

# **INDEX RULE BOOK**

**EURONEXT® Transatlantic Environment 50**

Version 21-02

Effective from 15 Dec 2021

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## 1. GENERAL

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This document is applicable to the Euronext® Transatlantic Environment 50 (“Index Family”), which consists of all the Indices as mentioned in the Reference Table.

The Euronext Transatlantic Environment 50 is designed to reflect the price level trends in the trading of shares listed in the Eurozone and USA.

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		initial version	
21-02	15-12-2021	restyled version in view of newly published Calculation and Corporate Actions rulebooks	

## 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 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 as well as US listed Companies included in the Euronext North America 500 index.

At reviews this means included in the reference index after the Review Effective Date.

#### Step 2: Eligibility screening at reviews

Eurozone: Eligible are the 200 largest companies in terms of free float market capitalisation included in the Euronext® Eurozone 300 Index.

USA: Eligible are the 100 largest stocks in terms of free float market capitalization admitted to listing on the main markets of the United States of America included in the Euronext® North America 500 Index.

At reviews the Companies included in the Index Universe are screened on disputable activity. Companies with the following characteristics as determined by Moody's ESG Solutions are not eligible:

- UN Global Compact: companies that do not communicate and/or do not comply with UNGC principle
- Controversies: companies with active controversies of severity flag critical
- Controversial weapons: companies involved in production and sales of controversial weapons
- Tobacco : companies involved in the production of tobacco ( $\geq 0\%$  revenues)
- Fossil Fuel: companies with any involvement, major or minor, in fossil fuel and thermal coal
- Military: companies deriving more than 10% revenues from the production or sales of weapons

The remaining Companies from the Index Universe after the disputable activities exclusions are screened on the traded volume, companies with 3 months average daily traded value at the Review Cut-Off Date less than €10m are excluded.

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

#### Step 3: Selection Ranking

The eligible Companies are ranked by Environmental score, as determined by Moody's ESG Solutions. 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**

The 25 highest ranking Companies from the Eurozone as well as the 25 highest ranking Companies from the USA are selected.

### **2.3 PERIODICAL WEIGHTING UPDATE**

#### **Weighting method**

The index is Free Float Market Capitalisation weighted, with specific geographical zone weights.

The Weighting Factors are explained in the following paragraphs.

#### **Number of shares**

The Number Of Shares are determined based on the Review Cut-Off Date.

#### **Free Float factor**

The Free Float Factor is updated at each review based on the Review Cut-Off Date.

#### **Capping Factor**

The Capping Factors are determined such that the weight of the Eurozone and the USA Companies sums each to 50%. Furthermore a maximum weighting of 10% is applied to each constituent. The surplus weight (weight above the capping for a specific company) is allocated to all the other index components within the same geographical zone, proportional to their weights, subject to the capping constraint. The Capping Factors are determined based on the closing prices of the trading day prior to the Review Weightings Announcement Date, generally the Tuesday.

## 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 Transatlantic Environment 50	NL0015000BX9	ETE5P	ETE5P	ETE5P	30/12/2009	1000	05/05/2021	Price
Euronext Transatlantic Environment 50 NR	NL0015000BQ3	ETEGN	ETEGN	ETE5N	30/12/2009	1000	05/05/2021	Net Return
Euronext Transatlantic Environment 50 GR	NL0015000BV3	ETE5G	ETE5G	ETE5G	30/12/2009	1000	05/05/2021	Gross Return
Euronext Transatlantic Environment 50 Decrement 5%	NL0015000BW1	ETE5D	ETE5D	ETE5D	30/12/2009	1000	05/05/2021	Decrement Return 5% on NR

### 3.2 BASE CURRENCY

The Base Currency of this index family is Euro.

### 3.3 PUBLICATION

The level of the Indices are in principle published every 15 seconds starting from 09:00 CET until US 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 Transatlantic Environment 50</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>Environment score</p> <p>Selection :</p> <p>The 25 highest-ranking Environment scores from Eurozone and the 25 highest Environment scores ranking from the USA are selected.</p>
b) List of social factors considered:	Plases refer to a)
c) List of governance factors considered:	Please refer to a)
<b>Item 6.</b> 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:</p> <ul style="list-style-type: none"> <li>• Environment score</li> <li>• United Nations Global Compact (UNGC) screening</li> <li>• Controversies assessment</li> <li>• Controversial weapons involvement</li> <li>• Fossil fuel involvement</li> <li>• Military involvement</li> </ul>
<p>b) Verification of data and guaranteeing the quality of those data.</p> <p>Describe how data are verified and how the quality of those data is ensured.</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</li> </ul>



	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>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 <ul style="list-style-type: none"> <li>• Paris Agreement (UNFCCC)</li> </ul> </li> </ul>
<b>Information updated on:</b>	May 2021