2019.
- Participation to the DayCARE each year: With this initiative, ABBL was in the same time supporting students in Luxembourg and the vocational training of young midwives in Laos and Niger. In 2020, as no student could be welcomed in the premises due to the sanitary conditions, a donation was made.

Environmental Pillar: Limiting our negative impact on environment



Since many years, the ABBL has been working on the improvement of its impact on the environment.

IT and telephone equipment

The IT equipment, after amortization period, is sold to the staff (a random draw among applicants). The benefits of the sale are used for CSR initiatives or charity actions.

The change in the telephony system in 2019 implied a replacement of all telephones of all workstations. All ancient telephones were given for charity purpose associations Aarbechtshëllef and Jongenheem-CIRP who employ unqualified unemployed persons for a determined period in order to give them a minimum qualification and prepare them to the employment market. The associations ensure a professional supervision and social and educational support to the beneficiaries. Moreover, the associations signed a cooperation agreement with Ecotrel which certifies that the equipment given (printers and telephones) is dismantled in accordance with the principles of the circular economy.

Mobility

The ABBL staff participated in the IMS Mobility Kirchberg initiative, a study to explore the changing habits of workers in the Kirchberg, the results of which were presented to the staff in February 2019.

Compensation of CO2

The General assembly in April 2019 and the Chairman's dinner in July 2019 were the two first ABBL compensated events (MyClimate certified the compensation).

No single-use plastic: signature of the IMS "Zero single use plastics" charter

The recent initiative of "zero single-use plastic" consists in avoiding unnecessary pollution by replacing disposable plastic by more sustainable solutions. Two actions were taken in this context:

- A new coffee machine was bought (as free coffee is provided to employees) using whole grain, and each user uses washable mugs or cups.
- Concerning the use of water tanks, staff and visitors use washable glasses.

Waste management

To show its ecological mindset, ABBL has signed a SuperDrecksKécht® agreement to better manage its waste and provides training to its employees in this respect. This means that waste sorting is applied by each member of the staff of the whole building.

Day-to-day consumable management policy

Use of bio cleaning products, local brands for drinks, fair-trade products (Easter chocolates for staff members), returnable/reusable packaging, rechargeable batteries for electronic equipment, environmentally friendly paper (paper from farmed trees and FSC) are part of a responsible consumable management policy.

Installation of beehives

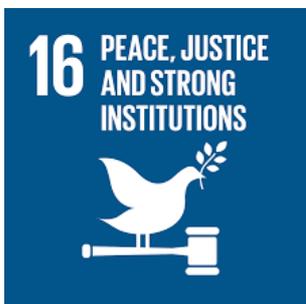
The installation of beehives in 2019 and the production of honey aimed to offer a gift to our members, a symbolic gift of biodiversity and protection of nature, on the day of the signature of the UNEP-FI Principles.

Other measures

- Promoting responsible travelling: statistics about CO2 footprint impact of employee's daily transportation and travel are handled every year as KPIs for measuring our impact on the environment.
- Energy: replacement of bulbs by LEDs planned in 2021

3.2. External CSR Strategy

Governance Pillar



Following its materiality analysis, one of the most important issue is compliance and ethical behaviour. In that respect, the ABBL regularly adapts its Code of Conduct, the last time being in 2019.

Responsible banking: a renewed Code of conduct

Aside from regulations, the ABBL encourages compliance with high professional standards and the values of integrity and professionalism. To this end, it develops recommendations for its members with the objective of setting ethical and responsible standards and behavior.

In order to ensure that banks apply the highest standards of responsible banking, the ABBL:

- Adapted its Code of Conduct with a supplementary chapter on responsible banking

This Code is designed in particular to safeguard the good reputation of ABBL members and of the Luxembourg financial centre. « With that aim in mind, the ABBL and its members support the efforts made by authorities and relevant stakeholders to develop the financial centre on a foundation of reliability, strength, professionalism, innovation and proficiency ». ABBL members are expected to be guided by and respect the commitments set out in this Code as a minimum standard. In fulfilling these responsibilities, ABBL members demonstrate their commitment to contribute to the strength, prosperity and reputation of the Luxembourg financial centre. The newly adopted 7th commitment engages our members in a new dimension of responsibility: “ABBL members make every effort to behave in a socially responsible manner. In a continuously evolving environment, ABBL members commit to be transparent and clear about how their products and services may create value for their clients and investors, and how they impact the society.” In particular, the Code invites our members to establish policies, management systems and controls to ensure that identified ESG objectives and targets are integrated into their decision-making processes across their entity.

The new Code of Conduct was adopted by the ABBL Ordinary General Meeting on 29 April 2019.

- Signed the UNEP-Fi principles, which set up the basic principles for Responsible Banking

As endorser of the UNEP-Fi principles for Responsible Banking, the ABBL aspires to align its business strategy and the strategy of its members with the UN Sustainable Development Goals thereby demonstrating its commitment to a more sustainable banking system. Indeed, the ABBL believes that sustainability should be an integral part of everyday culture, process and decision-making. By doing so, the ABBL fosters a financial system that embraces financial benefits as well as societal and environmental benefits.

The ABBL signed the Principles for Responsible Banking on 10th July 2019.

A CSR practical guide for the banking sector

In this line, the ABBL has conducted works with its members on Corporate Social Responsibility:

- Workshops with members in order to define what are the materiality issues for the banking sector and various banking activities in Luxembourg
- Set up of a guide and toolkit for the implementation of a CSR strategy in banks (to be released in 2021)
- Survey on CSR state of play in the banking sector in Luxembourg

The ABBL Guide “Corporate Social Responsibility (CSR) at the heart of strategy: A practical guide for use by banks in Luxembourg” is intended to serve as a methodological tool enabling the basics of a responsible strategy to be addressed in conjunction with standards and best practice, presenting concrete initiatives together with an implementation process and taking into account the particular characteristics of the banking sector in Luxembourg.

The objective has been to put together a practical guide to CSR which is dedicated and specific to the Luxembourg banking sector, based on the experience of the various players on the ground. This Guide is designed to meet the needs identified by the participants:

1. building a common language and understanding of CSR for the sector;
2. ascertaining the state of play regarding CSR within the sector in Luxembourg;
3. identifying the thematic priorities for CSR within the sector in Luxembourg;
4. sharing the results of the work done by the working group;
5. providing inspiration by gathering evidence and compiling a compendium of best practice within the sector in Luxembourg.

The practical factsheets featuring in this Guide are designed first and foremost to serve as a tool and an inspiration for the development of a CSR approach to be adopted by the ABBL's members. This will enable each bank operating in Luxembourg to interpret and use the guide in a way that reflects its level of maturity and its strategic goals.

The work done by ABBL members in the workshops conducted in order to create this guide identified the following main issues around responsible banking, which the ABBL follows in its own initiatives. As such these core issues (score higher than 30%) also serve as fundamental themes for the ABBL CRS actions.

Governance themes

Training of boards of directors with regard to the concepts and issues involved in sustainable finance	52%
Measures taken to promote ethical behaviour in business and to deal with conflicts of interest (e.g. code of conduct)	52%
Responsibility with regard to the marketing of products: transparent supporting documents and business dialogue	38%
Integration of human rights-related risks in the banking sector (KYC, financing of projects, choice of partners)	34%

Environmental themes

Offering of investment products and/or services having a positive ecological impact	62%
Offering of investment products and/or services contributing to energy transition	62%
Integration of environmental criteria in the processes for selecting and monitoring providers of goods and services (supply chain)	55%
A policy of excluding (for new clients) or disincentivising (for existing clients) investments in polluting industries	45%
The ecological footprint of in-house consumables (e.g. paper, coffee, ball-point pens, canteen)	38%
Financing of "green" research, innovation and infrastructure projects	38%
Financing of projects supporting the ecological transition of highly polluting sectors	31%

Societal themes

Financial education for all	52%
Enhancing awareness amongst customers with regard to the concepts and issues involved in sustainable finance	48%
Responsibility with regard to the marketing and labelling of products: supporting documents and use of business language adapted to the customer's level of financial education	38%
Measures put in place to combat the risk of customer over-indebtedness	38%

Social themes

Maintaining and supporting the employability of members of the workforce in switching to new jobs (e.g. as a result of digitalisation) and helping people where necessary to find new employment in other sectors	72%
Training of customer advisers (banking, investments) in the field of sustainable finance	59%
Integration of social criteria in the processes for selecting and monitoring providers of goods and services (supply chain)	36%
Setting up a framework for organising mobile, flexible working, including the right to disconnect from work	38%
Equal treatment in recruitment, career progression and remuneration (gender, nationality, language(s), socio-cultural aspects, etc.)	38%
Ongoing vocational training and validation of experience and skills (e.g. holding certificates/possessing a minimum level of experience as a condition of being allowed to carry out certain tasks and functions)	38%

Measures taken to ensure greater diversity in management positions ("glass ceiling ")

34%

Promoting Sustainable Finance among members

Having in mind the set of recommendations published in the Luxembourg Sustainable Finance Roadmap, in particular the one covering education, and willing to put into actions its commitments by the endorsement of the UNEP-FI Principles for Responsible banking and expressed in its Code of Conduct, the ABBL, in partnership with the House of Training and Forethix (leading advisory firm specialised in responsible investment and corporate responsibility) designed the first sustainable finance course of its kind in Luxembourg. It is part of a training curriculum leading to a certification, with advanced modules on regulatory issues, operational issues as well as products and labels. During the sessions, practitioners explore the current sustainable finance concepts and definitions (ESG, SDGs, SRI, ...) to build a solid foundation to face upcoming business challenges, while sharing industry best practices through practical business case studies.

In 2020, the programme has been completed. This program now consists in 4 modules (1 foundation and 3 advanced – all live now):

- [Sustainable Finance Foundation](#) to provide professionals from the financial sector with fundamental knowledge on sustainable finance
- [Operational Aspects \(advanced\)](#)- by Forethix - to get a better understanding of the normative context, the labelling process and the transparency and reporting of ESG factors
- [The Case of Green, Social and Sustainability Bonds and ESG Funds \(advanced\)](#)- by the Luxembourg Stock Exchange LGX Academy - to explore sustainable products currently available and being developed including concrete examples to learn about the importance of reporting and verification
- [Regulatory Aspects \(advanced\)](#)- by Linklaters - covering the main regulations being developed at EU level and other upcoming ESG regulatory sectorial changes.

Trainings on Sustainable Finance: Overview

Initiative	Description	Audience	Stakeholders	Status	Go-live
Foundation	Fundamental knowledge	Finance Professionals	ABBL, Forethix and House of Training	Live	2019

Advanced	Operational issues	Finance Professionals	Forethix	Live	2020
	Products	Finance Professionals	Bourse de Luxembourg	Live	2020
	Regulatory issues	Finance Professionals	Linklaters	In progress	2020
E-learning foundation	Fundamental knowledge	Finance Professionals	ABBL	In progress	2021
Videos	Basics	General Public	Fondation ABBL	In progress	2021
Workshops	Basics	High School Students	Fondation ABBL	In progress	2021

All these trainings are available in the training offer of the House of Training.

An evaluation process has been designed according to global certification current practices to ensure the credibility, the reputation and an appropriate positioning of the program compared to current equivalent offers. Consequently, a certificate will be delivered for each individual module upon successful completion of a 15-questions quiz (multiple choice questions) and the confirmed attendance/registration of the participant to the course. A minimum 70% success is required to pass the exam without any limit of attempts.

The ABBL is also looking at designing a 1-hour e-learning on fundamentals of sustainability and sustainable finance which might be embedded in the welcome pack of any new joiners of Banks which would support the initiative.

Finally, in the context of the Luxembourg Sustainable Finance Strategy, the Education Subgroup will keep on assessing partnerships and initiatives with key stakeholders of the Luxembourg and sustainability ecosystem to identify new opportunities to create and enhance education and training offering for both the public and the professionals. Moreover, the creation in October 2020 of a “Sustainability Committee” offers a platform to all stakeholders of the financial center to work together, exchange views, work out training sessions and to contribute to review finance from an environmental, social and sustainable point of view.

Promoting Human Rights

On human rights, the ABBL has contributed to UEL position paper on the National Action Plan for the Implementation of the UN Guidelines on Business and Human Rights, and on a National Charter to be applied by companies in Luxembourg. The main points are as follows:

- Raising awareness among companies is a priority
- Due diligence advocated in the National Action Plan remains a voluntary approach
- Training initiatives for companies should be supported
- CSR label, granted by INDR and supported by the UEL, includes the human rights dimension.

Social Pillar : Diversity, a more equal financial sector



Diversity is above all an asset, as it contributes to economic performance and better governance and thus will have a positive effect on the image and attractiveness of the banking sector.

Diversity and equal treatment are part of the ABBL's values and, for this reason, the association very quickly invited its members to join initiatives promoting diversity and equal professional opportunities in the Luxembourg financial centre, notably through the Charter for Diversity in the Financial Sector, in order to formally encourage the HR directors of the banking sector to integrate diversity management and equal professional opportunities into the internal policy of their organisations.

The ABBL regularly adapted its Code of conduct (for the last time in April 2019) which encourages its members to act in favour of gender diversity through concrete actions that go beyond legal and regulatory obligations: “ABBL members (...) promote diversity in their recruitment policy, avoiding undue discrimination.”

Equal treatment is also taken into consideration in the Collective Bargaining Agreement negotiated with the social partners in a sense that no way is left to apply different conditions from a gender perspective.

“Charte Equilibre” – “My Pledge” initiative

On the occasion of the 2019 International Women’s Day, the ABBL did another step for the gender diversity by signing the Equilibre “My Pledge” initiative, aiming at ensuring more diversity at public events in line with the #NoWomenNoPanel Campaign.



We believe that more diverse companies are able to improve decision making leading to a virtuous circle of increasing returns. There is undoubtedly a positive relationship between financial performance and greater diversity in leadership

Catherine Bourin, Member of the Management Board

Creation of a WG on Diversity in 2019

A Working Group on Diversity was created in 2019. The engagement of many members to participate shows the growing interest of the sector in promoting gender equality, diversity in leadership practices and having a sectorial action plan with tools and guidelines.

The working group has been very active over 2019 and 2020 and one of its main achievements is the developing of Statistics and Measurement tools for Gender Equality (KPIs) for the Banking Sector.

Moreover, it established an action plan focused on three out of 7 principles of the Women Empowerment Principles of the United Nations : health and wellbeing, training and development of women, measurement and reporting on gender equality.

Statistics and Measurement tools for Gender Equality in ABBL groupings

Following the renewal of the ABBL technical committees in September 2010, the gender repartition in Technical Committees still shows that women are underrepresented, despite some improvements: two Committees (Sustainability Committee and Social affairs Committee) are gender balanced.

Committee Composition



Collaboration with relevant Actors: Signature of the IMS Diversity

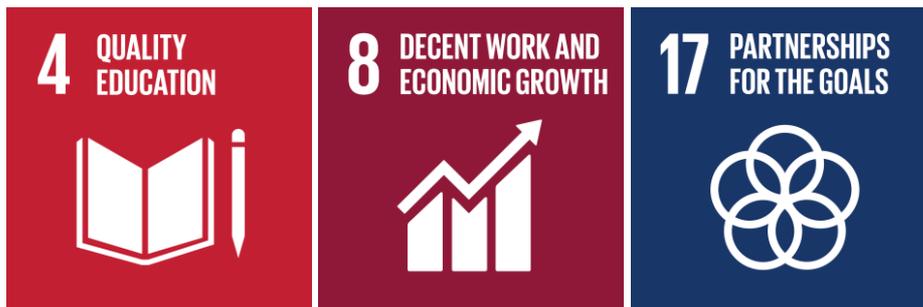
On 26 September 2012, a national Charter on Diversity addressing all Luxembourg companies was launched by the Comité pour la Charte de la Diversité Lëtzebuerg – IMS which ABBL was actively promoting, beside its own Diversity Charter for the banking sector.

To improve collaboration and complementarity of both organizations, ABBL signed IMS Diversity Charter on October 6, 2020. At this occasion, the ABBL CEO Yves Maas declared: “Diversity, we shouldn't even need to sign a charter because it's normal and it should be for everyone” (Yves Maas)

Deployment of other actions

- Communication to our members to encourage them to commit to diversity and equal professional opportunities by promoting the "CEO Gender Equality Conference" on 29 April 2019.
- Participation in the Diversity Awards as a pre-jury
- Mandate to the Committee on Women's Work to promote women in the working world

Societal Pillar: Financial Education



The ABBL promotes financial literacy among its members and main stakeholders to help them enhance the financial empowerment of their customers and the wider community. Thus, ABBL created a foundation, the “ABBL Foundation for Financial Education” (Fondation ABBL pour l’éducation financière) in 2016. The goals of this foundation are fourfold: (i) to support and promote financial education in Luxembourg and abroad, (ii) boost vocational training in the fields of professional finance, (iii) sustain academic education via the University of Luxembourg and (iv) foster research via the financing of doctorates, post-doctorates, and professor chairs.

The ABBL is dedicated to improve its added value for society. It shares its knowledge with society through different communication means which help the grand public and consumers of financial services to better understand the banking world, and improve financial literacy. Being able to manage money and understanding today’s complex socio-economic environment are fundamental skills necessary to enable everyone to make sound professional and private decisions to safeguard their financial security.

With this in mind, the Luxembourg Bankers’ Association (ABBL) and its ‘Fondation pour l’éducation financière’ has been actively carrying out a range of initiatives in the field of financial education.

After the growing success of the ‘Woch vun de Suen’, which started in 2015, the ABBL Fondation launched a pilot project in September 2019, the ‘Zuumer Academy’, targeted at ‘vulnerable’ members of society.

Social inclusion through financial literacy : Zuumer academy

The ABBL Fondation pour l’éducation financière launched a pilot project in September 2019, the ‘Zuumer Academy’, targeted at ‘vulnerable’ members of society. This initiative, which is part of a wider awareness campaign, and which is aimed at promoting social inclusion, was launched thanks to support of the Ministry of Family and Integration. The Zuumer Academy was selected from a call for projects for the Ministry’s National Action Plan.

The pilot project, run by 18 volunteers from the ABBL, gave a dozen people the opportunity to take part and become certified by the ABBL. The training is designed to help them in their integration process, most of the participants being of foreign origin.

This project is considered as one of the most important ABBL CSR achievements. The success story of our Zuumer Academy started as a pilot project what could be described as: "people for people, together we change a lot", where knowledge is shared in a simple and pedagogic way by our employees contributing on a volunteer basis. The attendees of the Zuumer Academy were intentionally chosen to be Individuals not having educational or social background or simply having met obstacles not to succeed in their personal or private lives.

The first pilot project of “Zuumer academy” in 2019 was animated by 18 staff members. It’s worth to say that the first editions were worked out by motivated persons among the staff putting their knowledge,

ideas and competences together to deliver some pedagogical quality material adapted to the public they were addressing to.

The aim of the Zuumer Academy is to provide financial education courses, given by committed volunteers, through 8 modules set up specifically for this purpose (e.g. “my bank”, “my account”, “using different payment methods”, “managing my budget”, “understanding risks”, etc.) to help participants manage their personal finances confidently and understand the relationship with their bank.

It aims to give participants better chances for social integration through a better understanding of the financial and banking environment and better management of their personal finances. According to the evaluations carried out at the end of the training, participants feel more responsible in terms of managing their budget and are better able to make appropriate choices in this respect. The skills acquired also enable them to dialogue with their banker with a better mutual understanding.

“If you save, you can achieve anything” said Marco, at the end of ‘Dilemme’, a board game designed to allow the students to put into practice lessons learned during the course.

Subsequently, in order to engage ABBL members in its CSR and diversity strategy, the courses were delivered by both ABBL employees and employees of ABBL members. The trainers work in pairs to ensure that all participants are involved, one explaining the concepts, the other observing whether the participants are following, thus ensuring interaction and dynamism in the course.

In terms of the ABBL's diversity strategy, the project has raised awareness in the banking world of the importance of helping vulnerable populations for their social inclusion, and that knowledge sharing is a way to achieve this. The involvement of our members in this project is a success in terms of the deployment of the ABBL's actions to unite its members on common projects. Diversity, in the sense of taking into account the interests of people suffering from social precarity, is an element of diversity that was not previously taken into account in the diversity management policies of banks. This initiative has helped to develop this new approach within the ABBL's members in this project.

12 persons in 2019 and 39 persons in 2020 were participating and received a certificate at the end of the training.

Financial Education for pupils: Woch vun de Suen

The “Woch vun de Suen” is organised annually by the ABBL Fondation pour l'éducation financière and is part of the “European Money Week” initiated by the European Banking Federation. The “Woch vun de Suen” has the support of the Ministry of National Education, Childhood and Youth.

This initiative aims to teach children of the 4th cycle of primary education in Luxembourg the basic rules of responsible management of money. Understanding the value of money, teaching young people aged 10 to 12 to better manage their money and savings, and thus raising awareness of the importance of budget control for their future are the priorities of this project.

In context of increasing incentive consumption, it is indeed essential to introduce financial literacy from an early age in order to make them attentive to a thoughtful and responsible consumption. Thanks to the volunteers' commitment from ABBL members, the students were able to benefit from a playful two hours animation in their respective classes.

The initiative is organised annually by the ABBL Fondation pour l'éducation financière and is part of the “European Money Week” initiated by the European Banking Federation. The “Woch vun de Suen” has the support of the Ministry of National Education, Childhood and Youth.

In 2019, more than 1,100 pupils from across the country participated in the fifth edition of the « Woch vun de Suen », 78 classes from 69 schools. The initiative gathered 80 volunteers from ABBL members.

The same module is offered by the ABBL within the frame of the pilot project “Kannerkascht +”, bringing together educational players from all fields of non-formal education to offer extra-curricular programmes for the children of the City of Esch.

Financial education for everybody: ABBL Publications

A collection of useful information is made available on its website, be it newsletters, publications, brochures or videos.

To support the efforts of the Zuumer Academy, teaching materials were developed to support the students, and a new series of publications was launched. The firsts ABCs of financial education were released in parallel to the academy and further editions have been published in 2020.

The “ABC of Financial Education” (ABCdaires de l’éducation financière or ABC der Finanzbildung) is a series of bilingual guides that work towards this overarching aim by making the world of finance and economics more accessible to the public. These guides help consumers make informed financial decisions, raising awareness of the banking products at their disposal, as well as explaining their rights and responsibilities.

In 2019, 5 ABCdaires in French were published

In 2020, 4 new ABCdaires in French were published and 8 in German.

“One minute in Finance” is a series of short videos that inform retail banking customers on everyday queries they have with their bank.

In 2019, 1 video was issued in French, English and Luxembourgish

In 2020, 3 new videos were issued in French and Luxembourgish.

The ABBL and its Fondation regularly provides information on its activities via its website and social networks.

4. Sharing Experiences

While writing those few pages, we interviewed some of the staff to see their perception of the evolution of internal CSR activities:



We shouldn't even need to sign a Diversity charter because it's normal and it should be for everyone.

Yves Maas, CEO of the ABBL



As a mother of two small kids, I am grateful that my employer gave me the opportunity to work part-time without having any negative impact on my tasks and career development, allowing me to balance my professional and personal responsibilities.

Cristelle Cervellati, Adviser



We have developed a quite good reflex not to print too much and are influenced by the green policy of the house even in our private lives.

Elisângela Furtado, Accounting & Finance



It's not easy to have a permanent visibility if you are an artist and I am very happy that employees get the possibility to use the Reception of the House of Finance as a Gallery of Exhibition.

Chantal Hoffmann, Secretariat



We have a collective responsibility and teleworking is a good way to protect vulnerable family members.

Simone Kayser, Adviser



The working group CSR, which I am a member of, has a great team spirit and comes up with interesting ideas and plans.

Andrey Martovoy, Adviser

Annexe: Social report and statistics

Figures for the period from January 2020 to December 2020

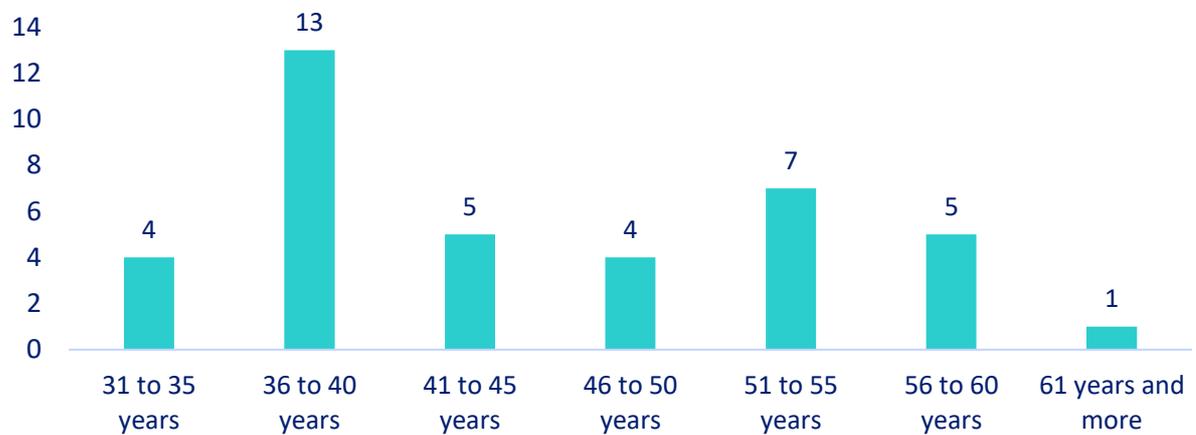
Average age

- Women: 44 years
- Men: 46 years

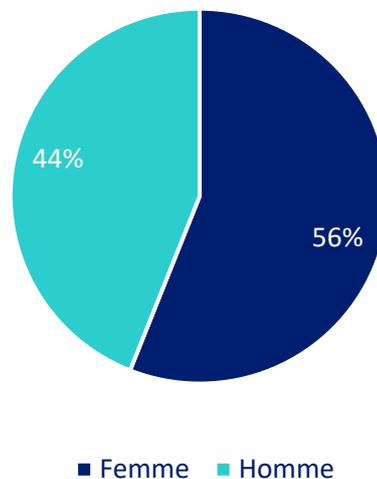
Average seniority

- Women: 11 years
- Men: 8 years

Distribution by age group



Gender distribution



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