

An aerial photograph of a wide beach and ocean under a cloudy sky. A large teal rectangular overlay is positioned on the left side of the image, containing the main title and subtitle. The beach curves along the right side of the frame, with waves breaking onto the shore.

EMPOWERING SUSTAINABLE GROWTH

MEDIA BRIEFING



17 JUNE 2020

THANK YOU FOR JOINING US TODAY



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AGENDA

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Stéphane Boujnah

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Mathieu Caron

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ESG STRATEGY UPDATE:

EMPOWERING SUSTAINABLE GROWTH

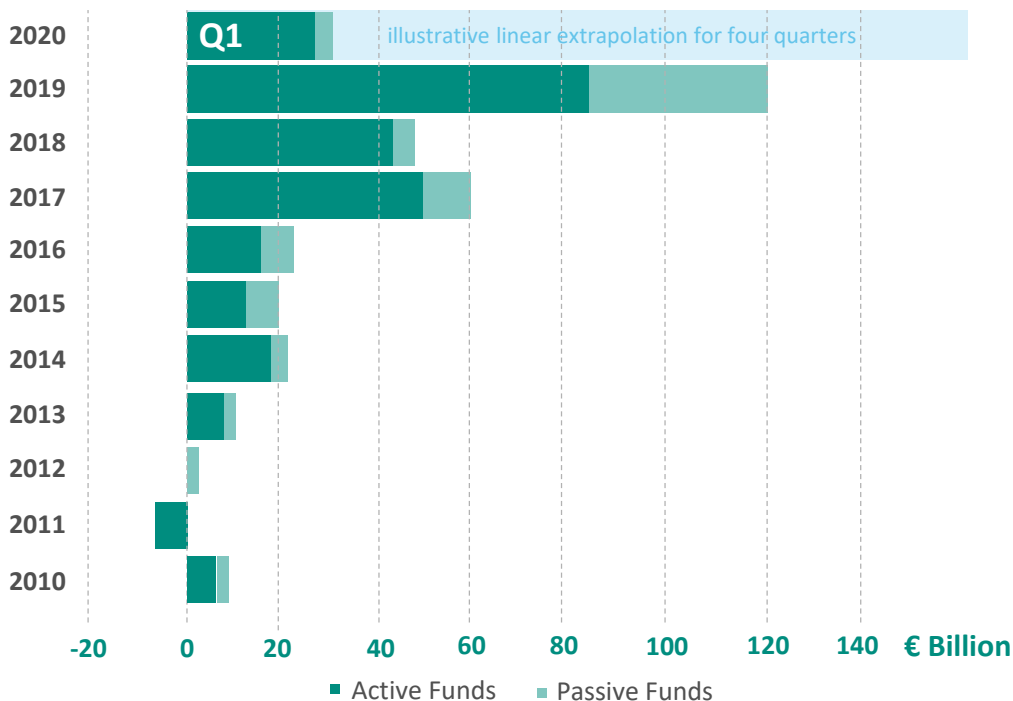


Stéphane Boujnah

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SUSTAINABLE GROWTH

DEMAND FOR ESG INVESTMENT PRODUCTS IS STRONGER THAN EVER

Annual European Sustainable Fund Flows 2010-19¹ (in €bn)



Confirming the last decade's trend of ever stronger demand for ESG investment products, European sustainable funds attracted inflows of €30bn in Q1 2020¹, in the midst of the Covid-19 sell-off.

- Rebuilding our economies is an opportunity to **attain higher ESG standards**
- Economic recovery requires massive public and private **investment**
- Euronext is positioned as the **venue of choice** in Europe to facilitate the flow of capital towards ESG investment products

LET'S GROW TOGETHER 2022: ACCELERATING THE TRANSITION TOWARDS SUSTAINABLE FINANCE

Euronext has a special 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. In this key role, Euronext has a responsibility vis-à-vis the whole finance community to contribute to the financial stability and the sustainable agenda in the countries in which it operates.

Driving investment in innovative, sustainable products and services through secure and transparent markets, in continuous dialogue between the players of the financial community

Inspiring and promoting tangible sustainable practices within the company and towards our communities, by respecting and developing our people and by supporting our ecosystem

Impact areas

OUR ENVIRONMENT

OUR MARKETS

OUR PEOPLE

OUR PARTNERS

OUR SOCIETY

LET'S GROW TOGETHER 2022:

A CLEAR ROADMAP ALIGNED WITH THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

OUR MARKETS



- Organise a trusted, fair, transparent and efficient market, thereby enhancing access to capital
- Promote and develop sustainable and innovative products

OUR ENVIRONMENT



- Reduce our own carbon footprint and contribute to the protection of the environment

OUR PEOPLE



- Develop skills and retain talents in an open culture of dialogue
- Promote diversity
- Promote human rights

OUR PARTNERS



- Foster Issuer-Investor dialogue
- Maintain an ongoing dialogue with multi-stakeholder partnerships
- Educate partners on financial literacy and regulations

OUR SOCIETY



- Act ethically, with integrity and the highest standards in terms of good governance
- Educate and engage with local communities

A STRONG SUITE OF ESG PRODUCTS AND SERVICES TO ACCELERATE SUSTAINABLE INVESTMENT

Most recent ESG developments and immediate plans:



BOLSTERING THE BLUE ECONOMY



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Euronext: a European player connected to the ocean

Euronext countries share:

- Tradition of fishing and shipping
- Leading ports with global position
- Common history of seafaring
- Significant coastal and marine tourism
- Committed to limit climate change, protect biodiversity and fight water pollution

■ Euronext core countries

■ Euronext Tech SME initiative expansion

● Regulated markets

● CSD

● Sales office

▲ Technology centre

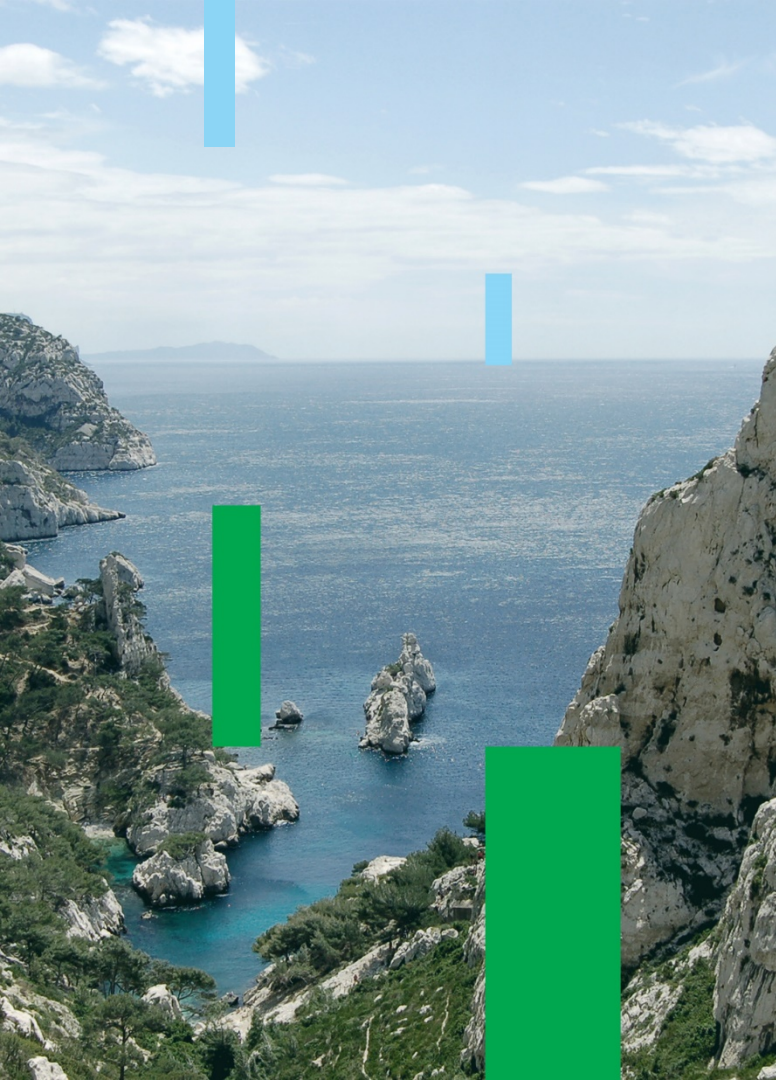


OUR SOCIETY

Developing a community action plan supporting the Blue Economy within the UN framework



- Official Supporter of the **UN Sustainable Stock Exchange initiative** since 2015.
- Endorsed the **Task Force on Climate-related Financial Disclosure** recommendations in 2018.
- Engaged with the **UN Global Compact Sustainable Oceans Business Group** since 2019.
 - Set up UN Blue Bond principles in April 2020.
 - Available on the new Euronext ESG Bonds offering.
 - Adhered to the UN Global Compact Principles and the nine Ocean Principles in June 2020.



ESG INDICES AND DERIVATIVES:

ATTRACTING INVESTORS TO SUSTAINABLE COMPANIES



Nicolas Rivard

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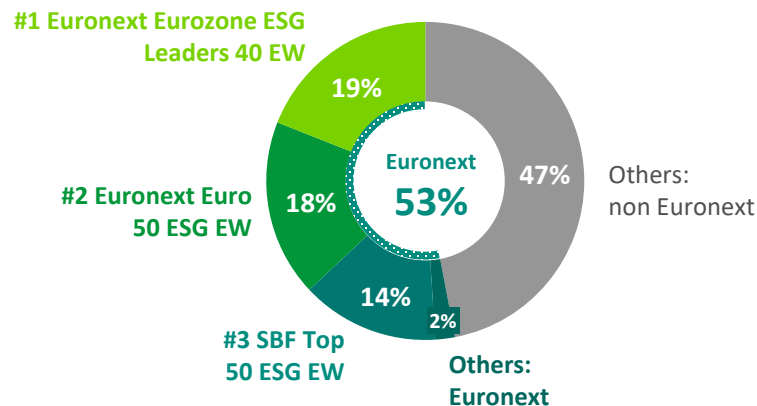
AT THE FOREFRONT OF INCREASING DEMAND FOR ESG INDICES SINCE 2008

Low Carbon 100 index was the 1st low carbon index in Europe,
and now underlies the largest European ESG ETF

<i>Top European ESG ETFs</i>	<i>AuM (€m)</i> <small>May 15th, 2020</small>
BNP PARIBAS EASY LOW CARBON 100 EUROPE UCITS ETF	764
LYXOR MSCI Europe ESG Leaders (DR) UCITS ETF	645
iShares MSCI Europe ESG Screened UCITS ETF	327
indexIQ Factors Sustainable Europe Equity	146
iShares MSCI EMU ESG Screened UCITS ETF	51

In a fast growing market, Euronext was the #1 ESG Indices
provider for structured products in Europe in 2019

Top ESG underlying indices in Europe in 2019 for structured
products by market share



**+220% sales volumes of ESG Structured Products in
Europe in 2019 vs. 2018**

ONE STEP FURTHER: EURONEXT LAUNCHES THE EUROZONE ESG LARGE 80 INDEX WITH DERIVATIVES FOR ENERGY TRANSITION

A public benchmark for the Eurozone's sustainable economy

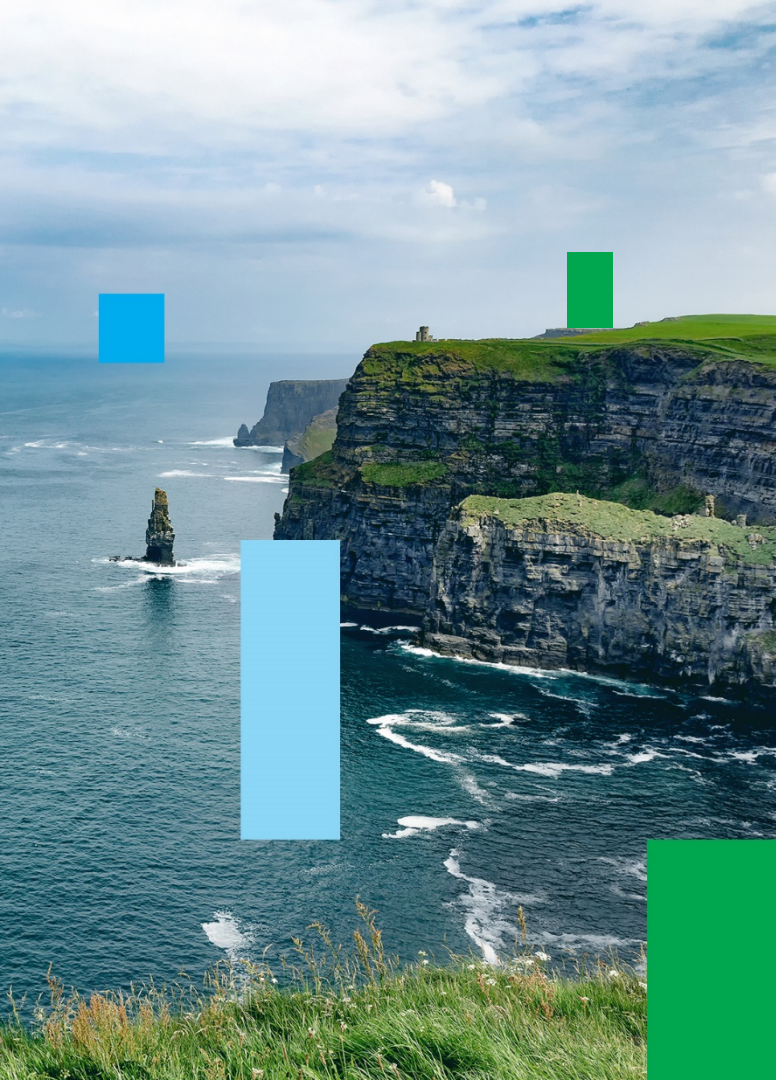
Investable through Futures contracts now live

- A highly selective index of the **80 best-in-class companies** from their sector supporting the transition to a low-carbon economy
- Powered by **Vigeo Eiris Moody's Energy Transition framework**
- **Strong exclusion filters:** excluding 20% lowest-ranking companies in terms of social and governance assessment and companies facing critical controversies involved in coal, tobacco or weapons
- **Preserving liquidity:** selection based on 300 highest market capitalizations **and sector representativity** of the Eurozone
- **70% reduction of carbon footprint** vs. Eurozone index
- **Futures contracts launched June 1st,** supported by 4 market makers: BNPP, DRW, Optiver and Société Générale
- Providing investors with effective **hedging tools and the opportunity to gain exposure to the Eurozone sustainable economy**
- **Standard pricing:** pricing aligned to historical blue-chip indices



ONE STEP FURTHER: THE LOW CARBON 100 INDEX NOW ALIGNED WITH THE PARIS AGREEMENT

- **Evolution of the successful index created in 2008** with international experts Carbone 4, Carbon Disclosure Project, and Vigeo Eiris Moody's
- **Aligned with the current draft of the most ambitious EU regulation on low-carbon benchmarks**, Paris-aligned Benchmarks
- For investors to pursue **low-carbon investment strategies** in line with the Paris Agreement
- **Concrete impacts** (i) a 7% year-on year reduction in CO2 emissions (ii) a 1.5°C limit to global temperature rises by 2050 and (iii) excludes fossil fuel companies
- **Largest ESG ETF in Europe from BNP Paribas Asset Management** tracks this index



ESG BONDS:

FACILITATING THE FUNDING OF
SUSTAINABLE PROJECTS



Daryl Byrne

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LAUNCH POINT: GREEN BONDS OFFERING BY #1 BOND LISTING VENUE

Where we are today

- Euronext is the #1 venue globally for listing bonds
- Green Bonds offering was launched in November 2019
- Enables issuers to showcase green credentials
- One-stop shop to identify green investment opportunities listed on Euronext

Developments since launch

- Increase in number of issuers since launch from 57 to 92
- 221 green bonds now featured on the Green Bond offering, including 20 new issuances since the Covid-19 crisis
- Diverse issuer mix, including Sovereigns, Development Banks, Municipalities and Corporates



ONE STEP FURTHER: FROM GREEN TO ESG BONDS

ESG Trends

- ESG Market growing globally with \$311bn of issuance in 2019 (55% growth on 2018)
- Issuer drive to increase ESG visibility
- Transparent ESG standards enhancing investor appetite
- ESG objectives more prominent in investment agendas

Social & Sustainability Bonds

- Demand for Euronext solution for Social and Sustainability Bonds
- 3 Social Bonds & 11 Sustainability Bonds listed on Euronext

Blue Bonds

- Contributor to UNGC Blue Bond Reference Paper
- Euronext is the only exchange signatory of the UNGC Sustainable Ocean Principles

ESG bonds



Social bonds

Raise capital for projects with dedicated social benefits.



Sustainability bonds

Raise capital for projects with a mix of social and environmental benefits.



Green bonds

Raise capital for projects with dedicated environmental benefits.



Blue bonds

Raise capital for projects with marine or ocean-based benefits.

ONE STEP FURTHER: ADDRESSING THE DEMAND FOR A COMPREHENSIVE AND TRANSPARENT ESG INVESTMENT UNIVERSE

Euronext ESG Bonds: what are they and what are they for?

- Green bonds offering expanded to other ESG bonds: Sustainability, Social, Sustainability-Linked and Blue
- Only offering to bring together ESG bond listings from multiple locations
- Enables issuers to increase 'ESG visibility' and showcase ESG credentials
- Discovery tool for investors to locate ESG bond investments

ESG Bonds fulfil multiple transparent criteria to enhance investor confidence

- Listed on a Euronext market
- Compliant with recognized industry standards
- Independent external review





CORPORATE SERVICES:

SUPPORTING ISSUERS IN THEIR ESG TRANSITION



Mathieu Caron

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CORPORATE SERVICES: SUPPORTING ISSUERS IN THEIR ESG TRANSITION

Our issuer clients are under increased pressure to act on ESG

01 Stakeholder pressure to commit to ESG. The expectations of stakeholders on ESG have increased, forcing issuers to create a clear ESG roadmap.

02 Investor demand for concrete ESG impact. Asset Managers are increasingly incorporating ESG factors into portfolio construction decisions, resulting in a need for issuers to demonstrate their concrete impact.

03 Need to improve environmental metrics and implement excellent corporate governance standards. COVID-19 has accelerated a trend of digitalisation. This is an opportunity to become more efficient in terms of digital presence while improving environmental metrics by diminishing travel-related CO2 emissions.

Euronext Corporate Services supports them in their ESG transition



**ESG
Advisory**



**ADVISORY AND
IR SOLUTIONS**



**Virtual
Roadshows**



COMPANY WEBCAST



**Digital corporate
governance**



IBABS

ESG ADVISORY:

TAILOR-MADE SUPPORT TO ASSIST ISSUERS IN BUILDING THE ESG PILLAR OF THEIR EQUITY STORY

Transform ESG challenges into targeted investor relations and support long-term financing

- **Investors increasingly factor ESG into their investment strategy:** significant Assets under Management are now being driven towards sustainable investments. Issuers therefore need to engage in ESG and be able to demonstrate concrete actions to attract these “mainstream funds”.
- **Diversity of ESG guidelines for issuers:** more KPIs required to meet rating standards and investors' expectations. Data collection has become a challenge for corporates to engage with stakeholders on relevant content and sound guidance to promote the ESG transition.
- **A more active dialogue between issuers and investors.** Issuers need to better engage with their shareholders and prevent activist situations through efficient governance.

HIGH-TOUCH ADVISORY

Building an ambitious ESG strategy that is impactful with sustainable funds, to attract new financing opportunities: materiality review, shareholding exposure, perception study.

WORKFLOW SOLUTION

Prioritising ESG data collection to improve reporting on relevant KPIs, to meet with agencies' requirements and define a clear ESG guidance for investors.

GOVERNANCE SUPPORT

Engaging with investors through governance roadshows and a well-prepared dialogue: governance check, investor targeting, IR roadmap, activist situations.

VIRTUAL ROADSHOWS:

ENGAGE WITH ESG STAKEHOLDERS GLOBALLY THROUGH COMPANY WEBCAST

02



COMPANY WEBCAST

Utilise the latest digital trends in issuers' shareholder engagement journey

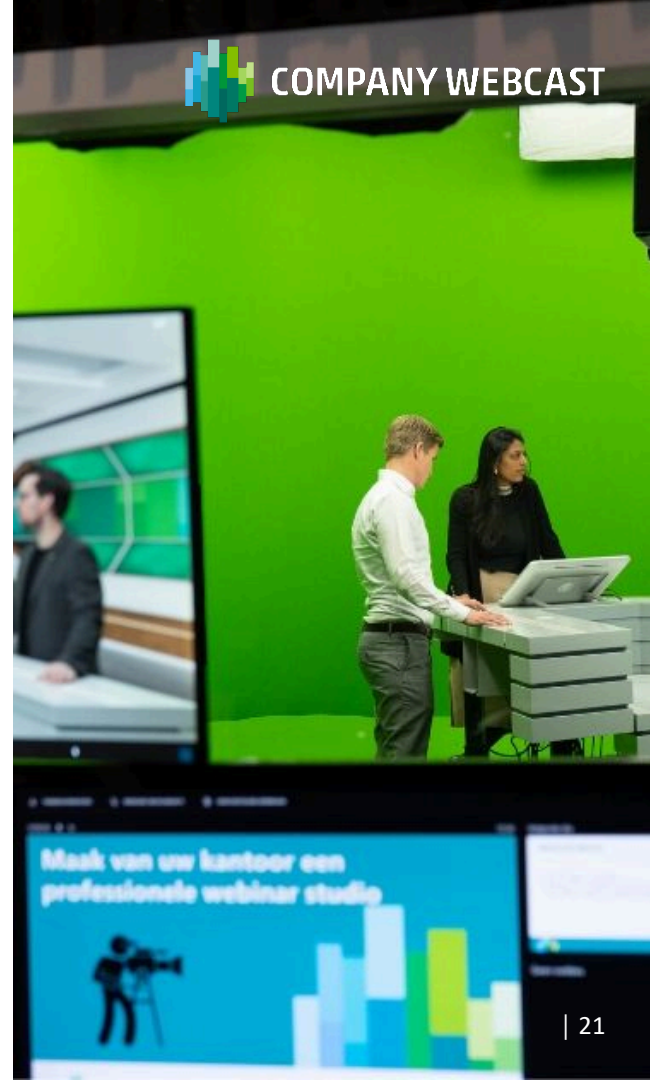
- COVID-19 prompted an **increasing number of issuers to meet investors virtually**, and even host IPO-related virtual roadshows that had historically been an extensive 'on the road' experience for management teams
- **Going digital doesn't have to be a compromise** – numerous issuers have seen successful IPOs and capital raises with the help of virtual meetings

Consistency in issuers' ESG objectives and actions

- It has become a paradox that some companies with ambitious ESG objectives are still sending their top management on the road to meet investors all around the world, increasing CO2 emissions, corporate expenses and valuable time spent travelling.
- Company Webcast's Virtual Roadshow offers a perfect combination of **digital investor engagement and studio experience**, allowing management to deliver a powerful IR message to the international investor community through its **cutting-edge webcast technology**.

Save emissions, time and travel expenses

- Management teams can choose between a fully digital experience, or a combination of digital and studio experiences, both of which will allow them to have an engaging and interactive meeting with investors while remaining in their domestic location
- Virtual Roadshows reduce the **negative environmental impacts and costs** of extensive global travel



THE E-GOVERNANCE SOLUTION TO IMPLEMENT ESG BEST PRACTICES

Implement best practices in governance

- Run fully remote board meetings, now including e-voting and video conferencing features
- Save time preparing, printing and distributing board packs
- **Reduce operational information leakage and cyber risks through iBabs secured environment**
- **Onboard users and push best practices through your company**

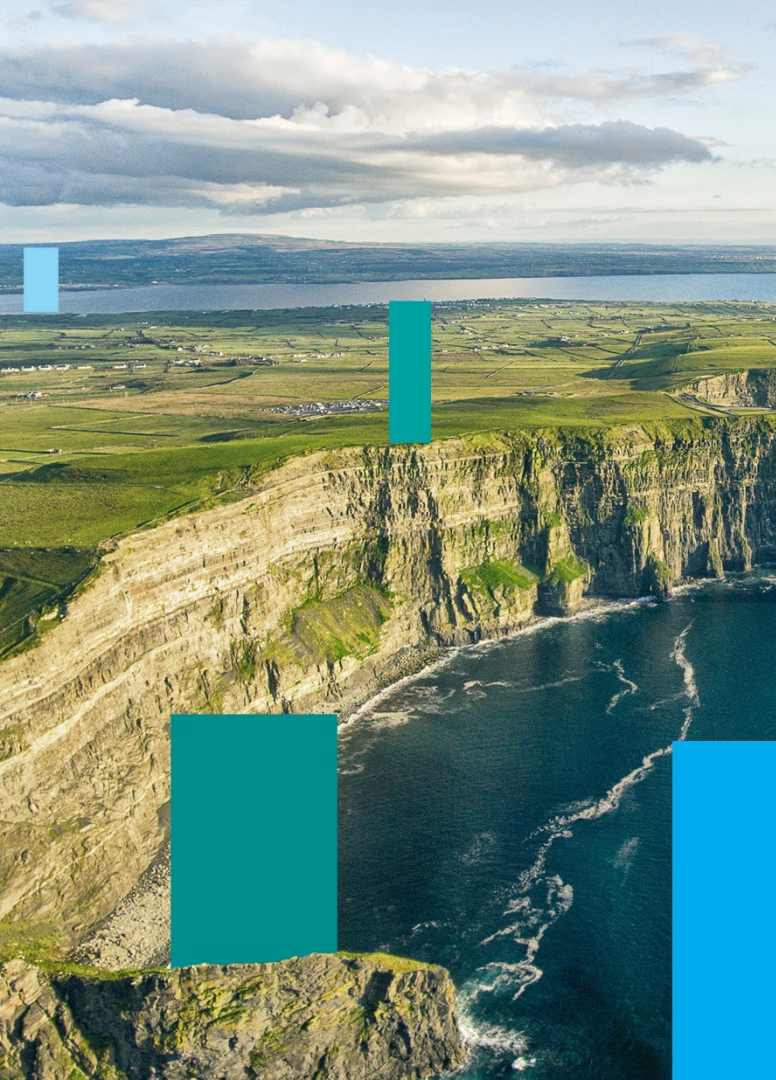
Secure board member engagement

- **In the context of increasing activism, board member engagement is highly monitored by rating agencies and data providers.** It has become a reputational risk
- Ensure that board members always have the latest documents, that they can take notes before, during and after the meeting, and have the list of post-meeting actions available at all times

Comply with your ESG strategy

- iBabs helps issuers run **fully paperless meetings**, at board level and throughout the organisation. Its 2,000 clients are able to reduce their paper consumption, **which can be reported as part of the Environmental pillar of ESG metrics**
- **Competitive pricing** makes iBabs a visible digital partner to make concrete ESG-related changes at your company





CONCLUSION AND Q&A: EURONEXT'S NEW ESG PRODUCTS AND SERVICES

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