

INDEX RULE BOOK

EURONEXT[®] Invest In France Low Vol Index

Version 24-01

Effective from 6 May 2024

indices.euronext.com

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1. GENERAL

This document is applicable to the Euronext® Invest In France Low Vol World Index (“Index Family”), which consists of all the Indices as mentioned in the Reference Table.

The Euronext® Invest In France Low Vol World Index aims to track companies belonging to Euronext Invest In France Index that satisfy some social criteria. The index also aims to select the lowest volatility companies among all the eligible companies.

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
24-01	6 May 2024	Initial version	

2. INDEX REVIEWS

2.1 REVIEW FREQUENCY AND RELEVANT DATES

Review frequency: Quarterly.

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 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 the Companies included in the Euronext® Developed Market Index and do not have their Main Listing on Euronext Paris at review.

At review means included in the Index Universe after the Review Effective Date.

Step 2: Eligibility screening at reviews

The list of Companies is reduced by a series of screens. The Companies with any of the following characteristics at Review Cut-off Date are Not eligible:

- Companies with a **3-months Average Daily Traded Value lower than 10 Million EUR.**
- Companies **that are not selected by Business France in the last 3 years.**
Business France Select companies with investment or job creation announcements in France.
Should this list count less than 150 companies, the three years period will be extended by one year until reaching the 150 companies
- **Breaches of international standards:**

Exclusion topic	Exclusion criteria	ISS-ESG Field Name
Breaches of international standards	Flagged "Red"	NBSOverallFlag

- **Controversial Weapons:**

Exclusion topic	Exclusion criteria	ISS-ESG Field Name
Biological Weapons	Flagged "RED" or "Amber"	BiologicalWeaponsOverallFlag
Chemical Weapons	Flagged "RED" or "Amber"	ChemicalWeaponsOverallFlag
Nuclear Weapons	Flagged "RED" or "Amber"	NuclearWeaponsOverallFlag
Nuclear Weapons Outside NPT	Flagged "RED" or "Amber"	NuclearWeaponsNonNPTOverallFlag
Cluster Munitions	Flagged "RED" or "Amber"	ClusterMunitionsOverallFlag
Depleted Uranium	Flagged "RED" or "Amber"	DepletedUraniumOverallFlag
Anti-personnel Mines	Flagged "RED" or "Amber"	APMinesOverallFlag
White Phosphorus	Flagged "RED" or "Amber"	WhitePhosphorusOverallFlag

- **Energy Screening:**

Exclusion topic	Exclusion criteria	ISS-ESG Field Name
Coal Mining and Power Gen - Maximum Percentage of Revenues (%)	Derived turnover > 0%	CoalMiningAndPowGenRevShareMax
Fossil Fuel - Total Maximum Percentage of Revenues (%)	Derived turnover > 0%	FossilFuelRevShareMax
Power Generation - Thermal Maximum Percentage of Revenues (%)	Derived turnover > 0%	PowGenRevShareThermalMax

- **Tobacco Screening:**

Exclusion topic	Exclusion criteria	ISS-ESG Field Name
Tobacco - Production Maximum Percentage of Revenues (%)	Derived turnover > 5%	TobaccoProdMaxRev
Tobacco - Distribution Maximum Percentage of Revenues (%)	Derived turnover > 15%	TobaccoDistMaxRev

- **Layoff Screening:**

Exclusion topic	Exclusion criteria	SESAMm Field Name
Companies doing layoffs on the last 6 months.	Score > 0	Layoff_Score

- **Staff Rating Screening:**

Exclusion topic	Exclusion criteria	ISS-ESG Field Name
Worst Companies in term of Staff rating by Region and Super Sector As assessed By ISS-ESG	Score < 30 th Percentile by Region and Super Sector	CRStaffRatingNum

The Staff rating is based on an assessment BY ISS-ESG of performance across key social sustainability metrics, including freedom of association, equal opportunities, health and safety, work-life balance, employment security, and training and education.

The remaining Companies are eligible for inclusion.

Should this list count **less than 50 companies** the threshold on the SESAMm Score will be increased until reaching 50 companies.

The Euronext ESG Providers Methodologies document gives a detailed background on various scoring methodologies, controversial activities and controversies assessments.

Step 3: Selection ranking

The eligible Constituents that pass the exclusions filter are ranked by 60 trading days volatility on the Review Cut-Off Date.

Volatility calculation

The volatility for each Company (i) at a date t is computed as follows :

$$VOL(i)_{d,t} = \sqrt{\frac{252}{d-1} \sum_{k=1}^d \left(\ln \left(\frac{P(i)_{t-k+1}}{P(i)_{t-k}} \right) - Average_{d,t} \right)^2}$$

$$Average_{d,t} = \frac{1}{d} \sum_{k=1}^d \ln \left(\frac{P(i)_{t-k+1}}{P(i)_{t-k}} \right)$$

With:

P(i) = Price of Company (i)

d = 60 days.

Step 4: Selection of constituents at the reviews

The index consists of 40 Companies. The top 40 in terms of lowest volatility are selected.

2.3 PERIODICAL WEIGHTING UPDATE

Weighting method

The weighting of the Index is determined by the inverse proportion of the three-month volatility on the Review Cut-Off Date.

The weightings are calculated as follow:

For each stock i , the inverse volatility factor is calculated as follow:

$$inverse_volatility = \frac{1}{VOL(i)_{60, Review\ Cut-Off\ Date}}$$

The weights are computed as follows:

$$w(i) = \frac{inverse_volatility(i)}{\sum_{j=1}^{40} inverse_volatility(j)}$$

Number of Shares

The new weightings are calculated such that each constituent will have the weight in accordance with the outcome of the weighting procedure detailed above.

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

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 15%.

3. REFERENCES

3.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloom-berg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext Invest In France Low Volatility	FRIX00002728	FILVP	FRINVLVP	.FILVP	31/12/2009	1000	06/05/2024	Price Return
Euronext Invest In France Low Volatility NR	FRIX00002736	FILVN	FRINVLVN	.FILVN	31/12/2009	1000	06/05/2024	Net Return
Euronext Invest In France Low Volatility GR	FRIX00002744	FILVG	FRINVLVG	.FILVG	31/12/2009	1000	06/05/2024	Gross Return
Euronext Invest In France Low Volatility Decrement 3%	FRIX00002751	FILV3	FRINVLV3	.FILV3	31/12/2009	1000	06/05/2024	Decrement on Net
Euronext Invest In France Low Volatility Decrement 3.5%	FRIX00002769	FILVD	FRINVLVD	.FILVD	31/12/2009	1000	06/05/2024	Decrement on Net

3.2 BASE CURRENCY

The Base Currency of this index family is EUR.

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 US 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.	Euronext Invest In France Low Volatility Index
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"> • UNGC factors / NBS Overall flag • CR Staff Rating • Thermal Coal mining factors • Thermal Coal Power generation factors • Fossil Fuel Involvement factors
b) List of social factors considered:	<ul style="list-style-type: none"> • Controversial weapons factors • UNGC factors / NBS Overall flag • Tobacco Involvement factors
c) List of governance factors considered:	<ul style="list-style-type: none"> • UNGC factors
Item 6. Data and standards used.	
a) Data input. (i) Describe whether the data are reported, modelled or, sourced internally or externally. (ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.	ISS ESG provides : <ul style="list-style-type: none"> • NBS OVERALL FLAG This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's link with any breaches of international standards. This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any white phosphorus weapons program. • CR STAFF RATING NUM This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Staff rating. The Staff rating is based on an assessment of performance across key social sustainability metrics, including freedom of association, equal opportunities, health and safety, work-life balance, employment security, and training and education.

- **ANTI-PERSONNEL MINES - OVERALL FLAG:**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any anti-personnel mines program.

- **BIOLOGICAL WEAPONS - OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any biological weapons program.

- **CHEMICAL WEAPONS – OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any chemical weapons program.

- **CLUSTER MUNITIONS – OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any cluster munitions program.

- **DEPLETED URANIUM – OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any depleted uranium program.

- **INCENDIARY WEAPONS – OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any incendiary weapons program.

- **NUCLEAR WEAPONS OUTSIDE NPT – OVERALL FLAG**

Nuclear Weapons Outside NPT - Overall Flag: This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any nuclear weapons program outside of the Non-Proliferation Treaty (NPT)

- **WHITE PHOSPHORUS WEAPONS - OVERALL FLAG**

This factor assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in any white phosphorus weapons program.

- **POWER GENERATION - THERMAL MAXIMUM PERCENTAGE OF REVENUES (%)**

This factor provides the maximum percentage of recent-year revenues for the issuer's involvement in the generation of electric power using fossil fuels.

- **COAL MINING AND POWER GEN - MAXIMUM PERCENTAGE OF REVENUES (%)**

This factor provides the maximum percentage of recent-year revenues for the issuer's involvement in both coal mining, including thermal and metallurgical coal, and the generation of electric power using coal. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.

- **FOSSIL FUEL - TOTAL MAXIMUM PERCENTAGE OF REVENUES (%)**

This factor provides the maximum percentage of recent-year revenues for the issuer's total involvement in fossil fuel, including any exposure in Production, Exploration, Distribution, and Services. The maximum percentage of revenues values are based on the best available data, which may include reported revenues, reported percentage of revenues, or estimated revenues based on available information.

- **TOBACCO - PRODUCTION MAXIMUM PERCENTAGE OF REVENUES (%)**

This factor identifies the maximum percentage value of revenue derived from involvement in the production of tobacco.

- **TOBACCO - DISTRIBUTION MAXIMUM PERCENTAGE OF REVENUES (%)**

This factor identifies the maximum percentage value of revenue derived from involvement in the distribution of tobacco.

SESAMm provides:

- **LAYOFF**

This factor provides the number of articles identifying layoffs over the last 6 month

ISS 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:

- shall promptly correct any errors made in its computations of the Data and inform Euronext thereof, immediately.
- periodically review the Methodology
- has clear written rules identifying how and when discretion may be exercised when deviating from the methodology

	<ul style="list-style-type: none"> • will inform Euronext prior to making any material change to the Methodology and will provide Euronext with the rationale for such change.
<p>c) Reference standards</p> <p><i>Describe the international standards used in the benchmark methodology.</i></p>	<p>ISS ESG Norm-Based Research is aligned with the Principles of the U.N. Global Compact and the OECD Guidelines for Multinational Enterprises. These globally endorsed standards translate obligations established in international norms into expectations of what constitutes Responsible Business Conduct. Principles of international law referenced and translated for business in leading global frameworks for Responsible Business Conduct include the following:</p> <ul style="list-style-type: none"> • Human rights (among others): <ul style="list-style-type: none"> ○ The International Covenant on Civil and Political Rights (ICCPR) ○ The International Covenant on Economic, Social and Cultural Rights (ICESCR) ○ The Geneva Conventions • Labour rights: <ul style="list-style-type: none"> ○ International Labour Organization (ILO) Conventions • Environmental standards (among others): <ul style="list-style-type: none"> ○ The Rio Declaration on Environment and Development ○ The Convention on Biological Diversity ○ The UN Framework Convention on Climate Change ○ The Paris Agreement • Anti-corruption standards: <ul style="list-style-type: none"> ○ The UN Convention against Corruption <p>Regarding Controversial Weapons, these are the relevant standards:</p> <ul style="list-style-type: none"> • Anti-personnel mines: Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction • Biological weapons: Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction • Chemical weapons: Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction • Cluster munitions: Convention on Cluster Munitions • Nuclear weapons: Treaty on the Non-Proliferation of Nuclear Weapons and the International Court of Justice's Advisory Opinion on the Legality of the Threat or Use of Nuclear Weapons as well as the Treaty on the Prohibition of Nuclear Weapon

Information updated on:

04-05-2022