

# **INDEX RULE BOOK**

**Euronext® Eurozone ESG Large 80**

Version 23-01

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# Index

<b>1. General</b>	<b>2</b>
Version notes	2
<b>2. Index reviews</b>	<b>3</b>
2.1 Review frequency and relevant dates	3
2.2 Review Selection	3
2.3 Periodical Weighting Update	4
<b>3. References</b>	<b>5</b>
3.1 Reference Table	5
3.2 Base currency	5
3.3 Publication	5
<b>4. ESG Disclosures</b>	<b>6</b>

## 1. GENERAL

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This document is applicable to the Euronext Eurozone ESG Large 80 ("Index Family"), which consists of all the Indices as mentioned in the Reference Table.

The Euronext Eurozone ESG Large 80 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	
23-01	02-06-2023	Textual update clarifying selection at the quarterly review	

## 2. INDEX REVIEWS

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### 2.1 REVIEW FREQUENCY AND RELEVANT DATES

<b>Review frequency:</b>	Quarterly, with annual review in March
<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 days before the Review Effective Date.
<b>Review Weighting Announcement Date:</b>	Two 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

##### Social and Governance screening:

The Companies that form the index universe will be ranked on their Social Score as well as on their Governance Score as provided by Moody's ESG Solutions. The Companies within the 20% worst Social scores as well as the Companies within the 20% worst Governance scores are excluded. In case of an equal Social or Governance scores, the Companies with the highest free float market capitalisation will rank better. The remaining Companies are eligible for inclusion.

##### Energy Transition screening:

Companies with an Energy Transition score strictly below 30, as determined by Moody's ESG Solutions, are not eligible.

##### United Nations Global Compact (UNGC) screening:

Companies facing critical controversies, as determined by Moody's ESG Solutions, with regards to UN Global Compact criteria are not eligible. Companies that are assessed as non-communicative with regards to the UNGC are not eligible either.

Companies with any involvement in tobacco production are not eligible.

Companies with any involvement in landmines or cluster munitions are not eligible.

##### Coal activities screening:

Companies with any involvement in coal activities are systematically not 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 Energy Transition score, as determined by Moody's ESG Solutions. In each ICB Super Sector, the eligible Companies are ranked by decreasing order on this score. In case of an equal score the company with the highest free float market capitalisation will rank higher.

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

#### **Annual review**

The index targets the sectorial repartition of the Index Universe. The top Companies with the highest Energy Transition rankings are selected in each ICB Super Sector until the weighting differences of their respective ICB Super Sectors with Index Universe are minimized, under the constraint of reaching 80 constituents.

#### **Quarterly reviews**

At quarterly reviews, if a component of the index faces critical controversies with regards to UN Global Compact criteria (as determined by Moody's ESG Solutions), it will be replaced by the best ranked Eligible Company not currently in the Index within the Super Sector that has the biggest negative weight discrepancy (at the quarterly review Cut-off Date) with the Index Universe.

If no eligible Company is available in that Super Sector, the process will be applied to the next Super Sector and so on. In case no Super Sector is available with a negative weight discrepancy, the Super Sectors with the smallest positive weight discrepancy will be used to replace.

If several Companies are removed due to the UNGC, the process will be repeated.

The above replacement mechanisms also apply in case the index has less than 80 constituents due to a delisting for example.

## **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 and Quarterly Reviews:**

##### **Number of shares**

The Number of Shares of a Company included in the Index Family will be updated with the number of shares listed on the Review Cut-Off Date, taking into account adjustments due to Corporate Actions.

##### **Free Float factor**

The Free Float Factor of Companies included in the index are updated quarterly, based on the Review Cut-Off Dates.

##### **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 10%.

## 3. REFERENCES

### 3.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloom- berg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext Eurozone ESG Large 80	FR0013468832	ENESG	ESG80P	.ENESG	31/12/11	1000	08/04/20	Price
Euronext Eurozone ESG Large 80 NR	FR0013468865	ESG NR	ESG80N	.ESG NR	31/12/11	1000	08/04/20	Net Return
Euronext Eurozone ESG Large 80 GR	FR0013468873	ESG GR	ESG80G	.ESG GR	31/12/11	1000	08/04/20	Gross Return
Euronext Eurozone ESG Large 80 Decrement 3.5%	FR0013468881	ESG8D	ESG80D35	.ESG8D	31/12/11	1000	08/04/20	Decrement 3.5% on NR
Euronext Eurozone ESG Large 80 Decrement 4%	FR0013498755	ESGD4	ESG80D4	.ESGD4	31/12/11	1000	08/04/20	Decrement 4% on NR
Euronext Eurozone ESG Large 80 Decrement 4.5%	FR0013498763	ESG8E	ESG80D45	.ESG8E	31/12/11	1000	08/04/20	Decrement 4.5% on NR
Euronext Eurozone ESG Large 80 Decrement 5%	FR0013468907	ESGD5	ESG80D5	.ESGD5	31/12/11	1000	08/04/20	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 level is calculated using the last known prices of traded constituents or in the case of constituents that have non-traded, halted or suspended status, the previous day reference prices or estimated prices (for IPOs, buyouts and swap offers). 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	
<b>Item 1.</b> Name of the benchmark administrator.	Euronext Paris
<b>Item 2.</b> Type of benchmark	Equity Benchmark
<b>Item 3.</b> Name of the benchmark or family of benchmarks.	<b>Euronext Eurozone ESG Large 80 Index</b>
<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:	<p>Energy Transition score</p> <p>Selection :</p> <p>The eligible companies are assigned an Energy Transition score, as evaluated by Moody's ESG Solutions, and are ranked by decreasing order on this score. In case of an equal score the company with the highest free float market capitalisation will rank higher. The index targets the sectorial repartition of the Index Universe. The top stocks with the highest Energy Transition rankings are selected in each ICB Super Sectors until the weighting differences of their respective ICB Super Sectors with Index Universe are minimized, under the constraint of reaching 80 stocks.</p> <p>Exclusion :</p> <ul style="list-style-type: none"> <li>Companies with an Energy Transition score strictly below 30.</li> <li>Companies with any involvement in coal activities, tobacco production, landmines or cluster munitions."</li> </ul> <p>Companies facing critical controversies &amp; non-communicative with regards to the UNGC.</p>
b) List of social factors considered:	<p>Social score</p> <p>Exclusion :</p> <p>From the universe, 20% of the companies with the lowest-ranking Social score are excluded. In case of equal score, the ranking will be done on Free Float Market Capitalisation.</p>



c) List of governance factors considered:	<p>Corporate governance score</p> <p>Exclusion :</p> <p>From the universe, 20% of the companies with the lowest-ranking corporate governance score are excluded. In case of equal score, the ranking will be done on Free Float Market Capitalisation.</p>
<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>Moody's ESG Solutions provides :</p> <ul style="list-style-type: none"> <li>• Energy Transition score</li> </ul> <p>The scoring process is on a scale of 0 – 100 categorized according to the four levels of performance shown on the left. The score reflects the quality of a company's management and strategy to address risk and opportunities associated with the transition to a low carbon economy.</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>In building the methodology, Vigeo-Eiris teams have undertaken reviews of both broad international governance recommendations as well as the national corporate governance codes specific to a range of countries. The themes and questions comprising the methodology reflect subjects that represent points of convergence across these various codes. That is, the analysis focuses on those subjects that form an international consensus as being elements of effective Corporate Governance</p> <ul style="list-style-type: none"> <li>• United Nations Global Compact (UNGC) screening</li> </ul> <p>Moody's ESG Solutions analyses the impact of controversies on stakeholders and the company using the framework defined by the Office of High Commissioner of the United Nations Human Rights (analyses of the scale, scope and irremediable character of the impact).</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> </ul>

	will inform Euronext prior to making any material change to the Methodology and will provide Euronext with the rationale for such change.
c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i>	<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>• TFCF recommendations</li> </ul> <p>Paris Agreement (UNFCCC)</p>
<b>Information updated on:</b>	April 2021