

INDEX RULE BOOK

**Euronext® Reitsmarket GRESB Global
Sustainable Index**

Version 21-01

Effective from 15 Dec 2021

indices.euronext.com

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1. GENERAL

This document is applicable to the Euronext® Reitsmarket GRESB Global Sustainable Index ("Index Family"), which consists of all the Indices as mentioned in the Reference Table.

The Euronext Reitsmarket GRESB Global Sustainable Index is designed to reflect the price level trends in the trading of shares listed Globally.

Euronext Paris is the Administrator of this Index Family. For this Index Family Rego Partners acts as Independent Supervisor. GRESB acts as the Provider of the Sustainable Investment Universe underlying the Index and is responsible for the annual reviews of the Sustainable Investment Universe.

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> .

PREVIOUS VERSION NOTES

- Data as of September 2017 has been retroactively and statically applied to the backtest period.
- Prior to January 2018, companies were required to have an average daily traded turnover equal or exceeding EUR 2.5Mio over a period of 3 months (directly preceding the current Review Cut-Off Date, included).

VERSION NOTES

Version	Effective date	New or changed parts	Reference/announcement
21-01	15 Dec 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: The quarterly reviews and rebalances become effective after the close of trading on the 3rd trading day, according to the Euronext Markets calendar, following the Review Date (the "Effective Date").

Review Cut-Off Date: The Review Cut-Off dates (each, a "Review Date") are after the close of the primary markets of the last trading day of March, June, September, and December of each year. All relevant data that will serve as basis for the periodical review of the Index are gathered on Review Dates.

Review Announcement Date: At least one day before the Review Effective Date.

Review Weighting Announcement Date: One day before the Review Effective Date.

2.2 REVIEW SELECTION

GRESB B.V. (hereinafter "GRESB") acts as independent provider of the Sustainable Investment Universe ("Provider") of the Index. The Provider is responsible to provide the Supervisor with the Sustainable Investment Universe on each annual review date ("Investment Universe Review Date") determined as the third Friday of September each year or the business day directly following in case such day is not a business day. The Sustainable Investment Universe consists of listed real estate companies and REITs and will be objectively reviewed at least annually by GRESB.

GRESB collects ESG disclosure data from publicly available sources. The data is open for review from 1st April through 1st July each year. During this period, listed property companies and REITs have the opportunity to review and amend the public disclosure data collected by GRESB. All updated data is then included in GRESB's validation process.

Step 1: Index Universe

Index Universe definition

The Sustainable Investment Universe is provided on each Investment Universe Review Date by the Provider.

Real estate investment companies that are candidates to be included in the Sustainable Investment Universe must have derived, in the previous full financial year preceding each Investment Universe Review Date, a substantial portion of their total EBITDA from relevant real estate activities. Relevant real estate activities are defined as the ownership, trading and development of income-producing real estate.

The Sustainable Investment Universe of the Index includes only real estate companies that are traded in one of the listed countries outlined hereunder. The company must be listed on an official stock exchange. Also, only real estate investment securities that belong to the regions (1) North America, (2) Developed Europe and (3) Developed Asia Pacific and that have a market

capitalisation representing at least 0.10% of the respective region's market capitalisation are candidates to be included in the Sustainable Investment Universe underlying the Index.

Permitted countries and stock exchanges		
North America		
Canada	Toronto Stock Exchange	TSE Close Price
United States of America	New York Stock Exchange	Official Closing Price
	NASDAQ Stock Market	Official Closing Price
Developed Europe		
Austria	Wiener Boerse	Auction Price at 17:30
Belgium	Euronext Brussels	Closing Auction at 17:35
Denmark	Copenhagen Stock Exchange	Closing price at 17:00
Finland	Helsinki Stock Exchange	Closing price at 17:30
France	Euronext Paris	Closing Auction at 17:35
Germany	Deutsche Börse Frankfurt	Closing Auction Price
	Xetra	Closing Auction Price
Ireland	Irish Stock Exchange	Last trade price at 17:15
Italy	Italian Stock Exchange	Closing auction at 17:35 - 17:40
Luxembourg	Luxembourg Stock Exchange	Closing Price at 15:30
Netherlands	Euronext Amsterdam	Closing Auction at 17:35
Norway	Oslo Stock Exchange	Closing auction prices at 16:00
United Kingdom	London Stock Exchange	Official Closing Price
Spain	Bolsa de Madrid	Auction price at 17:35
Sweden	Stockholm Stock Exchange	Closing price at 17:30
Switzerland	SIX Swiss Exchange	Official close at 17:30
Developed Asia Pacific		
Australia	Australian Stock Exchange	Auction Price (Official Close)
Hong Kong	Hong Kong Stock Exchange	Nominal Price (Official Close)
Japan	Tokyo Stock Market	Last Trade (Official Close)
Singapore	Singapore Exchange	Action Price (Official Close)
Taiwan	Taiwan Stock Exchange	Official Closing Price
New Zealand	New Zealand Stock Exchange	Official close at 16:45

Continuous eligibility screening

No Continuous eligibility requirements are applied for this index.

Step 2: Eligibility screening at reviews

At each Investment Universe Review Date, the Provider objectively scores the ESG performance of each real estate investment company that are candidates to be included in the Sustainable Investment Universe based on five criteria: (a) governance of sustainability, (b) implementation, (c) operational performance and (d) stakeholder engagement, and (e) disclosure methods.

The ESG public disclosure information includes 22 ESG indicators. Each indicator is awarded points depending on the availability of evidence. Combined, these indicators add up to a maximum of 70 points. Listed real estate companies and REITs receive a GRESB Public Disclosure Scorecard with a GRESB Public Disclosure Level, from A to E. Level A is equivalent to a score between 57 and 70, Level B is equivalent to a score between 43 and 56, Level C is equivalent to a score between 29 and 42, Level D is equivalent to a score between 15 and 28 and Level E is equivalent to a score between 0 and 14.

Only real estate companies with a Level A, B or C are eligible for further selection.

Following these steps, an automated exclusion based on ESG controversies and UN Global Compact Principles is also applied.

On each Review Cut-Off Date, companies are required to have an average daily traded turnover equal or exceeding EUR5 Mio over a period of 3 months (directly preceding the current Review Cut-Off Date, included) in order to form the Sustainable Investment Universe. The traded turnover, or total amount traded in each security, corresponds to the value which represents all trade prices, multiplied by the number of shares relating to each price, converted into EUR currency. This value is then summed.

All securities are also ensured to not being suspended for more than 10% of the trading days according to the Euronext calendar in the previous 12 months (directly preceding the current Review Cut-Off Date, included):

Minimum number of price observations $_{12\text{ Months}} = \text{Number of trading days}_{12\text{ Months}} \times 0.9$.

Step 3: Selection Ranking

Aggregated Risk Factor Score¹

On each Review Date, based on all relevant data that serve as basis for the periodical review of the Index, an **Aggregated Risk Factor Score** is calculated for each eligible Company.

For each region, respectively (1) North America, (2) Developed Europe and (3) Developed Asia Pacific, the Aggregated Risk Factor Score, calculated for each security, is defined as the maximum between its **3-month historical volatility** and its **12-month historical volatility**, both expressed in EUR.

All securities are then ranked based on their respective Aggregated Risk Factor Score and the 60 securities with the lowest scores are retained whilst observing the following constraints:

¹ Rego Partners owns all intellectual rights to the methodology underlying the selection of the constituents of the index. This methodology for selection of Euronext® Reitsmarket GRESB Global Sustainable is designed and maintained by Rego Partners.

A description of the methodology can be obtained via email at Rego Partners: ho@rego-partners.com

- A minimum of 12 retained securities are part of (1) North America;
- A minimum of 12 retained securities are part of (2) Developed Europe;
- A minimum of 12 retained securities are part of (3) Developed Asia Pacific.

Dividend Yield Factor Score

On each Review Date, based on all relevant data that serve as basis for the periodical review of the Index, a **Dividend Yield Factor Score** is calculated for each eligible Company.

For each region, respectively (1) North America, (2) Developed Europe and (3) Developed Asia Pacific, the Dividend Yield Factor Score, calculated for each security, is defined as the **12-month historical dividend yield**¹.

The 60 securities defined as per above are ranked in terms of Dividend Yield Factor Score and the 30 securities with the highest scores are selected whilst observing the following constraints:

- A minimum of 6 selected securities are part of (1) North America;
- A minimum of 6 selected securities are part of (2) Developed Europe;
- A minimum of 6 selected securities are part of (3) Developed Asia Pacific.

Step 4: Selection of constituents at the reviews

The 30 Companies with the highest scores in terms of Dividend Yield Factor Score are selected whilst observing the geographical constraint of minimum 6 selected per region (North America, Developed Europe and Developed Asia)

2.3 PERIODICAL WEIGHTING UPDATE

Weighting method

The index is Non-Market Capitalisation weighted, based on Risk as provided by Rego partners.

The Weighting Factors are explained in the following paragraphs.

Number of shares

The new weightings are calculated such that all constituents are weighted according to provided weights by the Supervisor.

On each Review Date, the 30 Index constituents are weighted according to their respective Aggregated Risk Factor Score, with a maximum cap percentage of 7.5% per constituent, as follows:

$$w_{ui} = \frac{1/\sigma_i}{\sum_{i=1}^N 1/\sigma_i}$$

$$w_i = \text{Min}(\text{Cap}, w_{ui})$$

where:

w_{ui}	The uncapped weighting of the i^{th} component security in the Index
w_i	The weighting of the i^{th} component security in the Index
σ_i	Aggregated Risk Factor Score of the i^{th} component security in the Index
N	Number of constituents in the Index
Cap^2	7.5%

² All excess weight of a capped security (per definition, a security with w_{ui} higher than Cap with any excess weight calculated as $w_{ui} - \text{Cap}$) is proportionally redistributed to all uncapped securities (per definition, a security with w_{ui} lower than Cap) within the Index to determine respective weighting of each security with $\sum_{i=1}^N w_i = 100\%$. The process is repeated iteratively if any other security breaches the cap percentage following the redistribution until no securities breach the cap percentage.

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 applicable for this Index Family.

Capping Factor

A maximum weighting of 7.5% is applied to each index constituent at the reviews. The Capping factor is not applicable as the maximum weighting is expressed in the number of shares.

3. EXCEPTIONS AND SPECIFIC RULES

3.1 Rule changes

Barring exception, a period of at least 2 weeks shall pass between the date a proposed rule change is published and the date it comes into effect. Exceptions can be made only if the rule change is not in conflict with the interests of an affected party.

3.2 Procedure For Discontinuation Of Indices

When Will Indices Be Discontinued

The Index may be discontinued in case no existing investment solutions require its existence or in case the universe of eligible securities does not allow the proper implementation of the selection methodology, as will be determined by the Administrator after consultation of the Supervisor.

Responsibility For Decision To Shut Down the Index

The decision to discontinue the Index belongs to the Administrator.

Selection Method Change Or Non Availability

In case the Supervisor is no longer providing the periodical selection of constituents or the Provider is no longer providing the Sustainable Investment Universe of the Index, the Administrator will continue to calculate the Index on the basis of the last composition prior to such event.

4. REFERENCES

4.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloom-berg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext® Reitsmarket GRESB Global Sustainable	NL0012838809	ERGSP	ERGSP	.ERGSP	04-01-2006	1,000	06-06-2018	Price
Euronext® Reitsmarket GRESB Global Sustainable NR	NL0012939060	ERGSN	ERGSN	.ERGSN	04-01-2006	1,000	06-06-2018	Net Return
Euronext® Reitsmarket GRESB Global Sustainable Decrement	NL0012939078	ERGSD	ERGSD	.ERGSD	04-01-2006	1,000	06-06-2018	Decrement Return 5% on NR

4.2 BASE CURRENCY

The Base Currency of this index family is Euro.

4.3 PUBLICATION

The level of the Index is published once a day shortly after the closing of the US market.

5. 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 Reitsmarket GRESB Global Sustainable 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>Selection:</p> <p>The Index constituents have to be part of the Sustainable Investment Universe that is objectively determined by GRESB using objective ESG performance criteria. The securities included in the Sustainable Investment Universe are required to have a GRESB Public Disclosure Level of "A, B or C", which is equivalent to receiving "29" points or more for the 22 GRESB Public Disclosure Indicators, on each annual review of the Sustainable Investment Universe underlying the Index.</p> <p>Weighting:</p> <p>Each constituent is weighted according to its Aggregated Risk Factor Score (that is a combination of Risk characteristics) with a maximum weight of 7.5% per constituent.</p> <p>Exclusion:</p> <p>Real Estate companies with a GRESB Public Disclosure Level D or E.</p> <p>Following these steps, an automated exclusion based on ESG controversies and UN Global Compact Principles is applied</p>
b) List of social factors considered:	Plases 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>	<p>GRESB provides:</p> <ul style="list-style-type: none"> - Sustainable Investment universe - GRESB Public Disclosure Level -Aggregated Risk Factor Score

<p><i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i></p>	<p>- Dividend Yield Factor Score</p>
<p>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></p>	<p>2020 Public Disclosure information is initially collected by GRESB, in the period February 1 through April 1, 2020. The data collected from publicly available sources (i.e. annual reports, sustainability reports, websites, public filings, etc) and is then uploaded in the online GRESB Portal for review by the relevant listed property company or REIT. GRESB collects publicly disclosed data provided by participants in good faith and does not perform any checks on the quality and accuracy of this information. It is the responsibility of the constituent to check the accuracy of this data and to update any information that is missing, inaccurate, or out of date.</p> <p>In light of this product’s mission to promote transparency, all evidence collected by GRESB or provided by constituents will be disclosed to GRESB Investor Members. GRESB collected evidence on a presence/absence basis. Constituents are therefore encouraged to check and update any data collected and pre-filled by GRESB.</p> <p>All data provided, updated, or amended by GRESB Public Disclosure constituents will be checked and validated (i.e. corroborated based on publicly available sources) by GRESB and its parent company, GBCI, in the period July - September, 2020.</p> <p>During this period, GRESB maintains the right to expand the 2020 GRESB Public Disclosure Constituent universe, by collecting data on additional listed property companies and REITs.</p>
<p>c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i></p>	<p>GRESB uses a proprietary data collection, analysis, scoring and benchmarking methodology. This is publicly available on the GRESB website and can be accessed here : https://documents.gresb.com/</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.