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| Indices

# Euronext® Biodiversity Enablers World Index



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# Biodiversity in today's world

The Convention on Biological Diversity (CBD) defines biodiversity as “the variability among all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part”. This includes diversity within species, between species, and of ecosystems.

Biodiversity is essential to sustaining humanity and all life on earth. Nature plays a critical role: it covers the processes that make up our ecosystems and gives us clean water, air, food and medicines. The current acceleration of global biodiversity loss is one of the most significant threats to society (OECD, 2019).

Across financial markets, conversations around Biodiversity risk remain high on the agenda, driven also by EU regulations and local regulations that require disclosures on Biodiversity. Financial regulators require that financial institutions assess nature-based financial risks and their impacts on nature.

## The Four Environmental Pressures on Biodiversity



### Land use change

This refers to the use of land by humans. It can be either occupational, by preventing the land from returning to its original natural state, or transformational, by artificialising the land.



### Climate Change

This pressure concerns greenhouse gas emissions and the long-term negative effects of climate change on ecosystems.



### Air Pollution

This refers to the most material sources of air pollution: emissions of Nitrogen (NOx) and Sulphur (SOx).



### Water Pollution

This pressure refers to the potential ecotoxicity caused by chemicals and plastics which, in contact with freshwater, pollute ecosystems and intensify biodiversity loss.



# Biodiversity Enablers

The objective of the Euronext Biodiversity Enablers Index is to help investors identify companies worldwide that have a positive impact on biodiversity. The index selects companies that are outperforming their peers in the biodiversity field.

Best-in-class companies are selected based on their Biodiversity Avoided Impact score, which aims to quantify how much each corporate's products and services perform better than the market average. The assessment is defined as the Biodiversity Footprint measured in km<sup>2</sup>. MSA (Mean Species Abundance) that a company has avoided compared to the market average, using a sectorial approach.

The index methodology also excludes companies that produce plastics, pesticides or unsustainable palm oil, as well as companies that perform poorly in terms of Biodiversity Footprint and Biodiversity Dependence, which measures the state of conservation of an ecosystem and the revenue at risk of ecosystem-dependent companies.

The index leverages on biodiversity research and product involvement as assessed by Iceberg Data Lab.

**The Euronext® Biodiversity Enablers Index provides opportunities for the creation of a wide range of investment vehicles, such as ETFs, funds and structured products.**



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# Key Principles

## Negative screening on involvement

Companies that are assessed to be producers of Plastics, Pesticides or non-sustainable Palm Oil as determined by Iceberg Data Lab are excluded.

## Negative screening on Biodiversity Footprint

The Corporate Biodiversity Footprint is designed to assess the annual impact of activities of companies on global and local biodiversity. This appraisal is based on the impact generated from the products purchased or sold by companies calculated throughout their value chain.

## Negative screening on Biodiversity Dependencies

The Dependency score measures the dependencies of an economic sector on the biodiversity of ecosystems. It illustrates how that sector takes advantage of the existing ecosystem resources, and how disruption of the ecosystem leading to fewer resources would negatively impact the economic sector.

## Selection on Biodiversity Avoided Impact

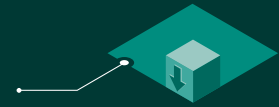
The Avoided Impact score measures the impact on biodiversity that a company or financial institution will have avoided over time compared to a baseline scenario established for the biodiversity and for various sectors. This is defined as the Biodiversity Footprint in km<sup>2</sup>. MSA that a company has avoided compared to the market average on a sectorial approach.

# Building blocks



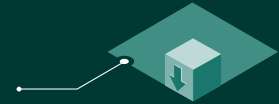
## STARTING UNIVERSE

Starts from the Euronext® World Index



## CONTROVERSIAL ACTIVITIES

Exclusion of companies that produce Plastics, Pesticides or non-sustainable Palm Oil



## BIODIVERSITY IMPACT & DEPENDENCE

- Corporate Biodiversity Footprint screening
- High Biodiversity Dependencies screening



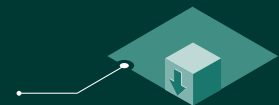
## LIQUIDITY

Liquidity screening

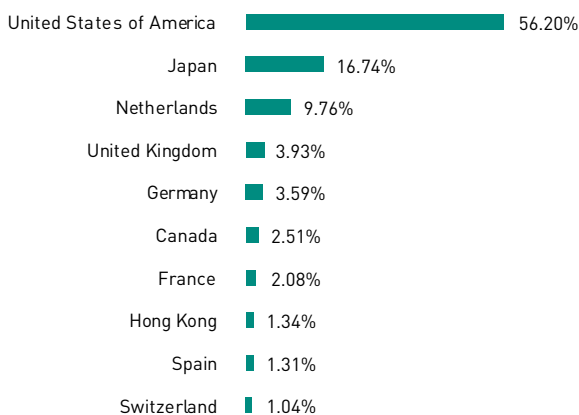


## SELECTION

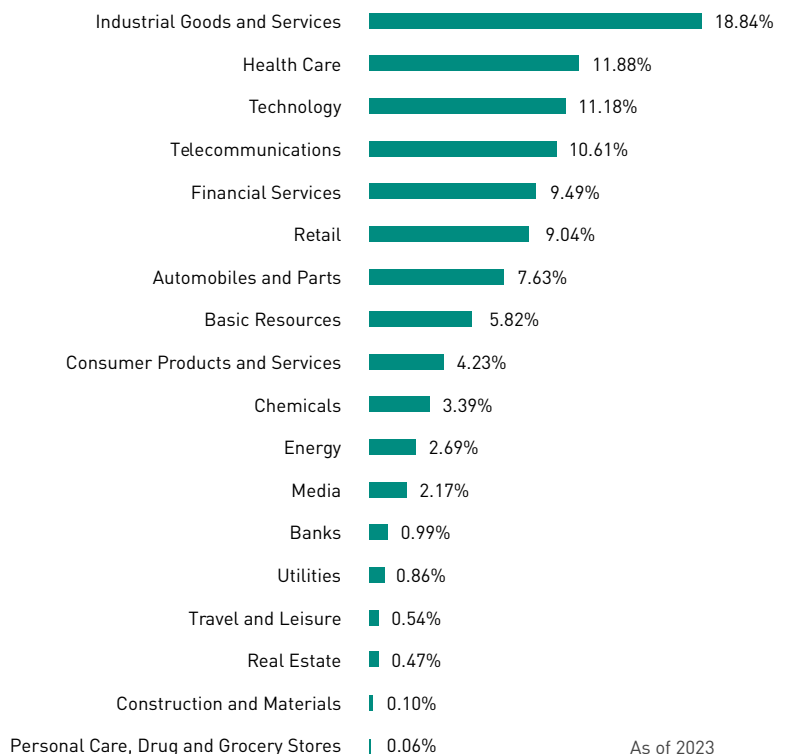
Companies with a positive Biodiversity Impact



## TOP 10 COUNTRY



## SUPERSECTOR BREAKDOWN



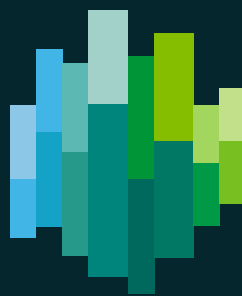
As of 2023

# Shaping capital markets for future generations

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