

# ECPI CIRCULAR ECONOMY LEADERS INDEX

RULE BOOK

December 2025  
Version 3.0.5

**ECPI Srl is part of STOXX**

## MARKET REALITY

The ECPI Circular Economy Leaders Equity Index is an equally weighted equity index designed to offer investors exposure to listed companies in Global developed markets, characterized by a positive ESG profile and that are the ones best placed to grasp the benefits deriving from the adoption of circular economy models and companies that have been able to translate circular economy principles into business practices.

## INDEX FAMILY IDENTIFIERS

BLOOMBERG TICKER	REFINITIV RIC	INDEX NAME
GALPHCEP Index	.GALPHCEP	ECPI Circular Economy Leaders Price Index
GALPHCER Index	.GALPHCER	ECPI Circular Economy Leaders Total Return Index
GALPHCEN Index	.GALPHCEN	ECPI Circular Economy Leaders Net Return Index
GALPHCED Index	.GALPHCED	ECPI Circular Economy Leaders NTR Index 3.5% Decrement

## INDEX REBALANCING

Semi-Annually, on the Selection Date immediately preceding the relevant Effective Rebalance Date, index constituents are selected in accordance with the index eligibility criteria as new constituents of the index in order to ensure market representation. If the review day falls on a holiday, the subsequent working day will be considered.

REBALANCING TIMETABLE		
TIME REFERENCE	ACTION	WHEN
T <sub>0</sub>	Selection Date of the new constituents	1st Friday of Jan, Jul
T <sub>1</sub>	Equal Weight Reference Date	3rd Monday of Jan, Jul
T <sub>2</sub>	Proforma Period	4 days of Proforma, starting 3rd Monday of Jan, Jul
T <sub>3</sub>	Effective Rebalance Date: the new index is effective	3rd Friday (closing) of Jan, Jul

# EQUITY UNIVERSE

Every six months ECPI reviews the index constituents in order to ensure market representation.

ECPI maintains a research universe of investable instruments construed according to the ECPI ESG Screening Methodology (ECPI ESG Rating Methodology – Companies).

Starting from the research universe, ECPI has built a thematic selection of companies according to the following definition of Circular Business Models and Industrial Sectors (**Thematic Universe**):

- **Circular Supplies:** Provide renewable energy, bio based- or fully recyclable input material to replace single-lifecycle inputs.  
Industrial Sectors: Renewable Energy Generation, Renewable Energy Equipment, Renewable Energy Project Dev, Biofuels, Fuel Cells.
- **Resource Recovery:** Recover useful resources/energy out of disposed products or by-products.  
Industrial Sectors: Waste Management, Environmental Services & Equipment (Environmental Engineer & Consulting, Pollution Control Equipment).
- **Product Life Extension:** Extend working lifecycle of products and components by repairing, upgrading and reselling.  
Industrial Sectors: Apparel & Textile Products, Automotive, Chemicals, Construction Materials, Consumer Products, Containers & Packaging, Distributors, Electrical Equipment, Forest & Paper Products, Home & Office Products, Iron & Steel, Machinery, Manufactured Goods, Metals & Mining, Retail.
- **Sharing Platforms:** Enable increased utilization rate of products by making possible shared use/access/ownership.  
Industrial Sectors: Technology (Hardware, Semiconductors), Shared Services (ride-sharing, house sharing, etc.).
- **Product as a Service:** Offer product access and retain ownership to internalize benefits of circular resource productivity.  
Industrial Sectors: Technology (Software, Technology Services, Cloud Computer), Retail (leasing services), Shared Goods (car, bike, etc.)

The thematic selection aims at identifying those companies that with their product and services address specific sub-themes/clusters and relies on information and data collected from multiple sources addressing the following topics:

- Consumption of resources and waste
- CSR Strategy
- Internal policies for resource efficiency
- Product responsibility
- Recovery and supply chain alignment

Each company belonging to the Circular Economy Universe is assigned to one "circular business model".

To be eligible for inclusion in the ECPI Circular Economy Leaders Equity Index, a stock must satisfy the following criteria (in which case, it will be an "eligible stock"):

**Index Initial Universe:**

1. The Company belongs to the **Thematic Universe** described above
2. It is listed on a Global Developed Market

COUNTRY TABLE		
Australia	Hong Kong	Portugal
Austria	Ireland	Singapore
Belgium	Israel	Spain
Canada	Italy	Sweden
Denmark	Japan	Switzerland
Finland	Luxembourg	United Kingdom
France	Netherlands	United States
Germany	New Zealand	
Greece	Norway	

Any issuer whose head office is located in a country or territory included in the latest available version of the **EU list of countries and territories not cooperating on tax issues** or domiciled in a country or territory on the **Financial Action Task Force (FATF) blacklist or greylist** is not eligible for the inclusion in the index.

3. The issuer of the stock must have a minimum market capitalization of € 500 million
4. The average daily traded value of the stock over the last 6 months shall be equivalent to a minimum of € 5 million

**ESG Investable Universe:**

5. The following Normative & Controversy Screening is applied:
  - o Companies with a poor ESG profile are excluded (ESG Rating = F)
  - o Companies involved in structural, repetitive, and severe controversies or violations of the:
    - UN Global Compact
    - UN Guiding Principles on Business and Human Rights (UNGPs)
    - OECD Guidelines for Multinational Enterprises (as far as relevant)
    - ILO Conventions
 are excluded
6. The following ESG Best in Universe Strategy rule is applied:
  - o Environmental Rating must be E- or higher, AND
  - o Social Rating must be E- or higher, AND

- Governance Rating must be E- or higher, AND
- Overall ESG Rating must be E+ or higher

The degree of exposure of a company to the Circular Economy concept is measured by the **ECPI Circular Economy Score**, which monitors five Circularity Dimensions:

- Consumption of resources and waste
- CSR Strategy
- Internal policies for resource efficiency
- Product responsibility
- Recovery and supply chain alignment

Using more than 50 qualitative and quantitative Environmental datapoints, a score is assigned.

7. The **ECPI Circular Economy Score** ranges from 0 to 50 and only companies with a Score greater than or equal to 24 are eligible to be included in the ESG Investable Universe.

The following Sector Exposure criteria are applied aimed at ensuring compliance of selection with Towards Sustainability standards, French SRI Label, and PAB exclusions rules:

8. Company is not involved in the cultivation and production of **tobacco**, e-cigarettes and the wholesale trading of these products, or their enabling activities.
9. The company is not involved in production of **controversial weapons** (Nuclear, Biological, Chemical, Cluster Munitions, Mines) and/or their essential components.
10. The company does not derive more than 5% of its revenues from: the production and/or distribution of **conventional weapons/armaments** (including handguns and civilian firearms); the production of their essential tailor-made components; or their enabling activities.
11. A company involved in prospection, exploration, extraction/mining, processing, or transportation of **thermal coal** is eligible if:
  - it derives less than 1% of its revenues from thermal coal production related activities, including transportation related activities.
  - or less than 25% of its revenues from their enabling activities.
  - the absolute production of thermal coal has not increased over the past three years
  - if listed in the Global Coal Exit List (GCEL), its inclusion in the index portfolio must be motivated.
12. A companies involved in prospection, exploration or extraction of **unconventional oil and gas** is eligible if:
  - it derives less than 5% of its revenues from unconventional oil & gas activities
  - or less than 25% of its revenues from their enabling activities

- the absolute production of unconventional oil and gas has not increased over the past three years
- if listed in the Global Oil & Gas Exit List (GOGEL) and having unconventional production > 5% or having any short-term unconventional expansion, its inclusion in the index portfolio must be motivated.

13. A company involved in prospection, exploration, extraction, processing, refining or transportation of **conventional oil & gas** is eligible if:

- it derives less than 5% of its revenues from oil and gas-related activities; or
- less than 25% of its revenues from their enabling activities. or
- it has a SBTi target set at well-below 2°C or 1.5°C, or have a SBTi 'Business Ambition for 1.5°C' commitment,
- if listed in the Global Oil & Gas Exit List (GOGEL) and having conventional production > 5% or having any short-term conventional expansion, its inclusion in the index portfolio must be motivated.

14. A company involved in the **generation of power/heat** from non-renewable energy sources (Electric Utilities, Gas Utilities, Multi-Utilities, Independent Power Producers & Energy Traders) is eligible if:

- it is not involved in building new coal-fired power stations, AND
- the company's absolute production of coal-based energy shall not be structurally increasing (+5% over the past three years) and the company's capacity for coal-based energy shall be less than 5 GW, AND
- the company derives 50% or more of its revenues from electricity generation with a GHG intensity of less than 100 g CO<sub>2</sub> e/kWh.

AND,

- it has a SBTi target set at well-below 2°C or 1.5°C, or has a SBTi 'Business Ambition for 1.5°C' commitment, OR
- it derives less than 5% of its revenues from non-renewable energy generation, OR
- it derives more than 50% of its revenues from contributing activities.

AND

- if listed in the Global Coal Exit List (GCEL), its inclusion in the index portfolio must be motivated.

# INDEX SELECTION

The index selects the first 50 stocks by capitalization, subject to specific selection constraints related to diversification, selectivity, and Principal Adverse Impact (PAI).

Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors as per European Regulation (EU) 2019/2088. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**a. Sector Diversification Criterion:**

Constituents shall be selected in order to reflect the thematic universe sector composition.

**b. GHG intensity Criterion – PAI 3 indicator:**

At rebalancing date, the GHG intensity of the index, calculated including Scope 1 and Scope 2 emissions, shall be lower than the average GHG Intensity of the Index Initial Universe. If the test fails, the constituent with the highest GHG Intensity is substituted with next eligible stock of the investable universe belonging to the same sector of the substituted security. The process is iterated till the GHG Intensity condition is met. GHG Intensity of the final portfolio must be lower than the one of the Index Initial universe.

**c. Gender diversity Criterion – PAI 13 indicator:**

At rebalancing date, the Board gender diversity level of the index, i.e. the percentage of board members of the underrepresented sex, shall be higher than the Board gender diversity level of the Index Initial Universe. If the test fails, the constituent with the lower Board gender diversity level is substituted with next eligible stock of the investable universe belonging to the same sector of the substituted security. The process is iterated till the Board gender diversity level condition is met. Gender Diversity Ratio of the final portfolio must be higher than the one of the Index Initial universe.

**d. Selectivity Criterion:**

The ESG Investable Universe shall at least be reduced by 30% compared to the Index Initial Universe, as a result of the combined application of sector exclusions, normative screening and the best-in- universe selection.

## BUFFER RULE

For all current constituents, a tolerance of 20% is applied to the market capitalization and 6-months daily average value traded limits. Therefore, a constituent will be allowed to remain in the index if it has a minimum market cap of € 400 million and a minimum liquidity of € 4 million.

# Versions

VERSION	EFFECTIVE DATE	CHANGES
3.0.1	30 June 2023	Ungrouping Index Family
3.0.2	31 December 2023	Updated screening criteria (International norms adherence, GHG intensity Criterion, Gender diversity Criterion, Sector Exposure Criteria, Selectivity Criterion)
3.0.3	1 May 2024	Verification and quality of data
3.0.4	1 January 2025	Selection criteria 2, 7, 8, 11 - 14 and GHG and Gender Diversity KPIs restatement
3.0.5	17 December 2025	GHG and Gender Diversity KPIs – PAI indicators reference

**EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY**

Item 1. Name of the benchmark administrator.	STOXX
Item 2. Type of benchmark or family of benchmarks.	Equity
Item 3. Name of the benchmark or family of benchmarks.	ECPI Circular Economy Leaders Equity
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	<input checked="" type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b>

**Item 5.** Where the response to Item 4 is positive, please list below, for each family of benchmarks, those ESG factors that are taken into account in the benchmark methodology, taking into account the ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816.

Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.

The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.

<p>(a) List of environmental factors considered:</p>	<p><u>Selection:</u></p> <ul style="list-style-type: none"> <li>• ECPI Environmental Rating must be E- or higher</li> <li>• Overall ECPI ESG Rating must be E+ or higher</li> <li>• ECPI Circular Economy Score greater than or equal to 24</li> <li>• thermal coal-related products/services absolute production not increased over the past three years and revenues below 1% from thermal coal production related activities, including transportation related activities or less than 25% of its revenues from their enabling activities</li> <li>• production of unconventional oil &amp; gas products/services not increased over the past three years AND revenues below 5% from unconventional oil &amp; gas production related activities, including transportation related activities or less than 25% of its revenues from their enabling activities</li> <li>• conventional oil &amp; gas extraction less than 5% of total revenues or less than 25% of its revenues from their enabling activities OR SBTi target set at well-below 2°C or 1.5°C, or SBTi 'Business Ambition for 1.5°C' commitment</li> <li>• Companies involved in the generation of power/heat from non-renewable energy sources (Electric Utilities, Gas Utilities, Multi-Utilities, Independent Power Producers &amp; Energy Traders) are eligible if:             <ul style="list-style-type: none"> <li>• the company derives 50% or more of its revenues from electricity generation with a GHG intensity of less than 100 g CO<sub>2</sub> e/kWh.</li> <li>• the company's absolute production of coal-based or nuclear-based energy-related products/services shall not be structurally increasing (+5% over the past three years) and the company's capacity for coal-based energy shall be less than 5 GW, AND</li> <li>• Has a SBTi target set at well-below 2°C or 1.5°C, or have a SBTi 'Business Ambition for 1.5°C' commitment, OR</li> <li>• Derives less than 5% of its revenues from non-renewable energy generation, OR</li> <li>• Derive more than 50% of its revenues from contributing activities</li> </ul> </li> <li>• GHG Intensity of the final portfolio must be lower than the one of the Index Initial Universe</li> </ul>
--	---

	<p><b>Exclusion:</b></p> <ul style="list-style-type: none"> <li>Companies involved in systematic violations of the UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises (as far as relevant), ILO Conventions are excluded (ESG Rating = F)</li> </ul>
<p>(b) List of social factors considered:</p>	<p><b>Selection:</b></p> <ul style="list-style-type: none"> <li>ECPI Social Rating must be E- or higher</li> <li>Overall ECPI ESG Rating must be E+ or higher</li> </ul> <p><b>Exclusion:</b></p> <ul style="list-style-type: none"> <li>Companies involved in systematic violations of the UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises (as far as relevant), ILO Conventions are excluded (ESG Rating = F)</li> <li>Production of controversial weapons (Nuclear, Biological, Chemical, Cluster Munitions, Mines) and/or their essential components</li> <li>Production and/or distribution of conventional weapons/armaments (including handguns and civilian firearms) and/or the production of their essential tailor-made components - more than 5% of total revenues</li> <li>Production of tobacco, products that contain tobacco or the wholesale trading of these products</li> </ul>
<p>(c) List of governance factors considered:</p>	<p><b>Selection:</b></p> <ul style="list-style-type: none"> <li>ECPI Governance Rating must be E- or higher</li> <li>Overall ECPI ESG Rating must be E+ or higher</li> <li>Gender Diversity Ratio of the final portfolio must be higher than the one of the Index Initial Universe.</li> </ul> <p><b>Exclusion:</b></p> <ul style="list-style-type: none"> <li>Companies involved in systematic violations of the UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises (as far as relevant), ILO Conventions are excluded (ESG Rating = F)</li> </ul>
<p>Hyperlink to the information on ESG factors for each benchmark:</p>	<p><a href="https://ecpigroup.com/wp-content/uploads/rules/GALHCEP_Benchmark_Statement.pdf">https://ecpigroup.com/wp-content/uploads/rules/GALHCEP_Benchmark_Statement.pdf</a></p>

Item 7. Data and standards used	
<p><b>(a) Data input.</b> <i>(i) Describe whether the data are reported, modelled or sourced internally or externally.</i> <i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i></p>	<p>Company analyses draw on a range of reliable and publicly available sources to create a transferable, equitable and auditable approach. Where possible, ECPI aims to use objective information that is easily measured and quantified and less subject to bias and opinion. In cases where an indicator is important to capture, but not easily quantifiable, ECPI process works to reduce bias, by identifying clear and unambiguous rules for assigning scores.</p> <p>Sources include:</p> <ul style="list-style-type: none"> <li>• Company annual reports</li> <li>• Company sustainability reports, environmental reports, CSR reports or similar</li> <li>• Company websites</li> <li>• Regulatory data (from the regulators in the country/countries where the company is incorporated and/or listed)</li> <li>• Information providers and search engines</li> <li>• Media and news services (including newsletters from local and international institutions and NGOs).</li> <li>• Screening of company's participation in international institutions</li> <li>• Screening of company's certifications</li> <li>• Screening of company's awards</li> <li>• Thematic websites promoted by international non-profit organizations</li> <li>• Company Investor Relations departments, when necessary. In such cases, we try to obtain written answers in order to be able to store them in the company's records</li> </ul>
<p><b>(b) Verification and quality of data.</b> <i>Describe how data are verified and how the quality of those data is ensured.</i></p>	<p>The ESG data is sourced externally, from ECPI, the ESG research provider. ECPI delivers ESG scores and ratings information as well as involvement in controversial sectors of activity and an assessment regarding the UNGC principles. For details on ECPI ESG research, please refer to <a href="#">ECPI ESG Methodology Document</a>.</p> <p>The provider has been selected by the Administrator based on an assessment of its existing processes to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.</p> <p>The verification and quality of data are checked both externally and internally by automated and manual quality assurance processes. The quality assurance process includes:</p> <ul style="list-style-type: none"> <li>• Systematic peer review for all issuers that are newly assessed</li> <li>• Systematic peer review for all significant changes during the annual update</li> <li>• Periodic spot checks for certain high-risk industries/issue areas by research leads</li> <li>• Periodic data comparison with third-party sources, including government and industry databases</li> </ul>
<p><b>(c) Reference standards</b> <i>Describe the international standards used in the benchmark methodology.</i></p>	<p>The rating criteria have been developed in accordance with ICCR's "Principles for Global Corporate Responsibility: Benchmarks for Measuring Business Performance" and is inspired by the principles developed by International Bodies dedicated to Responsible Investment such as UN Global Compact (<a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a>), the Global Reporting Initiative (<a href="http://www.globalreporting.org">www.globalreporting.org</a>) and UN PRI (<a href="http://www.unpri.org">www.unpri.org</a>).</p>
<p><b>Date on which information has been last updated:</b></p>	<p>17 December 2025</p>

# CONTACTS

Index Dept.

[ecpi.indices@iss-stoxx.com](mailto:ecpi.indices@iss-stoxx.com)

[www.ecpigroup.com](http://www.ecpigroup.com)

Bloomberg: ECPS

## Disclaimer

This document has been prepared ECPI S.r.l., a company organized and existing under the laws of Italy, with registered office P.zza Velasca 5, Room 708 - 20122 Milan, Italy ("ECPI") as part of their internal research activity.

The information provided herein and, in particular, the data contained in this document are taken from information available to the public. All information contained herein is obtained from sources believed by it to be accurate and reliable. While the opinions and information contained in this document are based on public sources believed to be reliable and in good faith, ECPI have not independently verified the accuracy of such public sources. Because of the possibility of human, technical or whatsoever kind of similar error, however, such information is provided "as is" without warranty of any kind and ECPI, in particular, makes no representation or warranty, whether express or implicit, as to the fairness, accuracy, timeliness, completeness, merchantability and/or fitness of any such information and opinions contained in this document.

Accordingly, neither ECPI nor any of their respective directors, managers, officers or employees shall be held liable for whatever reason (including, without limitation, liability in negligence) for any loss (including consequential loss), expense, consequential, special, incidental, direct or indirect or similar damage, whether or not advised of the possibility of such damage, in connection with the fairness, accuracy, timeliness, completeness, merchantability and/or fitness of the information and opinions contained in this document and/or arising from any use or performance of this document or its contents or otherwise arising in connection with this document.

Any opinions, forecasts or estimates contained herein constitute a high-level information statement only valid as at the date of its release. There can be no assurance that the evolution of the information contained herein and/or any future events will be consistent with such opinions, forecasts or estimates. Any information herein is at any time subject to change, update or amendment subsequently to the date of this document, with no undertaking by ECPI to notify such change, update or amendment.

This document is not, nor may it be construed as to constitute a recommendation to make any kind of investment decision or an offer for sale or subscription of or a solicitation of any offer to buy or subscribe for any financial instrument. Accordingly, this document may not be used as a solicitation or an offer for sale or subscription, and any solicitation or offer shall be made only in accordance with all applicable laws and regulation, including, whenever applicable, the filing of a prospectus with the relevant authorities. ECPI is not a financial advisor subject to special authorization and thus do not provide formal financial advice in the area of investment nor perform any asset management activity. ECPI recommends to potential investors wishing to be provided with formal financial advice in the area of investment to contact a financial advisor duly authorized by the competent regulatory authority of its country. ECPI publishes research on a regular basis. This publication has been prepared on behalf of ECPI solely for information purposes. All the information contained herein is copyrighted in the name of ECPI, and none of such information may be copied or otherwise reproduced, except for personal use only, further transmitted, transferred, published, disseminated, redistributed or resold, in whole or in part, in any form or manner or by any means whatsoever, by any person without ECPI's prior written consent.