# INDEX RULE BOOK

## Euronext® Eurozone ESG Large 80

Version 20-02

Effective from 15th May 2020

indices.euronext.com

## INDEX

# 1. GENERAL

## 1.1 HIGHLIGHTS EURONEXT® EUROZONE ESG LARGE 80

| | |
|---|---|
| Objective | The Euronext® Eurozone ESG Large 80 Index family is designed to reflect the price level trends in the trading of shares listed in Eurozone that have the ability to reduce their emissions and to adapt their business model to address the risks and opportunities tied to the transition to a low-carbon economy. |
| Administrator | Euronext Paris is the Administrator of the Euronext® Eurozone ESG Large 80 Index family. |
| Supervisor | Euronext internal supervisor. |
| Index Universe | The Index Universe consists of the 300 Companies included in the Euronext Eurozone 300 index. |
| Eligibility screening at reviews | Based on Vigeo-Eiris scoring, are excluded from the Index Universe:<br>- the 20% companies with the lowest Social score,<br>- the 20% companies with the lowest Governance score,<br>- The companies with an Energy Transition score below 30,<br>- the companies facing critical controversies with regards to UN Global Compact criteria,<br>- the companies involved in coal activities, tobacco or controversial weapons. |
| Selection basis | The eligible companies are assigned an Energy Transition score, as evaluated by Vigeo-Eiris, and are ranked by decreasing order on this score. In case of an equal score the company with the highest free float market capitalization will rank higher.<br>The index targets the sectorial repartition of the Index Universe. The top stocks with the highest Energy Transition rankings are selected in each ICB Super Sectors until the weighting differences of their respective ICB Super Sectors with Index Universe are minimized, under the constraint of reaching 80 stocks. |
| Number of constituents | 80 |
| Capping | 10% |
| Weighting basis | Free float market capitalisation |
| Review of composition | Annual after the close of the third Friday of March (+ quarterly in case of UNGC controversy). |
| Review of weights | Quarterly after the close of the third Friday of March, June, September and December. |
| Index family | Price index; Net return index, Gross return index and Decrement 5% and 3,5% on Net return. |
| Trademarks | 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.<br>Euronext® is a registered trademark of Euronext. |

## 1.2 VERSION NOTES

| Version | Effective date | New or changed parts |
|---|---|---|
| 20-01 | 08 April 2020 | First version |
| 20-02 | 11 May 2020 | Integration ESG Disclosures |

## 2. REFERENCE INFORMATION AND PUBLICATION OF INDEX LEVELS

### 2.1 REFERENCE TABLE

| Index name | ISIN Code | MNEMO | Bloomberg Code | Reuters code | Base date | Base value | Publication since | Type of index |
|---|---|---|---|---|---|---|---|---|
| Euronext Eurozone ESG Large 80 | FR0013468832 | ENESG | ESG80P | .ENESG | 31/12/11 | 1000 | 08/04/20 | Price |
| Euronext Eurozone ESG Large 80 NR | FR0013468865 | ESGNR | ESG80N | .ESGNR | 31/12/11 | 1000 | 08/04/20 | Net |
| Euronext Eurozone ESG Large 80 GR | FR0013468873 | ESGGR | ESG80G | .ESGGR | 31/12/11 | 1000 | 08/04/20 | Gross |
| Euronext Eurozone ESG Large 80 Decrement 3.5% | FR0013468881 | ESG8D | ESG80D35 | .ESG8D | 31/12/11 | 1000 | 08/04/20 | Decrement |
| Euronext Eurozone ESG Large 80 Decrement 4% | FR0013498755 | ESGD4 | ESG80D4 | .ESGD4 | 31/12/11 | 1000 | 08/04/20 | Decrement |
| Euronext Eurozone ESG Large 80 Decrement 4.5% | FR0013498763 | ESG8E | ESG80D45 | .ESG8E | 31/12/11 | 1000 | 08/04/20 | Decrement |
| Euronext Eurozone ESG Large 80 Decrement 5% | FR0013468907 | ESGD5 | ESG80D5 | .ESGD5 | 31/12/11 | 1000 | 08/04/20 | Decrement |

### 2.2 BASE CURRENCY

All Indices have Euro as their Base Currency.

### 2.3 PUBLICATION OF INDEX LEVELS

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.

# 3. INDEX REVIEWS

## 3.1 REVIEW FREQUENCY AND RELEVANT DATES

The Review Cut-Off Date is after the market close of the penultimate Friday of February (annual review), May, August and November (quarterly reviews).

The Review Composition Announcement Date is at least two days before the Review Effective Date.

The Review Effective Date is after the market close of the third Friday of March (annual review), June, September and December (quarterly reviews).

## 3.2 SELECTION STEPS

### 3.2.1 The annual review (March)

#### 3.2.1.1 Step 1: Index Universe

The Index Universe consists of the 300 Companies included in the Euronext Eurozone 300 index. At reviews this means included in the reference index after the Review Effective Date.

#### 3.2.1.2 Step 2: Eligibility screening

The Companies included in the Index Universe are screened on Social and Governance Scores, controversies related to UNGC and involvement into activities such as Coal, tobacco and controversial weapons:

Social and Governance screening:

The companies that form the index universe will be ranked on their Social Score as well as on their Governance Score as provided by Vigeo-Eiris. The 20% companies with the worst Social score as well as the 20% companies with the worst Governance score are excluded. In case of an equal Social or Governance scores, the Companies with the highest free float market capitalization will rank better.The remaining Companies are eligible for inclusion.

Energy Transition screening:

Companies with an Energy Transition score strictly below 30, as determined by Vigeo-Eiris, are excluded.

United Nations Global Compact (UNGC) screening:

Companies facing critical controversies, as determined by Vigeo-Eiris, with regards to UN Global Compact criteria are excluded. Companies that are assessed as non-communicative with regards to the UNGC are also excluded.

Companies with any involvement in tobacco production are systematically excluded.

Companies with any involvement in landmines or cluster munitions are systematically excluded.

Coal activities screening:

Companies with any involvement in coal activities are systematically excluded.

#### 3.2.1.3 Step 3: Selection Ranking

The eligible companies are assigned an Energy Transition score, as evaluated by Vigeo-Eiris. In each ICB Super Sector, the eligible companies are ranked by decreasing order on this score. In case of an equal score the company with the highest free float market capitalization will rank higher.

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

The index targets the sectorial repartition of the Index Universe. The top stocks with the highest Energy Transition rankings are selected in each ICB Super Sectors until the weighting differences of their respective ICB Super Sectors with Index Universe are minimized, under the constraint of reaching 80 stocks.

### 3.2.2 The quarterly reviews (June, September and December)

At quarterly reviews, if a component of the index faces critical controversies with regards to UN Global Compact criteria (as determined by Vigeo-Eiris), it will be replaced by the next best ranked company

within the Super Sector that has the biggest negative weight discrepancy (at the quarterly review Cut-off Date) with the Index Universe.
If no eligible company is available in that Super Sector, the process will be applied to the next Super Sector and so on.
If several companies are removed due to the UNGC, the process will be repeated.
In case all the remaining Super Sectors have a weight surplus compared to the Index Universe, the best ranked company as determined during the annual review will be added to the Super Sector that minimizes this surplus.

The above replacement mechanisms also apply in case the index has less than 80 components due to a delisting for example.

# 4. PERIODICAL UPDATE OF WEIGHTING

## 4.1 UPDATE OF NUMBER OF SHARES AND FREE FLOAT FACTORS

At reviews, the number of shares included in the index will be updated with the number of shares listed on the Review Cut-Off Date, taking into account adjustments due to Corporate Actions as described in Chapter 5.

All Free Float Factors are updated quarterly, on the Review Cut-Off Dates.

## 4.2 CAPPING

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

# 5. CORPORATE ACTIONS

## 5.1 EVENTS THAT CHANGE THE COMPOSITION

### Mergers and acquisitions

**Acquisitions in cash**

In the event of a bid in cash, the target company will be removed from the index. The removal will take place with effect after the close of the first full business day following the acceptance of the bid. If a company is removed from the index, the divisor will be adapted to maintain the index level.

**Mergers and takeovers in shares**

In the event of a merger, acquisition or similar situation where the bid is made in the form of shares, the constituent will be replaced by the newly formed company, provided that this company is included in the Index Universe defined in the index reviews section. The replacement will take place in line with the schedule of the transaction. The replacement of the shares of the relevant index constituent by the shares of the newly formed company will be executed on the basis of the bid ratio.

**Mixed transactions**

In case a of a mixed bid of cash and shares the Compiler will treat the bid as a share bid if the share part amounts to at least 75% of the offer price, on the day of the publication of the terms of the offer. The replacement of the shares of the relevant index constituent by the shares of the company that continues to be traded will be executed on the basis of the bid ratio. The divisor will be adapted only for the cash part of the offer price.

**Continued inclusion or specific treatments**

The Compiler reserves the right to apply a specific treatment in non-standard situations including but not limited to:

- Competing bids with differing closing dates or structures;
- Offers made without the intention to gain full control.

In case of a specific treatment a separate announcement detailing the specific treatment will be issued timely to the market.

**Inclusion of new companies**

As a rule newly listed companies are considered for inclusion in the index at the time of the periodical index review.

## Suspensions, Company distress and Delistings

**Suspension**

If a constituent is suspended, the Compiler will consider whether the constituent should be removed or not within five trading days. If it is decided to maintain the constituent a further reassessment date will be set. The Compiler reserves the right to take action before that date if new developments give reason to do so.

In case a constituent is removed following suspension, it will be removed from the index as soon as possible and on a day announced by the Compiler. The company will be removed from the index after the close of the markets assuming a price of zero unless the Compiler sets a different price, where possible supported by an objective source.

If it has been announced that a constituent will be delisted from the relevant market, it will be removed from the index as soon as possible and on a day announced by the Compiler. The company will be removed from the index based on either the last known price established during regular daytime trading or on a price determined by the Compiler, whereby the company may also be removed at a price of zero.

Removing assuming a price of zero implies no divisor change because of the removal. If another price is set, the divisor will change based on the removal of the value of that company from the index portfolio when applying that price.

In the event that the trading in shares is suspended, the last known price established during regular daytime trading will be used.

## SPLIT UP / SPIN-OFF

In the event that a company included in the index is split up, the companies resulting from the split, including the original company where appropriate will continue to be included in the index providing it is included in the Index Universe defined in the index reviews section.

The index may then temporarily consist of fewer than, or more than the standard number of constituents until the next periodical review takes place.

For the purposes of these rules a split up is taken to mean a legal demerger, a spin-off or another situation which the Compiler deems to be similar.

In case the shareholder of the company which was originally included in the index does not automatically receive shares in a company which is created as a result of the split up, this company is considered to be a newly listed company.

The removal of any non-qualifying company resulting from a split up will take place after the close of the first day of trading in the shares of that company. If all companies resulting from the split are to be removed, the removal will take place at the close of the last trading day before the split.

In case a company resulting from the split up will not be admitted to listing on a main market in one of the countries that are included in the index, the Compiler will select an appropriate price source for the calculation of the index and the removal of the spun off company on the first trading day after the spin off.

### 5.2 EVENTS THAT CHANGE THE WEIGHTING FACTORS

#### Dividends

#### Criteria for determining special dividends

The price index will be adjusted for dividends that are special.

The following criteria will be applied to decide whether a dividend should be considered a special dividend:

a) The declaration of a company of a dividend additional to those dividends declared as part of the company's normal results and dividend reporting cycle; merely an adjustment to the timing of the declaration of a company's expected dividend would not be considered as a special dividend circumstance; or

b) The identification of an element of a dividend paid in line with a company's normal results and dividend reporting cycle as an element that is unambiguously additional to the company's normal payment.

For the purpose of clarification, no adjustment will be made for the following situations:

1. Payment of ordinary dividends, irrespective of how they are financed;
2. Issue of redeemable shares or any other entitlement in lieu of an ordinary dividend; or
3. Unexpected increase or decrease, resumption or cessation, or change in frequency to an ordinary dividend.

#### Adjustment for special dividend

The adjustment of the index takes place by a reduction of the closing price of the share in question. Subsequently the divisor will be adapted in order to maintain the index level. The adjustments will be based on gross amounts.

#### Ordinary dividends in shares

If a dividend is distributed in the form of shares only and if this is regarded as ordinary dividend, the return index will be reinvesting a cash equivalent of the dividend. If shareholders may choose between cash or shares the amount which is reinvested will be based on the cash option.

#### Conversion of dividends declared in other currencies

If a dividend for a constituent is declared in another currency than the Base Currency of the index, then the Compiler will in first instance use the Base Currency amount if investors have the option to be paid in that currency. If the dividend amount is available only in currencies that deviate from the Base Currency, the Compiler will convert the dividend amount using the reference rate for the cum-day (the business day prior to the ex-date). In principle the reference rate will be based on the foreign exchange reference rates as published daily by the ECB.

#### Bonus issues, stock splits and reverse stock splits

For bonus issues, stock splits and reverse stock splits, the number of shares included in the index will be adjusted in accordance with the ratio given in the corporate action. The divisor will not be changed because of this. The Compiler may regard a bonus issue as the issue of an entitlement in lieu of an ordinary dividend and therefore treat this as a dividend.

## Rights issues and other rights

In the event of a rights issue an adjusted closing price will be applied as calculated by the Compiler. The index is adjusted based on the value of the rights only. The divisor will be adapted in such a way that the level of the index remains the same.

The index will be adjusted only if the rights represent a positive value.

The index will also be adjusted if a value can be attributed to a subscription right for convertible bonds, bonds with warrants or warrants with preferential rights for shareholders or similar situations. If the value cannot be attributed straightforward, the Compiler may also decide to include the detached instrument for one day and adjust the index at the close based on the closing price for that subscription right on that day.

## Partial tender offers on own shares

The Compiler will adjust the divisor of the index if the premium represents more than 5% of the share price of the close on the penultimate day before the ex-date (the day prior to the last day before the ex-day). The premium is calculated as the difference between the offered price and the closing price, multiplied by the percentage of the share capital targeted in the offer. If the divisor is adjusted, the number of shares in the index will be adjusted as well.

## 6. INDEX CALCULATION FORMULAS

The general formula for the **price index** is:

$$I_t = \frac{\sum_{i=1}^{N} Q_{i,t} F_{i,t} f_{i,t} C_{i,t} X_{i,t}}{d_t}$$

Where:

t Time of calculation
N Number of constituent equities in index
$Q_{i,t}$ Number of shares of equity i included in the index on day t
$F_{i,t}$ Free Float Factor of equity i [1]
$f_{i,t}$ Capping factor of equity i [1]
$C_{i,t}$ Price of equity i on t
$X_{i,t}$ Current exchange rate on t [1]
$d_t$ Divisor of the index on day t

The **total return index** calculation takes two steps: the first step is to transpose the announced dividend payment into index points. This is called the XD adjustment. This uses the following formula:

$$\text{XD adjustment} = \sum_{i=1}^{N} \frac{g_i * w_i}{d}$$

Where:

N Number of constituent equities in index
$g_i$ The announced dividend per share of the $i^{th}$ component stock (for net return index withholding tax is deducted from this dividend);
$w_i$ The weighting of the $i^{th}$ component stock in the index, based on number of shares included in the index, Free Float Factor, capping factor and exchange rate;
d Divisor of the index.

The second step of the calculation uses the figures calculated in step one (XD adjustment). The dividend is assumed to be reinvested at the close of the ex-date.

$$TR_t = TR_{t-1}\left(\frac{IV_t + XD}{IV_{t-1}}\right)$$

Where:

$TR_{t-1}$: Total return index value yesterday;
$TR_t$: Total return index value on t;
$IV_{t-1}$: Underlying price index yesterday;
$IV_t$: Underlying price index on t;

[1] Factor is equal to 1 if not applied for the index

The **Decrement return on Net index** uses the following formula:

$$\mathrm{DI}_t = \mathrm{DI}_{t\text{-}1}\left(\frac{\mathrm{NR}_t}{\mathrm{NR}_{t\text{-}1}} - Dcr \times \frac{day}{365}\right)$$

Where:

| | |
|---|---|
| $\mathrm{DI}_{t-1}$ | Decrement Return Index value on day t-1 |
| $\mathrm{DI}_t$ | Decrement Return Index value on day t |
| $\mathrm{NR}_{t-1}$ | Net Return Index value on day t-1 |
| $\mathrm{NR}_t$ | Net Return Index value on day t |
| Dcr | 3.5%, 4%, 4.5% or 5% |
| *day* | Number of calendar days between day t and day t-1 |

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# 7. DEFINITIONS

## 7.1 REVIEW DATES

The **Review Cut-Off Date** is the date on which, after the market close, relevant data are gathered that will serve as basis for the periodical review of the index.

The **Review Composition Announcement Date** is the date on which, after the close, the full details are announced regarding the index composition that will come into effect after the Review effective date. this includes numbers of shares, free float factors and capping factors of all companies included in the new index portfolio.

The **Review Effective Date** is the date on which, after the market close, the changes relating to the periodical review are being effectuated in the index portfolio.

## 7.2 MAIN LISTING

If a company is admitted to listing in more than one market or if it is admitted in various forms of listings, a main listing is determined based on the 12 months turnover, turnover since a corporate action, the country of incorporation and the listing perceived or presented as primary (not an order of priority).

As a rule only the main listing of the company is eligible for index inclusion. Mono-holdings, companies having as unique activity a direct or indirect participation in another company within the universe, are regarded as a form of listing of that company.

## 7.3 FREE FLOAT FACTOR

The Free Float Factor is the percentage representing all listed securities of the selected line of the relevant company eligible for index inclusion (as described in section 5.2), minus any shareholdings that are considered non-free float. The Free Float Factor is based on public information available on the Review Cut-Off Date. The Free Float Factor will be rounded to the nearest 5%.

The following shareholdings are considered non-free float (based on public information available on the Review Cut-Off Date):

- Any single shareholder who holds 5% or more of the listed securities in the selected line eligible for index inclusion, with the exception of collective entities or pension funds.
  Collective entities are those entities that fulfill all the following criteria:
  i. are open for investment to investors or tradable on the market; and
  ii. have a diversified portfolio; and
  iii. have an open ended structure.
  Collective entities include mutual funds and other open end-funds.
- Collective entities or pension funds that hold 5% or more of the listed securities in the selected line eligible for index inclusion and are represented in any governing body of the company in question.
- Parties acting in concert that collectively hold 5% or more of the listed securities in the selected line eligible for index inclusion.

- Employee shareholding plans, employee pension plans, individual employees, management or members of the board of directors of the relevant company when their cumulative shareholding is 5% or more of the listed securities in the selected line eligible for index inclusion.
- Shares held by the relevant company that represent 5% or more of the listed securities in the selected line eligible for index inclusion (e.g. treasury shares).

### 7.4 TURNOVER

The Turnover is based on the trading volume on the specific listing used.

If a company's value of Turnover is not available for the entire relevant period, the available value of Turnover will be extrapolated to the entire relevant period. In such cases, the value of Regulated Turnover during the first twenty trading days that the company listed will be ignored.

In the event of a spin-off, a split-up or a similar corporate event, the value of Turnover before the corporate event will be assigned to the companies resulting from the corporate event based on the ratio of the corporate event. The ratio is determined based on the market capitalisation of the resulting entities after the first day of trading. The value of Turnover will be assigned if a spun-off division is listed as an independent company.

# 8. VIGEO-EIRIS SCORES

## 8.1 VIGEO-EIRIS ENERGY TRANSITION SCORE

The energy transition performance assessment is based on a 3-step approach:

Stage 1: Sector Contextualization

Different sectors face different energy transition challenges. Vigeo Eiris identifies criteria specific to each sector so that companies can be assessed not only on transversal climate-related issues, but also on sector-specific risk and opportunity areas.

For example, an electricity producer would be assessed on development of renewable energy, efficiency of fossil-fuel-based power generation, efficiency of transmission and distribution networks, energy demand-side management and access to energy. Insurance companies would be assessed on the integration of climate change risks and impacts in their insurance business, integration of carbon risks in the management of assets, and the management of emissions from its operations, business travel and commuting.

Stage 2: Assessment Grid

Each company is evaluated using Vigeo-Eiris' Equitics methodology. Each criteria identified in the Sector Contextualization 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:

• Leadership - How the company *intends* to address each criterion. Assessment of strategic commitment, policies and targets.

• Implementation - How the company *does* address each criterion. Assessment of concrete measures implemented.

• Results - How *well* the company addresses each criterion. Assessment of past and present performance and response to controversies.

Stage 3: Energy Transition Score

The scoring process is on a scale of 0 – 100 categorized 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.

## 8.2 VIGEO-EIRIS CONTROVERSIES

Vigeo-Eiris analyses the impact of controversies on stakeholders and the company using the framework defined by the Office of High Commissioner of the United Nations Human Rights (analyses of the scale, scope and irremediable character of the impact).

The Severity of a controversy is thus considered critical when related to fundamental issue, with adverse and large scale impact on the company's and stakeholder's interest.

An issuer cannot be penalized indefinitely for having faced a controversy. However, an issuer cannot be considered as being "clean" after having implemented corrective measures in response to a controversy. The impact of a controversy on an issuers' reputation diminishes over time depending on the severity of the event and the issuers' responsiveness to this. Based on these factors:

- Any controversy of minor or significant severity remains active for 24 months following the last event related to it.
- Any controversy of high or critical severity remains active for 48 months following the last event related to it.

Controversies that are no-longer active are considered to have expired and are labelled as inactive and no longer impact the performance of the issuer

## 8.3 CORPORATE GOVERNANCE SCORE

Each issuer is assigned an overall Social and Governance score out of 100 (the higher the better) which is a averaged score of the social and the governance scores defined here below.

In building the methodology, Vigeo-Eiris teams have undertaken reviews of both broad international governance recommendations as well as the national corporate governance codes specific to a range of countries. The themes and questions comprising the methodology reflect subjects that represent points of convergence across these various codes. That is, the analysis focuses on those subjects that form an international consensus as being elements of effective Corporate Governance

Within the Corporate Governance pillar score , there are **seven underlying criteria** that structure the assessment framework and build the Responsible Corporate Governance Score:

- CGV 1.1: Responsible Board Practice and Organisation.
- CGV 2.1: Audit and Internal Controls.
- CGV 3.1: Shareholder's Rights.
- CGV 4.1: Responsible Executive Remuneration.
- C&S 3.1 : Prevention of corruption
- C&S 3.2 : Prevention of anti-competitive practices
- C&S 3.3 : Transparency and integrity of influence strategies and practices

In addition to the traditional themes of Corporate Governance that are addressed throughout national codes, Vigeo-Eiris analyses themes specific to CSR, notably:

- The allocation of responsibilities over CSR issues
- The inclusion of CSR issues in the board's agenda
- The Diversity of the board including CSR expertise
- Training provided to directors on CSR issues
- The inclusion of CSR risks in the company's internal controls system
- The management of CSR risks
- The quality of the company's reporting on CSR issues
- The presentation of CSR strategy to shareholders and investors
- The management's support of shareholder resolutions on CSR themes
- The links between executive remuneration and performance on CSR
- The internal consistency of compensation policies (vertical comparability)

The inclusion of these elements in addition to the more traditional ones allows the evaluation of Responsible Corporate Governance to reflect both the established legitimate interests of shareholders as well as the interests of the company's broader stakeholder base. A more detailed document showcasing the underlying principles that have shaped the Responsible Corporate Governance methodology is available on request at governance_index@vigeo.com .

## 8.4 SOCIAL SCORE

The Social pillar gathers all of the Equitics© sustainability criteria that pertain to the company's social impacts providing a comprehensive overview of its managerial approach. The content of this pillar integrates the analysis of Human Resources, Human Rights, Community Involvement and Business Behaviour issues.

**The company's strategic approach to Human Resources;**

- The Promotion of Social dialogue,
- The Responsible Management of Reorganisations,
- Career Management,
- The Improvement of Health & Safety.

**The company's respect of Human Rights;**

- Fundamental Human Rights in society,
- Fundamental Labour Rights in the workforce,
- Non Discrimination and the promotion of Diversity.

**The company's approach to Community Involvement**;

- The Promotion of local social and economic development,
- Management of the Societal Impacts of a company's products and services,

- Corporate Philanthropy.

**And in terms of corporate Business Behaviour:**

- Product Safety,
- Information to Customers,
- Responsible Customer relations,
- Sustainable Contractual Relations with Suppliers,
- The Integration of Labour Standards in the Supply Chain.

[1] Companies with no Social or Governance score are not excluded on this ground.
Companies with no Energy Transition score cannot be included in the index.

## 9. 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 Eurozone ESG Large 80 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: | Energy Transition score<br><br>Selection :<br><br>The eligible companies are assigned an Energy Transition score, as evaluated by Vigeo-Eiris, and are ranked by decreasing order on this score. In case of an equal score the company with the highest free float market capitalization will rank higher. The index targets the sectorial repartition of the Index Universe. The top stocks with the highest Energy Transition rankings are selected in each ICB Super Sectors until the weighting differences of their respective ICB Super Sectors with Index Universe are minimized, under the constraint of reaching 80 stocks.<br><br>Exclusion :<br><br>• Companies with an Energy Transition score strictly below 30.<br>• Companies with any involvement in coal activities, tobacco production, landmines or cluster munitions."<br>• Companies facing critical controversies & non-communicative with regards to the UNGC. |
| b) List of social factors considered: | Social score<br><br>Exclusion :<br><br>From the universe, 20% of the companies with the lowest-ranking Social score are excluded. In case of equal score, the ranking will be done on Free Float Market Capitalization. |

| | |
|---|---|
| c) List of governance factors considered: | Corporate governance score<br><br>Exclusion :<br><br>From the universe, 20% of the companies with the lowest-ranking corporate governance score are excluded. In case of equal score, the ranking will be done on Free Float Market Capitalization. |
| **Item 6**. Data and standards used. | |
| a) Data input.<br>*(i) Describe whether the data are reported, modelled or, sourced internally or externally.*<br>*(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.* | Vigeo-Eiris provides :<br><br>• Energy Transition score<br><br>The scoring process is on a scale of 0 – 100 categorized 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.<br><br>• Social score<br><br>The Social pillar gathers all of the Equitics© sustainability criteria that pertain to the company's social impacts providing a comprehensive overview of its managerial approach. The content of this pillar integrates the analysis of Human Resources, Human Rights, Community Involvement and Business Behaviour issues.<br><br>• Corporate governance score<br><br>In building the methodology, Vigeo-Eiris teams have undertaken reviews of both broad international governance recommendations as well as the national corporate governance codes specific to a range of countries. The themes and questions comprising the methodology reflect subjects that represent points of convergence across these various codes. That is, the analysis focuses on those subjects that form an international consensus as being elements of effective Corporate Governance<br><br>• United Nations Global Compact (UNGC) screening<br><br>Vigeo-Eiris analyses the impact of controversies on stakeholders and the company using the framework defined by the Office of High Commissioner of the |

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| | United Nations Human Rights (analyses of the scale, scope and irremediable character of the impact). |
| b) Verification of data and guaranteeing the quality of those data.<br>*Describe how data are verified and how the quality of those data is ensured.* | Vigeo-Eiris 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:<br>• shall promptly correct any errors made in its computations of the Data and inform Euronext thereof, immediately.<br>• periodically review the Methodology<br>• has clear written rules identifying how and when discretion may be exercised when deviating from the methodology<br>• will inform Euronext prior to making any material change to the Methodology and will provide Euronext with the rationale for such change. |
| c) Reference standards<br>*Describe the international standards used in the benchmark methodology.* | Vigeo-Eiris: the methodology behind ESG performance indicators and the assessment of controversies severity is based on the following international standards :<br>• Global Reporting Initiative (GRI)<br>• OECD Guidelines for Multinational Enterprises, and sectorial guidance<br>• G20/OECD recommendations on Corporate governance<br>• UN Conventions and recommendations,<br>• UN Global Compact Principles<br>• UN Sustainable Development Goals<br>• ILO Conventions , including the core ones, and recommendations<br>• TFCD recommendations<br>• Paris Agreement (UNFCCC) |
| **Information updated on:** | 30th April 2020 |