

# **INDEX RULE BOOK**

## **EURONEXT® US SCREENED CLIMATE AMBITION 35 EW**

Version 22-02

Effective from 8 Sept 2022

[indices.euronext.com](https://indices.euronext.com)

This publication is for information purposes only and is not a recommendation to engage in investment activities. This publication is provided “as is” without representation or warranty of any kind. Whilst all reasonable care has been taken to ensure the accuracy of the content, Euronext does not guarantee its accuracy or completeness. Euronext will not be held liable for any loss or damages of any nature ensuing from using, trusting or acting on information provided. All proprietary rights and interest in or connected with this publication shall vest in Euronext. No part of it may be redistributed or reproduced in any form without the prior written permission of Euronext.

Euronext refers to Euronext N.V. and its affiliates. Information regarding trademarks and intellectual property rights of Euronext is located at <https://www.euronext.com/terms-use> .

© 2022, Euronext N.V. - All rights reserved.

For further information in relation to Euronext Indices please contact:  
[index-team@euronext.com](mailto:index-team@euronext.com)

# Index

|   |   |          |
|---|---|----------|
| <b>1. General</b>                       |   | <b>2</b> |
| Version notes                           | 2 |          |
| <b>2. Index reviews</b>                 |   | <b>3</b> |
| 2.1 Review frequency and relevant dates | 3 |          |
| 2.2 Review Selection                    | 3 |          |
| 2.3 Periodical Weighting Update         | 4 |          |
| <b>3. References</b>                    |   | <b>5</b> |
| 3.1 Reference Table                     | 5 |          |
| 3.2 Base currency                       | 5 |          |
| 3.3 Publication                         | 5 |          |
| <b>4. ESG Disclosures</b>               |   | <b>6</b> |

# 1. GENERAL

---

This document is applicable to the Euronext® US Screened Climate Ambition 35 EW ("Index Family"), which consists of all the Indices as mentioned in the Reference Table.

The Euronext US Screened Climate Ambition 35 EW is designed to reflect the price level trends in the trading of shares listed in the United States of America.

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

Euronext N.V. or its subsidiaries (hereinafter jointly "Euronext") owns all intellectual and other property rights to the index, including the name, the composition and the calculation of the index. Information regarding trademarks and intellectual property rights of Euronext is located at <https://www.euronext.com/terms-use> .

## VERSION NOTES

| Version | Effective date | New or changed parts              | Reference/announcement |
|---------|----------------|-----------------------------------|------------------------|
| 22-01   | 05-02-2022     | Initial version                   |                        |
| 22-02   | 08-09-2022     | Addition of Review Weighting Date | EIA 2022-318           |

## 2. INDEX REVIEWS

---

### 2.1 REVIEW FREQUENCY AND RELEVANT DATES

**Review frequency:** Quarterly

**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.

**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® North America 500 index listed in the United-States of America at review.

At review means included in the reference index after the Review Effective Date.

#### Step 2: Eligibility screening at reviews

##### Step2a: Trust Metric screening

Companies with a Trust Metric as defined by ISS-ESG strictly lower than 0.6 are not eligible.

Companies not covered by this ISS metric are not eligible.

##### Step2b: UNGC screening

Companies with an active critical controversy related to UNGC as determined by ISS-ESG are not eligible.

Companies not covered by this ISS metric are not eligible.

##### Step2c: Controversial Weapons screening

Companies with an active critical involvement in controversial weapons as determined by ISS-ESG are not eligible.

Companies not covered by this ISS metric are not eligible.

##### Step2d: Thermal Coal Mining screening

Companies with involvement in Thermal Coal Mining (Maximum Percentage of Revenues > 0%) as evaluated by ISS-ESG are not eligible.

Companies not covered by this ISS metric are not eligible.

#### **Step2e: Thermal Coal Power Generation screening**

Companies with involvement in Thermal Coal Power Generation (Maximum Percentage of Revenues > 10%) as evaluated by ISS-ESG are not eligible.

Companies not covered by this ISS metric are not eligible.

#### **Step2f: Oil Sands screening**

Companies with involvement in Oil Sands (Maximum Percentage of Revenues > 0%) as evaluated by ISS-ESG are not eligible.

Companies not covered by this ISS metric are not eligible.

#### **Step2g: Shale Oil and/or Gas Involvement screening**

Companies with Shale Oil and/or Gas Involvement Tie as defined by ISS-ESG equal to "Production" or "Not Collected"

#### **Step2h: Carbon Budget screening**

Companies among the 20% that use the highest percentage of assigned carbon budget as evaluated by ISS-ESG are not eligible. Companies not covered by this metric are ranked among the 20%.

#### **Step2i: ESG Performance Score selection**

From the companies left in the universe after the above exclusions, 250 companies having the highest ESG Performance Score according to ISS-ESG are eligible.

#### **Step 3: Selection ranking**

The eligible companies are ranked by free float market capitalization.

#### **Step 4: Selection of constituents at the reviews**

The 35 highest ranking companies will be selected in the index.

### **2.3 PERIODICAL WEIGHTING UPDATE**

#### **Weighting method**

The index is Non-Market Capitalization weighted, based on Equal Weight.

The Weighting Factors are explained in the following paragraphs.

#### **Number of shares**

The number of shares 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 Day.

#### **Free Float factor**

The Free Float Factor is not applied for the weightings of this Index Family.

#### **Capping Factor**

The Capping Factor is not applied for the weightings of this Index Family.

### 3. REFERENCES

#### 3.1 REFERENCE TABLE

| Index name  | Isincode     | Mnemo | Bloom-<br>berg<br>Code | Reuters<br>code | Base<br>date | Base<br>value | Publication<br>since | Index<br>Type |
|---|--------------|-------|------------------------|-----------------|--------------|---------------|----------------------|---------------|
| Euronext®<br>US Screened<br>Climate<br>Ambition 35<br>EW        | FRESG0000249 | USC3P | USCLA35                | .USC3P          | 01/01/2010   | 1000          | 05/01/2022           | Price         |
| Euronext®<br>US Screened<br>Climate<br>Ambition 35<br>EW GR     | FRESG0000256 | USC3G | USCLG35                | .USC3G          | 01/01/2010   | 1000          | 05/01/2022           | Gross Return  |
| Euronext®<br>US Screened<br>Climate<br>Ambition 35<br>EW NR     | FRESG0000264 | USC3N | -                      | .USC3N          | 01/01/2010   | 1000          | 05/01/2022           | Net Return    |
| Euronext®<br>US Screened<br>Climate<br>Ambition 35<br>EW EUR    | FRESG0000272 | UC3PE | -                      | .UC3PE          | 01/01/2010   | 1000          | 05/01/2022           | Price         |
| Euronext®<br>US Screened<br>Climate<br>Ambition 35<br>EW GR EUR | FRESG0000280 | UC3EG | UC3EG                  | .UC3EG          | 01/01/2010   | 1000          | 05/01/2022           | Gross Return  |
| Euronext®<br>US Screened<br>Climate<br>Ambition 35<br>EW NR EUR | FRESG0000298 | UC3EN | -                      | .UC3EN          | 01/01/2010   | 1000          | 05/01/2022           | Net Return    |

#### 3.2 BASE CURRENCY

The Base Currency of this index family is US Dollar, the Base Currency of the EUR version is Euro.

#### 3.3 PUBLICATION

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

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 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  |  |
|--|--|
| <b>Item 1.</b> Name of the benchmark administrator.  | Euronext Paris   |
| <b>Item 2.</b> Type of benchmark   | Equity Benchmark   |
| <b>Item 3.</b> Name of the benchmark or family of benchmarks.  | <b>Euronext US Screened Climate Ambition 35 EW Index</b>   |
| <b>Item 4.</b> Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?   | Yes  |
| <b>Item 5.</b> 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:   | <ul style="list-style-type: none"> <li>• Trust Metric</li> <li>• UNGC factors</li> <li>• Controversial weapons factors</li> <li>• Thermal Coal mining factors</li> <li>• Thermal Coal Power generation factors</li> <li>• Oil Sands factors</li> <li>• Shale Oil and/or Gas Involvement factors</li> <li>• Carbon Budget factors</li> <li>• ESG Performance Score</li> </ul>   |
| b) List of social factors considered:  | Not applicable   |
| c) List of governance factors considered:  | Not applicable   |
| <b>Item 6.</b> Data and standards used.  |  |
| a) Data input.<br><i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i><br><i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i> | ISS ESG provides : <ul style="list-style-type: none"> <li>• <b>ISSUER SDS CARBON BUDGET PCT</b><br/><br/>This factor identifies the issuer's percentage of assigned budget used based on the IEA Sustainable Development Scenario</li> <li>• <b>NBS OVERALL FLAG</b><br/><br/>This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's link with any breaches of international standards.</li> <li>• <b>ANTI-PERSONNEL MINES - OVERALL FLAG:</b><br/><br/>This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any anti-personnel mines program.</li> </ul> |

- **BIOLOGICAL WEAPONS - OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any biological weapons program.

- **CHEMICAL WEAPONS – OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any chemical weapons program.

- **CLUSTER MUNITIONS – OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any cluster munitions program.

- **DEPLETED URANIUM – OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any depleted uranium program.

- **INCENDIARY WEAPONS – OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any incendiary weapons program.

- **NUCLEAR WEAPONS OUTSIDE NPT – OVERALL FLAG**

Nuclear Weapons Outside NPT - Overall Flag:  
This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any nuclear weapons program outside of the Non-Proliferation Treaty (NPT)

- **WHITE PHOSPHORUS WEAPONS - OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any white phosphorus weapons program.

- **POWER GENERATION**

This factor provides the maximum percentage of recent-year revenues for the issuer's involvement in the generation of electric power using fossil fuels.

- **THERMAL COAL MINING**

This factor provides the maximum percentage of recent-year revenues for the issuer's total involvement in thermal coal mining, including any exposure in Production or Services.

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• <b>OIL SANDS</b><br/><br/>This factor provides the maximum percentage of revenues for the company's involvement in the extraction and processing of oil sands for the most recent fiscal year period.</li> <li>• <b>SHALE OIL AND/OR GAS – INVOLVEMENT TIE</b><br/><br/>This factor identifies issuers involved in shale oil and/or gas.</li> <li>• <b>TRUST METRIC</b><br/><br/>Reported Emissions - Emissions Trust Metric: This factor provides a numeric value that identifies the assessed reliability of issuer-reported emissions data. The Reported Emissions Trust Metric evaluates how consistent companies are in reporting and takes into account factors such as: whether the issuer-reported data has been externally verified; the extent of disparity between data reported to different sources; and the consistency of the issuer's reporting over time.</li> <li>• <b>ESG PERFORMANCE SCORE</b><br/><br/>ESG Performance Score: This factor provides a numerical score from 0 to 100 and is comparable over all rated entities.</li> </ul> |
| <p>b) Verification of data and guaranteeing the quality of those data.<br/><i>Describe how data are verified and how the quality of those data is ensured.</i></p> | <p>ISS ESG 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"> <li>• shall promptly correct any errors made in its computations of the Data and inform Euronext thereof, immediately.</li> <li>• periodically review the Methodology</li> <li>• has clear written rules identifying how and when discretion may be exercised when deviating from the methodology</li> <li>• will inform Euronext prior to making any material change to the Methodology and will provide Euronext with the rationale for such change.</li> </ul>   |
| <p>c) Reference standards<br/><i>Describe the international standards used in the benchmark methodology.</i></p>   | <p>ISS ESG Norm-Based Research is aligned with the Principles of the U.N. Global Compact and the OECD Guidelines for Multinational Enterprises. These globally endorsed standards translate obligations established in international norms into expectations of what constitutes Responsible Business Conduct. Principles of international law referenced and translated for business in leading global frameworks for Responsible Business Conduct include the following:</p>   |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"><li>• Human rights (among others):<ul style="list-style-type: none"><li>○ The International Covenant on Civil and Political Rights (ICCPR)</li><li>○ The International Covenant on Economic, Social and Cultural Rights (ICESCR)</li><li>○ The Geneva Conventions</li></ul></li><br/><li>• Labour rights:<ul style="list-style-type: none"><li>○ International Labour Organization (ILO) Conventions</li></ul></li><br/><li>• Environmental standards (among others):<ul style="list-style-type: none"><li>○ The Rio Declaration on Environment and Development</li><li>○ The Convention on Biological Diversity</li><li>○ The UN Framework Convention on Climate Change</li><li>○ The Paris Agreement</li></ul></li><br/><li>• Anti-corruption standards:<ul style="list-style-type: none"><li>○ The UN Convention against Corruption</li></ul></li></ul> |
|  | <b>Information updated on:</b>   |