INDEX METHODOLOGY

NASDAQ-100 SUSTAINABLE ESG SELECT™ INDEX

NDXSES™

INDEX DESCRIPTION

The Nasdaq-100 Sustainable ESG Select Index (the "Index") is designed to measure the performance of the companies in the Nasdaq-100 Index® that meet specific ESG criteria. Companies are evaluated and weighted based on their business activities, controversies, and ESG Risk Ratings.

SECURITY ELIGIBILITY CRITERIA

To qualify for index inclusion, securities must meet the following Security Eligibility Criteria, which are applied as of the Reconstitution Reference Date, unless stated otherwise.

Security Universe

A security must be included in the Nasdaq-100 Index® (NDX®) as of the Reconstitution Effective Date. Please refer to the NDX® methodology for further information.

ESG Eligibility

A security's issuer must not be positively identified by Sustainalytics as exhibiting any of the following characteristics:

- Non-compliance with the United Nations Global Compact (UNGC) principles and related international norms and standards, such as the Organization for Economic Cooperation and Development (OECD) Guidelines and United Nations (UN) Guiding Principles.
- Having a Controversy Rating of five (5).
- Having an ESG Risk Rating Score of 40 or higher.
- Involvement in specific business activities, as defined in *Appendix A: Prohibited Areas of Business Involvement*.

If data from Sustainalytics is unavailable for a given security's issuer, the issuer is deemed ineligible for index inclusion.

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CONSTITUENT SELECTION

Constituent Selection Process

An index reconstitution is conducted semiannually based on the Reconstitution Reference Date.

All securities that meet the applicable *Security Eligibility Criteria* are considered for inclusion in the Index.

CONSTITUENT WEIGHTING

Constituent Weighting Scheme

The Index is a modified ESG Risk Rating Score-adjusted market capitalization-weighted index.

Constituent Weighting Process

An index rebalance is conducted quarterly based on the Rebalance Reference Date, unless stated otherwise.

An ESG Risk-Adjusted NDX Market Value is calculated for each Index Security by multiplying a security's NDX Market Value (defined as NDX Index Shares as of the Rebalance Effective Date multiplied by Last Sale Price) by a scaled additive inverse ESG Risk Rating Score:

$$ESG\ Risk\text{-}Adjusted\ NDX\ Market\ Value\ = \frac{40\ -\ ESG\ Risk\ Rating\ Score}{ESG\ Risk\ Rating\ Score} \times NDX\ Market\ Value$$

Initial security weights are calculated by dividing a security's ESG Risk-Adjusted NDX Market Value by the sum of the ESG Risk-Adjusted NDX Market Values of all Index Securities. Initial weights are then adjusted by the following four-stage weight adjustment process:

Stage 1

If no initial issuer weight exceeds 24%, initial weights are used as Stage 1 weights; otherwise, initial weights are adjusted to meet the following Stage 1 constraint, producing the Stage 1 weights:

- No issuer weight may exceed 20% of the index.

Stage 2

If the aggregate weight of the subset of issuers whose Stage 1 weights exceed 4.5% does not exceed 48%, Stage 1 weights are used as Stage 2 weights; otherwise, Stage 1 weights are adjusted to meet the following Stage 2 constraint, producing the Stage 2 weights:

- The aggregate weight of the subset of issuers whose Stage 1 weights exceed 4.5% is set to 40%.

Stage 3

If no Stage 2 security weight exceeds 15%, Stage 2 weights are used as Stage 3 weights; otherwise, Stage 2 weights are adjusted to meet the following Stage 3 constraint, producing the Stage 3 weights:

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- No security weight may exceed 14% of the index.

Stage 4

If the aggregate Stage 3 weight of the subset of Index Securities with the five largest Stage 3 weights is less than 40%, Stage 3 weights are used as final weights; otherwise, Stage 3 weights are adjusted to meet the following constraints, producing the final weights:

- The aggregate weight of the subset of Index Securities with the five largest Stage 3 weights is set to 38.5%.
- No security with a Stage 3 weight outside the largest five may have a final index weight exceeding the lesser of 4.4% or the final index weight of the Index Security ranked fifth by Stage 3 weight.

ESG Risk Rating Score Improvement Requirement

At each quarterly Index Rebalance that coincides with the semiannual Index Reconstitution (i.e., June and December) only, a Portfolio-Weighted ESG Risk Rating Score (the "Score") is calculated for both NDXSES and NDX®. The NDX® Score is calculated using the NDX® index constituents and their corresponding weights as of that same Index Rebalance, excluding any constituents that do not have an ESG Risk Rating Score. The Scores for both NDXSES and NDX® are calculated according to the following formula:

$$Portfolio\text{-}Weighted\ ESG\ Risk\ Rating\ Score\ = \sum_{i=1}^{k} Weight_i \times ESG\ Risk\ Rating\ Score_i$$

Where *k* is the number of stocks in the given Portfolio.

A lower Score is favored as it signifies reduced ESG risk. If NDXSES Score is not at least 10% lower than that of NDX® (i.e., improvement < 10%), the following process is applied:

1. The company with the smallest weight is removed.
2. The weighting restarts from **Stage 1**.
3. This process is repeated until NDXSES achieves a Score that is at least 10% lower than that of NDX®.

For additional information about index weighting, see **Nasdaq Index Weight Calculations**.

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INDEX CALENDAR

Reconstitution & Rebalancing Schedule

Reconstitution Frequency	Semiannually
Rebalance Frequency	Quarterly
Reconstitution Reference Dates	Last trading day of May and November, respectively
Reconstitution Announcement Dates	After the close on the sixth trading day prior to the Reconstitution Effective Date
Reconstitution Effective Dates	At market open on the first trading day following the third Friday in June and December, respectively
Rebalance Reference Dates	Last trading day of February, May, August, and November, respectively
Rebalance Announcement Dates	After the close on the sixth trading day prior to the Rebalance Effective Date
Rebalance Effective Dates	At market open on the first trading day following the third Friday in March, June, September, and December, respectively

Holiday Schedule

The Index is calculated Monday through Friday, except on days when the US markets are closed.

Index Calculation and Dissemination Schedule

The Index is calculated during the trading day based on the Last Sale Price and is disseminated once per second from 09:30:01 to 17:16:00 ET. The closing value of the Index may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.

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INDEX MAINTENANCE

Deletion Policy

Index constituents removed from the Nasdaq-100 Index® (NDX®) are removed from the Index simultaneously. In addition, the Index applies the following NDXSES-specific deletion rules:

Ongoing

Index constituents are continuously monitored for compliance with the United Nations Global Compact (UNGC) principles, as defined under *ESG Eligibility*. Any index constituent determined to be non-compliant will be removed from the Index as soon as practicable.

Quarterly

The *ESG Eligibility* criteria are assessed quarterly during both index reconstitution and rebalance periods (i.e., June and December), as well as during rebalance-only periods (i.e., March and September).

During index rebalance-only periods, any index constituent that fails to meet the *ESG Eligibility* criteria as of the Rebalance Reference Date will be removed from the Index on the Rebalance Effective Date specified in the *Index Calendar*.

Replacement Policy

Index constituents are not replaced outside of the semiannual Index Reconstitution.

Addition Policy

Other than as the result of a spin-off event, no securities are added to the Index outside of the semiannual Index Reconstitution.

Corporate Actions

In the periods between scheduled index reconstitution and rebalancing events, individual Index Securities may be subject to a variety of corporate actions and events that require maintenance and adjustments to the Index. The specific treatment of each type of corporate action or event is described in **Nasdaq Corporate Actions and Events Manual – Equities**, which is incorporated herein by reference.

In certain cases, corporate actions and events are handled according to the weighting scheme or other index construction techniques employed. Wherever alternate methods are described, the Index will follow the "Market Cap Corporate Action Method."

Index Share Adjustments

Other than as a direct result of corporate actions, the Index does not normally experience share adjustments between scheduled index reconstitution and rebalancing events.

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ADDITIONAL INFORMATION

Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at https://indexes.nasdaqomx.com/.

For more information on the general Index Announcement procedures, refer to the **Nasdaq Index Methodology Guide**.

Unexpected Market Closures

For information on Unexpected Market Closures, refer to the **Nasdaq Index Methodology Guide**.

Calculation Types

For information on the Index calculation types as well as the mathematical approach used to calculate the Index(es), refer to the **Calculation Manual – Equities and Commodities**.

Recalculation and Restatement Policy

For information on the Recalculation and Restatement Policy, refer to the **Nasdaq Index Recalculation Policy**.

Data Sources

For information on data sources, refer to the **Nasdaq Index Methodology Guide.**

Contact Information

For any questions regarding an Index, contact the Nasdaq Index Client Services team at indexservices@nasdaq.com.

Index Dissemination

Index values and weightings information are available through Nasdaq Global Index Watch (GIW) website at https://indexes.nasdaqomx.com/ as well as the Nasdaq Global Index FlexFile Delivery Service (GIFFD) and Global Index Dissemination Services (GIDS). Similar to the GIDS offerings, Genium Consolidated Feed (GCF) provides real-time Index values and weightings for the Nordic Indexes.

For more detailed information regarding Index Dissemination, refer to the **Nasdaq Index Methodology Guide**.

Website

For further information, refer to Nasdaq GIW website at https://indexes.nasdaqomx.com/.

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FTP and Dissemination Service

Index values and weightings are available via FTP on the Nasdaq Global Indexes FlexFile Delivery Service (GIFFD). Index values are available via Nasdaq's Global Index Dissemination Services (GIDS).

GOVERNANCE

All Nasdaq Indexes are managed by the governance committee structure and have transparent governance, oversight, and accountability procedures for the Index determination process. For further details on the Index Methodology and Governance overlay, refer to the **Nasdaq Index Methodology Guide.**

GLOSSARY OF TERMS AS USED IN THIS DOCUMENT

For the glossary of key terms, refer to the **Nasdaq Index Methodology Guide.**

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APPENDIX A: PROHIBITED AREAS OF BUSINESS INVOLVEMENT

At the semiannual Index Reconstitution and at each quarterly Index Rebalance, companies engaged in the following business activities, as determined by Sustainalytics, are excluded from the eligible universe.

Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range
Adult Entertainment: Distribution	The company is involved in the distribution of adult entertainment materials	<5% of revenues	n/a
Adult Entertainment: Production	The company is involved in the production of adult entertainment and/or owns/operates adult entertainment establishments.	<5% of revenues	n/a
Alcoholic Beverages: Production	The company manufactures alcoholic beverages.	<5% of revenues	n/a
Alcoholic Beverages: Related Products/ Services	The company is a supplier of alcohol-related products/services to alcoholic beverage manufacturers.	<5% of revenues	n/a
Alcoholic Beverages: Retail	The company derives revenues from the distribution and/or retail sale of alcoholic beverages.	<5% of revenues	n/a
Arctic Oil & Gas Exploration: Extraction	The company is involved in oil and gas exploration in Arctic regions.	0% of revenues	n/a
Arctic Oil & Gas Exploration: Significant ownership (extraction)	The company owns 10-50 per cent of another company with involvement in oil and gas exploration in Arctic regions.	n/a	<10%
Cannabis: Production (Recreational Cannabis)	The company is involved in the development and/or cultivation of cannabis for recreational purposes.	0% of revenues	n/a
Cannabis: Significant ownership (Production Recreational Cannabis)	The company owns 10-50 per cent of another company with involvement in the development and/or cultivation of cannabis for recreational purposes.	n/a	<10%
Cannabis: Retail (Recreational Cannabis)	The company derives revenues from the distribution and/or retail sale of cannabis for recreational purposes.	0% of revenues	n/a
Controversial Weapons: Tailor-made and essential	The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	No involvement	n/a

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Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range
Controversial Weapons: Significant ownership (tailor-made and essential)	The company is involved, through corporate ownership, in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	n/a	<10%
Controversial Weapons: Non tailor-made or non essential	The company provides components/services for the core weapon system, which are either not considered tailor-made or not essential to the lethal use of the weapon.	No involvement	n/a
Controversial Weapons: Significant ownership (non tailor-made or non essential)	The company provides, through corporate ownership, components/services for the core weapon system, which are either not considered tailor-made or not essential to the lethal use of the weapon.	n/a	<10%
Gambling: Operations	The company owns and/or operates a gambling establishment.	<5% of revenues	n/a
Gambling: Specialized Equipment	The company manufactures specialized equipment used exclusively for gambling.	<5% of revenues	n/a
Gambling: Supporting Products/ Services	The company provides supporting products/services to gambling operations.	<5% of revenues	n/a
Military Contracting: Weapons	The company manufactures military weapon systems and/or integral, tailor-made components or these weapons.	0% of revenues	n/a
Military Contracting: Significant ownership (Weapons)	The company owns 10-50 per cent of another company with involvement in manufacturing military weapon systems and/or integral, tailor-made components or these weapons.	n/a	<10%
Military Contracting: Weapon related products and/or services	The company provides tailor-made products and/or services that support military weapons.	<5% of revenues	n/a
Nuclear Power: Production	The company produces nuclear power.	0% of revenues	n/a
Nuclear Power: Supporting Products and Services	The company provides products/services that support the nuclear power industry.	0% of revenues	n/a

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Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range
Oil & Gas: Generation	The company generates electricity from oil and/or gas.	<5% of revenues and <5% production capacity	n/a
Oil & Gas: Production	The company is involved in oil and gas exploration, production, refining, transportation and/or storage. Subcategories: - Exploration and Production - Refining -Transportation - Storage	<5% of revenues	n/a
Oil & Gas: Supporting Products/ Services	The company provides tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage.	<5% of revenues	n/a
Oil Sands: Extraction	The company extracts oil sands.	0% of revenues	n/a
Oil Sands: Significant ownership (extraction)	The company owns 10-50 per cent of another company with involvement in extraction of oil sands.	n/a	<10%
Pesticides: Production	The company manufactures pesticides.	<5% of revenues	n/a
Pesticides: Retail (≥10% total revenues)	The company derives 10 per cent or more of its revenues from the distribution and/or retail sale of pesticides.	<15% of revenues	n/a
Riot Control: Protection equipment and riot control weapons	The company manufactures protection equipment and riot control weapons.	No involvement	n/a
Riot Control: Significant ownership (Protection equipment and riot control weapons)	The company owns 10-50 per cent of another company with involvement in manufacturing protection equipment and riot control weapons.	n/a	<10%
Riot Control: Riot control weapons	The company manufactures riot control weapons.	No involvement	n/a

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Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range
Riot Control: Significant ownership (Riot control weapons)	The company owns 10-50 per cent of another company with involvement in manufacturing riot control weapons.	n/a	<10%
Shale Energy: Extraction	The company is involved in shale energy exploration and/or production.	0% of revenues	n/a
Shale Energy: Significant ownership (extraction)	The company owns 10-50 per cent of another company with involvement in shale energy exploration and/or production.	n/a	<10%
Small Arms: Civilian customers (Assault weapons)	The company manufactures and sells assault weapons to civilian customers.	0% of revenues	n/a
Small Arms: Significant ownership (Civilian customers – assault weapons)	The company owns 10-50 per cent of another company that manufactures and sells assault weapons to civilian customers.	n/a	<10%
Small Arms: Military/law enforcement customers	The company manufactures and sells small arms to military/law enforcement.	0% of revenues	n/a
Small Arms: Significant ownership (Military/law enforcement customers)	The company owns 10-50 per cent of another company manufactures and sells small arms to military/law enforcement.	n/a	<10%
Small Arms: Key components	The company manufactures and sells key components of small arms.	<5% of revenues	n/a
Small Arms: Retail/ distribution (assault weapons)	The company is involved in the retail and/or distribution of assault weapons.	<5% of revenues	n/a
Small Arms: Retail/ distribution (Non-assault weapons)	The company is involved in the retail and/or distribution of small arms (non-assault weapons).	<5% of revenues	n/a
Small Arms: Civilian customers (Non-assault weapons)	The company manufactures and sells small arms (non-assault weapons) to civilian customers.	0% of revenues	n/a
Small Arms: Significant ownership (Civilian customers – non-assault weapons)	The company owns 10-50 per cent of another company that manufactures and sells small arms (non-assault weapons) to civilian customers.	n/a	<10%

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Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range
Thermal Coal: Extraction	The company extracts thermal coal.	<5% of revenues	n/a
Thermal Coal: Overall	The company is involved in extraction, power generation and/or supporting products/services related to thermal coal.	<1% of revenues	n/a
Thermal Coal: Power Generation	The company generates electricity from thermal coal.	<5% of revenues and <5% of production capacity	n/a
Thermal Coal: Supporting Products/Services	The company provides tailor-made products and services that support thermal coal extraction.	<5% of revenues	n/a
Tobacco Products: Production	The company manufactures tobacco products.	No involvement	n/a
Tobacco Products: Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in manufacturing tobacco products.	n/a	<10%
Tobacco Products: Related Products/ Services	The company supplies tobacco-related products/services.	<5% of revenues	n/a
Tobacco Products: Retail	The company derives revenues from the distribution and/or retail sale of tobacco products.	<5% of revenues	n/a

APPENDIX B: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
6/22/2026	Constituent Weighting: Constituent Weighting Process	"An ESG Risk-Adjusted Market Value is calculated for each Index Security by multiplying a security's market value (defined as Total Shares Outstanding multiplied by Last Sale Price) by a scaled additive inverse ESG Risk Rating Score: $ESG\ Risk\text{-}Adjusted\ Market\ Value\ = \frac{40 - ESG\ Risk\ Rating\ Score}{ESG\ Risk\ Rating\ Score} \times Market\ Value$"	"An ESG Risk-Adjusted NDX Market Value is calculated for each Index Security by multiplying a security's NDX Market Value (defined as NDX Index Shares as of the Rebalance Effective Date multiplied by Last Sale Price) by a scaled additive inverse ESG Risk Rating Score: $ESG\ Risk\text{-}Adjusted\ NDX\ Market\ Value\ = \frac{40 - ESG\ Risk\ Rating\ Score}{ESG\ Risk\ Rating\ Score} \times NDX\ Market\ Value$"

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Effective Date	Methodology Section	Previous	Updated
6/22/2026	Index Maintenance: Index Share Adjustments	For handling of changes in TSO greater than or equal to 10.0% arising from other corporate events, please refer to Nasdaq Corporate Actions and Events Manual – Equities.	Other than as a direct result of corporate actions, the Index does not normally experience share adjustments between scheduled index reconstitution and rebalancing events.
9/22/2025	Appendix A: Prohibited Areas of Business Involvement	--	Added two Riot Control categories: - Riot Control: Riot control weapons (Acceptable Involvement Range: No Involvement; Acceptable Ownership Range: n/a) - Riot Control: Significant ownership (Riot control weapons) (Acceptable Involvement Range: n/a; Acceptable Ownership Range: <10%)
9/25/2024	Appendix A: Prohibited Areas of Business Involvement	--	Added two categories under Thermal Coal and Tobacco Products: - Thermal Coal: Overall (Acceptable Involvement Range: <1% of revenues; Acceptable Ownership Range: n/a) - Tobacco Products: Production (Acceptable Involvement Range: No Involvement; Acceptable Ownership Range: n/a)

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DISCLAIMER

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity, including but not limited to, quantitative inclusion criteria. Nasdaq may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the high quality of the index construction and calculation. Nasdaq does not guarantee that any Index accurately reflects future market performance.

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