

INDEX RULE BOOK

BEL[®] ESG FAMILY

Version 23-02

Effective from 9 March 2023

indices.euronext.com

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1. GENERAL

This document is applicable to the BEL® ESG family (“Index Family”), which consists of all the Indices as mentioned in the Reference Table.

The BEL ESG family is designed to reflect the price level trends in the trading of shares listed on Euronext Brussels that are assessed to have the lowest ESG risk.

Euronext Brussels is the Administrator of this Index Family. The BEL Steering Committee is appointed as independent supervisor of the BEL ESG index family (“Independent Supervisor”).

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VERSION NOTES

Version	Effective date	New or changed parts	Reference/announcement
23-01	15 Feb 2023	First version	
23-02	9 Mar 2023	Small clarification on Power Generation	

2. INDEX REVIEWS

2.1 REVIEW FREQUENCY AND RELEVANT DATES

Review frequency: Quarterly, with an Annual review in March

Review Effective Date: After the market close of the third Friday of March, June, September and December.

Review Cut-Off Date: After the market close of the penultimate Friday of February, May, August and November.

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 Companies included in the BEL 20 or BEL Mid Index; at reviews this means included after the Review Effective Date.

Step 2: Eligibility screening at reviews

Free Float Market Capitalisation Screening

In order to qualify for selection the free float market capitalisation of an eligible company must be higher than the BEL 20 index level at Review Cut-Off Date multiplied by 100 000

Liquidity analysis

Companies currently included in the Index with Free Float Velocity of at least 10% over the 12 months up to and including the Review Cut-Off Date are eligible.

Companies not currently included in the Index with a Free Float Velocity of at least 20% over the 12 months up to and including the Review Cut-Off date are eligible.

Global Standards Screening

Companies that are assessed to be Non-Compliant with the UN Global Compact principles, UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises and ILO Conventions as determined by Sustainalytics are not eligible for inclusion in the index.

Product involvement Screening

Companies that are involved in the following products, and related thresholds as assessed by Sustainalytics are not eligible:

Exclusion type	Description	Revenues
Tobacco	<ul style="list-style-type: none">- Companies with any involvement in the Production of Tobacco.- Companies with revenues larger or equal to 5% derived from Retail of Tobacco are excluded.	>0% ≥5%

Small Arms	<ul style="list-style-type: none"> - Companies with revenues larger or equal to 5% from Civilian customers (Assault weapons) are excluded. - Companies with revenues larger or equal to 5% from Civilian customers (Non- Assault weapons) are excluded. - Companies with revenues larger or equal to 5% from Military/law enforcement customers are excluded. - Companies with revenues larger or equal to 5% from Key components are excluded. 	<p>≥5%</p> <p>≥5%</p> <p>≥5%</p> <p>≥5%</p>
Controversial Weapons	<ul style="list-style-type: none"> - Companies with specific involvement in tailor-made and essential controversial weapons are excluded.¹ - Companies with Significant Ownership for specific involvement in tailor-made and essential controversial weapons are excluded.¹² - Companies with specific involvement in non tailor-made or non essential controversial weapons are excluded.¹ - Companies with Significant Ownership for specific involvement in non tailor-made or non essential controversial weapons are excluded.¹² 	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
Other Weapons	<ul style="list-style-type: none"> - Companies with revenues larger or equal to 5% from Military Contracting Weapons are excluded 	<p>≥5%</p>
Thermal Coal	<ul style="list-style-type: none"> - Companies with any involvement in Thermal Coal Extraction are excluded. - Companies with any involvement in Thermal Coal Supporting Products/Services are excluded. 	<p>>0%</p> <p>>0%</p>
Oil Sands	<ul style="list-style-type: none"> - Companies with any involvement in Oil Sands Extraction are excluded 	<p>>0%</p>
Shale Energy	<ul style="list-style-type: none"> - Companies with any involvement in Shale Energy Extraction are excluded. 	<p>>0%</p>
Arctic Oil & Gas	<ul style="list-style-type: none"> - Companies with any involvement in Arctic Oil & Gas Exploration Extraction are excluded. 	<p>>0%</p>
Oil & Gas	<ul style="list-style-type: none"> - Companies with revenues larger or equal to 5% from Oil & Gas Production are excluded. - Companies with revenues larger or equal to 5% from Oil & Gas Generation are excluded. - Companies with revenues larger or equal to 5% from Oil & Gas Supporting Products/Services are excluded. 	<p>≥5%</p> <p>≥5%</p> <p>≥5%</p>
Power Generation	<ul style="list-style-type: none"> - Companies with any involvement in Thermal Coal Power Generation are excluded. - Companies with any involvement in Nuclear Energy Electricity Generation - Companies with ICB 651010 (Electricity) involved in Power Generation that derive less than 50% of their revenues from the following contributing activities: Bioenergy Renewable Energy Generation, Bioenergy Renewable Energy Support, CSP Renewable Energy Generation, CSP Renewable Energy Support, Geothermal Renewable Energy Generation, Geothermal Renewable Energy Support, Hydropower Renewable Energy Generation, Hydropower Renewable Energy Support, Oceanpower Renewable Energy Generation, Oceanpower Renewable Energy Support, Solar PV Renewable Energy Generation, Solar PV Renewable Energy Support, Technology Maintenance Renewable Energy Generation, 	<p>>0%</p> <p>>0%</p> <p><50%</p>

¹ * This includes: Anti Personnel Mines; Biological and Chemical Weapons; Cluster Weapons; Depleted Uranium, White Phosphorus and Nuclear Weapons

² * Significant ownership is when a company owns 10-50% of another company

	Technology Maintenance Renewable Energy Support, Wind Renewable Energy Generation, Wind Renewable Energy Support. - Companies with ICB 651010 (Electricity) that do not decrease their Total Carbon Emission Scope 1&2 ³	N/A
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ESG Risk Rating Percentile Subindustry Screening

Companies that have an ESG Risk Rating that is larger or equal than 25% percentile within its Subindustry, as assessed by Sustainalytics, are not eligible. Companies with a low percentile percentage score better than companies with a high percentile percentage within the Subindustry.

Step 3: Selection Ranking

Companies within the Index Universe that fulfil the eligibility requirements are ranked based on the ESG risk rating as assessed by Sustainalytics, Companies with less ESG risk (lower risk rating) will rank higher. In case of equal ESG risk rating, the Company with the highest Free Float Market Capitalisation on the Review-Cut Off Date will rank higher.

Step 4: Selection of constituents at the reviews

Index Design will propose to the Independent Supervisor the following Index Composition based on the ranking:

Annual Review:

The Index consists of 20 Companies, the 20 highest ranking Companies will be selected in the Index.

In case less than 20 Companies qualify, the Company that has the lowest ESG Risk Rating percentile percentage and at the same time fulfills all other eligibility criteria will qualify.

Quarterly Review:

The Index consists of 20 Companies. The 18 highest ranking companies are selected during Quarterly Reviews. A buffer zone, where current constituents have priority over companies that currently do not form part of the BEL ESG consists of the Companies ranked 19th to 22nd .

In case less than 20 Companies qualify, the Company that has the lowest ESG Risk Rating percentile percentage and at the same time fulfills all other eligibility criteria will qualify.

2.3 PERIODICAL WEIGHTING UPDATE

Weighting method

The index is Free Float Market Capitalisation weighted.

The Weighting Factors are explained in the following paragraphs.

Annual Review:

Number of shares

The Number of Shares of a company included in the Index Family will be identical to the number of shares in the BEL family of indices.

Free Float factor

The Free Float factor of a company included in the Index Family will be identical to the Free Float factor in the BEL family of indices.

³ Index Design can decide to not exclude a company in case this company does not decrease its Total Carbon Emission Scope 1 +2 but derives a large part of its revenues from contributing activities.

Capping Factor

A Capping Factor is calculated based on the Review Weightings Announcement Date such that the Companies included in the index have a maximum weight of 12%.

Quarterly Reviews:

Number of shares

The Number of Shares of a company included in the Index Family will be identical to the number of shares in the BEL family of indices.

Free Float factor

The Free Float factor of a company included in the Index Family will be identical to the Free Float factor in the BEL family of indices.

Capping Factor

For companies, if any, to be added to an Index, a Capping Factor is calculated based on the Review Composition Announcement Date such that the companies have a maximum weight of 12%.

If any of the Companies would weigh over 15% after a quarterly review, the maximum weighting of 12% will also be applied to each Company in the Index at the Quarterly Review. In the case where the Free Float Factor and/or Number Of Shares changes for Companies with a Capping Factor less than 1, the Capping Factor will be recalculated such that the capped free float adjusted number of shares remains unchanged.

3. REFERENCES

3.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloom- berg Code	Reuters code	Base date	Base value	Publication since	Index Type
BEL ESG	BE0004645868	ESGBP	BELESG	ESGBP	01-01-13	1000	15-02-2023	Price
BEL ESG GR	BE0004647880	ESGBG	BELESGGR	ESGBG	01-01-13	1000	15-02-2023	Gross Return
BEL ESG NR	BE0004646874	ESGBN	BELESGNR	ESGBG	01-01-13	1000	15-02-2023	Net 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. Index levels published before the official opening level is published are considered pre-opening index levels.

The official opening level is the first level published after a share price is available for all Companies included in the Index.

If share prices are not available for all constituents five minutes after Euronext Markets started regular daytime trading, the official opening level will be published as soon as the companies whose share prices are available of the current trading day represent at least 80% of the value of the index at the close of the previous trading day.

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 Brussels
Item 2. Type of benchmark	Equity Benchmark
Item 3. Name of the benchmark or family of benchmarks.	BEL 20
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:	<ul style="list-style-type: none"> • ESG Risk rating • Revenue involvement in Tobacco • Revenue involvement in Small Arms • involvement in Controversial Weapons • Revenue involvement in Other Weapons • Revenue involvement in Thermal Coal • Revenue involvement in Oil Sands • Revenue involvement in Shale Energy • Revenue involvement in Arctic Oil & Gas • Revenue involvement in Oil & Gas • Revenue involvement in Power Generation (including Revenue linked to contributing activities) • Total Carbon Emission Scope 1&2 • Global Standards compliance assessment
b) List of social factors considered:	See a
c) List of governance factors considered:	See 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> <i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i>	Sustainalytics: <ul style="list-style-type: none"> • ESG Risk rating • Revenue involvement in Tobacco • Revenue involvement in Small Arms • involvement in Controversial Weapons • Revenue involvement in Other Weapons • Revenue involvement in Thermal Coal • Revenue involvement in Oil Sands • Revenue involvement in Shale Energy • Revenue involvement in Arctic Oil & Gas • Revenue involvement in Oil & Gas • Revenue involvement in Power Generation (including Revenue linked to contributing activities) • Total Carbon Emission Scope 1&2

	<ul style="list-style-type: none"> Global Standards compliance assessment <p>Sustainalytics applies several measures to ensure consistency in application of the methodology. Firstly, all analysis is conducted in line with our methodology and guidelines. This ensures that research, particularly when qualitative in nature, remains consistent.</p> <p>The data we use includes publicly disclosed, Artificial Intelligence (AI) and assessments by our experienced analysts.</p> <p>Artificial Intelligence:</p> <p>Sustainalytics sources issuer disclosures through the use of artificial intelligence. Once the sources have been identified, they are thoroughly assessed by our analyst team for completeness and consistency, and for interpretation. In addition, before publication of the ESG Risk Ratings and Research, issuers are contacted for feedback. Issuers are also contacted in case of a significant or severe Controversy. When issuers can provide sufficient proof for management indicators, this will be taken into consideration.</p> <p>Publicly disclosed information:</p> <p>Sustainalytics' issuer research is based on publicly disclosed information. On a daily basis we screen over 80,000 media sources using artificial intelligence, sourced by LexisNexis. As part of our research cycle, we do give issuers the opportunity to give feedback on our findings. If they can provide sufficient proof, we will take this into consideration. The response rate of issuers has increased substantially over the recent years, reflecting the recognition of corporates that ESG issues are material and affect their ability to attract investors.</p> <p>Analyst Research:</p> <p>Sustainalytics have over 650 data analysts and specialists focused on fund collection and processing, quality assurance, fund company relationships, and client support which is a significantly larger team than our closest competitor. This team is situated across our global offices in 27 countries and the local presence ensures that we understand the distinct nuances of the underlying content and our customer needs in every country and region.</p> <p>To maximise our data processing speed and efficiency, we take advantage of our geographical dispersion to collect the most relevant data by country and investment type and to keep our "data factory" working 24 hours a day</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>Sustainalytics:</p> <p>Data Quality</p> <p>- Operational Management: Business processes and tools are in place for universe maintenance, research planning,</p>

	<p>monitoring of timely publication and tracking of production targets.</p> <ul style="list-style-type: none"> - Productivity Tools: Our internal research platforms and databases are continuously enhanced to ensure research data integrity as well as efficient data collection and processing. - Data Management: Systems are in place for the periodic collection and verification of non-research data (e.g. company identifiers) and ensuring the integrity of all data points from backend to front-end. - Automated end-of-gate quality checks: Daily automated quality control systems are in place to ensure the accuracy and integrity of ESG Ratings pre-publication, flagging outliers and unusual patterns to avoid unwarranted rating volatility. - Data Delivery Systems: Our online client portal (Global Access) and data services are maintained daily and continuously improved to give a comprehensive and accurate representation of our products. - Data Deliverables: Automated and manual quality assurance checks are run on all periodic and on-off custom client deliverables. <p>Product/Service Quality</p> <ul style="list-style-type: none"> - Research Product Innovation: As we continuously expand and improve our offering, the client impact of any structural product changes is thoroughly assessed prior to implementation. - Service Innovation: As we continuously expand and improve our digital services to clients, any new features are thoroughly tested before being released to clients. - New Product Launches: A well-defined Stage-Gate process has been put in place to carefully manage product launches and ensure quality, at the launch and beyond.
<p>c) Reference standards</p> <p><i>Describe the international standards used in the benchmark methodology.</i></p>	<p>Sustainalytics:</p> <p>Through our norms based screening, Global Standard Screening, we cover a broad range of international norms and standards including; UN Global Compact Principles (UNGC), UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises and ILO Conventions.</p> <p>Towards Sustainability label:</p> <p>The index is developed in line with the Towards Sustainability Label of CLA. The methodology follows the guidelines as outlined by CLA in the Revised QS – Technical Version of the Quality Standard Towards Sustainability as published on 31st May 2021. All policies described in 4.9c are included in the Index methodology rules. The policies described in 4.9d and 4.9e are not included in the Index methodology rules as they are not in line with the overall purpose of the Index</p>
<p>Information updated on:</p>	<p>February 2023</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.