

# **INDEX RULE BOOK**

**Artificial Intelligence World FAMILY**

Version 24-03

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## 1. GENERAL

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

The Euronext® Artificial Intelligence World index tracks the performance of companies involved in AI related activities as assessed by SESAMm. The index leverages the expertise of their cutting-edge Artificial Intelligence/Natural Language Processing (NLP) algorithms to generate scores that capture how closely a given company aligns to the AI theme.

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 |
|---------|----------------|---|------------------------|
| 23-01   | 24 May 2023    | First version                             |                        |
| 24-01   | 13 Feb 2024    | Update of Review Announcement Period      |                        |
| 24-02   | 13 March 2024  | Small correction on Review Weighting Date |                        |
| 24-03   | 14 May 2024    | Update on some Sustainability Field Id    |                        |

## 2. INDEX REVIEWS

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### 2.1 REVIEW FREQUENCY AND RELEVANT DATES

**Review frequency:** Annual review in March.

**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 two trading days before the Review Effective Date.

**Review Weighting Date:** Three 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 all companies included in the Euronext World Index at reviews. At reviews this means included in the reference index after the close of the Review Effective Date.

#### Step 2 : Eligibility Screening at reviews

##### Liquidity Screening

Companies with a 3-months Average Daily Traded Value lower than 2 Million EUR are not 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.

| Exclusion type             | Description                                    | Sustainalytics Field Id |
|----------------------------|--|-------------------------|
| Global Standards Screening | Companies flagged "Non-compliant" are excluded | 231112111799            |

##### Product involvement Screening

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

| <b>Exclusion type</b>        | <b>Description</b>   | <b>Revenues</b> | <b>Sustainalytics Field Id</b> |
|------------------------------|--|-----------------|--------------------------------|
| <b>Tobacco</b>               | - Companies with any involvement in the Production of Tobacco.   | >0%             | 172911112999                   |
|                              | - Companies with revenues larger or equal to 10% derived from Retail of Tobacco are excluded.                              | ≥10%            | 172915112999                   |
| <b>Thermal Coal</b>          | - Companies with any involvement in Thermal Coal Extraction are excluded.  | >0%             | 172811112999                   |
|                              | - Companies with revenues larger or equal to 5% from Thermal Coal Power Generation are excluded.                           | ≥5%             | 172813112999                   |
| <b>Oil Sands</b>             | - Companies with any involvement in Oil Sands Extraction are excluded  | >0%             | 173012171899                   |
| <b>Shale Energy</b>          | - Companies with any involvement in Shale Energy Extraction are excluded.  | >0%             | 173211112999                   |
| <b>Arctic Oil &amp; Gas</b>  | - Companies with any involvement in Arctic Oil & Gas exploration/extraction are excluded.                                  | >0%             | 173111112999                   |
| <b>Small Arms</b>            | - Companies with revenues larger or equal to 5% from Civilian customers (Assault weapons) are excluded.                    | ≥5%             | 171711112999                   |
|                              | - Companies with revenues larger or equal to 5% from Civilian customers (Non- Assault weapons) are excluded.               | ≥5%             | 171721112999                   |
| <b>Controversial Weapons</b> | - Companies with specific involvement in tailor-made and essential controversial weapons are excluded. <sup>1</sup>        | N/A             | 171611102999                   |
|                              | - Companies with specific involvement in non-tailor-made or non-essential controversial weapons are excluded. <sup>1</sup> | N/A             | 171613102999                   |

### Step 3: Selection Ranking

Companies within the Index Universe that fulfil the eligibility requirements are ranked by the `AI_&_Robotics_index_score` as assessed by SESAMm. In case, two companies have the same `AI_&_Robotics_index_score`, we give priority to the company with the highest FFMC.

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

The index consists of 100 Companies. The 100 highest ranking Companies are selected.

## 2.3 PERIODICAL WEIGHTING UPDATE

### Weighting method

The index is Non-Market Capitalization weighted, based on Artificial Intelligence score as assessed by SESAMm.

The Weighting Factors are explained in the following paragraphs.

<sup>1</sup> \* This includes: Anti Personnel Mines; Biological and Chemical Weapons; Cluster Weapons; Depleted Uranium and White Phosphorus

### **Number of shares**

The new weightings are calculated following the formula below:

$$w(i) = \frac{Score(i)}{\sum_{j=1}^N Score(j)}$$

With,

W(i) : Weight of component i.

Score(i): AI\_&\_Robotics\_index\_score of component I as assessed by SESAMm.

The Number Of Shares are determined based on the closing prices of the Companies to be included in the Index on the Review Weighting Date.

### **Free Float factor**

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

### **Capping Factor**

At each review, the constituents are subject to a maximum weighting of 10%.

### 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 AI World    | FRIX00001845 | EAIWP | ENXAIWP         | EAIWP        | 01-01-2010 | 1000       | 24-05-2023        | Price        |
| Euronext AI World NR | FRIX00001852 | EAIWN | ENXAIWN         | EAIWN        | 01-01-2010 | 1000       | 24-05-2023        | Gross Return |
| Euronext AI World GR | FRIX00001860 | EAIWG | ENXAIWG         | EAIWG        | 01-01-2010 | 1000       | 24-05-2023        | Net Return   |

#### 3.2 BASE CURRENCY

The Base Currency of this index family is Euro.

#### 3.3 PUBLICATION

The opening index level is disseminated at the same time as the first index level.

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 US and Canadian Markets stop regular daytime trading on the days when Euronext Markets are open for trading. 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 Amsterdam  |
| <b>Item 2.</b> Type of benchmark   | Equity Benchmark  |
| <b>Item 3.</b> Name of the benchmark or family of benchmarks.  | AI World  |
| <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:   | <ul style="list-style-type: none"> <li>• Revenue involvement in Production of tobacco</li> <li>• Revenue involvement in Distribution of tobacco</li> <li>• Revenue involvement in Thermal Coal Mining</li> <li>• Revenue involvement in Thermal Coal Fuel Power Generation &gt;10%</li> <li>• Revenue involvement in Oil Sands Extraction</li> <li>• Revenue involvement in Shale Energy Extraction</li> <li>• Revenue involvement in Civilian Firearms (Assault and Non-assault) Weapons</li> <li>• Evidence of activity in in Arctic Oil &amp; Gas exploration/extraction</li> <li>• Evidence of activity in Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Weapons, Depleted Uranium, or White Phosphorus</li> <li>• United Nation Global Compact compliance assessment</li> </ul> |
| b) List of social factors considered:  | See A   |
| c) List of governance factors considered:  | See A   |
| <b>Item 6.</b> Data and standards used.  |   |
| a) Data input.<br><i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i><br><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"> <li>• Revenue involvement in Production of tobacco</li> <li>• Revenue involvement in Distribution of tobacco</li> <li>• Revenue involvement in Thermal Coal Mining</li> <li>• Revenue involvement in Thermal Coal Fuel Power Generation &gt;10%</li> <li>• Revenue involvement in Oil Sands Extraction</li> <li>• Revenue involvement in Shale Energy Extraction</li> <li>• Revenue involvement in Civilian Firearms (Assault and Non-assault) Weapons</li> <li>• Evidence of activity in in Arctic Oil &amp; Gas exploration/extraction</li> <li>• Evidence of activity in Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Weapons, Depleted Uranium, or White Phosphorus</li> </ul>   |

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• United Nation Global Compact compliance assessment</li> </ul> <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><b>Artificial Intelligence:</b></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><b>Publicly disclosed information:</b></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><b>Analyst Research:</b></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><b>Sustainalytics:</b></p> <p><b>Data Quality</b></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"> <li>- Productivity Tools: Our internal research platforms and databases are continuously enhanced to ensure research data integrity as well as efficient data collection and processing.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>- Data Deliverables: Automated and manual quality assurance checks are run on all periodic and on-off custom client deliverables.</li> </ul> <p>Product/Service Quality</p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- Service Innovation: As we continuously expand and improve our digital services to clients, any new features are thoroughly tested before being released to clients.</li> <li>- 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.</li> </ul> |
| <p>c) Reference standards</p> <p><i>Describe the international standards used in the benchmark methodology.</i></p> | <p><b>Sustainalytics:</b></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 Related Conventions.</p>  |
| <p><b>Information updated on:</b></p>   | <p style="text-align: right;">May 2023</p>   |