

PRESS RELEASE

For immediate release

LGX expands to welcome Climate-Aligned Issuers

Luxembourg 25 February 2021: In the presence of Climate Bonds Initiative's CEO Sean Kidney, the Luxembourg Stock Exchange (LuxSE) today announced the latest development of the Luxembourg Green Exchange (LGX): a brand-new section of LGX dedicated to Climate-Aligned Issuers (CAI), built on Climate Bonds Initiative's issuer screening and research. As the world's leading platform for sustainable finance, LGX is now adding to its labelled bonds section a new section dedicated to issuers of debt securities that are active in climate-aligned sectors such as clean energy, low-carbon transport and sustainable land use, but that may not have issued bonds in the labelled format.

Unlocking climate finance

Climate Bonds-LGX Climate-Aligned Issuers aims to shine a light on the wider climate-aligned investable universe by highlighting private and public companies that derive at least 75% (strongly aligned issuers) or at least 95% (fully aligned issuers) of their revenues from low-carbon activities. Given the strong environmental dimension of their line of business, all debt securities issued by CAIs will be displayed as climate-aligned investments opportunities.

"Today's launch aims to cater to investors' demand for climate-aligned investment opportunities and contributes to a low-carbon and more inclusive economy. While the bonds issued by CAIs may not necessarily be labelled as green, they finance low-carbon activities with a positive environmental impact. With this new section, investors can identify untapped opportunities in climate finance and support companies with climate-aligned business activities. In the transition decade that has just started, LGX is keen on encouraging a broader pool of strong investment opportunities to ESG-conscious investors," commented Julie Becker, Deputy CEO of LuxSE and Founder of LGX.

More diversity

With this move, LuxSE complements its already extensive products section offering of labelled green, social, sustainability and sustainability-linked bonds on LGX, with a new issuers section aimed at supporting the sustainable finance agenda by giving visibility to environmentally friendly issuers of debt securities.

Defined and monitored by Climate Bonds, CAIs are identified based on the percentage of their revenue streams derived from climate-aligned activities as per the Climate Bonds Taxonomy. CAI securities listed on LuxSE will be displayed on the dedicated LGX section.

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On the day of the launch, the Climate Bonds-LGX Climate-Aligned Issuers section included 23 CAIs in 16 different countries. Other CAIs are expected to join LuxSE and LGX in the coming months.

Careful screening by Climate Bonds Initiative

Issuers included in the Climate Bonds-LGX Climate-Aligned Issuers section are identified by Climate Bonds through an in-depth screening process, research and a detailed analysis of revenue streams, business activities and outstanding debt. Climate Bonds has provided research on CAIs since 2012, and the methodology has evolved over time. Currently, Climate Bonds defines eight climate-themes: renewable energy, low-carbon transport, smart buildings, water, waste, sustainable land use & agriculture, climate adaptation and ICT.

“This launch by LGX represents a positive step in market development; connecting investors and capital with companies that already have inherent low carbon business models. In an environment where climate and sustainability factors are becoming fundamental to investment decisions, the CAIs section opens new opportunities for finance to flow where it’s needed most,” commented Sean Kidney, CEO of the Climate Bonds Initiative.

Supporting the global goals

Climate Bonds Initiative is an international, investor-focused not-for-profit organisation working to mobilise the USD 100 trillion bond market for climate action with the aim of developing a large and liquid Climate Bonds market that will help drive down the cost of capital for climate projects and improve access to lower-cost debt in emerging markets. Climate Bonds Initiative carries out market analysis, policy research, market development; advises governments and regulators; and administers a global green bond Certification Scheme.

Through this partnership, LGX relies on a robust methodology to provide investors with access to an extended universe of high-quality climate-aligned investment opportunities with a positive environmental impact.

To learn more about Climate Bonds-LGX Climate Aligned Issuers visit the [dedicated webpage](#).

About the Luxembourg Stock Exchange

The Luxembourg Stock Exchange (LuxSE) is the gateway to access international investors. With more than 37,000 listed securities, including 33,000 debt instruments, from 2,000 issuers in 100 countries, LuxSE is one of the world's leading exchanges for the listing of international, financial securities and offers a unique and integrated service offering covering listing, trading and information services.

In 2016, LuxSE launched the Luxembourg Green Exchange (LGX) and became the first exchange in the world to operate a platform dedicated entirely to sustainable securities. LGX has become a meeting place for impact-conscious issuers and investors, and has a leading global market share of listed green, social and sustainability bonds worldwide.

LuxSE also operates a specialist subsidiary, Fundsquare, which provides services to support and standardise cross-border distribution of investment funds.

For more information, visit www.bourse.lu