

Euroclear plc

Annual Report 2016



Post-trade made easy

Corporate responsibility

Corporate Responsibility (CR) is part of our DNA. Our CR mission is to conduct business in an ethical, responsible and sustainable way, while giving back to the wider community.

Our CR programme consists of four streams:

- Community;
- Environment;
- Marketplace;
- Workplace.

Community

The group's community partnerships, which include supporting young entrepreneurs in Europe and schools and communities in rural Uganda, have made a positive contribution to local communities, as well as employee engagement.

In 2016, we reached the end of our first three year partnership with Build Africa and have agreed to extend the partnership for another three years. Our work with the school and community in Kalengo has exceeded expectations. 2016 saw the completion of all building works and the introduction of solar panels and technology.

Two field trips, consisting of staff from across the group, went out to Kalengo in 2016, taking part in a series of activities, including working with local savings and loans schemes.

In 2017, we will be focusing on neighbouring schools and communities, enabling thousands of families to rise above the poverty line. Staff raised €20,000 for Build Africa in 2016, which is matched by Euroclear.

In line with our focus on education as a means to creating economic equality, we also partner with Junior Achievement Europe to roll out programmes across eight of our locations.

Through this programme, staff can volunteer in local schools to help young people gain the skills they need to thrive in the modern business environment. In 2016, over 160 employees participated in one of the Junior Achievement programmes.

For more information on Junior Achievement Europe and Build Africa, please visit jaeurope.org and build-africa.org.

We continue to support many local initiatives through our local office charity committees, putting special emphasis on projects proposed by staff members. In 2016, Euroclear supported over 60 local charities across our locations. Some of our locations also run a matching gift scheme, whereby we match staff donations to registered charities.

Environment

As a responsible corporate citizen, we aim to reduce our impact on the environment as much as possible.

We focus on three main environmental pillars: compliance, emissions, and resource use. As a company, we have been third party certified to the BS PAS 2060 standard for Carbon Neutrality since 2012.

Since this date, we have invested over €0.6 million primarily in gold standard carbon credits, which include additional social or health benefits for the local communities.

Euroclear's environmental initiatives have achieved a 29.0% reduction in the group's carbon footprint since 2010. A large part of these savings have been linked to our reductions in energy consumption. We are an endorser of the EU Datacentre Code of Conduct and have reduced the energy related emissions from our offices and datacentres by a substantial 58.7%.

In 2017, we will be announcing new long-term emissions reduction targets based on Scientific Based Targeting. Our focus is to set ambitious targets to ensure that our operations and influence contribute actively to achieving the long-term goals from COP21.

Marketplace

Long-term sustainability and professional competence are the foundations upon which we have built our company's position over the past decades. Our corporate reputation, brand, client trust and public confidence in our business activities depend upon the behaviour and safeguards put in place to anticipate and correct any potential problems,

internally and externally. This includes responsible procurement and adhering to strong business ethics. We commit to protect ourselves from possible unethical practices on the part of our suppliers, thereby implicating Euroclear as part of the supply chain.

We strongly encourage all providers to, where possible, improve the footprint of goods and services. Increasingly, our clients rightly demand that we provide documented proof according to industry-wide accepted standards.

We are committed to ensuring that our staff can raise concerns without fear of consequence. To this end, in 2016 we took steps to put in place a revised 'Speak Up' framework. The framework sets out what can be reported, the process, as well as how a potential report is handled.

As part of extending our 'Speak Up' capabilities, we have contracted Safecall Ltd, an independent global specialist in the mitigation of fraud, theft and misconduct, to implement an external whistleblowing hotline. This hotline was implemented in early 2017, and is available to all staff to complement existing internal reporting channels.

Workplace

The workplace segment of our CR framework is comprised of its Diversity & Inclusion programme discussed above in 'Our People', and employee well-being and safety initiatives, such as promoting optimal work-life balance.

Through these programmes, we aim to create a working environment where all employees feel valued, respected, supported and fully engaged to contribute to our future success.

We are a diverse group with different working cultures, different clients,

and different ways of doing business. This diversity, whether it is gender diversity, racial diversity, or just a diversity of opinions, combined with an inclusive culture where people can be themselves, helps deliver value for our clients and our business, by:

- contributing to our attractiveness as an employer and to retain talented people;
- supporting our ability to forge strong and trusted relationships with a wide variety of existing and prospective clients around the world;
- fostering innovation and creativity to strengthen our competitive advantage and business performance;
- approaching challenges from a variety of perspectives to support problem solving and risk mitigation.

Our approach to work-life balance has seen the introduction of flexible working and teleworking, providing the technology and infrastructure to support a more agile work culture. Similarly, it has supported cultural and recreational activities for the benefit of staff and their families around the world.

We value our employees highly and are committed to protecting them, through the provision of a safe, secure and healthy workplace. We seek to ensure this through:

- Risk management of Euroclear's activities and the implementation of appropriate emergency procedures or additional controls, to aid in the prevention of loss to people, property, equipment and the environment;
- Assessment of employee tasks to drive reduction in injuries and improve comfort, with focus on work related ill-health, particularly musculoskeletal and stress related conditions.



Building a successful partnership with Build Africa

2016 brings us to the end of our initial three year partnership with Build Africa through which we supported a school and its local community in the village of Kalengo, in rural Uganda. Through this partnership, we have seen the school and community blossom in a way that was unimaginable back in 2013, when 700 children were having classes in the dust under a mango tree. There were over 160 children to a class, with no tables or chairs. There was one broken latrine block for all the children with no facilities for girls.

The original plans to provide infrastructure for the school and to set up ten savings and loans schemes in the community developed into a wide-reaching programme that has touched the lives of hundreds of families and engaged our staff on many levels. Over the last three years, five teams of colleagues from across the group travelled to Kalengo, making a significant difference to the local community and bringing back rewarding experiences for the volunteers.

We leave Kalengo with a robust fit for purpose infrastructure, sports facilities which have enabled children to compete at national level, thriving savings and loans schemes and a community committed to the education of its young people. Having not previously featured on its district league table, the school was ranked 3rd in 2016, out of 95 schools. Now, together with Build Africa, we will be extending our support further afield, working with schools and communities across the surrounding district, thereby multiplying our impact.

“The savings and loans schemes have helped the members learn how to make savings and improve their lives...I own a fish selling business [...] Through this I am able to support my five children’s education.....”

Robert, a member of a Kalengo Savings & Loans group

What difference have we made?

- 12 classroom blocks
- Supply of desks and other furniture
- Library with over 1,000 books
- 2 new latrine blocks
- Borehole to pump clean water for school and local community
- Teacher accommodation block, kitchen and latrine
- Teacher training
- Health training
- 10 savings and loans schemes established to set up small businesses

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