

INDEX RULE BOOK

Euronext[®] CDP Environment Transatlantic EW

Version 22-01

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indices.euronext.com

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2. HIGHLIGHTS

This document is applicable to the Euronext CDP Environment Transatlantic EW ("Index Family"), which consists of all the Indices as mentioned in the Reference Table.

The Index Family is designed to reflect the price level trends in the trading of shares listed in North America and Europe.

Euronext Paris is the Administrator of this Index Family.

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Version notes

Version	Effective date	New or changed parts	Reference/announcement
21-01	15 Dec 2021	restyled version in view of newly published Calculation and Corporate Actions rulebooks	
22-01	08-09-2022	Addition of Review Weighting Date	EIA 2022-318

3. INDEX REVIEWS

3.1 REVIEW FREQUENCY AND RELEVANT DATES

Review frequency:	Quarterly. March being the annual review.
Review Effective Date:	After the market close of the third Friday of March, June, September and December.
Review Cut-Off Date:	After the market close of the penultimate Friday of February, May, August and November.
Review Announcement Date:	At least two trading days before the Review Effective Date and at least 5 trading days before the Review Effective Date for the Annual Review.
Review Weighting Date:	Three trading days before the Review Effective Date.
Review Weighting Announcement Date:	Two trading days before the Review Effective Date.

3.2 REVIEW SELECTION

Step 1: Index Universe

The Index Universe consists of the Companies included in the Euronext Europe 500 index and Companies included in the Euronext North America 500 index. At reviews this means included in the respective indices after the Review Effective Date.

Step 2: Eligibility screening at reviews

Step 2a: Controversial activities screening

From the Index Universe, Companies with involvement in Controversial Weapons, Military, Civilian Firearms, Tobacco, Pornography and Gambling are not eligible. Specifically, this implies excluding Companies with any of the following characteristics:

- An involvement in controversial weapons or their key components (MIL1.2)
- A major involvement in the Military area (MIL Involvement)
- A major involvement in the Civilian firearms area (CFA Involvement)
- A major involvement in the Tobacco area (TOB Involvement)
- A major involvement in the Pornography area (PORN Involvement)
- A major involvement in the Gambling area (GAMB Involvement)

Step 2b: Free Float Market capitalization screening

From the remaining Companies after step 2a, the 200 largest Companies from the Euronext North America 500 Index and the 200 largest from the Euronext Europe 500 Index in terms of Free Float Market Capitalization on the Review Cut-Off Date are eligible.

Step 2c: Social and Governance screening

The eligible Companies will be ranked on their Social Score as well as on their Governance Score as provided by Moody's ESG Solutions. For both the European leg and North American leg the 10% companies with the worst Social score as well as the 10% companies with the worst Governance score are excluded. In case of an equal score Social or Governance score, the Company with the highest of Free Float Market Capitalization will rank better. The remaining Companies are eligible.

Step 3: Selection Ranking

CDP gives a score to the eligible Companies based on three different themes: forests, water and climate. This alphabetical score is converted into a numerical score based on the CDP equivalence table which can be found hereunder.

For the forests parameter, an average score is used between the scores provided on the 4 (cattle products, palm oil, soy and timber) dimensions.

Euronext calculates an Environmental score based on the average rating of a company across the three different themes: forests, water and climate. If a Company has not been asked to participate in a certain theme, the average will be determined based on the remaining themes. E.g if a company is not asked to participate in the water theme, its score will be the average of both climate and forests scores.

CDP Score Alphabetical	Numerical Score
A	8
A-	7
B	6
B-	5
C	4
C-	3
D	2
D-	1
Late response	0.5
F*	0

* Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information to CDP to be evaluated will receive an F. Also companies that are willing to disclose their data, but refuse to pay for the administrative fee levied by CDP will receive an F. An F does not indicate a failure in environmental stewardship.

The Euronext ESG Providers Methodologies document gives a detailed background on various scoring methodologies.

The eligible Companies will be ranked on their Environmental score. In case of an equal score the company with the highest Free Float Market Capitalization will rank higher.

Step 4: Selection of constituents at the reviews

Annual Review

The ranking will result in the following composition:

The 20 highest ranking companies within the European leg as well as the 20 highest ranking companies within the North American leg will be selected in the index.

Quarterly reviews

In case the number of constituents has become more than 40, the Administrator will remove one or more Companies in order to bring the number down to the theoretical one. The Administrator will remove Companies that aren't included in the Index Universe anymore and subsequently Companies with the lowest environmental score.

In case the number of Companies has become less than 40, the highest ranking Company at the Annual Review will be added until there are 40 Companies selected.

3.3 PERIODICAL WEIGHTING UPDATE

Weighting method

The index is Non-Market Capitalisation weighted, based on equal weight.

The Weighting Factors are explained in the following paragraphs.

Number of shares

The Number of Shares will be calculated such that each Company will have an equal weight in the Index. The Number of Shares will be rounded to the nearest whole number.

The Number Of Shares are determined based on the closing prices of the Companies to be included in the Index on the Review Weighting Date.

Free Float factor

The Free Float Factor is not applicable for this Index Family.

Capping Factor

The Capping Factor is not applicable for this Index Family.

4. REFERENCES

Index name	Isin code	Mnemo	Bloomberg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext CDP Environment Transatlantic EW	FR0014004PQ0	TESGP		.TESGP	31-12-05	1000	28-07-21	Price
Euronext CDP Environment Transatlantic EW NR	FR0014004PU2	TESGN		.TESGN	31-12-05	1000	28-07-21	Net Return
Euronext CDP Environment Transatlantic EW GR	FR0014004PR8	TESGG		.TESGG	31-12-05	1000	28-07-21	Gross Return
Euronext CDP Environment Transatlantic EW Decrement 5%	FR0014004PS6	TLESG	TLESG	.TLESG	31-12-05	1000	28-07-21	Decrement Return 5% on NR

4.1 BASE CURRENCY

The Base Currency of this index family is Euro.

4.2 PUBLICATION

The index is calculated based on the most recent prices of transactions concluded on the main markets in each of the countries that are included in the index. The level of the index is in principle published every 15 seconds. The index is calculated from 09:00 hours until US Markets stop regular daytime trading on the days when Euronext Markets are open for trading.

The opening index level is disseminated at the same time as the first index level.

The closing level is the last level disseminated on the trading day.

5. ESG DISCLOSURES

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
Item 1. Name of the benchmark administrator.	Euronext Paris
Item 2. Type of benchmark	Equity Benchmark
Item 3. Name of the benchmark or family of benchmarks.	Euronext CDP Environment Transatlantic EW index
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	Yes
Item 5. If the response to Item 4 is positive, please find below the ESG factors that are taken into account in the benchmark methodology and how they are used for selection, weighting and exclusion	
a) List of combined ESG factors:	<p>Involvement Exclusions:</p> <ul style="list-style-type: none"> • Companies marked as MIL1.2 Yes (Controversial Weapons) • Companies marked as Major Involvement in MIL Involvement (Military) • Companies marked as Major Involvement in CFA Involvement (Civilian Firearms) • Companies marked as Major Involvement in TOB Involvement (Tobacco) • Companies marked as Major Involvement in PORN Involvement (Pornography) • Companies marked as Major Involvement in GAMB Involvement (Gambling) <p>Social score</p> <p>The companies that form the index universe will be ranked on both the Social score as well as the Governance score. The 10% worst companies in terms of Social scores, as well the 10% worst in terms of Governance scores are excluded</p> <p>Environmental score</p> <p>The companies that form the index universe will be ranked on their environmental score. The 20 highest ranking US/CA companies as well as the 20 highest ranking European companies will be selected in the index.</p>
B) List of environmental factors considered:	Please refer to a)
c) List of social factors considered:	Please refer to a)
d) List of governance factors considered:	Please refer to a)
Item 6. Data and standards used.	
<p>a) Data input.</p> <p>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</p> <p>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</p>	<p>CDP provides:</p> <ul style="list-style-type: none"> • Environmental scores <p>CDP gives a score to the companies in the universe based on three different themes, forests, water and climate. This alphabetical score is converted into a numerical score based on the CDP equivalence table which can be found in chapter 7.2.</p> <p>For the forests parameter, an average score is used between the scores provided on the 4 (cattle products, palm oil, soy and timber) dimensions.</p>

	<p>Euronext calculates an Environmental score based on the average rating of a company across the three different themes, forests, water and climate. If a company has not been asked to participate in a certain theme, the average will be determined based on the remaining themes. E.g if a company is not asked to participate in the water theme, its score will be the average of both climate and forests scores.</p> <p>Moody's ESG Solutions provides:</p> <ul style="list-style-type: none"> • Social score <p>The Social Score gathers all the criteria that pertain to the company's social and societal impacts, in terms of:</p> <ul style="list-style-type: none"> • internal Human Resources • the company's respect of Human Rights in the community • the company's Community Involvement • the company's Relations with Customers • the company's Sustainable Relations with Suppliers and Integration of Social factors in the company's supply chain • and for some sectors, the Social pillar also includes the company's management of Product safety <ul style="list-style-type: none"> • Corporate governance score <p>The Governance Score gathers:</p> <ul style="list-style-type: none"> • all the criteria that pertain to the company's internal governance bodies and systems • as well as the company's behaviour in terms of business ethics <p>Moody's ESG Solutions provides:</p> <ul style="list-style-type: none"> • Involvement in controversial weapons • Military Involvement of companies • Tobacco Involvement of companies • Pornography Involvement of companies • Gambling Involvement of companies
<p>b) Verification of data and guaranteeing the quality of those data.</p> <p><i>Describe how data are verified and how the quality of those data is ensured.</i></p>	<p>CDP and Moody's ESG Solutions represents and warrants that to the best of its knowledge the Methodology is robust and reliable, rigorous and capable of validating and verifying including, but not limited to, the following:</p> <ul style="list-style-type: none"> • shall promptly correct any errors made in its computations of the Data and inform Euronext thereof, immediately. • periodically review the Methodology • has clear written rules identifying how and when discretion may be exercised when deviating from the methodology • will inform Euronext prior to making any material change to the Methodology and will provide Euronext with the rationale for such change
<p>c) Reference standards</p> <p><i>Describe the international standards used in the benchmark methodology.</i></p>	<p>CDP:</p> <p>CDP do not produce the methodology using an international standard, however do include elements of international standards in what we incentivize, ie all of the verification is based on international standards, the targets and specifically the push for SBT is a de facto standard.</p> <p>CDP incentivize through their survey to companies the disclosure of climate-related information according to the following standards: GHG protocol, TCFD recommendations, Science-Based Targets, UN Global Compact the CEO Water Mandate guidelines. Further details can be found on CDP website at www.cdp.net, find below some of the relevant links :</p> <ul style="list-style-type: none"> • https://www.cdp.net/en/scores/cdp-scores-explained • https://www.cdp.net/en/guidance/environmental-disclosure-standards-and-frameworks

	<p>Moody's ESG Solutions:</p> <p>Moody's ESG Solutions : the methodology behind ESG performance indicators and the assessment of controversies severity is based on the following international standards :</p> <ul style="list-style-type: none">• Global Reporting Initiative (GRI)• OECD Guidelines for Multinational Enterprises, and sectorial guidance• G20/OECD recommendations on Corporate governance• UN Conventions and recommendations,• UN Global Compact Principles• UN Sustainable Development Goals• ILO Conventions , including the core ones, and recommendations• TFCF recommendations• Paris Agreement (UNFCCC)
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