

INDEX RULE BOOK

Euronext BeNeLux ESG Leaders 20

Version 21-01

Effective from 15 Dec 2021

indices.euronext.com

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1. GENERAL

This document is applicable to the Euronext® BeNeLux ESG Leaders 20 Family (“Index Family”), which consists of all the Indices as mentioned in the Reference Table.

The objective of the Index Family is to reflect the price level trends in the trading of shares listed in the markets in The Netherlands, Belgium and Luxembourg.

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.

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	

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 days before the Review Effective Date.
Review Weighting Announcement Date:	Two days before the Review Effective Date.

2.2 REVIEW SELECTION

Step 1: Index Universe

The Index Universe consists of the Companies included in the AEX® Index and the BEL 20® Index as well as the 10 largest Companies in terms of Free Float Market Capitalisation on the Review Cut-Off Date with a Main Listing on the Luxembourg Stock Exchange. At reviews this means included in the Indices after the Review Effective Date.

Step 2: Eligibility screening at reviews

Companies with a 1 year average daily Turnover lower than 5 million Euro are not eligible.

Moreover, the following Companies are not eligible:

- Companies with both: a V.E Carbon footprint score is equal to D and a V.E Energy Transition score lower or equal to 50,
- Companies with a major involvement in alcohol, armaments, gambling, nuclear, sex industry or tobacco. This list is defined by V.E,
- Companies included in the V.E Controversy Warning List, and having a Severity (controversies) score equal to "Critical".

More detailed information on scoring and controversies is available in the Euronext ESG Providers Reference document or on V.E website.

Step 3: Selection Ranking

Companies within the Index universe that fulfil the eligibility screening are by descending V.E ESG score. In case of equal score, the company with the highest Free Float Market Capitalization will rank higher.

Step 4: Selection of constituents at the reviews

The 20 highest ranking Companies are selected.

2.3 PERIODICAL WEIGHTING UPDATE

Weighting method

The index is Non-Market Capitalisation weighted, based on 1/(180d volatility) normalized.

The Weighting Factors are explained in the following paragraphs.

Number of shares

The new weightings are calculated such that each constituent will have a weight in the index inversely proportional to its 180 days volatility. The weightings 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 Announcement Date.

Free Float factor

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

Capping Factor

A maximum weighting of 10% is applied to each index constituent at the reviews. The assessment and new capping coefficients are based on the Review Weighting Announcement Date.

3. REFERENCES

3.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloom- berg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext BeNeLux ESG Leaders 20	NL0013025695	BESGP	BESGP	.BESGP	31-12-05	1000	11-07-18	Price
Euronext BeNeLux ESG Leaders 20 NR	NL0013025703	BESGN	BESGN	.BESGN	31-12-05	1000	11-07-18	Net Return
Euronext BeNeLux ESG Leaders 20 GR	NL0013025711	BESGG	BESGG	.BESGG	31-12-05	1000	11-07-18	Gross Return
Euronext BeNeLux ESG Leaders 20 Decrement 4.5%	NL0013025729	BESGD	BESGD	.BESGD	31-12-05	1000	11-07-18	Decrement Return 4.5% on NR

3.2 BASE CURRENCY

The Base Currency of this index family is Euro.

3.3 PUBLICATION

The level of the Indices are in principle published every 15 seconds starting from 09:00. Index levels published before the official opening level is published are considered pre-opening index levels.

The official opening level is the first level published after a share price is available for all constituents.

If share prices are not available for all constituents five minutes after Euronext Markets started regular daytime trading, the official opening level will be published as soon as the companies whose share prices are available of the current trading day represent at least 80% of the value of the index at the close of the previous trading day.

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 BeNeLux ESG Leaders 20 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 environmental factors considered:	<p>ESG scores, Carbon footprint scores, Energy transition scores and controversy warning list</p> <p>Selection:</p> <p>The 20 highest-ranking ESG scores are selected. In case the marginally selected stocks (ex: ranked 19, 20 and 21) have the same V.E ESG score, the second ranking is done by descending Free Float Market Capitalisation on the review cut-off date.</p> <p>Exclusion:</p> <ul style="list-style-type: none"> • Companies with a V.E Carbon footprint score equal to D and a V.E Energy Transition score lower or equal to 50. • Companies with a major involvement in alcohol, armaments, gambling, nuclear, sex industry or tobacco. This list is defined by V.E. • Companies included in the V.E Controversy Warning List, and having a Severity (controversies) score equal to "Critical".
b) List of social factors considered:	Please refer to a)
c) List of governance factors considered:	Please refer to a)
Item 6. Data and standards used.	
a) Data input. <i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i> <i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i>	<p>V.E provides :</p> <ul style="list-style-type: none"> • ESG scores <p>The ESG score is based on a 2-step approach:</p> <p>Step 1:</p> <p>V.E assesses and rates the performances of companies according the Equitics® methodology based on 38 criteria, divided in to six key areas of corporate environmental, social and governance responsibility</p> <p>Step2 – Overall score</p> <p>Each issuer is assigned an overall score out of 100 (the higher the better) which is a weighted and consolidated score of all sustainability factors in a given sector.</p>

	<ul style="list-style-type: none"> • Carbon footprint scores <p>A company's carbon footprint is based on three key factors: The nature of activities, The size of the company and The carbon footprint of its peers</p> <ul style="list-style-type: none"> • Energy Transition scores <p>The energy transition performance assessment is based on a 3-step approach:</p> <p>Stage 1: Sector Contextualisation</p> <p>Different sectors face different energy transition challenges. V.E identifies criteria specific to each sector so that companies can be assessed not only on transversal climate-related issues, but also on sectorspecific risk and opportunity areas.</p> <p>Stage 2: Assessment Grid</p> <p>Each company is evaluated using V.E' Equitics methodology. Each criteria identified in the Sector Contextualisation stage is sub-divided into Managerial Principles for Action (MPA) i.e. what the company should be doing to address each criteria. Each MPA is assessed across three pillars and nine angles of analysis using precise, specific questions:</p> <p>Leadership - How the company intends to address each criterion. Assessment of strategic commitment, policies and targets.</p> <p>Implementation - How the company does address each criterion. Assessment of concrete measures implemented.</p> <p>Results - How well the company addresses each criterion. Assessment of past and present performance and response to controversies.</p> <p>Stage 3: Energy Transition Score</p> <p>The scoring process is on a scale of 0 – 100 categorised according to the four levels of performance shown on the left. The score reflects the quality of a company's management and strategy to address risk and opportunities associated with the transition to a low carbon economy. The process is as follows: Score per angle of analysis, Score per pillar, Score per criteria, Corporate Global Energy Transition score: This is a weighted average of criteria scores</p> <ul style="list-style-type: none"> • Controversy Warning List: <p>Continuous analysis of controversies through three factors: severity, frequency and company response</p> <p>Analysis is based on publicly available information: V.E only analyses information from legitimate, identifiable stakeholders, and the information must be documented and traceable</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>V.E 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

	<ul style="list-style-type: none"> • 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>V.E : 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 • TFCD recommendations • Paris Agreement (UNFCCC)
<p>Information updated on:</p>	<p>April 2021</p>

Overview of Rulebooks and other documents applicable for Euronext Indices

The following documents, all available on or via the following link: <https://www.euronext.com/en/indices/index-rules> should be read in conjunction with this document or provide other relevant information for the reader.

BENCHMARK STATEMENT

The Benchmark Statement identifies the primary features of an index family or families of indices in the context of the EU Benchmark regulation. For ESG based indices it also contains disclosure of ESG factors and reporting of scores.

COMPLIANCE STATEMENT

The Compliance Statement provides details, for both significant and non-significant benchmarks, for which provisions the Administrator has chosen not to apply, and offers an explanation as to why it is appropriate not to apply each provision.

GOVERNANCE EURONEXT INDICES

The purpose of the 'Governance Euronext Indices' is to describe the role and responsibilities of each of the governance bodies that are part of the Benchmark Administrators of Euronext.

RULEBOOK OF EACH FAMILY OF INDICES

Each index is part of an index family that shares the basis for selection (universe) and which is managed in a comparable way. A separate rulebook is provided for each index family that will describe the specific features of that index family as well as specific elements of each index within that family.

INDEX CALCULATION AND PERIODICAL REVIEW Euronext Indices

The Methodology Euronext describes all common aspects that apply for the

- periodical reviews, and
- the calculation of indices

EURONEXT INDICES CORPORATE ACTION RULES

- treatment of corporate actions

of indices provided by Euronext Indices.

EURONEXT ESG PROVIDERS METHODOLOGIES

An overview of various methods applied by providers of ESG scorings and labels

PROCEDURES EURONEXT INDICES

These rulebooks describe the various procedures that are applied for all Euronext Indices:

- Correction Policy
- Announcement Policy
- Complaints Procedure
- Consultations Procedure
- Procedure For Cessation of Indices

RULES OF PROCEDURE INDEPENDENT SUPERVISORS

For each Independent Supervisor Euronext publishes a 'Rules of Procedure' that describes the responsibilities and composition of each Independent Supervisor.

BENCHMARK OVERSIGHT COMMITTEE CHARTER

The Benchmark Oversight Committee Charter describes the role and responsibilities of the Benchmark Oversight Committee.