

# 9. CORPORATE SOCIAL RESPONSIBILITY



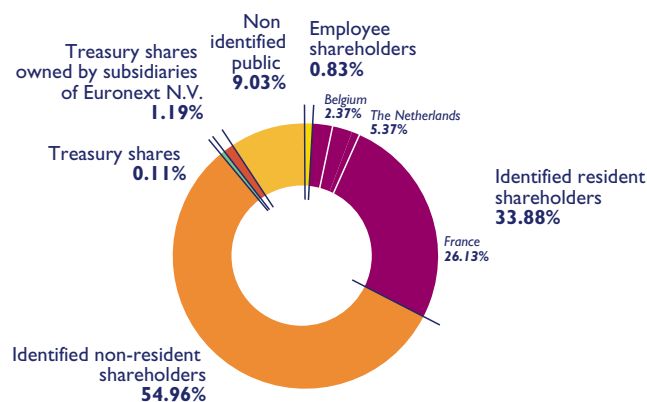
- 9.1 SHAREHOLDER GOVERNANCE
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As a public company Euronext is primarily responsible for generating value for its shareholders. It also has a long-term commitment to its markets and customers, its employees and the community.

## 9.1 SHAREHOLDER GOVERNANCE

Euronext endeavours to continue enhancing the quality of its relations with its shareholders. The Group is committed to provide all of them with clear, consistent and regular information in accordance with market best practices and regulatory recommendations and to reward their confidence.

### 9.1.1 SHAREHOLDERS' BREAKDOWN AT 31<sup>ST</sup> JANUARY 2004



#### Euronext committed to social responsibility

Since 2001, Euronext has been a member of CSR Europe, the European business network, with whom it has carried out joint surveys on the issue of Corporate Social Responsibility. Published in 2003, *Investing in Responsible Business* is the first comprehensive European investigation about the influence of social and environmental performance on public declarations and decisions made by financial managers, fund investors and analysts. Since 2001, Euronext has been closely involved in raising awareness of CSR among our customers, issuers and investors by organising events and roadshows on the subject.

### 9.1.2 COMMUNICATING WITH SHAREHOLDERS

Euronext's financial information policy meets international standards:

- The company publishes quarterly revenues and results.
- Financial statements are produced according to International Financial Reporting Standards (IFRS).
- Financial statements and communications are available on its investor relations website, in three languages (Dutch, English and French).
- Every day the company publishes its trading activity for the previous business day on its website. In addition, a monthly activity release is available in three languages for investors to follow the company's revenue streams.

The company announces all its financial results in local and international newspapers. In order to ease and broaden access to financial information by shareholders and investors, Euronext has decided to webcast its financial results presentation, starting with full year 2003 results announced on 18<sup>th</sup> March 2004. Financial and other legal notices (results, dividend, Annual General Meeting of Shareholders) are also made via press releases.

In addition, it hosts analysts' meetings, investors' conference calls and press conferences.

Euronext also complies with official and legal publication requirements in each founding country.

Euronext complies with "black-out period" requirements. One month prior to the announcement of quarterly results Euronext enters into a quiet period, where all active promotion of the Euronext share ceases. Two weeks before this announcement, Euronext enters a "black-out period", during which it stops communicating with analysts, investors and the financial markets as a whole.

Euronext is a member of the NextPrime segment.

### 9.1.3 REWARDING SHAREHOLDER CONFIDENCE

The company intends to pay dividends to its shareholders at regular intervals. The amount of dividend is dependent on the company's capital requirements, return on equity, current and future profitability and market practices in the area of dividend payments.

On this basis, Euronext's paid dividend has been continuously increased in line with the Group's results since 2000, reflecting Euronext's policy: returning growth to its shareholders (see chapter 2, page 10).

In 2003, a gross dividend of €0.45 per share, corresponding to a total dividend of €54 million, was distributed for the 2002 financial year. This represented an increase of 28.6% on the dividend distributed in 2002 (€0.35 per share).

For the financial year 2003, the Supervisory Board recommends the distribution of a gross dividend of €0.50 per share, up to 11.1% on 2003. This proposal will be submitted to the Annual General Meeting of Shareholders of Euronext N.V. on 26<sup>th</sup> May 2004. The dividend payment totals €60 million (see also chapter 6, § 6.3.2.11).

#### **Dividend tax treatment**

Under Dutch tax legislation, tax is withheld at a rate of 25% on dividend payments.

Shareholders who are not Dutch residents may qualify for a reduced tax rate or even full exemption if they are covered by a treaty that provides for this. The Netherlands has concluded such treaties, which are intended to avoid double taxation, with many other countries, including most EU member states, Australia, Japan, Switzerland and the US.

In 2003, as in the two previous years, Euronext assured the shareholders involved that they would benefit from reduced tax rates, provided they complied with the applicable criteria.

For more information about Group's financial trends, financial and dividend calendars: see section "Shareholder Information" in chapter 2 "Key Data".

### 9.1.4 ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Supervisory Board and Managing Board of Euronext N.V. closely follow national and international developments that stimulate shareholders' participation at the Annual General Meeting. This resulted for instance in the inclusion in the articles of association of a record date (see chapter 10, §10.1.10 "Shareholders and the Annual General Meeting of Shareholders" for a detailed description).

With effect from 2004, Euronext N.V. will communicate its General Meetings by means of webcasting in order to enable its shareholders and other interested parties to follow this event from another location.

In addition, Euronext encourages its shareholders to vote by proxy.

In the course of 2004 Euronext N.V. will provide information on its corporate governance on the company website. This website will be used as an additional tool to inform shareholders and other interested parties and provide them with information which they can consult at their convenience.

## 9.2 BUSINESS RESPONSIBILITY

Stock exchanges provide an essential part of the financial infrastructure of the economy, stimulating investment, employment and growth. They are the interface between issuers and investors. For Euronext this responsibility is based on the confidence achieved through long-term relationships with customers and shareholders. This conviction about Euronext's role takes its expression in the company vision: go for growth.

### 9.2.1 ENSURING BEST PRACTICES ON EURONEXT'S MARKETS

While managing stock and derivatives exchanges in five European countries, Euronext addresses differences in regulation from country to country by complying with local applicable rules in markets' users best interests. To play its part in guaranteeing integrity in the financial markets, the Group respects corporate governance codes and codes of conduct to prevent insider trading. Euronext prizes transparency, order, fairness and reliability, together with equal access to our markets for all investors whether individual or institutional, big or small companies.

#### Euronext's commitment recognized by the markets

As a recognition of Euronext's commitment to social responsibility, the share has been included since September 2003 in the ASPI Eurozone index (*Advanced Sustainable Performance Indices*). This index gathers 120 European "socially responsible" companies, selected according to their policies regarding involvement in society, corporate governance, relations with customers and suppliers, health, security, environment and human resources and respect for international labour norms. Launched in 2001 by accounting society IEM Finance and the Vigeo agency, the ASPI Eurozone index is the first European index focusing on sustainable development.

From August 2003, Euronext has been rated and followed up by Vigeo according to sustainable development and social responsibility criteria.

### 9.2.2 PARTNER IN PROMOTION OF SOCIALLY RESPONSIBLE INVESTMENTS

In the last few years, Euronext has been an active partner in promoting socially responsible investment. When trackers (ETFs) were developed based on sustainability criteria, Euronext, one of the leading platforms for ETFs in Europe,

was chosen as the listing exchange by a number of market makers and financial institutions. In June 2003, were launched by DEXIA AM, the TrackinDex trackers on NextTrack, which are referenced on the Dow Jones STOXX sustainability index (DJSI STOXX).

Current technical and market conditions limit the creation of more dedicated products, segments or indices. Euronext is however open to new initiatives and will continue to work on these matters in cooperation with other concerned market organisations.

### 9.2.3 CUSTOMERS' AND INVESTORS' GOVERNANCE

Euronext is aiming to attract customers to its markets by offering lower trading costs, greater market efficiency and a efficient customer relationship.

As part of its business strategy, Euronext has consequently implemented an integrated and pro-active communication, advertising and marketing policy focused on both financial professionals (e.g. members, bankers, brokers/traders, fund managers, institutional investors, financial analysts, issuers, listed companies) and retail investors. A Key Account Department was created in 2003, which is specifically dedicated to meeting the needs of Euronext's strategic customers.

It uses various marketing tools to promote a complete line of products and services, at national and international levels to satisfy both professionals and local customers: advertising, branding, print, publications about the Group's products, recent events, market trends and volumes and about the trading systems and indices, direct mail, the website, roadshows, sponsoring and personal visits.

As for retail investors, Euronext has always been strongly committed in providing to them all the tools needed to understand the markets, in order to invest with the best knowledge.

They are provided with brochures, direct mailings, publications, advertising, public presentations and courses organized locally and in co-operation with them. They also have the opportunity to visit the exchanges. A call centre deals with their requests for information.

In addition, Euronext organises, in partnership with brokers and retail banks, conferences about how stock exchanges work. In 2003, Euronext organised more than 40 such meetings.

Euronext determines direct contact with investors in order to ensure their expectations are met as much as possible. The Group regularly organises informal consultations with market participants. Through the International Investors Advisory Board, it maintains a close relation with institutional investors worldwide. It also takes part in various national advisory committees all over Euronext countries: share trading committee, committees for institutional investors or committees for issuers and for private investors (*Comité Consultatif des Actionnaires Individuels* in France and *Ronde Tafel Overleg Particuliere Beleggers* in the Netherlands), etc.

The Group's local websites are to be merged into one unique website that will present the full range of listed products and companies and promote in the different languages the market services towards clients and investors. Information on all cash products can already be obtained on the [www.euronext.com](http://www.euronext.com) platform; derivatives product information is due to be added in 2004.

## 9.3 STAFF GOVERNANCE

Euronext aims at attracting, developing, retaining and motivating high calibre employees as this has a significant impact on the Group's capabilities. In 2003 Euronext began to develop a number of tools and processes which would assist staff and line managers in aligning the capabilities of the teams to support Euronext's strategy and key objectives.

### 9.3.1 COMPETENCIES

In 2003, the Managing Board endorsed a new competency framework which will form the basis for a range of human resources processes. The framework defines the reserves needed to ensure the Group's success in the future and will be of considerable value in recruiting the right people, developing and motivating them to achieve key business goals.

The competency framework is being applied to our recruitment processes to improve the consistency of selection and will form the basis for all of our development and performance management programmes.

In 2003 Euronext introduced the Foundations of Management programme which uses the competency framework to provide managers with the basic skills needed to manage people across the countries and focuses on practical skills of management, such as budget and presentation making.

In 2003 all staff were able to receive an annual evaluation of their performance and development needs. A new performance management framework has been developed and will be implemented across the Group in 2004. This will ensure there is a consistent approach to performance in all Euronext locations and will improve performance by building on the new competency framework.

In 2004 an Advanced Management Programme and Leadership Coaching will be launched. Together with other initiatives, this will enable our line managers to get the best from their teams in supporting the Group's business strategy.

### 9.3.2 EUROPEAN WORKS COUNCIL AND RELATIONS WITH SOCIAL PARTNERS

The European Works Council was set up in November 2002 and meets four times a year. Each meeting is attended by the CEO and the Executive Director Group Human Resources.

It is a forum for exchanging information on social, economic and financial issues that are of strategic or cross-border significance and their discussion.

Staff in each European country where Euronext operates are represented and the minutes of the meetings, together with bulletins from the works council, are made available to all Euronext staff via local Intranet sites.

In Belgium, France and the Netherlands, in accordance with the relevant legislation, local works councils are established

to represent staff and discuss with the Group's management local, social, economic and strategic issues

In all locations, there are other statutory consultation requirements (related to security, hygiene, working conditions), the Group complies with these as appropriate.

### 9.3.3 EQUAL OPPORTUNITY POLICY

Euronext is committed to providing equal opportunities in employment, regardless of race, religion, gender or disability.

Euronext is committed to the promotion of equal opportunities and ensure that the human resources, talent and skills of all employees are maximised. Euronext's policy is to treat all employees with respect and dignity and to ensure that employees are not victimised or subjected to sexual or racial harassment.

Euronext seeks to fulfil this commitment to equal opportunities through the application of policies and procedures which are consistent and fair and which recognize the expertise and ability of each individual.

Euronext believes that communication with staff is equally important and Euronext achieves this through a variety of formal and informal means including: Next2U, an electronic magazine for all staff and the Intranext, the Group's website which complements local websites. Information on business performance is also communicated to staff through dedicated conferences, for instance those organised twice a year for the financial results.

### 9.3.4 EMPLOYEE OWNERSHIP

Since its IPO, Euronext has always promoted employees share ownership. In spite of the difficulties related to some differences in the taxation from one country to another, an employee savings policy was put in place which mainly consists of company savings plans (see *chapter 6, note 6.3.10*).

Euronext also uses stock options as an incentive for employees. Three different schemes have already been adopted in 2000, 2001 and 2002 (see *chapter 6, note 6.3.10*).

In order to avoid insider trading, Euronext's employees have to respect a strict code of conduct (see *chapter 10, § 10.1.15*).

On 31<sup>st</sup> December 2003, 0.83 % of the Group's shares was held by its employees .

### 9.3.5 NUMBER OF STAFF

On 31<sup>st</sup> December 2003, Euronext employed 1,778 people (measured by full time equivalents [FTE]). The Group companies GLTrade S.A. had 937 employees and NQLX LLC 11 employees.

The split in FTE per activity is as follows<sup>(\*)</sup>:

Activity	2003
SBU Cash and Listing .....	226
SBU Derivatives .....	610
SBU Clearing <sup>(**)</sup> .....	164
SBU Information Services .....	73
Settlement and Custody .....	142
Support – Finance/General Services .....	194
Support – Legal/Audit .....	94
Support – Human Resources .....	47
Support – Business strategy .....	87
Support – Corporate Information Services .....	43
Recharged .....	19
Other .....	79
<b>Total</b> .....	<b>1,778</b>

(\*) Due to the new organisation structure per business unit, effective since 1<sup>st</sup> March 2003, a similar split in the comparative number of FTE's for 2002 is not available.

(\*\*) In 2004, 164 FTE's in SBU Clearing will be either transferred or recharged to LCH.Clearnet.

## 9.4 CORPORATE CITIZENSHIP

### Education

Euronext supports educating the general public about stock market activities to improve knowledge about investment. It contributes to education of organisations and individuals in the field of investing and finance, sponsors specialised television broadcasts in Belgium, France and in the Netherlands.

In France, Euronext and the *Ecole de la Bourse* jointly organise information sessions and one-day or one-week courses designed for a wide range of audiences, from private shareholders to individuals interested in the stock market.

In the Netherlands, a Euronext team gives lectures to private investors on a daily basis.

Euronext.liffe supports the CSFI (Centre for the Study of Financial Innovation) in London to stimulate research into the future of the financial service industry.

### Charity and philanthropic involvement

Euronext encourages its staff to be actively engaged in charitable work. In France, it has long supported the *Téléthon*, a fund-raising organisation for medical research on genetic illnesses. Members of Euronext's staff participate in the 24-hour national race organized every year. In 2003, Euronext co-ordinated the "Charity IPO" launched to mobilise the entire financial community; the money collected was given to the *Téléthon*.

Euronext also supports the arts: Nationale Ballet's in the Netherlands, and the *Opéra National de Paris* in France. In the Netherlands, Euronext assists a foundation (Stichting VvdE) with the administration and preservation of the country's extensive exchange heritage (books, exhibitions, film).

In 2003, the Group spent more than €500,000 on sponsorship and donations.