

INDEX RULE BOOK

Euronext CDP Water Eurozone EW

Version 22-01

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1. GENERAL

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

The objective of the Euronext CDP Water Eurozone EW is to reflect the price level trends in the trading of shares listed in the Eurozone.

Euronext Paris is the Administrator of this Index Family. For this Index Family no Independent Supervisor is appointed.

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VERSION NOTES

Version	Effective date	New or changed parts	Reference/announcement
21-01	15-12-2021	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

2. INDEX REVIEWS

2.1 REVIEW FREQUENCY AND RELEVANT DATES

Review frequency:	Quarterly, with Annual composition review in March
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.

2.2 REVIEW SELECTION

Step 1: Index Universe

Index Universe definition

The Index Universe consists of the companies included in the Euronext Eurozone 300 index; at reviews this means included after the Review Effective Date.

Step 2: Eligibility screening at reviews

At reviews the 150 largest Companies from The Index Universe in terms of free float market capitalization on the Review Cut-off Date are eligible.

Excluded from these 150 largest are Companies that are either among the 10% worst companies in terms of Social score, or either among the 10% worst companies in terms of Governance score. This could lead to exclusion of 15 to 30 Companies. In case of an equal Social or Governance score, the Companies with the highest free float market capitalization will rank better.

Step 3: Selection Ranking

Companies are ranked by CDP Water scores per ICB SuperSector, provided that this score is equal or better than B-. A secondary ranking based on CDP Climate score is used to select companies for SuperSectors that have too few CDP Water scores that are equal to or better than B-.

CDP Equivalence table

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.

Step 4: Selection of constituents at the reviews

Annual review

The index targets the sectorial breakdown of the 50 largest Companies, ranked by Free float market capitalisation, of the Index Universe. The number of Companies to be selected by sector is rounded to the nearest integer (e.g if the Super Sector represents 6.5% of the top 50 Companies, then 3 Companies have to be selected in the index as each Company will be allocated an equal weight of 2%)

In each ICB Super Sector, the Companies with the highest CDP Water scores (equal or better than B-) are selected¹. In case, not enough companies are covered by water score in a specific ICB Super Sector, the Companies with the highest CDP Climate scores are selected¹ until the target number of Companies to be selected by Super Sector is reached.

In case the number of selected Companies is below 50, the Companies with the highest Water scores are selected until 50 Companies are selected¹. A maximum of 1 company by Super Sector is selected.

In case the number of selected Companies is above 50, the Companies with the smallest free float market capitalization are removed until 50 Companies remain in the index. A maximum of 1 company by Super Sector is removed and at least 1 company should remain in each Super Sector.

Quarterly reviews

In case the number of constituents has become more than 50, one or more constituents will be removed in order to bring the number down to the theoretical one. The removal consists in first instance of constituents that aren't included in the universe anymore. Companies with the smallest Free float market cap are excluded in priority. A maximum of 1 company by Super Sector can be removed and at least 1 company should remain in each Super Sector.

In case the number of constituents has become less than 50 replacing companies will be added at the quarterly review based on the ranking by Water score¹ determined at the annual review. A maximum of 1 company by Super Sector can be added.

¹ In case of equal score, the company with the biggest Free float market cap ranks better

2.3 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 new weightings are calculated such that each constituent will have an equal weight.

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.

3. REFERENCES

3.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloom- berg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext CDP Water Eurozone EW	NL00150005G1	EZWTP		.EZWTP	22-03-10	1000	06-01-21	Price
Euronext CDP Water Eurozone EW NR	NL00150005F3	EZWTN		.EZWTN	22-03-10	1000	06-01-21	Net Return
Euronext CDP Water Eurozone EW GR	NL00150005E6	EZWTG		.EZWTG	22-03-10	1000	06-01-21	Gross Return
Euronext CDP Water Eurozone EW Decrement 5%	NL00150005D8	EZWTR		.EZWTR	22-03-10	1000	06-01-21	Decrement Return 5% on NR

3.2 BASE CURRENCY

The Base Currency of this index family is Euro.

3.3 PUBLICATION

3.3.1 Opening

The opening level is calculated using the last known prices of traded constituents or in the case of constituents that have non-traded, halted or suspended status, the previous day reference prices or estimated prices (for IPOs, buyouts and swap offers).

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

3.3.2 Calculation and dissemination

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 Euronext Markets stop regular daytime trading on the days when Euronext Markets are open for trading.

3.3.3 Closing

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

4. 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 Water Eurozone EW
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 environmental factors considered:	<p>CDP Water and Climate scores</p> <p>Selection:</p> <p>The index targets the sectorial repartition of the top 50 Companies, ranked by Free float market cap, of the index Universe. In each ICB Super Sector, the Companies with the highest Water scores (equal or better than B-) are selected. In case, not enough companies are covered by water score in a specific ICB Super Sector, the Companies with the highest Climate scores are selected until the number of Companies to be selected by Super Sector is reached</p>
b) List of social factors considered:	<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 score, as well as the 10% worst companies in terms of Governance score are excluded.</p>
c) List of governance factors considered:	<p>Governance score</p> <p>Please refer to b)</p>
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 gives a score to the companies in the universe based on two different themes, water and climate. This alphabetical score is converted into a numerical score based on the CDP equivalence table.</p> <p>Moody's ESG Solutions provides:</p> <ul style="list-style-type: none"> • Social score <p>The Social pillar gathers all of the Equitics© sustainability criteria that pertain to the company's social impacts providing a comprehensive overview of its managerial approach. The content of this pillar integrates the analysis of Human Resources, Human Rights, Community Involvement and Business Behaviour issues.</p> <ul style="list-style-type: none"> • Corporate governance score <p>In building the methodology, Moody's ESG Solutions teams have undertaken reviews of both broad</p>

	<p>international governance recommendations as well as the national corporate governance codes specific to a range of countries. The themes and questions comprising the methodology reflect subjects that represent points of convergence across these various codes. That is, the analysis focuses on those subjects that form an international consensus as being elements of effective Corporate Governance</p>
<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 represent and warrant 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 does not produce the methodology using an international standard, however we do align with and encourage the use of certain international standards e.g. verification of water accounting data should be based on international standards, the site-based actions companies take to mitigate risks should be based on the Alliance for Water Stewardship Standard and the targets companies set, should be informed by the emerging SBT for Water Methodologies.</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,

	<ul style="list-style-type: none">• UN Global Compact Principles• UN Sustainable Development Goals• ILO Conventions , including the core ones, and recommendations• TFCD recommendations• Paris Agreement (UNFCCC)
Information updated on:	April 2021