Euronext's assessment on Minimum safeguards

Introduction

Description on what is Euronext

The Euronext Group provides exchange listing, trading, post-trade and related services in Europe. The Company operates regulated markets and multilateral trading facilities (MTFs) in seven European countries (Belgium, France, Ireland, Italy, the Netherlands, Norway, and Portugal).

The Group operates these venues under regulatory licences granted to the local market operator under national legislation implementing MiFID II/MiFIR. The Group also operates central securities depositories (CSDs) regulated under the Central Securities Depository Regulation in four European countries (Denmark, Italy, Norway and Portugal), all operating under the brand "Euronext Securities".

Background

Based on article 3 of the EU Taxonomy regulation "*For the purposes of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable where that economic activity:*

a) contributes substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16;

b) does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17;

c) is carried out in compliance with the minimum safeguards laid down in Article 18

d) *Etc"*

Euronext's Assessment Minimum Safeguards

In order to report its economic activities as aligned, the economic activities need to be carried out in compliance with the Minimum Safeguards laid down in Article 18 of the Taxonomy regulation:

Article 18

Minimum safeguards

1. The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

2. When implementing the procedures referred to in paragraph 1 of this Article, undertakings shall adhere to the principle of 'do no significant harm' referred to in point (17) of Article 2 of Regulation (EU) 2019/2088.

Practically, this means that companies whose economic activities are to be considered as Taxonomy aligned have to align with the standards for responsible business conduct mentioned in:

- The OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines);The UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental

conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work;

- The International Bill of Human Rights.

As identified in the report Final Report on Minimum Safeguards published by the European Union[1], there are four core topics for which compliance with minimum safeguards should be defined:

- Human rights including workers' rights
- Bribery/corruption
- Taxation
- Fair competition

According to the same report, there are two key expectations for companies under these standards:

a. Companies should respect human rights: they should avoid infringing on human rights and address adverse human rights with which they are involved. (UNGP 11),

b. In order to meet this, companies should have in place policies and processes appropriate to their size and circumstances, including:

- A policy commitment to meet their responsibility to respect human rights;
- A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
- Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.. (UNGP 15)

The process of Human rights due diligence includes different steps :

a. Adopting and embedding responsible business conduct into policies and management systems;

b. Identifying and assessing actual and potential adverse impacts;

c. Taking actions to ceasing, preventing, or mitigating adverse impacts;

d. Tracking implementation and results;

e. Communicating on how impacts are addressed; and

f. Providing for or cooperating in remediation when appropriate.

Euronext is deeply committed to upholding the highest standards of human rights and ethical conduct as outlined by the UN Guiding Principles on Business and Human Rights and the EU Taxonomy Regulation's Article 18.

We have established a robust framework of policies that aligns with the four core topics, as identified above. We have as well conscientiously laid the groundwork for a comprehensive human rights framework, addressing those

[1] Platform on sustainable finance (2022). '*Final Report on Minimum Safeguards*'. Final Report on Minimum Safeguards (europa.eu).

core topics. Our policy commitment and due diligence processes are tailored to our size, our regulatory environment and our sector of activities, aimed at identifying, preventing, and mitigating adverse human rights impacts. While we are in the process of formalizing the integration of the six-step due diligence approach across our operations - namely in the context of the coming CSDDD - we recognize the importance of tracking and communicating our progress. To this end, we are developing mechanisms to more effectively monitor our actions and their outcomes, and we are exploring avenues to enhance our communication with stakeholders regarding these efforts. Euronext is dedicated to material compliance with these standards and is actively working to reinforce its systems to ensure responsible business conduct that respects human rights

Please find below more details on the Euronext's assessment, for each of the four different core topics.

General information

Heavily regulated environment

Euronext is an heavily regulated entity in respect of the performance of its activities (see also section 1 of this memo). Members of Euronext's boards are also screened for their suitability as members of a board of a market operator such as Euronext and supervised closely by various supervisory authorities, which have established a joint supervisory college of regulators to coordinate their supervisory activities.

Euronext has also adopted an Enterprise Risk Management (ERM) framework, designed and operated to identify and assess potential events that may affect the Company, including ESG and climate risks, and seek to manage and monitor them. This framework includes creating and maintaining an extensive framework of policies governing Euronext activities and regularly auditing Euronext's performance in respect thereof.

This includes (amongst others) a whistleblowing program, allowing employees and third parties to report alleged breaches of the laws or Company policies in confidence, and adequately protecting anyone who reports thereunder in good faith.

Double materiality assessment

As from 2023 Euronext conducts a double materiality assessment in accordance with the Corporate Sustainability Reporting Directive (CSRD), that entered into force as of 5 January 2023, and the final European Sustainability Reporting Standards (ESRS) as adopted by the European Commission on 31 July 2023.

The double materiality assessment resulted in the identification of several material topics including Climate Change and Corruption and Bribery. Human Rights is clearly one of them, but has been split into various material ESRS sub-topics, namely 'Working conditions' and 'Diversity and Inclusion'. Several initiatives exist within Euronext to make sure adverse impacts regarding these topics are ceased, prevented and/or mitigated (e.g. Euronext supplier code of conduct, Euronext's commitment to health and safety and respect of human rights)

The process and outcomes of the materiality assessment have been reviewed and approved by Euronext's Management Board. In addition, the material topics will be publicly disclosed in Euronext's URD 2024.

M&A Due diligence

As part of its M&A due diligence process, Euronext has established various streams, including Finance, HR, Legal, and Compliance, each responsible for assessing the assets, policies, and performance of the target company within

their respective domains. Although, until 2025, Euronext has not explicitly integrated ESG (Environmental, Social, and Governance) criteria—into its formal due diligence process for new acquisitions, some ESG-related aspects (particularly those related to the EU Taxonomy's Minimum Social Safeguards) have already been subject to review by the relevant teams. For example, the Legal and Compliance teams have assessed potential violations of UN Global Compact principles, while the HR teams have examined human rights, working conditions, and gender equality as part of their due diligence efforts.

In alignment with the Corporate Sustainability Reporting Directive (CSRD), Euronext has now introduced a dedicated ESG stream to ensure the systematic evaluation of ESG criteria prior to any new acquisition. These criteria are aligned with Euronext's ESG material topics, which are subject to CSRD reporting requirements. Under the CSRD, Euronext must deliver both quantitative and qualitative ESG targets. Each acquisition should either support the achievement of these targets or facilitate the development of new, relevant goals, ensuring compliance and continuous progress.

To meet these objectives, Euronext will also conduct thorough analyses of the Minimum Social Safeguards mandated by the EU Taxonomy for every acquisition. This includes evaluating adverse sustainability indicators, such as compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, the company's gender pay gap, board gender diversity, and exposure to controversial weapons, among other factors.

Human rights including workers' rights

Euronext's Anti-slavery and Human Rights Policy

(link: https://www.euronext.com/en/about/esg-empowering-sustainable-growth/euronext-esg-policies-statements)

Euronext is deeply committed to combatting modern slavery and human trafficking across all its Group entities. Upholding human rights principles and ensuring the dignity and equality of every individual is a core value for the organization. With its anti-slavery and human right policy and its supplier codes of conduct, Euronext shows its commitment to implementing and promoting practices that combat modern slavery in all its forms, as an employer, with its suppliers and as a financial market infrastructure.

In this context, Euronext is committed to conduct its business in accordance with the International Bill of Human Rights, which includes the Universal Declaration of Human Rights (UDHR).

Euronext also takes into account the United Nations framework and guiding principles on business and human rights, as well as the International Labor organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Euronext Supplier code of conduct

Euronext has developed a "Euronext Supplier code of conduct", including provisions regarding human rights, diversity and inclusion, and environmental protection. This is provided together with "requests for proposal" to each envisaged supplier. Euronext tracks the percentage of its suppliers signing the code of conduct.

In the Code of conduct, Euronext confirms that as part of our initiative to identify and mitigate risk we are exploring ways to ensure we:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains

Euronext has conducted a preliminary review of its suppliers and has determined that the majority operate in areas considered to be at low risk of supporting or being complicit in forced labour or human trafficking.

Euronext's commitment to health and safety and respect of human rights

The Company is committed to providing all employees and others who are on Company property, with a safe and healthy work environment. Accordingly, all employees comply with all health and safety laws and regulations as well as Company policies governing health and safety.

See also Euronext's Policy 'Health, Safety & Ways of Working'. Link: https://www.euronext.com/en/about/esg-empowering-sustainable-growth/euronext-esg-policies- statements

Based on the elements mentioned above, Euronext concludes that it meets the OECD/UNGP requirements regarding Human rights including workers' rights as defined in the Final Report on Minimum Safeguards published by the European Union

Bribery & corruption

Absence of bribery/corruption cases

Although bribery has been identified as a risk, we have not encountered any cases in 2023. Additionally, no cases of corruption have occurred, no whistleblower reports have been received, and no political donation have occurred.

Euronext's Code of Business Conduct and Ethics and Euronext's Anti-bribery Policy

(link: https://www.euronext.com/en/about/esg-empowering-sustainable-growth/euronext-esg-policies- statements)

Based on the elements mentioned above, Euronext concludes that it meets the OECD/UNGP requirements regarding 'Bribery/corruption' as defined in the Final Report on Minimum Safeguards published by the European Union.

Taxation

Euronext's Tax Policy

(link: https://www.euronext.com/en/about/esg-empowering-sustainable-growth/euronext-esg-policies- statements)

Based on the elements mentioned above, Euronext concludes that it meets the OECD/UNGP requirements regarding 'Taxation' as defined in the Final Report on Minimum Safeguards published by the European Union.

Fair competition

Euronext's Code of business conduct and ethics

(link: https://www.euronext.com/en/about/esg-empowering-sustainable-growth/euronext-esg-policies- statements)

Absence anti-competition cases

No cases of anti-competition have occurred in 2024.

Based on the elements mentioned above, Euronext concludes that it meets the OECD/UNGP requirements regarding 'Fair Competition' as defined in the Final Report on Minimum Safeguards published by the European Union.

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