



ESG Group Policy

Set of Minimum Requirements directly applicable to Euroclear SA/NV and issued by Euroclear SA/NV as the parent of the Group and to be transposed by Euroclear Bank SA/NV, Euroclear Finland Oy, Euroclear Sweden AB, Euroclear UK & International Ltd, Euroclear Belgium, Euroclear France SA, Euroclear Nederland, their branches and representative offices as applicable. MFEX has also agreed to transpose this policy.

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1. Introduction

Euroclear is committed to conducting responsible and sustainable business which is aligned with our purpose and the expectations of our stakeholders.

Euroclear views Environmental, Social and Governance (ESG) matters as part of the domains requiring consolidated oversight by Euroclear SA/NV (ESA) in its capacity as parent company. To ensure we adopt and maintain an effective approach that remains relevant and commensurate with our ambitions, and in accordance with the Group's Risk Appetite, each Euroclear Company must be able to demonstrate the minimum requirements of the ESA Board as set out below.

These minimum requirements capture our common principles on ESG issues across the environment, workplace, community, and governance pillars of the Group's ESG strategy.

2. Minimum requirements

This section of the policy sets out the minimum requirements that must be adhered to by each Euroclear Company, subject to the provisions of the Group Matters Protocol. Euroclear SA/NV (ESA) will support each Euroclear Company in their efforts to deliver the requirements set out in this document and some tasks under the policy can be outsourced to ESA under the Euroclear framework for intra-group outsourcing. In the latter case, an individual Euroclear Company must cooperate with Euroclear SA/NV in fulfilling the outsourced parts of the requirements, and the individual Euroclear Company retains overall responsibility for taking reasonable steps to ensure the requirements are met. The specific division of responsibilities between each Euroclear Company and ESA is outside of the scope of this policy but should be specified in policy handbooks and other documents as necessary.

3.1. Environment

Our ambition with respect to the environment is to build a climate resilient business and support climate resilient financial markets through the management of climate risk. To reach this ambition, we have established principles to manage our environmental impact across four key issues: energy use and emissions, company-related travel, waste and resource use, and climate risk.

3.1.1. Energy use and emissions

Principle 1.1A: Each Euroclear Company must be covered by, and have its progress tracked against, net zero science-based targets to reduce GHG emissions set by ESA.

We are committed to being covered by validated, science-based targets (interim and net zero) as required to meet standards set by the Science Based Targets Initiative (SBTi).

Consequently, we commit to:

- reduce absolute Scope 1 and 2 (greenhouse gas) GHG emissions by 55% by 2030 from a 2019 base year;
- that 70% of our suppliers by emissions (covering purchased goods & services and capital goods) will have science-based targets by 2027; and,
- reduce absolute Scope 3 emissions from fuel and energy related activities, upstream transportation and distribution, waste, business travel and employee commuting by 28% by 2030, from a 2019 base year.
- reduce absolute Scopes 1, 2 & 3 emissions by 90% by 2050, from a 2019 base year, with the intention of reducing this timetable as further analysis becomes available.

These targets will be generically referred to as net zero targets in this policy. These targets should be supported by company-specific and/or group-wide strategies which include an implementation roadmap to reduce GHG emissions.

Within the net zero strategies, we aim to impact at a minimum Scope 1 and Scope 2 emissions and strive to consider all material sources of emissions such as those from data centres, offices, travel and supply chain.

In addition, we are committed to calculating the group's GHG emissions using a common, transparent, and annually reviewed methodology. We will establish key performance indicators (KPIs) to track progress against our targets on an annual basis, externally disclose our group-wide targets, and report on our progress annually.

Principle 1.1B: Each Euroclear Company must have its residual emissions offset by ESA where they cannot be avoided.

Where a Euroclear Company cannot avoid or reduce GHG emissions further, it must request ESA to compensate such residual emissions, covering at minimum Scope 1 and Scope 2 emissions and part of Scope 3 emissions, through the purchase of carbon credits, in line with the group's net zero targets.

To support this effort, we are committed to:

- Aligning any carbon credits procured by ESA on behalf of a Euroclear Company with internationally recognised voluntary standards, norms and good practice as determined by ESA.
- Full, public disclosure within our annual group sustainability report on the purchase and retirement of carbon credits in alignment with internationally recognised voluntary standards, norms and good practice as determined by ESA.
- Taking steps to establish relationships with carbon credit brokers to proactively secure access to high quality carbon credits.

3.1.2. Company-related travel

Principle 1.2A: Each Euroclear Company must ensure that all GHG emissions from company-related transport are managed in line with the group's net zero targets.

We include GHG emissions from company-related transport in our measurement, disclosure and reduction of GHG emissions, in line with our net zero target and as set out in **Principles 1.1A-1.1B** of this document.

We define GHG emissions from company-related transport as GHG emissions from business travel (GHG Protocol Scope 3 category 6) and employee commuting (GHG Protocol Scope 3 category 7). We also recognise employee car schemes (where relevant) as company-related transport.

Principle 1.2B: To achieve the group's net zero targets, each Euroclear Company must seek to optimise its business travel overall, while minimising GHG emissions for necessary business-related travel.

We are committed to integrating GHG emissions into our business travel decisions. This includes:

- Assessing business priorities carefully before any company-related travel.
- Reducing carbon-intensive travel whenever possible.
- Abiding by a group-wide travel hierarchy that prioritises modes of travel based on GHG emissions, sets clear boundaries on when higher GHG-emitting modes of travel are permitted when travel is necessary, and publicises our preferred travel partners based on alignment with our net zero targets.
- Enabling and (where appropriate) enforcing the use of our travel hierarchy by all Euroclear employees by ensuring (a) access to data to make business travel decisions based on financial and carbon impact and (b) central oversight by ESA of all business travel through the group's central booking system.

Where zero carbon business travel is not possible, we will calculate and value our residual emissions by applying an internal carbon price (which is set by relevant internal ESG fora). This information is collated annually by ESA's Corporate Sustainability Office to incentivise business travel decisions and inform the group's leadership of travel patterns across the group.

Principle 1.2C: To achieve the group's net zero target, each Euroclear Company must support sustainable employee commuting practices, as relevant.

We are committed to raising employee awareness of sustainable commuting options and supporting and encouraging these where possible. For example, depending on the individual company, we will offer flexible working options, publicise walking or bike routes to commute to the office, incentivise the use of public transport or offer electric vehicle charging infrastructure at our offices.

Principle 1.2D: To achieve its net zero target, each Euroclear Company must seek to reduce GHG emissions in its company fleet, employee car and soft mobility schemes, as relevant.

We integrate GHG emissions into business decisions on our company fleets and – where relevant - employee car and soft mobility schemes (such as e-bikes and scooters).

In addition, we are committed to making eco-friendly options (such as electric or hybrid models) the default choice and ensuring regular maintenance and replacement of company fleet and car scheme vehicles as appropriate to minimise lifetime GHG emissions.

3.1.3. Waste and resource use

Principle 1.3A: Each Euroclear Company must take steps to fully understand the environmental impact of its waste and resource use.

We are committed to collecting, analysing and publicising data relating to our waste and resource use.

Principle 1.3B: Each Euroclear Company must take steps to improve resource and waste efficiency, by reducing resource consumption and waste, and reusing and recycling resources wherever possible.

We are committed to managing waste in line with our group-wide waste hierarchy, targeting zero waste to landfill by 2030.

We are also committed to continuously evaluating and adopting solutions that minimise our environmental impact with respect to paper, plastic, electronics such as laptops and IT equipment, and water use, wherever possible (e.g. based on volume, 'hierarchy of harm' and/or life-cycle impact).

3.1.4. Climate risk

Principle 1.4A: Each Euroclear Company must identify the material climate-related risks and impacts to its business and manage and mitigate against those risks.

We will assess the resilience of our strategies, business models, and financial planning to climate-related risks on an annual basis. Climate risk considerations are integrated into our existing Enterprise Risk Management (ERM) frameworks, and we manage and mitigate against material climate risks within our existing risk management procedures.

We are also committed to establishing and tracking metrics used to assess material climate-related risks in line with our strategies and risk management processes.

Principle 1.4B: Each Euroclear Company must establish and maintain robust governance arrangements that allow for effective climate risk management.

Our board has oversight of our climate-related risks, and our executive management has a formalised role in assessing and managing climate-related risks. The nature of this oversight is documented in our annual reporting. Board members and executive management maintain an understanding of how climate change will impact our entities' overall risk profile in the short, medium and long term.

We are also committed to establishing and documenting our processes to identify and periodically assess the material physical and transition climate-related risks and impacts.

Principle 1.4C: Each Euroclear Company must manage and disclose its climate-related risks in line with regulatory obligations and good market practice.

3.2. Workplace

Our ambition with respect to the workplace is to be an employer of choice by fostering a healthy, inclusive environment and attracting, developing and upskilling our staff on the future needs of financial markets. To reach this ambition, we have established principles to manage our workplace impact across three key issues: diversity & inclusion, wellbeing, and talent for the future.

3.2.1. Diversity & Inclusion

We believe that diverse and inclusive teams make smarter decisions for business, the environment and society. We strive to be a diverse and inclusive employer, ensuring our workforce and workplace reflect society and the communities we support, and our actions reflect our aspirations for inclusion.

We recognise and support diversity across all dimensions, including gender, gender identity, disability (including physical and mental conditions), neurodiversity, ethnic and cultural heritage, socio-economic and educational background, age, and sexual orientation.

Principle 2.1A: In line with the group's Code of Ethics & Business Conduct, each Euroclear Company must take steps to improve the representation of underrepresented groups in management.

We are committed to achieving a minimum 40% of underrepresented gender at senior management by end 2026.

Principle 2.1B: Each Euroclear Company must strive to build and maintain a diverse and inclusive workforce with respect to all dimensions of diversity.

We strive to build and maintain a diverse and inclusive workforce across all dimensions of diversity. We strive to maintain a group-wide 50% gender balance. Our human resource (HR) departments monitor diversity across our workforce on an ongoing basis, conducting data gathering on all legally possible metrics, in accordance with the group data protection policy, and regularly reporting progress to the group.

Principle 2.1C: In line with the group's Code of Ethics & Business Conduct, each Euroclear Company must ensure fair and equal pay and access to work, with respect to diversity.

We are committed to ensuring fair and equal pay for equal work for all our employees by:

- Monitoring the provision of equal pay by regular reviews of remuneration data by local entity leadership where possible, which are reported to the group.
- Creating an evidence-based action plan to rectify any variations from the policy that are identified.
- Disclosing the group's gender pay gap annually.

We are committed to ensuring fair and equal access to work for all our employees by:

- Ensuring that all internal and external role advertisements are written in inclusive language.
- Ensuring that all our locations are suitable for all employees, including those with disabilities.
- Ensuring that all our employees have access to skills and career coaching support.
- Conducting regular reviews of success rates in recruitment and promotions, and reporting these centrally to ESA.

Where we identify significant discrepancies, we expect the Euroclear Company to analyse whether a divergence

from the policy has occurred and report back to ESA. The evidence should then be used by the entity to devise a plan to rectify any variations from the policy that are identified. Further information can be found in our remuneration policy, as set out in the group's Pillar III disclosure.

Principle 2.1D: Each Euroclear Company must oppose and avoid all forms of harassment and discrimination in any context.

We oppose and avoid all forms of unlawful discrimination and harassment in any context. We have processes in place for employees to report discrimination and harassment to HR departments, Compliance & Ethics, Internal Audit, or through confidential internal or external Speak Up mechanisms. We follow up on all such allegations, ensuring that action is taken in case of misconduct, including dismissal if necessary. We treat all complaints with the strictest confidence. Further information can be found in our Code of Ethics and Business Conduct.

Principle 2.1E: Each Euroclear Company must foster a culture of inclusion.

We strive for an environment where our employees can be themselves, contribute and be heard, and grow and develop.

We are committed to ensuring inclusive access by our employees to our group-wide diversity 'Communities'. Our Communities collate feedback from their network and communicate findings to our ESG Steerco and group management. Where other networks are established within divisions or at a local level, we expect organisers to ensure they are advertised within the group-wide Communities, and accessible by all employees, and that the networks cooperate and align with the group-wide Communities.

We ensure that all our employees have access to, and the opportunity to respond to, regular people surveys conducted by the group which capture employee concerns and feedback on the group's D&I performance.

Our HR departments are responsible for collating and taking appropriate steps to action employee feedback and escalate concerns where appropriate.

Principle 2.1F: Each Euroclear Company must report on its performance against the diversity requirements of this policy, to the extent that local law permits.

We expect Euroclear Companies to uphold the group Diversity & Inclusion policy while accounting for local nuances through a localised action plan, which includes an outline of measures to achieve diverse and inclusive leadership. We also expect Euroclear Companies to report annually on progress against their local objectives to the group.

3.2.2. Wellbeing

We believe our employees should work in an environment where they feel mentally healthy, engaged, fulfilled and connected in both the workplace and when working together remotely. We recognise wellbeing as defined across physical, social, mental, financial and environmental aspects.

Principle 2.2A: In line with Euroclear's Code of Ethics & Business Conduct, each Euroclear Company must commit to creating a safe and secure workplace which fosters positive wellbeing outcomes for its employees across physical, social, mental, financial and environmental wellbeing.

We are committed to taking steps to prevent and detect poor wellbeing in our employees by:

- Ensuring that group-wide wellbeing offerings are made available, clearly signposted, and easily accessible to all employees.
- Empowering employees to manage their own wellbeing and to support one another, through flexibility, trust and individual accountability.
- Fostering work practices and workplaces that ensure safe environments for all employees and visitors, including emergency provisions.

We support our people managers to actively contribute to positive wellbeing outcomes by:

- Offering regular training on wellbeing issues and monitoring uptake of this training through our HR departments.
- Ensuring all people managers have at least one goal in their annual performance management process related to employee wellbeing.

We also intervene where poor wellbeing outcomes have been identified to support our employees back to a positive wellbeing state. This includes:

- Resolving any issues identified in anonymous well-being surveys in a timely manner.
- Supporting our employees to access help from their people manager, HR department or other advisors on wellbeing (e.g., stress and burnout coach, career coach, etc.), as well as from external support.
- Where appropriate, supporting employees to take sickness absence and ensuring a gradual return to work with support at each stage where an employee has been on long term sickness absence.

We treat all matters relating to employee health in the strictest confidence and ensure our employees with health issues are treated fairly and without judgement.

3.2.3. Talent for the future

Principle 2.3A: Each Euroclear Company must ensure business continuity, resilience and strategy delivery through talent succession and workforce planning.

We are committed to managing talent and planning our workforce to ensure that we can identify and grow talent at all levels within the business and recruit talent externally as needed. This includes:

- Conducting on a regular basis a workforce planning exercise to identify hiring and upskilling needs.
- Conducting on a yearly basis a succession planning exercise for senior management positions.
- Conducting annual individual performance appraisals for all employees.
- Ensuring all employees have up to date individual development plans so that skills are aligned to business needs.

All succession and workforce planning practices must be aligned with the group's diversity and inclusion policy.

Principle 2.3B: Each Euroclear Company must encourage and foster a culture of learning, development, coaching and feedback within its workforce.

We believe that learning, development, coaching and feedback are important to the ongoing acquisition and/or refinement of skills and capabilities towards personal and career goals. We are committed to ensuring that all Euroclear employees' capabilities continue to improve and remain relevant with the ever-changing market needs and industry trends.

We offer our employees the means, the time and the materials to enable employees to develop. This includes:

- Regularly offering and publicising access to all employees to the Euroclear Academy, and Euroclear's Development Centre.
- Ensuring fair access and time for learning and development.

We ensure that our people managers actively engage with and support the group's talent agenda and encourage them to engage in open two-way feedback with employees.

We also empower our employees to take responsibility for their own development by:

- Encouraging employees to create a personal development plan (PDP) annually.
- Encouraging employees to have regular discussions with their people managers on developing their strengths and skills.
- Empowering employees to identify which training sessions are relevant to their role and proactively manage their time to ensure they undertake any relevant training.

Principle 2.3C: Each Euroclear Company must offer its employees the opportunity to develop the right skills based on their current role, knowledge and attitude to deliver on the group's strategy and the entity's strategy.

We encourage regular employee uptake of soft and technical training offered by Euroclear Academy, relevant to their role. Specifically, we:

- Regularly upskill senior leadership and employees through mandatory modules on transversal technical and leadership capabilities identified as critical to the group's strategy and future for the financial market by talent review groups.
- Identify and foster talent with leadership qualities through the group's Leaders for the Future (LFF) Programme.
- Ensure all employees have access to relevant training on the capabilities needed for their current role or advancement within their department.
- Promote the skills and career coaching services offered by Euroclear's Development Centre.

We are also committed to setting and tracking progress against employee uptake of all training and coaching offerings made within Euroclear Academy, Euroclear Development Centre and the Leadership Academy, and communicating this progress annually to the group.

Principle 2.3D: Each Euroclear Company must ensure its internal mobility and external recruitment processes support the group's commitment to fostering and supporting talent.

Any internal mobility practices should be aligned to the group's internal mobility guidelines and processes.

With respect to external recruitment, we are committed to:

- Advertising all vacancies on the Euroclear Career website, ensuring that all vacancies are termed in inclusive language.
- Exploring partnerships with universities to ensure a wider pipeline of talent.
- Ensuring a diverse pipeline of talent.
- Following the corporate procedures for recruitment.

With respect to internal mobility, we are committed to:

- Advertising all vacancies on the group's intranet.
- Ensuring all vacancies are termed in inclusive language.
- Following the corporate procedures for internal recruitment practices.
- Ensuring fair access to work overall.

3.3. Community

Our ambition with respect to the community is to demonstrate our impact, tied to corporate purpose and Community pillars, in local and global communities.

Principle 3.1A: In line with Euroclear's Code of Ethics & Business Conduct, each Euroclear Company must commit to behaving responsibly and ethically towards both local and global communities, prioritising the group's focus areas: tackling poverty, coaching and education, social and financial inclusion, and environment.

Each Euroclear Company's community activity should be aligned with the group's prioritised focus areas, which are based on the areas in which we believe we can achieve the greatest impact:

- **Tackling poverty** – Projects that address the causes of poverty and ensure that beneficiaries are equipped to improve their economic situation.
- **Coaching and education** – Projects that promote the education of young people, especially financial education through coaching and mentoring.
- **Social and financial inclusion** – Projects that tackle discrimination and support the inclusion of under-represented groups, and projects aimed at helping disadvantaged groups to gain financial knowledge and manage their own financial situations.
- **Environment** – Projects aimed at reducing the impact of climate change and improving environmental awareness.

Employees may propose other volunteering opportunities for consideration by the Community Stream Lead or local representative, who reserves the right to reject a proposal if it does not fit within the scope of the group's community ambition.

Because community activity is often specific to a local context, we also expect Euroclear Companies to:

- Develop an annual community action plan based on how they can achieve the greatest impact within these focus areas through community engagement and support.
- Develop and disclose to the group their approach to community activity and demonstrate how they contribute to the group's prioritised focus areas.

We enable and encourage our employees to actively engage with and support communities by:

- Maintaining the group's MyVolunteering programme (which allows each employee 8 hours per year of volunteering time within working hours) and encouraging employees to engage with the programme.
- Enabling employees to support communities through donations, funding and sponsorships by:
 - Advertising opportunities for employees to run and participate in local charity committees.
 - Offering a salary sacrifice programme, where possible.
 - Where applicable, offering a Matching Gift scheme whereby the company matches payroll donations and/or employee donations.

Principle 3.1B: Each Euroclear Company must measure and disclose its community impact in the group's annual sustainability report.

To do so, we are committed to taking steps to improve our understanding of the outcomes of our community activity and, where possible, linking our community activity in full to the UN SDGs or UN Global Compact Principles in our reporting.

Principle 3.1C: In line with Euroclear's Code of Ethics & Business Conduct, each Euroclear Company must ensure that its community engagement and support has gone through the correct due diligence procedures and are approved by the correct bodies.

All charitable partnerships and donations of Euroclear funds and volunteering conducted in company time are screened by the appropriate bodies in advance of engagement based on donation amount and donating entity. Screening criteria includes, at a minimum, compliance with the group's anti-money laundering, anti-bribery and anti-corruption policies, as set out in Euroclear's Code of Ethics and Business Conduct. We prohibit the use of corporate funds or property for the direct financial support of political parties or candidates or funding of religious activities regardless of country. For large sums, donations are screened through an additional approval process, as set out in our Anti-Bribery and Corruption policy.

We review our corporate partnerships annually. We also assess all causes in receipt of volunteering and/or donations by Euroclear to ensure they have been deemed impactful by the appropriate internal bodies. We define impactful causes as having breadth and/or depth in local or global communities. We ensure that any ad hoc community initiatives are agreed with local management in advance of engagement.

Our community governance procedures are disclosed in our annual group sustainability report.

3.4. Governance

Our ambition with respect to governance is to ensure robust and transparent governance across the organisation and encourage good governance in our value chain. To reach this ambition, we have established principles to manage our governance impact across five key issues: corporate governance, market stability, ESG due diligence, supply chain and human rights.

3.4.1. Corporate governance

Principle 4.1A: Each Euroclear Company must maintain strong, effective, and transparent corporate governance in line with regulatory requirements and relevant benchmark frameworks.

We are committed to robust governance arrangements, which include clear organisational structures with well-defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which we might be exposed, appropriate whistleblowing mechanisms and adequate remuneration policies and internal control mechanisms, including sound administrative and accounting procedures.

We set out in the Euroclear Group Matters Protocol the relationship between ESA (as shareholder) and its subsidiaries.

Principle 4.1B: Each Euroclear Company must report regularly to the Board of Directors on ESG matters.

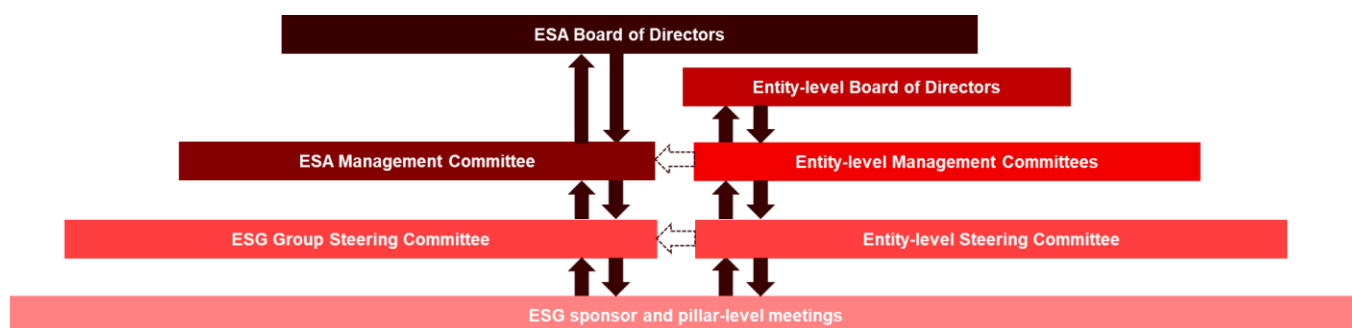
The ESA Board of Directors has oversight and accountability for:

- Ensuring the group’s long-term resilience with respect to potential shifts in the business landscape that may result from ESG-related risks and opportunities.
- Ensuring the composition of the ESA Board of Directors is sufficiently diverse in knowledge, skills, experience and background to effectively debate and take decisions informed by an awareness and understanding of ESG-related threats and opportunities.
- Determining how to most effectively embed sufficient attention and scrutiny on ESG matters into its board and committee structures.
- Ensuring that management assesses the short-, medium- and long-term materiality of ESG-related risks and opportunities for the group on an ongoing basis.
- Ensuring that the group’s actions and responses to ESG-related risks and opportunities are proportionate to the materiality of those ESG topics to the group.
- Ensuring that executive incentives are aligned to promote the long-term prosperity of the group.
- Engaging in regular knowledge sharing with peers, policymakers, investors or other stakeholders to keep abreast of the latest developments as knowledge and practice of ESG activities advances.

To support effective oversight by the Board, we are committed to:

- Updating the ESA Board of Directors at least annually on the ESG matters set out in this policy, following the Group ESG Governance structure below.
- Disclosing material ESG-related risks, opportunities and strategic decisions consistently and transparently through the appropriate channels within the Group ESG Governance structure.
- Formalising local management’s role in assessing and managing ESG matters and disclosing the nature of this oversight in the entities’ annual reporting.

Euroclear Group ESG Governance structure



Principle 4.1C: Each Euroclear Company must be transparent externally on any ESG-related entity-level policies.

We are committed to disclosing material ESG-related risks, opportunities and strategic decisions consistently and transparently with all relevant stakeholders. Such disclosures should be made in financial filings, such as annual reports and accounts, and are subject to the same disclosure governance as financial reporting. When integrating

ESG-related considerations into disclosures, companies should incorporate mandatory requirements as well as internationally recognised voluntary standards, norms and good practice within the global financial market.

Principle 4.1D: Each Euroclear Company must publish its corporate governance charter.

All Euroclear Companies are subject to and comply with detailed and specific corporate governance requirements. We publish detailed corporate governance charters and/or relevant Board and Board Committee Terms of Reference on our website, which outline the main aspects of the Corporate Governance framework of the major entities of the group.

3.4.2. Market stability

Principle 4.2A: Euroclear's systemic importance in the global financial market means that, in line with local regulation and the CPMI-IOSCO Principles for Financial Market Infrastructures (FMIs), each Euroclear Company must protect its critical assets by applying appropriate cyber security measures and ensuring robust business continuity plans to (1) prepare for, (2) respond to, and (3) recover from any potential or actual failures or major incidents on its infrastructure.

As a global financial market infrastructure, we are committed to supporting the stability and smooth running of the global financial markets, ensuring the efficiency of markets, and actively enabling the reduction of risk. We recognise that a number of incidents, for example technology or telecommunications failure, natural catastrophes, power outages, or terrorist attacks, can disrupt the activities of financial markets.

Principle 4.2B: Each Euroclear Company must comply with all relevant legal and regulatory requirements and standards stemming from relevant competent authorities and required for maintaining the licence to operate, in line with Minimum Requirements issued by the Group.

This includes, but is not limited to, laws and regulations pertaining to fraud and corruption, data protection, cyber security and business continuity and ESG matters. Further information on our legal and regulatory compliance obligations can be found in the group's Code of Ethics and Business Conduct and Pillar III disclosure, or on our website.

Principle 4.2C: Each Euroclear Company must handle sanctions and embargoes in line with the group's Code of Ethics and Business Conduct and must adhere to the minimum requirements described in the Sanctions Group Policy and in the Anti-Money Laundering & Counter Terrorist Financing Group Policy.

In line with our Code of Ethics and Business Conduct, we have policies and internal controls for complying with relevant sanctions and embargoes (e.g. issued by the United Nations, EU and US authorities) that restrict the company from doing business with or involving certain countries, governments, entities or individuals associated, for example, with terrorist activity, narcotics trafficking or nuclear weapons proliferation.

3.4.3 ESG due diligence

Principle 4.3A: Each Euroclear Company must integrate ESG considerations into its strategic investment decisions.

In addition to the requirements set out in the existing due diligence process for strategic investments, we are committed to including ESG considerations in our decision-making process.

3.4.4. Supply chain

We are committed to ensuring sustainable business practices across our own operations and working with our suppliers to ensure their operations are sustainable, too.

In addition to the expectations set out in the group's Supplier Code of Business Conduct, we expect our suppliers to manage and limit any negative impacts of their business activities, goods and services on the environment, communities and society. We also expect our suppliers to engage with their own supply chain to practice responsible business.

Principle 4.4A: Each Euroclear company must integrate ESG considerations into its supplier selection and management decisions.

In addition to the requirements set out in our Purchasing Goods and Services Group Policy, Supplier Code of Business Conduct and Outsourcing and Critical Services Group Policy, we are committed to capturing ESG considerations with respect to our supply chain within our existing Enterprise Risk Management frameworks.

With respect to all suppliers (new and existing), we are committed to:

- Ensuring that proportionate ESG due diligence is performed on our suppliers, where the scope and level of detail of the due diligence depends on **(1)** criticality of the supplier to business operations, **(2)** materiality of our spending with the supplier.
- Ensuring all suppliers commit to the latest version of the group's Supplier Code of Business Conduct, upon entering into a relationship with us or upon contract renewal or the purchase order.
- Conducting ongoing screening, monitoring and follow-up on our ESG expectations with all existing outsourcing service providers (OSPs) and critical service providers (CSPs) in line with the existing recertification exercise.

Principle 4.4B: Each Euroclear Company must have processes in place to require that GHG emissions from its supply chain are managed in line with the group's net zero target and other negative impacts on the environment are avoided.

We are committed to ensuring that GHG emissions from all our suppliers are included in the measurement of the group's GHG emissions by ESA, in line with our net zero target and as set out in **Principles 1.1A-1.1B** of this document. This data will be collected or estimated for the sources of emissions that are deemed material in line with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard, which allows for both the collection of primary emissions data from suppliers and estimating supplier emissions through reporting company allocation (e.g., by spend).

To support progress against our net zero target, we will engage with our OSP, CSP and with suppliers on which we spend material amounts, as determined by the group, to encourage them to decarbonise along the 1.5-degree pathway. We are targeting the adoption of science-based targets (SBTs) amongst our suppliers whose emissions represent 70% of total Scope 3 emissions by 2027.

Principle 4.4C: Each Euroclear Company must have processes in place to require that its suppliers do not cause significant harm to societies and communities.

In line with our Supplier Code of Business Conduct, this includes (but is not limited to) requiring suppliers to take responsible action on the following topics:

- Labour and human rights, including modern slavery and the protection of indigenous people.
- Diversity and inclusion.
- Health, safety and employee wellbeing in the workplace.
- Environmental impact, including GHG emissions.
- Ethical sourcing.
- Anti-corruption, including integrity and protection of information.

We encourage suppliers to take action on these topics beyond compliance with applicable laws by drawing upon internationally recognised standards to further support the communities and societies in which they operate and

do business.

Principle 4.4D: Each Euroclear Company must manage its supply chain in line with the group's ambition on corporate transparency and governance.

In addition to complying with the group's Purchasing Goods and Services Group Policy and Outsourcing and Critical Service Providers Group Policy, we are committed to tracking and reporting externally on an annual basis supply chain disclosures in accordance with the GRI Standards and the UN Global Compact Communication on Progress (CoP) requirement.

3.5.5. Human rights

In addition to the below principles, further information on Euroclear Group's approach to human rights can be found in Euroclear's Code of Ethics & Business Conduct, Modern Slavery and Human Trafficking Statement and Supplier Code of Business Conduct which are regularly reviewed and updated accordingly.

Principle 4.5A: Each Euroclear Company must respect human rights as defined by international conventions, standards and norms.

We respect human rights with respect to its employees, customers, suppliers and the communities in which it operates.

We are committed to:

- Avoiding causing or contributing to adverse human rights impacts through our own activities and addressing such impacts where possible when they occur.
- Seeking to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products or services by our business relationships, even if we have not directly contributed to those impacts.

Principle 4.5B: Each Euroclear Company must recognise human rights as defined by internationally-recognised standards and reflect the [UN's Guiding Principles on Business and Human Rights](#) in handling human rights issues.

We recognise human rights as defined by internationally recognised standards. These include, at a minimum, human rights as expressed within the [International Bill of Human Rights](#) and the [ILO Declaration on Fundamental Principles and Rights at Work](#).

We reflect the [UN's Guiding Principles on Business and Human Rights](#) in handling human rights issues. This includes:

- Understanding and respecting the salient human rights risks to our business, which includes the human rights risks pertinent to its employees, customers, suppliers and the communities in which we operate.
- Establishing a human rights due diligence process to protect human rights and identify, prevent, mitigate and account for how we address our impacts on human rights.
- Ensuring sufficient and appropriate education of Euroclear employees on identifying and managing potential human rights risks, including modern slavery risks, in their day-to-day roles.
- Ensuring a robust governance framework to empower Euroclear employees to report and escalate any concerns of unethical conduct, including potential violations of human rights. This includes, but is not limited to, the provision of speak up mechanisms.
- Establishing processes to enable the remediation of any adverse human rights impacts we cause or to which we contribute.

In addition to the above, we are committed to taking steps to continue to improve our practices to support the promotion of human rights within our own operations and supply chain.

Where a violation of human rights is identified within a Euroclear Company's business activities or within its supply chain as a direct result of the company's business activities, the company must:

- Seek access to remedy, compensation and justice for the victim through legitimate processes in a timely

- and appropriate manner.
- Investigate the root cause and take precautionary measures to prevent the violation from occurring again.
- Take appropriate action if a violation of human rights is identified and left unaddressed. This may include ending a business relationship with a supplier, if necessary.

Principle 4.5C: Each Euroclear Company must have processes to comply with all applicable legal and regulatory requirements on the management and disclosure of human rights issues and mitigation procedures.

Principle 4.5D: Each Euroclear Company must regularly report to ESA on any human rights violations identified or raised through the company’s speak up processes.

4. Training and awareness

We ensure there is an appropriate level of awareness of ESG matters among the members of the board, management, employees and contractors and additional specialised training for certain positions where necessary.

We also document the initiatives adopted to raise the awareness of ESG matters (e.g., trainings, communications, campaigns) and ensure that the training programme is periodically re-evaluated and updated.

5. Oversight of this policy

ESA’s Corporate Sustainability Office will:

- Monitor the adoption and implementation of this Group Policy across Euroclear Companies.
- Review this document every 2 years and report any review findings to Senior Management.
- Recommend amendments or additions, when appropriate.

6 Legal basis

This ESG Group Policy is based on requirements set out, or expected to be set out, by:

- EU legal framework:
 - Central Securities Depositories Regulation (CSDR)
 - EU Corporate Sustainability Reporting Directive (CSRD)
 - Proposal for an EU Corporate Sustainability Due Diligence Directive (CSDDD)
- Other ESG frameworks:
 - UN Global Compact Principles
 - GRI Principles
 - TCFD and TNFD Recommendations
 - SBTI Net Zero Standard
- ESG-related international standards, norms and market good practice

7. Definitions

Definitions of significant terms used in this document are set out below.

Contractor	Any person other than an employee, who provides services to any Euroclear Company,
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	whether as temporary or casual staff, agency workers, secondees, independent contractors and consultants, in each case whether engaged directly by a Euroclear Company or through an intermediary company or agency, of the Euroclear Company to which this document applies.
CPMI-IOSCO Principles for Financial Market Infrastructures	The CPMI-IOSCO Principles for Financial Market Infrastructures are the international standards for financial market infrastructures (i.e., payment systems, central securities depositories, securities settlement systems, central counterparties and trade repositories), issued by the Committee on Payments and Market Infrastructures (CPMI) and the International Organisation of Securities Commissions (IOSCO).
Critical employees	Those which are identified by the organisation as exerting critical influence on organisational activities either operationally, strategically, or both. This may include, for example, an employee with expert capabilities, which are critical to their role, that cannot easily pass that knowledge onto other employees within the organisation.
Due diligence	In line with the Global Reporting Initiative (GRI) Standards and based on the United Nations (UN) Guiding Principles on Business and Human Rights, due diligence refers to a process to identify, prevent, mitigate, and account for how the organisation addresses its actual and potential negative impacts.
Employee	Any person employed full-time or part-time by a Euroclear Company under a contract of employment, whether based at a Euroclear Company's premises or otherwise.
Environmental wellbeing	Refers to the environment in which Euroclear employees work, such as offices, homes, and any other work sites. It includes healthy and safe workspaces as well as things like office design, equipment and temperature.
Equal access to work	Equal access to work is defined in this policy as hiring and promoting people based on their merit without discriminating, directly or indirectly, based on sex (gender), disability (including physical and mental conditions), ethnic and cultural diversity, educational background, age and sexual orientation, or other factors unrelated to job performance, as well as equal access to career options based on merit alone.
Equal pay	Equal pay is defined in this policy as the entitlement to the same wage as someone else doing work of equal value.
Euroclear Company	Any of the following: Euroclear SA/NV, Euroclear Bank SA/NV, Euroclear Finland Oy, Euroclear Sweden AB, Euroclear UK & International Ltd, Euroclear Belgium, Euroclear France SA, Euroclear Nederland; and their branches and representative offices as applicable.
Financial wellbeing	Refers to the sense of financial security that Euroclear employees have. It includes the ability to meet and manage ongoing financial obligations as well as save for retirement.
Global Reporting Initiative (GRI)	The Global Reporting Initiative (GRI) is an independent, international organisation that helps businesses and other organisations take responsibility for their impacts by providing them with a common language to communicate those impacts, through the GRI Standards.
Group	Means Euroclear Holding SA together with its directly or indirectly owned Subsidiaries, including representative offices and branches of a Group Company.
Group Policies	The Group Policies are principle-based documents addressed to the relevant Euroclear companies and including: <ul style="list-style-type: none"> • The reference to legislation, guidelines, standards and market practices that have been taken into consideration as directly applicable to each entity of the Group or applicable to the parent company and to be cascaded down to the subsidiaries. • The expectations of ESA towards each Euroclear Company from a Group risk

	<p>perspective, articulated into Minimum Requirements and without prejudice for the Euroclear Companies to foresee further or stricter requirements.</p> <ul style="list-style-type: none"> • The requirement to transpose their local content into Local Policies.
Impact	In line with the GRI Standards, ‘impact’ refers to the effect the organisation has on the economy, the environment, and/or people which in turn can indicate its contribution (positive or negative) to sustainable development. ‘Impact’ can refer to actual impacts (those that have already occurred) or potential impacts (those that could occur but have not yet occurred); negative impacts or positive impacts; short-term impacts or long-term impacts; intended impacts or unintended impacts; reversible impacts or irreversible impacts.
Indicators of diversity	In line with the GRI, an indicator of diversity is defined as those diversity categories for which an organisation gathers data. For Euroclear, these include sex (gender), disability (including physical and mental conditions), ethnic and cultural diversity, educational background, age, and sexual orientation.
International Sustainability Standards Board (ISSB)	The International Sustainability Standards Board (ISSB) is an international standard setter established by the IFRS Foundation Trustees to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies’ sustainability-related risks and opportunities to help them make informed decisions.
Internationally recognised human rights	In line with the GRI Standards, human rights are rights inherent to all human beings, regardless of nationality, place of residence, sex, national or ethnic origin, religion, language, or any other status. These rights are all interrelated, interdependent, and indivisible.
Local community	In line with the GRI Standards, local community is defined as the individuals or groups of individuals living and/or working in areas that are, or could be, affected by the organisation’s activities and decisions.
Mental wellbeing	Refers to the emotional and psychological state of Euroclear employees. It includes the ability to cope with stress, the ability to work productively and the ability to make a contribution to the workplace and communities.
Minimum Requirements	Set out by Group Policies, they define the expectations from the ESA Board regarding the key control building blocks that must be implemented in all operational entities.
Mitigation	In line with the GRI Standards, mitigation refers to action(s) taken to reduce the extent of a negative impact.
Other Euroclear Companies	Other entities that are direct or indirect subsidiaries of Euroclear SA/NV but do not fall within the definition of a Euroclear Company under this Policy, who should however discuss with the Policy Owner the appropriate framework for their entity.
Outcome	An outcome is what a business activity wants or needs to achieve. It is different from an output, which are the direct products of a business activity that contribute to achieving an outcome.
Participants	<p>Euroclear defines participants to be:</p> <ul style="list-style-type: none"> • Participants of Euroclear Bank International Central Securities Depository (ICSD) systems, as defined in the “Terms and Conditions governing use of Euroclear”. • Clients of Euroclear Settlement of Eurozone Securities (ESES) Central Securities Depository (CSD) systems, which includes the systems of Euroclear Belgium, Euroclear France and Euroclear Nederland, as defined in “ESES Terms and Conditions”. • Clients of MFEX Mutual Funds Exchange systems, which includes the systems of

	MFEX France, MFEX Luxembourg, MFEX Suisse, MFEX Singapore, MFEX Hong Kong, MFEX Malaysia, Global Watch Fund, Fondab, MFEX Mutual Funds Exchange Representative Office Milan, and MFEX Mutual Funds Exchange Spanish Branch, as defined in [terms and conditions document].
Physical risk	Physical climate risk is the risk that arises from the physical effects of climate change and environmental degradation.
Physical wellbeing	Refers to the quality of life that Euroclear employees maintain. It includes fatigue, physical stress and illness.
Remedy	In line with the GRI Standards, remedy refers to means to counteract or make good a negative impact.
Science-based interim target	In line with the SBTi, a science-based interim target refers to a short- or medium-term target to reduce emissions to a level that maintains progress in ultimately reaching net zero emissions at the global or sector level in eligible 1.5 degrees Celsius-aligned pathways.
Science-based net zero target	In line with the SBTi, a science-based net zero target refers to a long-term target to reduce Scope 1, Scope 2 and Scope 3 emissions to zero or to a residual level that is consistent with reaching net zero emissions at the global or sector level in eligible 1.5 degrees Celsius-aligned pathways.
Scope 1 emissions	Emissions from sources that are owned or controlled by the reporting company.
Scope 2 emissions	Emissions from the generation of electricity, heat or steam that has been purchased by the reporting company.
Scope 3 emissions	All other indirect emissions from sources that are located along the reporting company's value chain.
Social wellbeing	Refers to the sense of belonging that Euroclear employees have in the workplace. It includes social inclusion, social intelligence factors (such as morals and altruism), relationships and communication.
Supplier	Includes direct providers of goods or services to Euroclear, as well as their subsidiaries, affiliates, and subcontractors providing goods or services to Euroclear.
Supply chain	Refers to the range of activities carried out by entities upstream from the organisation, which provide products and services that are used in the development of the organisation's own products or services.
Transition risk	Transition climate risks are business-related risks that follow societal and economic shifts toward a low-carbon future.
United Nations Global Compact (UNGC)	The United Nations Global Compact (UNGC) is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.

8. Reference information

Document Owner	ESA Corporate Sustainability Office
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