

# ENVIRONMENTAL STATEMENT

Reporting year: 2023

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# EMAS

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**VERIFIED  
ENVIRONMENTAL  
MANAGEMENT  
FR-000100**

## 1. EXECUTIVE DIRECTOR'S FOREWORD



ESMA supports the EU's ambitious sustainability agenda and actively contributes to building a sustainable finance framework, facilitating the transition to a greener economy. This is reflected in our strategy, which establishes enabling sustainable finance as a transversal thematic driver, reaching across all areas of our work.

The European Union is committed to achieving a 55% reduction in greenhouse gas emissions (relative to 1990 levels) by 2030 and becoming the world's first climate neutral continent by 2050. The ESMA, as a European institution, contributes to this ambitious goal by ensuring that the environmental impact of our activities and daily operations is kept as low as possible and that we operate in a sustainable way.

To achieve this, the ESMA has implemented an Environmental Management System based on the principles of the Eco-Management and Audit Scheme (EMAS) and was registered in 2022. 2023 was the second year of the EMAS cycle covering 2022-2024 and another year of commitment to maintain the registration, with our results confirmed by the annual audit.

During 2023, ESMA participated in the EMAS Interinstitutional days and together with the EIOPA and EBA delivered a joint presentation: "Introduction to sustainable finance: Greenwashing, financing the transition to a sustainable economy, financial education" on 29 November 2023. On a day-to-day level the organisation put in place energy saving measures, with effects on heating, cooling and lighting, and worked to reduce the environmental impact of our meetings and speaking engagements by monitoring closely the number of missions taken by the ESMA staff.

Going forward, ESMA intends to further optimise the use of internal and external resources, lower the negative direct and indirect environmental impacts of its activities and find ways to continuously improve. Lessons learned from the first cycle will allow the organisation to prepare for the next cycle with meaningful and achievable objectives. Management and all staff will continue to be involved in the EMAS process through appropriate and regular trainings, increase of communication on the environmental performance and promotion of actions. Finally, we aim to review ESMA's environmental policy to adjust to the contextual changes, ensuring coherence across our reporting.

I am looking forward to pursuing this journey with the support of ESMA's committed staff.

**Natasha Cazenave**

Executive Director  
European Securities and Markets Authority

## 2. 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 site(s) or the whole organisation as indicated in the updated environmental statement of the organisation ESMA

with registration number FR-000100

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.

  
Frankfurt, 25.7.2024

### 3. Introduction

The European Securities and Markets Authority's (ESMA) Environmental Statement provides all stakeholders and other interested parties with information concerning the ESMA's environmental performance and activities during the reporting year 1 January - 31 December 2023.

This document has been drafted in accordance with the Eco-Management and Audit Scheme (EMAS) regulation<sup>1</sup> in its last applicable version, considering the sectoral reference document (SRD) 'Best Environmental Management Practice for the Public Administration Sector'<sup>2</sup>.

This Statement is published on ESMA's website annually, in line with our Environmental Management System (EMS).

## 4. ESMA

### 4.1. ESMA's mission

ESMA is the EU's financial markets regulator and supervisor. It is an independent European Union's (EU) Authority. ESMA's mission is to enhance investor protection, promote orderly financial markets and safeguard financial stability.

- **Investor protection.** To better serve financial consumers' needs and to reinforce their ability to make informed choices.
- **Orderly markets.** To foster the integrity, transparency, efficiency and functioning of financial markets and market infrastructures.
- **Financial stability.** To strengthen the financial system to be capable of withstanding shocks and the unravelling of financial imbalances

ESMA delivers its mission by focusing on three strategic priorities and through two key drivers formulated in the **ESMA Strategy 2023-2028**:

- Enabling Sustainable Finance
- Facilitating technological innovation and effective use of data

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

<sup>2</sup> [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).

The transition towards a greener and more sustainable economy is a priority for the EU. At ESMA, sustainable finance is a key driver of our work both at the level of the individual sectors and transversally. In particular, we embed environmental, social and governance (ESG) considerations in all our activities, with the objective to ensure a trusted environment for investments promoting the transition towards a more sustainable economy. By taking a holistic view across the sustainable investment value chain (SIVC), ESMA is in a unique position to pro-actively support sustainable finance initiatives while ensuring investor protection and orderly and stable financial markets. In this context, ESMA published its Sustainable Finance Roadmap in 2022 – facilitating the coordinated implementation of the ESMA’s sustainable finance mandate for the period from 2022 to 2024.

## 4.2. Teams and location



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 staff<sup>3</sup> and on-site consultants.

Among the criteria to select a new building, the environmental performance was considered.

The IBOX building was awarded with certifications [LEED BD+C Gold](#), HQE ‘Sustainable building Management Excellent’ and [WELL Gold](#).

Besides, ESMA’s landlord [Gecina, managing the building, targets net zero carbon for its operational portfolio by 2030 with its “CANOP-2030” plan](#).

## 4.3. Scope of ESMA’s EMS

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

In reflection of:

- ESMA’s latest regulation<sup>4</sup> stating 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)].

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<sup>3</sup> 364 staff on average in 2023, including temporary agents, contract agents, seconded national experts, interims, trainees, and on-site consultants

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



- ESMA develops technical standards applicable throughout the EU, as 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 all of ESMA’s operations and activities in Paris and its mandates regarding sustainability and integration of ESG factors within its mission in enhancing the protection of investors and promoting stable and orderly financial markets.

## 5. Description of the EMS

### 5.1. About EMAS at ESMA

In 2022, ESMA was officially recognised for its environmental management system under the European Eco-Management and Audit Scheme (EMAS) and ISO 14001, marking a major milestone for the Authority. ESMA is the 100th EMAS registered organisation in France.

The EMAS registration was issued by the French Ministry for the Ecological Transition on the 10 September 2022 for a duration of three years and covers all ESMA’s operational and core business activities. The year of 2023 is the 2<sup>nd</sup> year of the cycle.

Sustainability continued to be one of the key focuses for ESMA in 2023. ESMA has been concentrating on maintaining and improving ESMA’s Environmental Management System (EMS) and the progress made towards achieving the organisation’s environmental objectives.

The following significant contextual changes happened in 2023:

- The growth of ESMA’s on-site Full-Time Equivalents (FTEs), from 280 in 2019 to 364 in 2023 which impacts the organisation’s consumptions. The number of FTEs includes ESMA staff, trainees and consultants on-site.
- Sustainable finance remains key in the context of the EU policy objectives under the European Green Deal, which has an impact on ESMA’s core business activities.
- The European Commission’s Action Plan on Financing Sustainable Growth states that sustainability and the transition to a low-carbon, more resource-efficient and circular economy are key in ensuring the long-term competitiveness of the EU economy. The financial system has a key role to play in that transition by reorienting private capital to more sustainable investments, fostering more transparency and long-termism in the economy. ESMA has a key role in supporting this transition as outlined in its Strategic Orientation 2023-2028 ESMA is fully prepared to assist the

Commission with the fulfilment of the Green Deal, in particular by providing advice on integration and consistency within the existing financial regulation.

- Following the example of the European Commission with Greening the Commission, ESMA is also committed to improve its environmental performance and gradually reduce its greenhouse gas emissions for all its activities.

## 5.2. Context of ESMA's EMS

ESMA works with a wide range of stakeholders: from its staff to local contractors; from the National Competent Authorities (NCAs) to the European institutions. Those considered as significant, as of end 2022 and have not changed in 2023, given the influence they may have on ESMA's environmental performance and/or expectations, are the following:

Stakeholder	Their needs and expectations regarding ESMA	ESMA's needs and expectations regarding them
<b>ESMA staff and Green Team</b>	Implement a sound and meaningful EMS.	Participate in improvement actions and formulate suggestions. Relevant interested parties can have requirements related to climate change.
<b>National Competent Authorities (notably via the Sustainability Standing Committee)<sup>5</sup></b>	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.
<b>Commission/Council/Parliament</b>	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. Relevant interested parties can have requirements related to climate change.
<b>European Court of auditors</b>	Comply with all relevant regulation, adjust processes to recommendations.	None specific

<sup>5</sup> The Sustainability Standing Committee (SSC) replaced the Coordination Network on Sustainability (CNS) at end 2022

<b>Building owner and building manager</b>	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.
<b>Building Management System (BMS) provider</b>	None specific since no direct contract.	Efficiency gains: provide support to automate energy and fluids reporting.
<b>Maintenance contractors (building and private)</b>	Respect the contract.	Sound management of regular and ad-hoc maintenance. Good waste management and advice.
<b>Catering contractor</b>	Fluid communication to limit food waste.	Respect of contract (local food, reduced packaging).
<b>Cleaning services contractor</b>	Clear instructions and respect of contract.	Procedures and training on cleaning and waste management.
<b>Waste removal and treatment contractor</b>	Respect the sorting instructions.	Maximise recycling rate. Legal compliance documents and reports, in due time.
<b>Travel agency</b>	Respect the contract.	Provide accurate data for greenhouse gas emissions related to travels for missions.
<b>Environmental regulatory surveillance and legal compliance contractor</b>	Provide necessary inputs.	Annual environmental legal compliance audit. Monthly regulatory surveillance and support.

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

Context category	Risks	Opportunities
<b>Political</b>	Short term objectives may take the priority over long term objectives.	Politically and in terms of image and communication, EMAS registration is positive for ESMA to be aligned with the recommendations and regulations it develops for the market participants.

<b>Economical</b>	The building owner may at some point be in a position where "Environmental investment is on building when return is for tenants".	After COVID19, nearly 100% of stakeholders are equipped to work remotely: less travel impacts and cost.
<b>Social</b>	Difficulty to measure the impact of telework on the environment , whilst respecting staff personal lives and evaluating rebound effects.	ESMA Social Committee develops an offer of green social activities for the staff to promote local environmental initiatives and volunteering(in and around Paris).
<b>Technological</b>	Limited possibility for engagement on improvements since the technical equipment are already very performant.	Extend life of assets - decorrelate accounting life and use of equipment.
<b>Environmental</b>	Rebound effect after the pandemic: staff restart travelling internationally as before.	Implementation of the Environmental annex to the lease should help improve communication and actions with landlord and other tenants, for maximized impact reduction.
<b>Legal</b>	Public procurement rules and environmental preference may be going opposite directions.	Compliance efforts lead to increase engagement with Management board and staff by reducing the risks of fines and of reputational issues.

### 5.3. Governance of the EMS

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

<b>Role</b>	<b>Key responsibilities</b>
<b>Executive Director</b>	Approves the Policy and gives strategic orientation to the management system.
<b>Steering Committee</b>	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.
<b>Environmental coordinator</b>	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.
<b>Management Team</b>	Implementing, promoting, and enforcing environmental best practices in their team.
<b>Green Team</b>	Advocating environmental performance in their teams and with all staff.

**Staff**

Actively taking part in day-to-day environmental good practices.

## 6. Environmental Policy

ESMA adopted the current applicable version of its environmental policy in 2022. It details the organisation's engagements and means of achievements as well as relevant changes in the general context of the organisation.

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

- 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 CO<sub>2</sub> emissions and minimise the impact of mobility and travel; and
- Comply with relevant environmental legislation, administrative regulations, and other requirements.

The Environmental Policy can be found on ESMA's website at the following [link](#).

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.

## 7. Environmental Aspects and Impacts

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

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 in April 2023. It provides the organisation with a ranking of aspects (1<sup>st</sup> rank to the most significant aspects – there may be several). Taking into consideration ESMA's resources, it was decided that the top 12 would be significant with a priority for action in the years to come, as follows:

Activity	Environmental aspect
On-site work	Cooling of premises: energy consumption
On-site work	Heating of premises: energy consumption
Procuring for ESMA's needs	ESMA's procedures  Integration of environmental exclusions, selection or awarding criteria
Missions	Traveling for business: air and CO2 emissions from teams' missions through transport, water, waste, etc.
Events & meetings	Air and CO2 emissions; energy and water, waste generation, etc ... for visitors' stay in Paris (hotels).
Events & meetings	Ordering meals to Baxter Storey for catering.
Operation and maintenance: building and its equipment	Electrical and electronic equipment waste (WEEE) generated by failing IT equipment (video, phones, PC, screens...).
Support to core business	Provide staff and some externals with IT equipment.
Core business	Sustainability and ESG factors integration.
Procuring for ESMA's needs	Through joint procedures, not led by ESMA
Lunch ESMA and cafeterias ESMA	Dishwasher, fridge, microwave: energy consumption.
Events & meetings	Cooling of premises: energy consumption. Specific CTA for meeting rooms.
Telework	The Commission Decision C(2022) 1788 on working time and hybrid working provides a new flexible framework . ESMA staff come at least two days per week to the office and can telework up to three days. Impact from TW is currently not assessed.

## 8. Environmental Objectives

The objectives covering the period 2022-2024 were approved during the Management review in April 2022 and reviewed with the necessary adjustments in April 2023.

Policy area	Environmental Aspect	Impact	Objective	Goal	Deadline
<b>Minimise the consumption of energy, water, paper, and other resources</b>	Office work – energy and non-energy consumption	Depletion of natural resources. GHG emissions - Climate change	1. Energy consumption	Build processes with the building manager to have a clear vision on all energy consumptions, in Q1 of the year after.	31/12/2022
				Maintain a 100% supply of electricity from renewable sources (with certificate of origin)	31/12/2022
	Office work – Paper use	Depletion of natural resources.	2. Minimise the consumption of paper	Maintain paper use below the benchmark of excellence of 15p/day/FTE.	Every year
				100% of all reprints with the new visual identity of ESMA is done on eco-labelled paper.	31/12/2022
	Office work – Water consumption	Depletion of natural resources.	3. Minimise the consumption of water	Reduce water consumption below 5m3/FTE.	Every year
	Procurement	Depletion of natural resources. GHG emissions - Climate change	4. Minimise the consumption of resources	Maintain a growing share of Green procurement.	31/12/2024
<b>Encourage the prevention of waste and environmental pollution by maximising the recycling and reuse of items and by optimising their disposal</b>	Waste	Waste generation	5. Encourage the prevention of waste and environmental pollution	Maintain waste production below the benchmark of excellence of 200kg/FTE.	Every year
				Recycle at least 65% of waste.	31/12/2024
<b>Take necessary measures to</b>	GHG emission (all activities)	GHG emissions -		Extend scope to cover emissions from visitors in 2023.	31/12/2023

Policy area	Environmental Aspect	Impact	Objective	Goal	Deadline
<b>reduce CO2 emissions and minimise the impact of mobility and travel</b>		Climate change	6. Reduce GHG emissions	Reduce GHG emissions by 21%/FTE, compared to 2019.	31/12/2024
	GHG emission (Travelling for missions)	GHG emissions - Climate change	7. Reduce GHG emissions due to travel (missions)	Reduce GHG emissions due to travel by 35%/FTE compared to 2019.	31/12/2024
				Maintain a carbon intensity of our trips under 115g/km.	31/12/2024
<b>Include environmental factors into our work, as a transversal topic, as expected by our regulation</b>	Sustainability and ESG factors integration	Positive impact on sustainability	8. Staff trained on sustainability and sustainable finance	All staff had the opportunity to participate in at least one awareness-raising session relating sustainability	31/12/2024
				All staff whose mission requires it has received training on the regulatory framework for sustainable finance ESG factors.	31/12/2024

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*<sup>6</sup> – SRD, when it exists.

## 9. Environmental Performance and Actions

### 9.1. Foreword

ESMA's primary objective is collecting the most reliable data, through its key performance indicators table to further analysing it and adjust the organization's environmental objectives. ESMA's primary objective is to collect the most reliable data, through its key performance indicators table to further analyse and adjust the organization's environmental objectives.

2020 and 2021 were exceptional years due to the pandemic situation. For this reason, the baseline year is 2019.

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<sup>6</sup> [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).



It is also important to note that ESMA's mandate has evolved over time notably with the addition of new responsibilities in relation to Central Counterparties (CCPs) from 2020 onwards. This led to the recruitment of many new staff members and three senior managers as well as the oversight / supervision of third country entities which resulted in an impact in agency's environmental performance.

Each of the environmental aspects is reported both as the total annual input/impact and as a ratio to the most representative unit, by area (m<sup>2</sup>) or person (Full Time equivalent - FTE).

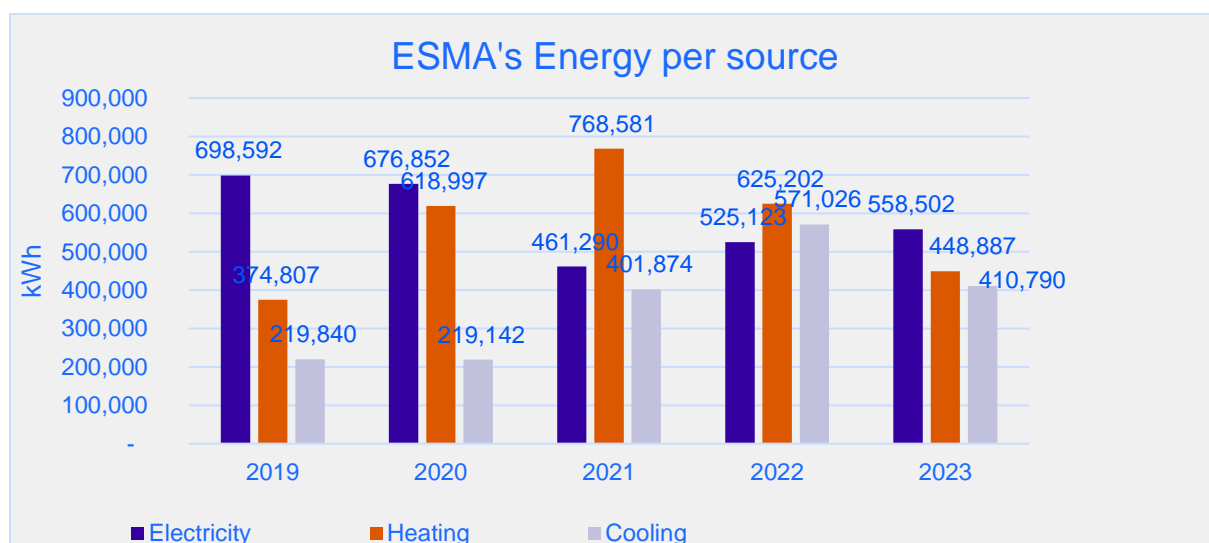
- Surface area: 7.969 m<sup>2</sup>
- Years average on ESMA Full-time equivalent (ESMA staff and on-site consultants):

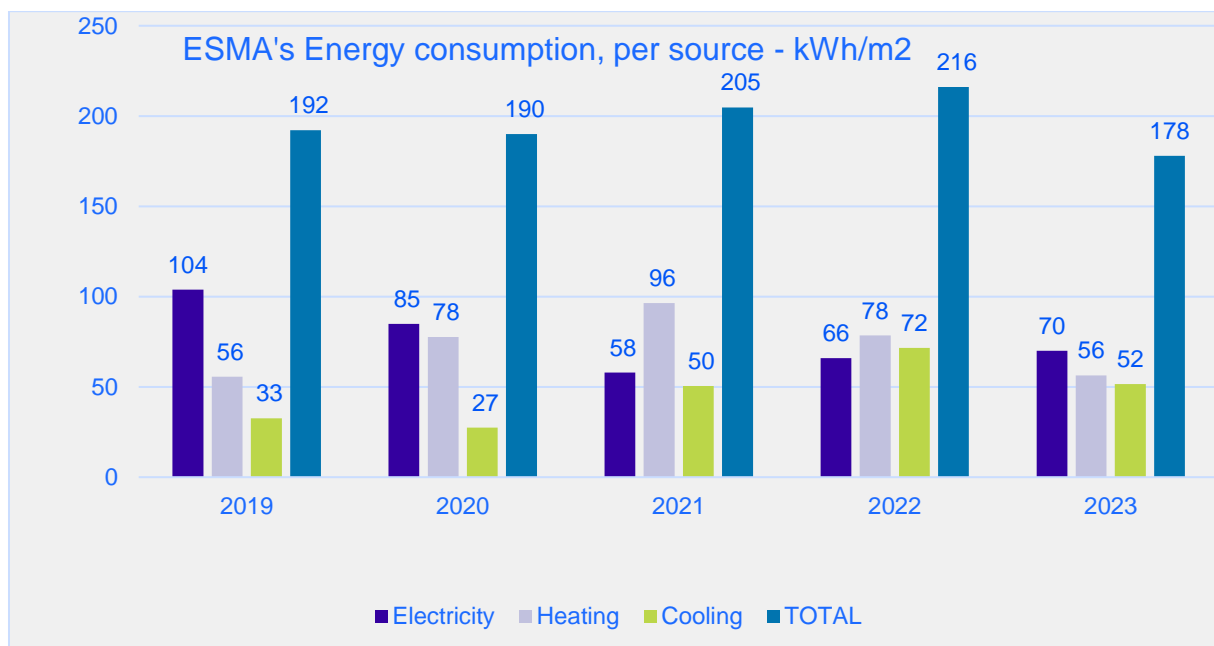
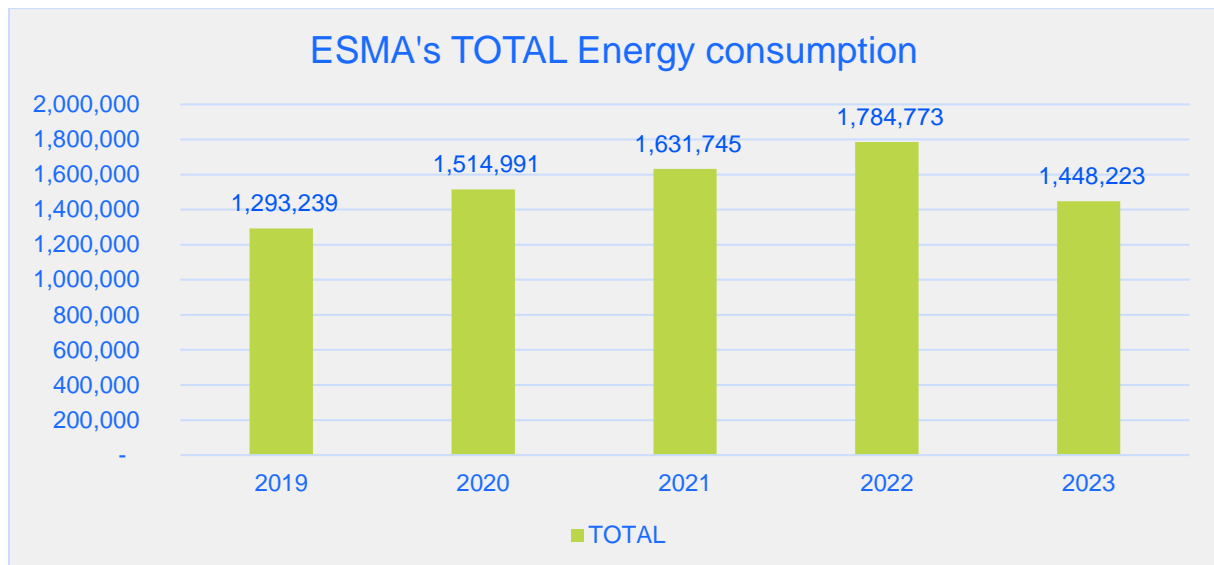
Year	2019	2020	2021	2022	2023
FTE	280	277	319	352	364

Due to its position in the city centre, ESMA does not report on land use with regard to biodiversity, although the Ibox building has an accessible rooftop that is designed as a green space with significant biodiversity. But, as this is not under the control of the organization, it is not accounted in this evaluation.

## 9.2. Energy

### 9.2.1. Performance





In 2023, with continued sobriety measures, the total energy consumption was reduced by 18%. The reduction was achieved in the following areas:

- Heating and cooling reduced by 28% compared to 2022 level, thanks to sobriety measures.
- Electricity consumption increased by 6% (+2% in private areas, +10% in shared areas). The slight increase in the electricity consumption is due to more presence in the building compared to 2022.

ESMA's total energy consumption (including electricity, heating, and cooling) per square meters shows an overall consumption of 178 kWh/m<sup>2</sup> in 2023, below the French average of

199kWh/m<sup>2</sup> for the first time. Hence, continued sobriety measures should help reduce further the consumption.

### 9.2.2. Actions

Actions undertaken	Next steps
Implementation of “Energy sobriety measures’ in agreement with landlord..  100% LEDs automated by natural lighting and presence sensor.  Energy class (Class A+) for appliances.  Specific CTA to cater meeting rooms on 2nd floor.	Maintain “Energy sobriety” measures.  Energy class (Class A+) for appliances.  Work with the building owner and the BMS provider in order to have regular reports on private consumptions.  Broaden the analysis of energy and water by floor to see if there are areas of improvements and savings.
Onsite contractors (maintenance, cleaning, etc.)... involved in energy sobriety plan, e.g., reminders on economic use of dishwashers on the kitchenettes.	Communication to staff on building’s performance and equipment. Reminders of best practices to limit energy consumption.
Nominal operation of air, heat, and cooling distribution restored.	Monitor the practices of data providers (OTE).

## 9.3. Paper

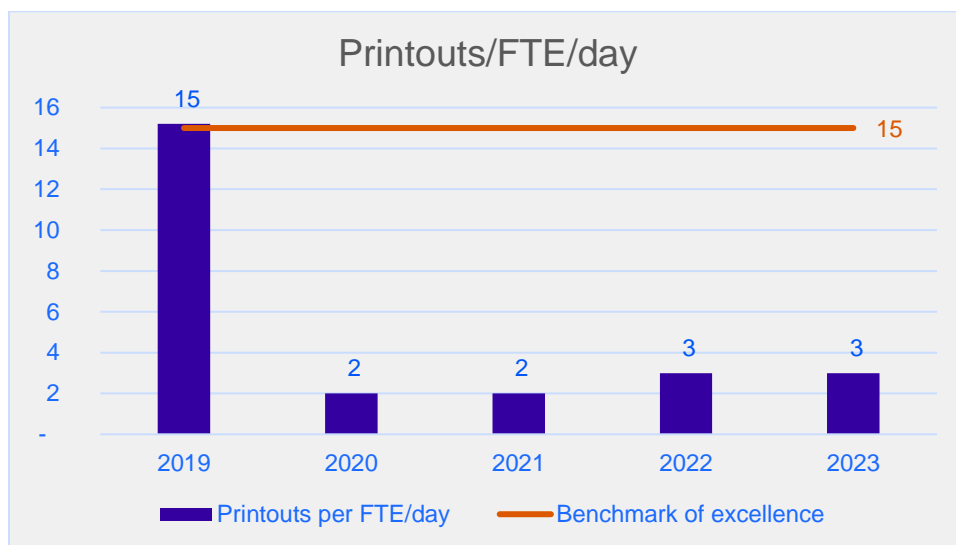
### 9.3.1. Performance

Objective : Maintain paper use below the benchmark of excellence of 15p/day/FTE.

The performance is measured based on the number of printouts per full-time equivalent (FTE) per day.

The printouts remain well below the European benchmark of excellence from the EMAS sectoral guidance document for public administrations.

100 % of the paper used in ESMA’s offices is ecolabelled paper.

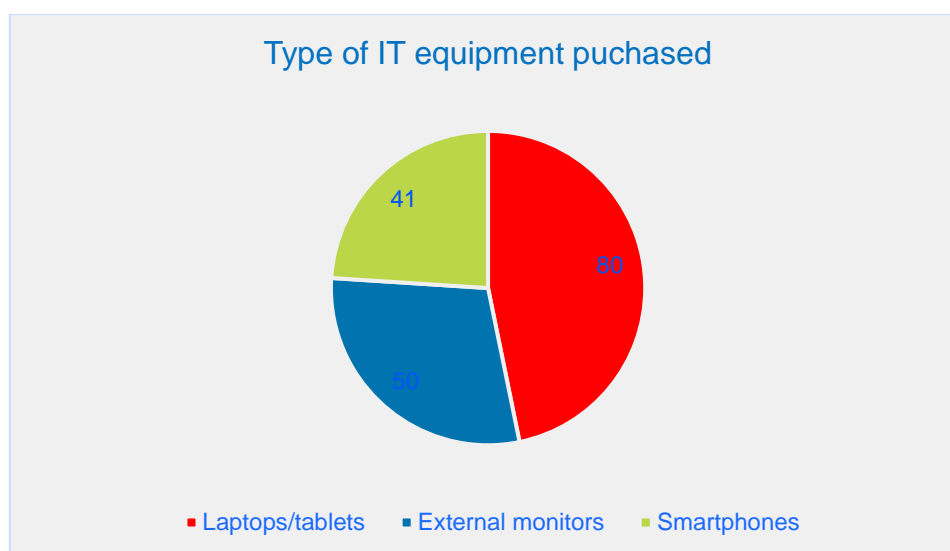
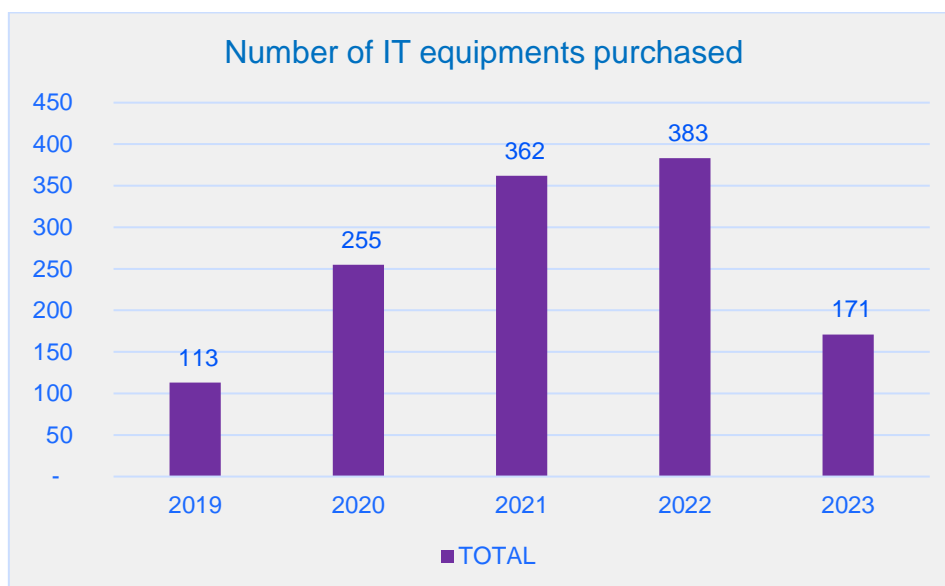


### 9.3.2. Actions

Actions undertaken	Next steps
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.	Communicating and promoting “good habits” on printing, paper use and digital tips.  Continue monitoring of printouts and paper purchases.
Printouts monitored. Decreasing of printouts and increase of numerical and digital subscriptions for press and digital books available on ESMA library.	Keep promoting digital press subscriptions and books among staff.
Improving the paperless platform, allowing for digitalisation of more e-workflows.	Implementation of Implementing EU Sign for all staff (ongoing project).
Purchasing 100% of ecolabelled paper.	Maintaining the purchase 100% of eco-labelled paper.

## 9.4. IT equipment and systems

One of the important assets contributing to the environmental performance of an office are the IT equipment and systems. Going digital and adding hybrid modes of working mean an increasing use of portable devices. Along the year three different types of devices were purchased: laptops, tablets, screens, and smartphones.



#### 9.4.1. Actions

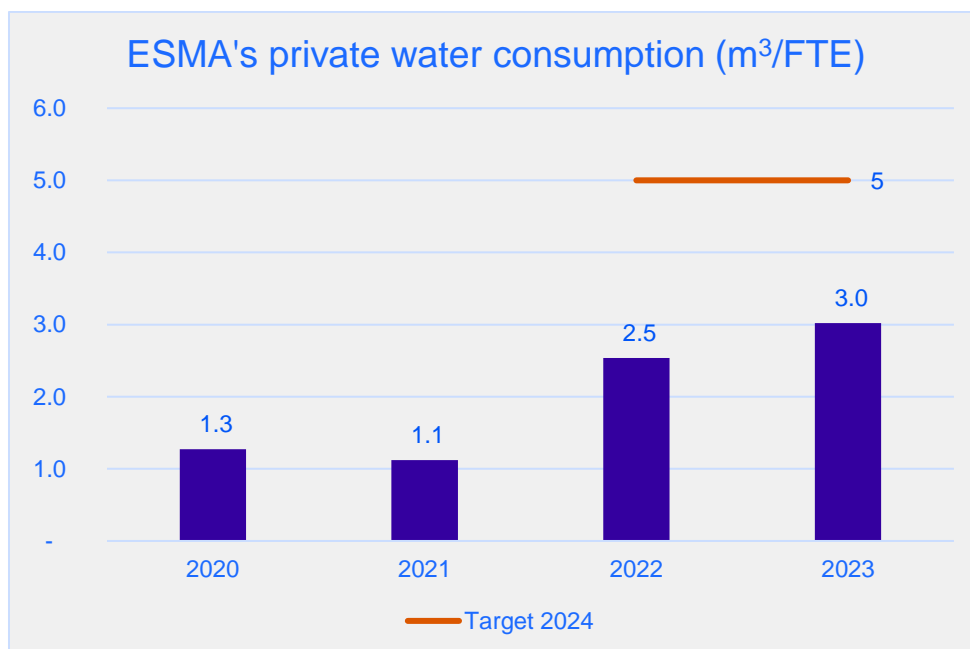
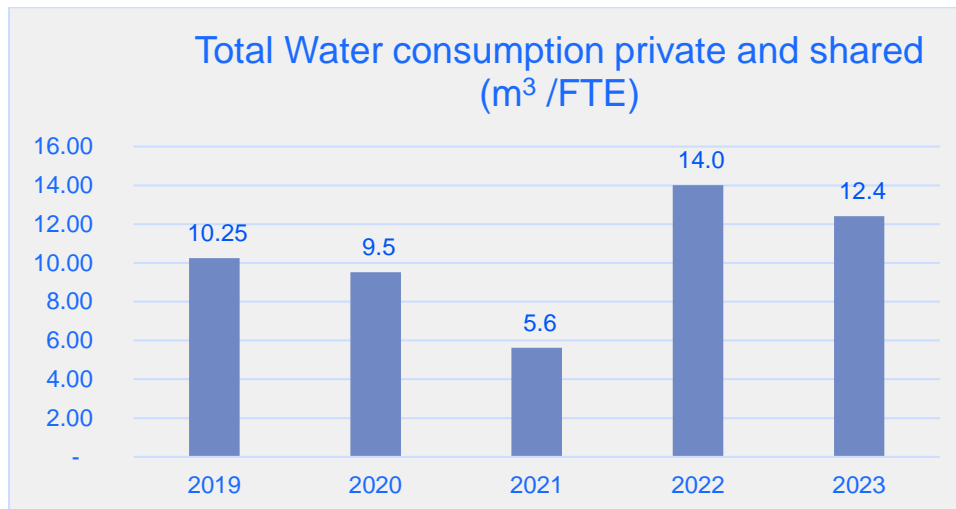
Actions undertaken	Next steps
All screens are set on stand-by and deep stand-by mode; Computers are on deep stand-by mode;	On-going project to implement virtual desktops. This technology requires less power from equipment and will reduce energy consumption and purchase of equipment;

Desk phones have been replaced with the Microsoft Teams application;	Assess feasibility to securely erase and re-use of IT equipment: looking for a social economy organization 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;
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;	Add a new indicator to monitor the life cycle of IT equipment.
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;	
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.	
Migration of Hardware Security Modules (HSM's) from ESMA premises to Managed HSM instances in cloud.	

## 9.5. Water

### 9.5.1. Performance

Objective: Keep water consumption in private areas to less than 5m<sup>3</sup>/FTE per year.



In 2023, the total water consumption decreased by 1.6 m<sup>3</sup> compared to 2022 level. Yet, it is also important to note that iBox does not only have offices. It also has a restaurant and a gym inhouse which affects the iBox's overall consumption without any influence of ESMA.

Focusing on the private areas, in 2023, the total water consumption per FTE decreased, remaining below the target of 5 m<sup>3</sup>/FTE, despite staff being more present in the building..

## 9.5.2. Actions

Actions undertaken	Next steps
The distribution network is equipped with auto-shut off valves to prevent leaks.	Define best practices on water consumption as well as developing awareness raising sessions: sanitary facilities, cleaning, watering plants, etc.
Catering staff encouraged to minimize water consumption through individual billing.	Monitor the practices of OTE and add green criteria in next ESMA tender for infrastructure services in the premises.
<p>The cleaning company uses almost exclusively “dry” cleaning techniques, with only minimal use of water.</p> <p>Best practices regarding the use of dishwashers and awareness on water consumption such as reminders on economic use of dishwashers on the kitchenettes</p>	<p>Work with the building manager and the building management system provider in order to have regular reports to monitor consumptions.</p> <p>Broaden the analysis of water by floor to see if there are areas of improvements and savings.</p>

## 9.6. Waste

### 9.6.1. Performance

Objectives:

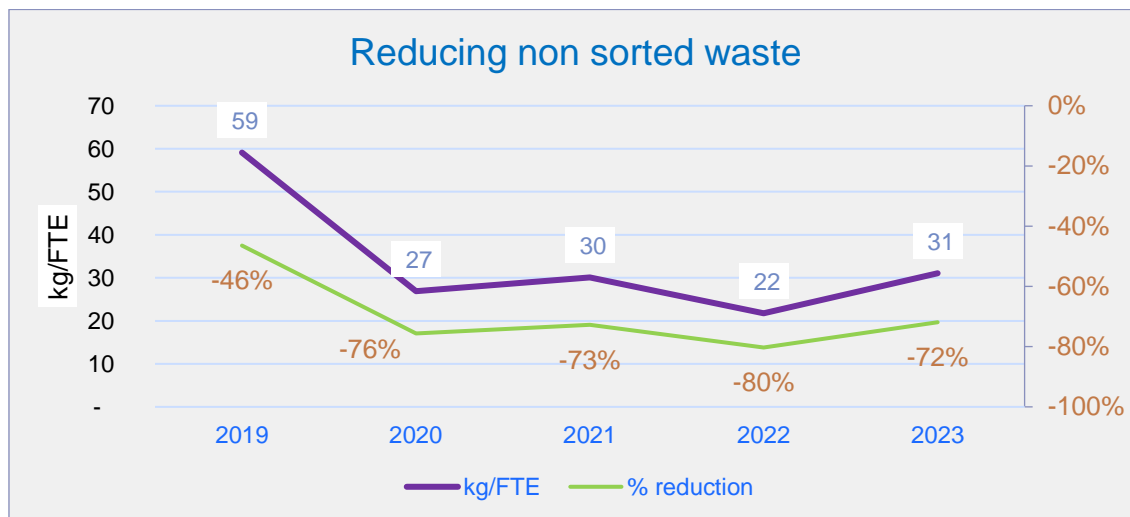
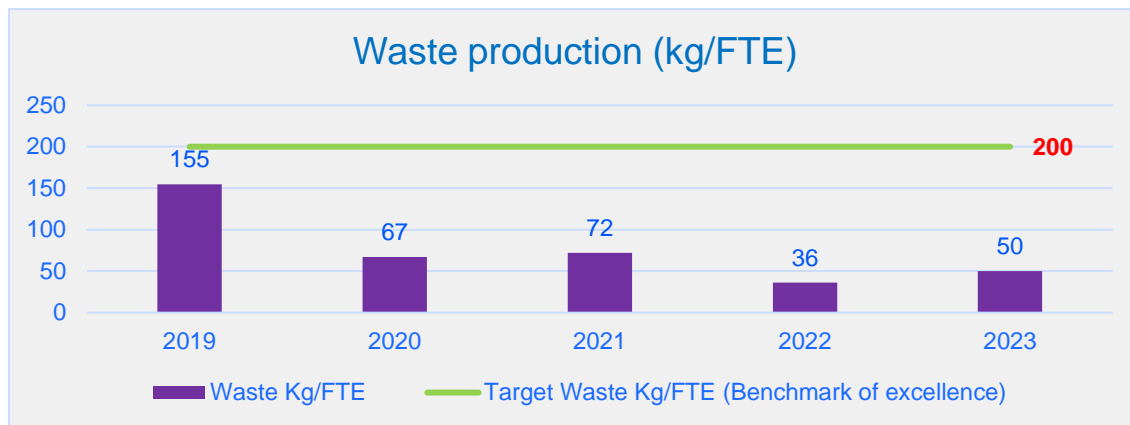
- Maintain waste production below the benchmark of excellence of 200kg/FTE.
- Recycle at least 65% of waste.

At ESMA, there are 2 ways to manage waste:

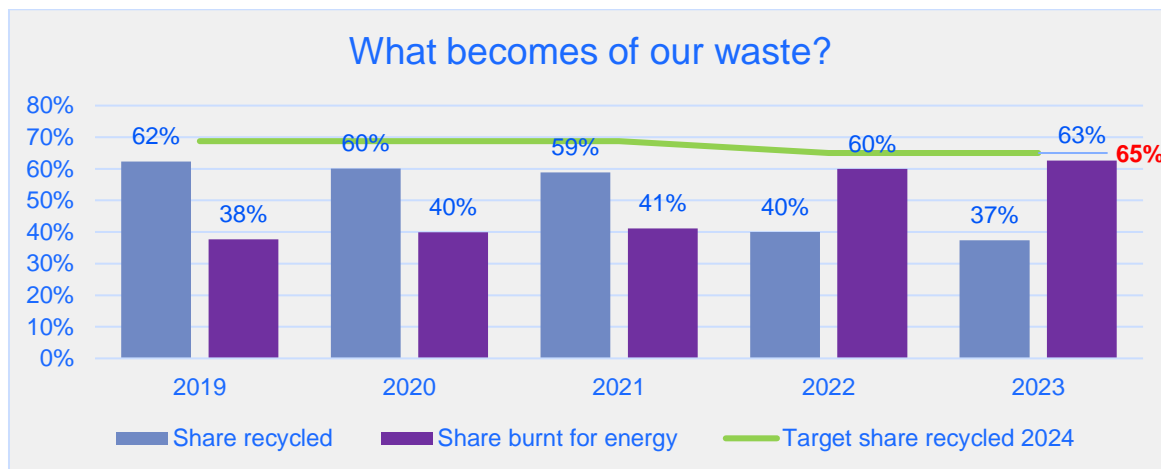
Recycling of paper, carton, plastics, metal ,glass and general waste is managed through the building contract. Associated volumes (in kg) are attributed to ESMA through its share of rented surface, as there is no individual weighting so far. Therefore, ESMA has limited power over the waste management contract of the landlord. However, the waste management provider guarantees that 100% of the waste goes to recovery streams, by recycling or burning for energy recovery.

Recycling of confidential paper, batteries, WEEE and furniture is managed directly by ESMA through its own contract.





The waste production increase in 2023 compared to 2022 is explained by the big volume of WEEE recycled in 2023, as well as by the higher presence in the building which directly creates more waste. The non sorted waste was reduced by 53% compared to 2019. A further reduction, in the future, is expected to come from the implementation of organic waste sorting, which is also becoming a legal obligation in 2024.



While ESMA is aligned with the SRD benchmark of excellence as none of its waste is sent to landfill, the recycled share of waste decreased in 2023.

#### 9.6.2. Actions

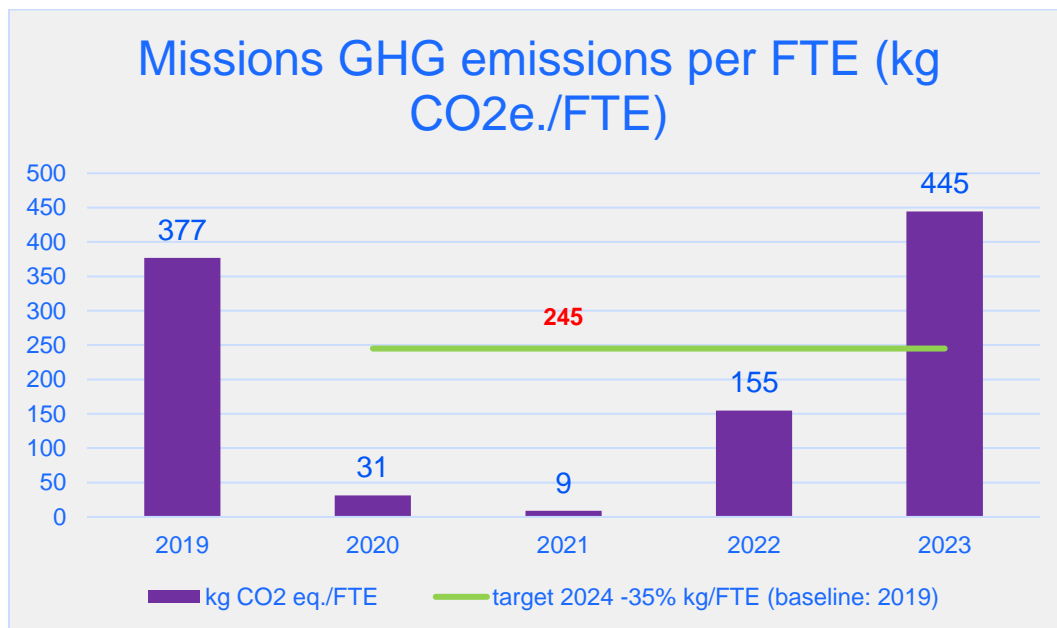
Actions undertaken	Next steps
Awareness raising for staff on waste sorting: creation of videos and improved posters for better understanding of the sorting followed by an interactive explanatory session with the recycling company No individual bin in desk area.	Continue raising awareness on waste sorting among staff and contractors and maintain good practices.  Explore possibility to set up a specific weighting of ESMA's waste to monitor its waste.
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.	Assess with landlord/waste management company the share of recycled waste.  Minimise disposable tableware, purchase more cups to reduce waste.
Provide specific rules for usual and specific waste (e.g paper cups, take-away boxes from the canteen).	Continue improving the waste streams and find solutions for the food waste from leftovers.

## 9.7. Travels

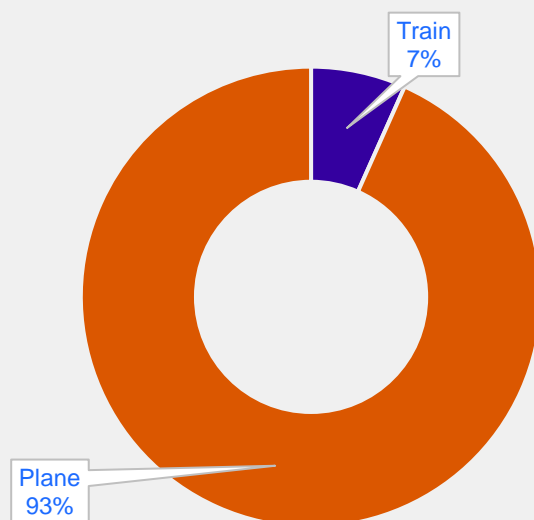
### 9.7.1. Performance

Objectives:

- Reduce GHG emissions due to travel by 35%/FTE, compared to 2019.
- Monitoring the visitors' impact.



### Mission travel 2023 GHG emissions, in kg CO<sub>2</sub>e



Due to the ending of the pandemic restrictions and the new CCP Directorate mandate, which requires extra-European responsibilities being fully developed, ESMA experienced an increase in travels. This has led ESMA to not reach the targets set in 2023, despite our procedure on sustainable missions that applied to less than 10% exceptions (duly approved). We believe that we underestimated the impacts that new mandates would have on our environmental performance. Hence, for the new cycle, the objectives should be adjusted to allow us to efficiently conduct our missions while minimising our environmental impacts. This is a lesson learned for the end of the EMAS Cycle and the future objectives.

#### Monitoring of visitors related emissions.

To monitor visitors, we implemented “Proxyclick”, which is a system that allows visitors to check-in by providing their travel details. However, this platform did not deliver the intended results.

The inadequacy of the results was due to the lack of numbers of check-ins as well as failure in retrieving the necessary information such as the country of origin or their travel means. The absence of this information prevents us from drawing conclusions on emissions created by visitors.

#### 9.7.2. Actions

Actions undertaken	Next steps
Retrieve accurate GHG data from the travel agency.  Staff members are encouraged to consider whether an in-person meeting is necessary before planning the event.	Raise awareness to staff (best choice between going on mission or hosting an event) and share good practices and green incentives with guests.  Broaden the cooperation with other green hotels/sustainable type of certification to visitors.
Promote online meetings.	Continue promoting online meetings.
To monitor the emissions generated by visitors to ESMA facilities a guest management tool (Proxyclick) was implemented.	ESMA will continue monitoring the visitor's impact.
Procedure on sustainable missions approved in 2022 applicable as of January 2023.	Identify further opportunities to reduce travels and event-related emissions.
Mission checklist to be filled by staff and attached under Mission request in the mission management tool.	

## 9.8. GHG emissions

### 9.8.1. Performance

For 2023, the greenhouses gas emissions are calculated by external experts according to Bilan Carbone® methodology and evaluated under the scopes 1,2 and 3.

Scope 1 and 2 emissions are fully reported. The reporting of scope 3 is based on the recommendations from the Bilan Carbon expert and includes, among others, the indirect emissions from travel, waste and material purchase.

Scope	Origin of data
<b>Energy consumption</b>	<p>Includes indirect GHG emissions for electricity, heat and cooling network.</p> <p>Calculated from the electricity supplier's report on annual consumption based on bills.</p> <p>Consumption of shared spaces is reported by the building owner and is calculated based on ESMA's share of the rented space.</p>
<b>Incoming goods</b>	<p>Includes: paper and food (including catering for meetings and the canteen for ESMA's staff), water and toners purchase</p> <p>The consumption of paper is calculated from the data collected through the report of printers and considering default paper size and weight.</p> <p>The consumption of food is calculated from the monthly report of total meals in the canteen and the bills from the catering company for meetings.</p> <p>Since 2023 the coffee consumption is also included in the total GHG calculation.</p> <p>The consumption of water is reported by the building owner and is calculated based on ESMA's share of the rented space.</p>
<b>Direct Waste</b>	<p>The waste managed directly by ESMA data is provided through monthly reports by the waste contractor.</p>

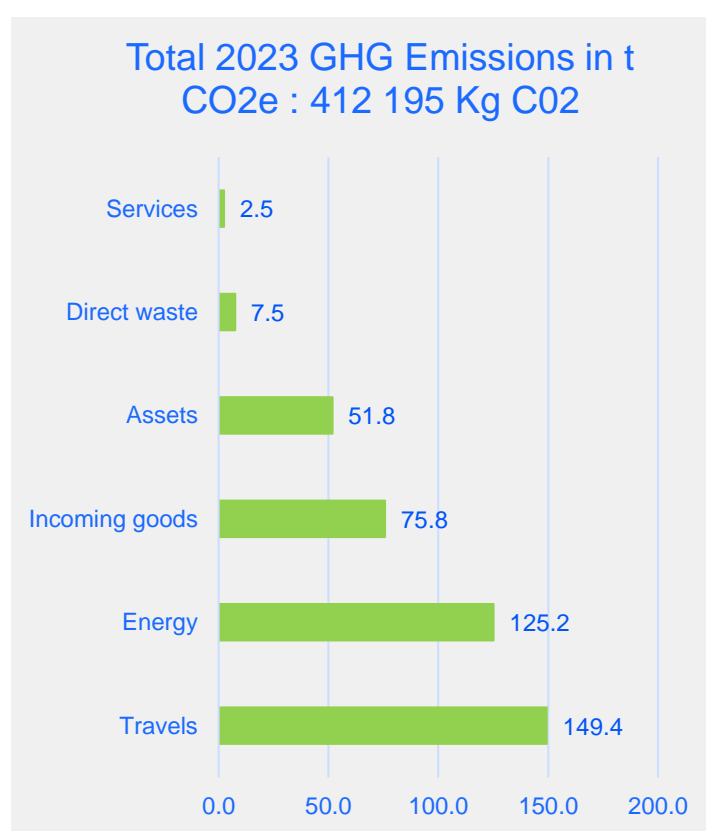
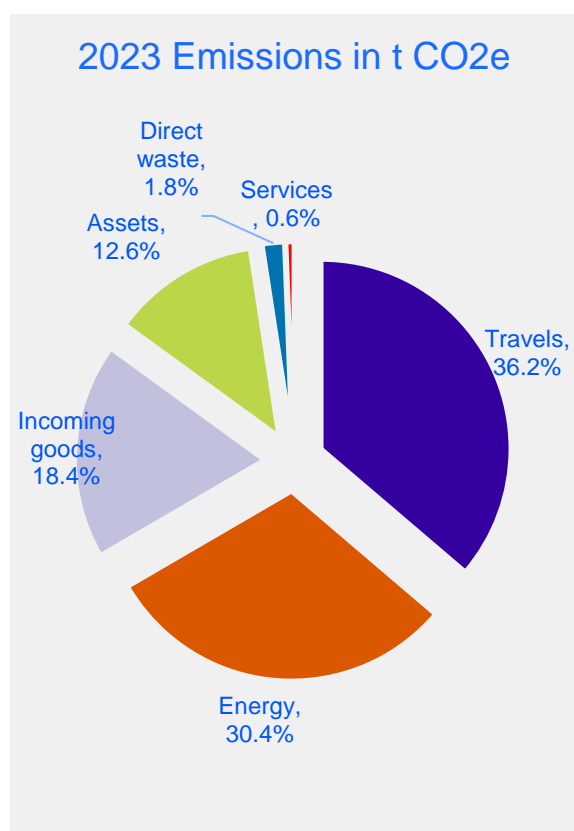
For the waste managed through the building, data is provided by the building manager and is calculated based on ESMA's share of the rented space.

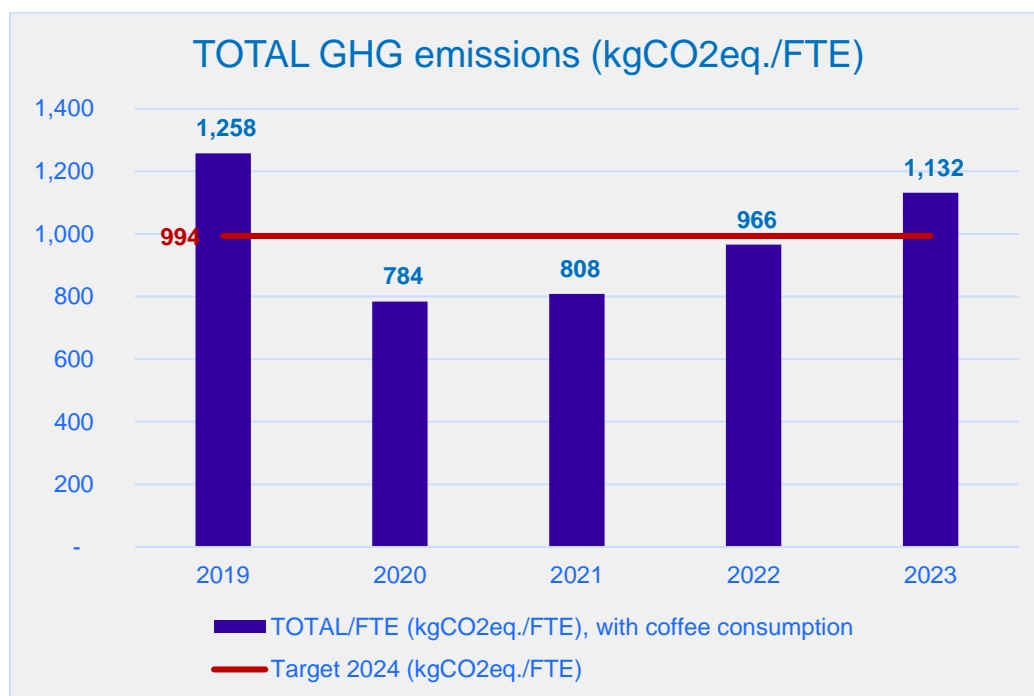
The direct waste includes plastics, paper, general and organic waste, electronic waste, dangerous waste, water waste.

<b>Travels /missions</b>	The GHG emissions from missions are calculated based on data on kilometres travelled, the distance and the transports mean.
<b>Assets</b>	Accounting from assets database, invoices, and delivery notes for it equipment purchases: laptops, tablets, smartphones. The emissions are considered for the year of purchase.
<b>Services</b>	Renting of printers/copiers as a service, including the printer services, leasing rental and installation or reparation, calculated in reference to the bills.

In 2023 missions were the first source of GHG emissions , followed by the energy consumption, both representing 66,6% of the total. The assets and incoming goods represent 31%, waste and services remain a small contributor to ESMA's GHG emissions with 2,4%.

The total GHG emissions per source are detailed below:





### 9.8.2. Actions

As a transversal aspect, the measures to tackle GHG emissions have already been included in sections 9.2 to 9.7.

The recommendations issued by the carbon footprint expert will be further analysed and the new methodology applied for the new cycle.

Actions undertaken	Next steps
Energy saving measures (sobriety).  Promote online meetings.  Procedure on sustainable missions.	Continue raising awareness on best environmental practices and communicate on Environmental performance.  Improve data collection.  Analysis of recommendations from carbon footprint expert.

## 9.9. Procurement

### 9.9.1. Performance

To prevent environmental impacts, it is important to include the green criteria in the ESMA's procurement to make the best choices.

The logic is to focus on procedures (above 15k€) that are led by ESMA and to integrate GPP criteria when they exist or other green criteria when they do not. The ESMA's procurement is led by the organisation's needs, and sometimes there are no relevant or sufficiently robust environmental measures that can be integrated into ESMA's procedures. This proved to be the case again in 2023, when out of the 5 procedures ESMA conducted, none had relevant GPP or other green criteria that could have been used.

<b>PROCUREMENT KPI</b>	<b># of procedures</b>	<b>Not Green</b>	<b>Light Green</b>	<b>Green</b>	<b>Very Green</b>	<b>Green by nature</b>
<b>2022</b>	GPP exists	0	0	0	0	0
	No GPP	7	1	0	0	0
	total	7	1	0	0	0
		88%	13%	0%	0%	0%
<b>2023</b>	GPP exists	0	0	0	0	0
	No GPP	5	0	0	0	0
	total	5	0	0	0	0
		100%	0%	0%	0%	0%

### 9.9.2. Actions

<b>Actions undertaken</b>	<b>Next steps</b>
Track performance on the way ESMA greens its procurement;	Extend green procurement training to project managers;
Train all the procurement officers to GPP. Customise the training to ESMA's needs;	Assess the feasibility of reuse / recycled old or unused IT equipment by social economy enterprises.
Register to the GPP news alert of the European Commission;	Implement PPMT for ESMA's procurement procedures.



## 9.10. Other environmental impacts

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

ESMA has no refrigerant nor vehicle fleet, it uses the chilled and hot water from the city network, therefore there are no direct emissions to the air.

ESMA's impact on biodiversity is not measured as ESMA is only operating from a few floors, in a building where the green spaces are managed as per landlord HQE certification.

## 9.11. Core business

### 9.11.1. 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 more sustainable economy.

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, integrate sustainability into risk management and foster transparency and long-termism. This started a period of intense regulatory work to which ESMA has contributed within its remit, by providing technical advice and drafting level two legislation as requested. EC initiatives have continued to reinforce and expand on the 2018 Action Plan and later on when the EC published in 2021 its Strategy on sustainable finance or the "Fit-for-55" package.

In the market, in 2023 it was observed that, following several years of uninterrupted growth, the uptake of ESG investing had slowed down. ESMA has a role in maintaining a trusted environment for investments for the ESG transition and the EC's objectives, as outlined in the ESMA Strategy 2023-2028. 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 is relevant in the context of 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, ESMA upgraded its Coordination Network on Sustainability (CNS) into a Sustainability Standing Committee (SSC) at end 2022 which is composed of experts from NCAs and supported by ESMA's staff. Beyond monitoring the functioning of the Sustainable Investment Value Chain (SIVC), notably its exposure to greenwashing risks as well as the consistency and usability of

the Sustainable Finance Regulatory Framework, the SSC provides advice to ESMA's sectorial Standing Committees on sustainable finance matters.

In order to keep up with the fast-evolving regulatory framework and new market trends, ESMA published its Sustainable Finance Roadmap in February 2022.

The Roadmap set out three priorities: a) promoting transparency and tackling greenwashing, b) building NCA's and ESMA's capacity and c) monitoring, assessing and analysing ESG markets and risks.

As part of the Roadmap, ESMA established a Consultative Working Group (CWG), during the summer 2022, composed of various stakeholders and technical experts in sustainable finance. The CWG has provided technical input into various areas of ESMA's work on sustainable finance.

Additionally, ESMA identified the topic of ESG disclosures as a Union Supervisory Strategic Priority (USSP) for 2023 and beyond, with the aim to promote effective disclosures and tackle greenwashing, as well as to support investors' understanding of sustainable investing and firms' inclusion of ESG criteria in their advisory services to clients. This USSP has the purpose to ensure that all NCAs simultaneously integrate and implement the agreed priority in their work programmes, including for concrete supervisory actions coordinated by ESMA.

#### 9.11.2. Actions undertaken

In 2023, ESMA maintained its focus on sustainable finance by pursuing the incorporation of ESG factors across the 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 more sustainable economy, and ESMA acknowledges its role in promoting transparency in the markets which will revert in the benefit of investors that will have better information when making investments decisions. ESMA continued to actively contribute to the development of the sustainable finance rulebook and to its consistent application and supervision as well as to engage in risk assessment and market monitoring focusing on potential financial stability risks stemming from ESG factors and investor protection.

In line with its cross-cutting objectives in the field of sustainable finance, ESMA has worked on transversal deliverables during 2023:

- Work on greenwashing. In response to the European Commission request for input on greenwashing risks and the supervision of sustainable finance policies, ESMA has published in June 2023 its progress Report on Greenwashing. Such report included a common ESAs high-level understanding of greenwashing, a mapping of the highest areas of risk across the SIVC and preliminary remediation actions to mitigate greenwashing risks. ESMA published its final report early June 2024.

- In the area of capacity building, significant progress has been made in the implementation of the Sustainable Finance Training Plan, with the delivery of trainings and the establishment of a Sustainable Finance knowledge hub, which serves as a place to store training material, to test the knowledge of its users and to allow ESMA to gather the necessary data to measure the progress in the objectives set for capacity building.
- In the international arena, ESMA continued to participate actively to the work done by IOSCO's Sustainability Task force, as co-chair of the carbon markets workstream, and has advocated for enhancing the integrity and orderly functioning of voluntary carbon markets during its participation at the COP28 UN Climate Change Conference.
- Moreover, ESMA took stock on the first year's implementation of the USSP on ESG disclosures. Notably, ESMA considered the numerous actions undertaken by NCAs to tackle greenwashing, increase investor understanding and embed sustainability requirements when firms advise investors.

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

- In the area of investment management, ESMA updated the market on its progress regarding guidelines for investment funds with ESG or sustainability-related terms in their names. In particular, ESMA announced its intention to use new mandates in amendments to the UCITS directive and AIFMD for developing these guidelines.
- Following the update of ESMA Guidelines on suitability and product governance requirements, a Call for evidence was launched in June to gather feedback on the evolution of the market and on how firms are applying the new legal requirements on the integration of investors' sustainability preferences.
- In the area of corporate reporting, ESMA issued an opinion on the first set of draft European Sustainability Reporting Standards (ESRS) and actively participated in the development and application of the standards, acting as an observer at EFRAG's sustainability reporting technical expert group and board. ESMA also commented on the International Sustainability Standards Board consultations, supporting the proposed sustainability assurance standard and calling for improvements in communication with financial auditors and clarity on materiality considerations in relation to sustainability matters.
- In December, draft guidelines for consistent supervision of sustainability information across the EU were published, aiming to establish a link between sustainability and financial reporting, inspired by guidelines on financial information enforcement.

- In October, as part of its European common enforcement priorities, ESMA provided targeted recommendations for improved disclosures on climate and environmental matters. ESMA also published a report on climate-related disclosures in financial statements.
- In the context of assessing market trends, risks and vulnerabilities, in October an article on the ESG names and claims in the EU fund industry was published, highlighting the importance of ensuring that fund names accurately reflect portfolio composition from an ESG perspective. Moreover, ESMA also published an article on the European sustainable debt market. In December, an article on dynamic modelling of climate-related shocks in the fund sector underscored efforts to assess and mitigate environmental risks. A second article examined the relevance of ESG controversies for greenwashing monitoring, and whether greenwashing-related controversies had an impact on financial metrics. It highlighted the need for clear policy guidance by regulators and efforts by supervisors to ensure the credibility of sustainability-related claims.
- ESMA has also developed a methodology to assess climate risk, a stress testing model that simulates the impact of asset price shocks from adverse climate scenarios. The framework was published in a risk article in December 2023.
- Furthermore, ESMA collaborated with the European Central Bank (ECB) to issue in March a joint statement calling for enhanced climate-related disclosures for structured finance products. The statement emphasised the need for harmonised data requirements and standardised reporting formats to facilitate effective risk assessment and informed investment decisions.
- Finally, sustainable finance continued to be a central element of the work of the Joint Committee (JC) of the European Supervisory Authorities (ESAs). In particular, the ESAs published the *Final Report on Draft Regulatory Technical Standards (RTS)* on the review of the SFDR delegated regulation of 4 December 2023. The draft RTS proposed the extension of the list of social indicators for PAI, the refinement of the content other PAI indicators and amendments regarding decarbonisation targets.

### 9.11.3. Next steps

The activities planned for 2024 will be driven by the ESMA Roadmap to underpin the three priorities for ESMA's sustainable finance activities in the period from 2022 to 2024: Tackling greenwashing and promoting transparency; Building NCAs' and ESMA's capacities; Monitoring, assessing, and analysing ESG markets and risks.

In this vein, the SSC has focused its efforts on the publication of the Final Report on Greenwashing, as well as in delivering an ambitious training programme for 2024 supported

by the implementation of Knowledge Hub. Moreover, ESMA will also continue monitoring the functioning of the sustainable finance legal framework more broadly and, if relevant, communicate any observations or experience back to the legislator for consideration

Following the entry into force of the European Green Bond Regulation, ESMA is preparing for the delivery of technical standards. In addition, ESMA will provide technical advice concerning the Credit Rating Agencies Regulation (CRAR) and will prepare for the implementation of the regulation on ESG ratings.

In terms of supervisory activities, a Common Supervisory Action (CSA) is on-going to assess compliance of Benchmarks Administrators with the ESG disclosure requirements set out in the Benchmarks Regulation (BMR). Moreover, a CSA will be launched on the integration of sustainability in firms' suitability assessment and product governance processes. Finally, the CSA on sustainability risks and disclosures in the investment fund sector, launched in 2023, will be completed.

Concerning the monitoring of ESG markets trends and risk analysis, ESMA will continue its work in developing indicators for the monitoring of ESG markets and products and integrating environmental risks in stress-testing frameworks, in collaboration with the other ESAs, the ESRB and the ECB. Moreover, a study on methodologies to assess exposures to climate physical risks will be provided as part of a TRV Risk article.

Finally, in light of the Commission's ongoing re-assessment of the SFDR framework, the ESAs are preparing a joint opinion contributing to such assessment. Moreover, in 2024, ESMA will, alongside the other ESAs, publish their annual report on the extent of voluntary disclosures of principal adverse impact in SFDR, which will for the first time take into account statements published in the SFDR Delegated Regulation including detailed impacts under the indicators developed by the ESAs.

All the above tasks, as well as other that will commence in 2024 and will continue in the years to come, will help to maintain investors' confidence in ESG investments by promoting high quality sustainability disclosures and hence reduce the risk of greenwashing. Enabling sustainable finance is one of the key drivers embedded in ESMA Strategy 2023-2028, therefore future tasks in this domain should contribute to the effectiveness and integrity of ESG markets, to a workable regulatory framework that allows an effective and consistent supervision and that promotes the participation and protection of retail investors by facilitating transparency in ESG markets.

## **9.12. Other environmental impacts**

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

ESMA has no refrigerant nor vehicle fleet, it uses the chilled and hot water from the city network, therefore there are no direct emissions to the air.

ESMA's impact on biodiversity is not measured as ESMA is only operating from a few floors, in a building where the green spaces are managed as per landlord HQE certification.

## 10. Legal Requirements

Environmental legal obligations are mandatory to take into consideration in the EMS as required by the EMAS regulation.

Given the importance of the building's performance in ESMA's current and future impacts on the environment, the "annexe environnementale" of the lease is considered binding. As a tenant, and given the facilities it uses, ESMA does not need any specific environmental permit, according to the EU or French regulations <sup>7</sup>.

ESMA receives support from a specialised company on the applicable French and European regulations. All relevant environmental requirements are integrated in ESMA's on-line legal compliance register, which is regularly updated through the monthly flash update on any new regulation in order to adapt ESMA's procedures and ensure ongoing compliance during the annual legal compliance audit.

ESMA's internal checks contribute as well 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.

In 2023, ESMA fully complies with the requirements of applicable environmental legislation as reported by the company Worldlex who performed the compliance check on 25 October 2023.

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<sup>7</sup> Legislation on installations classified for the protection of the environment - installations classées pour la protection de l'environnement ICPE

#### Analysis:

This report analyses the degree of legal compliance of ESMA on 25/10/2023.

Worldlex team has carried out on-site audit to verify the compliance of applicable obligations to ESMA premises located at 201-203 rue de Bercy, 75012, Paris France, with the following results:

ESMA Fulfilled :46

In Progress : 0

Not Fulfilled : 0

Landlord Fulfilled : 32

Landlord not Fulfilled : 2

