

# **INDEX RULE BOOK**

## **Euronext CDP France Environnement Family**

Version 22-01

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## 1. GENERAL

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This document is applicable to the Euronext CDP France Environnement family ("Index Family"), which consists of all the Indices as mentioned in the Reference Table.

The ; is designed to reflect the price level trends in the trading of shares listed in developed countries.

Euronext Paris is the Administrator of this Index Family. For this Index Family no Independent Supervisor is appointed.

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The index is designed as new version of the Euronext CDP Environment France EW Decrement 5% (mnemo = FRENV)

### VERSION NOTES

Version	Effective date	New or changed parts	Reference/announcement
22-01	12-10-2022	Initial version	

## 2. INDEX REVIEWS

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### 2.1 REVIEW FREQUENCY AND RELEVANT DATES

<b>Review frequency:</b>	Quarterly, March being the Annual review
<b>Review Effective Date:</b>	After the market close of the last trading day of March, June, September and December. Reviews are implemented spread over 5 trading days from the Review Effective Date
<b>Review Cut-Off Date:</b>	After the market close of the penultimate Friday of February, May, August and November.
<b>Review Announcement Date:</b>	At least two days before the Review Effective Date and at least 5 trading days before the Review Effective Date for the Annual Review
<b>Review Weighting Date:</b>	Three trading days before the Review Effective Date.
<b>Review Weighting Announcement Date:</b>	Two trading days before the Review Effective Date.

### 2.2 REVIEW SELECTION

#### Step 1: Index Universe

##### Index Universe definition

The Index Universe consists of the Companies included in the SBF 120 index. At reviews this means included in the SBF 120 Index after the Review Effective Date.

#### Step 2: Eligibility screening at the Annual Review

##### Annual review

From the Index Universe, the Companies with any of the following characteristics are not eligible:

- Companies among the worst 20% **CDP Environmental score**, from the Index Universe. In case of equal CDP Environment score, companies will rank in such a way that companies with lower FFMC will be excluded.
- Companies with an **ESG Score** < 30, as determined by Moody's ESG
- Companies with an **Average Daily Traded Value over past 3 months** < 10 million euros
- Exclusion
  - **Controversial weapons:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Controversial Weapons	Any involvement	171611102999
Controversial Weapons Significant ownership	Ownership > 25%	171612151899

- **Military Contracting:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Military Contracting weapons	Derived turnover > 10%	172111112999
Military Contracting Weapon-related products and/or services	Derived turnover > 10%	172113112999
Military Contracting weapons Significant ownership	Ownership > 10%	172112151899
Military Contracting weapons-related products and/or services Significant ownership	Ownership > 10%	172114151899

- **Tobacco production or distribution:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Tobacco Products Production	Any involvement	172911112999
Tobacco Products Related Products/Services	Derived turnover > 5%	172913112999
Tobacco Products Retail	Derived turnover > 5%	172915112999
Tobacco Products Significant ownership (production)	Ownership > 25%	172912151899
Tobacco Products Significant ownership (related products/services)	Ownership > 25%	172914151899
Tobacco Products Significant ownership (retail)	Ownership > 25%	172916151899

- **Coal Exploration or processing:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Thermal Coal Extraction	Derived turnover > 1%	171025111199
Thermal Coal Supporting Products/Services	Derived turnover > 1%	171025291199

- **Oil & Gas Exploration or processing:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Oil & Gas Production	Derived turnover > 10%	171114111199
Oil & Gas Production - Exploration and Production	Derived turnover > 10%	171114221199
Oil & Gas Production - Transportation and Storage	Derived turnover > 10%	171114301199
Oil & Gas Production - Refining Oil	Derived turnover > 10%	171114261199
Oil & Gas Supporting Products/Services	Derived turnover > 10%	171114171199
Oil Sands Extaction	Derived turnover > 10%	173012171899

- **Natural Gas Exploration or Processing:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Oil & Gas Production-Exploration and Production Natural Gas	Derived turnover > 50%	171114201199
Oil & Gas Production-Transportation and Storage Natural Gas	Derived turnover > 50%	171114281199
Oil & Gas Production-Refining Natural Gas	Derived turnover > 50%	171114241199

- **Power Generation:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Thermal Coal Power Generation	Derived turnover > 50%	172813112999
Oil & Gas Generation	Derived turnover > 50%	173316171899

- **United Nation Global Compat:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
United Nations Global Compact	Flagged "Non-compliant"	231112111799

### Quarterly review

From the current components of the index, the Companies with any of the following characteristics are excluded:

- **United Nation Global Compact:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
United Nations Global Compact	Flagged "Non-compliant"	231112111799

- Companies with an **ESG Score** < 30, as determined by Moody's ESG

### Step 3: Selection Ranking

#### Annual review

The eligible Companies will be ranked on their CDP Environmental score. The higher the score, the better. In case of an equal score the company with the highest Free Float Market Capitalization will rank higher.

#### Quarterly Review

The ranking is not applicable for the quarterly review

### Computation of the CDP Environmental score

CDP gives a score to the eligible Companies based on three different themes: forests, water and climate. This alphabetical score is converted into a numerical score based on the CDP equivalence table which can be found hereunder.

For the forests parameter, an average score is used between the scores provided on the 4 (cattle products, palm oil, soy and timber) dimensions.

Euronext calculates an Environmental score based on the average rating of a company across the three different themes: forests, water and climate. If a Company has not been asked to participate in a certain theme, the average will be determined based on the remaining themes. E.g if a company is not asked to participate in the water theme, its score will be the average of both climate and forests scores.

CDP Score Alphabetical	Numerical Score
A	8
A-	7
B	6
B-	5
C	4
C-	3
D	2
D-	1
Late response	0.5
F*	0

\* Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information to CDP to be evaluated will receive an F. Also companies that are willing to disclose their data, but refuse to pay for the administrative fee levied by CDP will receive an F. An F does not indicate a failure in environmental stewardship.



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

The eligible Companies will be ranked on their CDP Environmental score. The higher the score, the better. In case of an equal score the company with the highest Free Float Market Capitalization will rank higher.

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

##### **Annual review**

The 40 highest ranking companies will be selected in the index.

##### **Quarterly review**

The following changes will be applied at the Quarterly Reviews:

- Current constituents that fail to meet the eligibility screenings as defined at the Quarterly Review will be removed from the Index.
- If the number of Companies in the index will become less than 40, the highest ranking eligible Companies based on the ranking established at the Annual Review will be added till the Index consists of 40 Companies.

### **2.3 PERIODICAL WEIGHTING UPDATE**

#### **Weighting method (Annual & Quarterly reviews)**

The index is Free Float Market Capitalisation weighted.

The Weighting Factors are explained in the following paragraphs.

#### **Number of shares (Annual & Quarterly reviews)**

At each review, the number of shares included in the index will be updated with the number of shares listed on the Review Cut-Off Date.

#### **Free Float factor (Annual & Quarterly reviews)**

All Free Float Factors are updated at each review.

#### **Capping Factor (Annual & Quarterly reviews)**

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 5%.

#### **Implementation process**

In order to limit the price and volume effects of the reviews, the reshuffles will be spread over a 5-day period, the Review Implementation Period. This period will start on the Review Effective Date after the close.

In order to spread this equally over a 5-days period the difference between the initial Adjusted Number of Shares and target Adjusted Number of Shares is taken as starting point. The initial Adjusted Number of Shares is computed as follows:

*Initial Number of Shares \* initial Free Float Factor \* initial Capping Factor*

The target Number Adjusted Number of Shares is computed as follows:

*New Number of Shares \* new Free Float Factor \* new Capping Factor*

The changes are implemented during the 5-days period in which every step contains 20% of the difference between target and initial Adjusted Number of Shares. This is done by adjusting to the potential new Free Float Factor and potential new Capping Factor on the first day of the Implementation period. The Number of Shares in the index during the Implementation period will be adjusted so every step will be 20% of the difference between target and initial Adjusted Number of Shares.

For new inclusions and removals in the index, the change will be done in similar steps of 20% on each day during the Review Implementation Period. For new inclusions, this is also done by adjusting to the new Free Float Factor and new Capping Factor on the first day of the Implementation period. For removals, this is done by only adjusting the number of shares during the first four days of the Review Implementation Period.

The number of shares, Free Float Factor and Capping Factor to be implemented on each day during the Review Implementation Period will be announced on the Review Weighting Announcement Date.

### 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 CDP France Environnement	FRESG0000835	ENFRP	ENFRP	.ENFRP	1000	31/12/2009	12/10/2022	Price
Euronext CDP France Environnement NR	FRESG0000843	ENFRN	ENFRN	.ENFRN	1000	31/12/2009	12/10/2022	Net
Euronext CDP France Environnement GR	FRESG0000850	ENFRG	ENFRG	.ENFRG	1000	31/12/2009	12/10/2022	Gross
Euronext CDP France Environnement Decrement 5%	FRESG0000868	ENVFR	ENVFR	.ENVFR	1000	31/12/2009	12/10/2022	Decrement 5% on NR

#### 3.2 BASE CURRENCY

The Base Currency of this index family is Euro.

#### 3.3 PUBLICATION

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

The closing level is the last level disseminated on the trading day.

## 4. ESG DISCLOSURES

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.	<b>Euronext CDP France Environnement</b>
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>Exclusion:</p> <ul style="list-style-type: none"> <li>- CDP Environmental score</li> <li>- ESG score</li> <li>- Revenue involvement in controversial weapons</li> <li>- Ownership involvement in controversial weapons</li> <li>- Revenue involvement in Military contracting weapons</li> <li>- Ownership involvement in Military contracting</li> <li>- Revenue involvement in tobacco production or tobacco distribution</li> <li>- Ownership involvement in tobacco production or tobacco production</li> <li>- Revenue involvement in thermal coal extraction or supporting products &amp; services</li> <li>- Revenue involvement in Oil &amp; gas production, exploration, transportation, storage, refining or supporting products / services</li> <li>- Revenue involvement in Oil sands extraction</li> <li>- Revenue involvement in Natural Gas production, exploration, transportation, storage or refining</li> <li>- Revenue involvement in Power generation from thermal coal or Oil &amp; gas</li> <li>- United Nation Global compact compliance assessment</li> </ul> <p>Selection:</p> <p>The companies that form the index universe will be ranked on their CDP environmental score. The 40 highest ranking companies will be selected in the index.</p>

b) List of social factors considered:	<ul style="list-style-type: none"> <li>- ESG Score</li> <li>- United Nation Global Compact compliance assessment</li> </ul>
c) List of governance factors considered:	<ul style="list-style-type: none"> <li>- ESG Score</li> <li>- United Nation Global Compact compliance assessment</li> </ul>
<b>Item 6. Data and standards used.</b>	
<p>a) Data input.</p> <p><i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i></p> <p><i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i></p>	<p><b>CDP provides:</b></p> <ul style="list-style-type: none"> <li>• Environmental scores</li> </ul> <p>CDP gives a score to the companies in the universe based on three different themes, forests, water and climate. This alphabetical score is converted into a numerical score based on the CDP equivalence table</p> <p>For the forests parameter, an average score is used between the scores provided on the 4 (cattle products, palm oil, soy and timber) dimensions.</p> <p>Euronext calculates an Environmental score based on the average rating of a company across the three different themes, forests, water and climate. If a company has not been asked to participate in a certain theme, the average will be determined based on the remaining themes. E.g if a company is not asked to participate in the water theme, its score will be the average of both climate and forests scores.</p> <p><b>Moody's ESG provides :</b></p> <ul style="list-style-type: none"> <li>• ESG score</li> </ul> <p>The ESG score is based on a 2-step approach:</p> <p>Step 1:</p> <p>Moody's ESG assesses and rates the performances of Companies according the Equitics® methodology based on 38 criteria, divided in to six key areas of corporate environmental, social and governance responsibility</p> <p>Step2 – Overall score</p> <p>Each issuer is assigned an overall score out of 100 ( the higher the better) which is a weighted and consolidated score of all sustainability factors in a given sector.</p> <p><b>Sustainalytics:</b></p> <ul style="list-style-type: none"> <li>- CDP Environmental score</li> <li>- ESG score</li> <li>- Revenue involvement in controversial weapons</li> <li>- Ownership involvement in controversial weapons</li> <li>- Revenue involvement in Military contracting weapons</li> <li>- Ownership involvement in Military contracting</li> </ul>

- Revenue involvement in tobacco production or tobacco distribution
- Ownership involvement in tobacco production or tobacco production
- Revenue involvement in thermal coal extraction or supporting products & services
- Revenue involvement in Oil & gas production, exploration, transportation, storage, refining or supporting products / services
- Revenue involvement in Oil sands extraction
- Revenue involvement in Natural Gas production, exploration, transportation, storage or refining
- Revenue involvement in Power generation from thermal coal or Oil & gas
- United Nation Global compact compliance assessment

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. The data we use includes publicly disclosed, Artificial Intelligence (AI) and assessments by our experienced analysts.

Artificial Intelligence: 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.

Publicly disclosed information: 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.

Analyst Research: 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>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>CDP:</b></p> <p>CDP 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:</p> <ul style="list-style-type: none"> <li>• shall promptly correct any errors made in its computations of the Data and inform Euronext thereof, immediately.</li> </ul> <p>periodically review the Methodology</p> <ul style="list-style-type: none"> <li>• has clear written rules identifying how and when discretion may be exercised when deviating from the methodology</li> <li>• will inform Euronext prior to making any material change to the Methodology and will provide Euronext with the rationale for such change</li> </ul> <p><b>Moody’s ESG:</b></p> <p>Moody’s ESG 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:</p> <ul style="list-style-type: none"> <li>• shall promptly correct any errors made in its computations of the Data and inform Euronext thereof, immediately.</li> <li>• periodically review the Methodology has clear written rules identifying how and when discretion may be exercised when deviating from the methodology</li> <li>• will inform Euronext prior to making any material change to the Methodology and will provide Euronext with the rationale for such change.</li> </ul> <p><b>Sustainalytics:</b></p> <p>Data Quality</p> <p>- Operational Management: Business processes and tools are in place for universe maintenance, research planning, monitoring of timely publication and tracking of production targets.</p> <p>Productivity Tools: Our internal research platforms and databases are continuously enhanced to ensure research data integrity as well as efficient data collection and processing.</p> <p>- 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.</p> <p>- Automated end-of-gate quality checks: Daily automated quality control systems are in place to ensure the accuracy</p>

	<p>and integrity of ESG Ratings pre-publication, flagging outliers and unusual patterns to avoid unwarranted rating volatility.</p> <ul style="list-style-type: none"> <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>CDP:</b></p> <p>CDP do not produce the methodology using an international standard, however do include elements of international standards in what we incentivize, ie all of the verification is based on international standards, the targets and specifically the push for SBT is a de facto standard.</p> <p>CDP incentivize through their survey to companies the disclosure of climate-related information according to the following standards: GHG protocol, TCFD recommendations, Science-Based Targets, UN Global Compact the CEO Water Mandate guidelines. Further details can be found on CDP website at <a href="http://www.cdp.net">www.cdp.net</a>, find below some of the relevant links :</p> <ul style="list-style-type: none"> <li>• <a href="https://www.cdp.net/en/scores/cdp-scores-explained">https://www.cdp.net/en/scores/cdp-scores-explained</a></li> <li>• <a href="https://www.cdp.net/en/guidance/environmental-disclosure-standards-and-frameworks">https://www.cdp.net/en/guidance/environmental-disclosure-standards-and-frameworks</a></li> </ul> <p><b>Moody's ESG :</b></p> <p>The methodology behind ESG performance indicators and the assessment of controversies severity is based on the following international standards :</p> <ul style="list-style-type: none"> <li>• Global Reporting Initiative (GRI)</li> <li>• OECD Guidelines for Multinational Enterprises, and sectorial guidance</li> <li>• G20/OECD recommendations on Corporate governance</li> <li>• UN Conventions and recommendations,</li> <li>• UN Global Compact Principles</li> <li>• UN Sustainable Development Goals</li> <li>• ILO Conventions , including the core ones, and recommendations</li> <li>• TCFD recommendations</li> </ul>



	<ul style="list-style-type: none"> <li>• Paris Agreement (UNFCCC)</li> </ul> <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>
Information updated on:	11/10/2022