

# ESG Index Derivatives STOXX® ESG-X Index Futures & Options

May 2024

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# Eurex product coverage

## ESG index methodologies and principles

Index Composition Approach	Description	EUREX Product Coverage <sup>2</sup> (Bloomberg Prod. Code)
Negative Screening	Excluding companies based on standardized/common exclusions screens such as tobacco, thermal coals, controversial weapons...etc.	STOXX Europe 600 ESG-X futures (FUEA) / options (SXXPESGX)
Norms-Based Screening	Excluding companies that are not in compliance with the United Nations Global Compact principles	STOXX USA 500 ESG-X futures (QFCA)
ESG Integration	Incorporating ESG scores to enhance the risk-return profile of a benchmark index	MSCI ESG Screened futures (8 regions)/ options (4 regions) (HRLA, AUEA, UMEA, HRRR, HRWA, HRIA, HRYA, MUYA)
Positive Screening	Inclusion of companies that show (relatively) the best performance on ESG criteria chosen by the index providers	DAX 50 ESG futures (XSDA) / options (DAXESGK)
Green Bond Investing	Active selection of <b>green bonds</b> according to the criteria set out by MSCI ESG research and Green Bond Principles	STOXX Europe ESG Leaders Select 30 futures (AVSA)/ options (SEESGSEP)
Climate Thematics	Aim at reducing exposures to companies directly involved in fossil value chain or transition risk	EURO STOXX 50 ESG futures (XSSA) / options (SX5EESG)
		STOXX Europe 600 SRI futures (CIEA)
		MSCI SRI futures (4 regions) (CIWA, CIYA, CISA, CITA )
		Bloomberg MSCI Euro Corporate SRI Index fut. (LXYA Index)
		Bloomberg MSCI Global Green Bond Index fut. (LXAA Index)
		EURO STOXX 50 Low Carbon futures (BCYA)
		STOXX Europe Climate Impact futures <sup>3</sup> (FAEA)
		MSCI ESG Enhanced Focus CTB futures (5 regions) (SJYA, SHRA, SHSA, FIFA, SHRA)

Equity Index

FIXED INCOME Index

1) In this presentation, "derivatives on ESG indices" is often shorten as "ESG index derivatives" and are used interchangeably.

2) This is ordered by the main index methodology. All graphs are only used for illustrative purposes.

It is possible that certain indices could have multiple index composition approaches indicated on the left. Please refer to the Appendix for more information on index methodology.

3) The full name of the index tracked is STOXX® Europe Climate Impact Ex Global Compact Controversial Weapons & Tobacco Index Futures (FSCI)

# Norms-based Screening<sup>1</sup>

## Global Standard Screening as provided by Sustainalytics



1) ESG index methodology as provided by STOXX

# STOXX® ESG-X Index Methodology<sup>1</sup>

## Universe



- The STOXX® Benchmark ESG-X Indices are based on a selection of STOXX® Benchmark Indices

## Selection



- Exclusion criteria:
  - Global Standard Screening
  - ESG controversies (Category 5)
  - Involvement in controversial weapons
  - Tobacco
  - Thermal coal
  - Unconventional oil & gas
  - Small arms involvement
  - Military contracting
  - ESG Risk Ratings (Severe)

## Weighting



- Free-float market cap

## Maintenance



- The indices are reviewed on a quarterly basis in March, June, September and December.

1) ESG index methodology as provided by STOXX

# Enhanced ESG criteria<sup>1</sup> (1/2)

	Exclusion
<b>Global Standard Screening</b>	Exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.
<b>ESG controversies (category 5)</b>	Exclude companies that Sustainalytics identifies to have a Controversy Rating of Category 5 (Severe). Sustainalytics assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications.
<b>ESG Risk Ratings (Severe)</b>	Exclude companies that Sustainalytics identifies to have a "Severe" ESG Risk Rating. The ESG Risk Rating evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company from a financial perspective. Sustainalytics assess and categorizes companies into five risk categories (Negligible, Low, Medium, High, Severe).
<b>Controversial weapons</b>	Exclude the companies that Sustainalytics identifies to be involved with controversial weapons. The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons. The criteria for involvement are: Internal production or sale of controversial weapons The ultimate holding company own >10% of voting rights of an involved company >10% of voting rights of a company is owned by the involved company
<b>Tobacco</b>	> 0% revenue threshold from tobacco production > 5% revenue threshold from tobacco-related products and services > 5% revenue threshold from tobacco products distribution

1) ESG index methodology as provided by STOXX

# Enhanced ESG criteria<sup>1</sup> (2/2)

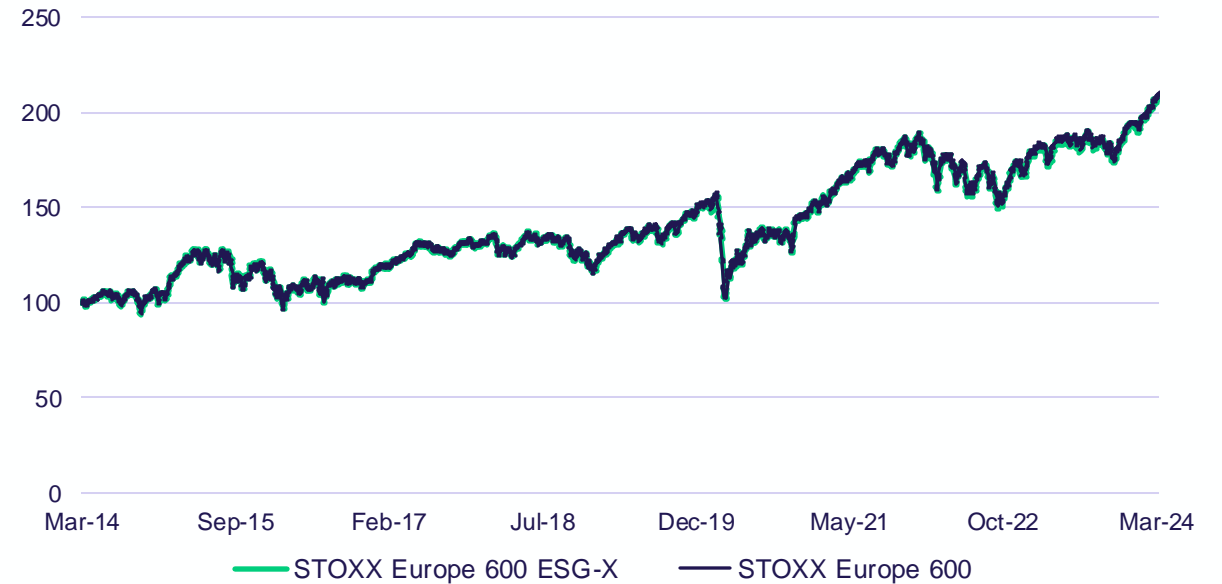
	Exclusion
<b>Thermal coal</b>	<ul style="list-style-type: none"><li>&gt; 5% revenue threshold from thermal coal exploration and extraction</li><li>&gt; 5% power generating capacity (coal-fired electricity, heat or steam generation capacity / thermal coal electricity production)</li></ul>
<b>Unconventional oil &amp; gas</b>	<ul style="list-style-type: none"><li>&gt; 5% revenue threshold from oil sands extraction</li><li>&gt; 5% revenue threshold from arctic oil and gas exploration and extraction</li><li>&gt; 5% revenue threshold from shale energy exploration and/or production</li></ul>
<b>Small arms involvement</b>	<ul style="list-style-type: none"><li>&gt; 0% revenue threshold from manufacturing and selling assault weapons to civilian customers</li><li>&gt; 0% revenue threshold from manufacturing and selling small arms (non-assault weapons) to civilian customers</li><li>&gt; 0% revenue threshold from manufacturing and selling key components of small arms</li><li>&gt; 5% revenue threshold from retail and/or distribution of assault weapons</li><li>&gt; 5% revenue threshold from retail and/or distribution of small arms (non-assault weapons)</li><li>&gt; 5% revenue threshold from manufacturing and selling small arms to military / law enforcement customers</li></ul>
<b>Military contracting</b>	<ul style="list-style-type: none"><li>&gt; 10% (aggregate) revenue threshold from Manufacturing military weapons systems and/or integral, tailor-made components of these weapons and from tailor-made products and/or services that support military weapons</li></ul>

# STOXX® Europe 600 ESG-X<sup>1</sup>

## Risk and return overview<sup>2 3 4</sup>

	STOXX Europe 600 ESG-X	STOXX Europe 600
Perf. overall (annualized)	7.78%	7.85%
Perf. (1Y)	19.75%	19.56%
Perf. (3Y) (annualized)	9.55%	9.68%
Perf. (5Y) (annualized)	9.77%	9.76%
Vol. overall (annualized)	16.67%	16.66%
Volatility (1Y) (annualized)	10.08%	10.05%
Volatility (3Y) (annualized)	14.65%	14.59%
Volatility (5Y) (annualized)	17.66%	17.69%
Sharpe ratio (overall) <sup>4</sup>	0.52	0.53
Sharpe ratio (5Y) <sup>4</sup>	0.59	0.59
Tracking error (overall)	0.49%	
Tracking error (5Y)	0.50%	
Dividend yield (overall)	4.67%	4.71%
Maximum drawdown	35.24%	35.34%
Constituents	563	600

## Performance (EUR GR): Mar, 2014 – Mar, 2024<sup>1</sup>

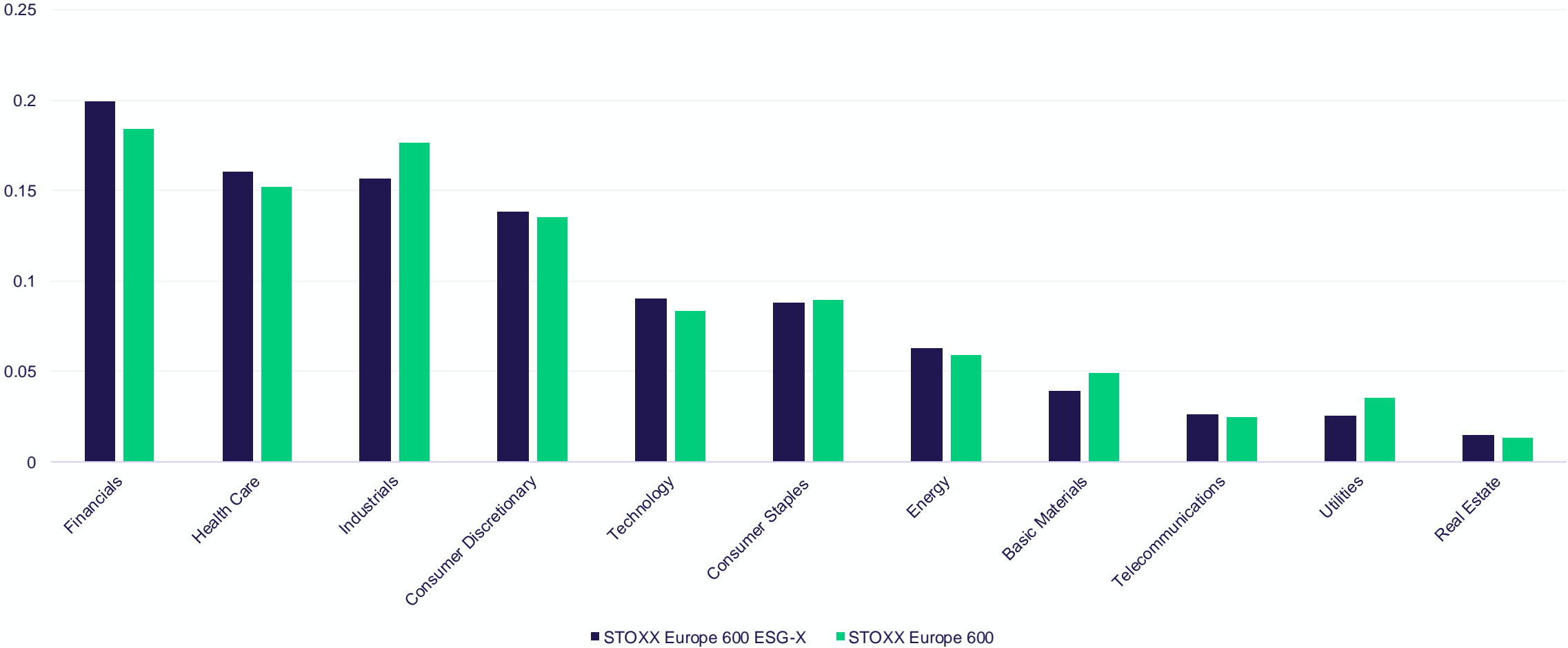


For further, legally binding information on the index, please see the STOXX factsheet: <https://stox.com/index/sxxpesqx/?factsheet=true>

- 1) ESG index methodology as provided by STOXX
- 2) Source: STOXX, daily data. Relative figures calculated against benchmark
- 3) €STR used as a proxy for riskless returns
- 4) STOXX Data Mar 31, 2014 – March 28, 2023

# STOXX® Europe 600 ESG-X

Industry allocation<sup>1</sup>



1) ESG index methodology as provided by STOXX  
May 2024

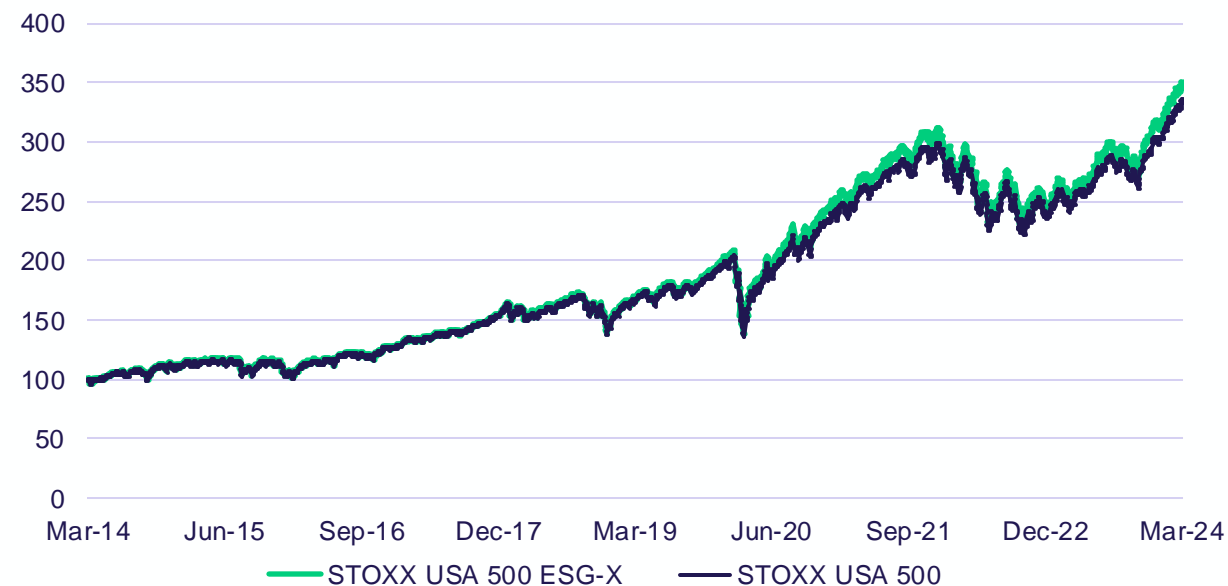


# STOXX® USA 500 ESG-X<sup>1</sup>

## Risk and return characteristics<sup>2 3 4</sup>

	STOXX USA 500 ESG-X	STOXX USA 500
Perf. overall (annualized)	13.48%	12.98%
Perf. (1Y)	37.13%	35.48%
Perf. (3Y) (annualized)	10.97%	10.69%
Perf. (5Y) (annualized)	16.00%	15.26%
Vol. overall (annualized)	18.20%	17.89%
Volatility (1Y) (annualized)	12.30%	11.80%
Volatility (3Y) (annualized)	18.08%	17.69%
Volatility (5Y) (annualized)	21.81%	21.50%
Sharpe ratio (overall)	0.71	0.69
Sharpe ratio (5Y)	0.70	0.68
Tracking error (overall)	0.93%	
Tracking error (5Y)	0.88%	
Dividend yield (overall)	4.66%	4.61%
Maximum drawdown	33.45%	33.82%
Constituents	448	500

## Performance (EUR GR): Mar, 2014 – Mar, 2024<sup>1</sup>

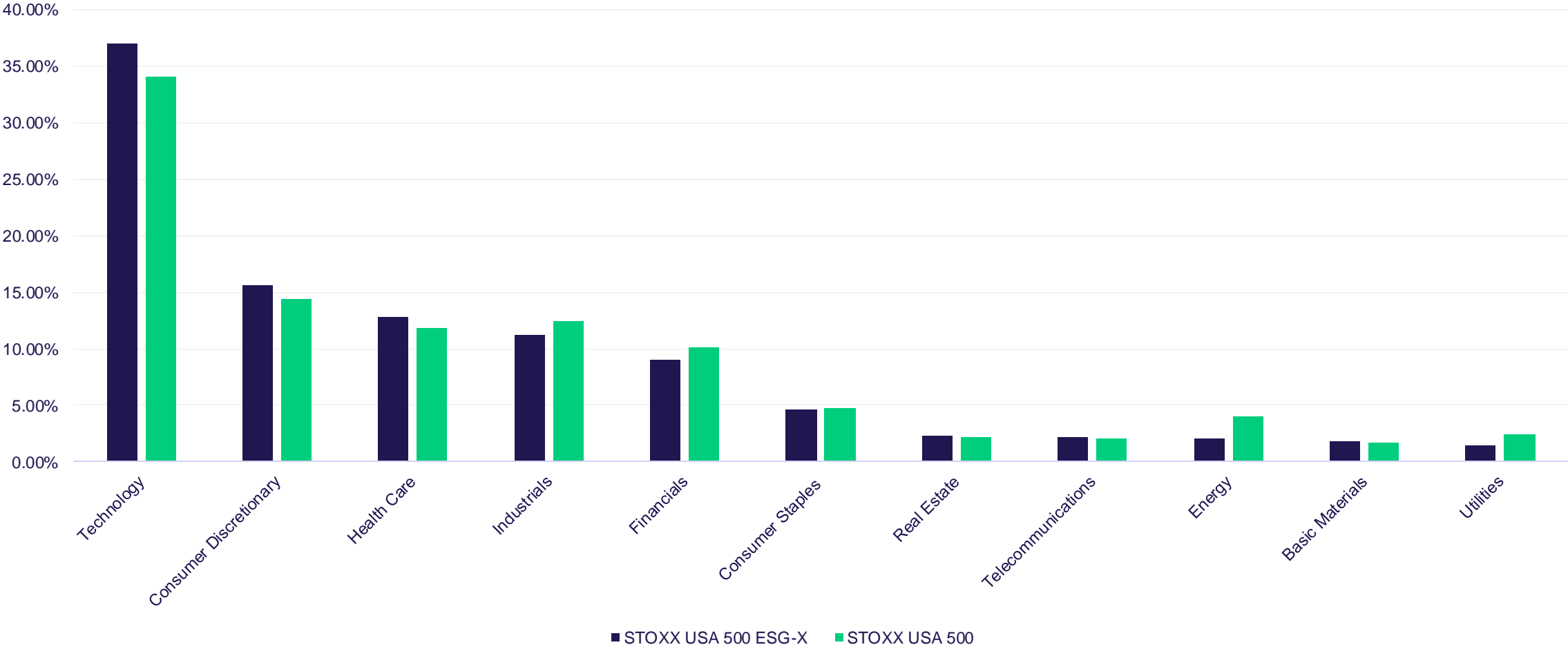


For further, legally binding information on the index, please see the STOXX factsheet: <https://stox.com/index/su5pesgx/>

- 1) ESG index methodology as provided by STOXX
- 2) Source: STOXX, daily data. Relative figures calculated against benchmark
- 3) SOFR used as a proxy for riskless returns
- 4) STOXX Data Mar 31, 2014 – Mar 28, 2024

# STOXX® USA 500 ESG-X

## Industry allocation<sup>1</sup>



1) ESG index methodology as provided by STOXX  
May 2024

# STOXX® Europe 600 ESG-X Derivatives – Contract Specifications

Index	Currency	Index type	Index Level <sup>1</sup>	Eurex	Multiplier	Min Block Size	Tick Size	Tick Value	Calendar Tick	Calendar Tick value	Contract value in EUR <sup>1</sup>
STOXX® Europe 600 ESG-X	EUR	Price	194	Future	100	50	0.1	10.00			19,400
				Option	100	50	0.01	10.00			19,400
<b>Related benchmark</b>											
STOXX® Europe 600	EUR	Price	522	Future	50	300	0.1	5.00	0.02	1.00	26,100

## STOXX® Europe 600 ESG-X Derivatives contract specifications

<b>Description of underlying</b>	A detailed description of the index rules and regulations can be found on the STOXX website under: <a href="#">STOXX® Europe 600 ESG-X - STOXX</a>
<b>Contract value</b>	Futures: EUR 100 per index point; Options: EUR 100 per index point
<b>Settlement</b>	Cash settlement, due on the first exchange day after the final settlement day
<b>Price determination</b>	Futures: in points, with one decimal places; Options: in points, with two decimal places
<b>Minimum price change</b>	Futures: 0.1 index points; Options: 0.01 index points
<b>Contract months</b>	Futures: the next three quarter months of the cycle March, June, September and December (9 months).
<b>Last trading day/final settlement day</b>	The third Friday of each maturity month, if this is a trading day at Eurex Deutschland, otherwise the trading day immediately preceding that day. Close of trading for maturing series: 12:00 CET
<b>Final settlement price</b>	The average value of all index calculations of the STOXX® Europe 600 ESG-X Index in the time between 11:50 and 12:00 CET on the last trading day

1) Index level, 21.05.2024

# STOXX® USA 500 ESG-X Derivatives – Contract Specifications

Index	Currency	Index type	Index Level <sup>1</sup>	Eurex	Multiplier	Min Block Size	Tick Size	Tick Value	Calendar Tick	Calendar Tick value	Contract value in USD <sup>1</sup>
STOXX® USA 500 ESG-X	USD	Price	472	Future	100	50	0.05	5.00			47,200

## STOXX® USA 500 ESG-X Derivatives contract specifications

<b>Description of underlying</b>	A detailed description of the index rules and regulations can be found on the STOXX website under: <a href="#">STOXX® USA 500 ESG-X - STOXX</a>
<b>Contract value</b>	Futures: USD 100 per index point
<b>Settlement</b>	Cash settlement, due on the first exchange day after the final settlement day
<b>Price determination</b>	Futures: in points, with two decimal places
<b>Minimum price change</b>	Futures: 0.05 index points
<b>Contract months</b>	Futures: the next three quarter months of the cycle March, June, September and December (9 months).
<b>Last trading day/final settlement day</b>	The third Friday of each maturity month, if this is a trading day at Eurex Deutschland, otherwise the last trading day immediately preceding that day. Close of trading for maturing series is 22:00 CET. The final settlement day is the trading day following the last trading day.
<b>Final settlement price</b>	Relevant for the STOXX® USA 500 ESG-X equity index futures is the index closing price on the last trading day

1) Index level, 21.05.2024

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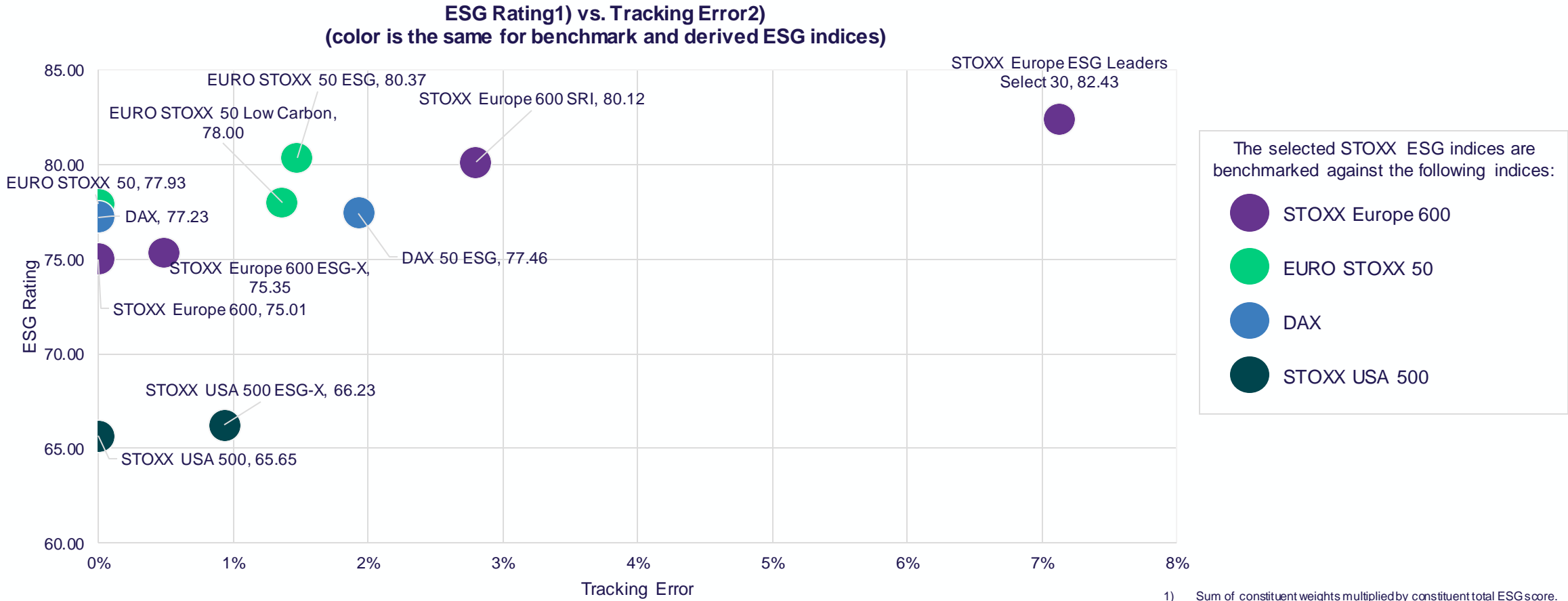




# Appendix



# STOXX ESG indices underlying Eurex derivatives: ESG rating vs Tracking error



Source: STOXX, Sustainalytics. Data as of March 18, 2024

1) Sum of constituent weights multiplied by constituent total ESG score. Sustainalytics' ESG Ratings measure how well companies proactively manage the environmental, social and governance issues that are the most material to their business. The research framework broadly addresses three themes: Environmental (E), Social (S) and Governance (G). Sustainalytics defines a set of indicators within each of these E, S and G themes, and companies are scored from 0 to 100 based on their performance in each indicator. The companies' E, S, G and overall ESG Scores are then derived from the sum of the weighted average of the underlying indicator scores. Higher ESG Score indicates better ESG performance.

2) Overall tracking errors calculated against benchmarks over 10-year period

# STOXX ESG indices underlying Eurex derivatives: ESG profile comparison (1)

Index	EURO STOXX 50 ESG	EURO STOXX 50 Low Carbon	STOXX Europe ESG Leaders Select 30	STOXX Europe 600 ESG-X	STOXX Europe 600 SRI	STOXX USA 500 ESG-X	DAX 50 ESG
Benchmark	EURO STOXX 50	EURO STOXX 50	STOXX Europe 600	STOXX Europe 600	STOXX Europe 600	STOXX USA 500	DAX
ESG Rating	80.37	78.00	82.43	75.35	80.12	66.23	77.46
Environmental Rating	83.09	80.95	81.94	76.3	82.7	70.03	79.24
Social Rating	77.3	74.68	82.72	72.62	76.82	62.29	75.27
Governance Rating	81.4	79.32	84.04	78.34	81.97	67.31	78.66
GHG Intensity	67.46	21.49	120.27	78.76	15.98	46.76	72.82
Controversial Weapons	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tobacco	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ESG approach	<ul style="list-style-type: none"> <li>Exclusionary screening</li> <li>Replace excluded companies with those from EURO STOXX universe aligned with the screening criteria accordingly</li> </ul>	<ul style="list-style-type: none"> <li>Exclusionary screening</li> <li>Emission-intensity-based weighting scheme</li> </ul>	<ul style="list-style-type: none"> <li>Exclusionary screening and ESG-score-based weighting scheme applied in the index universe (STOXX Global ESG Leaders) construction</li> </ul>	<ul style="list-style-type: none"> <li>Exclusionary screening</li> </ul>	<ul style="list-style-type: none"> <li>Exclusionary screening</li> <li>Best-in-class</li> </ul>	<ul style="list-style-type: none"> <li>Exclusionary screening</li> </ul>	<ul style="list-style-type: none"> <li>Exclusionary screening</li> <li>Select companies with highest ESG scores</li> </ul>



# STOXX ESG indices underlying Eurex derivatives: ESG profile comparison (2)

Exclusionary screens <sup>1</sup>	EURO STOXX 50 ESG	EURO STOXX 50 Low Carbon	STOXX Europe ESG Leaders Select 30 <sup>2</sup>	STOXX Europe 600 ESG-X	STOXX Europe 600 SRI	STOXX USA 500 ESG-X	DAX 50 ESG
Norms-Based Screening	v	v	v	v	v	v	v
ESG Controversies	v		v	v	v	v	v
Controversial weapons	v	v	v	v	v	v	v
Tobacco	v	v	v	v	v	v	v
Thermal coal	v	v	v	v	v	v	v
Nuclear Power					v		v
Conventional oil & gas					v		
Unconventional oil & gas	v	v	v	v	v	v	v
Small arms	v	v	v	v	v	v	v
Military contracting	v	v	v	v	v	v	
Adult entertainment					v		
Gambling					v		
Alcohol					v		
ESG Risk Ratings	v		v	v	v	v	v

Source: STOXX. Data as of March 18, 2024

V = Exclusionary screen included in methodology

1) Please note that exclusionary screens names might not match the exact wording as provided in the STOXX methodology due to indices using different ESG data sources (Sustainalytics, ISS ESG)

2) Exclusionary screens are applied to the index universe

# Thank you!

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