



EURONEXT CAC 40® ESG INDEX

Accelerating the transition
to a sustainable economy

Powered by **VE**

Responsible investment has become increasingly important in the world of finance, with the aim of supporting more sustainable growth. As a leading index provider in Europe, Euronext's ambition is to proactively contribute to the construction of a sustainable financial ecosystem.

To continue supporting the growing demand for investment solutions with ESG considerations, we welcome a new ESG version of Euronext's iconic CAC 40® index. Aligned with the French SRI label and UNGC principles, this index is designed to direct capital flows to the top 40 companies within the CAC Large 60 Index demonstrating robust Environmental, Social and Governance practices.

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The objective of the CAC 40 ESG is to help investors identify companies which are actively contributing to a more sustainable future through an index combining economic performance with environmental, social and governance objectives. The methodology includes activity exclusions as well as a filter based on the United Nations Global Compact Assessment, while aligned with the successful French SRI label.

Created in 2016, the **French SRI label** is a powerful tool for choosing sustainable and responsible investments. Designed and supported by the French Ministry of Finance, the goal of the label is to increase visibility of SRI products among retail investors in France and Europe. Today, it covers more than €300 billion of assets and over 600 funds, coming from around 95 asset managers.

The CAC 40® ESG is the FIRST index of a sustainable CAC index family

Opportunity for a large range of investment vehicles such as ETFs, funds and structured products

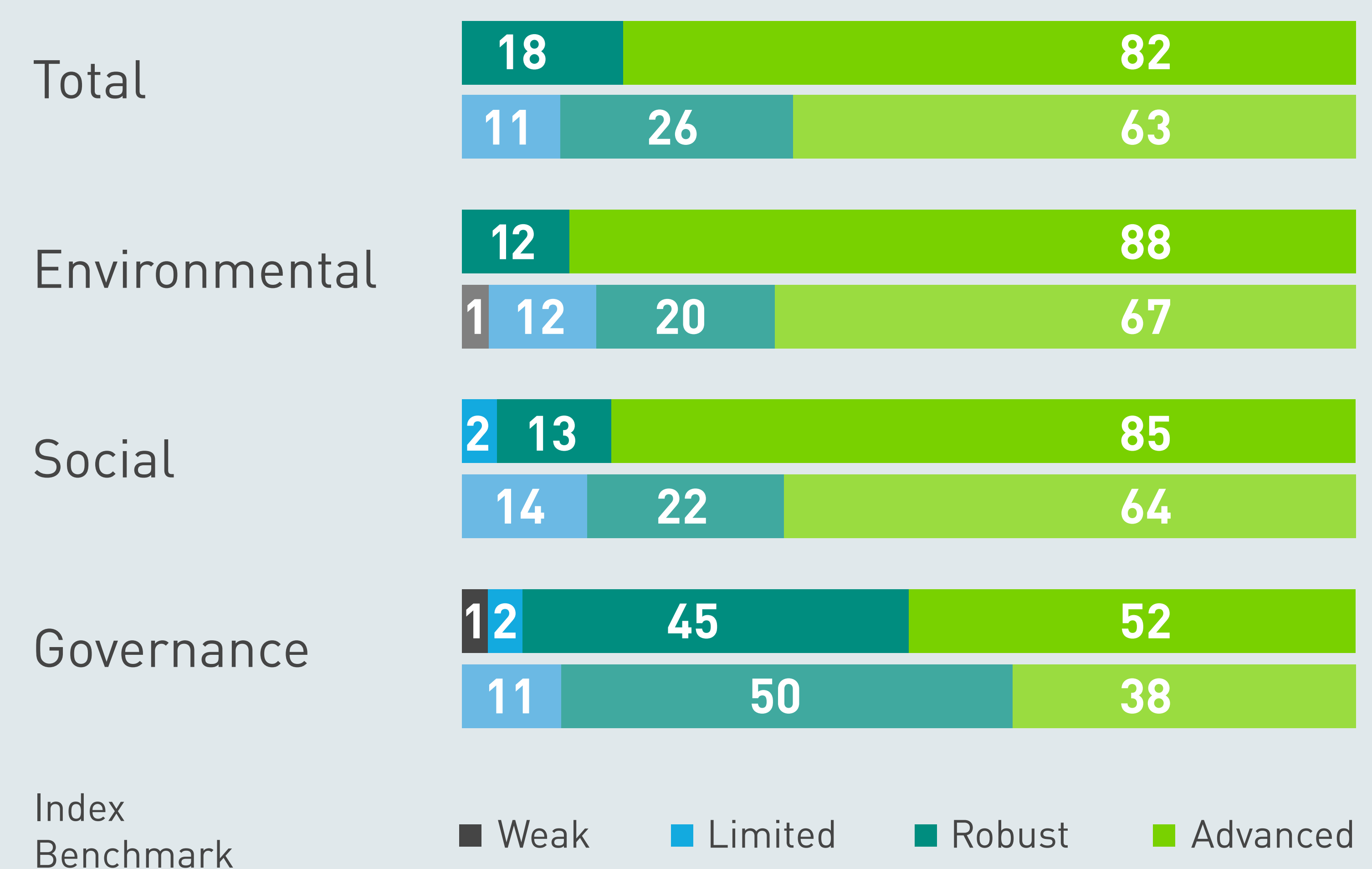
ESG Performance

CAC 40 ESG vs. CAC Large 60

Weighted average ESG ratings

		Average	Min	Max
Global	CAC 40 ESG	65	55	74
	CAC LG 60	61	34	74
Environmental	CAC 40 ESG	69	52	86
	CAC LG 60	65	25	86
Social	CAC 40 ESG	67	49	78
	CAC LG 60	62	35	78
Governance	CAC 40 ESG	60	25	74
	CAC LG 60	58	25	74

Performance distribution by weighting



* numbers correspond to the June 2021 evaluation (V.E ESG data report)



CAC 40[®] ESG BUILDING BLOCKS

STARTING UNIVERSE

Start from the CAC Large 60

BASELINE EXCLUSIONS

Removal of the companies with critical controversies with the UNG C principles & activity exclusions

SELECTION

Selection of the top 40 ESG companies

LIQUIDITY

Free float market cap weighting

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INDEX METHODOLOGY



1. UN Global Compact based on V.E inputs:

Companies with any involvement in production of key parts or full weapon systems for controversial weapons, production of tobacco and companies facing a critical controversy with regards to the UN Global Compact are excluded.



2. Negative screening based on as V.E assessment:

Companies with involvement in Coal Mining, Coal-fueled power generation (>10% turnover), Tar sand & oil shale extraction and civilian firearms (>10% turnover) and controversial weapons. Distribution of tobacco is also excluded.



3. ESG score

V.E assesses and rates the performance of companies according to Equitics methodology based on 38 ESG criteria. Each company is assigned an overall score out of 100 (the higher, the better) which is the weighted and consolidated score of all ESG criteria under review.

Review Cycle: The same quarterly review period of the CAC family: March, June, September, December.



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