

# **INDEX RULE BOOK**

## **Euronext Positive Impact Water Eurozone Index Family**

Version 22-01

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## 1. GENERAL

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This document is applicable to the Euronext Positive Impact Water Eurozone family (“Index Family”), which consists of all the Indices as mentioned in the Reference Table.

The Euronext Positive Impact Water Eurozone family is designed to reflect the price level trends in the trading of shares listed in the 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
22-01	03-08-2022	Initial version	

## 2. INDEX REVIEWS

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### 2.1 REVIEW FREQUENCY AND RELEVANT DATES

**Review frequency:** Annual

**Review Effective Date:** After the market close of the second Friday April.

**Review Cut-Off Date:** After the market close of the first Friday of April.

**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 the Companies included in the Euronext Eurozone 300 index; at reviews this means included after the Review Effective Date.

##### Step 2: Eligibility screening at reviews

From the index universe, the Companies with the following characteristics, as determined by Moody's ESG, are not eligible:

- Facing Active Critical Controversies
- Facing UNGC Critical Controversies
- Companies with any involvement in the Production of Tobacco
- Companies with any involvement in Coal or Thermal coal mining
- Companies with any involvement in Tar sand and oil shale extraction
- The worst 20% companies in terms of ESG score, as assessed by Moody's ESG, are not eligible. In case of an equal ESG score, the companies with the highest free float market capitalizaion will rank better

Moody's ESG provides research datapoints related to ESG, UNGC compliance, Controversial Activities and controversies. The Euronext ESG Providers Methodologies document gives a detailed background on various scoring methodologies.

##### Step 3: Selection of constituents at the reviews

Eligible companies with positive impacts on SDG 6 and on SDG 14, as assessed by Moody's ESG, are selected.

In order to assess the positive impact on a SDG, we use the Net contribution score and the Net behaviour score, as provided by Moody's ESG. In order to have a positive impact for one SDG, we need to have at least one of the two lenses that is positive and the other neutral, at best.

## **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 Positive Impact Water Eurozone	FRESG0000777	PIWEP	-	.PIWEP	01/01/2010	1000	03/08/2022	Price
Euronext Positive Impact Water Eurozone NR	FRESG0000785	PIWEN	-	.PIWEN	01/01/2010	1000	03/08/2022	Gross Return
Euronext Positive Impact Water Eurozone GR	FRESG0000793	PIWEG	-	.PIWEG	01/01/2010	1000	03/08/2022	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 relevant markets. 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 the Euronext Markets are open for trading.

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 Positive Impact Water Eurozone 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:	<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> <ul style="list-style-type: none"> <li>• Environment: Protection, safeguard, prevention of attacks on the environment, implementation of an adequate managerial strategy, ecodesign, protection of biodiversity and reasonable control of environmental impacts on the overall life cycle of products and services.</li> <li>• Human Rights: Respect of trade unions' freedom and promotion of collective negotiation, non-discrimination and promotion of equality, eradication of banned working practices, and prevention of inhumane or humiliating treatments.</li> <li>• Human Resources: Constant improvement of industrial relations, career development, as well as quality of working conditions.</li> <li>• Community Involvement: Contribution to economic and social development of the territories of establishment and their human communities, concrete commitment in favor of the control of societal impacts of products and services, transparent and participative contribution to causes of general interest .</li> <li>• Business Behaviour: Taking into account clients' rights and interests, integration of social and environmental standards both in the process of selection of suppliers and in the overall supplying chain, efficient prevention of corruption, and respect of competition laws.</li> </ul>



	<ul style="list-style-type: none"> <li>Corporate Governance : Efficiency and integrity, insurance of both independence and effectiveness of the Board of Directors, effectiveness and efficiency of audit and control systems, and in particular inclusion of social responsibility risks, respect of shareholders’ rights and most of all of the minorities, transparency and moderation in executive remuneration.</li> </ul>
b) List of social factors considered:	Please refer to a)
c) List of governance factors considered:	Please refer to a)
<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 provides :</p> <p>A) United Nations Global Compact (UNGC) screening Exclusion of controversial Companies. Moody’s ESG provides a level of integration of the Global Compact principles into the Companies’ strategy and operations.</p> <p>Assessment over 4 pillars: Human rights, Labours, Environment and Corruption.</p> <p>B) Other critical controversies’ screening</p> <p>C) ESG score The ESG score is based on a 2-step approach: Step 1: 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 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>D) SDG Impact scores</p> <p>E) Product Involvement: - Involvement in tobacco production - Involvement in coal or thermal coal mining</p>

	- Involvement in Tar sand and Oil shale extraction
<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 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': 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>• TFCO recommendations</li> <li>• Paris Agreement (UNFCCC)</li> </ul>
<p><b>Information updated on:</b></p>	<p>03/08/2022</p>