

# **INDEX RULE BOOK**

## **Euronext Eurozone ESG Leaders Select EW Index Family**

Version 21-01a

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

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## 1. GENERAL

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

The Euronext Eurozone ESG Leaders Select EW family is designed 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	
21-01a	15-12-2021	correction: selection should be based on sector normalised ESG score instead of ESG score	

## 2. INDEX REVIEWS

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### 2.1 REVIEW FREQUENCY AND RELEVANT DATES

<b>Review frequency:</b>	Quarterly
<b>Review Effective Date:</b>	After the close of the Wednesday following the third Friday of March, June, September and December.
<b>Review Cut-Off Date:</b>	After the market close of the penultimate Friday of February, May, August and November.
<b>Review Announcement Date:</b>	At least two days before the Review Effective Date.
<b>Review Weighting Announcement Date:</b>	Five 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

From the index universe, the 80 Companies with highest free float market capitalisation are eligible.

Subsequently these 80 largest Companies are screened on UN Global Compact criteria. Companies who do not communicate and/ or do not comply with UN Global Compact principles as determined by V.E are not eligible.

#### Step 3: Selection Ranking

The eligible Companies are ranked by decreasing order on the sector normalised ESG score as assigned by V.E. In case of an equal score the Company with the highest free float market capitalisation will rank higher.

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

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

The 40 highest ranking eligible Companies in terms of V.E sector normalised ESG score are selected.

### 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

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### 3.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloom- berg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext Eurozone ESG Leaders Select 40 EW	FR0013477007	ESGEP	ESGEP	.ESGEP	31-12-2008	1000	22-01-2020	Price
Euronext Eurozone ESG Leaders Select 40 EW NR	FR0013477023	ESGEN	ESGEN	.ESGEN	31-12-2008	1000	22-01-2020	Net Return
Euronext Eurozone ESG Leaders Select 40 EW GR	FR0013477031	ESGEG	ESGEG	.ESGEG	31-12-2008	1000	22-01-2020	Gross Return
Euronext Eurozone ESG Leaders Select 40 EW Decrement 5%	FR0013477049	ESGEZ	ESGEZ	.ESGEZ	31-12-2008	1000	22-01-2020	Decrement 5% on NR
Euronext Eurozone ESG Leaders Select 40 EW Decrement 3.5%	FR0013477056	ESGZD	ESGZD	.ESGZD	31-12-2008	1000	22-01-2020	Decrement 3.5% 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.

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

<b>EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY</b>	
<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 Eurozone ESG Leaders Select 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:	ESG score Selection: Within the universe the 80 largest free float market capitalisations, screened on UNGC principles, are ranked on ESG performance. The 40 companies with the highest-ranking ESG scores are selected.
b) List of social factors considered:	Plases refer to a)
c) List of governance factors considered:	Please refer to a)
<b>Item 6.</b> 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>	V.E provides : The sector normalised ESG score is based on a 3-step approach: Step 1: 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 Step 2 – Overall score 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. Step 3 A sector normalised score is calculated as z-score based on the global ESG score within each sector per region.
b) Verification of data and guaranteeing the quality of those data. <i>Describe how data are verified and how the quality of those data is ensured.</i>	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: <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></ul>

	<ul style="list-style-type: none"> <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</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"> <li>• Global Reporting Initiative (GRI)</li> <li>• OECD Guidelines for Multinational Enterprises, and sectorial guidance</li> <li>• G20/OECD recommendations on Corporate governance</li> <li>• UN Conventions and recommendations,</li> <li>• UN Global Compact Principles</li> <li>• UN Sustainable Development Goals</li> <li>• ILO Conventions , including the core ones, and recommendations</li> <li>• TFCD recommendations</li> <li>• Paris Agreement (UNFCCC)</li> </ul>
<p><b>Information updated on:</b></p>	<p>February 2022</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.