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| Indices

Euronext Biodiversity Index solutions

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The importance of Biodiversity

Biodiversity is defined by the Convention on Biological Diversity (CBD) 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 in sustaining life. It covers the processes that make up our ecosystems and gives us clear water, air, food and medicines. The current acceleration of global biodiversity loss is one of the most significant threats to society (OECD, 2019).

Human-driven biodiversity loss is one of today’s main challenges. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) lists multiple pressures on nature with direct consequences for human livelihood. Among these are climate change, pollution, invasive species, and exploitation of resources.

These themes are echoed in the Global Biodiversity Framework (GBF) post-2022, adopted at the UN Biodiversity Conference at COP15 in Montreal in December 2022, and in the Taskforce on Nature-related Financial Disclosures (TNFD).

As a result, financial institutions and companies are encouraged to monitor and disclose their risks and negative impacts on biodiversity.



The Four Environmental Pressures on Biodiversity*



Change of Land use: this refers to the use of land by humans. It can be either occupational, by preventing land from returning to its original natural state, or transformational, by artificialising a piece of land.



Climate Change: this pressure refers to GHG emissions and the negative long-lasting effect 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 increase biodiversity loss.

* Source: The Four Environmental Pressures on Biodiversity graph, Iceberg Data lab

A growing demand for index solutions that consider the biodiversity impact of companies

Financial institutions have an important role to play in tackling the preservation of biodiversity. Euronext, as a leading pan-European index provider, is strongly committed to early action.

Increasing regulation on biodiversity

Across financial markets, conversations around biodiversity risk remain high on the agenda, driven also by EU and local regulations that require disclosures on biodiversity.

Financial regulators require that financial institutions assess nature-based financial risks and their impacts on nature. Several governments and regulators are already part of the Taskforce on Nature-related Financial Disclosures (TNFD).

The EU has launched a biodiversity strategy for 2030, an ambitious and long-term plan to protect nature and reverse the degradation of ecosystems. The strategy aims to put Europe's biodiversity on a path to recovery by 2030, and contains specific actions and commitments. The protection and restoration of biodiversity is also one of the main objectives of the Sustainable Finance Disclosures Regulation (SFDR)'s EU Green Taxonomy and requirements.

SFDR requires the disclosure of Principle Adverse Impact (PAI) indicators, one of which is specifically related to biodiversity. Companies will have to disclose activities that negatively affect biodiversity-sensitive areas.

The EU Taxonomy has introduced six environmental objectives. Three of these objectives are related to the preservation of biodiversity:

- sustainable use and protection of water and marine resources

- pollution prevention and control
- the protection and restoration of biodiversity and ecosystems.

France is also leading the way with a new decree under Article 29 of its Energy and Climate Law requiring disclosures on the biodiversity and climate impact of companies.

Euronext: actively supporting the sustainable economy

Responsible investment to support the sustainable transition has become increasingly central to the world of finance.

Euronext's ambition, as a leading index provider in Europe, is to connect European economies to global capital markets and to accelerate innovation and sustainable growth.

As part of its 'Fit for 1.5' commitment in its 'Growth for Impact 2024' strategy, Euronext plays a crucial role in empowering sustainable finance across all its markets and supports the allocation of capital to sustainable initiatives through the launch and publication of ESG indices.

Euronext is:

- an Official Partner of the United Nations Sustainable Stock Exchanges (SSE) Initiative and the UN Global Compact
- committed to setting science-based targets through the Science-Based Targets initiative (SBTi), and is a member of the Business Ambition for 1.5°C campaign,
- an official signatory of the Task Force on Climate-Related Financial Disclosures (TCFD)
- an official signatory of the UN-supported Principles for Responsible Investment (PRI)
- the first exchange to sign the nine UN Global Compact Sustainable Ocean Principles,
- a board member of the Sustainable Trading initiative.



Accelerating the transition to a sustainable economy

Tackling the preservation of biodiversity is a key focus. At Euronext, we offer a full suite of Biodiversity indices that are tracked by a number of ETFs and Structured Products.

Euronext Biodiversity index solutions

At Euronext, we propose a high-level range of indices focusing on biodiversity.

Index name	ISIN	BBG	Currency
Euronext ESG Eurozone Biodiversity Leaders PAB index	FRESG0000371	BIOLABP	EUR
Euronext ESG Biodiversity Screened World index	FRESG0000066	ESGBIOWP	EUR/USD
Euronext Euro Large Cap Biodiversity 30 Leaders Index	FRESG0000306	BIOEZ3PR	EUR
Euronext ESG Biodiversity Screened Eurozone 50	FRESG0000090	ESGBIOEP	EUR
Euronext ESG Biodiversity Screened Transatlantic 80	FRESG0000405	ESGBIOTP	EUR

Euronext Biodiversity index awarded “Index of the Year 2023”



The Euronext® Euro Large Cap Biodiversity Leaders 30 Index was awarded “Index of the Year 2023” by structured products data and market intelligence provider SRP Europe.

Key Euronext Biodiversity Indices

The Euronext ESG Eurozone Biodiversity Leaders PAB Index

Selection based on Carbon Biodiversity footprint (CBF) score.

The CBF score metric integrates four of the main terrestrial pressures on biodiversity: climate change, air pollution, water pollution and change of land use. It then aggregates these effects and maps them at company level – condensed into a Mean Species Abundance score (MSA) expressed in km².MSA.

The Euronext[®] ESG Biodiversity index family is designed to reflect price trends of shares that have a lower relative negative impact on biodiversity, as assessed by IDL.

The Euronext[®] ESG Eurozone Biodiversity Leaders PAB index is in line with the EU Paris-Aligned (PAB) Benchmark requirement. It includes most common ESG investment approaches adopted by institutional and private investors such as norm-based exclusion filters applied in accordance with the UN Global Compact Principles, and based on involvement in coal, oil and gas, controversial weapons and tobacco.

The index serves as an underlying for structured products, funds and exchange-traded funds.

Find the index rules on live.euronext.com.

The Euronext ESG Biodiversity Screened World Index

Selection based on Carbon Biodiversity Footprint (CBF) score.

The CBF score metric integrates four of the main terrestrial pressures on biodiversity: climate change, air pollution, water pollution and change of land use. It then aggregates these effects and maps them at company level – condensed into a Mean Species Abundance score (MSA) expressed in km².MSA.

The Euronext[®] ESG Biodiversity Screened World index is designed to reflect price-level trends in the trading of shares that have the ability to identify and reduce the negative biodiversity impact of their activities.

It includes most common ESG investment approaches adopted by institutional and private investors such as norm-based exclusion filters applied in accordance with the UN Global Compact Principles, and based on involvement in coal, oil and gas, controversial weapons and tobacco.

The index serves as an underlying for structured products, funds and exchange-traded funds.

Find the index rules on live.euronext.com.

The Euronext Euro Large Cap Biodiversity 30 Leaders Index:

Selection based on rigorous Biodiversity Impact score.

The Euronext[®] Euro Large Cap Biodiversity 30 Leaders Index is designed based on the Biodiversity Impact score to help support the transition of the financial sector to align with international targets and reduce multiple pressures on biodiversity, including climate change.

This index measures the performance of the top 30 companies ranked on their Biodiversity Impact score, after exclusion of companies based on ESG Risk score, UN Global Compact non-compliant, controversial weapons, tobacco, thermal coal, oil & gas and palm oil, helping investors to allocate capital to companies that have a positive impact on biodiversity while taking ESG considerations into account.

The index serves as an underlying for structured products, funds and exchange-traded funds.

Find the index rules on live.euronext.com.

The Euronext ESG Biodiversity Screened Eurozone 50 Index

Selection based on Carbon Biodiversity Footprint (CBF) score.

The CBF score metric integrates four of the main terrestrial pressures on biodiversity: climate change, air pollution, water pollution and change of land use. It then aggregates these effects and maps them at company level – condensed into a Mean Species Abundance score (MSA) expressed in km².MSA.

The Euronext[®] ESG Biodiversity Screened Eurozone 50 index is designed to reflect price-level trends in the trading of shares that have the ability to identify and reduce the negative biodiversity impact of their activities. It includes most common ESG investment approaches adopted by institutional and private investors such as norm-based exclusion filters applied in accordance with the UN Global Compact Principles, and based on involvement in coal, oil and gas, controversial weapons and tobacco.

The index serves as an underlying for structured products, funds and exchange-traded funds.

Find the index rules on live.euronext.com.

The Euronext ESG Biodiversity Screened Transatlantic 80 Index

Selection based on Carbon Biodiversity Footprint (CBF) score.

The CBF score metric integrates four of the main terrestrial pressures on biodiversity: climate change, air pollution, water pollution and change of land use. It then aggregates these effects and maps them at company level – condensed into a Mean Species Abundance score (MSA) expressed in km².MSA.

The Euronext[®] ESG Biodiversity Screened Transatlantic 80 index is designed to reflect the price level trends in the trading of shares that have the ability to identify and reduce the negative biodiversity impact of their activities.

It includes most common ESG investment approaches adopted by institutional and private investors such as norm-based exclusion filters applied in accordance with the UN Global Compact Principles, and based on involvement in coal, oil and gas, controversial weapons and tobacco.

The index serves as an underlying for structured products, funds and exchange-traded funds.



Shaping capital markets for future generations

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