



### The Luxembourg Societal Impact Company (SIS)

The SIS presents a legal framework encouraging commercial companies to embed societal and environmental goals into their operations, thereby enabling profit generation alongside positive social and environmental impacts.

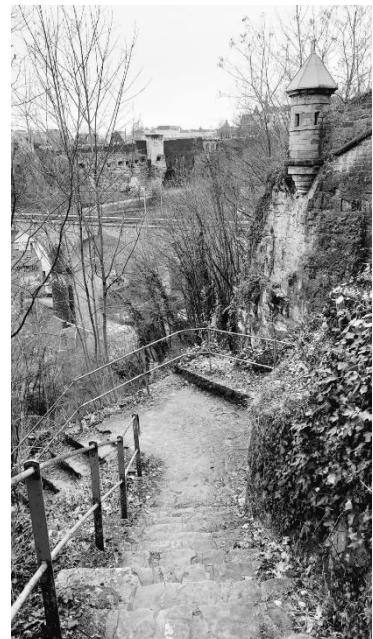
This special accreditation is delivered by the minister with responsibility for the social and solidarity economy and was created to provide to investors the assurance that the economic activities conducted by the SIS are authentic and socially responsible.

Key characteristics of the SIS structure include the requirement for a clearly defined social or environmental mission such as (i) providing aid to individuals facing vulnerability due to economic, social, or personal circumstances, including health-related needs or the requirement for social or medical support or (ii) enhancing social cohesion, combat exclusion and various inequalities (such as those related to health, gender, and economics), preserve the environment, promote cultural or creative endeavors, and facilitate both initial and ongoing training activities.

SISs are mandated to implement performance indicators to monitor their impacts and to report on their social and environmental performance to the minister aforementioned to provide the required guarantees in terms of transparency and sound governance.

This framework aims to facilitate access to financing options from socially conscious investors, while setting SISs apart in the market by appealing to investors prioritizing businesses committed to positive societal and environmental outcomes while providing the entities a legal framework related to the challenges of non-financial objectives and flexibility in tailoring activities to address specific societal or environmental challenges. For instance, SISs in which impact shares (i.e. shares which confer no entitlement to dividends) form 100% of the share capital are entitled to tax benefits such as exemption from corporate income tax, communal business tax wealth tax. SIS can only have the corporate form of a Private limited liability company (or S.à r.l.), Public limited liability company (S.A.), Simplified private limited liability company (S.à r.l. -S) or cooperative company (Coop)

In essence, the Luxembourg SIS fosters a more sustainable and inclusive approach to business, unlocking avenues for growth and innovation while addressing pressing societal and environmental issues. Please note do not hesitate to contact our team should you want to get more information regarding you the Luxembourg SIS.



(photo credit: Valerie Linari)

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