



European Securities and
Markets Authority

ENVIRONMENTAL STATEMENT N°1

Reporting year: 2021





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1 EXECUTIVE DIRECTOR'S FOREWORD



I am pleased and proud to sign the first environmental statement of ESMA!

Sustainability is an integral part of ESMA's mandate since the 2019 review of our Founding Regulation. As soon as February 2020, our Sustainable Finance Strategy was launched. At ESMA, we support the EU's ambitious agenda and actively contribute to building a sustainable finance framework that can support the orderly transition to a more sustainable economy.

As we would like to lead by example, it is a natural choice for ESMA to ensure that the environmental impact of our activities and daily operations is kept as low as possible and that we operate in a sustainable way.

Therefore, ESMA has chosen to go green and implement a sound Environmental Management System based on the principles of the Eco-Management and Audit Scheme (EMAS). We intend to further develop our green strategy to optimise the use of internal and external resources, lower the negative direct and indirect environmental impacts of our activities and find ways to continuously improve. In the past five years, considerable steps have already been taken by the organisation in this direction and we are very pleased to now be EMAS-registered.

ESMA has been continuously growing since its establishment in 2011 and in November 2019 moved to new more environment friendly premises. However, the past years were mainly marked by the COVID-19 pandemic and are therefore not representative in terms of premises occupation, energy consumption or functioning of the organisation. These years have also created an opportunity to experience new ways of working, including with less travelling. Going forward we will need to draw lessons from these recent years as well as focus on way to properly measure and continuously seek to improve our environmental performance.

I am looking forward to pursuing this journey and supporting ESMA in becoming an increasingly eco-friendly organisation building on the continued support of ESMA's committed staff.

Natasha Cazenave

Executive Director
European Securities and Markets Authority





Environmental verifier's declaration on verification and validation activities

Dr. Rainer Feld

with EMAS environmental verifier registration number DE-V-0186

accredited or licensed for the scope NACE 66 and 84.1

declares to have verified whether the whole organisation as indicated in the environmental statement of the organisation ESMA

with registration number to be completed

meet all requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

By signing this declaration, I declare that:

- the verification and validation have been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information of the environmental statement/the updated environmental statement (1) of the organisation/site (1) reflect a reliable, credible, and correct image of all the organisations/sites (1) activities, within the scope mentioned in the environmental statement.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No 1221/2009. This document shall not be used as a stand-alone piece of public communication.

Done at Frankfurt on 14.07.2022
Signature 



2 INTRODUCTION

The European Securities and Markets Authority's (ESMA) Environmental Statement (Statement) provides all stakeholders and other interested parties information concerning ESMA's environmental performance and activities from the adoption of its first environmental policy in 2017, with a focus on the reporting year 1 January - 31 December 2021.

This document has been drafted in accordance with the Eco-Management and Audit Scheme (EMAS) regulation¹ in its last applicable version, considering the sectoral reference document (SRD) 'Best Environmental Management Practice for the Public Administration Sector'².

This Statement and its annex (Environmental verifier's declaration on verification and validation activities) will be published on ESMA's website annually, as per our Environmental Management System (EMS).

¹ [REGULATION \(EC\) No 1221/2009 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL](#)

² [COMMISSION DECISION \(EU\) 2019/61](#) of 19 December 2018 on the sectoral reference document on best environmental management practices, sector environmental performance indicators and benchmarks of excellence for the public administration sector under Regulation (EC) No 1221/2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).



3 ESMA

3.1 ESMA's mission

ESMA is an independent European Union (EU) Authority that contributes to safeguarding the stability of the EU's financial system by enhancing the protection of investors and promoting stable and orderly financial markets.

ESMA achieves its objectives through 4 activities:

- assessing risks to investors, markets and financial stability;
- completing a single rulebook for EU financial markets;
- promoting supervisory convergence; and
- directly supervising credit rating agencies, trade repositories and securitisation.

The transition towards a greener and more sustainable economy has become a priority for the EU and ESMA. Sustainable Finance refers to the process of taking environmental, social and governance (ESG) considerations into account when making investment decisions in the financial sector. At ESMA we integrate ESG factors across all our activities to ensure that financial markets support and promote this transition. ESMA, with its overview of the investment chain, is in a unique position to pro-actively support sustainable finance initiatives while contributing to investor protection, orderly and stable financial markets. In this context, ESMA published its Sustainable Finance Roadmap in 2022 – this facilitates the coordinated implementation of ESMA's sustainable finance mandate for the period from 2022 to 2024.

3.2 Teams and location



building rating system;

Since November 2019, ESMA rents eight and a half floors of a building in Paris XII (201-203, rue de Bercy 75012 Paris) to house its staff³ and on-site consultants.

Among the criteria to select a new building, the environmental performance was considered. The IBOX building was awarded with [multiple labels or certifications](#) after its refurbishment:

- [LEED BD+C Gold](#) - the most widely used green

³ 338 staff on average in 2021, including temporary agents, contract agents, seconded national experts, interims, trainees, and on-site consultants



- HQE French certification - awarded to building construction and management;
- [BBC Effinergie Rénovation](#) - awarded to the building's energy performance progress since the refurbishment; and
- [WELL certification Gold level](#), awarded to building owner for the effort in considering health in the building.

3.3 Scope of ESMA's EMS

To decide on the scope of its management system ESMA considered several topics.

Considering that:

- ESMA's latest regulation⁴ states that it shall act, in its field, "taking into account sustainable business models and the integration of environmental, social and governance related factors" [art. 1(3)];
- ESMA develops technical standards applicable throughout EU, it is its duty to "walk the talk" and manage its own sustainability challenges, starting with its environmental impacts;
- Even though some indirect impacts may be difficult to measure or even assess, ESMA is eager to consider its environmental impacts in all its activities.

The scope of the EMS covers both ESMA's operations and activities in Paris and its mandates regarding sustainability and ESG factors integration within its mission in enhancing the protection of investors and promoting stable and orderly financial markets.

⁴ [REGULATION \(EU\) No 1095/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL](#)



4 DESCRIPTION OF THE EMS

4.1 About EMAS at ESMA

ESMA initiated its journey towards EMAS in 2017, setting first targets to improve its environmental performance by 2021.

During the implementation phase, many significant contextual changes took place:

- The move, initiated in 2018, from a XIXth century building in Paris VIIth arrondissement to a newly re-constructed building with high environmental standards in Paris XIIth arrondissement. The initial environmental performance assessment, conducted on ESMA's old premises, was helpful to clarify ESMA's needs for the new building, and the selection was influenced by the environmental performance of the new building;
- A greater focus on sustainable finance in the EU and the adoption of the European Green Deal impacting ESMA's core business activities;
- The growth of ESMA's on-site Full-Time Equivalent (FTEs), from 282 in beginning 2017 to 338 in end 2021 which mechanically impacts the organisation's consumptions; and
- Finally, after ESMA's move to its new building, the COVID-19 pandemic led ESMA to operate off-site almost exclusively from March 2020 and most of 2021.

With the support of a Green Team, consisting of committed staff members, ESMA developed and implemented an EMS. This first environmental statement reflects on the progress and challenges ESMA has faced with EMAS.

4.2 Context and purpose of ESMA's EMS

ESMA works with a wide range of stakeholders: from its staff to local contractors; from National Competent Authorities (NCAs) to European institutions. Those considered as significant, as of end 2021, given the influence they may have on ESMA's environmental performance and/or mutual high expectations, are the following:

Stakeholder	Their needs and expectations regarding ESMA	ESMA's needs and expectations regarding them
ESMA staff and Green Team	Implement a sound and meaningful EMS.	Participate in improvement actions and formulate suggestions.

National Competent Authorities (notably via the Coordination Network on Sustainability)	Information on ESMA's work and mandates in the area of sustainable finance and opportunities to provide their expertise.	Contribute to all ESMA's work on sustainable finance matters, including in relation to the incorporation of ESG factors in investment advice, disclosure requirements and corporate reporting.
Commission/Council/Parliament	Technical input in the form of opinions, recommendations, proposals for regulatory technical standards to support the EU's efforts to deliver on its sustainable finance agenda and foster convergence across the EU.	Development of a clear and consistent legal framework and allocation of adequate time and resources to deliver on mandates.
European Court of auditors	Comply with all relevant regulation, adjust processes to recommendations.	None specific
Building owner and building manager	Respect of the lease contract.	Support in the access to data regarding the building and life management of the building in the best possible way, including as per annex 14 of the lease. Provide accurate data related to energy and non-energy indicators.
Building Management System (BMS) provider	None specific since no direct contract.	Efficiency gains: provide support to automate energy and fluids reporting.
Maintenance contractors (building and private)	Respect the contract.	Sound management of regular and ad-hoc maintenance. Good waste management and advice.
Catering contractor	Fluid communication to limit food waste.	Respect of contract (local food, reduced packaging...).
Cleaning services contractor	Clear instructions and respect of contract.	Procedures and training on cleaning and waste management.
Waste removal and treatment contractor	Respect the sorting instructions.	Maximise recycling rate. Legal document and reports, in due time.
Travel agency	Respect the contract.	Provide accurate data for greenhouse gas emissions related to travels for missions.
Environmental regulatory surveillance and legal compliance contractor	Provide necessary inputs.	Annual environmental legal compliance audit. Monthly



		regulatory surveillance and support.
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Following a PESTEL (Political, Economic, Social, Technological, Legal and Environmental factors) analysis and a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, which involved interviewing staff, the defined strategic risks and opportunities for ESMA's EMS are as follows:

Context category	Risks	Opportunities
Political	None strategic.	EMAS registration is an opportunity for ESMA to be aligned with the recommendations and regulations it develops for the market participants.
Economical	The building owner may be less keen on investing in environmental improvements where his investments serve the tenants' interests only.	Since the COVID-19 pandemic the majority of ESMA's stakeholders are equipped to exchange from a distance which implies less impacts and costs from travelling.
Social	None strategic.	ESMA Social Committee develops an offer of green social activities for the staff to promote local environmental initiatives (in and around Paris) and volunteering.
Technological	An inadequate understanding of EMAS requirements by landlord, building manager and subcontractors would have an impact on ESMA's EMS.	Decoupling the accounting depreciation time and the concrete use of ESMA's assets leads to extend their life and limit the purchases of new items.
Environmental	None strategic.	ESMA staff are aware that missions are one of the biggest concerns for ESMA's environmental performance.
Legal	The specific public procurement rules may deter local contractors to submit offers. Therefore, there could be a reluctance to insert Green Public Procurement (GPP) criteria on top not to increase the complexity.	The legal compliance efforts lead to increase engagement with management and staff by reducing the risks of fines and of image issues.



4.3 Governance of the EMS

To operate its EMS, ESMA relies on the following structure:

Role	Key responsibilities
Executive Director	Approves the Policy and gives strategic orientation to the management system.
Steering Committee	Chaired by Head of Resources, the Steering committee follows-up on the EMS effectiveness including a quarterly review of the action plan - and provides support to the Executive Director to make decisions.
Environmental coordinator	The environmental coordinator ensures the day-to-day smooth running of the EMS, providing support to all teams in the implementation and maintenance of the EMS.
Management Team	Implementing, promoting, and enforcing environmental best practices in their team.
Green Team	Advocating environmental performance in their teams and with all staff.
Staff	Actively taking part in day-to-day environmental good practices.



5 ENVIRONMENTAL POLICY

In 2017, ESMA's first environmental policy details the organisation's engagements and achievements:

Engagements:

To reduce the environmental impact of its work and to improve its environmental performance, the following engagements govern ESMA's actions:

- Minimise the consumption of energy, water, paper and other resources;
- Encourage the prevention of waste and environmental pollution by maximising the recycling and reuse of items and by optimising their disposal;
- Take necessary measures to reduce CO₂ emissions and minimise the impact of mobility and travel; and
- Comply with relevant environmental legislation, administrative regulations, and other requirements.

Means of achievement:

These engagements will be achieved by the following means:

- Promoting environmental awareness within ESMA and communicate and implement this policy at all levels of the Authority;
- Providing suitable resources to fulfil ESMA's policy;
- Promoting local environment protection initiatives and encourage active involvement in these;
- Involving contractors and suppliers (when relevant) and incorporate environmental criteria into public procurement procedures and any rules regarding the organisation of events; and
- Promoting transparent communication with internal and external stakeholders.

To improve its environmental performance, ESMA continually assesses the environmental impact of its actions. It sets objectives and targets and reviews them on a regular basis.

This policy has been revised and a new environmental policy has been adopted in Q2 2022 to take into consideration the recent changes in ESMA's context.



The scope has been aligned with the EMS' one (see section 3.3 above) and a new engagement has been added: "Include environmental factors into our work, as a transversal topic, as expected by our regulation".

This policy is relevant for staff and stakeholders that may influence ESMA's EMS.



6 ENVIRONMENTAL ASPECTS AND IMPACTS

To evaluate the significance of different environmental aspects, ESMA uses sets of various criteria depending on whether the aspect is direct or not; normal or malfunctioning (abnormal, emergency).

For each aspect, ESMA identifies:

- the nature of negative impacts, and whether the aspect has or may have beneficial impacts;
- the frequency/probability of the environmental aspect or the source of influence;
- the level of control or degree of ESMA's influence on the environmental aspect; and
- the opinion of staff; from the survey launched by ESMA.

This evaluation was updated by end 2021.

The staff opinion survey will be updated in 2022.

This evaluation provides the organisation with a ranking of aspects (1st rank to the most significant aspects – there may be several). Taking into consideration ESMA's resources, it was decided that the top 11 would be significant with a priority for action in the years to come, as follows:

Activity	Environmental aspect	Rank
Procuring for ESMA's needs	Integration of environmental exclusions, selection or awarding criteria.	1
On-site work	Cooling of premises: energy consumption.	2
On-site work	Heating of premises: energy consumption.	3
Missions	Traveling for business: air and CO2 emissions from teams' missions through transport, water, waste, etc.	3
Events & meetings	Transportation of visitors: air and CO2 emissions for visitors travelling to Paris.	3
Events & meetings	Air and CO2 emissions; energy and water, waste generation, etc ... for visitors' stay in Paris (hotels).	3
Events & meetings	Ordering meals to Baxter Storey for catering.	3
Operation and maintenance: building and its equipment	Waste generated by maintenance: Waste form Electrical and Electronic Equipment (WEEE), dangerous waste, packaging waste.	3



Operation and maintenance: building and its equipment	WEEE generated by failing IT equipment (video, phones, PC, screens...).	3
Support to core business	Provide staff and some externals with IT equipment.	3
Core business	Sustainability and ESG factors integration.	3

7 ENVIRONMENTAL OBJECTIVES

7.1 2018-2021 environmental objectives

ESMA's environmental objectives were set for 2021 (baseline 2018):

Policy area	Aspect	Objective
Minimise the consumption of energy, water, paper, and other resources	Office work – Paper use	Reduce paper consumption by 15%, per FTE/day.
Minimise the consumption of energy, water, paper, and other resources	Office work – Water consumption	Reduce water consumption by 10%, global and per FTE.
Minimise the consumption of energy, water, paper, and other resources	Office work – Electricity consumption	Reduce electricity consumption by 10%, per m ² and FTE.
Encourage the prevention of waste and environmental pollution by maximising the recycling and reuse of items and by optimising their disposal	Waste	Reduce total waste production, global and per FTE. Increase by 15% the share of recycled waste and reduce non-sorted waste production, per FTE. Reduce paper waste production, per FTE. Reduce plastic and cans waste production, global and per FTE.
Take necessary measures to reduce CO ₂ emissions and minimise the impact of mobility and travel	Travelling for missions	Missions carbon footprint reduced by 10%.
Comply with relevant environmental legislation, administrative regulations, and other requirements	All activities	100% compliance.

The ESMA's energy consumption analysis is performed per both square meter and FTE in order to:

- take into consideration the context changes (i.e. the move to a new building where more office space was rented and the continuous growing of its staff headcount); and
- compare its performance years on years.



The following chapter presents ESMA’s environmental performance. It is compared to an objective when there is one. The value is either compared to ESMA’s own objective or to the available benchmark of excellence, from the sectoral guidance document *Best Environmental Management Practice for the Public Administration Sector*⁵ – SRD, when it exists.

As it will be detailed in the next section, not all are relevant to analyse given the context changes.

7.2 2022-2024 environmental objectives

New objectives have been approved during the Management review in April 2022, in order to adjust for the multiple context changes. They cover the next period 2022-2024.

The objectives are set for 2024 unless another target year is reported.

Policy area	Aspect	Objective
Minimise the consumption of energy, water, paper, and other resources	Office work – energy and non-energy consumption	2022: Build processes with the building manager to have a clear vision on all energy consumptions, in Q1 of the year after.
Minimise the consumption of energy, water, paper, and other resources	Office work – Paper use	Maintain paper use below the benchmark of excellence of 15p/day/FTE.
Minimise the consumption of energy, water, paper, and other resources	Office work – Paper use	2022: 100% of all reprints with the new visual identity of ESMA is done on eco-labelled paper.
Minimise the consumption of energy, water, paper, and other resources	Office work – Water consumption	Reduce water consumption below 5m ³ /FTE.
Minimise the consumption of energy, water, paper, and other resources	Procurement	Maintain a growing share of Green procurement.
Encourage the prevention of waste and environmental pollution by maximising the recycling and reuse of items and by optimising their disposal	Waste	2022: Maintain waste production below the benchmark of excellence of 200kg/FTE. Recycle at least 65% of waste.

⁵ [COMMISSION DECISION \(EU\) 2019/61](#) of 19 December 2018 on the sectoral reference document on best environmental management practices, sector environmental performance indicators and benchmarks of excellence for the public administration sector under Regulation (EC) No 1221/2009 on the voluntary participation by organisations in a community eco-management and audit scheme (EMAS).

Take necessary measures to reduce CO2 emissions and minimise the impact of mobility and travel	All activities	2023: Extend scope to cover emissions from visitors in 2023. Reduce GHG emissions by 21%/FTE, compared to 2019.
Take necessary measures to reduce CO2 emissions and minimise the impact of mobility and travel	Travelling for missions	Reduce GHG emissions due to travel by 35%/FTE compared to 2019. Maintain a carbon intensity of our trips under 115g/km.
Include environmental factors into our work, as a transversal topic, as expected by our regulation	Sustainability and ESG factors integration	All staff had the opportunity to participate in at least one awareness-raising session relating sustainability. All staff whose mission requires it has received training on the regulatory framework for sustainable finance ESG factors.
Comply with relevant environmental legislation, administrative regulations, and other requirements	All activities	100% compliance.

8 ENVIRONMENTAL PERFORMANCE AND ACTIONS

8.1 Foreword

ESMA moved into a newly refurbished building in November 2019.

Since then, ESMA has had difficulties getting reliable and reproducible data regarding consumptions from the building management and owner.

However, ESMA managed to report on its environmental performance until end of 2021, based on the best available data.

ESMA's primary objective regarding the building manager and building owner for 2022 will be to establish a clear and reliable process to be able to collect consumptions and monitor environmental performance.

As explained in section 7.1, the energy consumption analysis is performed per both square meter and FTE.

8.2 Energy

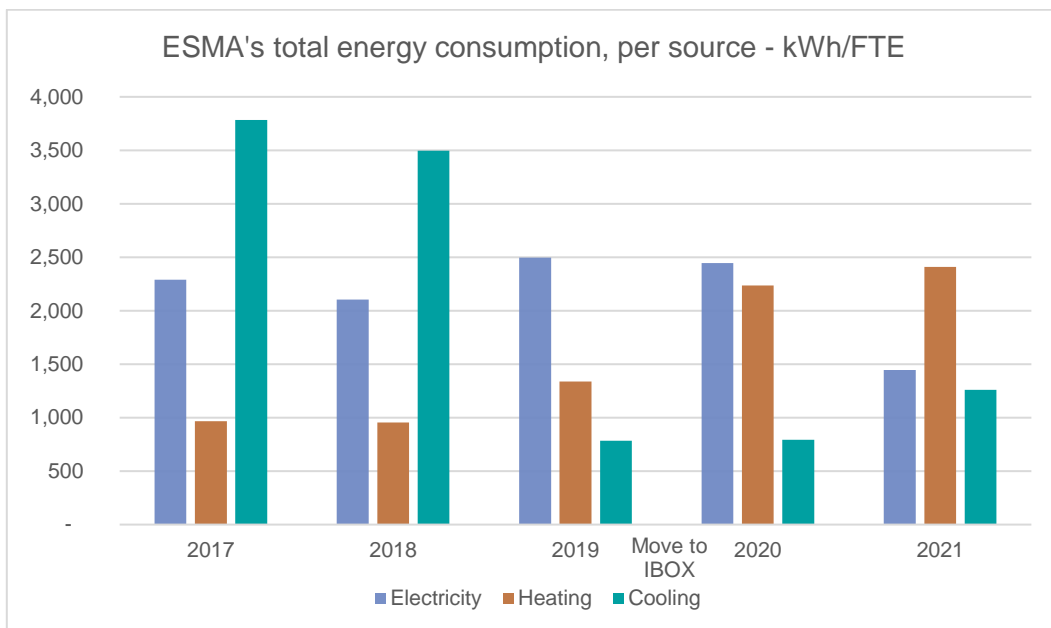
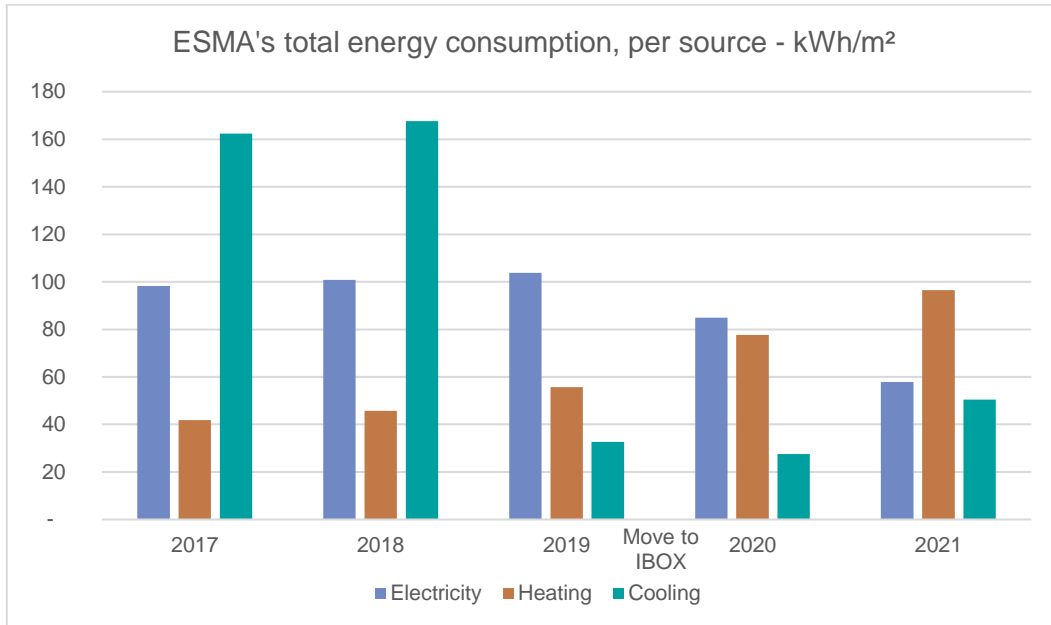
8.2.1 Performance

Objective: Reduce electricity consumption by 10% per square meter and per FTE.



EMAS journey has begun before ESMA had decided to move to IBOX, and it is to be noted that environmental performance was one of the criteria to select this building.

ESMA's total energy consumption (including electricity, heating and cooling) per square meters and FTEs is reported below.



In 2017 and 2018: ESMA rented a XIXth century building in Paris VIIth arrondissement.

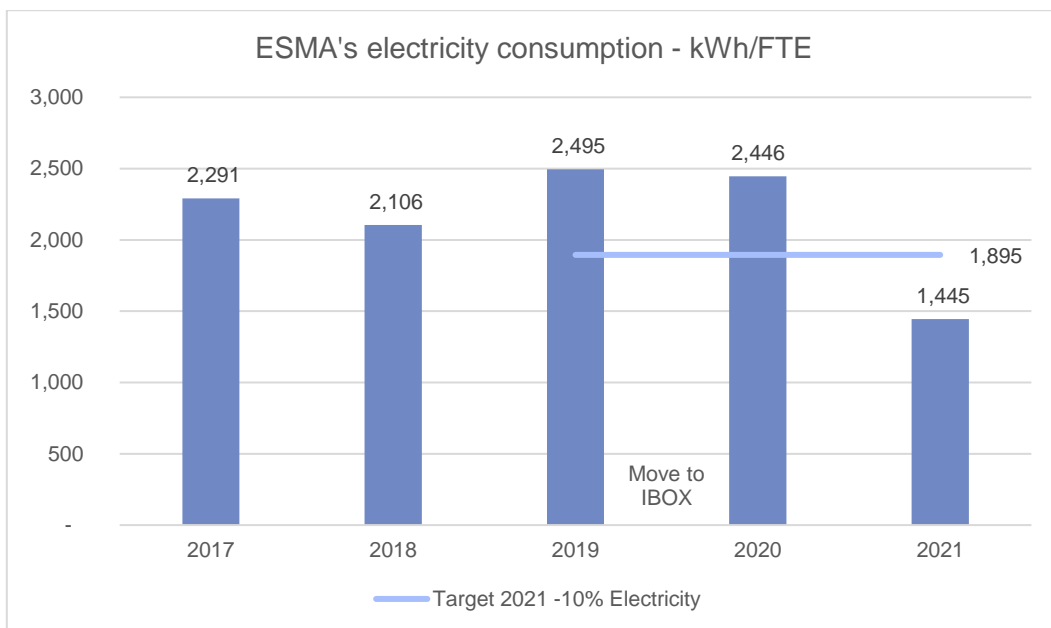
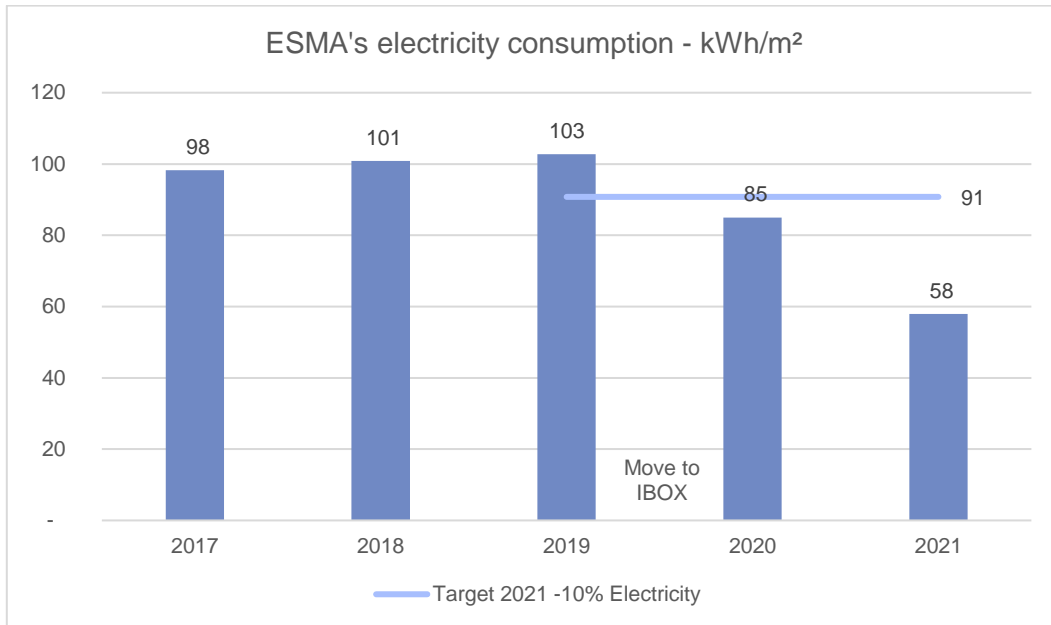
In 2019: The data on heating in the former building was calculated (base y-1 and unified degree-day).

In 2020: the building occupation was very low due to the pandemic. The available data seems inconsistent as explained in section 8.1.

From mid-2020 (after lock-down) and throughout all of 2021: ESMA operates 100% fresh air due to the sanitary situation which implies an increase of cooling and heating energy consumptions.



Focusing on electricity, which was ESMA's primary target for improvement, the consumption reached the 10% reduction target in 2021:



The share of ESMA's private electricity consumption, compared to the overall building consumption, is below 50% in both 2020 and 2021. This makes it even more important to liaise closely with the building management to improve, as performance will not only depend on ESMA's own efforts.

8.2.2 Actions undertaken

- Move to a newly refurbished building with high environmental credentials that cover both the envelope, the equipment (building management system (BMS), automatic regulation...) and the use, with 100% of electricity coming from renewables – with certificates of origin;
- Communication to teams on building's performance and equipment and of best practices to limit the energy consumption of IT devices; and
- Exchanges with the building manager to align reporting.

8.2.3 Next steps

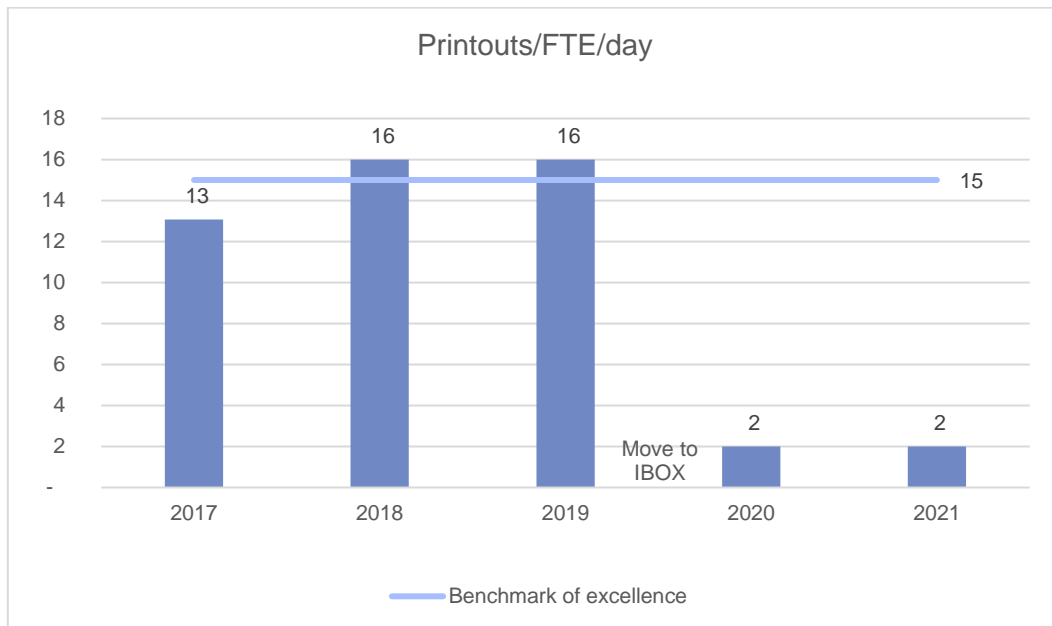
- Work with the building manager and owner to streamline reporting for the shared areas;
- Work with the building owner and the BMS provider in order to have regular reports on private consumptions, to be able to correlate them to activity and set reasonable improvement targets;
- Restore the nominal operation of air, heat and cooling distribution as soon as sanitary conditions allow. The ventilation system is planned to operate with a double-flow, but since the COVID-19 pandemic, it operates with 100% fresh air, leading to more energy losses. Given that the ventilation represents over 40% of the overall energy consumption, plus energy losses, the return to normal operations, provided they are safe, will be a huge gain; and
- Ensure to consider energy consumption when preparing purchases – see Procurement chapter below.

8.3 Paper consumption, IT equipment and systems

8.3.1 Performance

Objective: Reduce paper consumption by 15% (printouts/day/FTE).





The performance is measured taking into account the number of printouts per full-time equivalent (FTE) per day.

The significant drop between 2019 and 2020 can be explained as follows:

- The mandatory teleworking imposed due to the COVID-19 pandemic, and
- A change in ESMA’s printing system (badge to print) since the move to IBOX.

It is difficult to assess their relative impact even if the first explanation can be seen as more impactful.

In 2021, only A3 paper was eco-labelled at ESMA.

When implementing its EMS, there was no specific focus on IT, except carbon footprint linked to purchases of equipment.

Nevertheless, ESMA depends strongly on its IT systems to deliver its mission and to improve its overall environmental impact, especially through digitalisation of meetings and other processes.

8.3.2 Actions undertaken

- Change in ESMA’s printing system, when moving to IBOX, with a “badge to print” system allowing more flexibility to teams, enhancing security of data, and avoiding forgotten printouts;
- Workstations are configured by default to print in black and white and double-sided. Staff is invited not to change this as much as possible;

- Improvement of the paperless platform, allowing for digitalisation of more e-workflows (e.g., on budget management, contracts & commitments, ethics, Human Resources, Procurement) and implementation of EU Sign for Chair, Executive Director and Heads of Department;
- Share best practices such as digital press subscriptions (reducing waste as well), setting up an internal library that lists all the (paper) books available in the organisation;
- All screens are set on stand-by and deep stand-by mode;
- Computers are on deep stand-by mode;
- Desk phones have been replaced with the Microsoft Teams application;
- Lifetime of IT devices is not linked to the accounting depreciation time (4 years). In case of technical issues, laptops are configured and/or updated to be provided to another user. A technical check is regularly performed to assess whether the device models are still able to support ESMA's IT systems;
- Induction sessions for newcomers include information on environmental impacts of IT equipment;
- Purchased laptops are eco-labelled EPEAT (Electronic Product Environmental Assessment Tool) silver (dependent on a framework contract of the European Commission);
- IT equipment is systematically recycled;
- Training on Green Public Procurement for IT equipment is provided to IT staff; and
- Training on sustainable IT (by the European Environment Agency (EEA) and the Communications Technologies Advisory Committee sub-network (ICTAC)) was provided to colleagues in IT staff and shared internally on the wiki.

8.3.3 Next steps

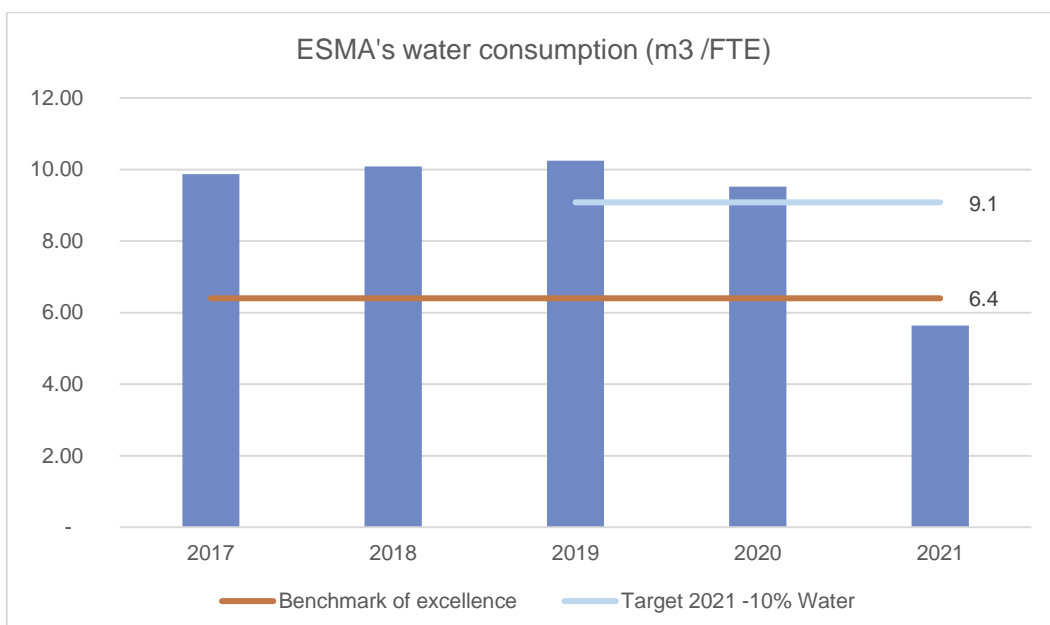
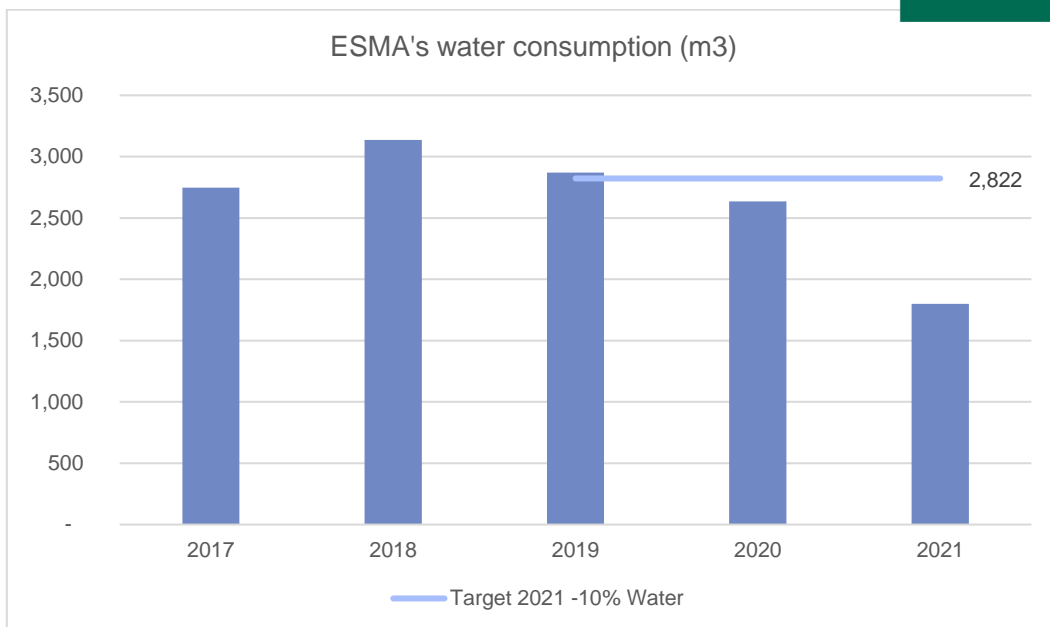
- Regularly monitor the printout to be able to communicate if the “good habits” taken during the pandemic are kept;
- Purchase 100% of eco-labelled paper;
- On-going project to implement virtual desktops for off-site consultants. This technology requires less power from equipment and will reduce energy consumption and purchase of equipment;

- Assess feasibility to re-use IT equipment: looking for a social economy organisation like Oxfam which is already working with the European Commission to re-use equipment that does not fit ESMA's needs anymore and help recycle it; and
- Add a new indicator to monitor the life cycle of IT equipment.

8.4 Water consumption

8.4.1 Performance

Objective: Reduce water consumption by 10% per FTE.



In 2019: There is doubt about both consumption in the previous building (much lower than usual) and the level of consumption for 2 months in IBOX.

In 2020: as for energy consumption the building occupation was very low due to the pandemic. The available data seems inconsistent as explained in section 8.1.

On water consumption ESMA reached the 10% reduction target in 2021.

8.4.2 Actions undertaken

- Move to a more performing building where all equipment is low-flow and the distribution network is equipped with auto-shut off valves that prevent any leak;
- The cleaning company uses almost exclusively “dry” cleaning techniques, with only minimal use of water; and
- Some best practices for staff regarding the use of dishwashers and awareness on water consumption.

8.4.3 Next steps

Work with the building manager and the building management system provider in order to have regular reports on consumptions and monitor them to be able to compare them to activity and set reasonable targets.

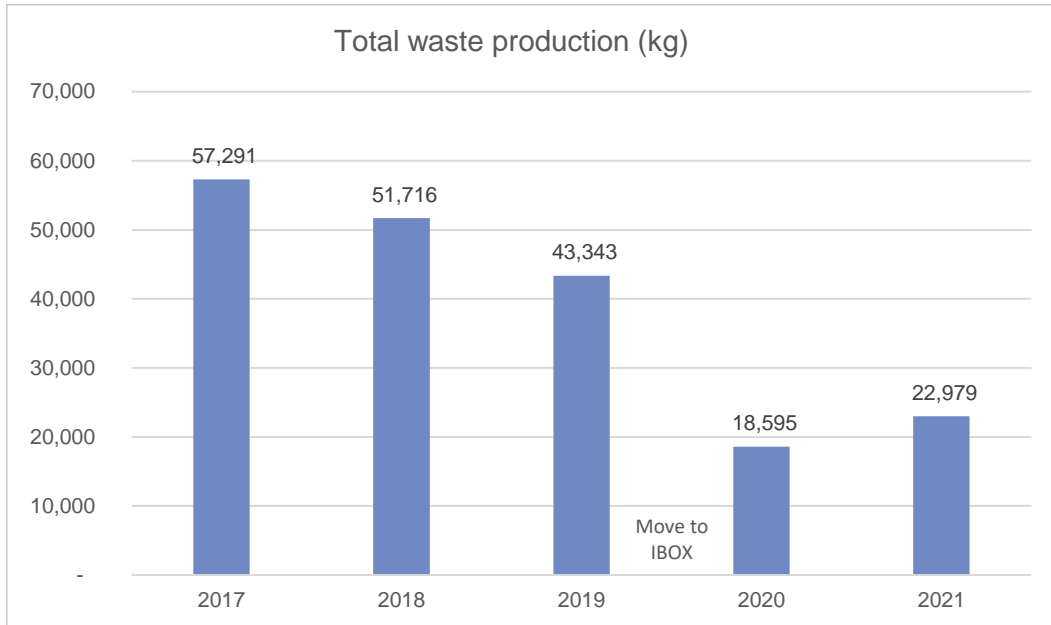
8.5 Waste

8.5.1 Performance

Objectives:

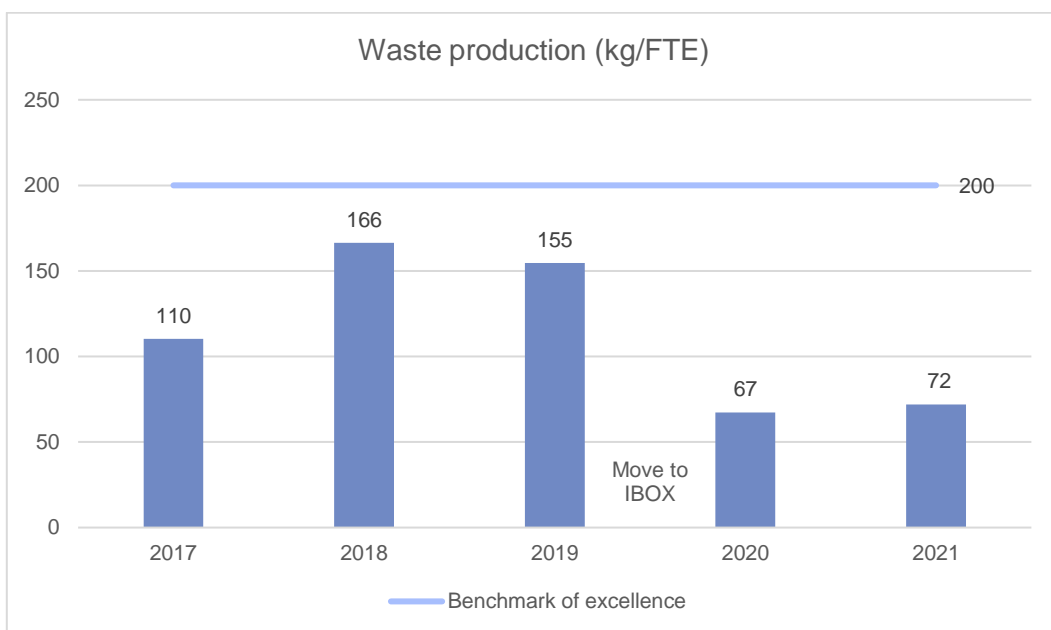
- Reduce total waste production;
- Increase by 15% the share of recycled waste and reduce non-sorted waste production;
- Reduce paper waste production; and
- Reduce plastic and cans waste production.



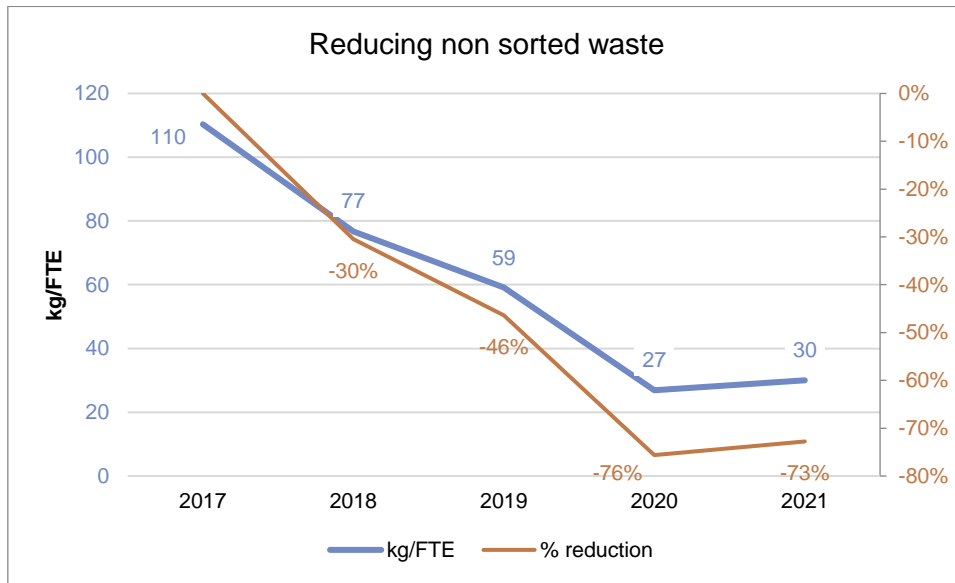


In IBOX, there are 2 ways to manage waste:

- “Classical” waste: paper, cardboard, plastic packaging, metal... and general waste, are managed by the building, through their own contract. Therefore, ESMA has limited influence in the management of waste in its building. Associated volumes (in kg) are attributed to ESMA through its share of rented surface. There is no individual weighting so far. There is no landfill on those waste streams; and
- Specific waste, such as confidential paper, batteries, WEEE, is managed through ESMA’s own contract, where there is more leverage.

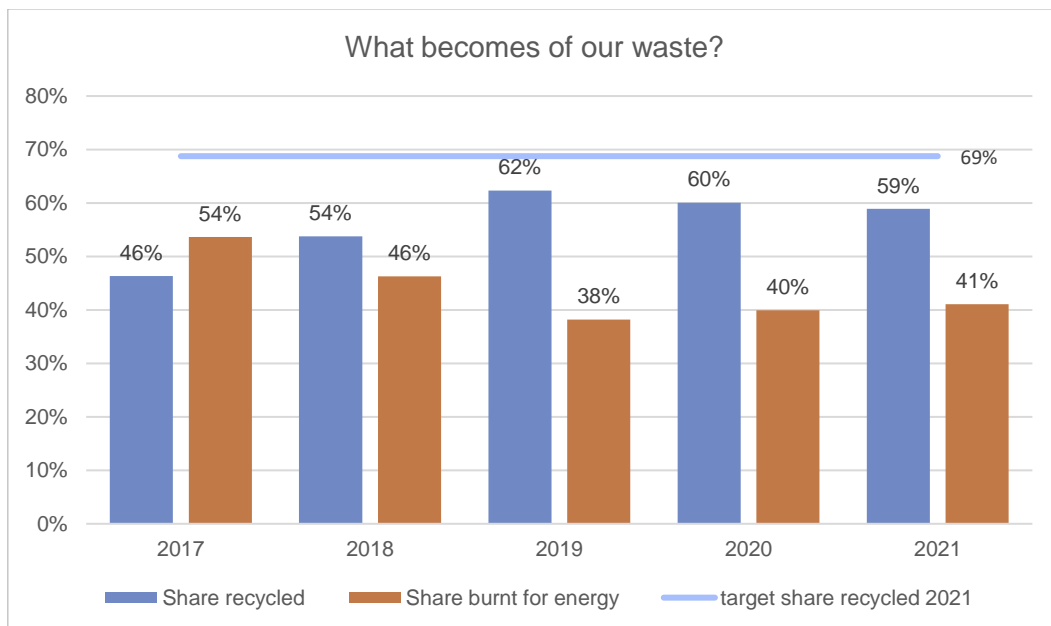


Waste quantities have constantly decreased since ESMA started implementing its EMS and have always been below the SRD benchmark. Performance in 2020 and 2021 is to be analysed with care, considering the very few working days in the office.



In parallel, ESMA's efforts to offer more segregation option in 2018, allowed the organisation to reduce by 75% its share of non-sorted waste.

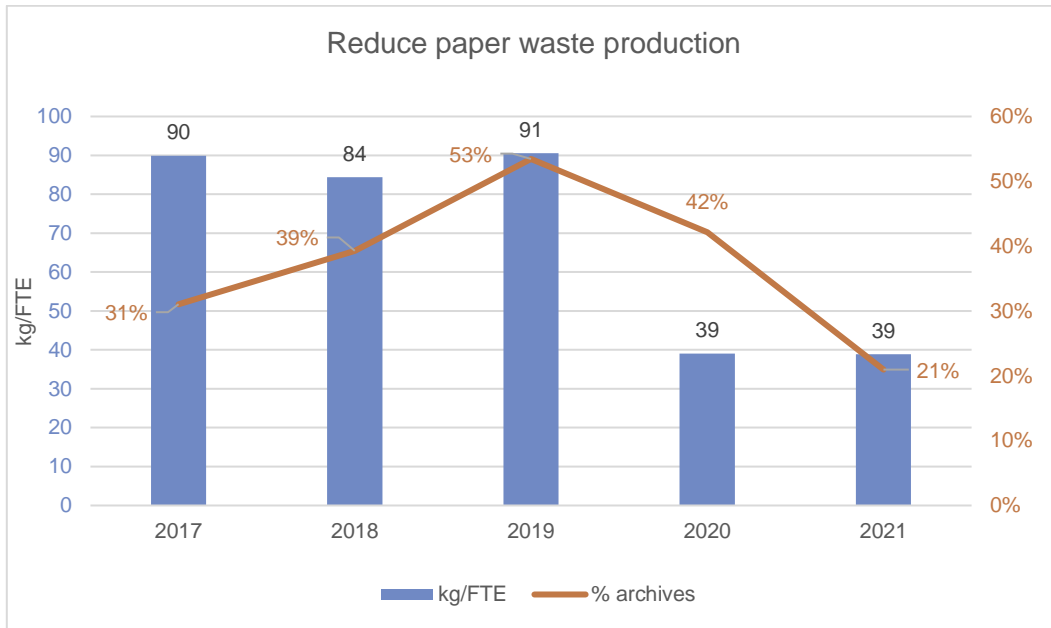
Again, 2020 and 2021 data should be taken with precaution as there were less staff in the building.



In 2021, ESMA's recycling represented 59% of its general waste production, when the target was 69%.



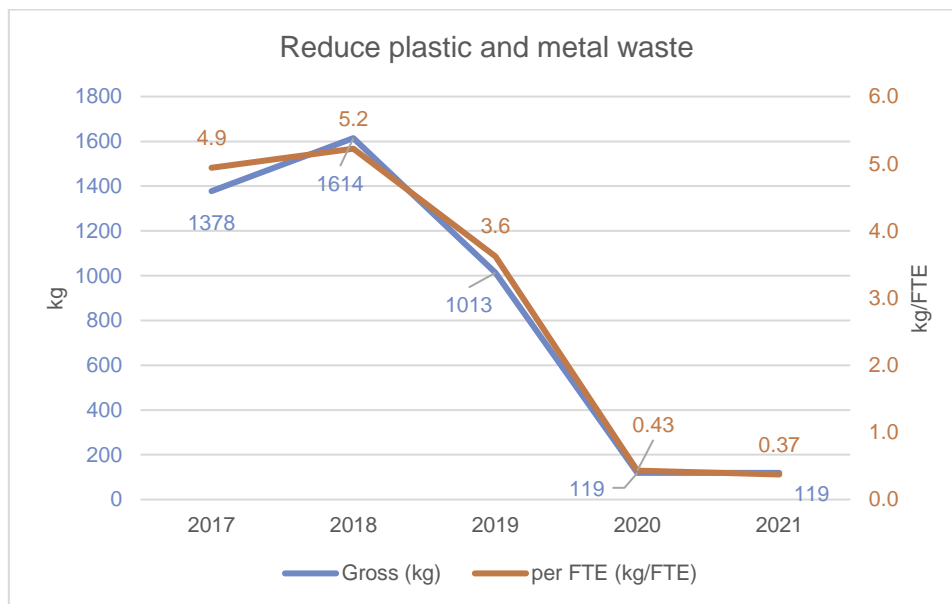
ESMA is aligned with the SRD benchmark of excellence as none of its waste is sent to landfill.



As regards paper waste, ESMA did not manage to reduce its production until 2020.

Nevertheless, looking at the origin of the paper that was discarded, it seems that archives played an important role – especially with the move.

Since 2020, with ESMA’s processes being digitalised and potential new habits due to the teleworking rules, ESMA’s paper waste should continue to drop in the next years.



After setting-up clearer segregation options in 2018, the quantity of metal and plastic, both gross and per FTE, increased before starting to decline. Better segregation may explain this growth, the decrease coming from more awareness on waste prevention.

Again, 2020 and 2021 data should be taken with precaution as there were less staff in the building.

8.5.2 Actions undertaken

- In 2021, a contract with a new provider for WEEE and confidential papers;
- On ESMA's floors, implementation of new sorting options aligned with the building rules, and associated communication with teams to explain the best practices of waste sorting; and
- Exchanges with the cleaning company to ensure understanding and respect of the waste streams established by the building and get feedback on potential issues encountered.

8.5.3 Next steps

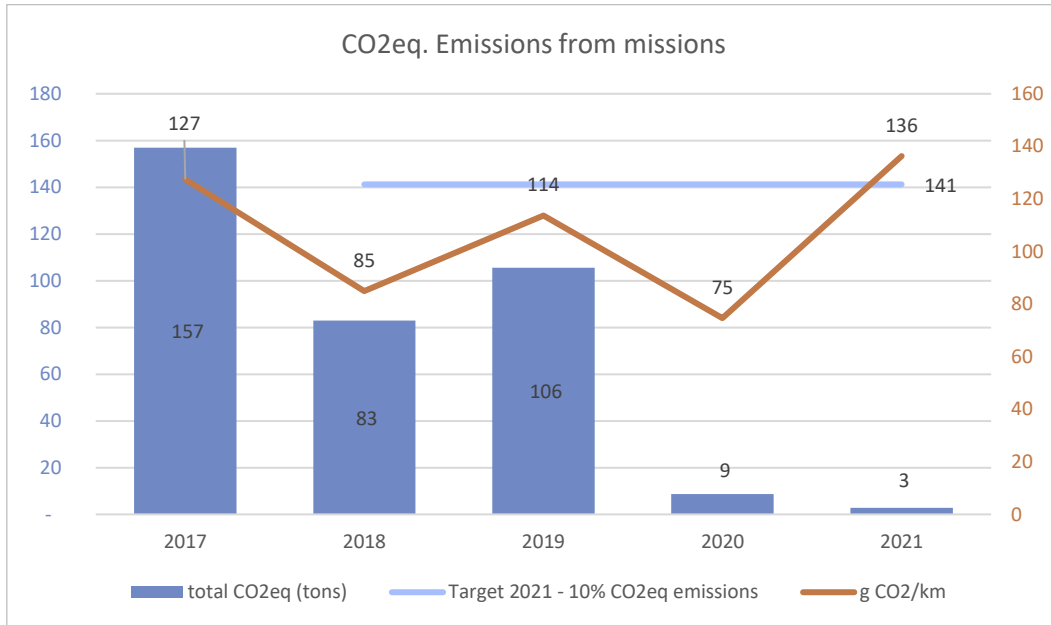
- Provide specific rules for usual and specific waste (e.g., cardboard cups, take-away boxes from the canteen);
- Find a way to get data on ESMA's waste only, working with the landlord and/or the cleaning company; and
- Analyse data and develop ways to prevent ESMA's waste production.

8.6 Travels

8.6.1 Performance

Objective: Missions carbon footprint reduced by 10%.





On the gross greenhouse gases (GHG) emissions, after a significant drop in 2018 – nearly 50%- there was a 25% rebound. It is not explained by the evolution of head count, since emissions per FTE evolved roughly in the same proportions.

When looking at detailed data, in 2019, a drop in the distances by train (-33% compared to 2018) while distance by plane increased (+11%), we decided to introduce the indicator of GHG intensity of travels, expressed in grams of CO₂ equivalent per km (gCO₂e./km) shown on the left of the graph to analyse, in one indicator, how our shift to train, if any.

An interesting point is that the overall distance in 2019 was 5% lower than in 2018, which means more trips involving planes were organised. It does not seem to be a rebound effect as in 2019, there were very few trips of short distance with planes. It is simply because ESMA had to meet stakeholders in countries farther from France.

The same is true between 2020 and 2021, the distances dropped significantly (-82%), but 85% of the travels were covered by plane, and the 800km-return applicable rule was respected. Therefore, the GHG intensity indicator is interesting but needs to be analysed with the detailed data, and overall GHG emissions of travels.

In order to improve in the long term, trade-offs will have to be made between missions and environmental impact, taking into consideration core business needs and the possibility for the meeting to be carried out remotely.

2020 and 2021 tend to prove, though, that ESMA can deliver its missions without travelling as much as its staff used to.

8.6.2 Actions undertaken

- Monitoring with the new travel agency in order to get accurate data; and



- Best practices on travels to favour train and minimise transports.

8.6.3 Next steps

- Monitor the means of travel for visitors
- In 2022, or after the COVID-19 pandemic is over, integrate the evaluation of impacts of ESMA’s visitors travels into our monitoring to have a more accurate evaluation of ESMA’s indirect environmental impacts; and
- Set up “sustainable travel” instructions and best practices to balance ESMA’s needs to meet stakeholders and the environmental impacts of travelling, focusing on remote meetings.

8.7 Air emissions, including GHG

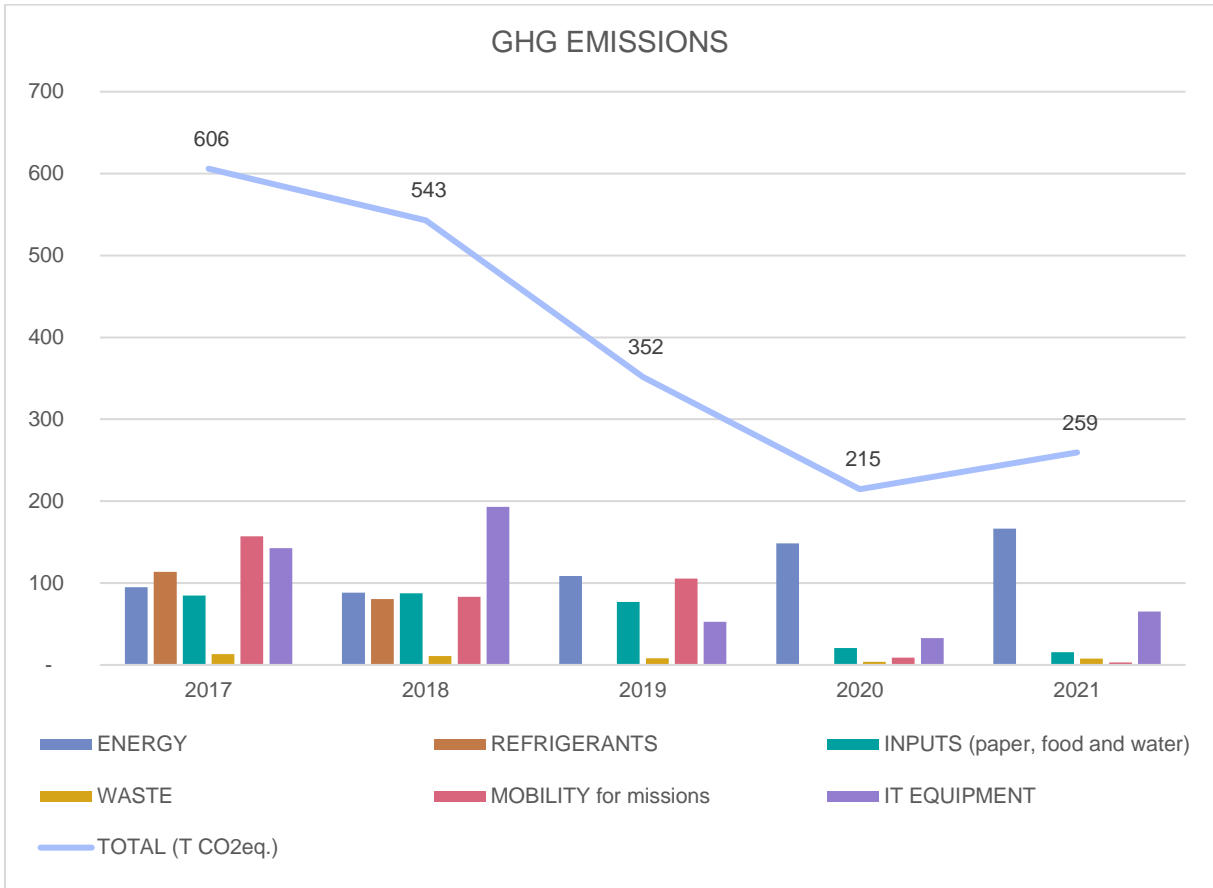
8.7.1 Performance

GHG emissions are evaluated under the following scope:

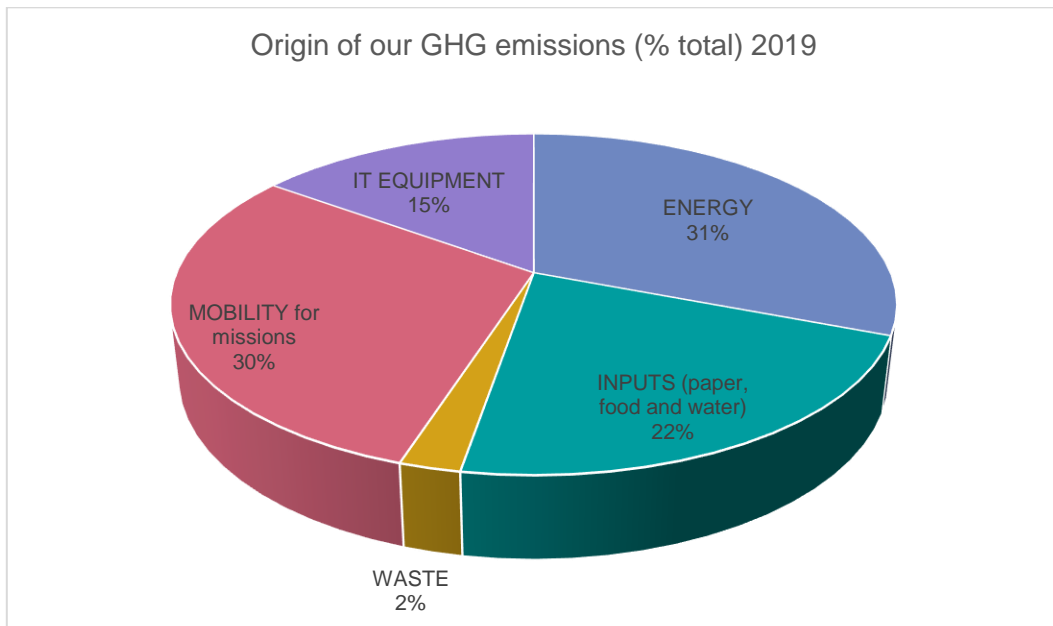
- Energy consumption – indirect: electricity, heat network and cooling network;
- Inputs: paper, food (including catering for meetings and the canteen for ESMA’s staff) and water;
- Waste;
- Mobility for missions;
- IT equipment (assets); and
- Services (printer renting, since the move).

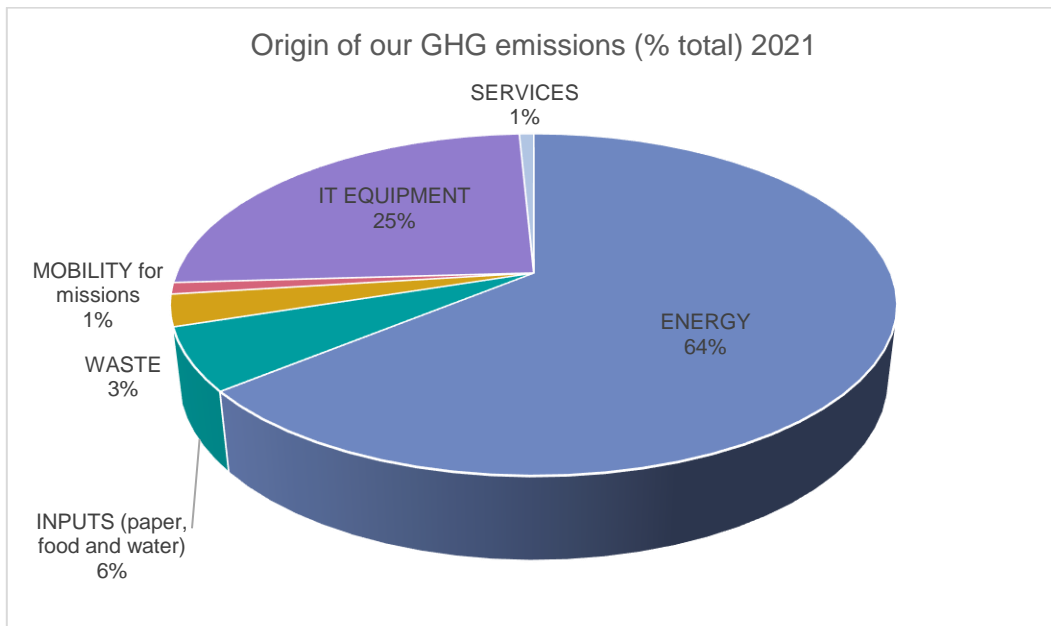
ESMA’s emissions factors come from [Base Carbone](#) managed by ADEME (Agence de la Transition Ecologique), in order to report on ESMA’s GHG emissions, except for mission travels for which the calculation is made by the travel agency.

Emissions progress is reported below:



A focused and comparison between 2019 (latest representative year) and 2021 is performed below:





- Energy remains the highest contributor of GHG emissions. They have increased in 2021 because ESMA operates 100% fresh air due to the sanitary situation;
- IT equipment is an important source as well as emissions are considered for the year of purchase. As mentioned in section 8.3, projects are underway to limit the impacts of IT equipment;
- Inputs: mostly associated with food (including both the canteen and catering for meetings). There is room for improvement working with the caterer/canteen as well as raising awareness to staff;
- Missions: represent a much less important source of emissions for ESMA even though 2021 is not representative due to the pandemic, details have been provided in section 8.6;
- Waste and services remain a small contributor to ESMA's GHG emissions; and
- Refrigerants (equipment operated by the building management and the canteen) are not reported in 2019. This not really an issue because the move solved that issue: ESMA is now connected to the cooling network of the city.

8.7.2 Actions undertaken

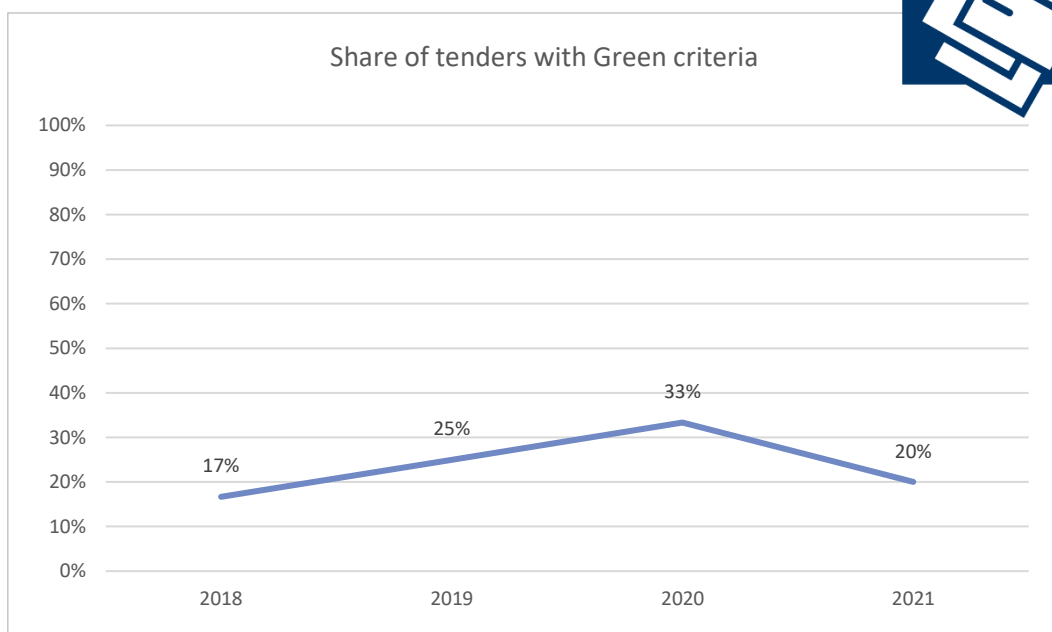
As, historically, an important source of GHG emissions was travels and this was banned through most of 2020 and 2021, there were no specific actions to tackle GHG emissions because they mechanically dropped in 2021.

8.7.3 Next steps

- Continue to develop the “new normal” including GHG impact consideration: telework – considering potential rebound effects, missions, meetings at ESMA’s premises;
- Extend the scope of ESMA’s carbon footprint, starting with the visitors’ travels emissions to make visible another source of emission needed to operate as well as raising the awareness of ESMA’s visitors; and
- Further down the road, assess other extensions of scope 3: other key services (maintenance), IT services, such as data storage and processing

8.8 Procurement

8.8.1 Performance



To prevent environmental impacts, it is important to green ESMA’s procurement to make the best choices.

To assess progress in that first period, all greening criteria of ESMA’s tenders were considered (except for digitalisation of the procurement process itself), whether they were on the core criteria or in secondary features, not limited to existing Green Public Procurement (GPP) criteria developed by the European Commission.

ESMA’s procurement is led by the organisation’s needs, and sometimes there are no relevant or sufficiently robust environmental criteria that can be integrated into ESMA’s procedures.

8.8.2 Actions undertaken

- Track performance and refine the way ESMA analyses the greening of its procurement;
- Review process to integrate the environmental concern from the Procurement Plan, adjust templates to ensure ESMA's staff is guided;
- Train project managers with the procurement process; and
- Join the GPP helpdesk, to be able to request support from experts when preparing tenders.

8.8.3 Next steps

- Register to the GPP news alert of the European Commission; and
- Train all the procurement officers to GPP, using the training added in the 2022 Internal Training Plan. Customise the training to ESMA's needs.

8.9 Core business

8.9.1 Context

The European Union is one of the parties that adopted the Paris Agreement on climate change and the UN 2030 Agenda for Sustainable Development in 2015. Under these international commitments and the European Green Deal, sustainable finance has a key role to play in our transition to a low-carbon, more resource-efficient and sustainable economy. In particular, it is critical to support the long-term competitiveness of the EU economy and to ensure that investments support a resilient economy and a sustainable recovery from the impacts of the COVID-19 pandemic.

To this end, the European Commission (EC) has been developing a comprehensive policy agenda on sustainable finance. In 2018, it published its Action plan on financing sustainable growth with the aim to reorient private capital to more sustainable investments, mainstream sustainability into risk management and foster transparency and long-termism. Building on initial progress achieved by the EU in the field of sustainable finance, the EC published in July 2021 a broad ranging strategy on sustainable finance.

The financial markets have also been impacted by the development of sustainable finance. Investor preferences are shifting towards an interest in financial products that incorporate ESG factors and markets for sustainable financial products have continued to grow. Moreover, sustainability factors are increasingly affecting the risks, returns and value of investments. This changing environment has implications for ESMA's mission to enhance investor protection and promote stable and orderly financial markets.





ESMA has a key role in supporting this transition and the EC's objectives, as outlined in its Strategic Orientation 2020-2022. In 2019, ESMA's founding Regulation was revised granting it additional responsibilities and tasks in relation to sustainable finance. In line with its mandate, sustainable finance has become part of ESMA's Annual Work Programmes since 2020, both as a cross-cutting theme and through specific implementation objectives within sectoral areas. While the potential effect of its work on the environment remains indirect, ESMA considers it exists and therefore has meaning within its EMS.

In order to drive the deeper integration of ESG factors into ESMA's activities and monitor the delivery of ESMA's implementation priorities in the field of sustainable finance, the Coordination Network on Sustainability (CNS) was established in 2019, composed of experts from NCAs and supported by ESMA's staff. The CNS provides advice to ESMA's sectorial Standing Committees and Networks on sustainable finance matters and provides NCAs with a forum to discuss cross-cutting issues and initiatives. It develops ESMA's views on cross-cutting issues and may point to areas requiring additional research.

In order to respond to these new challenges, and in line with the revised ESMA Regulation, ESMA established a Strategy for Sustainable Finance⁶ in February 2020. As a first step to implement ESMA's mandate in this area, across its four activities, the Strategy set out key objectives which can be summarised as follows:

- Integrating sustainability in the development of the single rulebook;
- Building common approaches for incorporating ESG factors in the supervisory practices of NCAs;
- Monitoring market developments and identifying risks related to sustainable finance; and
- Improving transparency on the role of ESG factors in the credit rating process.

For each of these 4 objectives, the Strategy identified methodologies and specific deliverables. The document also highlighted the importance of outreach to key stakeholders and communication activities.

8.9.2 Actions undertaken

In 2021, ESMA maintained its focus on sustainable finance by pursuing the incorporation of ESG factors across whole the range of its activities. The financial sector plays a key role in supporting the European Green Deal's aim of turning the EU into a climate-neutral economy, and ESMA acknowledges the contribution it can make by helping investors better understand the impact of ESG factors on their investments. ESMA continued to actively contribute to the development of the sustainable finance rulebook and to its consistent application and

⁶ ESMA22-105-1052 [Strategy on Sustainable Finance](#), 6 February 2020



supervision as well as to engage in risk assessment and market monitoring focusing on potential financial stability risks stemming from ESG factors.

In line with its cross-cutting objectives in the field of sustainable finance, ESMA completed the following deliverables in 2021:

- ESMA developed its Sustainable Finance Roadmap 2022-2024⁷ (which was published in February 2022). Building on ESMA's 2020 Strategy on Sustainable Finance, the roadmap sets out ESMA's deliverables on sustainable finance and how they will be implemented over the next three years. ESMA's sustainable finance work is structured through three priorities: (i) tackling greenwashing and promoting transparency, (ii) building NCAs, and ESMA's capacities and (iii) monitoring, assessing, and analysing ESG markets and risks;
- ESMA contributed to the implementation of the Taxonomy Regulation: in March 2021, ESMA published its advice to the EC on the content and methodology of the disclosures pursuant to Article 8 of the Taxonomy Regulation⁸ which was taken into account when developing the related delegated act by the EC. The recommendations defined the key performance indicators (KPIs) disclosing how, and to what extent, the activities of businesses that fall within the scope of the Non-financial Reporting Directive (NFRD) qualify as environmentally sustainable under the Taxonomy Regulation. ESMA also contributed to the further development of the EU Taxonomy through its participation in the EU Platform on Sustainable Finance;
- Following ESMA's response to the EC's consultation on the Renewed Sustainable Finance Strategy in July 2020, ESMA shared, in January 2021, its views on the main challenges in the area of ESG ratings and assessment tools. ESMA highlighted the need to match the growth in demand for these products with appropriate regulatory requirements to ensure their quality and reliability; and
- Moreover, ESMA co-chaired International Organisation of Securities Commissions' (IOSCO) Sustainable Finance Taskforce workstream on ESG Ratings and Data Providers, where it had an important contribution to the associated report published in November 2021.

Beyond cross-cutting objectives, ESMA also produced several key sectoral deliverables related to sustainable finance, in particular:

- The development by the Joint Committee of the ESAs of the regulatory and supervisory framework for sustainability-related disclosures: in 2021, the Joint Committee developed two sets of draft regulatory technical standards (RTS), containing a total of 13 RTS⁹. The draft RTS aim to provide disclosures to end investors regarding the

⁷ https://www.esma.europa.eu/sites/default/files/library/esma30-379-1051_sustainable_finance_roadmap.pdf

⁸ [esma30-379-471_final_report - advice on article 8 of the taxonomy regulation.pdf \(europa.eu\)](https://www.esma.europa.eu/sites/default/files/library/esma30-379-471_final_report_-_advice_on_article_8_of_the_taxonomy_regulation.pdf)

⁹ [ESAs propose new rules for taxonomy-related product disclosures \(europa.eu\)](https://www.esma.europa.eu/sites/default/files/library/esma30-379-1051_esas_propose_new_rules_for_taxonomy-related_product_disclosures.pdf)



investments of financial products in environmentally sustainable economic activities and to establish a single rulebook for sustainability disclosures under the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation;

- Contributions to high-quality corporate sustainability reporting standards: ESMA responded in July 2021 to the International Financial Reporting Standards (IFRS) Foundation's consultation supporting the establishment of an International Sustainability Standards Board (ISSB) under its umbrella. ESMA also provided support to IOSCO's work in this area. As regards the EU, ESMA significantly contributed as an observer to the European Financial Reporting Advisory Group's (EFRAG) preparatory work for European Sustainability Reporting Standards as foreseen by the EC's Corporate Sustainability Reporting Directive (CSRD) legislative proposal; and
- As part of its ongoing market developments and risks monitoring activities, ESMA conducted a preliminary climate risk scenario analysis for EU investment funds, differentiating between funds whose portfolios are tilted towards more polluting assets compared to funds with cleaner portfolios. ESMA also analysed the market for ESG ratings, including types of ratings and key providers and the carbon dioxide emissions of green bond issuers.

8.9.3 Next steps

Activities will be driven by the ESMA Roadmap that sets three priorities for ESMA's sustainable finance activities in the period from 2022 to 2024:

1. **Tackling greenwashing and promoting transparency:** the combination of growing demand for ESG investments and rapidly evolving markets creates room for greenwashing. Greenwashing is a complex and multifaceted issue which takes various forms, has different causes, and has potential to detrimentally impact investors looking to make sustainable investments. In order to safeguard investors, ESMA will investigate the issue, define its fundamental features, and address it with coordinated action across multiple sectors, finding common solutions across the EU;
2. **Building NCAs' and ESMA's capacities:** the growing importance of sustainable finance requires NCAs and ESMA to further develop skills beyond their traditional areas of focus to understand and address the supervisory implications of new regulation and of novel market practices in this area. ESMA will help build its, and NCAs', capacity on sustainable finance through a multi-year training programme and through facilitating the active sharing of supervisory experiences among NCAs. These efforts will also contribute to creating effective and consistent supervision in the area of sustainable finance; and
3. **Monitoring, assessing, and analysing ESG markets and risks:** the objective is to identify emerging trends, risks and vulnerabilities that can have a high impact on investor protection and on financial markets stability. ESMA will leverage on its data-analysis capabilities to support its, and NCAs', supervisory work and to promote a convergent approach among NCAs. ESMA will undertake specific activities such as climate scenario



analysis for investment funds, CCP stress testing and the establishment of common methodologies for climate-related risk analysis together with other public bodies.

8.10 Other environmental impacts

ESMA does not measure its impact, direct or indirect, on the air other than GHG emissions.

ESMA has no refrigerant, nor owned or directly operated car.

ESMA's impact on biodiversity is not measured as ESMA is only operating from a few floors, in a building in central Paris.



9 LEGAL REQUIREMENTS

As a tenant, and given the equipment it uses, ESMA does not need any specific environmental permit, according to the EU or French regulations¹⁰.

The applicable environmental requirements to ESMA's daily operations – such as waste management, chemicals management, mobility planning, GHG reporting... - come from French regulations, which derive, in the vast majority, from European directives or regulations.

ESMA gets the support from a third party to be regularly updated on recent changes, in order to adapt ESMA's procedures and ensure ongoing compliance. All relevant environmental requirements are therefore integrated in ESMA's on-line legal compliance register (En-Veille), which provides for:

- annual legal compliance audit by an external provider; and
- monthly flash update on any new regulation.

ESMA's internal checks as well contribute to the daily monitoring of applicable legal obligations.

Should actions be needed to correct or prevent non-compliance, they are integrated in the Environmental Action Plan, and followed through until completion.

ESMA complies with the requirements of applicable environmental legislation.

Given the importance of the building's performance in ESMA's current and future impacts on the environment, lease requests, especially its "*annexe environnementale*" are considered binding.

The biggest focus for the years to come for ESMA's direct impacts, will be on the energy efficiency front as the French regulation has set as a target of - 40% energy consumption for 2030 (baseline no earlier than 2010) for all tertiary buildings. The baseline year will be defined by the building owner, before end 2022, and tenants (ESMA and others) and building owner will need to agree on targets and actions.

¹⁰ Legislation on installations classified for the protection of the environment - installations classées pour la protection de l'environnement ICPE