


EURONEXT CAC 40 GOVERNANCE INDEX

In partnership with  **vigeo eiris**

The CAC 40® Governance index, designed in partnership with Vigeo Eiris, shows the performance of the CAC 40 constituents weighted on the basis of their governance score, which includes the 40 largest and most actively traded shares listed on Euronext Paris.

Corporate governance structure identifies the distribution of rights and responsibilities among the different participants in the organization and lays down the rules and procedures for decision-making.

The CAC 40 Governance index is based on Vigeo Eiris' rating methodology.

Vigeo Eiris is an independent global provider of environmental, social and governance (ESG) research and services to investors and public and private corporates.

Vigeo Eiris assesses and rates the performances of companies on their corporate governance responsibility according to the Equitics® Responsible Corporate Governance methodology. Its score is built with an assessment framework structured by four underlying criteria:

- Responsible Board Practice and Organisation
- Audit and Internal Controls
- Shareholder's Rights
- Responsible Executive Remuneration.

Benefits of good corporate governance (according to the OECD)

Good corporate governance creates **value in the long term and impacts share value** thanks to:

- Improved top-level decision-making processes
- Better environment control
- Reduction in firms' cost of capital

Index Methodology

The weighting of each company expected to be included in the underlying index at the review date is based on the **Equitics Corporate Governance score** of the company:

- Companies are **ranked in four groups** of ten according to their Corporate Governance score
- Companies in each group are **equally weighted**
- **Quarterly periodical review and rebalancing** of the index, like the CAC 40 index
- The new weights are based on this ranking and are calculated as follows:

RANKING BASED ON THE CORPORATE GOVERNANCE SCORE	TOTAL WEIGHT FOR EACH RANGE	INDIVIDUAL STOCKS WEIGHT
1 to 10	40%	4%
11 to 20	30%	3%
21 to 30	20%	2%
31 to 40	10%	1%

	CAC 40	CAC 40 GOVERNANCE
Review of composition	Third Friday of March, June, September and December	Same review dates
Selection	Consists of the 40 highest ranking companies (based on free float adjusted market capitalization and turnover)	Same composition
Weighting	Free float market capitalization	Companies equally weighted within four groups. Ranking based on companies' Corporate Governance Score.

Contacts:

For more information, contact:
Indexlicence@euronext.com

CAC 40 Governance is the first responsible corporate governance index launched by Euronext in partnership with Vigeo Eiris. The index is launched in three versions, the Price Version mentioned and the CAC 40 Governance NR (net return) and CAC 40 Governance GR (gross return).



Disclaimer

This publication is for information purposes only and is not a recommendation to engage in investment activities. This publication is provided "as is" without representation or warranty of any kind. Whilst all reasonable care has been taken to ensure the accuracy of the content, Euronext does not guarantee its accuracy or completeness. Euronext will not be held liable for any loss or damages of any nature ensuing from using, trusting or acting on information provided. No information set out or referred to in this publication shall form the basis of any contract. The creation of rights and obligations in respect of financial products that are traded on the exchanges operated by Euronext's subsidiaries shall depend solely on the applicable rules of the market operator. Except as below described, all proprietary rights and interest in or connected with this publication shall vest in Euronext. No part of this publication may be redistributed or reproduced in any form without the prior written permission of Euronext. Portions of this publication contain materials or information copyrighted, trademarked or otherwise owned by a third party. No permission is given to use these third party materials. Euronext refers to Euronext N.V. and its affiliates. Information regarding trademarks and intellectual property rights of Euronext is located at <https://www.euronext.com/terms-use>.