

INDEX RULE BOOK

Euronext® Climate Orientation Priority 50 EW

Version 21-01

Effective from 15 Dec 2021

indices.euronext.com

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1. GENERAL

This document is applicable to the Euronext Climate Orientation Priority 50 EW (“Index Family”), which consists of all the Indices as mentioned in the Reference Table.

The Euronext Climate Orientation Priority 50 EW 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.

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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	
21-01a	15-12-2021	Correction text Review Announcement Date to 6 days before Review Effective Date	

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 six 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 Climate Europe index (the Underlying Index). At reviews this means included in the index after the Review Effective Date.

Step 2: Eligibility screening at reviews

Step2a: market size screening

Companies with a free float market capitalization below €3B or an average daily turnover over the past 6 months below €20M at the cut-off date are not eligible.

Step2b: Carbon screening

when at least 50% of the turnover of a company (classified as utility or extractive) stems from energy, then the company will be excluded if:

- It emits more than 379 grams of CO² per kwh produced (for utilities)
- if the forward looking score as defined by Carbone 4 is above C (for extractives).

Step 3: Selection Ranking

Euronext calculates a climate score by combining the Carbone 4 and CDP score using the method described in the Euronext® Climate Europe index rule book. Please refer to the "Euronext ESG Providers Methodologies" for more information about the scores.

Step 4: Selection of constituents at the reviews

Step4a: Sector representation

For each ICB super sector, the target number of Companies is equal to half the number of Companies included in the same super sectors as the Underlying Index (rounded up in case of

not a whole number). The Companies with the worst climate scores are excluded. To decide between Companies with same Climate score, the Companies with with the lowest 126 days historical volatility are kept.

Step4b: final selection

The 50 lowest 126 days historical volatility are selected with a maximum of:

- respectively 10, 8 and 6 Companies for the high, medium and low stakes ICB Supersectors (see table below)
- a maximum of 15 Companies per country

If a Company cannot be selected due to reaching the sector/country maximum, the next highest ranking Company, in terms of low volatility, is taken.

Supersector (ICB)	Classification
Automobile & Parts	High stake
Banks	Low Stake
Basic Resources	High stake
Chemicals	High stake
Construction & Materials	High stake
Consumer Products & Services	Medium stake
Energy	High stake
Financial Services	Low Stake
Food, Beverage and Tobacco	High stake
Health Care	Low Stake
Industrial Goods & Services	High stake
Insurance	Low Stake
Media	Low Stake
Personal Care, Drug and Grocery Stores	Medium stake
Real Estate	High stake
Retailers	Low Stake
Technology	Low Stake
Telecommunications	Low Stake
Travel & Leisure	Medium stake
Utilities	High stake

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 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 Weightings Announcement Date.

Free Float factor

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

Capping Factor

The Capping Factor is not applied 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® Climate Orientation Priority 50 EW	NL0011923057	ECOP	ECOP		19-11-10	1000	04-07-16	Price
Euronext® Climate Orientation Priority 50 EW NR	NL0011923065	ECOPN	ECOPN		19-11-10	1000	04-07-16	Net Return
Euronext® Climate Orientation Priority 50 EW GR	NL0011923073	ECOPG	ECOPG		19-11-10	1000	04-07-16	Gross Return
Euronext® Climate Orientation Priority 50 EW Excess Return	NL0011923081	COP5E	COP5E		19-11-10	1000	04-07-16	Decrement 5% on NR

3.2 BASE CURRENCY

The Base Currency of this index family is Euro.

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

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.

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 Climate Orientation Priority 50 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 environmental factors considered:	<p>Climate score</p> <p>Selection :</p> <ul style="list-style-type: none"> • Euronext calculates a climate score by combining the CDP & Carbon4 Finance scores. • For each ICB super sector, the target number of stocks is equal to half of the number of stocks included in the same super sectors as the Underlying Index (rounded up in case of odd number). The stocks with the worst climate scores are excluded. To decide between stocks with same Climate score, the stocks with the lowest 126 days historical volatility are kept. • The 50 lowest-ranking 126 days historical volatility are selected with a maximum of respectively 10, 8 and 6 stocks for the high, medium and low stakes ICB Super-sectors. • There is a maximum of 15 stocks per country. <p>If a stock cannot be selected due to reaching the sector/country maximum, the next highest ranking stock, in terms of low volatility, is taken.</p> <p>Exclusion :</p> <p>When at least 50% of the turnover of a company (classified as utility or extractive) stems from energy, then the company will be excluded if:</p> <ul style="list-style-type: none"> - It emits more than 379 grams of CO² per kwh produced (for utilities). - If the forward looking score as defined by Carbone 4 is above C (for extractives).
b) List of social factors considered:	Not applied
c) List of governance factors considered:	Not applied

Item 6. Data and standards used.	
<p>a) Data input.</p> <p><i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i></p> <p><i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i></p>	<p>CDP scores :</p> <p>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 CDP methodology is available on:</p> <p>https://www.cdp.net/en/guidance/guidance-for-companies#983f54421cac095b304bb72361ae1e38</p> <p>Carbon4 Finance scores:</p> <p>1 being excellent and 5 being poor.</p> <p>The full Carbon4 Finance methodology is available on:</p> <p>http://www.carbone4.com/wp-content/uploads/2019/09/CarbonImpactAnalytics_November18.pdf</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 Carbone 4 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>Carbon4 Finance:</p> <p>Carbon 4 Finance score is based on GHG emissions. These emissions are calculated based on the GHG Protocol standard.</p>
<p>Information updated on:</p>	<p>30th April 2020</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.