

DUKE

16

12 euros

ISSN 0253-5858



THE THOUGHT LEADERSHIP FACTORY



NICCOLO POLLI
(HSBC LUXEMBOURG)

ESG Financial
Square initiative

FOCUS
Family Office

SEAN O'DRISCOLL
(Universal-Investment)

Sustained Growth



YOUR ONE STOP SHOP FOR ALL VIDEOS



YOUR PARTICIPATION

0%

FULL SERVICE AGENCY

 Crossmedia



ACADEMY

 MASTERCLASS



25%

TANGIBLE CORPORATE CULTURE

 DigitalHEROES



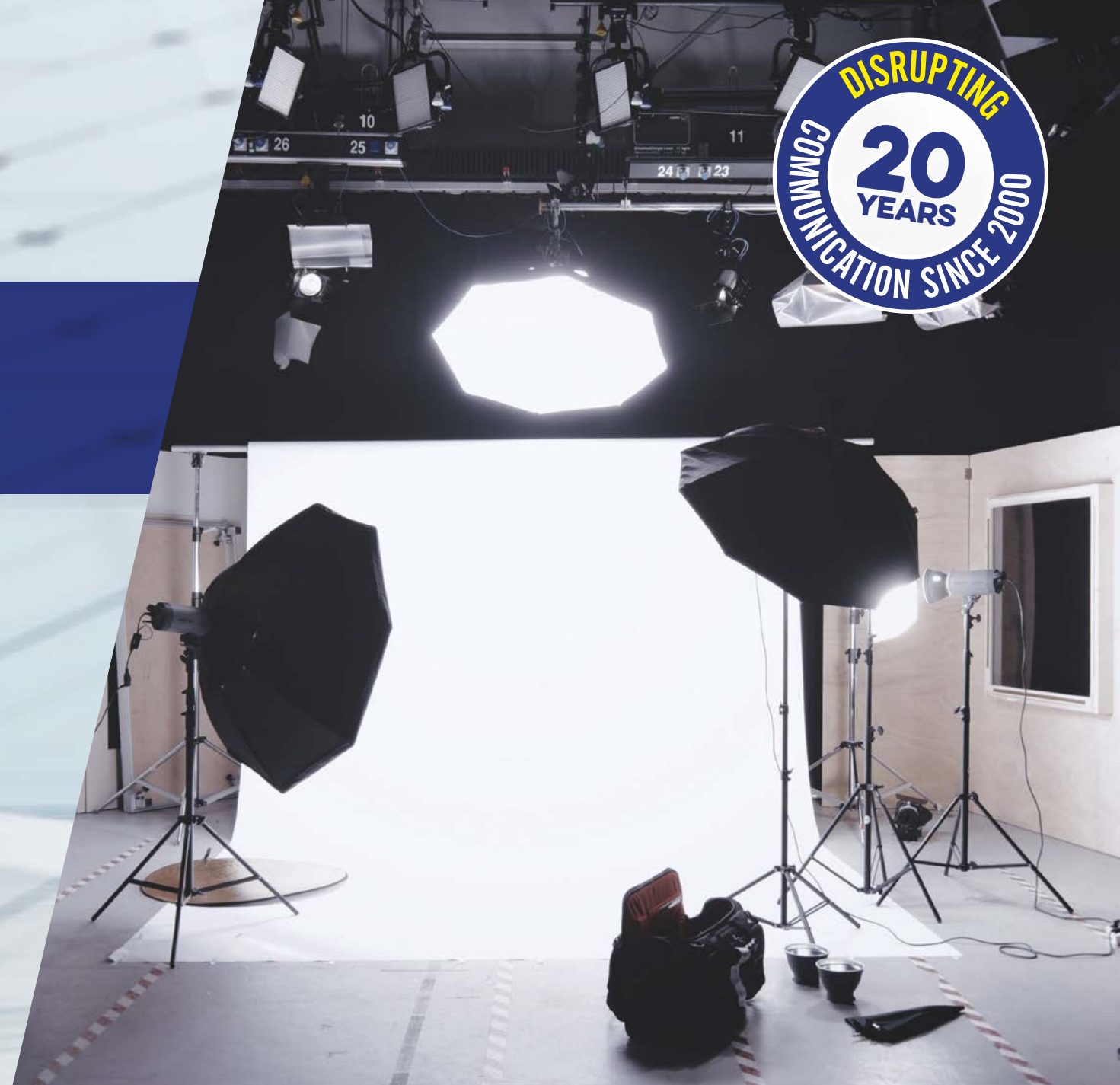
75%

SELF MADE PRO VIDEOS

 BOX



100%



SPECIAL OFFER

**Discover our Public Speaking
Masterclass for Free**

Offer valid until April 30th



FULL SERVICE AGENCY
www.360crossmedia.com

ACADEMY
www.360masterclass.com

TANGIBLE CORPORATE CULTURE
www.360digitalheroes.com

SELF MADE PRO VIDEOS
www.360-box.com

Dear readers

The EU Sustainable Finance Disclosure Regulation (SFDR),

implemented on the 10th of March, has put ESG in the spotlight the first quarter. This edition of Duke shines a light on ESG Financial Square, a timely initiative aiming at sharing best practices and insights to help build a future anchored in sustainability, diversity and discerning decision-making.

Duke also picks the brains of the entrepreneurs shaping the Grand-Duchy's economy with a special feature on family offices.

Another highlight in this edition is the interview of Chef Massimo Bottura the "da Vinci" of the Italian cuisine renaissance.

Enjoy your read.



Johann Herz

DUKE 16

Publisher: Jerome Bloch (jbloch@360crossmedia.com)
Editor in chief: Johann Herz (project@360crossmedia.com)
Conception & coordination: 360Crossmedia
Sales: contact@360crossmedia.com
Artistic Director: Franck Widling
Cover Photo: 360Crossmedia/G.N.
Print run: 5000 copies
 www.duke.lu – Phone: (+352) 35 68 77 – contact@360crossmedia.com



©360Crossmedia/DR

SUCCESS

- 6.** 36th America's Cup 2021: Making Waves with Ideas!
- 10.** Jérôme Bloch (360DigitalHeroes): 2021, the Digital Schism

POLITICS

- 12.** Pierre Gramegna (Luxembourg Government): Taming the Black Swans
- 14.** Claude Turmes (Minister for Energy, Minister of Spatial Planning): transition without concessions

ASSOCIATION

- 16.** Marco Zwick (CSSF): How Risks and Solutions Evolved in the Covid Crisis
- 18.** Yves Maas (ABBL): Solidarity and stability
- 20.** Jean-Paul Olinger, Nicolas Simons (UEL): The state budget in perspective
- 22.** Michael Derwael (ALRiM): Plumbing for liquidity crises
- 24.** Muriel Bouchet (Fondation IDEA): influencing change

COVER STORY

- 26.** Sean O'Driscoll (Universal-Investment Luxembourg): Continuous Growth

ESG FINANCIAL SQUARE

- 32.** Niccolò Polli (HSBC Luxembourg): ESG Financial Square initiative
- 36.** Julie Becker (Luxembourg Stock Exchange): New financial products to accelerate sustainable finance
- 38.** Denise Voss & Sachin S Vankalas (LuxFLAG): Seal for sustainability
- 40.** Nasir Zubairi (LHoFT): Raising the Roof for ESG Investing
- 42.** Marco Caldana (FARAD Group): From investment to impact
- 44.** Wim Ritz (ZEDRA): ESG – Disclosing Better Outcomes
- 46.** Eric Chinchon and Christophe Pessault (mebs): G for ESG
- 48.** Michael Maldener (Nordea Investment Funds S.A.): ESG Legacy
- 50.** Christian Gibot, Charles Degen, François Lucchini (Cardif Lux Vie): Don't get lost in the complexities of ESG, embrace the opportunities

- 52.** Claus Jørgensen and Dr. Felix Brill (VP Bank): Shaping a Sustainable Future

- 54.** Amaury de Viviès (Davidson Luxembourg): ESG catalyst

- 56.** Joanne Ferris (Alter Domus): Embracing ESG as Standard Practice

- 58.** Susanne Schartz (Seqvoia): The data challenges behind the SFDR

- 60.** Charlotte Waton (Foyer): CSR Catalyst

- 62.** Francois Masquelier (ATEL): ESG in Money Market Funds, why not?

- 64.** Dr. Roman Kräussl (University of Luxembourg): Ground-breaking ESG investing research

- 66.** Patrick Wood Uribe (Util): Impact: The Final (Inefficient) Frontier

- 68.** Tonika Hirdman (Fondation de Luxembourg): Philanthropy and ESG, Creating impact that lasts

- 70.** Marc Lauer (INDR) : CSR Platform

BUSINESS

- 76.** Nedjma Bellakhdar and Andrea Tedone (BNP Paribas Securities Services): Where risk meets transformation

- 80.** Denis Vandenbulke (Vandenbulke): transactional lawyers rewarded

- 82.** Gautier Despret (IQ-EQ): Private debt, an appealing asset class for investors in times of crisis

- 84.** Stéphane Bellac & Louis Ghaleb (BearingPoint): Private banking, transform, or disappear

- 86.** Xavier Buck (Namespace Group & EuroDNS): 20 years of entrepreneurship

- 88.** Richard Browne (Credit Suisse Fund Services (Luxembourg) S.A.): The sweet spot between innovation and disruption

- 90.** Jean Elia (SOGELIFE): Shuffling the cards of life insurance

- 92.** Martin Vogel (Waystone): The New Compass setting the Course

- 94.** Ixellion: Fostering innovation to develop the technology of tomorrow

- 96.** Avega: new era begins for Luxembourg corporate services pioneer

- 100.** Delphine Berlemont (ING): One step ahead

- 102.** Claus Mansfeldt (Swancap): Private Equity Stronghold

- 104.** Paulo Bilezikjian: Is there nowhere to hide?

TECH KINGS

- 106.** Francis Parisi (Intertrust Group): Adapting and improving for long-term legacies

- 108.** Johan Lindberg (RBC Investor & Treasury Services): Family offices are becoming more institutional

- 110.** Yacine Diallo (Charles Russell Speechlys – Avocats): Family Capital – Trends and anticipated evolutions

- 112.** Bérengère Launay (Spuerkeess): Family Matters

SPORTS

- 114.** Sarah Bovy: An "INTENSUM" pilot

RESTAURANT

- 116.** Massimo Bottura (Osteria Francescana): Helping Make the Visible Invisible

- 122.** Christophe Pelé (Le Clarence) : pleasure above all

MEDIA

- 124.** Alexandre Demoulin (360box.fr): the three keys to sustainable video production

- 126.** Marcel Bleustein-Blanchet: Advertising in His DNA

- 128.** The digital shift of press subsidies in Luxembourg

MUSIC

- 130.** Daft Punk end the magic

SPACE

- 132.** 2020, Space Odyssey

GUIDE

- 136.** Ceos' favourite addresses

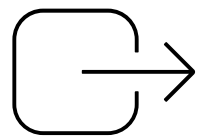
36TH AMERICA'S CUP 2021

Making Waves with Ideas!

 **MORE INFORMATION**
www.duke.lu/americascup

THERE ARE ONLY FIVE MILLION INHABITANTS IN NEW ZEALAND, BUT THIS IS WHERE YOU FIND A BUNCH OF GOOD RUGBY PLAYERS AND THE BEST SAILING TEAM IN THE WORLD. DESPITE A LOW BUDGET, OVER THE PAST EIGHT AMERICA'S CUP CHALLENGES, TEAM NEW ZEALAND WAS WON FOUR TIMES. AMERICA AND ALINGHI, OF SWITZERLAND WON TWICE EACH.





36th America's Cup 2021: Making Waves with Ideas!

The America's Cup in short

Founded in 1851, the America's Cup is the oldest trophy in international sport. The first challenge took place around the Isle of Wight, when the schooner "America" – which gave its name to the event – won. Queen Victoria asked which boat had taken second place and was famously answered: "Your Majesty, there is no second" which stands today as the competition's mindset. Weirdly enough, the "Auld Mug" has never been won by the United Kingdom in 170 years. The high costs associated with the boats, R&D and the crewing quickly turned this event into a hotspot for billionaires including Sir Thomas Lipton, Harold Vanderbilt, John Pierpont Morgan, Ted Turner, Bill Koch and Ernesto Bertarelli. Larry Ellison, completely transformed the event in 2013, turning an often-obscure offshore regatta into an exciting event thanks to three points: 1. Introducing fast boats: the AC72. 2. Making the event "television compatible" by introducing new technologies and more spectacular venues and 3. Helping new teams, such as SoftBank Team Japan, participate.

The 2021 challenge

In 2021, with costs rising again, only three teams were able to enter the Prada Cup, which decides which challenger will qualify for the America's Cup. The American team went home with 10 losses and no victory and Italy's Luna Rossa Prada Pirelli Team destroyed the UK's TEAM INEOS 7 to 1. A big blow for Sir Ben Ainslie, winner of four Olympic gold medals and his generous sponsor, Sir Jim Ratcliffe, one of the richest men in the United Kingdom and founder of INEOS. In the America's Cup regatta, Team New Zealand and Luna Rossa started exchanging blows until they reached 3-3. In the seventh race Team New Zealand got off its foils allowing Luna Rossa to build a 2,400 meters lead before losing by 1,800 meters in a race of only 32km! This was a turning point and Team New Zealand went on to win 7-3.

The Team New Zealand approach

When they entered the competition for the first time in 1987, the Kiwis shocked the world with a glass fiber boat that performed very well. In 2017, everyone had to use the same boat. The Kiwis also introduced revolutionary bike-powered winches. After winning the America's Cup in 2017, Team New Zealand had control over key decisions of the race: boat,



location, rules. They could have followed Larry Ellison's path, trying to lower costs to make the race more accessible and turn the sport into a global success. Instead, they went in completely the other direction, allowing teams to build two boats, almost from scratch, leaving plenty of room for engineers to kill the match with their computers. Why would they do that? They played on their strength! Competing with a much smaller budget than Prada or the TEAM INEOS, they

"Founded in 1851, the America's Cup is the oldest trophy in international sport."

knew that they could gain a key advantage with their brainpower. It worked: they won again, but this came at a high cost for the competition which received low media coverage outside of New Zealand.

Next regatta

Emirates Team New Zealand has already accepted a "Notice of Challenge" for the 37th America's Cup from the Royal Yacht Squadron Racing – the organizer of the race in 1851 – represented by TEAM INEOS UK, which will act as the Challenger of Record for AC37. This means that Sir Jim Ratcliffe is already committing his millions to the next regatta in his quest to win the America's Cup for the United Kingdom for the first time. He will bring his business acumen to the discussions and, if Team New Zealand accepts, to make this race more "open." This could increase its attraction not only to European teams but also to a Chinese or Japanese team, all eager to demonstrate their innovation and sailing capabilities. Teams will be allowed to build only one AC75 this time, and a new nationality rule will prevent the repetition of Alinghi's story, where a large part of the Kiwi team went to work for the Swiss team.



Luna Rossa Prada Pirelli Team co-helmsman looks back at the 36th America's Cup finals

ONE OF THE MOST DECORATED SAILORS IN THE WORLD, JIMMY SPITHILL MADE HISTORY WHEN, AGED 30, HE BECAME THE YOUNGEST SKIPPER TO WIN THE AMERICA'S CUP. THAT TRIUMPH IN 2010 WITH BMW ORACLE RACING WAS FOLLOWED UP THREE YEARS LATER WITH A SUCCESSFUL DEFENSE OVER TEAM NEW ZEALAND AND A LOSS IN 2017 AND 2021 AGAINST THE SAME OPPONENT.

Why did Team New Zealand win?

In the America's Cup the New Zealanders showed that they had a very strong package. They were able to make a lot of their design, engineering and development decisions later than us because they did not race until the America's Cup regatta.

Is there any single factor that made all the difference?

In my experience, it's a multitude of things. But I believe the boat speed was the biggest factor in this America's Cup, as it's always been.

How much does the human element come into play?

The sailors play a huge role. The boats are incredibly physical and you have to be a few steps ahead, trying to get off the start line well, making good decisions and racing well. But again, the boat speed is fundamental. No matter how good the jockeys are, you need a fast horse.

The teams in this America's Cup seem well matched – there was a lot of star power on both boats.

Both teams are pretty experienced. For example, Glenn Ashby and I go way back – he was our coach in 2010 when we won our first America's Cup with Oracle and he's been with Team New Zealand ever since. Both teams are well stacked in terms of personnel, on and off the water.

What about conditions?

Sometimes in New Zealand you can get all the seasons in a single day! I think the boats each had their sweet spots, and it is difficult for the sailors to overcome that.

What was your team's mindset?

Whether it had been a tough day or a good day, just be very consistent and composed. Take the lessons and focus 100 per cent of the time and energy on the next race. The next race is the only thing that matters.

How did you feel in the moments before the start of each race?

With every race, it's really exciting. One of the main reasons you do it is that mixture of emotions, adrenaline, anxiety and a bit of nervousness. That minute or two just before you enter that pre-start box and engage with the other team and you're all on the boat ready to go... It's an incredible feeling and very, very addictive.

JÉRÔME BLOCH
360DigitalHeroes

2021, the Digital Schism



MORE INFORMATION
www.duke.lu/digitalschism
www.360crossmedia.com

ACCORDING TO JÉRÔME BLOCH, CEO OF 360DIGITALHEROES, THE MONTHS AFTER COVID-19 ENDS WILL GRADUALLY REVEAL TWO CONCEPTS OF DIGITAL PRACTICE, WITH SIGNIFICANT IMPACTS ON THE COMPETITIVENESS OF COMPANIES. INTERVIEW.

What schism are you talking about?

The Covid crisis has revealed two groups. On the one hand, people who only think of going back to their "normal life," and who see digital solutions as temporary crutches. On the other hand, users who are discovering the power of digital tools and who intend to use them sustainably to make their business more agile and competitive.

What causes do you identify?

In my experience, the schism always starts from the same point: corporate culture. In finance, in particular, the intense workload, especially last year, – made training in "technical" skills difficult to implement. As a result, other training courses related to the use of digital tools or a firm's corporate culture are being overlooked. When a CEO is unable to properly use Teams, Webex or Zoom on his own, you understand that he is waiting for one thing: to get back to his "normal life," with visitors in his office, an assistant to prepare calls and physical conferences to meet real people. To improve this, we produce, for example, 60-second videos about a digital corporate culture. All employees start the day with this mini-training and over the months, the message lands.

How do you imagine life after Covid?

The current situation brings forward radical notions like the "new normal." Most answers, however, require granularity. Take the example of meetings in London: with Luxair, going back and forth during the day is not a problem, but not all

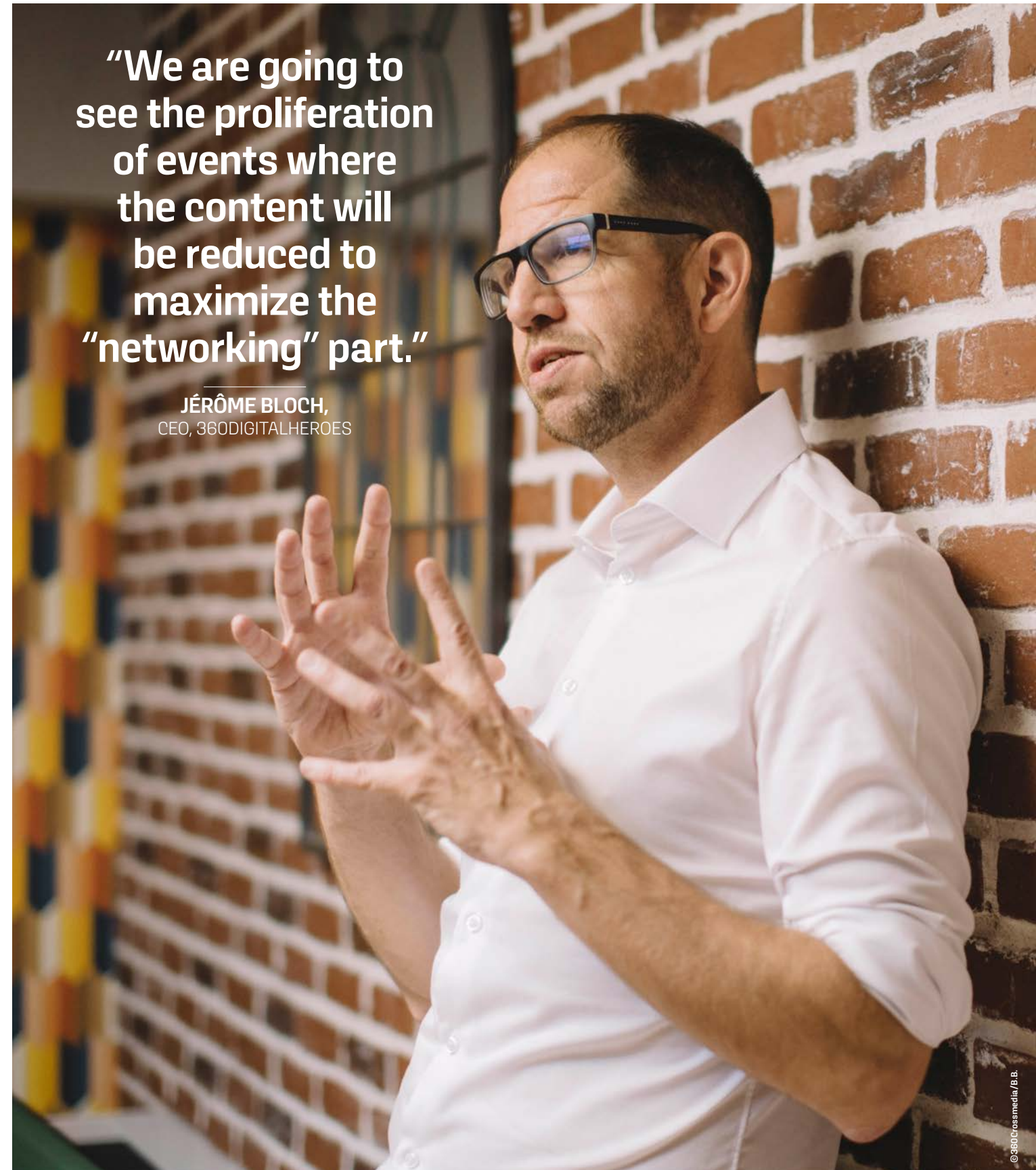
meetings are equal! Thus, it will remain natural to make the trip for strategic clients, while a Zoom call for non-strategic meetings will, on the one hand, allow you to remain consistent with your firm's ESG policy and on the other hand, to gain seven hours of productivity. I am not even talking about the 500 euros saved, which represent millions on the scale of large companies over a year. The biggest impact will come from the conferences: everyone understood last year that they fulfill a major role to enable networking. Content has become a commodity that anyone can access on their smartphone, anywhere, anytime. I anticipate that many people will no longer be inclined – or allowed – to spend a full day in a conference center when their primary motivation is to network 15 minutes during the break and 60 minutes at lunch. We are going to see the proliferation of events where content will be reduced to maximize the "networking" part. Under these conditions, paid conferences will suffer if they do not review their model.

How can they adapt?

They must adapt their business plan by moving from a model focused on selling tickets and exhibition booths to a model of monetization of physical and digital audiences. One of our clients, for example, innovated by making his conference free and public. Surprisingly, the audience grew from 500 in the room in 2019 to 35,000 online in 2020. Businesses must consider these new opportunities in the long term if they want to remain competitive.

"We are going to see the proliferation of events where the content will be reduced to maximize the "networking" part."

JÉRÔME BLOCH,
CEO, 360DIGITALHEROES



PIERRE GRAMEGNA
Luxembourg Government

Taming the Black Swans



MORE INFORMATION
www.duke.lu/gramegnapierre
www.gouvernement.lu

LUXEMBOURG'S FINANCE MINISTER, PIERRE GRAMEGNA, REASSURED RISK MANAGERS AT THE ALRIM WINTER E-CONFERENCE 2021 THAT EU UNANIMITY AND SOLIDARITY ON A DIGITAL AND SUSTAINABLE TRANSITION FOR THE EU ECONOMY CREATED A POSITIVE FRAMEWORK ON WHICH TO BUILD THE POST-PANDEMIC AND POST-BREXIT FUTURE FOR THE EU.

The Improbabilities of Covid

Choosing a phrase from the risk managers' lexicon, Mr. Gramegna said the covid pandemic was a "black swan" that arrived with a low probability, but which has brought great damage in falling GDP and lost tax revenues. All countries had to offset the consequences of the pandemic as far as possible. He added that Luxembourg has committed nearly 20% of its GDP to measures that will help support the economy, save lives, increase investment in health, save jobs, support peoples' livelihoods and help some companies to get through the lockdowns. Fortunately, the embracing of innovation had allowed the vaccine solution to be rolled out faster than expected. The EU Commission has now revised its estimates for Luxembourg's fall in GDP to around three per cent, compared to a figure that was forecast to be twice as high a couple of months ago.

Multilateralism Regained

Mr. Gramegna declared that "multilateralism is back." He said, "It's back because the new American president really believes in international cooperation as we in Luxembourg have always done despite having been through a period when multilateralism was not fashionable anymore." He thought it was good news for Europe in general that multilateralism is making a comeback. As an example of how multilateralism would work to lift Europe out of the current crisis, he highlighted the EU's €750 billion Resilience

and Recovery Fund that is due to be rolled out shortly. He believes the Commission has struck the right balance by insisting the Fund should be applied to the digital, as well as the sustainable, transitions of the economy. Mr. Gramegna feels Luxembourg is well-positioned to foster the digital transition, with the Luxembourg House of Financial Technologies nurturing fintech start-ups and legal measures the Grand-Duchy has taken to foster the benefits of a digital transition.

The Roadway to Sustained Green Growth

Luxembourg will also benefit from the proposal for a sustainable transition. The EU has decided that at least 30% of the Recovery and Resilience Fund will be dedicated to climate or environment-related projects. Mr. Gramegna says, "It's wonderful that's exactly what we need." Luxembourg has devised a sustainable finance framework, and a side effect of Brexit has been that Luxembourg law is being increasingly used for the issuance of green bonds. On Brexit, Mr. Gramegna said despite it being clear from the outset that Britain would lose automatic and general access to the EU single market, the UK did not seek to have financial services at the heart of the negotiations. Although this means that what used to be a four-lane road will become a one-lane road, the EU wants to pursue structured and regular dialogue with the UK to ensure that the one-lane road combines the best interests of both sides.



"Multilateralism is back because the new American president really believes in international cooperation as we in Luxembourg have always done."

PIERRE GRAMEGNA,
LUXEMBOURG'S FINANCE MINISTER

@360Crossmedia



CLAUDE TURMES
Minister for Energy,
Minister of Spatial Planning

Transition without concessions

 **MORE INFORMATION**
www.duke.lu/claudeturmes
www.gouvernement.lu

“Luxembourg in Transition aims to give impetus and new development programmes that build towards the achievement of zero carbon.”

CLAUDE TURMES,
MINISTER FOR ENERGY,
MINISTER FOR SPATIAL PLANNING

FOR CLAUDE TURMES, MINISTER OF SPATIAL PLANNING, THE ECONOMY OF TOMORROW MUST BE ECOLOGICAL AND RESPONSIBLE IN THE BROADEST TERMS. HIS VISION IS TO BRING THE FINANCIAL SECTOR, MANUFACTURERS AND PROMOTERS TOGETHER TO WORK IN THIS DIRECTION. THE GOAL IS TO INITIATE SOCIAL AND ENVIRONMENTAL CHANGE BASED ON ALTERNATIVE LIFESTYLES.

What challenges and opportunities do you see for Luxembourg in terms of energy?

The economy of tomorrow will have to be ecological and broadly responsible. Because ecosystems are the way they are, and we have to live with these limits. Also,

finance will have to accept that negotiating with nature is impossible. These are two major challenges – at the global level and in Luxembourg – because the financial centre is based on a very globalised economy. We have the skills and the political will to be among the leaders in certain

market segments. In real estate, our strict standards in residential property make us the best in Europe. In office construction, our standards stimulate innovation and excellence. Our construction professionals are very competitive internationally, and play in the first division with Paris and Frankfurt. With the EIB, and thanks to its expertise in structuring green funds, the Grand Duchy was able to develop dedicated financial instruments, mixing public and private capital. This included projects such as a solar energy fund for Africa, which will help to eradicate energy poverty on that continent. What better way to advertise the country and the financial centre? In the field

of energy, a mechanism requires electricity and gas retailers to commit 1.5% of their sales. For electricity, a measure grants lower average prices to manufacturers in exchange for increased efficiency. Here too, there is exportable know-how in the optimisation of industrial processes.

Can you describe the main lines of your regional planning policy?

The Minister of Regional Planning has the task of ensuring a good quality of life for citizens, and finding a balance between the respect for nature, on the one hand, and urban, territorial and economic development on the other. As our land is the most threatened resource, we must be world champions in multi-use and best-use. One of our top priorities is therefore to densify and make better of residential and business areas in a varied urban structure. For example, Belval has a mix of shops, housing and offices.

Can you tell us more about Luxembourg in Transition, an initiative that imagines a carbon-free country by 2050?

Unique in Europe, the project brings together urban planners, architects and sociologists to identify the best way to structure land-use in Luxembourg, and this in the context of the Greater Region. It also aims to give impetus and new development programmes that build towards the achievement of zero carbon, our second major project. Solar and wind technologies, electric mobility, intelligent industrial processes, and so on cannot achieve this objective alone. Our daily habits must also change. The layout of the country must therefore be a pro-active driver and facilitator, with, in particular, the construction of car-free neighbourhoods featuring car-sharing infrastructure, railway and tram links, express bus services, bicycle hire, etc. Our only chance of succeeding in this social change is through the creation of environments based on other ways of living.

MARCO ZWICK
CSSF

How Risks and Solutions Evolved in the Covid Crisis



MORE INFORMATION

www.duke.lu/zwickmarco
www.cssf.lu

MARCO ZWICK, DIRECTOR OF THE COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (CSSF) SAYS THAT WHILE LUXEMBOURG'S RISK MODEL PROTECTED THE FINANCIAL SECTOR DURING THE PANDEMIC, PARTICULARLY FROM CYBER AND LIQUIDITY RISKS, THE INDUSTRY MUST EMBRACE NEW WAYS OF WORKING AND RECOGNIZE NEW RISKS.

What are the key risks the financial sector faced during the pandemic?

With the turbulent markets at the start of the pandemic, some companies faced increased financial risks through lost activities, losses incurred or reduced profits. But covid showed the most important risk is human capital risk. Healthy human beings are needed, especially when people outside our organizations are trying to take advantage of weaknesses arising from the crisis. However, the asset management industry has not seen a significant increase in successful cyber-attacks. Funds also confronted another risk as discussions around sustainable finance are giving rise to the risk of greenwashing – misrepresentation and mis-selling of, ostensibly, sustainable products. Fortunately, the pandemic's impact was mitigated by fund teams implementing good risk management and diversification strategies.

How did the financial sector address the risk of liquidity constraints?

The risk posed by liquidity issues has kept funds busy over the past 12 months. But Luxembourg deployed several liquidity management tools which, with the industry showing a high level of maturity, has ensured resilience. Liquidity mismatches by open-ended and

money market funds posed a risk of contamination spreading to the real economy. But we realized that funds were conservatively managed and at no time were funds' liquidity buffers exceeded. We had the opportunity to test our liquidity management tools, and there was no call for new tools. However, we would like more cooperation on a European level to see whether our liquidity management tools can be deployed collaboratively with other jurisdictions.

How has CSSF's supervisory role been altered as a result of the pandemic?

As the supervisory authority, CSSF had to find new ways of working. Our agents started working remotely to ensure continuity of financial supervision. We could not perform on-site inspections in a classical sense, so we developed Q&As to address issues including liquidity management and active breaches of net asset value (NAV) calculations. Out of caution we probably overestimated the risks from not being able to supervise in person. But we used screen sharing tools to put us in a position where we operated in the same way we would if we were performing our inspections in your office. Despite these constraints, we covered more than 90% of assets under management daily throughout the pandemic.

"The risk posed by liquidity issues has kept funds busy over the past 12 months."

MARCO ZWICK,
DIRECTOR OF THE COMMISSION
DE SURVEILLANCE DU SECTEUR
FINANCIER (CSSF)



YVES MAAS
ABBL

Solidarity and stability

 **MORE INFORMATION**
www.duke.lu/abbl
www.abbl.lu

THE ABBL HAS FULFILLED ITS ROLE AS A PLATFORM BETWEEN BANKS AND THE MINISTRY OF FINANCE, FOR THE IMPLEMENTATION OF THE STATE-GUARANTEED LOAN PROGRAMME FOR COMPANIES AFFECTED BY THE PANDEMIC", SAYS ASSOCIATION CEO YVES MAAS. HE EXPLAINED MORE IN THIS INTERVIEW.

What is the ABBL?

The ABBL is the largest professional association in the financial sector. It represents the majority of financial institutions, as well as regulated financial intermediaries and other professionals established in Luxembourg, including lawyers, consultants and auditors. Reflecting the diversity of the Luxembourg financial centre, the ABBL federates and promotes the interests of its members, and acts as the voice of the entire sector at national and international level. The ABBL provides its members with the resources and services they need to operate in the highly dynamic international financial markets and in an increasingly complex regulatory environment. Thus, ABBL members have at their disposal a long-established and influential association which works in their interests and represents them at the highest levels, both in Luxembourg and in Europe. Almost 40 employees work to support the membership by working on the questions which will have the greatest impact on their activities.

How is the ABBL supporting its members during the health crisis?

The COVID-19 crisis has serious consequences for our country's economy. At the ABBL, we and our members have committed ourselves to ensuring continuity of

activity, as well as preserving the Luxembourg financial sector's reputation for stability. This commitment has manifested itself in firm action from the onset of the pandemic. The ABBL has thus played its role as a platform between banks and the Ministry of Finance, as we worked together to implement the state-guaranteed loan programme for businesses affected by the pandemic. We have also brought together the six banks which have the greatest responsibility for providing funding to Luxembourg businesses, regarding questions such as moratoria for existing loans to professional clients. As regulatory moves are of primary importance to our members, the ABBL regularly informs its members about the legal implications at various levels of the crisis. We do this in collaboration with other players in the market. For example, we created guidelines for our members to support them when reorganising their activities to ensure continuity, and supported the extension of agreements related to taxation of cross-border workers.

What challenges and opportunities do you foresee for the banking sector in Luxembourg over the next five years?

The last few months have demonstrated the unparalleled adaptability of the banking sector in Luxembourg. Short-

term measures must now give way to profound long-term adaptations to new ways of working and consuming if we are to ensure growth for future generations. In this context, our experts are committing, at both local and European level, their knowledge and experience to advancing the issues of prime importance to members, as these will have the greatest impact over the coming years. At the ABBL, we see two major trends that will shape the future of the banking sector and guide projects for the next five years: the digitalisation of financial services, and sustainable finance. For several years now, banks have been observing increased digitalisation of their customers' behaviour, and this movement has accelerated with COVID. Customers are increasingly demanding online access to their bank accounts, which means fewer cash withdrawals and fewer visits to bank branches. This will

"The last few months have demonstrated the unparalleled adaptability of the banking sector in Luxembourg."

YVES MAAS,
CEO, ABBL



JEAN-PAUL OLINGER AND NICOLAS SIMONS
UEL

The state budget in perspective



MORE INFORMATION

www.duke.lu/uel
www.uel.lu

MANY COUNTRIES ENVY LUXEMBOURG'S BUDGETARY SITUATION, SAY JEAN-PAUL OLINGER AND NICOLAS SIMONS, RESPECTIVELY DIRECTOR AND ECONOMIC ADVISER OF THE UEL. DESPITE EVERYTHING, COMPARATIVELY SPEAKING AND OVER THE MEDIUM TERM, IT REMAINS IN THE BLACK.

Viral infection of public finances

Economic activity slowed by the measures taken to stem the spread of Covid-19, as well as support for households and businesses, have had a considerable impact on Luxembourg's public finances at all levels. Central

government (reporting a budget deficit), local government (with a budget trending towards equilibrium) and social security (positive balance with a downward trend). As a result, expenditure by central government (the state) should amount to 22.9 billion EUR in 2020 – i.e. 2 billion EUR more than budgeted – while revenue should fall by 2.5 billion EUR in 2020 to only 17.8 billion EUR. Also from the point of view of public finances, 2020 was an exceptional year. It was the first year in which public revenue decreased and the largest annual deficit was reported, at 5 billion EUR. The resilience of the financial and administrative services sectors – notably through widespread teleworking – has helped to limit the damage to public finances, compared to other European economies. Although its magnitude is expected to decrease, these deficits are unfortunately expected to continue until 2024. In the least pessimistic Covid-19 scenario, these are forecast to increase public debt from EUR 14 billion in 2019 (22% of GDP) to EUR 24 billion in 2024 (33% of GDP)!

A starting situation that is less healthy than it seems

The dynamism of the financial sector (the main contributor to tax income) and growth in the labour market (a 110,000 increase in the workforce over the last 10 years) has given Luxembourg enviable public finances. The flip side is that we have become accustomed to this positive but temporary situation, building significant structural expenditure into the system. Almost 3 out of 4 euros of

“The resilience of the financial and administrative services sectors – notably through widespread teleworking – has helped to limit the damage to public finances.”

state expenditure is on social security and salaries. This balance is not sustainable. The fragility of revenues and their strong reliance on the financial sector poses a real challenge to Luxembourg's financial resilience. This vulnerability (and the corresponding volatility) has to be compared to the structural, rigid and therefore hard-to-adapt nature of expenditure. This balance is illusory. Huge surpluses (EUR 800 million on average from 2010 to 2018) in the social security system mask recurrent deficits at the state level (EUR 400 million on average from 2010 to 2018). It should be remembered that these surpluses result from strong growth in the number of employees, and this money does not belong to the state. They are contributions (mainly for pensions) which will have to be used later to finance the retirement income of today's working population. However, the public finance figures reported do not distinguish between the two, but merely the total. This comfortable perspective distorts an honest interpretation of reality.

Reacting today and anticipating tomorrow

The UEL (Union des Entreprises Luxembourgeoises) represents companies, and like them, it wants to be positive about the future. Yes, we are in crisis and we dare to believe that after the rain, fine weather will return. Many other countries envy our global budgetary situation which remains – comparatively speaking and despite everything – over the medium term, in the black. This is due mainly to pension fund reserves (22 billion EUR in 2019) and the contributions held by the state.



Nicolas Simons

In the short term, it is a matter of implementing a counter-cyclical fiscal policy. It is through ambitious and selective investment that we will strengthen the activity of our priority economic sectors. As well, an ambitious talent management policy will revive the economy and meet the challenges of economic, digital and environmental transitions. It will then be a matter of making our public finances more sustainable and avoiding a return to the previous situation, once the economy has (hopefully) recovered. In conclusion, policy making in this environment is a challenge for government. We can only advise it to take a proactive and rational approach to the difficult tasks of managing public money.



Jean-Paul Olinger

“A seizure in markets that reminded us that overlooking risks, because they have been mostly benign for so long, can be costly.”

MICHAEL DERWAELE,
ALRIM BOARD MEMBER,
GLOBAL INDEPENDENT RISK
MANAGEMENT OFFICER,
MFS INVESTMENT MANAGEMENT

decade long bull market with investors chasing returns and investing into less familiar assets. This has created uncertainty around valuations of specific asset segments and potential liquidity risks in the event of an attempted sell-off. Despite these challenges, Luxembourg's financial industry proved immensely adaptable and resilient

Has the crisis brought new insights or new problems regarding liquidity risk?

Although liquidity risk is a familiar concept, there is little consensus about how to best assess, manage and communicate the full range of risks it embraces. The regulators' drive to frame and streamline approaches brings clear advantages as it facilitates a robust dialogue. There may be drawbacks in attempts to impose a single way of framing the discussion as, potentially, other pertinent views may end up being ignored. Initially, the industry challenged the usefulness and stringency of ESMA guidelines around liquidity stress-testing. However, with hindsight, I think we can agree that some of these concepts (comprehensive liquidity risk profile, reverse stress testing, use of LMTs (liquidity management tools) have been very useful. It has assisted the assessment of decisions about liquidity risk management as well as informing clients and regulators. Managers in other jurisdictions were not as fortunate as those in Luxembourg where the regulators allowed us to use a range of liquidity management tools, tools that facilitated the continuing flow of liquidity that helped preserve financial stability.

MICHAEL DERWAELE
ALRIM

Plumbing for liquidity crises

MORE INFORMATION
www.duke.lu/michaelderwael
www.alrim.lu

NEW INSIGHTS INTO THE MULTIFACETED NATURE OF LIQUIDITY RISK WERE REQUIRED WHEN ASSET MANAGERS CONFRONTED THE COVID-19 PANDEMIC. HOWEVER, MICHAEL DERWAELE, BOARD MEMBER AT ARLIM AND GLOBAL INDEPENDENT RISK MANAGEMENT OFFICER AT MFS INVESTMENT MANAGEMENT, SAYS EXISTING GUIDANCE AND FAMILIARITY WITH A RISK MANAGEMENT TOOLBOX ALLOWED THE INDUSTRY TO NAVIGATE A WAY THROUGH THE CRISIS.

Has the Covid crisis transformed the job/focus of the risk manager?

The two main impacts of the crisis were the risks of creating a mostly remote workforce and a seizure in markets that reminded us that overlooking risks, because they have been mostly benign for so long, can be costly (I'm referring to liquidity risks). Paradoxically these brought

to the fore the need for a more global stance to risk rather than the trend towards specialised compliance on which risk managers had been focussing. Risk managers needed to ensure that processes remained sound – highlighting the importance of ongoing controls and due diligence. Emphasis needed to be placed on managing the multi-faceted aspects of the possible re-emergence of liquidity

risks. This requires a complete risk toolbox: an understanding of the interaction of the multiple risks and the stewardship of an organisation to use the most suitable mix of those tools to the best advantage.

How did financial markets' reaction to this crisis differ from previous crises?

While you can draw parallels with historical financial events, every new crunch is unique and brings its own challenges. For example, in past crises, risk processes were thought out and tested for centralised, office-based organisations. Covid has created new and unassessed risks in the transition to remote working. These could have easily resulted in heightened operational risks with key process and communication not operating as efficiently as previously or even breaking down. We have also seen the

MURIEL BOUCHET
Fondation IDEA

Influencing change



MORE INFORMATION
www.duke.lu/fondationideas
www.fondation-idea.lu

ACCORDING TO MURIEL BOUCHET, THE DIRECTOR, IDEA'S FUNDAMENTAL ROLE IS TO STIMULATE AND FUEL GOOD QUALITY PUBLIC DEBATE BY MAKING CONSTRUCTIVE PROPOSALS TO ADDRESS MAJOR SOCIO-ECONOMIC CHALLENGES. SHE EXPLAINS IN THIS INTERVIEW.

Please describe the Fondation IDEA.

Fondation IDEA asbl was launched by the Chamber of Commerce at the end of 2013, in the wake of the 2030.lu project. Since then, IDEA has grown in strength, as shown by its media success and its impact on "influencers", and this has increased IDEA's ability to lead and fuel a range of debates. IDEA has acquired a certain degree of autonomy, both conceptually and in terms of the format of its publications and events, which now have their own recognised brands. Our messaging has an easily identifiable tone of its own, which is pedagogical in nature without losing the intellectual rigour. This ensures IDEA's credibility, reputation and visibility. In Luxembourg, IDEA has helped to break down the perception that rigour is synonymous with a dull approach. Our ideas are both new (or even unpublished) and perfectly researched and documented, with topics often approached from different angles.

What kind of resources does the Fondation IDEA generate and who are your targets?

IDEA's fundamental mission is to stimulate and feed quality public debate with constructive proposals to address major socio-economic challenges. IDEA aims to have its finger on the pulse, working to have insightful perceptions of major changes. It also wants to identify the main challenges facing Luxembourgish society over the medium term, within the framework of a global approach. This is based on the identification of good practices both in Luxembourg and abroad. IDEA must be a genuine incubator of new analysis and proposals which will attract the attention of influencers and the general public. This is thanks to us having a great deal of autonomy, which favours in-depth reflections, as opposed to false evidence that requires careful arguments to deconstruct. IDEA must assume the role of an honest broker, fostering debates between different groups of influencers (political, economic, academic and intellectual),

"IDEA must be a genuine incubator for new analysis and proposals, conducive to in-depth reflection."

MURIEL BOUCHET,
DIRECTOR, IDEA FOUNDATION

the media and the general public, with a particular focus on young people.

What challenges and opportunities do you see for the Grand Duchy in the next five years?

First of all, there are demographic changes, such as ageing and the need for external labour flows. This will have an impact on housing, mobility and cooperation within the Greater Region. Let us also think about the need to maintain social cohesion and the practical implementation of a trajectory leading to carbon neutrality by 2050. These challenges are often accentuated by the health crisis. Secondly, there are developments linked to digitalisation, which has profoundly changed our way of working during the period of confinement, and this is already affecting consumption, education and training, mobility and entertainment. Technological evolution risks accentuating the "digital divide" in the absence of appropriate policies. A third category of changes to be followed closely in the next five years is the evolution of culture in the broadest sense of the term. This relates to the way our contemporaries collect and interpret information. IDEA can play a role in this.

we invest
CAPITAL PARTNERS

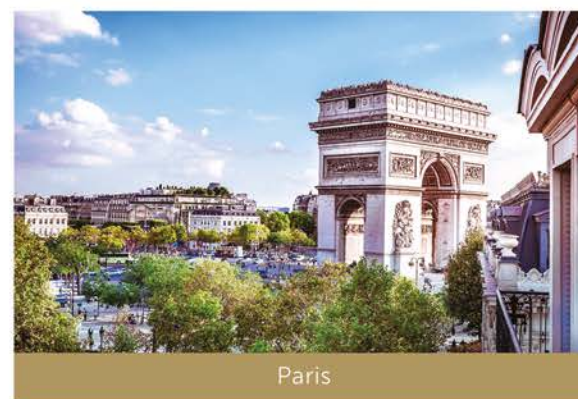
PRIME LOCATION REAL ESTATE INVESTMENTS



Luxembourg



Courchevel



Paris



Monaco

COURCHEVEL - LUXEMBOURG - MARBELLA - MEGEVE - MIAMI - MONACO - SAINT TROPEZ - PARIS ...



Philippe Barthelemy
Investments
+352 691 941 566

philippe.barthelemy@weininvest-capitalpartners.com



Pierre Thomas
Investors
+352 621 490 629

pierre.thomas@weininvest-capitalpartners.com

we invest
CAPITAL PARTNERS

WICP // 6 Route d'Esch L-1470 Luxembourg
info@weininvest-capitalpartners.com
+352 24 83 83 21

PRIVATE EQUITY - CLUB DEAL - REAL ESTATE INVESTMENTS

SEAN O'DRISCOLL
UNIVERSAL-INVESTMENT LUXEMBOURG

Sustained Growth

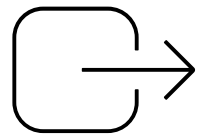


MORE INFORMATION

www.duke.lu/sean-odriscoll
www.manco-services.com

SEAN O'DRISCOLL, COUNTRY HEAD AND MANAGING DIRECTOR AT UNIVERSAL-INVESTMENT LUXEMBOURG SAYS THE SUPER MANCO' EMPLOYEES ARE ITS BIGGEST ASSET TO SUPPORT THE SUSTAINED GROWTH OF THE GROUP. INTERVIEW.





Continuous Growth

How did you navigate through the Covid19 waves?

For more than a year we have now been successfully operating completely in a remote working environment, supporting our clients navigate these times while experiencing sustained growth of our business. Our administered assets grew across the group in 2020 by EUR 136 billion to 642bn; in Luxembourg we exceeded 90bn and the future looks bright. COVID19 does not only accelerate new ways of working, but also the shift towards alternatives. Our Luxembourg platform is focused on providing asset management solutions to the international community, with approximately 75% of our AuA coming from alternatives. Therefore, it becomes even more important for our objective of becoming the leading European fund service platform and SuperManCo for all asset classes by 2023.

In the Grand-Duchy we benefit from the great ecosystem of the financial industry and its strong brand, but also from our own open ecosystem providing a one stop shop solution as a fund service platform offering not only the full breadth of SuperManCo and administration services, but also distribution capabilities for our clients.

Which risks and opportunities do you identify in the current context?

To support our strong business growth, we continue to reinforce our local substance, but as we are all seeking the same subject matter expertise in the market, this can be a challenge. Our employees are our biggest asset, that is why we continue investing in our colleagues and recently launched our new empowering programme. Some classify increasing regulatory requirements as a risk, but we see this as an opportunity to support our institutional investors and fund managers with innovative solutions allowing them to focus on their core business. This is why we're also in the process of acquiring our new Irish platform which is opening up other possibilities for UK and US asset managers. This expansion makes Universal-Investment the largest

"ESG is essential for the fund industry in the sense of corporate citizenship. We see a huge shift, every RfP, every new institutional mandate has an ESG perspective."

SEAN O'DRISCOLL,
COUNTRY HEAD AND MANAGING DIRECTOR
AT UNIVERSAL-INVESTMENT LUXEMBOURG

independent SuperManco provider with a presence in the two largest European fund centres. Distribution is always a challenge, we pride ourselves with our proven track record of assisting our clients grow fund assets with our dedicated distribution team covering the DACH region and plan to extend that coverage across Europe and beyond. Therefore, also our acquisition CAPInside is a perfect fit. A digital platform brings together investors, advisors and asset managers. Last but not least we've recently launched UI Enlyte, one of the first investment platforms for digital assets worldwide. Put it all together and it's clear that the best times are still ahead of us.

How is ESG impacting Universal-Investment's activities?

ESG is essential for the fund industry in the sense of corporate citizenship. We see a huge shift, every RfP, every new institutional mandate has an ESG perspective. Our approach as a platform is making ESG investments possible from various perspectives. One is regulation. With SFDR we've recently classified all funds together with our clients. Secondly, ESG-compliant investing requires full portfolio transparency. That is why we have developed one of the best ESG reporting's available in the market – it's about empowering. Asset managers as well as institutional investors rely primarily on ex-post ESG ratings. Artificial Intelligence has arrived – cooperating with start-up YUKKA lab we therefore work on a sentiment analysis based on machine learning supporting our customers with real time data for better investment decisions.

As a firm, we also take our responsibility seriously. We have signed PRI and we have established a dedicated ESG office. For us, this is not the end, but the start of a journey. One of the next steps of our action plan is measuring our carbon foot print and reducing it.



ESG² FINANCIAL SQUARE

ESG FINANCIAL SQUARE IS AN INITIATIVE THAT AIMS TO SHARE BEST PRACTICES FOR A SUSTAINABLE FUTURE. IN THE FOLLOWING PAGES DECISION MAKERS, ASSOCIATIONS, ACTIVISTS AND ACADEMICS SHARE THEIR INSIGHTS ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES. JOIN US IN THE ESG FINANCIAL SQUARE.

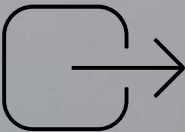
www.esgsquare.com

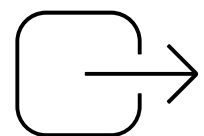


NICCOLO POLLI
HSBC LUXEMBOURG

ESG Financial Square initiative

 **MORE INFORMATION**
www.duke.lu/esgsquare
www.esgsquare.com
www.hsbc.lu





ESG Financial Square initiative

HSBBC Group has announced its ambitious plan to help build a net zero global economy, and committed financing and investment to help create a sustainable future for businesses and society. Our climate plan has three elements:

- Achieve net zero in HSBC's operations and supply chain by 2030 or sooner;
- Dedicate \$750bn – \$1trn of finance and investment by 2030 to help customers transition;
- Unlock next-generation climate solutions

Additionally, last year, the Group was named the World's Best Bank for Sustainable Finance by Euromoney for the second consecutive time and this year HSBC has committed to phase out the financing of coal by 2030 for EU and OECD countries and by 2040 for the rest of the World.

Locally in Luxembourg, the bank has set itself analogous goals and trained a team of ESG Ambassadors to help achieve these. The bank is also sponsoring the "ESG Financial Square" initiative which aims to be a one-stop guide to the World of ESG and sustainability in Luxembourg, increasing awareness on this important topic. Niccolo Polli, CEO HSBC Luxembourg, tells us more.

What motivated you to sponsor the "ESG Financial Square" initiative?

I have three young children and during lockdown last year, I became their sports teacher. We would go out for long bike rides around Luxembourg and it brought us much closer to nature. It was incredible to see, feel and hear how nature flourished the instant humanity took a collective pause. It was then that I realised that we can do this: collectively we can stem climate change and really make a difference. I also realised it will not be easy to sustain this level of impact once the impetus of COVID is removed. Speaking with colleagues, many had similar moments of awakening and a shared ambition emerged within our management team to really make a difference.

We agreed to act on several levels: increase awareness of the issues and the solutions; make specific commitments for HSBC Luxembourg; develop and deploy client solutions



"I felt a responsibility as both a parent and a CEO of a bank to ensure we "build back greener" and not simply revert to previous habits by default."

NICCOLO POLLI,
CEO, HSBC LUXEMBOURG

to help them transition to a net-zero carbon future; track progress. Sponsoring ESG Square fits into the category of raising awareness of the issues, actors and solutions. Climate change is going to be a defining topic in the decades to come and we will be remembered for our actions, or indeed inactions, to help mitigate the impact.

What can people expect from this initiative?

There is so much happening in the world of sustainable finance and ESG that it's not always easy to keep up and understand what is going on and what really matters. This is where ESG Square comes into play, by aiming to be a one-stop guide to the World of ESG and sustainability in Luxembourg; providing structure, removing the noise and focussing on the key issues and developments that matter. ESG Square looks at the key players and will provide relevant content on:

- Who is doing what and how does it fit into the Luxembourg ecosystem
- Which commitments have been made by whom
- New initiatives on the horizon
- Real world solutions that people or companies can consider
- Thought-provoking analysis and opinion pieces

What is HSBC Luxembourg committing to?

I feel a responsibility both as a parent and a CEO of a bank to ensure we "build back better" and not simply revert to previous habits by default. As an individual, I have calculated my own carbon footprint and committed to take actions to reduce it. As CEO locally, I am in a privileged position to amplify my impact by integrating ESG considerations into all facets of our business, including capital allocation decisions to favour more carbon neutral activities.

As a management team, we agreed to work on three levels:

Footprint: reduce HSBC's carbon footprint (including suppliers) to net zero by 2030 and encourage employees

to know their own footprint and make commitments to reduce it as well

Clients: provide solutions for corporate customers wanting to transition away from carbon intensive activities, and individual clients wishing to align their investments with the impact they want to achieve. We have not yet established hard targets, but plan on doing so later this year

Education: increase awareness not only of the issues, but also the solutions, through regular training, analysis, communication and best practice sharing.

What is your key message for our readers?

First, that being sustainable is good business. Doing things sustainably and considering the environmental impact is not in opposition to running a commercially viable business. To the contrary, it is becoming mainstream and in many cases the more profitable option:

- HSBC's Navigator survey* shows that 86% of companies expect their sales to grow over the next year from a greater focus on sustainability
- The S&P 500 ESG index has outperformed the S&P 500 index over the last 3 years
- Companies that have invested in a sustained manner over time in greener alternatives (e.g. Iberdrola or Tesla), have outperformed peers with less sustainable profiles;
- Global sustainable funds recorded c\$50bn of inflows during Q1 2020 while the broader market saw c\$390bn of outflows

Second, that together we can succeed. We need to work collectively in a positive manner and just get on with it, for our children, our well-being, our employees and our shareholders. So I hope many of your readers will join us in the metaphorical "ESG Square" and share their stories and their solutions; be informed and inform; be inspired and inspire. Together we will succeed.

*Annual survey of over 10,000 businesses spanning 39 countries, markets and territories.

JULIE BECKER
Luxembourg Stock Exchange

New financial products to accelerate sustainable finance



MORE INFORMATION

www.duke.lu/luxembourgstockexchange
www.bourse.lu

JULIE BECKER, CEO OF THE LUXEMBOURG STOCK EXCHANGE, SHARES HER VIEWS ON MARKET TRENDS REGARDING ESG PRODUCTS AND ON THE 2020 LAUNCH OF SUSTAINABILITY-LINKED BONDS, WHERE ISSUERS COMMIT TO FUTURE IMPROVEMENTS IN SUSTAINABILITY OUTCOMES WITH A CLEAR TIMELINE AND AMBITIOUS SCIENCE-BASED OBJECTIVES.

"Sustainability data is constantly improving and a lot of efforts are currently being done to define taxonomies and sustainable accounting standards."

JULIE BECKER,
CEO, THE LUXEMBOURG STOCK EXCHANGE

2020 was a record year for sustainable finance, what were the main drivers?

2020 saw record levels of new sustainable bond issuances worldwide, in large part driven by a steep uptick in social and sustainability bonds issued in response to the COVID-19 pandemic. These bonds raise financing for social projects linked to food security, affordable housing, access to essential services etc., all areas heavily impacted by the current crisis. On LGX, we saw a 134% growth in new sustainable bonds in terms of value in 2020 compared to 2019. The pandemic accelerated the focus on the social element of ESG and on sustainability more generally across the world. It installed a new sense of urgency and a new awareness that we need to act now to address global challenges. The investor appetite for sustainable instruments is considerable. Today, there is a lack of supply to meet investor demand, and this may encourage other issuers to bring sustainable instruments to the market.

The universe of thematic bonds has evolved considerably over the past years, what are the latest trends in this field?

Up until last year, LGX was dedicated to green, social and sustainability bonds, which are use-of-proceeds bonds that finance specific green or social projects. Last year, a new product started to gain traction, namely the Sustainability-Linked Bonds (SLBs). SLBs are forward-looking performance-based bond instruments where the issuer commits to future improvements in sustainability outcomes with a timeline and

clear and ambitious science-based objectives. Unlike green, social and sustainability bonds, the proceeds of SLBs are intended to be used for general corporate purposes. SLBs are therefore based on the issuer's overall sustainability strategy and ambitions, and finance its transition to a more sustainable model. It is an innovative product that supports the ongoing transition efforts, and we opened LGX for SLBs last year. Going forward, we also expect transition bonds to emerge, but there is not yet a recognised market standard for this type of bond.

What role will a company's ESG profile play in financial markets in the coming years?

A company's ESG profile will be unavoidable! At some point, access to capital markets may even be preconditioned by the ESG profile of issuers. Investors are increasingly considering ESG factors and non-financial data when deciding what companies to invest in. This is what led us to add a new section on LGX recently to highlight Climate-Aligned Issuers and broaden the universe of available sustainable investment opportunities beyond labelled bonds. For Europe to become climate neutral by 2050, all sectors need to accelerate their transition efforts. Those who lag behind are likely to face a backlash from investors and customers. It is a complicated matter in the sense that there are no universal standard by which we can easily define an organisation's ESG profile and measure its social and environmental impact. That said, sustainability data is constantly improving and a lot of efforts are currently being done to define taxonomies and sustainable accounting standards.

DENISE VOSS & SACHIN S VANKALAS
LuxFLAG

Seal for sustainability



MORE INFORMATION

www.duke.lu/luxflag
www.luxflag.org

THE LUXEMBOURG FINANCE LABELLING AGENCY (LUXFLAG) IS AN INDEPENDENT AND INTERNATIONAL NON-PROFIT ORGANIZATION, FOUNDED IN 2006, WHICH AIMS TO PROMOTE THE RAISING OF CAPITAL FOR THE SUSTAINABLE INVESTMENT SECTOR BY AWARDING A RECOGNIZABLE LABEL TO ELIGIBLE INVESTMENT PRODUCTS. INTERVIEW WITH DENISE VOSS AND SACHIN S VANKALAS, RESPECTIVELY CHAIRWOMAN AND GENERAL MANAGER OF LUXFLAG.



Denise Voss

What are the main principles of ESG labelling?

The goal of a label is to reassure investors that what they have bought or are considering buying complies with the label criteria. The tremendous growth in LuxFLAG labels especially over the last two years; e.g. 76% in 2020, has its roots in the regulatory push behind the European Green Deal, but also in growing demand from investors, who increasingly value a label when investing in ESG products. The LuxFLAG label application process is based on transparent criteria for each label, available on LuxFLAG's website. For each label application the LuxFLAG team follows a strict review and validation process; this process has been ISAE 3000 certified since 2019. Successful applications are presented to an eligibility committee of experts for their review and recommendation to the LuxFLAG Board, which ultimately approves (or not) the awarding of a LuxFLAG label.

What is your opinion on greenwashing and how does LuxFlag help mitigate it?

The EU's focus on ESG means heightened demand for ESG financial products; increasing the risk of "greenwashing" and increasing the importance of labels. LuxFLAG continues to enhance transparency and the strength of its labels, including alignment of label criteria to the requirements of the EU Sustainable Finance Disclosure

Regulation (SFDR). LuxFLAG awards 5 labels to compliant investment products; the ESG Label, for products that focus on a sustainable transition to ESG goals, and 4 impact or thematic labels: Climate, Environment, Microfinance, Green Bonds. Products with an ESG label must comply with Article 8 of the SFDR, while the 4 impact/thematic labels generally comply with Article 9 of SFDR (or Article 8). Finally, the quality of the label criteria and the label application process is of utmost importance to LuxFLAG and is why LuxFLAG first sought ISAE 3000 certification, the first labelling agency in Europe to do so.

How important is education to the mission of LuxFLAG?

Education is vital to LuxFLAG's mission to support the financing of sustainable development. Through its Associate Member programme LuxFLAG brings together the community of financial centre actors, where education and sharing of best practices plays a central role. The asset management industry is at various stages of the sustainable finance journey, so raising the level of understanding throughout the ecosystem can help ensure not only that regulatory expectations are met but that the deadlines set out in the Paris Agreement and UN Sustainable Development Goals (SDGs) are met as fully as possible. LuxFLAG organizes webinars for further education and its flagship event is the LuxFLAG Sustainable Investment Week (LSIW); giving Associate Members an opportunity to show the community what they are doing and to engage in discussions about how we can all move forward. That is the spirit in which the LSIW has been developed and a reason for its success.

In line with the increasing amount of EU ESG regulation, what opportunities and challenges do you identify in this sector?

The EU legislative initiatives aim at reorienting capital flows towards sustainable finance and foster long termism and transparency. By now we understand that Sustainable Finance is not just another type of investment. It's a complete mindset shift. This means financial market participants would need to be aware of their own positions and contributions in the development of a sustainable future through their investments. This would lead to more investment opportunities in ESG but also those identified within the framework of Sustainable Development Goals (SDGs) and would pave the path for new investment



Sachin S Vankalas

strategies and products. However, the industry would also need to develop tools to understand and measure the value we seek through such types of investments, as it is imperative that issues such as climate change and social inequalities affect investment portfolios. Asset Managers are required to prepare, use and disclose non-financial information in line with the new regulation leading to both clarity and complexity. However, those who would manage this process well would also enjoy a competitive advantage.

"By now we understand that Sustainable Finance is not just another type of investment. It's a complete mindset shift."

NASIR ZUBAIRI
LHoFT

Raising the Roof for ESG Investing



MORE INFORMATION

www.duke.lu/nasir-zubairi
www.lhoft.lu

IN AN ESG² FINANCIAL SQUARE CONVERSATION, NASIR ZUBAIRI, CEO OF THE LHOFT, DISCUSSES WITH NICCOLO POLLI, CEO, HSBC LUXEMBOURG, WHAT ROLE FINTECHS CAN PLAY IN THE DEVELOPMENT OF AN ESG INVESTMENT ENVIRONMENT.

In the context of ESG and sustainable finance, what is the role of the LHoFT and fintechs in creating a favorable investment environment?

At LHoFT we see technology as an enabler for financial services and, increasingly, people see its value through fintechs supporting ESG and sustainable finance. With all the rules and reporting requirements for these activities, we see a green field for financial technology to enable the sector to be effective and efficient. We are already seeing the application of tokenization in the issuance of green bonds. We are also seeing their use in the creation of carbon-neutral credits for new bank accounts that are being opened at certain fintech neo banks in the US. We see a key component of the LHoFT's role and future as concentrating on the broad ecosystem as Luxembourg emphasizes ESG and sustainable finance in its growth and activity.

Are there particular activities in which fintechs can contribute?

The new EU regulatory requirements being put in place for ESG and green investing has created an opportunity for regtech applications. We see a number of interesting start-ups emerging to provide efficient technologies and tools to enable institutions to comply. I have already held valuable discussions with a number of financial services

players. Another activity that is creating great opportunities is in the investment fund industry where firms are seeking indexes or benchmarks to help measure the impact and effectiveness of investing in different green initiatives. For example, one company is creating metrics around the impact investments have on different equities and assets so the effects can be built into financial models to allow better understanding about the source of returns.

What would be your message to the typical traditional firms, like banks and funds in terms of working with fintechs?

The banks and funds can marry their economies of scale and their skill set in financial products with the agility, ingenuity and creativity of fintech start-ups. That way they can offer better solutions to their clients. When we talk about the issuance of green bonds, for example, there is hesitancy sometimes from firms. That is principally because the costs are going to be higher with all the new reporting requirements. However, nowadays you can use tokenization to help reduce the expenses of the initial part of an issue and maybe set a foundation and a framework to integrate technology for future issuance. As new tools arrive, you're going to make that product more attractive. So, I think working together and recognizing each other's strengths will ultimately lead to a better market and a better industry.



“The banks and funds can marry their economies of scale and their skill set in financial products with the agility, ingenuity and creativity of fintech start-ups.”

NASIR ZUBAIRI,
CEO, LHOFT

© 360Crossmedia/B.B.

MARCO CALDANA
FARAD Group

From investment to impact



MORE INFORMATION

www.duke.lu/farad
www.farad-group.com

MARCO CALDANA, FOUNDER AND CHAIRMAN OF THE FARAD GROUP, A DIVERSIFIED FINANCIAL SERVICES PLATFORM FOR INSTITUTIONAL CLIENTS, SAYS A NEW ERA IS DAWNING IN WHICH FINANCIAL RESULTS ARE NOT THE ONLY BENCHMARK BY WHICH CLIENTS VALUE THE GROUP'S SERVICES.

How would you sum up the FARAD Group?

The FARAD Group is an independent group of companies founded in Luxembourg in 2001, with a main focus on sustainable insurance and financial services. Over the past 20 years we have developed a comprehensive and competitive business-to-business and business-to-business-to-consumer approach with specialised white label and regulatory hosted solutions. FARAD is a unique mix of multiple entrepreneurial projects that seek to combine Italian creativity with the Cartesian and Calvinist philosophies embodied in Luxembourg's multicultural environment. We enjoy universal recognition for being in the forefront of respect, development and promotion of environmental, social responsibility and corporate governance standards

What is the importance of ESG within your organisations and for you in particular?

We are a benefit corporation, which commits us to investing 5% of our profit in charity projects, having become a pioneer in the field and achieving B-Corp certification in 2017. We reject the idea of describing ESG as a "no-plastic policy" since we have never used plastic in our office from the beginning. ESG and impact finance have been in our DNA from the outset, and we have always sought to turn our beliefs into practice. We have been continuously developing new ESG projects and services under the GreenEthica brand. In 2016 we launched the GreenEthica fund database, which from 2018 has provided analysis on Sustainable Development Goals impact, and in the past two years we have developed the GreenEthica ESG/SDG scoring service, which enables our clients to analyse their

portfolio and delivers a report on the impact of their investments. In 2017 we launched a first unit-linked product with a sustainable portfolio of assets and the BestSRI SICAV, a UCITS fund of funds showcasing our capabilities in sustainable portfolio management. I am convinced we are entering a new era in which financial results are not the only benchmark by which clients value our services. They increasingly focus on the how their money is invested and the impact on society. This was my dream 20 years ago when I launched my first company – not just to make money but to create a positive impact all round.

What opportunities and challenges do you see for the FARAD Group over the next five years?

We have the useful driver of the 2030 Sustainable Development Goals, which can provide a blueprint for the future. From my side, I see two main opportunities in the next five to 10 years in which I would like to see my group act as a primary mover, the evolution of the circular economy, and renewable energy storage – two key ESG fields that represent the next industrial revolution. They may seem a long way from the purely financial industry, but I believe they are closely linked together, because the financial industry has the obligation to support these projects. We cannot imagine a future without major changes in our attitude. Consumerism, as a social and economic philosophy that encourages the acquisition of goods and services in ever-increasing amounts, is dead. The challenge is to drive clients to this new approach and find a clear way in which to achieve financial and non-financial goals together.

"We are a benefit corporation, which commits us to investing 5% of our profit in charity projects."

MARCO CALDANA,
FOUNDER AND CHAIRMAN
OF THE FARAD GROUP



WIM RITZ
ZEDRA

ESG - Disclosing Better Outcomes



MORE INFORMATION

www.duke.lu/wimritz
www.zedra.com

WIM RITZ, GLOBAL HEAD OF FUNDS AT ZEDRA BELIEVES NAVIGATING THE EU'S RISING WAVES OF ESG DISCLOSURE AND COMPLIANCE REQUIREMENTS BEGINS WITHIN ZEDRA BY CLOSELY COOPERATING WITH THEIR CLIENTS. INVESTMENTS CAN THEN NOT ONLY LEAD TO IMPROVED ENVIRONMENTAL, SOCIAL AND GOVERNANCE OUTCOMES, BUT ALSO TO CLIENTS EARNING MORE PROFITABLE RETURNS. ZEDRA OFFERS THIS INTEGRATED APPROACH THROUGH ITS 'ESG HORIZON' SOLUTIONS.

What are the main disclosure obligations driving the fund industry in the transition to environmental, social and governance investing in Europe?

There are a lot of regulatory changes going on including the disclosure obligation that will be implemented in March. But it's only one of four important changes underway. The first pillar is the Taxonomy Regulation requiring the establishment of a reliable environmental classification of environmental inputs. The second driver is the Sustainability Related Disclosure Regulation that requires companies in financial markets to disclose to investors how ESG-factors are integrated into investment decisions and internal processes. Thirdly, there are the requirements of the Non-financial Reporting Directive. The directive helps investors, consumers, policymakers, and other stakeholders to evaluate the non-financial



performance of large companies and encourages these companies to develop a responsible approach to business. Finally, there is the ongoing implementation of the Amended Shareholder Rights Directive which will also improve the communication, transparency of voting policies and procedures for fund managers.

How are you helping your clients to prepare for ESG legislation?

The exercise is 2-fold: internally and externally. "Client

Internally": Increasingly investors are depending on your ESG view and your compliance systems. We help our clients by looking at their internal resources first. We analyse their internal ESG-compliance; how well they run their own company and their funds. "Client Externally": We then assist them by assessing their investments from an ESG point of view, including those they have in other companies such as private equity and real estate. We weigh up what investments clients have and identify where the gaps are. We then target investments in firms

**"Investors
are increasingly
depending upon
your ESG view
and on your
ESG-compliance."**

WIM RITZ,
GLOBAL HEAD OF FUNDS AT ZEDRA

that are the best run from an ESG perspective. That is the long-run strategy – to create the ideal portfolio structure that then only requires minor tweaks to maintain our ESG standard. We are helped by Morningstar's comparison of funds that shows ESG compliant companies appear to be more profitable than those which are not. We offer our clients the full support to efficiently map and structure all these actions, in line with their ESG strategy. We call it 'ESG Horizon', making sure that our clients never lose sight of it.

What challenges and opportunities for the fund industry are linked to ESG in the coming years?

ESG is here to stay and it's a chance to correct past excesses. Covid has created an opportunity to improve the situation for everyone. On the one hand, the pandemic has accelerated the potential to create more flexible organizations through digitization decarbonization and agile working. We now know that working at home works; we see that you don't have to travel all the time for meetings. We all want to breathe clean air without a mask to protect us not only from the virus, but also from pollution. Everyone wants access to fresh water and clear seas. We want corporate governance that promotes people who are best in class, regardless of gender or race. Covid has also triggered a reflection on the "social" part of ESG. Loss of income and layoffs have not only negatively impacted families: the economy suffered because of falling demand. Furthermore, a reassessment has been made about "essential workers" – generally low paid jobs – and on how our social frameworks will compensate or revalue them in the future. The industry is presented with unexpected opportunities and challenges in equal measure. Let's remain steadfast.

ERIC CHINCHON AND
CHRISTOPHE PESSAULT
mebs

G for ESG

MORE INFORMATION
www.duke.lu/mebsesg
www.mebs.lu

ACCORDING TO ERIC CHINCHON AND CHRISTOPHE PESSAULT, RESPECTIVELY FOUNDING PARTNER AND MEMBER OF THE EXECUTIVE COMMITTEE OF MEBS, THE INTEGRATION OF ESG CRITERIA WITH FINANCIAL SERVICES IS NOT ONLY UNAVOIDABLE, BUT INDISPENSABLE. THEY EXPLAIN IN THIS INTERVIEW.

How does a company like mebs approach meeting its ESG requirements?

Eric Chinchon (EC): At mebs, we have always been at the forefront of 'G' standards. It is part of our DNA. We also believe in the value of acting socially responsible over the long term. "You reap what you sow," and "Who Cares Wins" are the founding morals of today's ESG frameworks. It is fair to say that at an individual and company level we are already discussing new ways to reduce our burden on the environment, and we hope to reduce it further. In the long run, I believe we will significantly improve our standards and help our clients assess and manage theirs.

Christophe Pessault (CP): To put this discussion in context, 2020 was a real test of our ESG capabilities. Thanks to our operational efficiency, we were able to continue working throughout the year without any difficulty. Our employees were taken care of, from the very beginning of the pandemic by the Executive Committee and kept regularly informed of developments. In addition, we took advantage of this exceptional year to measure the efficiency of our operational framework, as well as the well-being of our staff, by mandating an external provider to assess our internal social standards. The study enabled us to identify the SWOT characteristics of our infrastructure and adapt accordingly. This exercise produced excellent results both for management and employees.



Eric Chinchon



Christophe Pessault

Why did you enter into a partnership with Thomas Murray?

EC: There are more than 14,500 funds registered in Luxembourg (CSSF, 2020). The questions we asked ourselves were: "what if we could offer a solution ranging from the simple facilitation of a due diligence exercise, via access to a platform and its templates, through to a tailor-made end-to-end solution to conduct this exercise? How effective would we be in providing a quality solution to the entire market spectrum?". Thomas Murray (TM) & mebs share the same core values, which is to provide tailor-made quality solutions to financial services professionals. The only real difference is that TM focuses on quantitative solutions while we focus on qualitative ones. The combined added value of our services for the Luxembourg market was so clear that we quickly moved from a conceptual phase, to the signature of a partnership, so to quickly start working. Over the long run, I believe this collaboration will produce much more added value for our clients than is already apparent.

CP: Thomas Murray offers a turnkey digital solution with a high level of automation, in line with the current and future demands of the CSSF. mebs adds the rest of the value

"ESG standards as a whole have been a hot topic in the industry for the last 17 years."

chain to digital due diligence. By relying on a system that achieves 75% automation (performing at the level of big data applications), mebs concentrates its added value on the remaining 25%. To remain competitive, a company like mebs must put data and automation at the heart of its business model. By working with a solid partner, widely recognized for the quality of its operational framework and its analytical capabilities, we are giving ourselves the means to grow and optimize our competitiveness, just at a time when the pressure of costs and the regulatory burden is increasing.

How do you see ESG evolving in the coming years?

EC: Change is never a quick process. ESG standards as a whole have been a hot topic in the industry for the last 17 years. 2004 was the year, UN Secretary General Kofi Annan spearheaded the first international conversation on the need to incorporate ESG standards in business activity. We are only beginning to see real changes in E&S categories in Luxembourg. Over the last three years the financial services sector as a whole has made significant improvements on its social standards. But as the largest sector of the Luxembourg economy, we must continue to lead by example and do similarly for the environment. This will be a long, but necessary process which at this stage is still in its infancy.

CP: I completely agree with Eric. We are in the early growth phase of ESG. Take the example of VaR [Value at Risk], developed as early as 1994 by J.P. Morgan. Several crises have made it possible to refine this indicator thanks to incremental progress. Moreover, this indicator has been emulated by "Climate VaR" or "Carbon VaR". ESG applications will take the same path, but it remains to be seen how fast they will evolve.

MICHAEL MALDENER
Nordea Investment Funds S.A.

ESG Legacy

 **MORE INFORMATION**
www.duke.lu/michaelmaldener
www.nordea.lu

MICHAEL MALDENER, MANAGING DIRECTOR, SAYS NORDEA INVESTMENT FUNDS S.A. HAS BEEN INTEGRATING ESG AND SUSTAINABILITY FOR OVER 30 YEARS. INTERVIEW.

Can you present Nordea Asset Management in a few words?

Nordea Asset Management is a responsible manager with a global reach. Our management company is situated in the Grand-Duchy, the crossroads of Europe, allowing for effective global distribution. Nordea Asset Management is part of the Nordea Group, one of the largest financial services groups in the Nordic region. As an active owner, we fulfil our mission to deliver returns and responsibility to clients in Europe, the Americas and Asia. We manage asset classes across the full investment spectrum with responsible investing being deeply rooted in our Nordic DNA and also what our investors expect from us.

How has Nordea Asset Management integrated ESG in its activity?

We have been integrating ESG and sustainability for over 30 years, from the time we launched our first sector-screened fund three decades ago. Our team of seasoned professionals has developed a strategy where returns and responsibility go hand-in-hand. We engage with companies to improve ESG risk management, foster positive change and protect the long-term interests of our shareholders. As an active owner, we exercise our formal voting rights as well as proactively engaging with companies and encouraging them to improve their management systems and ESG performance. To stay at

the forefront of Responsible Investment, we also play an active role in local and global ESG initiatives and promote best practices in the companies we invest in.

What ESG opportunities & challenges do you foresee for the funds industry in the next 5 years?

In terms of opportunities, 2020 flows statistics on ESG-related products show that client demand is growing and is expected to grow further, soon outplacing investments in more traditional, non-ESG funds. So the potential for active managers who take the topic seriously is enormous. In terms of challenges, asset managers must be credible over the short and long term. To do this, we have to deliver concrete reliable proof points that demonstrate why clients' investments matter and how they make a tangible difference. Clients demand tangible, easy to understand proof of the link between their investments and the results they deliver. Quantifying this with analytics and data is a challenge. That's why Nordea has a dedicated RI Team that interacts closely with ESG analysts who employ our in-house proprietary ESG analytics to thoroughly vet companies. Having access to accurate and relevant data, thorough analysis and integration of ESG aspects in investment decisions-making, a committed organization and value chain from back to front as well as, at the end, meaningful reporting are eventually the main challenges ahead.

"To stay at the forefront of Responsible Investment, we play an active role in local and global ESG initiatives and promote best practices in the companies we invest in."

MICHAEL MALDENER,
MANAGING DIRECTOR,
NORDEA INVESTMENT FUNDS S.A.



CHRISTIAN GIBOT, CHARLES DEGEN,
FRANÇOIS LUCCHINI
Cardif Lux Vie

Don't get lost in the complexities of ESG, embrace the opportunities

MORE INFORMATION
www.duke.lu/cardif
www.cardifluxvie.com

ACCORDING TO CHRISTIAN GIBOT (CEO OF CARDIF LUX VIE), CHARLES DEGEN (CHIEF DEVELOPMENT & LOCAL MARKET OFFICER) AND FRANÇOIS LUCCHINI (CHIEF INVESTMENT OFFICER), ESG CRITERIA CANNOT SIMPLY BE AN ADD-ON TO MANAGEMENT STRATEGY. THEY MUST BE FULLY INTEGRATED INTO THE COMPANY'S OUTLOOK AND DAILY OPERATIONS.

How do ESG considerations impact the life insurance industry?

Our employees, partners and clients are all highly aware of social and climate issues. As an insurer and investor, we have an important role to play, as we know the decisions we make can accelerate this change. This is not just an add-on to our corporate strategy, but an ambitious effort to make it part of our mission. It guides our actions, and also helps us to attract new employees who adhere to our values in a sector where there is strong competition for talent. Both at Cardif Lux Vie and at BNP Paribas as a whole, ESG criteria have been taken into account for a long time. We did this mainly by excluding certain investments for ethical reasons (pornography, tobacco, controversial weapons) and by selecting companies with the highest ESG ratings. We often go further, such as by underweighting certain sectors with a negative impact on the environment (e.g. oil companies). For several years, Cardif Lux Vie's CSR approach has been structured around four themes. First, there is the notion of responsible investment, and being more responsible with accessible products and services. We also focus our company on people, by integrating notions of diversity and



Christian Gibot

well-being. Finally, we take seriously our responsibilities as a corporate citizen, and thanks to our profitability, we can contribute to local society while limiting our environmental impact.

How is Cardif Lux Vie adapting in this context?

We are translating our intentions into actions, and we promote these CSR principles in our corporate culture. Several years ago, we launched the "My Impact" programme, which continues to bring together more than twenty volunteers to identify impactful actions that can help. Recently, for example, they selected a reforestation project in the north of the country and suggested ways to promote well-being at work, ideas which we then implemented.

We are also committed to making our products accessible, regardless of resources or health status. It is also a question of enabling everyone to understand better the specificities of their contract, helping people to receive the benefits to which they are due. Finally, as part of the management of our general fund, we have set ourselves the objective of increasing the value of our positive impact investments by €400 million by 2025, thus meeting the demand of customers who wish to give more meaning to their savings. In 2020 the total value of our impact investing was €577 million, with an ever-increasing share of green bonds, which have a focus on renewable energy and protection of the oceans.

What challenges and opportunities do you see in the insurance sector over the next five years?

We hope that the momentum will accelerate as ESG and sustainability criteria become more integrated. The key is to go further by reconciling return, responsibility and diversification of the offering, while avoiding a concentration of our investments on a reduced panel of assets that meet these requirements. This dynamic is actively supported by the Luxembourg government, which is determined to promote the sustainability of the financial centre.

Finally, in this period of crisis, we have to make choices regarding digitalisation, working from home and more. But



Charles Degen

"As an insurer and investor, we can accelerate this change. This is not just an add-on to our strategy, but an ambitious effort to make it part of our corporate mission."

By providing a solution to a problem, we are creating new challenges for the future, and we must prepare for these as much as possible. With teleworking and dematerialisation for example, thermal pollution will be replaced by electrical pollution. The next challenge will be to rethink the impact of all these new solutions.



François Lucchini

CLAUS JØRGENSEN AND DR. FELIX BRILL
VP Bank

Shaping a Sustainable Future

MORE INFORMATION
www.duke.lu/felixbrill
www.vpbank.com

"SUSTAINABILITY HAS TO BE BUILT INTO THE COMPANY," SAY CLAUS JØRGENSEN AND DR. FELIX BRILL, RESPECTIVELY CEO AT VP BANK (LUXEMBOURG) SA AND CHIEF INVESTMENT OFFICER AT VP BANK AG. INTERVIEW.

How are your clients' needs evolving?

Dr. Felix Brill: They have been affected by Covid-19 and came to us with many questions regarding the consequences of the pandemic, but also with new needs and demands. Particularly, there has been a lot of interest for long-term investment themes around sustainability.

Claus Jørgensen: I have been in Luxembourg since 2005, working with many Nordic clients over the years. Denmark and the three other Nordic countries have always been at the forefront of ESG: gender equality, investing in forests and reducing carbon footprints. Swedish fathers do take their parental leave! Sustainability is a cultural asset there. Covid-19 has accelerated the strong need for digitization, transparency and ESG all over the world. VP Bank is in a great position to help clients in this transition.

Dr. Felix Brill: I fully agree. It is also not a surprise that initiatives such as "Fridays for the Future" have their roots in the Nordics.

How do you integrate sustainability into your investments?

Dr. Felix Brill: We undertook an extensive stakeholder engagement process. Our goal was to better understand the expectations of all our stakeholders – not just clients. In the end, the main take away was that sustainability should not be simply an "added feature". It is a matter of credibility. I like to compare it with a cake: ESG should not be the icing; it must be baked into the whole company! So, we are integrating ESG at every level, from research



"Covid-19 was an accelerator for digital solutions like video meetings."

CLAUS JØRGENSEN,
CEO, VP BANK (LUXEMBOURG) SA

processes up to the portfolio. It is not "either, or". Everything we offer – funds, discretionary mandates, internal policies – has to meet sustainability requirements. We also developed a sustainability rating, the VP Bank Sustainability Score, for investments which allows us to offer transparency for our clients. The key belief underlying our approach is that it has a positive impact on our portfolio. Our clients do not have to choose between sustainability or performance: they should receive both. From my experience, taking into account ESG criteria improves risk management, which is beneficial for the portfolio in the long term.

Claus Jørgensen: For me and our clients everything needs to be simple and transparent. We are still in a transition period where we are all trying to define what ESG is. The way to get out of this dilemma is to be transparent so that everyone can assess if they understand ESG the same way that we do. Not so long ago, our conversations with clients were about expected returns versus risk. Now we talk about the best way to maintain and improve expected returns but with a better ESG score. Felix makes it easy to understand for everyone.

Dr. Felix Brill: Stocks with a higher Sustainability Score tend to perform better. There are no guarantees going forward but we see that companies managing their ESG risks properly, tend to manage their business properly too. On the other hand, companies neglecting these aspects will increasingly be penalized by markets. In that sense, sustainability can act as a positive catalyst, allowing investors to benefit from new opportunities.

Claus Jørgensen: I like the "Green City Basket" a lot for example. This VP Bank equity certificate allows investors to participate in the trend towards modern, sustainable cities and urban regions. The portfolio selects companies based on four technological and environmentally sustainable trends: modern government, clean utilities, ecologically sustainable infrastructure and urban mobility. More generally, we see a growing number of investors finding this a great way to invest their wealth.

What is your Sustainability Plan 2026?

Dr. Felix Brill: Sustainability is a key pillar of our strategy for the next five years. On the investment side, we have launched "Investing for Change", an initiative to integrate sustainability criteria into all our investment processes which allows our clients also to discover how they can have an impact. But we have also set ambitious goals beyond the investment offering for 2026. For example, we



"ESG should not be the icing on the cake; it must be baked into the whole company!"

DR. FELIX BRILL,
CHIEF INVESTMENT OFFICER, VP BANK AG

want to achieve carbon-neutral operations and increase the diversity of our workforce. We are also aiming for an "AA" ESG Rating from MSCI. Change is sometimes difficult to implement, but our whole staff is fully engaged on this journey. I am really happy to be part of that!

Claus Jørgensen: As an example of integration with the local community, we donated 1,130 bottles of fresh juice to the staff of the "Hôpital du Kirchberg" – our neighbor – for their great commitment, while at the same time supporting three young, local entrepreneurs. Another donation was made to "microlux", the first microfinance institute in Luxembourg. A third supported the FDEF Centre on Sustainable Governance and Markets (CSGM) at the University of Luxembourg. You see we are organizing this interview today using digital technology. Covid-19 has accelerated the use of digital solutions like video conferences. Many organizations now organize virtual meetings and we will reduce our travelling in the future.

AMAURY DE VIVIÈS
Davidson Luxembourg

ESG catalyst

MORE INFORMATION
www.duke.lu/amaurydevivies
www.davidson.group

DAVIDSON CONSULTING STANDS OUT FROM THE COMPETITION THANKS TO ITS STRONG CORPORATE CULTURE SPELT OUT IN THE "DAVIDSON CODE" BOOK, THE 4TH EDITION OF WHICH HAS JUST BEEN PUBLISHED. THIS COLLECTION OF GOOD MANAGERIAL AND ENVIRONMENTAL PRACTICE RUNS THROUGH WORK CONDUCTED IN LUXEMBOURG, WITH DIGITAL TRANSFORMATION AND WORK TO ENHANCE THE CLIENT EXPERIENCE.

How do you integrate ESG into your company culture?

To understand why ESG is so important at Davidson, you have to look at our consulting business. We believe that to attract, retain and motivate the best experts in the market we must enable them to work on tasks that contribute to landmark projects in Luxembourg's IT market, thus helping to strengthen our clients' IT departments. Having strong values in line with ESG considerations fosters effective, motivating team spirit. This is felt by our colleagues even when they are working in the offices of the companies we serve. This is why we attach great importance to the attitude shown by the talent we recruit, and we encourage all initiatives that share and reinforce our culture. This goes from day-to-day activity such as sorting company waste, though to the vehicles used by our consultants. There is also the social aspect. You often see football tables in companies, but too often they are mere decorative objects or trophies. In our company we encourage everything from informal games through to fiercely-fought afterwork tournaments. We find this builds connections between people working together on business projects. We provide all necessary support to allow everyone to contribute to the social side of life, within the company, when staff are with their families, or supporting their work with clubs and associations.

How do your clients benefit from your ESG culture?

The days are gone when a client would hire a consultant without regard for their internal processes. For example, we invest heavily to train our consultants, and our clients appreciate that a few hours of absence translates into the



"Having strong values in line with ESG considerations fosters effective, motivating team spirit."

AMAURY DE VIVIES,
MANAGING PARTNER,
DAVIDSON CONSULTING LUXEMBOURG



deployment of enhanced skills, as well as improved general well-being. This investment is based on two assumptions: our fundamental drive to work better for our clients, and our desire to give our people confidence that we believe in their futures with us. We give our staff a career plan we believe will motivate them and enable them to grow. As a result, we have a low rate of staff turnover, and this brings stability to our projects. As for our clients, increasingly they are asking us to integrate our people within their departments. When we enter into a relationship with an international group we are asked how we will implement and respect ESG rules. We do this by aligning ourselves from the bottom-up and by being a force on the market.

How what ESG developments do you foresee?

I can't predict how regulations will change, but I know this

is a structural shift, and we want to contribute our experience and be a driving force behind this movement in the coming years. This is a strategic issue for Davidson. In 2020, we became the first B-Corp certified IT consulting company in Europe. Today, we are changing our status to become a "mission-driven company". It's as if we are building a house and want it to be comfortable and welcoming. Our continued growth gives us the means to invest in this area with great determination. Finally, there is a strong on-going growing trend of our customers asking us to help them outsource entire service centres. This also strengthens the integration of our clients' culture with Davidson's, allowing us to broaden how we add value and further increase our attractiveness. As with green finance, ESG has already gone beyond the stage of hype to become not only an essential asset to competitiveness, but also giving a new social dimension to business life.

JOANNE FERRIS

Alter Domus

Embracing ESG as Standard Practice



MORE INFORMATION

www.duke.lu/joanneferris
www.alterdomus.com

WITH ITS GLOBAL PRESENCE, INCLINATION TO INNOVATE AND CONSCIOUSNESS OF ENVIRONMENTAL, SOCIAL AND ECONOMIC (ESG) CHALLENGES, JOANNE FERRIS, CHIEF HUMAN RESOURCES OFFICER AT ALTER DOMUS, BELIEVES HER FIRM CAN OFFER LEADERSHIP IN BUILDING MOMENTUM, WITH ITS INFLUENTIAL PRIVATE EQUITY, REAL ESTATE AND PRIVATE DEBT CLIENTS, TO HELP MAKE ESG BECOME THE NORM.

Can you describe Alter Domus in a few words?

Our values are responsibility, excellence, intelligence, and collaboration. I really feel we live by these values and they are reflected in everything we do. Alter Domus's strategy is to be the leading and most innovative provider of high quality, technology-enabled, value-added services to the global investment industry. We are a very fast-paced company with a meritocratic philosophy when it comes to clear accountability and recognition of performance. We value learning and feel proud that our 3,000 people participated in 28,000 learning interventions during 2020 through our academy. So far this year we are at 18,000 and counting. We have a dedicated workforce with diverse talents that is approximately 50% female to male and comprises 74 nationalities. We grow both organically and through acquisition or through opening new offices in new locations. When we acquire a company, we work to make the new teams feel welcome and have enjoyed good success to date learning from acquired companies and integrating to benefit from the best of both. Furthermore, we value our clients and grow with them. Despite the fact we have only been around since 2003, we have many customers who have been with us for over ten years, and we feel proud that once we start to work with a client, they tend to stay with us. In fact, our customer retention rate is 98%.

How is Alter Domus integrating ESG in its ethos?

As a rapidly growing organization, with an increasingly global footprint, we recognize the importance of making a

positive impact on the communities in which we operate. Our clients include the largest private equity, real estate and private debt managers in the world. We are conscious of the environmental, social and economic (ESG) challenges impacting our clients. We are committed to ensuring our business planning and decision making considers ESG factors as standard practice. During 2020, Alter Domus leadership committed to building a clear path and strategic framework in support of ESG. A global cross-functional steering committee was installed to ensure key deliverables were defined. These included the recommendation and adoption of a metric-based reporting structure; conducting an ESG materiality assessment of Alter Domus; developing and adopting a global ESG policy and developing and recommending both an internal and commercial strategy. To help achieve these goals we aligned the firm to the United Nations Principles for Responsible Investment (UNPRI) and the World Economic Forum (WEF) "Measuring Stakeholder Capitalism; Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" framework. We will evolve our reporting and disclosures to fully align with the WEF metrics moving forward using the Sustainability and Disclosure framework which is built on four pillars: governance, planet, people and prosperity.

What challenges and opportunities do you see for ESG and Alter Domus in the next five years?

While we'll remain at the forefront of regulatory evolutions and anticipation of our clients' expectations when it

"ESG is a topic on which we will never consider our work complete."

JOANNE FERRIS,
CHIEF HUMAN RESOURCES OFFICER,
ALTER DOMUS

comes to ESG, our ambition is to also innovate in that field as much as we do in our core business. It comes with empowering our employees and supporting them in their individual initiatives and engagements. We are glad that ESG became a competing field both due to business requirements and our will to be the employer of choice in our industry. This comes with the constant requirement

to give purpose to everyone working with us and to value the positive impact we can or should have in everything we do. ESG is a topic on which we will never consider our work complete. The challenge will be to continue the great work already underway and continue to innovate and build on this momentum as we grow with our clients.

SUSANNE SCHATZ
Seqvoia

The data challenges behind the SFDR



MORE INFORMATION
www.duke.lu/susanneschartz
www.seqvoia.com

SEQVOIA CHIEF OPERATING OFFICER SUSANNE SCHATZ IDENTIFIES THE CHALLENGES OF COMPLIANCE WITH THE SFDR REQUIREMENTS: IDENTIFYING AND LOCATING DATA IS IMPORTANT, BUT UNDERSTANDING IT IS CENTRAL – WHICH FOR EACH COMPANY MEANS DEFINING ITS DATA UNIVERSE.

What kind of data do you need to inform investors about ESG strategies?

The challenge in sharing information with investors is twofold – the data required per se, and providing an understanding of it. Understanding is central to acquiring knowledge from the data. The EU's Sustainable Finance Disclosure Regulation initially focuses on general statements that are not backed up by data, with disclosures in companies' prospectuses the first step. The next level of disclosures goes deeper into the product – is a product sustainable, and to what degree? If not, can you be sure that it does no harm? Finally, from January 2022, the legislation will require a new investor-oriented disclosure document that is designed to provide insight into ESG characteristics at portfolio management level, including market comparisons. In the case of ESG, understanding the data originates from defining its universe. This means identifying data points, but just as important is to understand the relationship of this data to each other and to your products. This will provide a framework of what you are seeking to deliver – if you like, a guiding light through the data jungle.

How does this impact each company's data universe?

There are no miracles – a lot of work lies ahead, but as with any challenge, investment of time and effort will pay off. The first step is defining the data that is available – your products, any ESG-related data that you already possess, and any other data that is helpful in creating the disclosures. This requires identifying essential data points and their location, as well as essential data that is missing, and

non-essential data, which can contribute to quick wins where possible. The key is defining the content from which customers will benefit and identifying its location within the data universe.

What risks and opportunities do you identify?

The opportunity lies in investor interest – demand for investments that are in line with their personal choices and values, which is especially apparent with institutional investors. The transparency of financial products and their ability to help achieve sustainability goals will represent a significant advantage over competitors. Investors want these goals to be taken seriously, and in return are ready to engage as a partner. But companies ill-equipped to do this risk falling short. It's not enough to create an Excel spreadsheet – company data models must be recorded in a more sophisticated manner that captures data points as well as their relationships and make both transparent within the organisation. A systematic data layer enables existing data such as product information to be linked to the ESG data model and existing disclosures can be added, both to save time and ensure alignment across all customer communications. As you add the new sustainability data, your data universe will grow, as will organisational understanding of where the sustainability journey is going and the opportunities it will provide. ESG is not a siloed activity but intimately bound in with investment, compliance, marketing and operations. Technology is essential to make use of cross-departmental knowledge and to enable the joint creation of solutions that are coherent and transparent to all teams.

“ESG is not a siloed activity but intimately bound in with investment, compliance, marketing and operations.”

SUSANNE SCHATZ,
CHIEF OPERATING OFFICER,
SEQVOIA



CHARLOTTE WATON
Foyer

CSR Catalyst

 **MORE INFORMATION**
www.duke.lu/charlottewaton
www.foyer.lu

ACCORDING TO CHARLOTTE WATON, EXECUTIVE ADVISOR AND CSR MANAGER, CUSTOMER EXPECTATIONS REGARDING CSR ARE RISING SHARPLY. FOYER HAS REACTED BY INCREASING ITS RANGE OF RESPONSIBLE AND SUSTAINABLE PRODUCTS AND SERVICES.

How does Foyer Group address CSR questions internally?

Corporate Social Responsibility is a very topical question. Environmental issues, regulatory changes, the expectations of our customers in particular, and wider society more generally, make CSR a strategic issue. Foyer has always been committed to a socially-minded approach within the company. We support community solidarity projects as well as making extra efforts to ensure the well-being of employees. This is on top of our responsible environmental policy and commitment to sustainable investments. Looking forward, and thanks to support from our shareholders, our ambition is to go one step further. From having a CSR strategy, we now want to fully integrate CSR into our corporate strategy. We have decided to structure this approach through a labelling process with the INDR. This approach will enable us to understand fully the current situation and draw up an action plan in line with our impacts and the expectations of our stakeholders, as well as meeting new regulatory obligations.

Who are the stakeholders in your CSR approach?

Our employees are key stakeholders; firstly as human resources, but also as CSR actors within Foyer, particularly through their voluntary membership of thematic working



groups. For example, our CSR Committee draws on the ideas of five working groups focused on microfinance, gender equality, humanitarianism, solidarity, ecology and new mobility. Many employees contribute to the initiatives proposed by these groups, using, among other things, the time Foyer makes available to them over the year to carry out these projects. Among the many projects run by employees there is support for social entrepreneurship, in the form of skills sponsorship within the framework of the partnership between Foyer and microlux; the introduction of good eco-habits designed to reduce resource waste; the collection of toys or clothing for underprivileged people; and, most recently, the establishment of a



“Our employees are key stakeholders, firstly as human resources, but also as CSR actors.”

CHARLOTTE WATON,
EXECUTIVE ADVISOR
AND CSR MANAGER

partnership with the Luxembourg NGO Aide à l'Enfance de l'Inde et du Népal, to help with the construction of a school in Nepal. Of course, the expectations of our customers are also increasing in terms of CSR, and we must respond to them by offering more responsible and sustainable products and services.

What are the main opportunities in this area?

As indicated, at group level, we are currently engaged in a labelling process with the INDR. In addition, we see many opportunities regarding our clients' expectations, particularly in terms of sustainable finance. This might be through the composition of our portfolio of financial assets,

our CapitalatWork fund offering, or our smartlife life insurance product for the Luxembourg market. We are building labelled products in collaboration with the LuxFLAG agency, both in terms of funds and insurance products, in order to respond in the best possible way to our clients' desire for responsible investment. Finally, such a project is an opportunity to rethink the relationship with our employees by encouraging their involvement, openness and autonomy. This will be achieved in particular through the implementation of talent management programmes and other training, all focused on boosting employability. Indeed, our approach will only be meaningful if our employees are involved and committed.

**"The tidal wave
cannot be stopped.
We need to surf
on it and to
gradually adapt our
investments and
requirements."**

FRANÇOIS MASQUELIER,
CHAIRMAN, ATEL

FRANÇOIS MASQUELIER
ATEL

ESG in Money Market Funds, why not?



MORE INFORMATION

www.duke.lu/atel-esg
www.atel.lu

FRANÇOIS MASQUELIER, CHAIRMAN OF THE LUXEMBOURG ASSOCIATION OF CORPORATE TREASURERS (ATEL) AND CEO OF SIMPLYTREASURY SHARES HIS VIEWS ON HOW MMF CAN MOTIVATE COMPANIES AND ISSUERS TO BECOME MORE SOCIALLY RESPONSIBLE AND TO SEARCH FOR SUSTAINABILITY.

ESG and MMF

Money Market Funds (MMF) can also adapt in response to Environment, Societal and Governance factors (ESG). Only recently market has put attention to explicit ESG strategies within MMF's. Sign of the time? Certainly. The example of MMF's having reduced their exposure to Danske Bank in response to governance risk factors is interesting to illustrate the governance concern. Launches of new MMF's ESG compliant and conversions of existing ones to better reflect concerns on ESG demonstrate the changes and new expectations on the "buy-side".

Fund calibration & metrics

Funds must adjust to market demands for more corporate social responsibility. From implicit, it becomes more explicit concept in MMF's, and strategies change to better respond to investors wishes. They try to apply filters to select "E", "S" or "G" compliant assets. The difficulty is to fix limit of in what they can invest or not. Some assets are more obvious than others. We can imagine that sooner or later rating agencies or ESG specialists will allocate ESG ratings or score and qualify ESG compliance. The ESG metrics will be a key issue to solve prior to claim offering

"ESG compliant funds". The inconvenient is the potential additional costs. If we reduce the potential assets to invest in, the risk is to impact returns. When we will have more ESG funds, the compliant assets will become rare(r) and the scope of eligible assets will be targeted by more MMF's, creating unnecessary competition.

Driver of change

If generalized, such behaviors and trends may lead to difficulties to find short term cash equivalent investments in the long run. Being more virtuous and looking for ESG compliant assets may lead to unbalanced situations. If gradual, it may force non-ESG compliant companies and issuers to become more socially responsible and to search for sustainability. The world is changing so do MMF's managers.

Today, we know that major players like AMUNDI, AVIVA, BNPP, CANDRIAM, SG, Blackrock or State Street – roughly 20 funds – offer ESG MMF's. You can be sure that this number will increase over time.

The tidal wave cannot be stopped. We need to surf on it and to gradually adapt our investments and requirements, as well as become more socially responsible.

DR. ROMAN KRÄUSSL
University of Luxembourg

Ground-breaking ESG investing research

MORE INFORMATION
www.duke.lu/romankraussl
www.uni.lu

INVESTMENT GREENWASHING AND HOW QUESTIONS OF GENDER AFFECT BUSINESS SUSTAINABILITY, JUST TWO OF THE ON-GOING RESEARCH TOPICS BY DR. ROMAN KRÄUSSL, PROFESSOR OF FINANCE AT THE UNIVERSITY OF LUXEMBOURG. HERE HE EXPLAINS HOW HIS ACADEMIC WORK SHOULD RESULT IN TANGIBLE BENEFITS FOR PEOPLE, PROFITS AND THE PLANET.

Please introduce yourself and explain your commitment to ESG

I am Roman Kräussl, Visiting Fellow at the Hoover Institution at Stanford University and Professor of Finance at the University of Luxembourg. My research focus is Alternative Investments. In recent years I researched extensively "The True Value of Art", work which resulted in numerous publications. One of these, entitled "Gendered Prices", provides evidence that culture, specifically gender culture, is a source of pricing bias. Using a sample of 1.9 million auction transactions from 1970 to 2016 in 49 countries for 69,189 individual artists, I document that auction prices for paintings by female artists are significantly lower than prices for paintings by male artists. I also found that the gender discount in auction prices is generally higher in countries with greater gender inequality. This study was in a way my reconnection to ESG.

What do you mean by "reconnection to ESG"?

25 years ago, when I started my PhD studies, I worked on sustainable economic development. Since it was brought to broad public attention at the UNCED Conference in Rio de Janeiro in 1992, the concept of sustainability had developed into a new socio-economic paradigm. However, all too often it was not much more than a mere buzzword. For the Kyoto 1997 meetings, I analyzed the existing models of emissions trading and identified minimum conditions for sustainable development. I've co-developed a macro-econometric model, which included the

measurement of energy and material consumption, and this was well suited for indicating the link between economic development and environmental impact. I found that there was a trade-off between economic growth and employment, on the one hand, and environmental concerns on the other hand. Nevertheless, sustainable compromises were possible. So it was hugely frustrating when in subsequent years, the topic of sustainable economics was only talked about, but resulting in scant action.

What is your current research focused on?

My current research on ESG focuses on two topics: Greenwashing and Gender. As regards gender research, previous studies have found that having multiple women on a board of directors translates into better financial performance due to greater creativity and better decision-making. I fully agree with these findings, but think they are too narrowly focused. In my ESG-related gender research, I would like to dig deeper and analyze more than just female representation in senior leadership positions. Thus, I am going to investigate additional performance metrics and their impact on the financial performance of a company. These metrics are: (1) attraction, e.g., the percentage of women employees among new hires and in the total workforce; (2) retention, such as the percentage difference in average employment years for female and male employees; and (3) promotion, including the percentage of women in senior management roles. I hope to have a first working paper completed in 2021.



"Luxembourg is on the right track with its focus on ESG, sustainability and green finance."

DR. ROMAN KRÄUSSL,
PROFESSOR OF FINANCE
AT THE UNIVERSITY OF LUXEMBOURG

How will you address greenwashing in your research?

My goal is that my research will help facilitate greater transparency in the sustainable finance market, which can bridge the gap between artificial and genuine concern for the environment. We truly need a better understanding of the available data. It is not sufficient to look only at the highest ESG ratings and declare a company "good". Academic research can play here an important role as a sort of impartial check and balance to the economic system. We have to understand that many of these ESG ratings rely on self-reported data, and do not even try to fully understand and capture controversies. It is very tempting for companies to report great stuff. In the mid-1980s, for example, Chevron ran the now-infamous "The People Do" campaign on TV, while actively violating

the Clean Air and Water Acts. Today, many customers ask whether Tesla, for instance, is really green? The government and regulators will try to regulate this away and ensure level playing field, but this could take years (even with SFDR) and we need to move fast. So I think academia has a really important role to play in "calling it out", talking about the elephant in the room and not letting companies get away with greenwashing.

ESG & Me in 5 years?

I am very happy to see that Luxembourg is on the right track with its focus on ESG, sustainability and green finance. Recent initiatives such as Luxembourg Sustainable Finance Initiative (LSFI) all point in the right direction. Educating the future workforce is important, and we've recently started at our University a new track on Sustainable Finance within our Master's programs. I am confident that our ongoing research will deliver interesting results, not just by analyzing standard data sources such as ESG ratings by MSCI, but by also making use of non-public data sets such as UTIL, which do not rely on self-reported, potentially greenwashed data. My goal is to keep up my strong research ties with Stanford University and deliver further interesting academic papers. At the same time, I would like to develop a dynamic ESG investment tool. Using this, an individual or institutional investor could pick their ideal green-asset allocation, depending on how much E or S or G to support, while keeping the risk and return characteristics of the investment in mind.

PATRICK WOOD URIBE
Util

Impact: The Final (Inefficient) Frontier

MORE INFORMATION
www.duke.lu/util
www.util.co

UTIL'S UNIQUE METHODOLOGY PROVIDES INVESTORS EVIDENCE-BASED SUSTAINABILITY DATA AT SCALE. INTERVIEW WITH ITS CEO, PATRICK WOOD URIBE.

Can you describe the recent evolution of investors' behavior in regard to ESG?

I'd say it's been a perfect convergence of factors. I first became interested in responsible investing at least a decade ago, partly because the financial crisis revealed the awful consequences of irresponsible choices. At that time, after the financial crisis, interest in ESG was already increasing, and I was among a growing number of investors who realised that financial markets were not disconnected from their lives, values, and choices. In regular consumer behaviour, people were already starting to care if the products and brands they used every day were actually reflecting their values, and we started to see this applying to finance as well. Given these conditions, ESG would have continued to grow anyway (following that inevitable trend), but the past year has combined two drastic elements. Firstly, the pandemic brought out the incredible importance of recognising our collective humanity, and with it, the idea of living our values, including through our investments. Many investors were encouraged by this impulse to move more assets into ESG. But a second element was the sudden drop in our normal oil-consuming activities like commuting and travel, and as a result almost any fund with a basic exclusion of some fossil fuels would outperform the broad market index. That means that even very crude ESG strategies produced returns recently, but a closer look shows the story is more complicated. Is money flowing where it matters? Is it going into indexes that are labeled as ESG but still contain a good number of traditional oil and energy companies? Or

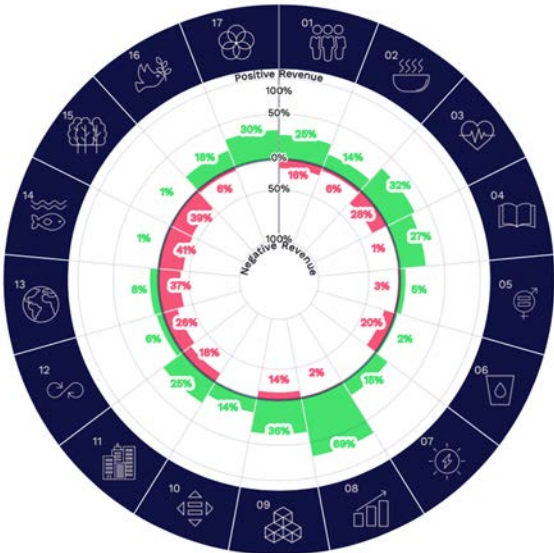


is the money going to companies that are actually working on a measurable transition towards renewable energy? And where are the best opportunities? Is it better to invest in a giant company taking small steps, or a tiny company making the biggest strides it can? BP, for example, generates less than 1% of its revenues from biofuels; but it's also about 100 times the size of Canadian Solar or Renewable Energy Group. Among vehicle companies, does it make sense to buy more Tesla (at an absurd PE ratio of 938), or look to traditional car companies starting to add electric vehicles to their lineup? How do we choose? Or, more importantly, how do we give every investor the information they need to find value consistent with their values?

That is a complex situation, but what should we do about it?

These questions show both the scale of these challenges, and why it's critically important to have better data about the impact of companies. The idea is that using better data, we can guide capital towards greater impact without sacrificing returns. This is exactly why we gather and

structure our data the way we do at Util: we want to understand not only the positive impacts of companies through the products they sell, but the negative consequences that need to be recognised and managed as well. We also want to do it in a framework that is global, wide-ranging in the issues it covers, and goal-focused, so we use the UN Sustainable Development Goals to contextualise our output. A typical visualisation of Util's data looks like this:



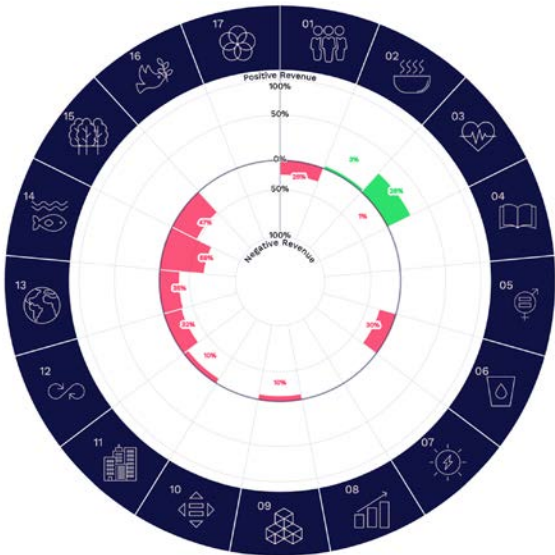
There is one segment for each of the 17 SDGs, and the green and red blocks represent the percentage of revenue that aligns positively and negatively for the company, or companies in the portfolio. Some companies sell products that are positive for one SDG but negative for another, and we capture this using our percentages. (Our data goes into depth for all listed companies, and easily aggregates to the portfolio level.) The critical goal for us is to realistically capture the many impacts of products on the world, not just one dimension.

It's also particularly urgent to answer these various questions because ESG is expected to grow considerably, by some accounts doubling in the next 4 years. Without good data, how will we understand and manage the real impact of investments? How will we avoid wasting capital on greenwashed products?

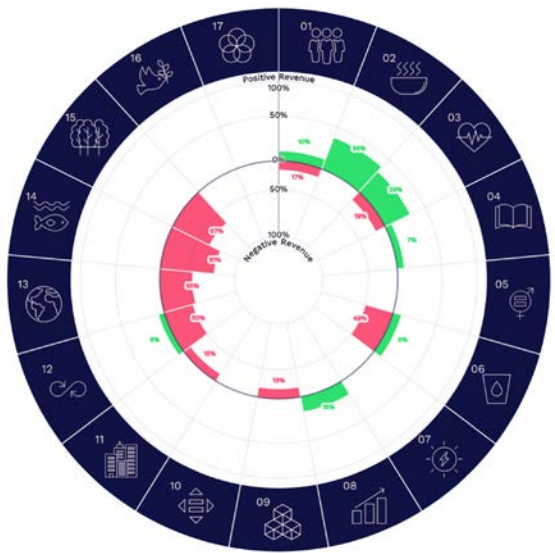
Between two similar companies, despite quite similar profiles in terms of their business and returns, we see very different impacts on the world from their products: say both Company X and Company Y sell cleaning products, skin care, and hair care products, for instance, but Company Y also has dairy, food, and coffee businesses, adding both positive and negative impacts. Set against the SDGs, the

latter has a greater positive impact on hunger and health (SDGs 2 and 3), but also more negative impacts on climate, water, and wildlife (especially SDGs 13, 6, and 15):

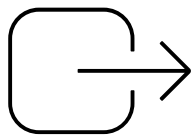
Company X:

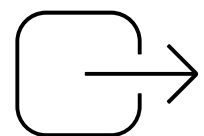


Company Y:



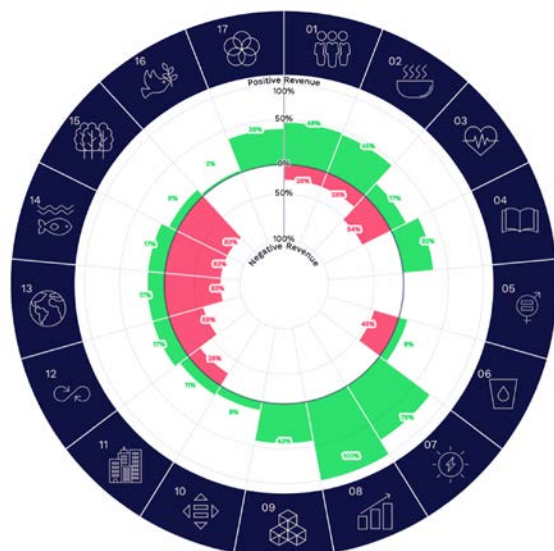
The two companies have similar return profiles, but if you care about poverty, hunger, and education, Company Y will guide your investment towards more positive impact in those areas than Company X. You get the same return, but you also get to choose the impact you want to support.



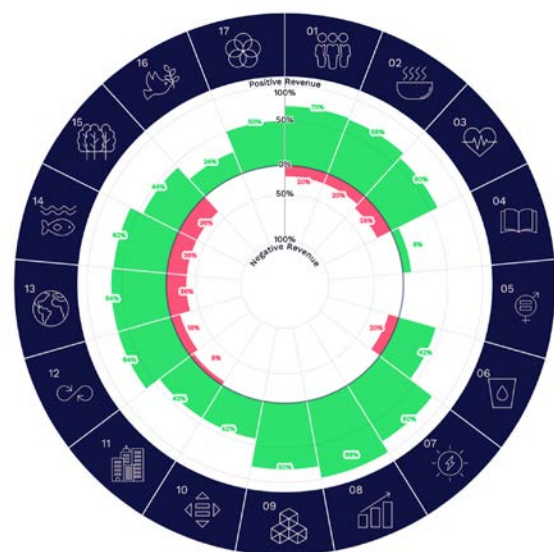


Impact: The Final (Inefficient) Frontier

Another way we can help is looking at companies that are transforming. I'll mention one quick example, a power company. Here's what their Util impact chart looked like in 2016, when most of their business relied on traditional energy generation:



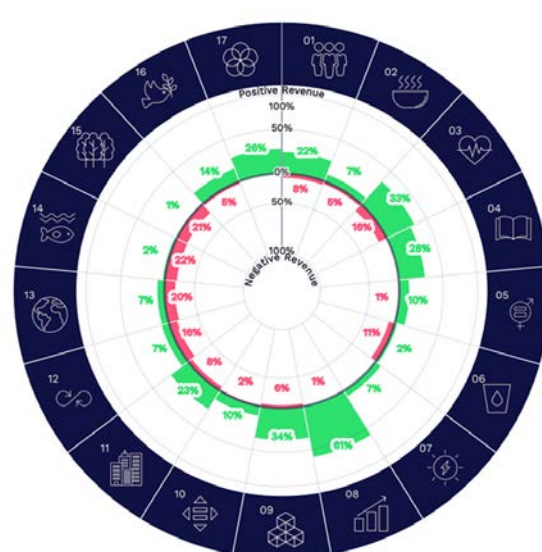
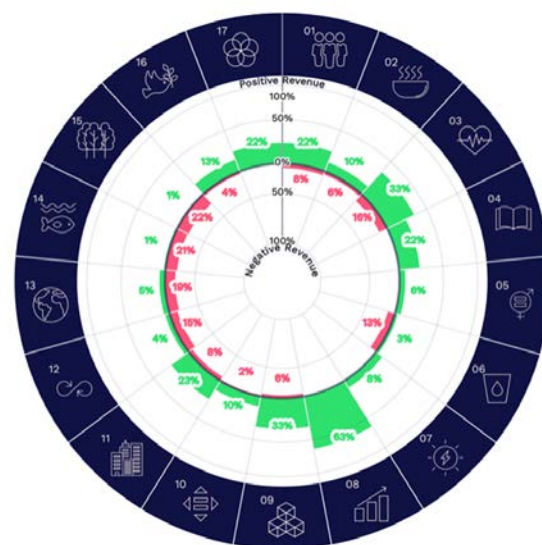
There are some positives from their growing renewable business, but there are still considerable negative impacts on the left of the chart. Here is how the company looks in the most recent chart, now that most of its business comes from wind and renewable power:



More positives across the board, and dramatically reduced negatives, too. And since it's a change in how the company generates its revenues, it's a transformation at the core of the business. The process of transitioning to renewable energy sources is a massive undertaking, in which it is crucial to separate vague promises from meaningful change, and our data can help.

What about ESG funds?

There's a bewildering array of products out there. What's the difference between an ETF that's "ESG Screened" compared to "ESG Aware"? What about the difference between "ESG Screened" and "Sustainability Screened"? Why do several ETFs labelled this way contain not just one, but many obviously polluting companies? Below are two radial charts for two prominent ESG-labelled ETFs:



"ESG in its current form keeps up with investors' needs about as well as Hippocrates' four humours keep up with modern medicine..."

PATRICK WOOD URIBE,
CEO, UTIL

The key thing for both of these is that while there are green segments (denoting positive revenue alignment), all of the key environmental SDGs (12, 13, 14, 15, on the left side of the circle, and SDG 6 at about 4 o'clock) have more negative alignment than positive. That's important in two ways: first, it means that overall, the products sold by the companies in both of these ESG ETFs are actually doing more harm than good, today, for those SDGs. Secondly, and more crucially, it means that every year this proportion persists without transformative changes in the underlying businesses, those negatively aligned revenues will continue to accumulate – in spite of the ESG label – taking all of us further from the environmental outcomes the world needs.

How is ESG changing capital allocation?

We are already seeing some significant impacts on capital allocation: 30% of European funds are now labelled as ESG, and that's projected to grow to almost 60% by 2025. These numbers should be approached with some caution, though, since there is widespread disagreement and inconsistency in ESG data – what counts as ESG in the first place, and what relative importance each area or issue assumes.

ESG in its current form keeps up with investors' needs about as well as Hippocrates' four humours keep up with modern medicine: yes, they are indicative and sometimes helpful, but we have a long way to go. Thankfully the tide has turned, and improvements will follow.

What's important at the moment is that this dramatic increase in demand for ESG highlights an important shortcoming in traditional information: investors need new dimensions of data because financial data alone isn't

enough to identify valuable opportunities and isn't the fullest representation of companies or their future potential. If I want to know Tesla's P/E ratio it takes me seconds to find it on my phone. Finding equivalent actionable information on a company's impact could take me hours, if I ever find it at all.

The demand for ESG also represents what I believe is a fundamental, secular transformation of capital markets towards valuing companies using non-financial goals and principles on an almost equal footing with financial data. It's a drastic change, moving away from just preserving capital or maximizing gains, and is probably the most important shift for at least this generation if not the next one or two as well. The long-standing principles of capital preservation and maximising gains will no longer be the only guiding factors in capital allocation decisions. In fact, in the next few years, these non-financial metrics will change the very conception of 'shareholder value' that guides how companies are managed.

In this sense, the impacts of ESG – or more accurately the better thing that ESG will become – are far-reaching, deep, and lasting: regulation is already changing, the nature of competition (what is a successful financial product) in capital markets will change, the gravitational pull of what makes companies 'attractive' as investments will change. And of course, in the best outcome, the world will change for the better.

What is your foresight in new ESG compliant investment opportunities?

As regulation mandates increasing disclosure (as to how investments comply with ESG criteria), we'll see two things happening at the same time.

1. The current interest and growth will continue, but with some rebalancing as the most alpha-focused investors move away from ESG to capture non-ESG performance gains.
2. There will be more bumps in the road as disclosures reveal the extent to which ESG criteria are strictly applied (as they are often only loosely applied today). Some funds will need to be re-categorised, some will close, and those with the best data and credentials will attract flows.

What will also happen, though, is that technology will play a more important part in allowing us to understand the nature of non-financial impact. The technology we use at Util, for instance, is designed to process more information than any team of humans could manage, so we can surface better evidence and deeper data on which investors can base their decisions. Technologies like ours will not only increase the information value of all kinds of data, but will also make sure that it can be transmitted, understood, and implemented.

TONIKA HIRDMAN
Fondation de Luxembourg

Philanthropy and ESG, creating impact that lasts



MORE INFORMATION

www.duke.lu/tonikahirdman
www.fdlux.lu

FONDATION DE LUXEMBOURG HELPS PHILANTHROPISTS MAKE THE MOST OF THEIR DONATIONS. BUT WHILE IT IS UP TO DONORS TO DECIDE WHICH CAUSES THEY SUPPORT, DIRECTOR GENERAL TONIKA HIRDMAN SAYS THE FOUNDATION'S ADHERENCE TO THE UN SUSTAINABLE DEVELOPMENT GOALS HELPS PHILANTHROPISTS DIRECT THEIR GIVING TO THE AREAS OF GREATEST NEEDS.

How are ESG and climate change influencing the Fondation de Luxembourg's activities?

Philanthropy is based on individual beliefs and personal passions. While the Fondation de Luxembourg helps people realize their philanthropic ambitions, it is not our role to choose which causes to support. We leave that to our donors. Our mission is, firstly, to simplify the process and to make their philanthropy more structured. Secondly, we help guide donors' philanthropic giving towards projects that best reflect their aspirations and resources. That said, a few years ago we aligned with the UN 17 Sustainable Development Goals (SDGs). Their aims include ending poverty, reducing inequality and spurring economic growth, as well as tackling climate change and preserving biodiversity. By integrating these goals into the project planning, we were able to help philanthropists direct their agendas to the most urgent global challenges.

What role can philanthropy play in investments that help mitigate climate change?

Our founders don't want their assets invested in activities



that are at odds with their charitable goals. Our sustainable investment approach helps ensure that the philanthropic values of the founders remain consistent with their foundations' investments. This is important. Imagine a foundation financing reforestation projects in the Sahara, while at the same time investing in multinational companies whose palm oil plantations are devastating the same habitat. It doesn't make sense. We decided early on to invest our endowment according to an ESG (environmental, social, and corporate governance) investment policy. Our founders were a bit skeptical when we first proposed this, but today 80% of our foundations' assets adhere to ESG investment principles, not to mention impact investing and microfinance funds, which may serve to advance the causes they support.

Can you give examples of ESG/sustainability initiatives supported by the Fondation de Luxembourg?

The Wild Flowers Foundation under our aegis works with grassroots organizations to improve the living conditions of vulnerable people in the Amazonas state in Brazil. At the same time, the foundation invests part of its endowment in the Luxembourg Microfinance and Development Fund which is active in the same region. In this way, the foundation leverages its philanthropy by investing indirectly in social purpose businesses that may last beyond the initial grant. Another example is the Akuo Foundation, which is raising awareness and supporting local communities' transition to sustainable agriculture through a "green school" in Morocco. Meanwhile, closer to home, Fondation Campine Vivante is acquiring parcels of land to create nature reserves and promote conservation in Belgium. Finally, the Mangrove

"Our sustainable investment approach helps ensure that the philanthropic values of the founders remain consistent with their foundations' investments."

TONIKA HIRDMAN,
DIRECTOR GENERAL,
FONDATION DE LUXEMBOURG

Foundation is working with local communities to install water irrigation and reforestation projects in Mali and the Philippines. Other foundations are helping local communities in developing countries become energy independent by investing in solar panels installed on schools and hospitals.

Which risks and opportunities do you see from ESG investment in the future?

In 2019, we conducted a survey among twenty private banks in Luxembourg and found that more than half of them had less than 5% of total assets invested in ESG. Thanks to the new EU regulations and the Luxembourg government's promotion of sustainable finance, this number is improving, as banks are now challenged to expand their range of ESG offerings. Opportunity may also arise out of a crisis, such as the one we are currently experiencing. The covid pandemic is offering a glimpse of what might happen if we continue to ignore scientists' warnings on climate change, but has also created an opening to integrate environmental aspects into the economic recovery by impelling companies to transition to a more sustainable strategy. I am convinced that climate change will be the key topic for years to come. It is connected to so many other global issues such as poverty, migration and social inequalities. Governments do not have all the answers, but in philanthropy, we see a growing number of new and younger donors seeking to play a role supporting a future in which they believe.



“For a company to transform itself, leadership and a willingness to move forward is paramount.”

MARC LAUER,
PRESIDENT, INDR

©380Crosmedia/C.N.

MARC LAUER
INDR

CSR Platform

 **MORE INFORMATION**
www.duke.lu/indr
www.indr.lu

MARC LAUER, PRESIDENT OF INDR SAYS CSR IS AN OPPORTUNITY FOR EACH COMPANY TO IMPROVE ITS GOVERNANCE, TO STEP UP ITS COMMITMENT WITH SOCIETY AND TO REDUCE ITS ENVIRONMENTAL IMPACTS. INTERVIEW.

sustainable development actors, and produces new CSR knowledge. As a think tank and standard-setter, INDR prepares recommendations and advice for businesses and other stakeholders.

What are the benefits of CSR in businesses?

CSR is an opportunity for each company to improve its governance, to step up its commitment with society and to reduce its environmental impacts. It offers a coherent approach to taking action to meet society's problems that are relevant for operations as well as sustainable and resilient solutions both for the company and for society, e.g. employees' health, innovation, transparency, carbon footprint, human rights, responsible supply chain, fair wages, employability, etc. CSR has a really strong impact on knowledge: treating individuals better affects how they feel about their work, their well-being, motivation, commitment, and productivity. In terms of processes, CSR protects strategic resources, improves relationships with supply chains, heightens task efficiency, etc. And it fosters ongoing improvements, quality, innovation, the circular economy and the development of eco-friendly products. Responsible positioning and heightened transparency strengthen brand image and trust from stakeholders, which improves reputation, increases the loyalty of customers, whilst obtaining a competitive edge. And finally, financial advantages are clear: new markets generate more sales, responsible goods and services increase margins. And whilst being more resilient, effective and efficient, the company makes savings, manages risks and reduces its costs.

What are the main obstacles that can slow down companies in their CSR efforts?

For a company to transform itself, leadership and a willingness to move forward is paramount. In these times of crisis, many companies are struggling to survive and do not consider CSR a priority. They could, however, integrate CSR into their policy by delegating this task to a person especially trained and mandated to do so, with the necessary resources. Sometimes, businesses want to do everything at once. But, to begin with, it is in the company's interest to build on what already exists, for example, if it has implemented a good occupational health and safety strategy, it can develop it by including well-being, and later add human rights and HR policies, etc. It thus sets priorities that are useful for the company and its stakeholders, and that are part of continuous improvement. INDR's support programme, more particularly the ESR Guide, strongly emphasises these points.

Can you introduce the INDR in a few words?

INDR was created in 2007 by the Luxembourg employers' association UEL, with the mission to give guidance to companies in their CSR practices. It exists to help them contribute to sustainable development and improve their competitiveness and their image. In this regard, INDR offers businesses comprehensive support with the national programme ESR-ENTREPRISE RESPONSABLE, which covers the awareness of companies, the evaluation of their level of maturity in CSR and, if they so wish, the ESR label with an external verification. Furthermore, INDR promotes CSR at institutional level and stands as the national competence centre that monitors publications and academic resources on relationships between Business and Society, brings together the main



BUSINESS

RISK, CHANGE & DATA MANAGEMENT, FUTURE TECHNOLOGY, ALTERNATIVE ASSETS AND INSURANCE ARE BUT A FEW THEMES IN THE BUSINESS SECTION LAID OUT IN THE NEXT PAGES. THE CAULDRON OF IDEAS IS RED HOT!





NEDJMA BELLAKHDAR AND ANDREA TEDONE
BNP PARIBAS SECURITIES SERVICES

Where risk meets transformation

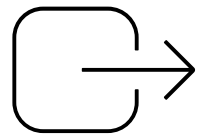


MORE INFORMATION

www.duke.lu/bnp-paribas-securities-services
securities.bnpparibas.com

BNP PARIBAS SECURITIES SERVICES' HEAD OF OPERATIONAL RISK MANAGEMENT, NEDJMA BELLAKHDAR, AND CHIEF TRANSFORMATION OFFICER, ANDREA TEDONE, SAY THAT TOGETHER, THEY HAVE FOUND THE TWO ESSENTIAL INTERLOCKING COMPONENTS IN MAINTAINING THE COMPETITIVENESS OF THE BUSINESS AND MAINTAINING CLIENTS' TRUST FOR THE YEARS TO COME.





Where risk meets transformation

At a time when everyone is talking about banking transformation, digitalisation, crypto-currencies, cybersecurity, it seems that you have found the secret formula to define the future of your business. Can you tell us more?

Nedjma Bellakhdar: We can talk about a secret formula, but in fact, the ingredients are very simple.

Andrea Tedone: Indeed, we consider Risk Management and Transformation on the same level.

Why is that?

NB: The transformation of an environment and the risk monitoring of the environment itself are closely linked, and act together to upgrade the services to clients, time to market and related operational framework. From an operational risk perspective, lack of transformation can become a major issue. I am not only talking about new technologies – artificial intelligence and blockchain for example, I am also referring to enhancing the existing processes. Making them more efficient is key to maintaining the competitiveness of our business.

AT: I consider Transformation and Risk monitoring as feeders of each other in the sense that transformation brings innovation to the bank through technology and processes redesign and optimization, including automation, machine learning and artificial intelligence, that in turn reduces risk. At the same time, transformation introduces new risks such as cyber-risks. Ultimately, both are necessary within our organisation to maintain and feed client trust for the years to come.

How do you achieve financial transformation?

AT: Firstly, we need to look at it from the BNP Paribas Group perspective. We are able to provide a “one bank model” capable of providing all banking services with the related added values for our clients in terms of simplification. This holistic exercise involves all stakeholders in the different poles of the bank and in particular our colleagues from all departments, who are constantly learning new skills aligned with the requirements of our clients, the market and our leadership.

By that, you mean Upskilling?

AT: Yes, the situation we find ourselves in at the moment is an opportunity to implement clear career paths for all our experts and professionals, so that they have a clear vision of where their careers can take them over the next three to five years. Alongside this, we involve our clients to develop

up-to-date solutions and technologies, often in co-design mode. And we constantly interact with the regulators and the complete innovation ecosystem such as the Luxembourg House of Financial Technology, the Big Four firms, ALFI, the Luxembourg Private Equity Association and the Luxembourg Alternative Administrators Association. Things move so fast that no one can be strong on their own anymore. For example, we recently teamed up with our competitors regarding the EU’s DAC6 legislation and we call this co-opetition.

NB: Financial transformation is a permanent invitee in risk management. We contribute to financial transformation by supporting the business in its transformation journey: our risk approach has moved, for few years now, from a ‘no’ to a ‘yes, and’ approach, opening the door to a world of innovation.

How is ESG impacting your work?

NB: on several levels but let us focus on the two main ones. On one hand, risk management contributes to enforcing the Group’s ethical strategy, standards and commitments by identifying potential non-compliant topics, transactions with our clients for example. ESG targets and actions can also be differentiating factors in deciding which sectors our bank supports and accompanies. On the other hand, “People” is a key topic for our bank and in operational risk management.

“Things move so fast that no one can be strong on their own anymore.”

ANDREA TEDONE,
CHIEF TRANSFORMATION OFFICER

“Our risk approach has moved from a ‘no’ to a ‘yes, and’ approach, opening the door to a world of innovation.”

NEDJMA BELLAKHDAR,
HEAD OF OPERATIONAL RISK MANAGEMENT

We promote diversity, amongst other things, even if this goes beyond the risk management mission itself. One of the concrete actions our ExCo decided to put in place recently is registering a pool of speakers with a number of market associations to enable them to reach out to us, offering the opportunity for gender parity at their events. This action was initiated in the context of the #JamaisSansElles

(#NeverWithoutHer) movement through which we have committed to refusing to take part in events that involve more than three people if they do not include a woman.

AT: Banking will be very different in 10 years’ time and ESG is one of the drivers behind that, both in terms of products and services, as well as risk management. BNP Paribas’ mission is to build a sustainable future by harnessing the power of trust, expertise and innovation; BNP Paribas Securities Services’ ambition is to be the leading positive impact asset servicing provider. We aim to make a difference for our clients, for all our stakeholders and for society at large. On the subject of upskilling, we are building our ESG expertise to fully optimize the way we service our clients and support their engagement to invest in a sustainable tomorrow. The implementation of new technologies, such as crypto-assets and blockchain, is another. We are testing, trialling and experimenting. Retail banking will be impacted more than the investment industry, but we still need to anticipate new patterns of interaction that are not visible today, and monitor emerging trends all over the world. A diverse team is clearly better equipped to capture all the opportunities that the future holds.

NB: The secret is out: our key to success for banking of the future is to deliver simplicity to master a world of complexity in the fund industry.

DENIS VANDENBULKE
Vandenbulke

Transactional lawyers rewarded

MORE INFORMATION
www.duke.lu/denisvandenbulke
www.vdblaw.com

SELECTED AS "EUROPEAN SPECIALIST LAW FIRM OF THE YEAR" BY "THE LAWYER", VANDENBULKE CONTINUES TO DEVELOP WHILE REMAINING TRUE TO ITS DNA. ITS SPECIALITY IS CORPORATE LAW AND FINANCE. HERE WE INTERVIEW MANAGING PARTNER DENIS VANDENBULKE.

What is your firm's founding vision?

We remain faithful to our original values and this is succeeding very well. Our philosophy is linked strongly to my dual training in finance and law and my professional background. I founded the firm 15 years ago after accumulating selected complementary professional experience. These were related to environments as varied as working with the European Commission, on auditing projects and with other international institutions. Notably I was a financial expert and project manager for a United Nations investment fund in Rome. In my career, I have always striven to use the knowledge I acquired in law, macroeconomics and anthropology in an interdisciplinary fashion. I did this for investment projects in the Middle East and North Africa, and in a European bank. I then left these quasi-military organisations to become independent and join the Brussels Bar. Hired by Dorsey & Whitney during the golden age of Anglo-Saxon M&A deals, and associated with Walter Mondale – US vice-president – I was exposed to "Wall-Street style" transactions with their pressure and sleepless nights... This career path enabled me to rethink the concept of the law firm. I saw with clarity the value of skills and gave priority to specialisation and the need to develop the osmosis between law and finance, alongside adopting a more anthropological vision putting the lawyer back at the centre of the game. I took the gamble of eliminating the excessive ratios between partners and associates, giving priority to the satisfaction of advising rather than just productivity, while setting up internal teams specific to each transaction. In 2005,

Luxembourg was still a little behind in this respect. Anglo-Saxon clients were desperately looking for lawyers who spoke a corporate finance language they knew. They didn't want academic theories, but practical and straight to the point advice. This is where our specialist and transactional strategy of mixing law, finance and tax originated. We thus filled a void in the legal market. Since then, we have never deviated to follow other strategies. The path was the right one, as we can see from our recognition as "European Specialist Law Firm of the Year".

What risks and opportunities do you identify for the Luxembourg market and for your firm?

In terms of risks, the inflationary arrival of global firms in Luxembourg represents a substantial increase in local competition to attract Anglo-Saxon clients. However, as the pool of skills remains by definition very limited in Luxembourg, these newcomers are often forced to recruit junior profiles which cannot match our level of experience. In this context, Vandenbulke is capitalising on its 100% independent positioning, as well as on our 15-year track record leading complex, high-profile transactions. Maintaining our highly specialised, extremely responsive, close, customised and personalised service continue to be growth factors for a firm like us. If growth is really an objective... Our vision is to attract a promising new generation, and this year we welcomed Valérie Kopéra, Hida Ozveren, Seamus McCallion and Luis Alberto Aguerre Enriquez, who have reinforced the great diversity of our firm, both in terms of skills and language.



What does the award received from 'The Lawyer' for 'Specialist Law Firm of the Year' represent?

We are not prize or award hunters, but they are sometimes useful in this competitive market. The award from The Lawyer is special due to the prestige and the quality of the jury involved in the decision making. It is real international recognition, much like the Oscars in the cinema world. Its value lies in its highly selective process and its influence on European and Anglo-Saxon specialists. These awards are awarded on the basis of the submission of a complete dossier, without any financial contribution, and are adjudicated by an impartial jury of 31 judges composed of the best Anglo-Saxon legal professionals, i.e. general counsels of large international groups (Coca-Cola, KFC, Unilever, etc...) or managing partners of the largest Anglo-Saxon law firms." We cannot hide the fact that this award is a real source of collective pride, as it is a tribute to our demand for excellence and specialisation that we have cultivated at Vandenbulke for so many years. For a firm such as ours, it is also a great demonstration that whatever your size or speciality, there are no limits to your ambitions. It proves that a consistent and persistent strategy can lead to a reputation that transcends borders. Finally, it is indirectly a contribution to Luxembourg's image and the reputation of the financial centre, which can also count on a local corporate finance firm that is now recognised as a

"Vandenbulke capitalises on its 100% independent positioning, as well as on our 15-year track record leading complex, high-profile transactions."

DENIS VANDENBULKE,
MANAGING PARTNER, VANDENBULKE

European champion. If this prize is a success, it is also a strong factor that boosts our reputation, particularly valuable at a time when we have redoubled our ambition to be the "next generation of law firms".

GAUTIER DESPRET
IQ-EQ

Private debt, an appealing asset class for investors in times of crisis

MORE INFORMATION
www.duke.lu/gautierdespret
www.iqeq.com

RESPONDING TO GROWING CUSTOMER DEMAND, IQ-EQ IS ENHANCING ITS PRIVATE DEBT AND CREDIT OFFERING, CAPITALISING ON ITS EXPERIENCE, GLOBAL REACH AND MODERN TECHNOLOGY PLATFORM. FOR GAUTIER DESPRET, HEAD OF DEBT SERVICES AT IQ-EQ LUXEMBOURG, PRIVATE DEBT IS A KEY ASSET CLASS ESPECIALLY IN A PERIOD OF ECONOMIC DOWNTURN.

How is IQ-EQ positioned to serve private debt as an asset class?

Although private debt is an asset class that IQ-EQ has been serving for many years now, we have recently witnessed a significant increase in demand for debt products and a tremendous interest from our clients in more complex structures than in the past. As private debt becomes a more significant part of investor portfolios and as the structures develop across multiple jurisdictions and strategies, it was important for us to invest in the relevant technology platforms to accompany our clients throughout their debt and credit journey. The technology needed for debt is very specific to this asset class as we provide loan agency and loan management services. It was therefore very important for IQ-EQ to find the right partner that continuously invests in enhancing their platforms to be relevant to the new market's needs. We selected Allvue as our debt platform and completed our tech-enabled offering with the powerful accounting general ledger of FIS Investran. We have also enhanced our proprietary IQ-EQ Cosmos platform to meet the reporting requirements of debt managers. With our integrated technology, we are confident that we have one of the most modern and complete solutions on the market to serve our clients.



Expertise is another very important feature when serving alternative asset managers. At IQ-EQ, we have a Private Debt and Credit team who have on average over 20 years' of experience in this asset class. We have recently made some key acquisitions in the US and, through these, have been able to reinforce our team by adding some more US-based debt specialists to our global debt and credit desk, complementing the wider team in the UK, continental Europe, Singapore and Hong Kong.

How will the sector evolve in the coming years, in Luxembourg and worldwide, especially in the context of Covid-19?

Private debt is an asset class that has performed well despite the pandemic-induced economic slowdown. The latest report on private debt published by Preqin in November 2020 highlights that 91% of the investors they

"Private debt is an asset class that has performed well despite the pandemic-induced economic slowdown."

GAUTIER DESPRET,
HEAD OF DEBT SERVICES
AT IQ-EQ LUXEMBOURG



spoke to will either maintain or increase their allocation to private debt over the longer term. I would like to draw a parallel here with what happened during the global financial crisis, where we witnessed a similar trend and a real surge towards distressed funds. Private debt is an asset class that tends to fare well during periods of economic crisis and this explains why new GPs are entering the private debt arena. What we have seen at IQ-EQ is a number of private equity managers setting up a debt fund or a parallel debt fund and we believe that this is a trend that's here to stay.

How is private debt impacted by SFDR and any other related ESG regulations?

SFDR relates to the publication of information from financial market participants on the sustainability of their investment decisions. This sets requirements for funds based in the EU as well as those managing capital raised in the EU. In short, SFDR impacts all asset managers including those active in private debt. Relating to the private debt space specifically, the inclusion of ESG criteria in leveraged loan documentation has so far been driven primarily by borrowers and sponsors, with

loans being secured based on sustainability targets and sponsors using ESG credentials to attract investors and maximise exit values. Lenders now also appear to be focusing more and more on ESG and are increasingly linking interest rate ratchets to ESG targets. This is an area that has really taken off in the last six months. Concurrently, ratings agencies (such as Fitch Ratings and S&P Global) are now factoring ESG criteria into their determinations with new ESG-focused risk assessments and evaluation products. It's also important to highlight that the Loan Market Association and the European Leveraged Finance Association have developed their own set of ESG disclosure topics. SFDR and other related ESG regulations must not be seen as an additional burden, however, but should be perceived as a way to bring further transparency and help in the mitigation of risks. A recent survey by Collier Capital, of 97 general partners representing 452 funds, found that 89% of respondents have an ESG policy in place. This evidences how important ESG has already become among GPs in meeting the needs of their investors and regulators, with global players such as Ardian, Permira and Fortress Investment Group leading the way.

STÉPHANE BELLAC
& LOUIS GHALEB
BearingPoint

Private banking, transform, or disappear

MORE INFORMATION
www.duke.lu/bearingpoint-whitepaper
www.bearingpoint.com

PRIVATE BANKING IS AT A CROSSROADS. IN A CONTEXT OF HISTORICALLY LOW INTEREST RATES WHERE REMUNERATION FOR EXECUTION AND MANAGEMENT SERVICES IS BETWEEN 20 AND 80 BASIS POINTS, INDUSTRY PLAYERS ARE UNDER PRESSURE. THEY MUST IMPROVE THEIR COST/INCOME RATIOS, WHICH OFTEN FLUCTUATE BETWEEN 80 AND 100%. THE NUMBER OF PLAYERS WITHIN THE PRIVATE BANKING SECTOR HAS SIGNIFICANTLY DECREASED OVER THE PAST TEN YEARS, WHILE OVERALL ASSETS UNDER MANAGEMENT CONTINUE TO GROW. THEREFORE, MID-SIZE PLAYERS ARE RECOMMENDED TO ADJUST THEIR ORGANISATION AND OPERATING MODEL SHALL THEY WISH TO AVOID DISAPPEARING FROM THE MARKET.



“A more gradual approach is to review whether services to domestic markets can be delivered using lighter branch structures.”



Stéphane Bellac.

Could you summarise your White Paper in a few words?

In our White Paper, we present the strategic options for achieving critical size and optimising operational efficiency. The most disruptive option is to question the logic of continuing to hold banking licences in each market, whilst offering account management services that are often costly to operate. Perhaps it would be preferable to focus on higher value-added services. This model would reduce costs, but would also have consequences for client servicing offerings, particularly on the use of credit as a tool for attracting additional assets. It also places the client in the middle of multiple relationships between their manager and their bank. A more gradual approach is to review whether services to domestic markets can be delivered using lighter branch structures. This strategy makes it possible to maintain the service offering, providing that the parent company's platform invests in replicating this locally. It also enables the

optimisation of the use of capital within the group, and thus enables branches to support large loans. The operating model can be optimised via a "hub & spoke" approach based on pooling support functions in centres of expertise towards more economically attractive geographical locations. This initially presupposes having a critical AUM volume to be able to amortise the original investment, but also sufficient staff to enable this move towards nearshoring. Players who do not have the size to undertake a hub & spoke approach can opt for an ITO/BPO option. The offering is evolving towards the rise of industrial platforms, while increasing numbers of clients are moving towards such options, as testified by several recent press announcements (e.g., Société Générale's signature with Azqore). A final trend in the sector is to gradually involve new banking clients in the construction of the outsourced platform, adding their strengths in terms of products or IT assets.

How are your clients' private banking requirements changing?

Given the need to pool resources to reach further efficiency, we observe a strong desire among international private bankers to align processes, tools, and teams. This trend is particularly visible in key processes in the wealth management sector. For instance, the processes of managing accounts and reaching out to clients takes considerable time for account managers and client services in operations and compliance. The aim of the transformation is to have an organisation with uniform processes supported by a single tool, which can deal with



Louis Ghaieb.

the sometimes-complicated requirements of various regulators. We observe the same trend in investment processes with a similar desire to harmonise and centralise governance, tools, and teams for both discretionary and advisory management. It is likely that such a fundamental trend will spread to other key private banking functions in the future.



NOT FLAMBOYANT, BUT NEVERTHELESS A HERO FOR LUXEMBOURG'S ENTREPRENEURS, XAVIER BUCK HAS BEEN INNOVATING CONTINUOUSLY FOR TWO DECADES. WHAT HAS STAYED CONSTANT HAS BEEN HIS INTERNATIONAL FOCUS AND HIS EARLY ADOPTION OF NEW TECHNOLOGY TRENDS. HERE HE TELLS US MORE.

What were the big moments for you over the last 20 years?

It all started at the end of 2000 with the creation of Datacenter. Soon afterwards our clients asked us to create EuroDNS, in 2002, to help them manage all their domain name extensions in one place for the world. In 2006, we expanded our service offering further with the creation of 'Ebrand.com', which allows us to monitor brands on the web. In the meantime, we developed additional modules

such as ARGOS, which detects and neutralises counterfeit products for brands, and X-ray, which predicts and detects domain and subdomain names that could be used for illegal activities such as phishing. In 2010, we made our first acquisition: Domaintools, which then established itself as a major player in cybersecurity. We sold it last year for ten times the original purchase price. From 2016 onwards, we moved up through the gears with a succession of acquisitions active in the EuroDNS field: Entorno, Dotroll,



“There is no substitute for a real passion for technology!”

XAVIER BUCK,
CHAIRMAN,
NAMESPACE GROUP & EURODNS

Microware, Chip, FlucCs, Domain Central, Nexpteam. Our approach remains the same: we integrate customers into EuroDNS, keep the teams and even the names of the companies in place as they are recognised as local champions. Efficiency gains allow us to focus talent on very high value-added projects. We are currently preparing a new acquisition that will represent a huge leap forward for our group, now called 'NameSpace'.

What is the key to sustained success?

You have to keep up with new technologies! Take crypto-currencies as an example: I attended the very first 'Bitcoin' conference in London in 2012. When I left, I understood the potential of this technology, but I thought I had missed the boat because the price of Bitcoin had just risen from \$3 to \$12. I learned my lesson! I think you have to invest the time to study new developments in depth. It's about

anticipating who will be the champions of tomorrow or which new technology will have disruptive potential. Today, I am very active, especially in NFTs [non fungible tokens]. I've invested a lot in \$Sand, for example, on www.sandbox.game. It's a form of 'Minecraft', but on blockchain. Every sword, every piece of treasure, every outfit and every pixel of land becomes marketable! Also I bought works by PAK in 2020, the artist who recently was highlighted at Sotheby's. I could give you many more examples, but you get the idea. There is no substitute for a real passion for technology!

How do you see the next decade unfolding?

With the recent sale of DomainTools to a US fund, our pockets are filled, which will help us continue to grow NameSpace through acquisition. On a personal level, I will continue to work on the boards of large funds such as HLD where I learn a lot about investment structuring, allied with my personal experience. I will also continue to invest privately in companies, as I did with Emailtree, which automates the writing of emails, which is especially useful for back-office automation work. Many start-ups have enormous potential, but you just have to master the different growth phases.

RICHARD BROWNE
Credit Suisse Fund Services
(Luxembourg) S.A.

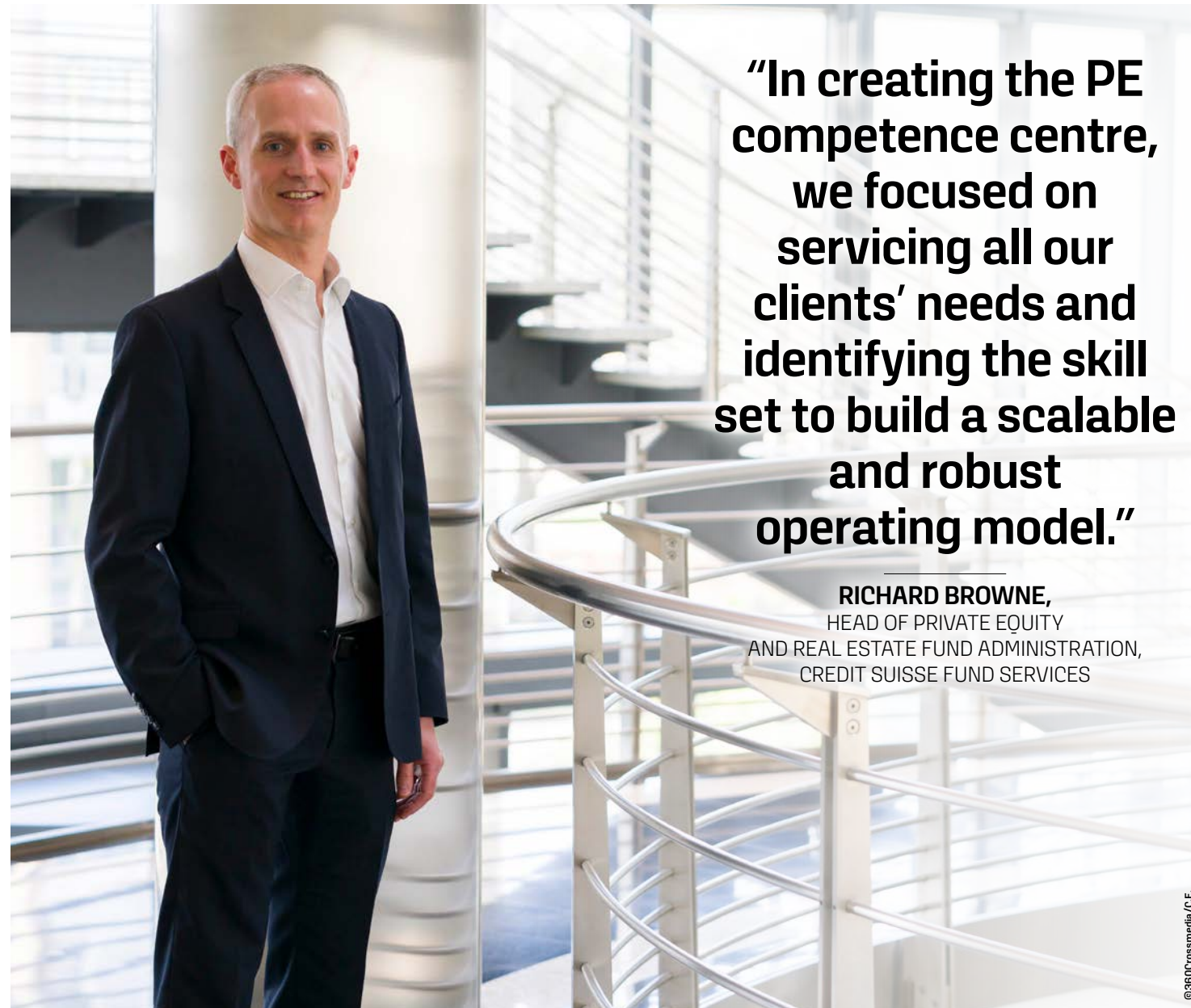
The sweet spot between innovation and disruption

MORE INFORMATION
www.duke.lu/richardbrowne
www.credit-suisse.com

RICHARD BROWNE, HEAD OF PRIVATE EQUITY AND REAL ESTATE FUND ADMINISTRATION AT CREDIT SUISSE FUND SERVICES (LUXEMBOURG) S.A. ("CREDIT SUISSE"), SAYS THE RIGHT BLEND OF PEOPLE AND TECHNOLOGY IS THE KEY TO BUILDING SCALE, BOOSTING PRODUCTIVITY AND ENHANCING SERVICES TO CLIENTS.

Why did Credit Suisse create its Private Equity Competence Centre?

The Private Equity and Real Estate department was founded back in 2014. In 2018 we decided to upgrade our classic Fund Administration and Transfer Agent team setup into the Private and Real Estate Competence Center. The driving force was growing demand from our client base, as family offices, pension and financial institutions and asset managers increasingly targeted the private equity and real estate asset class. A result from this effort saw a 60% growth in PERE assets under administration in 2019. From 13 accountants and administrators covering the activity in 2018, our team has doubled in size and we expect to reach 30 later this year. Alongside the competence centre we were fortunate to utilise a suite of established complementary services to support the private equity and real estate teams and clients, including anti-money laundering, know-your-customer due diligence, fee management, legal and financial reporting, corporate secretarial and client service management. With the support of these dedicated teams of experts in



"In creating the PE competence centre, we focused on servicing all our clients' needs and identifying the skill set to build a scalable and robust operating model."

RICHARD BROWNE,
HEAD OF PRIVATE EQUITY
AND REAL ESTATE FUND ADMINISTRATION,
CREDIT SUISSE FUND SERVICES

their fields the PE competence centre can focus on the accounting and administration activities. The PE competence centre, whose accountants and administrators average 10 years of experience, service strategies including direct and indirect PE, and private debt. To support our ongoing growth, we recently established a small expert team in Poland – helped by an existing centre of excellence for traditional funds in Wroclaw, Poland.

How do you leverage your expertise to service your clients?

We bring solutions to our clients from the fund's inception and throughout its life cycle. We invest significant effort in

the client engagement stage, when our fund structuring team helps select the appropriate fund structure and legal framework. Then a dedicated onboarding team takes the lead in setting up the structure and engaging with stakeholders such as service providers, auditors, lawyers, banks and tax experts. The PE team is closely involved in fund structuring and planning for operational complexities. In addition to our main focus of delivering the funds net asset value calculations and reporting to investors, during the lifecycle of the fund our team takes an active participation in the audit and financial statement preparation and supports our clients in achieving the regulatory deadlines. We follow the evolution of accounting and reporting standards and engage regularly

with professionals and industry groups in Luxembourg in areas such as audit, tax, reporting and legal. Keeping our team members up to speed with the fund industry is an opportunity to create value for our clients. In creating the PE competence centre, Jaysen Sundrum as head of the PE competence centre and I focused on servicing all our clients' needs and identifying the skill set to build a scalable and robust operating model. On top of accounting experts we have added expertise in reporting and technical experts considering the increased use of technology tools and automation. Furthermore, the PE competence centre is complemented by the expertise of Natalie Ebert, head of our Real Estate competence centre and her RE team.

What challenges and opportunities lie ahead for private equity and real estate over the next five years?

The biggest challenge in PE and RE is dealing with the vast amount of unstructured data. We must be agile in adopting new technology to build scale, boost productivity and enhance our service offering to survive in an increasingly competitive landscape, which requires the right blend of people and technology supported by investment. With our IT architecture team in Zurich, we reviewed our technology landscape and established a new PE administration target operating model by gradually building interconnected solutions rather than a complete overhaul of our platform – the sweet spot between innovation and disruption. At the base of our structure is data. In the past 18 months we have revisited our data model with initiatives including data cleansing, centralising static data input and establishing governance and control. Doing this correctly lays the foundation for a solid structure that is prepared to adopt technological solutions such as robotics, AI and integrated reporting. Removing manual data entry is a key achievement because it's inefficient, prone to error and unpopular among young professionals. Our team should add value where clients need support: delivering critical data and reporting that enables them to make daily investment management decisions for their PE and RE funds.

JEAN ELIA
SOGELIFE

Shuffling the cards of life insurance



MORE INFORMATION

www.duke.lu/eliajean
www.sogelife.com

ACCORDING TO JEAN ELIA, CEO OF SOGELIFE, THREE MAJOR TRENDS WILL INFLUENCE THE LIFE INSURANCE SECTOR: DIGITAL TRANSFORMATION, THE SHIFT IN CUSTOMER EXPERIENCE AND CORPORATE SOCIAL RESPONSIBILITY. THE SECTOR WILL CHANGE PROFOUNDLY. NEW OPPORTUNITIES WILL EMERGE.

What changes do you see in the life insurance sector?

The main driver of change, a trend that is already underway and which is accelerating at an exponential rate, is digital transformation. For us it evolves around three aspects: Omnichannel interactions with the client; improvement of operational efficiency through new tools; and business model disruption either holistically or through the disintegration of the insurers' value chain, made possible by new technologies and new players. The second aspect stems from the first and is about revisiting the customer experience. Clients are no longer satisfied with services which are just "good-enough", they seek to be delighted. This is true for both retail clients and high net worth individuals with whom SOGELIFE works, but also for our partners in our B2B2C model. A cultural change is also taking place via an increased interest in Corporate Social Responsibility (CSR), as clients acquire a greener and more responsible mind-set. We must anticipate these developments to become even more responsible insurers, employers and investors.

How is SOGELIFE adapting to changes in the sector?

Our strategy is based in particular on the three pillars mentioned. With regards to digital transformation, we have launched structural programmes to further automate and optimise our processes. This relates to how we interact with both our partners and our clients i.e. the front end, how we improve efficiency and employee experience,



"Dreaming of a new world, more digital and more responsible."

JEAN ELIA,
CEO, SOGELIFE

bringing more value to the latter's work. This represents a significant and very ambitious investment. For our customer experience, we have launched our "D-light programme" consisting of three phases: "Sense" where we listened empathically to our partners and clients in order to identify their pain points. "Dream" was about imagining a new world of a revolutionised customer journey and experience; and "Act" is the implementation phase based on elements gathered in the two previous stages. Four ambitious tangible projects are being developed for our partners and clients: A platform dedicated to end-clients; a platform for partners, enabling them to track transaction workflows; a comprehensive plan to completely redesign our subscription documents; and a full digitalisation of the customer journey. Our CSR strategy is focused on becoming a responsible insurer and embedding a CSR culture within our ecosystem, a more responsible employer by improving the quality of life at work and promoting more diversity and inclusion. As a responsible investor, we create, promote and invest in an ecological, social and sustainable way, together with our partners. I am pleased to announce that we have launched an insurance product investing

exclusively in Socially Responsible Investments, and obtained the INDR label as a "Socially Responsible Enterprise".

How do you see SOGELIFE and the life insurance industry evolving in Luxembourg?

Life insurance as a solution or a tool for HNW and UHNW individuals will continue to grow. It will require further digitalisation, more seamless and 'delightful' experiences, and a CSR orientation. The regulatory framework will continue to evolve, but it already features many possibilities. This is not a constraint for us, it allows us to protect the client and to offer more transparency, hence a better experience. The sector will therefore be disrupted by digital transformation but also by CSR impacts, or the "positive economy", as mentioned at our last Conference Dialogue by the experienced political and economic advisor Jacques Attali. New services will emerge. Insurers will also take on other roles and carry out new activities in new markets or segments which were previously ignored. SOGELIFE is part of this endeavour to offer our partners and clients a digital, responsible and "delightful" experience.

MARTIN VOGEL
Waystone

The New Compass setting the Course

MORE INFORMATION
www.duke.lu/waystone
www.waystone.com

CREATING A SINGLE BRAND FROM A GROUP OF MERGED MANCOS, MARTIN VOGEL, CEO EUROPE OF THE NEW GROUP, SAYS CHOOSING THE NAME WAYSTONE DEMONSTRATES THE FIRM'S COMMITMENT TO HELPING CLIENTS FIND SOLUTIONS TO NEW, COMPLEX REGULATORY AND JURISDICTIONAL CHALLENGES THAT LAY AHEAD.

Can you explain your rebranding in a few words?

Our rebrand arose from the merger of the DMS Group, MontLake and MDO into a single group over the past 12 months. With the merger of these companies, we have set ourselves a very high bar of operational excellence in terms of how we focus on client needs, advice and service. This is what we're building our brand on in terms of giving our clients all the solutions they need to meet their regulatory requirements. The creation of a single brand demonstrates how we have grown together in a relatively short space of time, to deliver certainty in an increasingly complex, global environment. By rebranding, our clients can see the direction in which we are steering our business and how we will be best-placed to guide them in building the best structure and choosing the best products from within the range of choices we offer. We also wanted Waystone to reflect our values as a service provider. Our clients see us as solid, robust and astute to their needs, we aim to ensure that our clients can sleep well at night with Waystone at the helm.

How do you analyze the current transformation of your industry?

I see a primary trend towards a limited number of big service providers who can bring the clients not only local but cross-jurisdictional offerings. With the reduction in the number of players, you will need critical mass to survive. The trend is being driven not only by client demand but

also by the regulators who clearly want bigger, more robust and well-established management companies and corporate governance providers. The second trend I see developing is that clients are increasingly expecting Management Companies to offer a wider range of services that go beyond simply covering the regulatory requirements. Clients look for a service provider that can give them support in all areas related to risk management, oversight, valuation, compliance, distribution, reporting, etc., so that they can concentrate their efforts on their core expertise. There is of course no 'one size fits all' solution, so, as our clients address the increasing complexities and challenges in the regulatory or governance arenas, we have the teams, resources and skill set to tailor solutions specifically to meet our clients' expectations.

What challenges and opportunities do you identify for Waystone in the medium-term?

The speed at which regulators are implementing new rules creates a complex series of challenges. To manage this, the industry is continuously lowering the threshold at which they outsource compliance and governance. This represents a clear opportunity for us and is why Waystone is unique in offering a complete suite of services including distribution, portfolio management and reporting. It shows our key point of difference, in going beyond the third-party Manco to deliver all the services that our clients expect of



"Our clients see us as solid, robust and astute to their needs, we aim to ensure that our clients can sleep well at night with Waystone at the helm."

MARTIN VOGEL,
CEO EUROPE, WAYSTONE

us. Waystone differentiates itself by being regulated in the UK, Ireland and Luxembourg and having various passported licences in many EU-member states. We are truly cross-jurisdictional, offering services in Europe, the Cayman Islands and solutions for the Asia-Pacific and US regions. One particular challenge is the current trend for our clients

to invest more in environmental, social and governance assets (ESG). We are well prepared to meet this new challenge and are have aligned our operational model in order to fully support our clients in this area. Understandably, there remain a number of challenges, such as access to meaningful ESG data, clarity on future regulations and how the market will respond to this trend.

IXELLION

Fostering innovation to develop the technology of tomorrow



MORE INFORMATION

www.duke.lu/ixellion
www.ixellion.eu

IN JUST FIVE YEARS SINCE ITS ESTABLISHMENT BY A LEADING ITALIAN EXPERT, IXELLION HAS BECOME A DRIVER OF INDUSTRIAL INNOVATION, PARTICULARLY IN THE DEVELOPMENT AND EXPLOITATION OF NEW MATERIALS. ITS FOCUS IS ON BACKING PROJECTS AND COMPANIES WHOSE TECHNOLOGY WILL HELP MEET THE CHALLENGES OF A RESOURCE-CHALLENGED PLANET AND ITS GROWING POPULATION.

"Ixellion's business philosophy focuses on resolving the dilemma that restricts innovation in today's economic environment."

MARESCOTTI RUSPOLI,
DEPUTY CEO, IXELLION

Innovative technological vision

Ixellion is a technological-financial holding company founded by Italian innovation expert Antonio Sedino in 2016, based on a vision of developing innovative industrial technologies that are not only profitable but offer benefits locally and globally by meeting the challenges faced by the planet and its growing population in a future where resources must be used more carefully and intelligently. Over the past five years it has expanded into a group with assets of more than €2.2bn, mainly consisting of materials, including high-purity nickel wire used in sectors like aerospace and rail, as well as copper nano-powders, iridium wire and titanium. It is currently active in nano-structured composite materials, waste-to-energy systems, advanced electric motors and propulsion systems for vehicles ranging from aircrafts, boats and torpedoes, to cars, motorcycles and helicopters. Ixellion's growth has been driven in part by the use of a new financial approach thought to ensure the secure, transparent and lean use of capital, as well as by a

focus on research and development, from fundamental research to prototyping and IP protection.

Resolving the innovation dilemma

Ixellion's business philosophy focuses on resolving the dilemma that restricts innovation in today's economic environment: big companies that have the financial strength to develop and apply innovation struggle to do so fast enough, while successful start-ups are often hampered by a lack of funds, and finding an investor costing them their independence and creativity as well as time-to-market. Ixellion's vision is to ensure that innovation materialises by selecting mature, scalable, profitable and essential projects ready to be developed, and helping bring them to fruition with the finance and networking support needed to achieve success. It targets acquisitions aimed at capitalising on patents or IP rights, companies for which the group's innovative materials expertise is transformational, and other small and medium-sized companies within the

"Ixellion targets companies for which the group's innovative materials expertise is transformational."

ANTONIO SEDINO,
CEO, IXELLION

EU (and sometimes outside) with unique propositions and competitive advantage in niche markets.

Expanding markets

Many of the markets in which Ixellion is targeting

opportunities have enormous potential, according to research providers. For instance, conductive carbon fibre is a breakthrough innovation in a €260bn market (according to MarketsandMarkets) in which the group is targeting a market share within 10 years. materials end of life market, in which Ixellion aims to be an active provider of small-scale local waste-to-energy plants, is predicted to reach more than €40bn; components such as aircrafts bleed ducts, nacelles, exhausts and interiors is expected to become a market worth more than €24bn; electric engines and platforms including boats, rolling stock, aircrafts and drones have a huge potential. The common thread running through the technologies and markets in which Ixellion is active is that innovation should serve the needs of the world of tomorrow, whether driving the circular economy, creating lighter but stronger materials that deliver increased efficiency and reduce consumption, or improving waste management and transformation of non-recyclable materials to minimise pollution.

AVEGA

New era begins for one of Luxembourg's corporate services pioneer

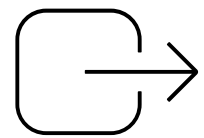


MORE INFORMATION

www.duke.lu/avega
www.avega.lu

FOURTEEN YEARS AFTER ITS ESTABLISHMENT TO SERVE THE PRIVATE EQUITY INDUSTRY, AVEGA'S MANAGEMENT BUYOUT REFLECTS A COMPANY DNA ROOTED IN FAMILY CULTURE, SERVICE QUALITY AND LONG-TERM RELATIONSHIPS UNDERPINNED BY THE FAST-EXPANDING GROUP'S CONTINUING INDEPENDENCE.





**New era begins
for one of
Luxembourg's
corporate
services
pioneer**

**“Our DNA
encompasses a
family culture,
long-term
relationships,
and high quality
at every level.”**



©360Crossmedia

Avega in short

Avega was established in 2006 to seize the opportunities of the burgeoning private equity boom, starting with a handful of people focusing on accounting and corporate services, and has grown steadily by responding to its clients' needs. Over the years, the Avega Group has added several businesses specialised on tax services, audit and liquidation services. Recently in 2020 the Group further expanded its range of services by launching an alternative investment fund manager (Avega Capital Management) servicing private markets clients. This hands-on in-house approach, executed by a highly qualified team, has enabled Avega to establish a strong position as a trusted partner in international private equity, real estate, debt and infrastructure investments. With subsidiaries in the Netherlands, France and Spain the Avega Group is able to offer the same range of services across several European countries. By its international competence the Avega Group has become a trusted partner for investors across all jurisdictions, incl. the DACH region through its German speaking competence. The Avega Group further expanded over the past years its workforce to 140 people, including 125 in Luxembourg. In 2018 the company moved to its new headquarters at 2, rue Edward Steichen Luxembourg-Kirchberg, but the

completion of the Management Buyout was an even bigger milestone in late 2020.

The MBO

Avega's founders, Stefan Lambert and Dr. Wolfgang Zettel, were regularly approached to sell the business by private equity firms and competitors. Advised by NovitasFTCL, a London-based corporate finance boutique that specialises in M&A and capital raising, their decision to opt for a management buyout is aligned with the company's DNA. This encompasses three key priorities: a family culture with a very low staff turnover, long-term relationships and high quality at every level. This evolution offers Avega's clients the reassurance that their partner continues to focus exclusively on delivering state of the art services, while employees can look forward to a future of continued independence and ongoing growth.

New owners, existing fundamentals

The firm's new owners, Stefan Ruppert, Thomas Weber and Thomas Probst have drawn up a very clear roadmap for the coming years. The founders will remain actively involved within the business to ensure a smooth handover to the MBO team. The main focus of the new owners is to stay true to the firm's fundamentals in order to achieve sustainable growth. Says Ruppert: "Our mission is simple:

**“The management
buy-out keeps
us on track to
deliver sustainable
growth.”**

we help private equity houses to set up their European investments, and provide services throughout the whole life cycle.” Avega's independence will ensure that clients will continue to be served according to the same standards, while the size of the business enables new clients to be onboarded seamlessly. “Our level of expertise ensures a quick turnaround in setting up structures,” Weber comments. But they will also add their personal focus: “Today besides innovation and technology, a familiar and trusted working atmosphere with highly motivated staff is instrumental in enhancing our performance,” Probst says.

"In all our action, our priority is to react quickly, in a concerted and intelligent manner, while taking into consideration existing constraints."

DELPHINE BERLEMONT,
HEAD OF HUMAN RESOURCES,
ING LUXEMBOURG



© 2020 ING Media/6.N.

DELPHINE BERLEMONT
ING

One step ahead



MORE INFORMATION
www.duke.lu/delphineberlemont
www.ing.lu

DELPHINE BERLEMONT, HEAD OF HUMAN RESOURCES AT ING LUXEMBOURG, EXPLAINS HOW HER DEPARTMENT IS MANAGING THE PANDEMIC, WHILE ENSURING THE BANK'S STRATEGY IS IMPLEMENTED.

What challenges have your teams had to face during the coronavirus pandemic?

The first urgent imperative was to protect our staff, while ensuring the continuity of our operations and customer services. As a result, 80% of our employees switched overnight to teleworking. As a pioneer of home-working since 2012, this move was a widening of well-established culture and habits. Internally, however, we have had to rethink the way we operate and communicate, for example by helping managers coordinate and motivate their home office teams. We also reviewed our processes for recruiting and integrating new employees, and adapted our tools to the challenges arising from this new context. Then, as soon as the lockdown was lifted, we introduced a gradual return to the office, with staff alternating between home and office on a weekly basis. This allowed normal human interactions to resume, while maintaining flexibility in terms of private and professional life. Due to recent restrictions, we have had to suspend this rotation. After the initial lockdown, the easing of restrictions over the summer and a gradual return to the office followed by a new lockdown... , it is natural that a certain weariness can set in. Hence the importance of remaining attentive to engaging and motivating our employees, while reinforcing beneficial habits and mechanisms.

What is ING's approach in these unusual circumstances?

At the operational level, we have used an agile model since the end of 2019. This is based on communication, information sharing and collaboration, a way of working that helped us during the pandemic. In terms of change management, we created a helpdesk to support our employees and answer their questions. We rearranged

and secured the workspaces, and our cafeteria remained open for the convenience of our teams. We have also strengthened communication between management and staff, notably through "Talks with the Executive Committee" events, regular surveys of all employees, and by sharing advice and "best practices" which has helped us keep in touch with each other. Finally, we have promoted a range of initiatives internally, as well as those of our employees (such as sport/yoga in virtual format). We have been living by the principle "stay close, but at a distance". In all our action, our priority is to react quickly, in a concerted and intelligent manner, while taking into consideration existing constraints.

How will human resources evolve at ING over the next five years?

HR holds a special place in an organisation : it is at the heart of several business lines and participates in their development. As such, HR teams are becoming an increasingly important partner in implementing the bank's strategy, for example by supporting the deployment of the "agile" approach we implemented just over a year ago. Another key area for HR is employee support, which is increasingly being provided digitally and with self-service solutions. To assist this development, our department is working on implementing online solutions, in particular e-learning platforms with individualised training courses, integration tools, etc. Thanks to these new technologies, we want to focus on the areas where we add value while maintaining the efficient processing of our operations. In short, HR must identify sources of innovation and remain true to ING's core values of remaining "one step ahead".

CLAUS MANSFELDT
SwanCap

Private Equity Stronghold

MORE INFORMATION
www.duke.lu/claumansfeldt
www.swancap.eu

CLAUS MANSFELDT, CHAIRMAN AND MANAGING DIRECTOR, SAYS SWANCAP LEVERAGED ITS 20 YEARS OF EXPERIENCE TO FACE THE COVID-19 CRISIS AND WILL NOW FOCUS ON THE OPPORTUNITIES ARISING FROM THE POST-EPIDEMIC ECONOMY. INTERVIEW.

How is SwanCap navigating these interesting times?

By not changing course. By this I mean we stick to our knitting when faced with unknown uncertainty and disruption, which still remains the issue with Covid-19 and its variants continuing to cause havoc with livelihoods and economies. In SwanCap's business, which is to manage investment programmes into best-in-class private equity buy-out funds and related co-investments, we know from 20+ years' experience that a steady investment pace, even in "bad" times evens out the downside risk and captures also potential rebound-upside to produce relatively steady performance through cycles and over time.

What is the impact of ESG on your activity?

The ESG "label-impact" is definitely increasing, but the "fact-impact" of responsible investing isn't changing so

much. By this I mean that we already have a high degree of conscious ESG discipline in professional private equity firms and respective funds, only now there are more investor and regulatory requirements for detailing and documenting all aspects thereof.

What risk and opportunities do you identify in PE in the next five years?

The risks I see relate to excessive regulation, where e.g. private equity is singled out for micro-management and excessive cost-of-business compliance, very uneven when compared to private (or public) shareholders owning companies generally. The opportunity for PE in the next 5 years is huge. Why? Because any crisis raises the pressure on economic participants to adjust and execute rationally, swiftly and decisively, precisely the circumstance where the aligned interests of the private equity model excels.

"We already have a high degree of conscious ESG discipline in professional private equity firms and respective funds."

CLAUS MANSFELDT,
CHAIRMAN AND MANAGING DIRECTOR,
SWANCAP



PAULO BILEZIKJIAN



Is there nowhere to hide?



MORE INFORMATION
www.duke.lu/nowheretohide

IN SPITE OF A CERTAIN DEGREE OF PESSIMISM BECAUSE OF MARKET VALUATIONS, THERE ARE ALWAYS INTERESTING INVESTMENT OPPORTUNITIES. THE CURRENT TECHNOLOGICAL REVOLUTION WILL IMPACT US QUITE POSITIVELY IN YEARS TO COME. EUROPEAN TECH MIGHT BE AN INTERESTING INVESTMENT THEME.

Dealing with uncertainty is inevitable. Technological development and innovation will accelerate.

"It's difficult to make predictions, especially about the future."

The often used quote, variously attributed to Mark Twain, Niels Bohr or Yogi Berra among others, has a bit of irony and a lot of truth. But we have no choice when taking investment decisions. Understanding the limitations of forecasting is essential. With that caveat conveniently established, I will address a number of issues that I deem worth exploring when we look at the years ahead.

In spite of all the gloom and doom about the economic perspectives after COVID-19, the important challenges that existed even before the current health crisis and that have been exacerbated by it, we have a lot to be optimistic about.

We are at about the one year mark from the start of the more strict measures against COVID-19. In this rather short period of time we have been able to develop, test and vaccinate hundreds of millions of people using at least five different products with more on the way. This is nothing short of impressive, previously vaccines took several years even a decade to be developed. But this is just the beginning: according to the McKinsey Global Institute in a May 2020 report "45 percent of the global disease burden could be addressed with capabilities that are scientifically conceivable today".

In addition, there are advances in many other areas as well. Tremendous progress is also taking place in transportation especially in autonomous trucks. Ships and cars will follow. In October 2020 for example, Waymo launched a fully driverless taxi service in Phoenix.

Obviously many of these innovations that we have seen and will see, have been in development before the current health crisis. But need drives humans to make them faster and more efficiently. As Microsoft CEO Satya Nadella put it in April 2020: "we've seen two years' worth of digital transformation in two months."

One of the most important effects of COVID-19 is the acceleration and widening of the technological revolution, which started with the increased connectivity and ability to cheaply process colossal amounts of data that began in the late 20th century. We are in the first innings of this process.

The next many years look quite promising but challenges abound.

What does that mean in practical terms? Essentially a jump in productivity in years to come. Productivity gains are by far the most important driver of change in living standards as long as its fruits are also shared by most.

What I described above, however, does not justify a Panglossian view of the world. Far from that, the challenges investment managers had before COVID-19 have only increased in scope and size. In a very simplistic

way we are living in a world with very expensive fixed income assets and very expensive equities. Some would argue there is nowhere to hide. Even other asset classes such as Real Estate, Alternatives or even Art do not look attractive. When rates are very low for a reasonably long period of time, as has been the case, the price of all assets become distorted. If rates are well below inflation, as for example, the 10 year bond of any Euro member country, asset prices can become even more so.

It might sound contradictory, but markets where capital flows more easily tend to amplify price excesses. Behavioural Finance has shown time and again that we are much less rational than we think. Herd behaviour for example has been fostered by social media and by very easy access to "free" brokerage accounts with the possibility of using leverage. Another symptom of an exuberant equity market is the creation of weekly expiration option contracts. The only purpose they seem to serve is to strengthen the notion that the stock market is a casino. We see these elements much more prevalent in the United States. In Europe, for better or worse, this is much less so.

From an investment standpoint we should look at promising sectors where capital is scarce.

Is there nowhere to hide? I don't believe so. Actually, there are always pockets of undervaluation or even severe undervaluation even in the middle of seemingly excessive prices worldwide. In the European context in particular, in spite of record low interest rates, capital often does not

"In the European context in particular, in spite of record low interest rates, capital often does not arrive where it is needed."

PAULO BILEZIKJIAN

arrive where it is needed. For example: small and medium European technology company stocks, and especially European private technology companies are priced on average much cheaper than their American counterparts. There are several pockets of serious innovation in Europe that do not reach its full potential because of a lack of capital and very importantly, entrepreneurial know-how. This gap is filled partially by Private Equity and Venture Capital firms which might be one way to access these investments. A similar situation exists in the Financial Services industry where a lot of innovation and probably better regulation is needed.

I must say I didn't expect the COVID-19 situation to last this long and I understand how people are worn by it but as the English historian and theologian Thomas Fuller wrote: "It is said that the darkest hour of the night comes just before the dawn."

FRANCIS PARISIS
Intertrust Group

Adapting and improving for long-term legacies

MORE INFORMATION
www.duke.lu/francisparisis
www.intertrustgroup.com



WHILE FAMILY OFFICES HAVE BECOME MORE PROFESSIONAL, FRANCIS PARISIS, GLOBAL HEAD OF PRIVATE WEALTH AT INTERTRUST GROUP, SAYS THEY NEED TO CONSTANTLY MEET NEW CHALLENGES BY IMPROVING EFFICIENCY THROUGH TECHNOLOGY.

What trends have you identified recently in the family office sector?

Management of family offices is improving. They are reaching out to professionals to help them and, with the wider availability of IT platforms, they are migrating to dedicated systems. While in the past we saw family offices sealing themselves off, we now see them exchanging ideas, helping and embracing opportunities for cross investment with other family offices. The newer generation is becoming more agile and broad-minded in terms of investment; there is a trend away from pure asset protection towards alternative investments, geographical and industry diversification and faster turnaround investments. Behaviours are very responsive to the current situation: the Covid-19 pandemic has seen a growth of investments in pharmaceuticals, for example. We have also seen people who are cash rich looking for opportunities ranging from logistics to real estate.

How is Intertrust Group adapting and developing its offering to family offices?

We have developed the tools and processes to service large groups and our experience tells us the future of our business lies in technology. We have geared up with new reporting tools, and different technologies that allow our clients to use databases and documentation management systems to gain access to their information and materials. Our client portal "IRIS" provides them with everything they need to set up a fund in just one click – whether that is in Singapore, Abu Dhabi or Luxembourg. This technology is our added value – mean and lean. People who support technology will carry the business forward and Intertrust Group has launched new products that are well regarded in the industry.

What opportunities and challenges do you foresee for the family offices sector in the next five years?

Family offices will have to adapt and improve to take advantage of the opportunities being created. That will

"There is a trend away from pure asset protection towards alternative investments, geographical and industry diversification and faster turnaround investments."

FRANCIS PARISIS,
GLOBAL HEAD OF PRIVATE WEALTH,
INTERTRUST GROUP

mean moving towards greater professionalism and embracing new technologies. Many expect a surge in taxes to help pay for the Covid-19 pandemic, as well as a new wave of regulations to which family offices will have to adhere; no doubt, they will be seeking advisors to navigate these complexities. We now have DAC-6 to comply with and we will have a new wave of AIFMD II for the larger investment vehicles. This is one of the tasks LAFO will undertake to see which regulations will affect family offices. Speeding up and streamlining family office operations and functions through greater professionalism will allow them to address the challenges and the opportunities created by a more diversified and agile investment approach. Family offices can have a big impact on our world in a positive way because they are preparing for the future and therefore tend to look to the longer term.

JOHAN LINDBERG
RBC Investor & Treasury Services

Family offices are becoming more institutional

MORE INFORMATION
www.duke.lu/johannlinberg
www.rbc.com

“Activities that previously were completed solely within private banks are being outsourced to the asset servicing industry.”

JOHAN LINDBERG,
MANAGING DIRECTOR FOR GLOBAL CLIENT
COVERAGE, RBC INVESTOR & TREASURY
SERVICES IN LUXEMBOURG

private bank. This means that activities that previously were completed solely within private banks have been outsourced to the asset servicing industry, driven by a favourable structure for sophisticated investments, cost efficiency and preparation for future succession within the family. As family offices become more institutional in the way they manage assets, they are adopting institutional practices and as a result are treated like institutional managers. These practices include consolidating assets into a single structure, enjoying buying power with investment banks and other service providers, as well as gaining easier access to more sophisticated products. We are responding by adopting a regionalised approach – I look after the Nordic region – with coverage officers who are close to our clients and speak their language. While family offices may feel nervous about leaving their comfortable relationships with private banks, they will find we provide the same comfort and regional expertise.

How do you see family office servicing evolving over the next five years?

As the asset servicing side of RBC's business in Luxembourg, we expect the family office segment to grow significantly and anticipate a surge in the number of partnership structures created for families. Following Luxembourg's example, other fund jurisdictions such as Ireland are looking at partnership legislation, so Luxembourg will see more competition in future. But, RBC's service model is domicile agnostic between Luxembourg and Ireland in the same way as with managers establishing private equity, real estate, infrastructure and debt investment structures. RBC I&TS will be well placed to advise family offices on vehicles and on the selection of partners to manage structures in the Grand-Duchy. For example, family offices will often need tax services, so the Big Four firms are usually involved in fund structures, and they can benefit from our network of relationships there. We help the client create the ecosystem surrounding the fund alongside providing key functions such as depository / custodian – as an AA-rated bank, we offer families risk mitigation – alongside other core services such as administration. We also provide access to wider group businesses as RBC Capital Markets and RBC Wealth Management.

JOHAN LINDBERG, MANAGING DIRECTOR FOR GLOBAL CLIENT COVERAGE AT RBC INVESTOR & TREASURY SERVICES IN LUXEMBOURG, SAYS THE COUNTRY'S FAMILY OFFICE ACT OFFERS A WEALTH STRUCTURING MODEL PARTICULARLY SUITED TO WEALTHY FAMILIES WHOSE MEMBERS ARE SPREAD ACROSS DIFFERENT COUNTRIES.

How is RBC Investor & Treasury Services involved in family office businesses?

As a group, RBC has worked with family offices for a long time, both in wealth management and capital markets, in Canada, the UK and in the USA. At RBC I&TS we have started to see family offices seek our services for wealth structuring vehicles, which are similar to those used by the

private equity and real estate sector. Since the introduction of Luxembourg's Family Office Act of December 2012, structuring has become increasingly important to the sector; the Luxembourg partnership model is particularly suited to families that may have members in different countries and who become limited partners in the structure. A structure with general partners

would fit families where independent decisions on investments and strategic wealth management are made by the GP board often involving the family head and the CEO of the family office.

Which trends do you see in this sector?

We have witnessed an increase in institutionalisation of family offices, using more sophisticated investment products including the use of funds to render the management of family wealth more efficient, which began with Luxembourg's SIF legislation in 2007 but has become more pronounced since the passage of the Family Office Act, with the fund structure replacing accounts at a



YACINE DIALLO
Charles Russell Speechlys – Avocats

Family Capital – Trends and anticipated evolutions

CHARLES RUSSELL SPEECHLYS PARTNER YACINE DIALLO SAYS THE INTEREST FOR FAMILY OFFICES IS BOOMING AS AN ANSWER TO THE TREMENDOUS CHALLENGES WEALTHY FAMILIES ARE FACING TO PROTECT AND PRESERVE THEIR ASSETS IN AN EVER MORE GLOBALISED AND REGULATED WORLD.



MORE INFORMATION

www.duke.lu/yacinediallo
www.charlesrussellspeechlys.com

“Family Investment is the backbone of our economies.”

YACINE DIALLO,
PARTNER, CHARLES RUSSELL SPEECHLYS
(AVOCATS)

What trends do you identify in the family office sector?

Let me start by the unprecedented experience we are ready to live. During the next 20 years, we will see across the globe a massive transition of wealth between generations. As an illustration, over the next decades, we are expecting that over USD 15 trillion worth of assets should pass to the next generation. If we look back, the transfer of wealth has never been an easy process. In a complex, globalised and interconnected world, this task will generate extraordinary complexities. This should result in a reshape of part of the family offices' industry. We are already seeing the creation of new structures, adopting innovative strategies and wanting to have new forms of economic and social impacts. On another note, in the course of the last decades we have noted in all regions of the world an increase of regulations affecting the financial industry. When it comes to tax, the OECD has realized an impressive work and lobbying towards anti-tax avoidance rules. Europe Union has implemented Directives such as the Anti-Tax Avoidance Directive and DAC6. These new rules affect wealthy and international families on the cross border management of their assets. Family offices should typically enable them to access to the resources and infrastructure allowing them to cope with this new and complex compliance requirements.

How the legal industry is typically assisting family offices?

The flourishing of family offices mainly results from the duo multi-jurisdictional assets location and increasing

complexity of regulations. In this context, we have seen an increasing need for assistance of families on the structuring and management of their professional assets. Cross border matters are creating a need for assistance of legal practioners able to provide a consolidated assistance addressing all the relevant aspects.

It is a fact that since decades family offices have been very active on the real estate sector. This class of assets is still highly prized by family offices. That being said, the younger generation tends to be more dynamic on their investment strategies and increasingly active in the private equity and venture capital sectors. We are seeing family offices increasingly co-investing with PE and VC investment houses, sometimes on major transactions. In this respect, an alignment of structures, instruments, methodology and sometimes philosophy between financial institutions active in the alternative investment sphere and family offices is noticed.

What challenges and opportunities do you identify for family offices over the next five years?

For the next five years, challenges for family offices will probably constitute their main opportunities. Families will need to be more sophisticated in their internal organisations in order to permit additional transparency and to comply with reporting obligations. These challenges should allow them scaling staff resources.

On the same time, the transition of wealth to the next generation will generate major challenges including family/corporate governance issues to be carefully managed. In parallel, families seem increasingly keen to have an impact on their communities. The philanthropy is gradually being replaced by the impact investing model. This trend implies a strict and rigorous valuation and monitoring of the social impact as well as the ambition to apply the best standards to ensure a sustainable economic model. Last but not least, the end of the current Brexit process will generate a significant level of uncertainty having in mind the importance of the UK in this industry. That being said, this will also generate opportunities.

BÉRENGÈRE LAUNAY
Spuerkeess



Family Matters

MORE INFORMATION
www.duke.lu/berengere-launay
www.spuerkeess.lu

FOR THE FAMILIES HAVING RECENTLY SETTLED IN LUXEMBOURG OR ALREADY PRESENT FOR SEVERAL YEARS, THERE IS A RECURRENCE OF QUESTIONS ABOUT ASSET STRUCTURING" SAYS BÉRENGÈRE LAUNAY, WEALTH PLANNING EXPERT – PRIVATE BANKING AT SPUERKEESS. THESE INQUIRIES, OBSERVED ON THE LOCAL MARKET, HAVE MULTIPLIED GIVEN LUXEMBOURG'S INTERNATIONAL ENVIRONMENT. EXPERTS WITHIN SPUERKEESS PRIVATE BANKING HELP CUSTOMERS NAVIGATE THESE ISSUES.

An observation about the Luxembourg market

Wealthy families living in Luxembourg are increasingly faced with questions about how to preserve their assets. They have the same questions, whether they own financial assets, real estate, businesses or art! Family disagreements or misunderstandings between generations can arise concerning the objectives, vision, and medium- and long-term priorities. These aspects have an impact on how the family assets are managed, complicating handovers and intergenerational cohabitation. For these reasons, families are thus seeking experts to help them best structure the way their assets are held, managed and passed on and to organise the relationships between family members. In short, they want to structure their wealth sustainably

A phenomenon heightened by an international environment

In Luxembourg, the issues families are encountering, generally have an international component. The reasons are varied and include family ties outside of Luxembourg, the mobility of the younger generations, and non-Luxembourg investments. It can be beneficial to adopt certain practices in order to better master the framework in Luxembourg as well as in countries where the families have ties. This helps to avoid certain pitfalls and can also offer opportunities. What will the legal and tax treatment be for a particular company or philanthropic structure? What is the applicable law for my marital property regime, for my succession? Do contracts signed before my arrival still remain valid in case I become incapacitated? There is a risk that, once you have settled in Luxembourg, some of the arrangements you made will no longer be relevant.

What are some potential solutions?

Solutions need to address legal and tax issues, as well as psychological and sociological aspects. Experts in many fields

"Wealthy families living in Luxembourg are increasingly faced with questions about how to preserve their assets."

BÉRENGÈRE LAUNAY,
WEALTH PLANNING EXPERT –
PRIVATE BANKING, SPUERKEESS

need to join forces to cover such a wide array of topics! From a legal standpoint, family property law and corporate law are two pillars for dealing with these subjects, but private international law and tax law also need to be considered. At the sociological and psychological levels, advisors focused on providing family support are invaluable allies who deploy their own tools to establish a proper family governance. Spuerkeess is Luxembourg's preeminent bank, leader on the national market and rooted in the local economy. With a single shareholder, the Luxembourg State, it offers its customers a wide range of services and is ranked among the safest banks in the world (rated AA+ by Standard and Poor's).

Spuerkeess is Luxembourg's preeminent bank, leader on the national market and rooted in the local economy. With a single shareholder, the Luxembourg State, it offers its customers a wide range of services and is ranked among the safest banks in the world (rated AA+ by Standard and Poor's).

*You always have the best interest of your clients in mind.
That's why you should not be limiting your options.*

EFA's service offer for Family Offices ranges from **independent** administration of any type of investment vehicles to **multi-depository** solutions and **consolidated** reporting.

www.efa.eu

 **EFA**
More than a fund company

SARAH BOVY

An “INTENSUM” pilot



MORE INFORMATION

www.duke.lu/intensum
www.sarahbovy.com
www.intensum.com



“I want to find this little spark together with my sponsors, delivering best results on track while sharing my passion.”

SARAH BOVY,
PROFESSIONAL DRIVER

A SPARKLING PACE-SETTER ON RACING CIRCUIT, THE BELGIAN PROFESSIONAL DRIVER SARAH BOVY ALSO PROVIDES TAILOR-MADE OFF-TRACK MARKETING FOR SPONSORS SUCH AS INTENSUM.

Can you please tell us your story in a few words?

Although I am the daughter of an ex-racing driver who stopped competing at the age of 36 to concentrate on his family, I had never been particularly deeply involved in motor sport at an early age. Then I discovered karting at the age of 12, much to my father's delight, and everything went very quick! I went on to race in Formula Renault at the age of 15. Since I came from a family with no excessive financial resources, I rapidly discovered to the world of sponsorship. As the only woman in this high-profile championship, I started to receive offers. My career has always been built around meetings and collaborations that came my way. One example is my current partnership with INTENSUM, a human-sized B2B SAP Consulting company specialising in Finance, Intelligence & Innovation. I'm happy that the company main Partners Laurent de Buyser and Michael Diet have trusted me during last years. So far, the highlights

of my career included five participations in the 24 Hours of Spa, a title of Belgian Touring Car Champion, a participation in the Asian Le Mans Series on a LMP3 prototype and my qualification for the first season of the W series championship which included the 20 fastest women in the world. Nowadays, I have the chance to participate in the first round of the Le Mans Cup in Barcelona on a GT3 of the Iron Dames Team. During the rest of the year, I am also a factory driver and instructor for Lamborghini.

What can business people learn from a professional driver like yourself?

Like Business, the world of Motor Sport is very demanding. It takes perseverance! Aside pure performance during the races, my experience has taught me that I also have to offer “tailor-made services” to all Partners involved. My objectives are of course aimed at making the best results

on track together with great impression on the public, but this comes together with clear communication that can be used easily, both internally and externally by my sponsor's companies. I want to find that little spark together while sharing my passion.

What are your favourite drivers and tracks?

Two great gentlemen have inspired me. Ayrton Senna, died in a race in 1994 when I was 5 years old. His memory cast a shadow over my entire childhood. Far from being the perfect driver, he had a strong temperament with some flaws, but he was deeply human, truly passionate and super talented. He managed to rise above his imperfections to become a world champion. Then the story of Michael Schumacher rocked my adolescence. A hyper-passionate man who was ready for anything to win, which was all part of his character. As for my preferred tracks, SPA-Francorchamps is for me is the most beautiful in the world. Located 30 minutes from our family home, I took my first steps there. In second place comes Imola, where I have been training for years since I started racing for Lamborghini.



How does a woman establish herself in the world of motor racing?

I've never really asked myself this question. Once I put on my suit, helmet and get behind the wheel, I just go for it and give it my best shot.

What types of training do you use to prepare?

I favour multidisciplinary sports. Mountain biking, climbing, running in the summer, swimming and cardio-fit in the winter, to stay in top shape. Car racing, and especially Endurance Racing, is a very demanding sport, of course requiring excellent physical condition.

MASSIMO BOTTURA
Osteria Francescana

Helping Make the Visible Invisible

MORE INFORMATION
www.duke.lu/massimobottura
www.osteriafrancescana.it

TWO-TIME WINNER OF THE WORLD'S 50 BEST RESTAURANTS AWARD, MASSIMO BOTTURA, CHEF OF OSTERIA FRANCESCANA, A THREE MICHELIN STAR RESTAURANT IN EMILIA-ROMAGNA, SHARES HIS PASSIONS THAT GOOD FOOD BECOMES FOOD FOR GOOD AND THAT THERE IS "NO ROOM FOR EXCUSES" IN THE WAY FOOD CAN BE USED TO HELP SAVE OUR PLANET.

You wanted to be a professional football player. You studied law. How in the world did you end up in a kitchen?

I didn't purposely choose to become a chef, it just happened. I'd rather say that the profession chose me. I have been very lucky to have several culinary mentors, who motivated me along the path. Some are more famous than others. I don't know if, given the choice, I would have become a chef. The hours are terrible, you have to make many sacrifices and there are no guarantees. I certainly wouldn't advise my sons to enter this profession, but I cannot imagine doing anything else now. I could never have imagined I would face so many challenges or make so many sacrifices to survive tough times. But also, I could never have imagined that I would have received so much in return!

Maria-Luigia, Rezdora Lidia Cristoni, Lara Gilmore... Do women play a big role in your life?

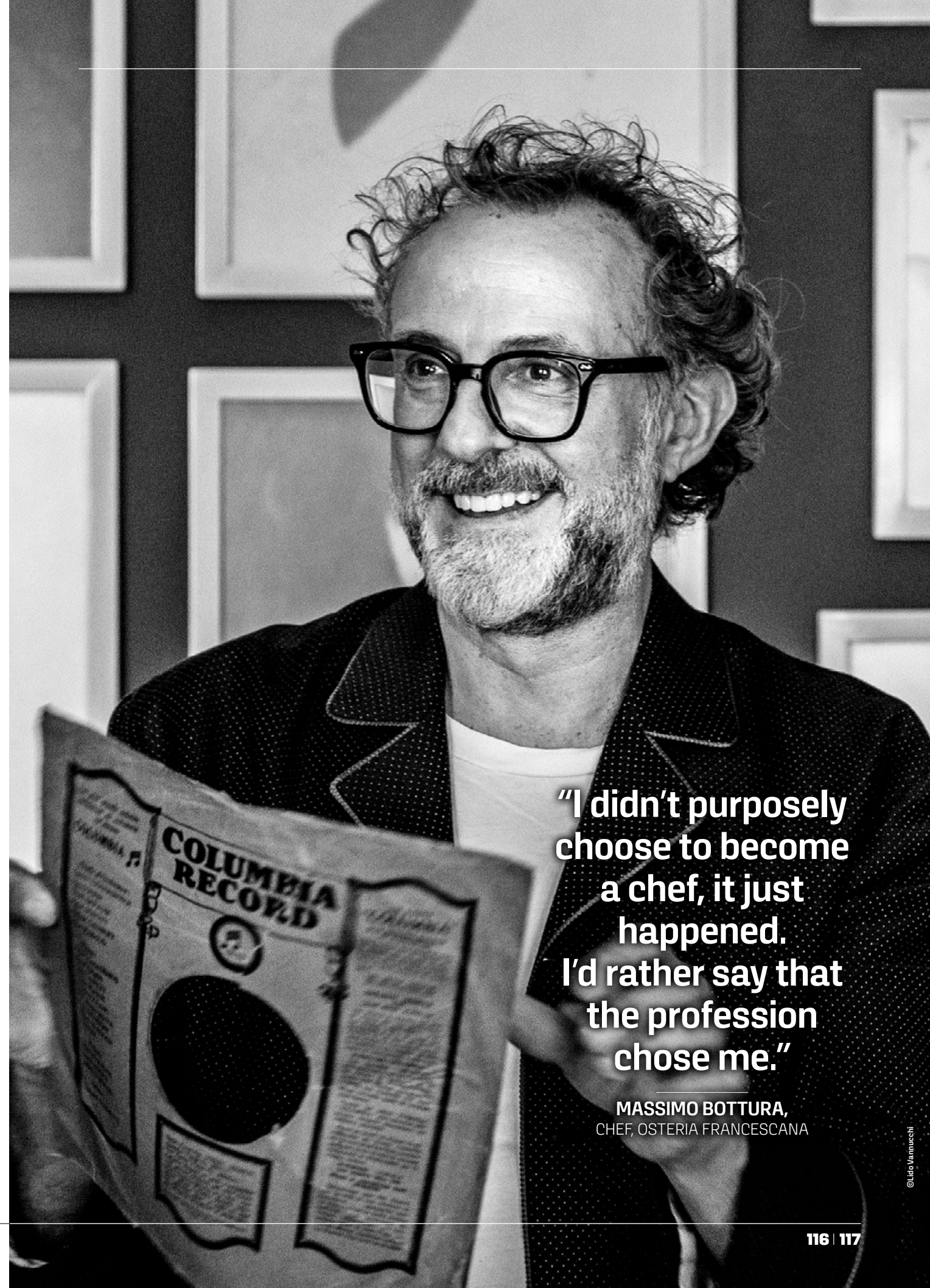
Women have influenced my professional life in such a deep way. First, my grandmother, Ancella, when she convinced me to stop playing football and continue studying instead. Then, my mother, Luisa, who looked at me one morning and said: "Massimo you are not happy. You have so much energy. You have to channel that energy into something that you are passionate about. If you think that being a lawyer is not the right thing for you, then find something else." I was 22 years old at the time. And soon afterwards I began my adventures in the kitchen

at Trattoria Campazzo, in the Modenese countryside. Then there was Catia, my girlfriend, who I met when I was 16 years old, who studied architecture and interior design in Florence. She helped me appreciate design, architecture, and beauty. Then there was Lidia Cristoni, who lived just behind Trattoria del Campazzo, who taught me everything she knew about Emilian culinary traditions and how to run a restaurant kitchen. One day, this nearly blind woman knocked on the door of Trattoria del Campazzo just months after we had opened in 1986. She told me that she had 35 years of professional experience but her vision was not good enough to drive to town to work. I said, "Well, Lidia, what are you waiting for? Put on an apron and show me what you can do." She entered the kitchen and never left. She was like a second mom for me. And then Lara of course, who opened up the world of contemporary art for me and taught me how to see the ideas behind the artwork, to go deeply into concepts, beyond what you see on the surface and to understand the thought behind a specific aesthetic choice. All these women have been a crucial part of my life and career and they continue to help me make the visible the invisible.



"I didn't purposely choose to become a chef, it just happened. I'd rather say that the profession chose me."

MASSIMO BOTTURA,
CHEF, OSTERIA FRANCESCANA



Helping Make the Visible Invisible

Your favorite tool in the kitchen is the mental palate. How can you sharpen it?

The mental palate is the capacity of absorbing flavors to the point that they become part of your memory, part of you. My suggestion to young chefs is always to travel, physically but also mentally. It is so important to fill one's suitcase with culture, books, music, literature and art, travels and then, kitchen experience. Travel the world, eat everything, know everything, then forget everything. Accept who you are. Go back to where you came from and dig as deep as you can into your culture to understand who you are and where you come from. At that point you can start creating, using only your mental palate. The mind, the mental palate, is one of the most valuable ingredients or tools in the kitchen because cooking is not only manual labor but also a thinking man's job.

What did you learn from Georges Coigny, Alain Ducasse, Ferran Adrià and Rezdora Lidia Cristoni?

My first mentor was George Coigny, a French chef living in Piacenza. He taught me the foundations of French technique, the technique that I then applied to the ingredients from our local terroir in Emilia-Romagna, creating my own, personal cuisine. Then came Lidia Cristoni, a true Rezdora – Modenese for grandmother – who taught me everything about traditional cooking, how to make pasta professionally and how to run a clean and efficient kitchen. Then came my encounter with the one and only Alain Ducasse, in Monte Carlo, who taught me the meaning of farm-to-table, the value of using locally sourced ingredients and establishing trusting relationships with artisans, farmers, fishmongers and so forth. These lessons at Le Louis XV were very valuable to me and helped guide my decision to open Osteria Francescana. My last mentor was Ferran Adrià. During the summer of 2000, I was able to cook with his incredible team at El Buli. He pushed me over the edge and taught me not to be afraid of my ideas, and that's what I have done since then. He let the cat out of the bag, you could say!

Art plays a key role in your restaurant and hotel. How important is beauty in food?

Beauty is the thread connecting everything I do. It is the driving force behind my work, that at the end of the day,



is feeding people, be it at Osteria Francescana or one of Food for Soul Refettorios.

We believe that man cannot live on bread alone. We believe in the power of beauty and art. And there is no beauty without an ethical purpose. Because beauty has the power to communicate at a higher level, it can be perceived by anyone and can move people's spirits. The good and the beautiful are two sides of the same coin, they complete each other at the point that beauty without good isn't beautiful at all, and good needs beauty to convey its message.

The power of beauty is one of the core values guiding Food for Soul, the no-profit organization and cultural project my wife Lara and I founded to fight food waste and social isolation. The main idea behind the project is that real beauty is seeing the value in something that might not seem to have any value at all. Something recovered is something gained. Seeing the beauty in surplus food



““No more excuses”, my tattoo is a message to myself, a call to action.”

MASSIMO BOTTURA,
CHEF, OSTERIA FRANCESCANA

to look at tradition from 20 kilometers of distance in villages close by. We always look at the past in a critical way, not a nostalgic one. This doesn't mean to deny our tradition and throw it away; instead, it implies a deep knowledge of it. Our work is not about forgetting the past but finding the most appropriate way to share it so that it can keep living through time in a constant work of evolution and resilience. We take the best the past can offer and bring it into the future. Recipes are not there to be followed literally, they are stories, not photographs of a precise time and space in history. I take recipes as a starting point from which I begin the path of creation. Then inspiration comes from what's around me. Being a chef means being able to find inspiration in everything, in simple things as well as expensive ones. It means leaving the door open for poetry, for imagination. It means making a pesto with breadcrumbs when you look around and can't find pine nuts. It means using all you have in the fridge, giving new value to humble ingredients.

Apart from slow food and fast cars, Emilia-Romagna has a unique culture of sharing. Can you explain?

I grew up in a big family. Brothers, sisters, aunts, parents, grandparents. We always found ourselves together at the kitchen table. Playing, fighting, making peace. Dreaming, planning the future together. Talking about business, soccer, school. But always sitting at the same table and eating together.

destined to become waste, grasping the potential in banana peels, in stale bread, in overripe tomatoes, is a way to fight food waste and heal the Planet. But also seeing the light in the darkest place, in an abandoned theatre in a suburban neighborhood. When you can see beauty even through obstacles, the invisible becomes visible. Individually each of us can make a small difference; together we can make a change. And through beauty, good food becomes food for good.

In a masterclass, you replaced pine nuts with breadcrumbs in a pesto. I tried. It works really well! How do you combine tradition and innovation?

The main idea that has been leading my work and that of my team in the last 20 years is the one of Tradition in Evolution. We conceive the kitchen of Osteria Francescana as a laboratory, but even an observatory that has a distinctive and unique advantage: being able



Helping Make
the Visible
Invisible



©Marco Poderi

“We believe in the power of beauty and art. And there is no beauty without an ethical purpose.”

MASSIMO BOTTURA,
CHEF, OSTERIA FRANCESCANA

One of my happiest memories is that of my grandmother placing the pan of lasagna in the middle of the table at Sunday lunch. I remember my brothers and me fighting over the crunchy, lightly burnt, delicious corners. That was the most interesting part of that big pan for all of us. The Crunchy Part of The Lasagna was born to recreate that precise emotion and to make as many people as possible try it, feeling the same way a kid feels in front of a lasagna. I wanted to rebuild that delicious crunchy corner and this time be able to share it with everyone who comes to Osteria Francescana. Just that piece, with the perfect ragù and an amazing bechamel. That dish, that emotion, expresses the whole meaning of family, love and conviviality for me, in the form of an edible bite. Out of the same need for sharing, we opened Casa Maria Luigia, the extension of Osteria Francescana idea of hospitality. It was completely natural for us to want to share with guests not only our passions but all the best our home can offer. We wanted it to be a home away from home for all the people who come to visit us and experience our world.

Can you explain how tortellini are helping children with special needs in the Tortellante association?

My hometown is famous worldwide for tortellini, which is



©Peter Halley

also my favorite food ever, the one I could not live without. The tortellini tradition dates back to the sixteenth century and the recipe leaves no room for improvisation. Making tortellini requires technique, artistry and focus. It's an art that has to be kept safe and passed on.

That is why in 2018 we opened Tortellante, a non-profit association and a unique cultural and social project, where young adults with special needs are mastering the art of tortellini-making, helped by the expert hands of a group of rezdore (Modenese for grandmothers), the gatekeepers of the secular knowledge of this culinary tradition. We wanted to transfer this important tradition and professionally train this group of young adults to give them a future. At Tortellante, anyone from the community can be part of something extraordinary – by volunteering their time or just by buying our tortellini to support the project. Here we witness every day the meaning of the expression I often use: cooking is an act of love.

“You got a Tattoo in Rio that says, “No more excuses”. What is this about?”

It is what the neon sign outside Refettorio Ambrosiano by the artist Maurizio Nannucci says: NO MORE EXCUSES. The opening of the first Food for Soul Refettorio in Milan marked the moment in which we realized there was no more room for excuses. We decided to act, to intervene, to dirty our hands and roll up our sleeves for the future of our Planet. Under one roof and under the motto that there are “no more excuses,” we began imagining other Refettorios around the world. Today there are 11, and the number is growing. Refettorios are places in which I condensed my whole self, cuisine, art, social commitment, solidarity, ecology, no-waste: a thousand leaps for a single jump, not into the void, but forward.

The tattoo is a message to myself, a call to action. It reminds me of the impossible missions we made possible. But also reminds me that chefs can no longer content themselves with cooking in their restaurants. They are so much more than the sum of their recipes and have a responsibility to the future of global food security. Cooking is a call to act: a recipe after all is a solution to a problem. Choose to be part of the solution by cooking and sharing a meal around the table.



©Jacopo Salvi

CHRISTOPHE PELÉ
Le Clarence

Pleasure above all

MORE INFORMATION
www.duke.lu/christophepele
www.le-clarence.paris

HE TRAINED WITH THE GREATEST, SUCH AS BRUNO CIRINO, AND MANAGED TO TRANSFORM A NEIGHBORHOOD BAR INTO A 2-STAR RESTAURANT IN JUST TWO YEARS. THE RESTAURANT LE CLARENCE IS LOCATED AT THE FAMOUS CLARENCE DILLON DOMAIN.

What attracted you to a career as a chef?

When I was 15, my family moved to Tours and I lost my bearings. I dropped out of school and decided to quit. Very greedy and very manual, I loved life in the kitchen. I then tried my luck in the restaurant business, without knowing that I would make it my profession. I started to work in brasseries, restaurants, etc. I was doing well, and I had a lot of fun. I was doing well, but I lacked stability. Something was bothering me. It all clicked when I was 25 years old. I seized the opportunity to go to Paris and rub shoulders with the best. My meeting with Bruno Cirino changed me completely. I discovered a relationship with the product, a way of working that was very intense, but very human. From then on, I knew I would make a career out of it.

What do you like most about cooking?

I mainly feel emotion, mixed with the desire to please the customers and to please myself. A jaded character has no place in the kitchen. The place lends itself, on the contrary, to deploying all its energy, to expressing itself with its guts and especially to experiencing sensations. Impalpable at first glance, the intensity and emotion are strong during



the tasting. This desire to please people drives our profession. But when cooking becomes mechanical, it is necessary to take a step back. So, after my career at La Bigarrade, I had to stop. I was drawing on my physical resources; the desire and pleasure were lacking. So I took a 6 month break and resumed a normal family life. Above all, I reserved some time for myself, a luxury that is unattainable when you practice the profession of a cook. This allowed me to recharge my batteries, to rekindle the flame and to start again with the right intensity, first as a consultant for several restaurants in Paris and one in Hong

Kong, and then as Deputy General Manager and Executive Chef of Le Clarence restaurant.

How do you feel about the current health crisis?

Since the rooms remain empty, we offer take-away service or deliveries. Cooking in front of a full restaurant or in front of bags with names changes our job enormously. Before, I used to walk around among the guests, to capture the emotion, feel the energy present, and then transpose it to the kitchen. Today, of course, the energy and pressure have taken a back seat, but a new way of



“This desire to please people drives our profession. But when cooking becomes mechanical, it is necessary to take a step back.”

CHRISTOPHE PELÉ,
CHEF, LE CLARENCE

approaching our job is required. We now put ourselves even more in the customer's shoes. How will the food arrive at his home? How can he or she prepare it ideally, without too much effort, to enjoy it and have a good time? Our job is similar to that of a caterer. For the moment, we are enjoying this new challenge. Will it keep us entertained for long? I don't know. But this break allows us to think about other projects, to consider new types of business, to keep a little more time for ourselves and our family. The crisis offers positive aspects, if we want to see them.



**"Video is
inseparable
from each
company's
culture."**

ALEXANDRE DEMOULIN,
HEAD OF 360BOX.FR

ALEXANDRE DEMOULIN
360box.fr



©360Crossmedia

The three keys to sustainable video production

INTERVIEWS, E-CONFERENCES, DIGITAL TRAINING, TELE-CONFERENCES... VIDEO IS BECOMING A CENTRAL PART OF COMPANY LIFE, AND THEY HAVE THREE OPTIONS: ASK AN EXPENSIVE AGENCY, DO EVERYTHING IN-HOUSE, OR OPT FOR A SUSTAINABLE MODEL. WHAT ARE THE CHALLENGES?

 **MORE INFORMATION**
www.duke.lu/360boxfr
www.360box.fr

What are the keys to sustainable video production?

Let me give you two simple examples to start with. A bank invested €270,000 in a state-of-the-art 300 square metre video studio with three full-time technicians with the aim of producing 100 videos. One year later, only 9 videos had been produced, which is about 30,000 euros per video, not counting the 36 monthly salaries. Compare this to many companies today trying to produce videos internally, but the technical difficulties are so numerous that projects struggle to come to fruition, with equipment ordered from Amazon often being left on the shelf. Clearly, the key to sustainable video production lies in identifying the real needs of each company, in order to opt for the right set-up. Do they want one video per month, one per week or even several per day? To answer this question, we must keep in mind that video is inseparable from each company's culture.

What role does this corporate culture play?

To do a good interview, you need equipment, but above all you need people who look good on camera and good stories. The video strategy must therefore be approached by considering the technical aspects, but without forgetting the human side! For example, by offering training on how to speak in front of the camera or how to script a video, you create the conditions for every department to use the studio: management, internal and external communication,

marketing, sales, etc. Human Resources alone can use videos today to attract, recruit, onboard and inform new employees! Under these conditions, you can set realistic objectives for your video project and choose the right formula.

What are the three possible formulas?

If you need one video per month or fewer, find an agency that suits your company and negotiate a price for 8 or 10 videos per year. This is the most efficient model for this quantity. If you plan to produce more, you can either do it all in-house or opt for a sustainable model. In the first case, you will need all the equipment and at least one technician to do the camera work, audio and editing. Things evolve so fast that this person will be in charge to keep up with the most recent trends. In the second case, you can rely on a model like the www.360-Box.com, where the service provider manages the technical aspects – notably the set-up, upgrade, maintenance and recycling of all equipment – and the training of your staff. Yet your employees can use the studio without any external help and without editing. These two aspects constitute the almost prohibitive cost items if you wish to produce videos regularly. We have many clients who take advantage of this model to produce, for example, a series of interviews or an internal "video academy", with hundreds of videos delivered in a few months, for less than 10€ per video. QED!

MARCEL BLEUSTEIN-BLANCHET

Advertising in His DNA



MORE INFORMATION

www.duke.lu/marcelbleusteinblanchet
www.publicis.com

A SELF-TAUGHT FRENCH ADVERTISING PIONEER, IN A COUNTRY THAT WAS SUSPICIOUS OF ADVERTISING AT THE TIME, HE FOUNDED PUBLICIS, NOW THE WORLD'S THIRD LARGEST COMMUNICATIONS GROUP.

Conquering the media

Born on 21 August 1906 into a family of Russian Jewish emigrants, Marcel Bleustein grew up in Montmartre, left school at the age of 14 with a school certificate, and began working in his father's furniture shop. In 1926, he started his own advertising agency, Publicis – a compression of the words "advertising" and "six", his lucky number – in a small studio on rue Montmartre. In search of clients, he went door-to-door and extolled the benefits of advertising. Ambitious to conquer the media of the time, he bought a radio station, called it Radio-Cité, making it the largest private station of the inter-war period, and broadcasting the first programs financed by advertisers. He also sold advertising in cinemas and set up Régie-Press, which specialized in advertising space for newspapers. At the age of 30, he became a millionaire.

The inventor of modern advertising

After the German invasion of May 1940, he fled to England and joined the Free French Forces as an intelligence agent under the pseudonym of "Blanchet." Captured, he escaped and joined the Resistance. Back in Paris after the Liberation, Bleustein-Blanchet started from scratch. In 1946, he reopened Publicis on the Champs-Élysées and reengaged his former clients and staff. In 1954, the company won its first major international contracts with Colgate-Palmolive and then Nescafé. In 1957, it moved opposite the Arc de Triomphe and developed a subsidiary (Publicis Corp) in New York. Bleustein-Blanchet was the forerunner of corporate communication in France and created an "Industrial Information" department dedicated to advertising, from the

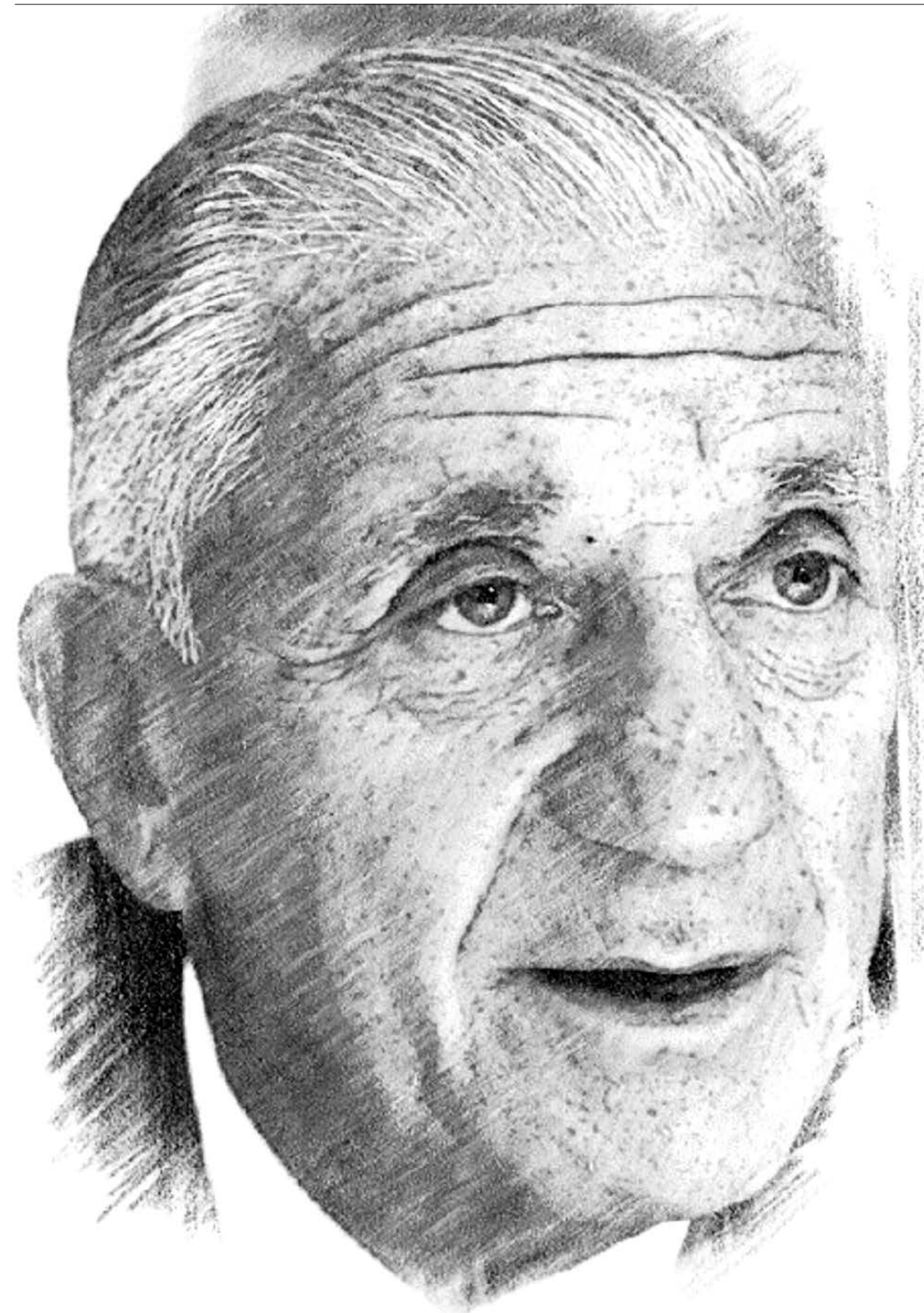
"If you wait for things to change, they will change without you."

MARCEL BLEUSTEIN-BLANCHET

product to the organization. Inspired by Gallup, the inventor of surveys, he also introduced opinion and motivation surveys to advertising. In 1958, he opened the first Publicis Drugstore in Paris.

A worldwide legacy

In 1959, he created the Fondation de la Vocation, to help young French people aged 18 to 30 who were underprivileged and did not have the means to pursue their dreams and vocation, an idea born of his time in captivity. In its 60 years of existence, the philanthropic organization has awarded more than 1,600 grants. In 1987, Marcel Bleustein-Blanchet handed over the management of Publicis to Maurice Lévy. He went to chair the group's management board for 30 years. The founder died on 11 April 1996 in Paris. He left behind an advertising and communication giant now valued at \$7 billion, with 80,000 employees in 100 countries. Elisabeth Badinter, his daughter, a writer, philosopher and feminist, took over as head of its supervisory board, then handed over the position to Lévy in May 2017, who was replaced by Arthur Sadoun.



©Fondation de la Vocation

The digital shift of press subsidies in Luxembourg

MORE INFORMATION
www.duke.lu/presse

ONCE MOSTLY FAVOURABLE TO THE TWO MAJOR NEWSPAPER GROUPS, THE SYSTEM OF PRESS SUBSIDIES IS BEING REFORMED. THE STATE WILL NO LONGER PENALISE FREE PUBLICATIONS AND WILL EVEN SUBSIDISE MEDIA IN LANGUAGES OTHER THAN FRENCH, LUXEMBOURGISH OR GERMAN. WRITTEN AND DIGITAL MEDIA ARE NOW ON AN EQUAL FOOTING.

Historical support for pluralism

The transition between former Prime Minister Jean-Claude Juncker, an avid reader and frenetic collector of press clippings, and Xavier Bettel, a child of digital technology and an assiduous user of social networks, was bound to leave its mark. Press subsidies will not escape the trend.

The project matured over seven years. Previously, the system was very favourable to the large press groups, Saint-Paul (Luxemburger Wort) and Editpress (Tageblatt), but the scheme is now being extended to free publications and periodicals (L'Essentiel, Paperjam...), and importantly to web-based publications. "Supporting a varied, pluralistic and independent media landscape in the long term is an imperative for any democratic state", Xavier Bettel explained, speaking in one of his other roles as Minister of Communications and Media. While the printed press suffers, the word "paper" disappears from the future law. Exactly 6.6 million euros have been earmarked in the 2021 budget, an amount broadly comparable to that of previous years, with regular reevaluations scheduled.

30,000 euros per journalist

Created in 1974, the Luxembourg media assistance model was based, in addition to professional requirements, on complex calculations related to the volume of pages produced and the frequency of publication. The new law, which is due to be voted on at the beginning of 2021, abolishes any consideration of paper consumption and also now includes publications distributed free of charge. The subsidy features two elements, one proportional at 30,000 euros per journalist, the other so called "innovation aid" is fixed at 200,000 euros. At L'Essentiel, the free (and profitable) daily newspaper, they are rubbing their hands together

"The subsidy features two elements, one proportional at 30,000 euros per journalist, the other so called "innovation aid" is fixed at 200,000 euros."



and expect to receive a little more than a million euros a year. Maison Moderne, Mike Koedinger's group, and publisher of Paperjam, where 25 officially accredited journalists are employed, has so far received 200,000 euros of online press support. Reporter.lu, an online news medium, and the Lëtzebuurger Journal, which is no longer published in paper format, appear to be other beneficiaries of the new formula... as long as their models attract readers.

Quality à la carte

However, the new rules do not penalise the large groups, whose maximum annual allocation may not exceed €2.5 million. The "aid for innovation" of 200,000 euros (which the Council of State has asked the government to reconsider) also remains to be specified. Xavier Bettel

emphasised the need for quality information and the fight against fake news. The system even includes specific aids for "citizen media". Use of these tools will validate, or not, the legislator's intentions. Equating the employment of each journalist to a grant corresponding to the minimum qualified wage does not appear to be an argument for putting a true value on the profession. Being recognised as a journalist is now the key to receiving the press subsidy, and it comes with an even greater responsibility. Until a few years ago, the journalists at Paperjam were struggling to be accepted as such by a system corrupted by favouritism towards legacy publishers. Optimists see the new system as an incentive to produce quality information, free of the technical restrictions of yesteryear. Others fear a low-wage model, that might become fully internet based.



Daft Punk end the magic



MORE INFORMATION

www.duke.lu/daftpunk

AFTER 28 YEARS OF THEIR UNIQUE ELECTRO-POP SOUND, THE PHENOMENON THAT WAS DAFT PUNK IS NO MORE. ON FEBRUARY 22ND, THEY BROADCAST THE SELF-DESTRUCTION ON YOUTUBE OF "ONE OF THE MOST INFLUENTIAL AND POPULAR GROUPS TO HAVE EMERGED IN THE LAST 30 YEARS".

"Daft punky thrash"

Thomas Bangalter (46) and Guy-Manuel de Homem-Christo (47) met as teenagers at the Lycée Carnot in Paris, going on to found the rock band, Darlin', in 1987. In 1993, the British magazine Melody Maker called their songs a "bizarre fuzz-guitar reading of The Beach Boys" and "daft punky thrash". The pair took the "Daft Punk" review to heart and turned to electro-pop. Their style is inspired by the commercial, accessible and catchy Eurodance themes of the 90s, mixing house, disco, rap, synthesized riffs and samples. It also integrates the French underground electronica of the time with more aesthetic and innovative sounds. Helped at the beginning by Daniel Vangarde, Thomas's father and producer-composer of variety shows, the duo often recorded in the "Gang" studios, which were used by Jean-Michel Jarre in particular. There's no doubting his influence on the pair.

Four LPs in 28 years

"Untitled 18", another Darlin' track covering David Bowie's "Starman", marked the beginning of their electro experimentation. It found form on their first album "Homework" in 1997, whose singles "Alive", "Da Funk" and "Around the World" propelled Daft Punk to international recognition. The band waited until 2001 to release "Discovery", featuring Grammy Award Winning "Harder Better Faster" and "One More Time". This was followed by "Human After All" (2005) and then "Random Access Memories" (2013). Recorded without digital equipment, the latter album features Nile Rodgers of Chic, Pharrell Williams, and Giorgio Moroder, among others. It went on to

**"We want to break
our own rules
and reinvent
ourselves."**

receive five Grammy Awards, including Recording Of The Year with "Get Lucky", sung by Pharrell Williams.

Surprise – Break boundaries – Reinvent

Between each release, the two artists pursued their solo careers featuring musical or cinematographic projects: "We want to surprise ourselves, we want to break our own rules and reinvent ourselves," they stated in 2013. In 2002, Bangalter composed the soundtrack for the film "Irreversible" – with Vincent Cassel and Monica Bellucci – and co-wrote the script for "Interstella 5555", an anime based on "Discovery". The couple wrote and directed "Daft Punk's Electroma", a feature film, which won the Camera d'Or at Cannes in 2006, and the soundtrack of the film "Tron: Legacy" in 2010.

Among the tributes paid after the announcement of their separation, the "Pitchfork" website notes that "beyond the singles, their visual identity, their interstellar mystique and their philosophy of party music, they have inspired generations of artists across all genres".



2020, Space Odyssey

**MORE INFORMATION**www.duke.lu/odyssey

WHILE THE WORLD TURNED INWARD AND BECAME MORE CONFINED, HUMANITY'S ADVENTURE INTO SPACE HAS TAKEN UNPRECEDENTED STEPS OVER THE PAST YEAR, OPENING THE WAY TO TECHNOLOGICAL INNOVATIONS AND NEW DISCOVERIES. HERE IS A LOOK BACK AT SOME RECENT HIGHLIGHTS IN OUR EXPLORATION OF THE UNIVERSE.



→ 2020,
Space Odyssey

"The SpaceX NASA-industry partnership has re-launched the epic story of human space travel."



China brings back 2 kg of pebbles

On 16 December last, the Chinese ship Chang'e 5 returned to Earth after three weeks of a journey of some 750,000 kilometres. Launched on November 23rd, landing on the moon on December 1st, its objective was to collect two kilogrammes of lunar soil and rock. Too far away for manual operation from the ground control centre, mooring and collection were carried out on site using automatic pilot. The machine is named after the Chinese moon goddess. In January 2019, her predecessor Chang'e 4 landed on the far side of the white planet, a major event for China, the only country along with Russia and the United States to bring back fragments of the satellite. The last such excavation

dates back to 1976, with the Soviet module Luna 24 which returned with only 170 grams of samples.

300 million km and dust

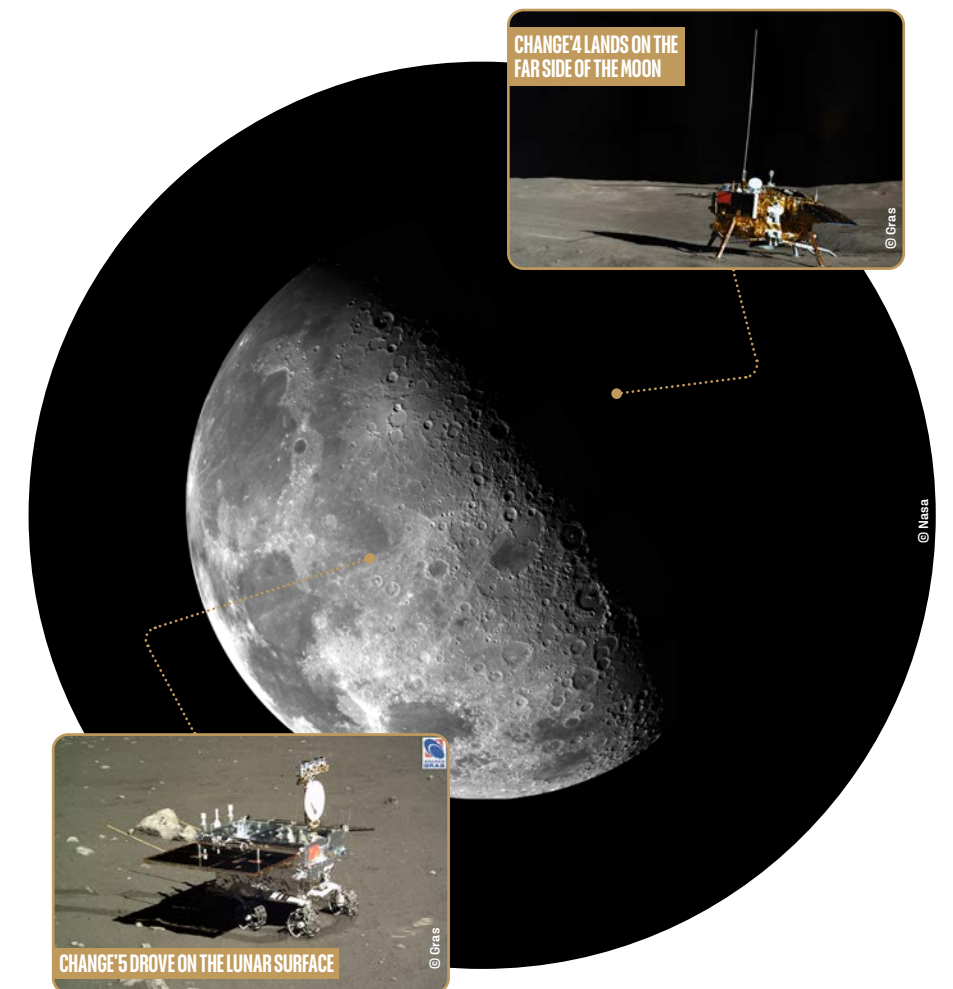
On December 6, after six years of odyssey, the Japanese probe Hayabusa-2 – which translate as "peregrine falcon" – brought back 0.1 grams of particles from the asteroid Ryugu located more than 300 million kilometres away. From the cosmos, it had then released its capsule containing the precious black sand-like material. Teams from the Japanese Aerospace Exploration Agency (JAXA), given responsibility for retrieving it from the Australian desert, were able to identify the canister thanks to the gas which was being emitted,

which is different to earth's atmosphere. The analysis will help to better understand the origin of life, as well as the formation of the universe and the 13.8 billion-year-old solar system. Before the end of 2021, JAXA will share its treasure with international scientists. Meanwhile, Hayabusa2 continues its journey to other asteroids. This is the second Japanese excursion to collect stellar samples.

By taxi with SpaceX

On May 31, 2020, a private vehicle dropped off two NASA astronauts, Bob Behnken and Doug Hurley, at the International Space Station (ISS) for a six-month mission. Developed and chartered by SpaceX – the Californian company of American-

Canadian entrepreneur Elon Musk – the Dragon shuttle is still the only non-institutional rocket to carry people into space. It can carry up to seven passengers and cargo. A first in the history of aeronautics, and a return by the Americans of manned flights to the ISS after nine years of absence. Musk is quoted as saying that "they were building a Ferrari for every launch, when it was possible a Honda Accord would do the trick." Since that pioneering commercial journey, Dragon has made 23 visits to the ISS. This US NASA-industry partnership has re-launched the epic story of human space travel. It heralds travel that will be safer and will go further, points to an increased number of expeditions, discoveries and scientific experiments, and bodes well for new business opportunities.



"They were building a Ferrari for every launch, when it was possible a Honda Accord would do the trick."

Ceos' favourite addresses

Eating

UPSCALE

Bouquet garni www.lebouquetgarni.lu
Clairefontaine www.restaurantclairefontaine.lu
De jangeli www.dejangeli.lu
La maison lefevre www.lamaisonlefevre.lu
La Mirabelle www.espaces-saveurs.lu
La Rameaudière www.larameaudiere.lu
Le Windsor www.windsor.lu
Léa Linster www.lealinster.lu
Les roses www.casino2000.lu/restaurants/les-roses
Ma langue sourit www.mls.lu
Mosconi www.mosconi.lu
Restaurant Le Sud www.le-sud.lu

CASUAL

Bick Stuff www.bickstuff.lu
Brasserie k116 www.k116.lu
Brasserie Mansfeld www.mansfeld.lu
Brasserie Schuman www.brasserieschuman.pro
Boos K Fé www.boos.lu
House17 www.house17.com
Ikki www.ikki.lu
La Bergamote www.labergamote.lu
Tempo www.tempobaroumanger.lu
Um Plateau www.umplateau.lu

SPECIALITIES

Burger Le Booster's: www.booster.lu
Indian Maharaja: Tel.: (+352) 24 17 45
Sushi Yamayu Santatsu Tel.: (+352) 46 12 49

CIGAR

La tabatière www.la-tabatiere.lu



Um Plateau



La Rameaudière

Leisure

CASTLES

Beaufort 24 Rue du Château, L-6310 Beaufort
Bourglinster 8 rue du Château, L-6162 Bourglinster
Clervaux Am Schloss, L-9774 Urselt
Vallée des sept châteaux Leesbach, L-8363 Septfontaines
Larochette 4 rue de Medernach, L-7619 Larochette

CULTURE

Mudam 3 Park Dräi Eechelen 1499, Luxembourg www.mudam.lu
Philharmonie Place de l'Europe L-1499, Luxembourg
Casemates 30, place Guillaume II, Luxembourg
Palais Grand ducal 17 Rue du marché-aux-Herbes, Luxembourg

PARTY

Brauerai www.bigbeercompany.lu
White House www.white.lu

Hotels

Sofitel Grand Ducal www.accorhotels.com
Hôtel Le Châtelet www.chatelet.lu
Hotel Le Royal www.leroyal.com
Le Place d'Armes www.hotel-leplacedarmes.com
Melia www.melia-luxembourg.com



MORE INFORMATION
www.luxembourgofficial.com



Bick Stuff



Brasserie Schuman

Share your talent!

**We are looking for
articles for the next
edition of "Duke"**

**Topics: technical subjects,
testimonies, your hobbies**

Format: 1 title,
1 short introduction
(200 characters maximum),
3-4 titled paragraphs – totalling a
maximum of 2.300 characters
(including spaces).

Contact us:
contact@360crossmedia.com

www.360crossmedia.com



ENVIE DE CONQUÉRIR LE MONDE?
**FAITES-LE AVEC
DHL EXPRESS.**

Que vous soyez une multinationale ou une PME, vous êtes important pour DHL. La clé de notre succès repose sur un réseau international connecté, que nous mettons à votre disposition afin de vous apporter la meilleure qualité de service partout dans le monde.

dhlexpress.lu | +352 35 09 09



**TRANSPORT EXPRESS
À L'INTERNATIONAL**

Nos spécialistes transport se mobilisent au quotidien, avec passion, pour vous accompagner dans votre développement international et faire en sorte que chacune de vos expéditions arrive à son lieu de destination en toute sécurité et le plus rapidement possible.



**PLUS RAPIDE
QUE L'EXPRESS**

DHL Sameday est l'offre de transport d'extrême urgence, de solution flexible et personnalisée de DHL Express. Notre cellule répond à tous vos besoins de transports nécessitant un traitement spécifique ou de dernière minute, en mettant à votre disposition une équipe dédiée d'opérateurs expérimentés.



E-COMMERCE

Quelle que soit la taille de votre structure, de la Start-Up à la Marketplace renommée, nos experts vous accompagnent et vous conseillent dans chacune des étapes de votre développement. Ensemble, nous construirons une solution de service adaptée à votre projet de vente en ligne.



GET THINGS DONE



FUN, FAST, FAIR PRICES

360Group combines
a communications agency
specialising in "Design
Sprints", an innovative
training centre and a
technology department,
which has developed the
www.360Box.fr

www.the-360group.com