INDEX METHODOLOGY

NASDAQ FUTURE AUSTRALIAN SUSTAINABILITY LEADERS™ INDEX

NQFASL™

INDEX DESCRIPTION

The Nasdaq Future Australian Sustainability Leaders Index is designed to track the performance of a set of Australian-listed stocks that includes companies engaged in sustainable business activities, identified as "Sustainability Leaders"; excludes companies with material negative impacts on people, communities or the environment; and avoids exposure to the fossil fuel industry.

Much of the eligibility and selection relies on the Responsible Investment Committee, an external advisory committee that classifies securities as "Additional Renewable Energy Securities"; determines which securities pass responsible investment screens; and determines which securities meet the Sustainability Leader criteria. The criteria for classifying companies as Sustainability Leaders has been determined with reference to the United Nations Sustainable Development Goals (UN SDGs) and its underlying Targets (the Targets). There can be no guarantee that the activities of any company will make a direct contribution to the achievement of the SDGs or the Targets.

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 otherwise stated.

Index inclusion

A security must be included in the Nasdaq All Cap Australian Equity™ Index (AUAC™) as of the Reconstitution effective date. Please refer to that methodology for further information on its constituent selection.

A security that is not included in the AUAC may still qualify for inclusion if it is classified by the Responsible Investment Committee as an Additional Renewable Energy Security (see "ESG classification" below), provided all other eligibility criteria are satisfied.

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Market capitalization

A security must have a free float market capitalization of at least $200 million (AUD).

Free float market capitalization is defined as the product of a security's float shares and Last Sale Price. Float shares are generally calculated by multiplying a security's free float percentage by its total shares outstanding.

For CHESS Depositary Interests (CDIs) and other foreign-incorporated entities with shares held in Australia, float shares are determined as the lesser of the security's shares held in Australia, according to the Australian Securities Exchange (ASX), and the product of the security's free float percentage and total shares outstanding. All future references to free float market capitalization will follow this calculation method.

Liquidity

A security not classified as an Additional Renewable Energy Security must have a three-month median daily value traded (MDVT) of at least $1 million (AUD).

A security classified as an Additional Renewable Energy Security is exempt from this liquidity requirement.

ESG classification

A security's issuer must have been identified by the Responsible Investment Committee as having passed the eligibility screens outlined in **Appendix A: Responsible Investment Screening**. These screens are designed to exclude companies that have direct or significant exposure to the fossil fuel industry or that are engaged in other activities deemed inconsistent with responsible investment considerations.

Additionally, a company exposed to significant ESG-related reputational risk or controversy may be excluded if the Responsible Investment Committee considers that its inclusion would be inconsistent with the values of the Index. The Responsible Investment Committee may reference the United Nations Guiding Principles on Business and Human Rights (UNGPs) in its considerations.

A security is classified as an Additional Renewable Energy Security if its three-month MDVT is less than $1 million (AUD) and its issuing company derives more than 50% of its revenue from renewable energy or activities that substantially reduce greenhouse gas emissions.

Other eligibility criteria

If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will remove the security from consideration. This includes entering into a definitive merger or acquisition agreement or other pending arrangement that would make it ineligible for index inclusion, or a filing of bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

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CONSTITUENT SELECTION

Constituent selection process

An Index Reconstitution is conducted annually based on the Reconstitution reference date.

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

Sustainability Leader Classification

The Responsible Investment Committee assesses the issuing company of each eligible security to determine whether it meets the criteria for the security to be considered a Sustainability Leader. Securities identified as Sustainability Leaders are given preference in the constituent selection process.

To be classified as a Sustainability Leader, a company must satisfy at least one of the following criteria, which have been determined with reference to the UN SDGs and are provided in detail in Appendix B. Where a company's business activities cover multiple categories, the aggregate revenue from identified activities will be taken into account in the identification of Sustainability Leaders.

- Climate adaptation
- Nutrition, agriculture and land use
- Improved industrial processes, improved materials and pollution reduction
- Healthcare
- Transportation solutions
- Education
- Water efficiency
- Renewable energy and energy efficiency
- Green buildings
- Sustainable tourism
- Sustainable and regional infrastructure
- Social and community housing
- Worker and consumer protection
- Regional and community banking
- Relevant certification

Selection

The Responsible Investment Committee provides Nasdaq with a list of securities for index inclusion, selected from those that satisfy the *Security Eligibility Criteria,* according to the following specifications:

- A sector may be represented by no more than ten securities.
- The Index may contain no more than three securities classified as Additional Renewable Energy Securities.
- Within each sector, up to ten securities are selected as follows:
    - All Sustainability Leaders ranked within the top eight Sustainability Leaders by free float market capitalization are included.
    - Securities ranked nine through 12 by free float market capitalization are iteratively ranked along three dimensions, and the first-ranked securities are selected such that

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the total count of selected securities does not exceed 10.

- First, by whether the security is a Sustainability Leader (ranked yes to no)
- Second, by whether the security is included in the Index as of the Reconstitution reference date (ranked yes to no)
- Third, by the security's free float market capitalization (ranked high to low)

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified free float market capitalization-weighted index.

Constituent weighting process

An Index Rebalance is conducted annually based on the Rebalance reference date.

Each Index Security's initial weight is determined by dividing its free float market capitalization by the aggregate free float market capitalization of all Index Securities.

Initial weights are then adjusted to meet the following constraints, producing the final weights:

- No Index Security may have a weight exceeding 4.00%.
- No Additional Renewable Energy Security may have a weight exceeding 0.10%.

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

INDEX CALENDAR

Reconstitution & Rebalancing schedule

Reconstitution Frequency	Annually
Rebalance Frequency	Annually
Reconstitution Reference Dates	Last trading day of July
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 after the third Friday in September
Rebalance Reference Dates	• Generally, the last trading day of August • For shares held in Australia for CDIs and other foreign-incorporated entities, the last trading day of July

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Rebalance Announcement Dates	Same as the Reconstitution announcement dates
Rebalance Effective Dates	Same as the Reconstitution effective dates

Holiday schedules

The Index is calculated Monday through Friday and does not close for holidays.

Index calculation and dissemination schedule

Index Values are made available on each trading day via the Nasdaq Global Index Watch (GIW) website at https://indexes.nasdaqomx.com/. Where applicable, Index values are available throughout the trading day.

INDEX MAINTENANCE

Deletion policy

Daily

If, at any time other than an Index Reconstitution, Nasdaq becomes aware that an Index Security has become ineligible for continued inclusion, it is removed from the Index as soon as practicable. This includes events such filing bankruptcy or similar protection from creditors, delisting or other arrangement including mergers and acquisitions. Refer to the **Corporate Actions and Events Manual – Equities** for further information.

Monthly

By the second Friday of each month, except during the month of the annual reconstitution, the Responsible Investment Committee provides Nasdaq with a list of any Index Security that fails ESG criteria. Any failing Index Security is generally removed at the market open on the first trading day following the third Friday of that month.

Replacement policy

Index Securities are not replaced between Index Reconstitutions.

Addition policy

Index Securities are not added between Index Reconstitutions.

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Corporate actions

Information on corporate actions and events handling can be found in the **Corporate Actions and Events Manual – Equities**.

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 Rebalance and Reconstitution events.

ADDITIONAL INFORMATION

Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at http://indexes.nasdaq.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.

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Index dissemination

Index values and weightings information are available through Nasdaq Global Index Watch (GIW) website at https://indexes.nasdaq.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.nasdaq.com/.

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: RESPONSIBLE INVESTMENT SCREENING

Screening is generally applied only to the relevant company itself and to its subsidiaries. Minority holdings (less than 50% ownership) generally are not considered for screening purposes.

"Total revenue" refers to a company's total gross revenue as reported in its audited financial statements. When a company does not disclose gross revenue from a particular product or business activity, an (conservative) estimate may be used for the purpose of applying negative screens.

Industry/Activity	**Exposure Limit Guidelines (% of total revenue where applicable)**	**Explanatory notes**
Fossil Fuels - Direct	0%	Companies which have fossil fuel reserves, fossil fuel infrastructure, produce petrochemicals or are involved in the mining, extraction or burning of fossil fuels
Fossil Fuels – High Dependency		Industry sectors with very high use of fossil fuels (note: mining companies engaged in the extraction of critical minerals, as defined by Geoscience Australia, and companies with demonstrated use of sustainable business practices are exempt from this exclusion)
Fossil Fuels - Service Providers	5% for products and services	Companies which provide products or services which are specific to and significant for the fossil fuel industry
Fossil Fuels – Finance and Underwriting	Exclude the largest global financiers of fossil fuel companies, projects and infrastructure.	Companies which provide lending to fossil fuel companies or otherwise provide significant financing to fossil fuel project or infrastructure
	Exclude the largest global insurers of fossil fuel companies, projects and infrastructure.	Companies that provide significant insurance or re-insurance of fossil fuel companies or projects

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Industry/Activity	Exposure Limit Guidelines (% of total revenue where applicable)	Explanatory notes
Gambling	• 0% for casinos, manufacture of gaming products and poker machine operations • 5% for distribution of gambling products	
Tobacco	• 0% for production or manufacture • 5% for sale of tobacco products	Includes tobacco-based products and nicotine alternatives including e-cigarettes, nicotine and non-nicotine vapes, pouches, snuffs etc.
Uranium and Nuclear Energy	• 0% for uranium mining and nuclear energy • 5% for products and services to nuclear energy	
Armaments and Militarism	• 0% for manufacture of armaments and weapons • 5% for specific and significant services to military and armaments manufacture	Includes all armaments and weapons including controversial weapons
Destruction of Valuable Environments	0%	Companies which have direct negative impact on recognised World Heritage and High Value Conservation areas
Animal Cruelty	0%	Companies involved in live animal export, animal testing for cosmetic purposes, factory farming or controversial animal products (ivory, foie gras etc.)

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Industry/Activity	Exposure Limit Guidelines (% of total revenue where applicable)	Explanatory notes
Chemicals of Concern	0%	Companies which produce or use chemicals of concern recognised by UN Environmental Programs, or controversial agricultural chemicals
Mandatory Detention of Asylum Seekers and for-profit prisons	0%	Companies which operate detention centres or for-profit prisons
Alcohol	• 5% for production • 20% for sale of alcohol	
Junk Foods	33%	Companies which produce or sell junk foods
Pornography	• 0% for production of pornography • 5% for distribution of pornography	Companies which produce or sell pornography
Human and Labour Rights	n/a	Evidence of human rights violations including child labour, forced labour, sweatshops, bribery and corruption
Board Diversity	n/a	No women on board of directors
Predatory lending	0%	Lending practices that impose unfair or abusive terms on a borrower

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APPENDIX B: SUSTAINABILITY LEADER CLASSIFICATION

Sustainability Leader Criterion	Detail
Climate adaptation	Companies that earn 50% or more of revenue from the manufacture or sale of climate adaptation technologies, or associated research, consulting or engineering services
Nutrition, agriculture and land use	• Companies that earn 50% or more of revenue from the production or sale of healthy and nutritious foods, with a particular focus on plant-based foods • Companies that earn 50% or more of revenue from activities associated with sustainable agriculture, sustainable aquaculture, reduced food waste and other activities identified by Project Drawdown®, a non-profit organisation which conducts rigorous review and assessment of climate solutions, as Food, Agriculture and Land Use Sector solutions
Improved industrial processes, improved materials and pollution reduction	• Companies that earn 50% or more of revenue from pollution reduction technologies • Companies that earn 50% or more of revenue from wastewater treatment • Companies that earn 50% or more of revenue from activities associated with waste remediation, recycling, recycled materials, alternative refrigerants, plastic reduction, waste to energy and other activities identified by Project Drawdown® as Industry Sector solutions • Companies employing circular economy strategies as critical elements in their operations

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Sustainability Leader Criterion	Detail
Healthcare	• Companies that earn 50% or more of revenue from hospital treatment, medical services or personal health insurance • Companies that earn 50% or more of revenue from activities associated with reproductive and maternal health • Companies that earn 50% or more of revenue from activities which have a specific focus on vaccine development or the treatment of communicable diseases • Companies that earn 50% or more of revenue from activities which have a specific focus on the treatment of non-communicable diseases
Transportation solutions	Companies that earn 50% or more of revenue from activities associated with traffic safety systems, autonomous vehicles (excluding military applications), electric vehicles, public transit, high speed rail, energy efficient transportation solutions, telepresence and other activities identified by Project Drawdown® as Transportation Sector solutions
Education	Companies that earn 50% or more of revenue from early childhood education, vocational education, tertiary education or providing other educational services
Water efficiency	Companies that earn 50% or more of revenue from the manufacture or sale of water efficiency technology
Renewable energy and energy efficiency	Companies that earn 50% or more of revenue from activities associated with renewable energy and energy efficiency, including building automation, building technologies, lighting solutions, energy storage, improved electrical grids and other activities identified by Project Drawdown® as Electricity Sector solutions
Green buildings	Companies/REITS that have either: (i) a 6-Star Green Star Portfolio Performance assessment; or (ii) have been designated as Global Leaders in the annual GRESB Real Estate Benchmark Assessment.

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Sustainability Leader Criterion	Detail
Sustainable tourism	Companies that earn 50% or more of revenue from sustainable tourism
Sustainable and regional infrastructure	• Companies that earn 50% or more of revenue from sustainable infrastructure or alternative cement • Telecom companies that provide communication infrastructure that benefits rural and regional communities
Social and community housing	Companies that earn 50% or more of revenue from social and community housing
Worker and consumer protection	Companies that earn 50% or more of revenue from legal activities focused on workers' rights, consumer rights or otherwise protecting vulnerable people
Regional and community banking	• Companies with 20% or more of revenue from regional and community banking • Companies with 50% or more of revenue from the provision of microfinance
Relevant certification	• Certified B Corporations • Supply Nation registered businesses • Companies with a Reconciliation Action Plan (RAP) Elevate • Companies with 50% or more of revenue from the sale or manufacture of Fairtrade certified products

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APPENDIX C: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
10/6/2025	Index maintenance: Corporate actions	Information on corporate actions and events handling can be found in the Corporate Actions and Events Manual – Equities. 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 "Non-Market Cap Corporate Action Method."	Information on corporate actions and events handling can be found in the Corporate Actions and Events Manual – Equities. 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."
9/22/2025	Security eligibility criteria: Index inclusion	--	A security must be included in the Nasdaq All Cap Australian Equity™ Index (AUAC™) as of the Reconstitution effective date. Please refer to that methodology for further information on its constituent selection.
9/22/2025	Index calendar: Reconstitution & Rebalancing schedule: Reconstitution reference dates	• Generally, the last trading day of July • For shares held in Australia for CDIs and other foreign-incorporated entities, the last trading day of June	Last trading day of July *Note: The reference date for shares held in Australia for CDIs and other foreign-incorporated entities has been changed from the last trading day of June to last trading day of July.*
9/22/2025	Index calendar: Reconstitution & Rebalancing schedule: Rebalance reference dates	• Generally, the last trading day of August • For shares held in Australia for CDIs and other foreign-incorporated entities, the last trading day of June	• Generally, the last trading day of August • For shares held in Australia for CDIs and other foreign-incorporated entities, the last trading day of July
4/22/2025	Index maintenance: Deletion policy: Monthly	--	By the second Friday of each month, except during the month of the annual reconstitution, the Responsible Investment Committee provides Nasdaq with a list of any Index Security that fails ESG criteria. Any failing Index Security is generally removed at the market open on the first trading day following the third Friday of that month.

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Effective Date	Methodology Section	Previous	Updated
9/23/2024	Appendix B: Sustainability leader classification: Water efficiency	Companies that earn 50% or more of revenue from the manufacture or sale of water efficiency technology or that have a 5-star or higher National Australian Built Environment Rating System (NABERS) water rating.	Companies that earn 50% or more of revenue from the manufacture or sale of water efficiency technology.
9/23/2024	Appendix B: Sustainability leader classification: Green buildings	Companies/REITs that have an average 4.75 star or better NABERS energy rating or earn 50% of revenue from activities identified by Project Drawdown® as Buildings Sector solutions.	Companies/REITS that have either: (i) a 6-Star Green Star Portfolio Performance assessment; or (ii) have been designated as Global Leaders in the annual GRESB Real Estate Benchmark Assessment.
9/19/2022	Index description	--	The description is updated to reflect changes to the Sustainability Leader classification and responsible investment screen.
9/19/2022	Security eligibility criteria: Multiple securities per issuer	--	The basis of the determination of which security may represent an issuer with multiple otherwise-eligible securities is changed from the securities' three-month average daily traded values to their three-month median daily traded values.
9/19/2022	Security eligibility criteria: Market capitalization	--	The free float market capitalization minimum is changed from $100 million (USD) to $200 million (AUD).
9/19/2022	Security eligibility criteria: Market capitalization	--	Calculation of a CDI's float shares is changed from the product of the security's free float percentage and total shares outstanding as of the Reconstitution Reference Date to the lesser of that product and the security's shares held in Australia as of the end of June, according to the Australian Securities Exchange.
9/19/2022	Security eligibility criteria: Liquidity	--	The minimum threshold for a security not classified as an Additional Renewable Energy Security is changed from a three-month average daily traded value of $750,000 (USD) to a three-month median daily traded value of $1 million (AUD).

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Effective Date	Methodology Section	Previous	Updated
9/19/2022	Security eligibility criteria: ESG classification	--	The maximum liquidity threshold for a security to be classified as an Additional Renewable Energy Security is changed from a three-month average daily traded value of $750,000 (USD) to a three-month median daily traded value of $1 million (AUD).
9/19/2022	Index calendar: Reconstitution reference dates	--	An exception to the Reconstitution Reference Date is made in the section Eligibility: Market Capitalization.
9/19/2022	Index calendar: Rebalance reference dates	--	The Rebalance Reference Date is changed from the last trading day in July to the last trading day in August.
9/19/2022	Index calendar: Rebalance reference dates	--	An exception to the Rebalance Reference Date is made in the section Constituent Weighting: Constituent weighting process.
9/19/2022	Constituent selection: Constituent selection process: Sustainability leader classification	--	The criteria used by the Responsible Investment Committee to classify companies as Sustainability Leaders are changed, and are detailed in Appendix B.
9/19/2022	Constituent Weighting: Constituent weighting process	--	Calculation of a CDI's float shares is changed from the product of the security's free float percentage and total shares outstanding as of the Rebalance Reference Date to the lesser of that product and the security's shares held in Australia as of the end of June, according to the Australian Securities Exchange.
9/19/2022	Appendix A: Responsible investment screening	--	• The Fossil Fuels – direct screen now includes petrochemical producers. • The Fossil Fuels – high dependency screen is added. • The Fossil Fuels – indirect screen is separated into

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Effective Date	Methodology Section	Previous	Updated
			screens for finance and underwriting service providers and for all other service providers. Underwriting service is added. • The Payday Lending screen is changed to Predatory Lending
5/23/2022	Appendix A: Responsible investment screening	--	The Alcohol production screen changed from 20% to 5%.
9/20/2021	Index calendar: Rebalance reference dates	--	The rebalance reference date is changed from the third Friday in August to the last trading day in July.

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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