

# **INDEX RULE BOOK**

## **Euronext V.E Eurozone Social Focus Index Family**

Version 22-02

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## 1. GENERAL

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This document is applicable to the Euronext V.E Eurozone Social Focus family ("Index Family"), which consists of all the Indices as mentioned in the Reference Table.

The Euronext V.E Eurozone Social Focus 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
21-01		Initial version	
21-02	15-12-2021	restyled version in view of newly published Calculation and Corporate Actions rulebooks	
21-03	15-12-2021	Textual update	
22-01	08-09-2022	Addition of Review Weighting Date	EIA 2022-318
22-02	20-09-2022	Textual update	

## 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 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.

At reviews, if a constituent of the current composition or the upcoming composition is suspended at the Review Composition Announcement Date, the weighting and effective dates are postponed once by 2 weeks. If the suspension lasts more than 2 weeks, the stock will be treated in line with the Corporate Actions Rules as per the Corporate Actions Rulebook.

### 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 are not eligible:

- 3m ADV < €10m
- Social score < 40
- Major involvement in Alcohol, Gambling, Adult Entertainment, Tobacco, Civilian Firearms or Cannabis
- Facing Critical Social Controversies
- Facing UNGC Critical Controversies
- Revenues from tobacco or controversial weapons (anti-personnel landmines, cluster munitions)
- Revenue involvement above 0% in Thermal Coal Mining
- Revenue involvement above 5% in Coal Fuelled Power generation

Moody's ESG Solutions provides research datapoints related to ESG, UNGC compliance and controversial activities involvement. The Euronext ESG Providers Methodologies document gives a detailed background on various scoring methodologies.

#### Step 3: Selection Ranking

The eligible Companies are ranked by decreasing order on

- a) the percentage involvement in positive social products.

- b) overall social 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**

- a) The 20 highest ranking eligible Companies in terms the percentage involvement in positive social products are selected.
- b) The 30 highest ranking eligible Companies (not yet selected in a) in terms of overall social score are selected.

### **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 V.E Eurozone Social Focus	FR0014004FP3	EZSFP	-	.EZSFP	01/01/2010	1000	14/07/2021	Price
Euronext V.E Eurozone Social Focus NR	FR0014004FO6	EZSFN	-	.EZSFN	01/01/2010	1000	14/07/2021	Net Return
Euronext V.E Eurozone Social Focus GR	FR0014004FN8	EZSFG	-	.EZSFG	01/01/2010	1000	14/07/2021	Gross Return
Euronext V.E Eurozone Social Focus Decrement 5%	FR0014004FM0	EZSFD	SOCOEUR	.EZSFD	01/01/2010	1000	14/07/2021	Decrement 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.

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	
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 V.E Eurozone Social Focus</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>Companies are excluded from the universe if</p> <ul style="list-style-type: none"> <li>• Revenue involvement above 0% in Thermal Coal Mining</li> <li>• Revenue involvement above 5% in Coal Fuelled Power generation</li> </ul>
b) List of social factors considered:	<p>Companies are excluded from the universe if</p> <ul style="list-style-type: none"> <li>• Social score &lt; 40</li> <li>• Major involvement in Alcohol, Gambling, Adult Entertainment, Tobacco, Civilian Firearms or Cannabis</li> <li>• Facing Critical Social Controversies</li> <li>• Revenue from tobacco or controversial weapons (anti-personnel landmines, cluster munitions)</li> </ul> <p>The eligible companies are ranked by decreasing order on</p> <ul style="list-style-type: none"> <li>• the percentage involvement in positive social products</li> <li>• overall social score</li> </ul>
c) List of governance factors considered:	<p>Companies are excluded from the universe if</p> <ul style="list-style-type: none"> <li>• Facing UNGC Critical Controversies</li> </ul>
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: Euronext ESG Providers Methodologies rulebook provides detailed definitions</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>
<p><b>Information updated on:</b></p>	<p>14 July 2021</p>