

# **INDEX RULE BOOK**

**Euronext Euro 50 Social Governance EW**

Version 22-01

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## 1. GENERAL

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This document is applicable to the Euronext Euro 50 Social Governance EW ("Index Family"), which consists of all the Indices as mentioned in the Reference Table.

The Euronext Euro 50 Social Governance EW is designed to reflect the price level trends in the trading of shares listed in Eurozone.

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
21-01	15-12-2021	restyled version in view of newly published Calculation and Corporate Actions rulebooks	
22-01	08-09-2022	Addition of Review Weighting Date	EIA 2022-318

## 2. INDEX REVIEWS

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### 2.1 REVIEW FREQUENCY AND RELEVANT DATES

<b>Review frequency:</b>	Quarterly
<b>Review Effective Date:</b>	After the market close of the third Friday of March, June, September and December.
<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 trading days before the Review Effective Date.
<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 300 companies included in the Euronext Eurozone 300 index. At reviews this means included in the index after the Review Effective Date.

#### Step 2: Eligibility screening at reviews

Companies in the Index Universe are ranked on Moody's ESG Solutions ESG score. Each Company 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 corporate governance scores as determined by Moody's ESG Solutions. In case of an equal score the company with the highest free float market capitalization will rank higher. The 150 highest ranking Companies are eligible.

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

#### Step 3: Selection Ranking

The eligible Companies are ranked by free float market capitalization.

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

The 50 highest ranking companies will be selected in the index.

### 2.3 PERIODICAL WEIGHTING UPDATE

#### Weighting method

The index is Non-Market Capitalisation weighted, based on Equal Weight

The Weighting Factors are explained in the following paragraphs.

**Number of shares**

The Number of Shares will be calculated such that each Company will have an equal weight in the Index. The Number of Shares will be rounded to the nearest whole number.

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 applied for this Index Family.

**Capping Factor**

The Capping Factor is not applied for this Index Family.

### 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® Euro 50 Social Governance EW	NL0013400302	SG50P	EURSG5P	EURSG5P	02-01-18	1000	27-02-19	Price
Euronext® Euro 50 Social Governance EW NR	NL0013400310	SG50N	EURSG5N	EURSG5N	02-01-18	1000	27-02-19	Net Return
Euronext® Euro 50 Social Governance EW GR	NL0013400328	SG50G	EURSG5G	EURSG5G	02-01-18	1000	27-02-19	Gross Return
Euronext® Euro 50 Social Governance EW Decrement 50 Points	NL0013400336	SG50D	EURSG50	EURSG50	02-01-18	1000	27-02-19	Decrement 50 points on GR

#### 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 official opening level is the first level published after a share price is available for all constituents. Index levels published before the official opening level is published are considered pre-opening index levels.

If, for whatever reason, share prices are not available for all constituents five minutes after Euronext Markets (as defined in the Euronext harmonised rule book) 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 Paris
Item 2. Type of benchmark	Equity Benchmark
Item 3. Name of the benchmark or family of benchmarks.	<b>Euronext Euro 50 Social Governance EW index</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:	Not applied
b) List of social factors considered:	<p>Social score and Governance score</p> <p>Selection:</p> <p>The selection is made of the following 2 consecutive steps:</p> <ul style="list-style-type: none"> <li>- From the universe, the companies will be ranked on their Social and Governance score. Each company is assigned an overall Social and Governance score out of 100 which is a averaged score of the social and the governance scores. In case of an equal score the company with the highest free float market capitalization will rank higher. The 150 highest ranking companies will be pre-selected.</li> <li>- The 150 pre-selected stocks are ranked by descending free float market capitalization and the 50 highest ranking will be selected in the index.</li> </ul>
c) List of governance factors considered:	Please refer to b)
Item 6. Data and standards used.	
<p>a) Data input.</p> <p>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</p> <p>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</p>	<p>Moody's ESG Solutions provides :</p> <ul style="list-style-type: none"> <li>• Social score</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>• Corporate Governance score</li> </ul> <p>Within the Corporate Governance domain, there are <b>four underlying criteria</b> that structure the assessment framework and build the Responsible Corporate Governance Score:</p> <ul style="list-style-type: none"> <li>• CGV 1.1: Responsible Board Practice and Organisation.</li> <li>• CGV 2.1: Audit and Internal Controls.</li> <li>• CGV 3.1: Shareholder's Rights.</li> </ul>



	<ul style="list-style-type: none"> <li>CGV 4.1: Responsible Executive Remuneration.</li> </ul> <p>In addition to the traditional themes of Corporate Governance that are addressed throughout national codes, Moody's ESG Solutions analyses themes specific to CSR</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>Moody's ESG Solutions 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</li> <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>c) Reference standards</p> <p><i>Describe the international standards used in the benchmark methodology.</i></p>	<p>Moody's ESG Solutions : 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>TFCD recommendations</li> <li>Paris Agreement (UNFCCC)</li> </ul>
<b>Information updated on:</b>	April 2021