

# **INDEX RULE BOOK**

**Euronext® Climate Europe**

Version 21-01

Effective from 15 Dec 2021

[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> .

© 2021, 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® Climate Europe (“Index Family”), which consists of all the Indices as mentioned in the Reference Table.

The Euronext Climate Europe is designed to reflect the price level trends in the trading of shares listed in Europe.

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 |
|---------|----------------|---|------------------------|
| 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:** Annually

**Review Effective Date:** After the market close of the third Friday of March.

**Review Cut-Off Date:** After the market close of the penultimate Friday of February.

**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

##### Index Universe definition

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

#### Step 2: Eligibility screening at reviews

No additional eligibility screening.

#### Step 3: Selection Ranking

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

Euronext calculates a climate score by combining the scores for eligible Companies attributed by Carbone 4 and CDP . The Carbone 4 score ranges between 1 (being excellent) and 5 (being poor). For each Company, the Carbone 4 score will be tilted with a bonus/malus system, using the CDP equivalence table. A Carbone 4 score can be improved or worsened by a bonus /malus ranging from -0.5 to +0.5. For example, a Company with a Carbone 4 score of 2 and a CDP score of A- (equivalent to a bonus of -0,4) will get a climate score of 1,6.

## CDP Equivalence Table

| CDP Score Alphabet       | Bonus (-)/Malus(+) |
|--------------------------|--------------------|
| A                        | -0.5               |
| A-                       | -0.4               |
| B                        | -0.3               |
| B-                       | -0.2               |
| C                        | 0                  |
| C-                       | 0.2                |
| D                        | 0.3                |
| D-                       | 0.4                |
| AQ*                      | 0.4                |
| F**                      | 0.5                |
| Not requested to respond | 0.5                |

AQ\*: Answered Questionnaire, no score (usually due to late response)

F\*\*: Failure to provide sufficient information to be evaluated. Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information. This does not necessarily mean a failure of environmental stewardship

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

Within each ICB Super Sectors (hereafter "sectors"), the Companies are ranked from the best to the worst climate score. The "n" best companies will be selected, "n" being the number of Companies in the sector multiplied by 2/5 and rounded up to the next integer (this process enables to get at least 200 companies from the 500).

In order to bring the number of selected Companies to exactly 200, the smallest companies in term of free float market capitalization will be removed (1 per sector) with the restriction that each sector has at least 1 constituent. This removal of 1 Company per sector, observing the restriction of keeping at least 1, will be repeated until the number of 200 is arrived at.

## 2.3 PERIODICAL WEIGHTING UPDATE

### Weighting method

The index is Free Float Market Capitalisation weighted.

The Weighting Factors are explained in the following paragraphs.

### Number of shares

The Number Of Shares are determined based on the Review Cut-Off Date.

### Free Float factor

The Free Float Factors are determined based on the Review Cut-Off Date.

### 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 Weightings Announcement Date.

### 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® Climate Europe    | NL0011923024 | ENCLE | ENCLE                  |                 | 19-11-10     | 1000          | 04-07-16             | Price         |
| Euronext® Climate Europe NR | NL0011923032 | ENCEN | ENCEN                  |                 | 19-11-10     | 1000          | 04-07-16             | Net Return    |
| Euronext® Climate Europe GR | NL0011923040 | ENCEG | ENCEG                  |                 | 19-11-10     | 1000          | 04-07-16             | Gross Return  |

#### 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 hours until Euronext Markets stop regular daytime trading on the days when the 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.

## 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.   | <b>Euronext Climate Europe index</b>  |
| 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:   | Selection: Euronext calculates a score by combining the CDP and Carbone4 Finance scores. Within each ICB Super Sector the highest ranking climate scores are selected.  |
| b) List of social factors considered:  | not applied   |
| c) List of governance factors considered:  | not applied   |
| Item 6. 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> | <p><b>CDP:</b><br/>A being excellent and D- poor. The F score (Failure to disclose) is given to a company part of the sample but not responding to disclose.</p> <p><b>Carbone 4:</b><br/>1 being excellent and 5 being poor.</p> <p>The Euronext ESG Providers Methodologies document gives a detailed background on various scoring methodologies.</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>Carbone 4 and CDP 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> |
| c) Reference standards   | Carbon4 Finance:  |

*Describe the international standards used in the benchmark methodology.*

Carbon 4 Finance score is based on GHG emissions. These emissions are calculated based on the GHG Protocol standard.

CDP:

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.

**Information updated on:**

April 2021

## 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.