



EMPOWERING ■■■■  
SUSTAINABLE GROWTH

# Euronext Transition Plan 2023



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# Who we are

**Euronext is the leading pan-European market infrastructure offering a diverse range of products and services and combining transparent and efficient equity, fixed income securities and derivatives markets in Europe.**

Euronext's businesses comprise equity, debt, fund and exchange traded fund ("ETF") listing, corporate and investor services, cash trading, derivatives trading, foreign exchange trading, fixed income trading, power trading, Advanced Data Services, post-trade and clearing services as well as Technology Solutions.

Euronext has a key position in the financial ecosystem. It serves the real economy by bringing together buyers and sellers in high integrity trading venues that are transparent, efficient and reliable.

The finance sector can be an important contributor to the global sustainability agenda and can promote sustainable finance, by incorporating environmental, social and governance ("ESG") factors into investment decision-making, and by supporting the allocation of capital to sustainable initiatives. In this key role, Euronext has a responsibility vis-à-vis the whole financial community to contribute to the financial stability and the sustainable agenda in the countries in which it operates.

# Our Purpose and Our Mission

**Euronext connects European economies to global capital markets, to accelerate innovation and sustainable growth with the ambition to build the leading market infrastructure in Europe and the purpose to shape capital markets for future generations.**

Our Purpose is to shape capital markets for future generations.

Our Mission is to connect European economies to global capital markets, to accelerate innovation and sustainable growth.

Euronext follows its Purpose and its Mission by:

- driving investment in innovative, sustainable products and services through secure and transparent markets, in continuous collaboration with the financial community;
- inspiring and promoting sustainable tangible practices within the company and towards our communities, by respecting and developing our people and by supporting our ecosystem.

## Where we operate

Euronext is a Dutch public company with limited liability (naamloze vennootschap) with its headquarters in Amsterdam. It operates regulated securities and derivatives markets in Amsterdam, Brussels, Dublin, Lisbon, Milan Oslo and

Paris, a regulated derivatives market in Bergen, a leading fixed income trading platform MTS as well as four Central securities depositories, a clearing house and services across Europe.

## Why the financial sector needs to act against climate change?

**The world is facing significant challenges in ensuring a sustainable future for our people and our planet**

Within this context, the finance sector plays a crucial role as a key contributor to the global sustainability agenda. It is imperative for the finance sector to actively promote sustainable finance by integrating environmental, social, and governance (ESG) factors into investment decision-making processes. Additionally, the finance sector should support the allocation of capital towards sustainable initiatives.

Recognizing the diverse impact and opportunities that exist, every organization has a unique responsibility to contribute to the transition towards a sustainable society. Euronext, positioned at the heart of the financial ecosystem, serves as a vital link connecting European economies to global capital markets. With a vision to develop innovation and foster sustainable growth, Euronext aspires to establish itself as the foremost market infrastructure in Europe. Guided by the purpose of shaping capital markets for future generations, Euronext strives to create a sustainable and prosperous future for all.

# Euronext Group and its climate strategic priorities

**When it comes to addressing climate change, the Euronext Group has established a clear set of strategic priorities. These priorities reflect its commitment to driving positive change and promoting sustainability within the financial sector.**

Euronext's strategy "Growth for Impact 2024" sets out the Group's ambition to build the leading market infrastructure in Europe. The Group aims to make an impact on its industry and its ecosystem fulfilling its purpose to shape capital markets for future generations.

The "Growth for Impact 2024" strategic plan is built on different strategic priorities, one of them being "Empower sustainable finance" through an ambitious commitment with the launch of the Fit for 1.5° climate commitment, aiming to make a tangible impact on its partners and

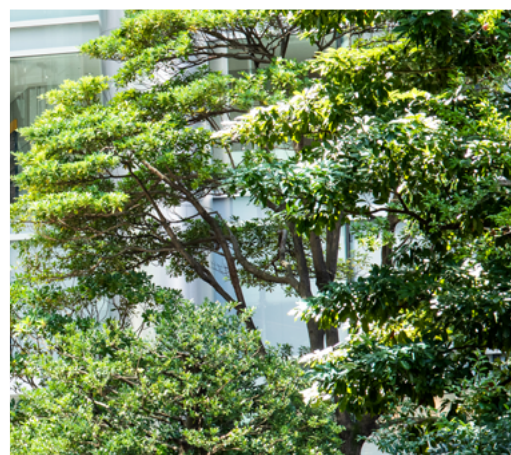
clients, and also through an enhanced inclusive people strategy.

Euronext has set science-based quantitative climate targets by signing the "Business Ambition for 1.5°C", a campaign led by the Science Based Targets initiative (SBTi) in partnership with the United Nations Race to Zero campaign.

Applying the SBTi methodology to Euronext emissions led to the formulation of the following targets which were reviewed and validated by SBTi in February 2023:

- By 2030, Euronext will reduce its Scope 1 and Scope 2 market-based greenhouse gas emissions by 73.5% compared to 2020;
- By 2030, Euronext will reduce its scope 3 business travel emissions by at least 46.2% compared to 2019;
- By 2027, Euronext suppliers, representing 72% of Euronext's greenhouse gas emissions derived from purchased goods and services, must set targets on their Scope 1 and Scope 2 emission.

To achieve its decarbonisation targets, Euronext has developed a comprehensive action plan and a dedicated governance has been put in place to mobilize internally all the actors and to facilitate the implementation of an integrated approach to ensure the targets being reached.





# Euronext Transition Plan

## 1. Purpose of the Transition plan

**The Euronext strategic plan “Growth for Impact 2024” builds on Euronext’s strong focus on ESG since many years. In this context, Euronext launched its “Fit for 1.5°” climate commitment, for its own performance, but also to positively impact its partners and its clients.**

With this commitment Euronext is willing to accelerate the transition of the economy on a 1.5-degree pathway with a net zero final objective.

In the context of addressing climate change, this Transition plan serves a vital purpose: to further develop the different steps Euronext has taken and will continue to take to adapt and, if necessary,

transform its business to be able to thrive in the low carbon economy.

The need for a climate transition plan has been accelerated by the evolving regulatory landscape. Moreover, COP27 led to some significant announcements indicating the need for organizations to create credible climate transition plans, in preparation for regulatory change. Finally, organizations

need a clear accountability mechanism and transparency (via disclosure) because there is growing interest from investors, customers, and employees in how they (organizations) plan on tackling the climate crisis and transitioning their business model to one that aligns with a 1.5°C world.

### **a. Evolving Transition plan**

But a Transition plan needs to stay credible and therefore to be reviewed regularly. At present there is limited consensus around what constitutes best practice with respect to preparing a Climate Transition Plan. This document is a first attempt to explain Euronext commitments and approach, covering both near-term targets and how we will identify actions required beyond 2030.

However, a transition plan is a living document that can and should be continuously improved and updated over time. As circumstances change, new information becomes available, and organizations make progress in their sustainability journey, the transition plan should be regularly reviewed, refined, and adapted to ensure its relevance and effectiveness.

### **b. CDP's guidelines**

While there may not be specific standardized guidelines for a transition plan, Euronext decides to follow the Carbon Disclosure Project (CDP) framework to guide its approach, CDP being a widely recognized and respected organization that provides guidance on sustainability.

According to CDP, a credible transition plan sets out how an organization take actions that:

- align its business model with a world in which two key outcomes are pursued: the global average temperature is allowed to rise by no more than 1.5°C

above pre-industrial levels and natural ecosystem health is restored.

- enable a thriving economy that works for people and planet in the long term.

## **2. Reducing our carbon footprint in our own operations**

**In order to achieve its decarbonisation targets, Euronext has developed a comprehensive action plan and a dedicated governance has been put in place to mobilize internally all the actors and to facilitate the implementation of an integrated approach to ensure the targets being reached (see below section 5).**

### **a. Roadmap to reduce our carbon footprint**

By 2030, Scope 1 and Scope 2 market-based greenhouse gas emissions must be reduced by 73,5% compared to 2020.

Scope 1 emissions will be reduced through consolidation and energy efficiency upgrades in the building portfolio, energy efficiency investments, decommissioning of gas fired boilers and decarbonisation of the vehicle fleet.

Scope 2 emissions will be reduced by moving office space and data centres to renewable energy, including through the move of Euronext's Core Data Centre to the Aruba Data Centre near Bergamo, Italy

concluded in June 2022.

The relocation of Euronext's Core Data Centre to a green facility has been the first move to follow through on this transformational commitment. The new data centre is powered 100% by renewable energy sources, much of which is self-produced through solar panels and hydroelectric power stations. The migration to a sustainable data centre sets the standard for the industry and provides clients with concrete tools to improve their own carbon footprint.

By 2030, Euronext will reduce its Scope 3 travel emissions by at least 46.2% compared to 2019 by a sustainable travel programme and internal carbon budgets for travel per department implemented from the start of 2023. Euronext has replaced many physical events with virtual events. Where physical events are maintained, the use of green or public transport is strongly recommended. The clear aim is to push employees to travel by train instead of plane and to stay in locations longer when they travel in order to extract more value from each trip. Moreover, some of the main events are gradually moved to locations that mean less travelling from target participants and speakers. Other initiatives include tracking all business trips and emissions on a quarterly basis supported by the Egencia platform, travelling in economy class for flights that are less than six hours, and adapting energy consumption reduction measures by identifying the routes producing the most emissions.

Finally, Euronext has committed to a supplier's engagement which consists of having, by 2027, Euronext suppliers, representing 72% of Euronext's greenhouse gas emissions derived from purchased goods and services, setting targets on their Scope 1 and Scope 2 emissions. This represents 150 vendors in total.

Euronext is engaging its key suppliers directly with a programme of education and is deploying a new supplier onboarding platform, which supports the 'Euronext Supplier Code of Conduct', including provisions regarding environmental protection, human rights, diversity and inclusion.

## **b. Euronext carbon emissions in 2022**

The company's goal is to help ensure the increase of global temperatures from pre-industrial times remains below the 1.5°C target, as set out in the Paris Agreement. In this context Euronext does calculate each year its carbon footprint. Euronext's greenhouse gas emissions arise from the buildings we occupy, the data centers we use, our business travel, and through the products and services we buy from our supply chain. In total, our 2022 emissions were 41.0 ktCO<sub>2</sub> with a decrease of 3.0% compared to 2021.

- Our Scope 1: 341 tCO<sub>2</sub> with a decrease of 10.3% compared to last year;
- Our Scope 2 (location based): 6,346 tCO<sub>2</sub> with an increase of 48.2% compared to last year;
- Our Scope 3: 34,355 tCO<sub>2</sub> with a decrease of 8.8% compared to 2021.

The decrease in scope 1 is mainly due to the reduction of fossil fuels in buildings and cars. The increase in scope 2 (location-based) is mainly due to the double-run, for a transitional period, of the new Core Data Centre in Bergamo and previous data centres. A huge decommission plan is under way. This is also linked to the colocation services provided by Euronext to its clients in the Bergamo's data centre. The decrease in scope 2 on a market-based basis is due to the switch to Green energy, as further described below under "SBTi Targets". Scope 3 is mainly linked to purchase and goods invoices.



Scope 3 travel emissions have decreased by 57.85% compared to the base year 2019, well ahead of the target. Those numbers show that the resumption of travels is taking place gradually and is not yet at the same level as pre Covid. Results linked to business travels may increase again in the coming years, but Euronext will continue to closely monitor them by introducing an internal carbon budget as from 2023 in order to continue to comply with the agreed targets.

### c. Euronext's clear ambition to become Net zero on the long term

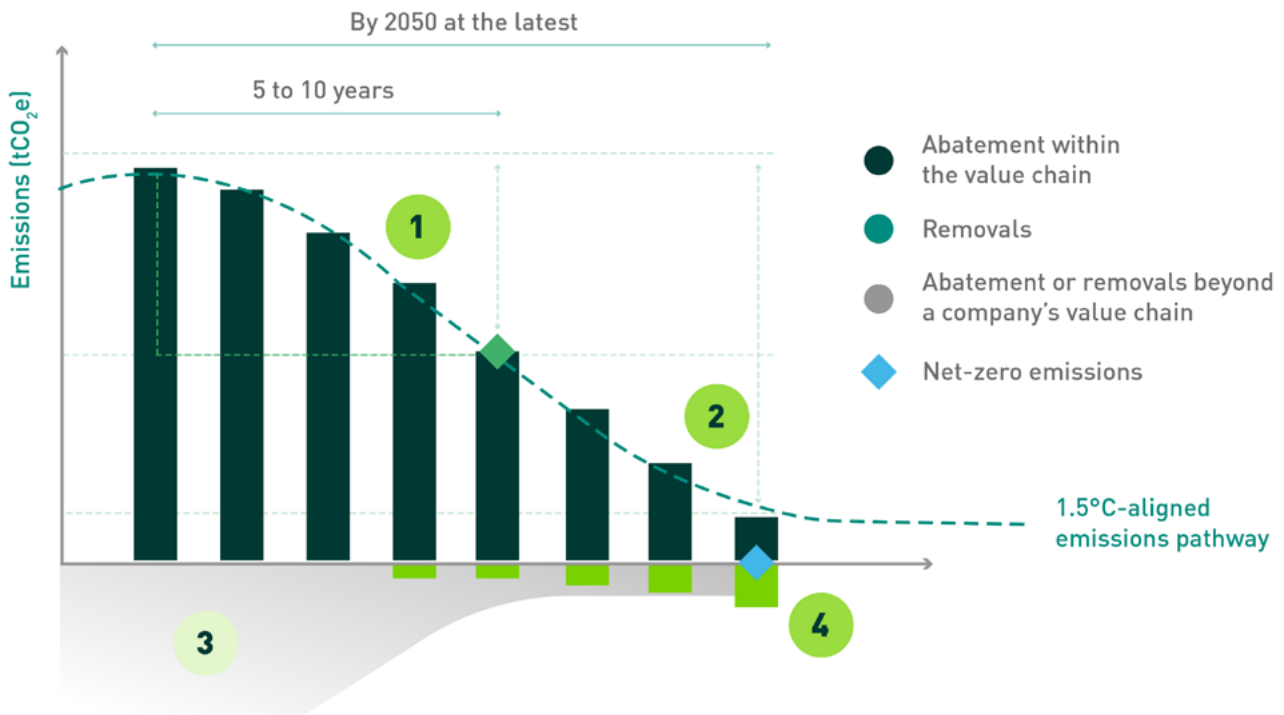
A company is considered to have reached net-zero when it has achieved its long-term science-based target and neutralized any residual emissions.

To reach a state of net-zero at the corporate level, companies must deeply reduce emissions and counterbalance the impact of any emissions that remain.

The SBTi Net-Zero Standard defines corporate net-zero as:

- Reducing scope 1, 2, and 3 emissions to zero or a residual level consistent with reaching global net-zero emissions or at a sector level in eligible 1.5°C-aligned pathways; and
- Permanently neutralizing any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter

In that context Euronext is currently working on setting those long-terms targets.



- 1** To set near-term science-based targets
- 2** To set long-term science based targets
- 3** Beyond value chain mitigation
- 4** Neutralisation of residual emissions

● Required    ● Recommended

### **3. Climate risks**

**Climate change may have a material impact on the global and regional economy in which Euronext is a key player. Euronext seeks to ensure that our Group adopts a robust approach to risk, including risks related to climate-change, so that we can continue to provide the services and products we offer our customers and society. In this context, Euronext has developed an approach to identifying, managing and mitigating climate risks.**

#### **a. Transitional and physical risks identified in Euronext's operations**

Following the TCFD's recommendations, Euronext has carried out an analysis of the various climate risks described by the TCFD, both physical (acute and chronic) and transition-related (political and legal, market and technology). Euronext places significant importance on the impact of climate change within the overall operational strategy. To evaluate the risks of climate change, it analyses within its different businesses how climate risks are manifested, how much they may impact the financial performance, which products and services could be affected, and what strategic steps are suitable to mitigate risks.

The TCFD risk analysis includes multiple time horizons, short term (0 to 1 year), medium term (1 to 3 years) and long term

(3 to 10 years). Our annual TCFD report contains the results of our analysis and provides mitigation measures Euronext has implemented or will implement.

#### **b. Euronext's Physical Climate risks scenarios**

Euronext is working to enhance its climate change risk scenario analysis. As a reminder, scenario analysis seeks to assist companies to determine how resilient their activities and operations are, based on climate and policy scenarios provided by various organisations such as IPCC, IEA etc. We see scenario analysis as a key tool to better understand climate change impacts (financial, operational etc.) on Euronext, hence our effort to further develop this approach.

#### **c. Euronext's climate risk management system and governance**

To achieve its ambitions and preserve favourable conditions that enable the Company to fulfil its mandate, Euronext has adopted an Enterprise Risk Management (ERM) framework. The Enterprise Risk Management framework is designed and operated to identify and assess potential events that may affect the Company, including climate risks, and seeks to manage and monitor them. Euronext embeds the risk management philosophy into the company culture, in order to make risk and opportunity management a regular and everyday process for employees. The Supervisory Board and Managing Board regard ERM as a key management process to steer Euronext and enable management to deal effectively with risks and opportunities.

ERM is a key element of our climate strategy, designed to ensure the resilience of our business and operations. For more details, Euronext's ERM can be found in

our annual TCFD report, where we explain how our ERM is structured.

## **4. Euronext's commitment to have a positive climate impact on its stakeholders**

**One of the ambitions of our transition plan is not just to manage and mitigate our climate risks. We also want to have a substantial positive impact on climate change mitigation and adaptation through our stakeholders, because we believe that our mission as a financial market infrastructure is to make tomorrow's economy and society more resilient in the face of today's environmental challenges.**

### **a. Our market pillar**

In its ESG roadmap, Euronext has defined several key areas in which it can have a substantial positive impact. One of these is the "market" pillar, which includes Euronext's customers. With its "Growth for Impact 2024" strategic plan, Euronext's aim is to help its customers in their climate approach in order to contribute to a global economy aligned with a 1.5° trajectory. A key element of this strategy is to develop Euronext's ESG business,

specifically its climate-related products and services, and hence to contribute to the shift of investments in sustainable assets .

Euronext's climate-related products and services include features such as low-carbon and climate indices, ETF's, green bonds, derivatives, equities and initiatives in the post trade area. For more information on the latter, please refer to section 3.4.1.2 "Promote and develop sustainable and innovative products and services with environmental (green and blue) or social added value of the Universal Registration Document 2022."

### **b. Euronext's engagement in industry and stakeholders' groups/consultations**

Euronext is committed to playing a leading role on climate issues within the financial industry. This is why Euronext has decided to participate in several stakeholder groups and consultations on climate finance in order to enhance the climate impact of the financial industry as a whole. For example, Euronext is an active member of SSE, ICMA, FESE and PRI.

In addition, Euronext has been involved in various regulatory groups on sustainable finance such as the European Technical Expert Group (TEG), EFRAG, the EU Platform on Sustainable Finance, etc.

### **c. Euronext's society pillar**

In addition to the financial industry, Euronext believes it has a role to play with society in the fight against climate change. In recent years, one of the causes that has been particularly central to Euronext's societal project is that of the oceans and, more generally, the blue economy. Indeed, Euronext is a signatory of the UNGC Sustainable Ocean Principles, and in recent years has supported several associative projects focusing on the blue economy,

such as the Blue Challenge, an educational initiative aimed at high school students to boost financial literacy and encourage innovation to limit Climate Change and to foster the Blue Economy. As a reminder, oceans play an essential role in the fight against global warming, since they are a veritable carbon sink that humanity must preserve to ensure a sustainable future for the planet.

## 5. Robust Climate governance

**In order to implement its climate transition plan, Euronext adopted a robust governance that will ensure that climate topics are integrated within the group’s overall strategy and operations.**

### a. From the top of the company

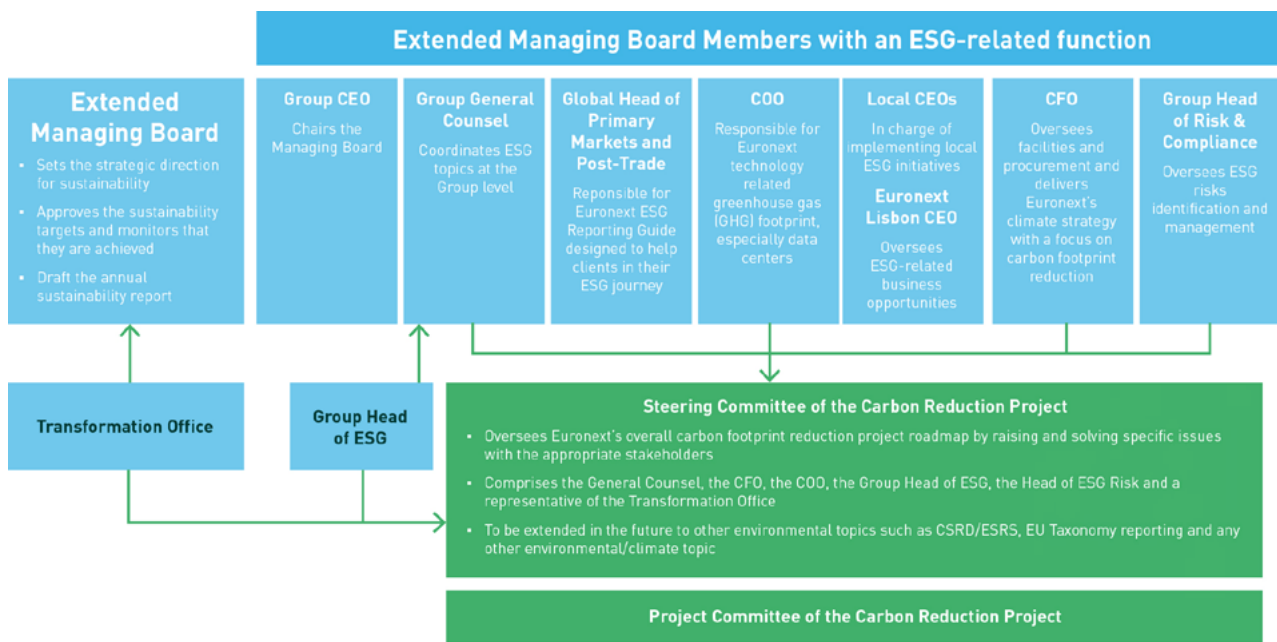
Euronext has a two-tier governance structure composed of a Supervisory Board and a Managing Board. The Supervisory Board’s main role is the supervision and oversight of the Company’s management. The Supervisory Board is chaired by an independent Supervisory Board member.

The Managing Board is responsible for the development and implementation of the Company’s strategy as well as assuring the day-to-day operations. The Managing Board is chaired by the Group Chief Executive Officer (CEO).

The Managing Board and the Supervisory Board fully endorse ESG, including climate-related topics, as a core component of the strategy of Euronext. The Supervisory Board, being responsible for the oversight of management and the Group’s strategy, including the ESG aspects of it, is regularly updated and informed by the Managing Board. In 2022, members of the Supervisory Boards received regular training on ESG topics including climate change to make sure they understand and embrace the new challenges in the face of the ongoing climate crisis. Because it is a strategic and transversal topic, instead of allocating ESG and climate competences to a dedicated committee of the Supervisory Board, Euronext decides to discuss and manage these topics at the plenary mode of the Supervisory Board and in its Committees.

Implementation of the Group ESG Strategy follows the structure shown in the diagram below. It highlights Members of the Managing Board, including extended Members and permanent invitees, that are key to the success of the Group ESG strategy:





The Managing Board and the Extended Managing Board are composed of individuals with a specific role in the management of Euronext's sustainable governance:

- The Group General Counsel is in charge of coordinating ESG topics at the Group level, and ensuring that all relevant departments integrate the ESG objectives into their missions;
- The Chief Operating Officer is responsible for Euronext technology related greenhouse gas (GHG) footprint, particularly with respect to the management of the data centres, one of the most significant sources of carbon emissions;
- The Chief Financial Officer oversees the Facilities and Procurement teams (including travel) and delivers Euronext's climate strategy with a focus on operational emissions, contraction and energy consumption reduction under the SBTi's targets;
- The Chief Talent Officer supports the ESG team in providing training and awareness raising to the Group's employees leveraging the performance management system and training programme as well as the social strategy of the group;
- The Group Head of ESG, who reports to the Group General Counsel, is responsible for the development and the follow up of the ESG strategy and for cascading the Group's climate strategy and ESG initiatives more broadly throughout the organisation.
- On the business side
  - The CEO of Euronext Lisbon oversees the "Our Market" pillars of the "Growth for Impact 2024" strategy especially climate-related opportunities as part of Euronext's sustainable finance offering;
  - The Global Head of Primary Markets and Post-Trade is responsible for the Euronext Reporting Guide. This Reporting Guide is designed to help listed companies in their interactions with investors and the wider ESG community; to help them understand how to address ESG issues as a key component of investor relations and to provide key principles to consider when preparing an ESG report. The 2022 revised version of the guide has been published, with a focus on the 1.5°C global temperature trajectory, in line with Euronext's "Fit for 1.5°" commitment;

- The Head of Global Sales manages client relationships and is responsible to innovate and develop new product lines and initiatives, and launch new products to the market, including ones with environmental added value;
- The Head of Cash and Derivatives, is responsible for the product offer, market model, strategy, pricing and liquidity programmes and in that context to develop sustainable and innovative products and services;
- Finally, all ESG initiatives are captured by the Transformation Office, which monitors the progress of the whole strategic plan of the Group, reports regularly on this progress to the Managing Board and the Supervisory Board and, in this context, has regular update meetings with the Group Head of ESG. All significant new ESG related projects are submitted for approval to the Managing Board.

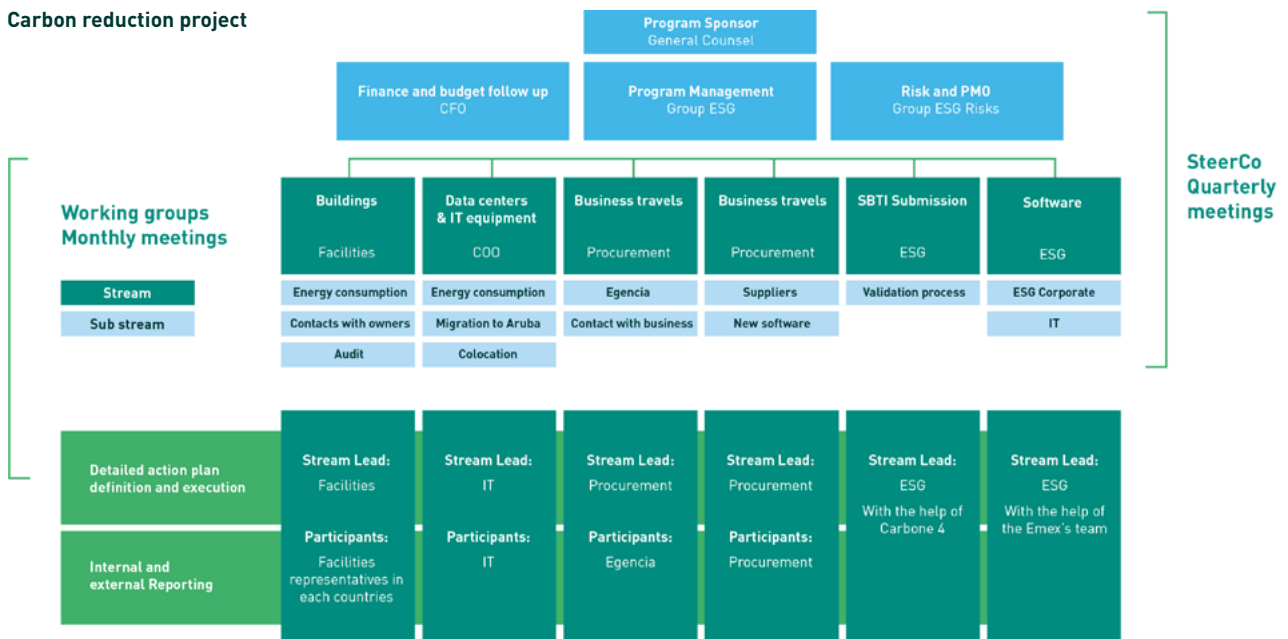
to mobilise all relevant departments and stakeholders internally and at all levels of the Group, and to implement an integrated approach to ensure timely achievement of the project targets. To accomplish this project, a monthly Project Committee has been established with the responsible members of the relevant departments to provide updates, feedback, and action plans or mitigation measures on the project workstreams. Project workstreams identify and handle dependencies with other workstreams, they identify risks and define mitigants and finally they identify and escalate non resolved issues to the Project Committee. Each Workstream is responsible for organizing regular meetings within their stream and sub-streams.

A Steering Committee - comprising of the General Counsel, the CFO, the COO, the Group Head of ESG, the Head of ESG Risk and a representative of the Transformation Office - meets on at least a quarterly basis to provide oversight and decision approval. Ad hoc Steering Committees may be called as necessary. The purpose of the Steering Committee is to raise and solve specific issues with the appropriate stakeholders.

## b. Dedicated carbon reduction steering committee

Moreover, a dedicated governance has been implemented to facilitate the Carbon Reduction Project (SBTi targets)

### Carbon reduction project



The carbon reduction project will be extended to CSRD reporting environmental-related topics, to the EU Taxonomy reporting as well as to any climate or environmental topics.

### **c. A clear and ambitious group environmental policy**

Euronext released in March 2023 a group level environmental policy. In addition to our compliance with the relevant environmental legislation, this policy provides guidance on our actions and measures taken to improve our environmental performance, especially on climate-related topics ([link](#)).

All Euronext's entities comply with this policy while conducting their activities and operations.

### **d. Raising awareness on climate change among Euronext's executives and employees**

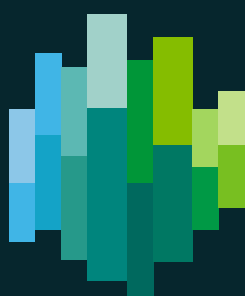
As part of our Transition plan, we believe it is essential that we raise awareness on Climate Change among our employees and executives. That's why we've rolled out training courses on climate change,

so that Euronext employees become aware of the scale of the subject, in particular how it will affect our business, and that they participate in the implementation of concrete solutions at the level of the Group's operations and activities. For example, since 2022 we have deployed Climate Fresco workshops and reached the symbolic milestone of 30% of employees trained by the end of 2022. In addition, our employees have access to several online training courses on climate change through Euronext Academy, and we organize ESG business sessions every month, during which we discuss environmental issues related to our activities and operations.

## **6. Euronext's climate reporting**

**All Euronext's climate-related information are accessible within our URD within the ESG section, our annual TCFD report and our GRI report.**





## Shaping capital markets for future generations

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