



INDEX METHODOLOGY

NASDAQ CLEAN EDGE GLOBAL WATER™ INDEX

GHHO™

INDEX DESCRIPTION

The Nasdaq Clean Edge Global Water Index is designed to track the performance of companies that derive a substantial portion of their revenues from the potable water and wastewater industry, as determined by Clean Edge. Industry exposure includes Utilities & Distributors, Water Infrastructure (pumps, pipes, and valves), Treatment & Testing (purification and filtration), and Ancillary Products & Services (consulting, construction, and metering). Companies are also evaluated on the basis of 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.

Security types

Eligible security types generally include common stocks, ordinary shares, and depositary receipts. Preferred shares¹ and units are also eligible for securities listed in Brazil.

If the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the “issuer” are references to the issuer of the underlying security.

Multiple classes of securities

One security per issuer is permitted. If an issuer has multiple otherwise-eligible securities, one of which is an Index Security as of the reconstitution reference date, only that security may be eligible; otherwise, only the security with the highest three-month average daily value traded (ADVT) may be eligible.

¹ Preferred shares that demonstrate characteristics similar to an equity security type and are not fixed income type securities (i.e., convertible stocks, bonds, and preferred stocks).

Eligible exchanges

A security must be listed on an Index-eligible exchange. For more information and a complete listing of Index-eligible exchanges, refer to **Nasdaq Eligible Exchanges**.

Industries and sectors

A security's issuer must derive a substantial portion of its revenue from the potable water and wastewater industry, as determined by Clean Edge.

Market capitalization

A security must have a market capitalization of at least \$500 million (USD).

Liquidity

A security must have a three-month average daily value traded (ADVT) of at least \$3 million (USD).

Seasoning

To be eligible for initial index inclusion, a security must have been listed and available for trading for at least three full calendar months, not including the month of initial listing. The seasoning eligibility is determined as of the reconstitution reference date and includes that month.

For example, to be considered for inclusion at the September reconstitution, a security must have been listed and available for trading no later than the last trading day of May, with seasoning occurring over the months June, July, and August.

Any security that is already a member of the Index, including those added as the result of a spin-off event, will be exempt from the seasoning requirement.

Float

At least 20% of a security's total shares outstanding must be publicly available for trading (float shares).

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 (collectively referred to as "Global Compact Non-Compliance").
- A Controversy Rating higher than four (4).
- An ESG Risk Rating for 'Resource Use' above "Medium."

- An Event Rating higher than three (3) for the Events listed in Appendix A.
- Involvement in specific business activities, as defined in Appendix B.

Sustainalytics' ESG Risk Ratings issue – Resource Use – focuses on how efficiently a company uses its raw material inputs (excluding energy and petroleum-based products) in production and how it manages related risks.

If data from Sustainalytics is unavailable for a given security's issuer, the issuer remains eligible for index inclusion, except in cases of Global Compact Non-Compliance or as otherwise specified by the treatment of unavailable data in Appendix B, in which case the security's issuer is deemed ineligible.

Other eligibility criteria

If, at index 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**.

CONSTITUENT SELECTION

Constituent selection process

An index reconstitution is conducted semiannually based on the reconstitution reference date.

Securities that meet the *Security Eligibility Criteria* are ranked in descending order by market capitalization and the top 50 securities are selected for inclusion in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified equal-weighted Index.

Constituent weighting process

An index rebalance is conducted semiannually based on the rebalance reference date.

Clean Edge categorizes each eligible company as Pure Play or Diversified. Pure Play companies are those that derive a substantial amount (50% or more) of revenue from water sector activities. All other companies are defined as Diversified.

Index Security weights are assigned according to the following modified equal weight approach:

- Pure Play: Index Securities are equally weighted so that Pure Plays make up 80% of the index weight.

- Diversified: Index Securities are equally weighted so that Diversified securities make up 20% of the index weight.

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

INDEX CALENDAR

Reconstitution & Rebalancing schedule

Reconstitution Frequency	Semiannually
Rebalance Frequency	Semiannually
Reconstitution Reference Dates	Last trading day of February and August, 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 March and September, respectively
Rebalance Reference Dates	Same as the reconstitution reference dates
Rebalance Announcement Dates	Same as the reconstitution announcement dates
Rebalance Effective Dates	Same as the reconstitution effective dates

Holiday schedule

The Index is calculated Monday through Friday and does not close for holidays, as it is a Global Index.

Index calculation and dissemination schedule

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

INDEX MAINTENANCE

Deletion policy

If, at any time other than an index reconstitution, Nasdaq determines that an Index Security has or will undergo a fundamental alteration that would make it ineligible for index inclusion, the Index Security is removed as soon as practicable. Such alternations may include a merger, acquisition or other major

corporate event that would otherwise adversely affect the integrity of the Index.

Replacement policy

Index securities deleted at any time during the year other than the index reconstitution(s) are not replaced.

Corporate actions

In the interim periods between scheduled index reconstitutions, individual Index securities may be the subject to a variety of corporate actions and events that require maintenance and adjustments to the Index. Specific treatment of each type of corporate action or event is described in Nasdaq's **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 "Non-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 reconstitutions and rebalances.

ADDITIONAL INFORMATION

Announcements

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

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

Unexpected market closures

For information on Unexpected Market Closures, please 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), please refer to the **Calculation Manual – Equities and Commodities**.

Recalculation and restatement policy

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

Data sources

For information on data sources and the classification of dividends and associated tax rates, please refer to the **Nasdaq Index Methodology Guide**.

Contact information

For any questions regarding an Index, please 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, see the **Nasdaq Index Methodology Guide**.

Website

For further information, please refer to Nasdaq GIW website at <https://indexes.nasdaqomx.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, please refer to the **Nasdaq Index Methodology Guide**.

APPENDIX A: EVENT RATINGS ELIGIBILITY

At each index reconstitution, companies with Event Ratings higher than three (3) for the following Events, as determined by Sustainalytics, are excluded from the eligible universe:

- Access to Basic Services
- Accounting and Taxation
- Bribery and Corruption
- Bribery and Corruption Supply Chain
- Employees – Human Rights
- Employees – Human Rights Supply Chain
- Land Use and Biodiversity
- Land use and Biodiversity Supply Chain
- Occupational Health and Safety
- Occupational Health and Safety Supply Chain
- Society – Human Rights
- Society – Human Rights Supply Chain

Event Ratings range from 1 to 5, with higher ratings indicating more severe impact on the environment and society, and the greater the business risk for the company. If there is no available data on the issuer’s Events, the issuer remains eligible for index inclusion.

APPENDIX B: PROHIBITED AREAS OF BUSINESS INVOLVEMENT

At each index reconstitution, a security’s issuer engaged in the following business activities, as determined by Sustainalytics, is deemed ineligible for index inclusion if it does not meet the specified criteria in the table below. If there is no available data on the issuer’s business activities, the issuer will be classified as either “Eligible” (remaining eligible for index inclusion) or “Ineligible” (excluded from index inclusion), as indicated in the “Treatment of Unavailable Data” section in the table below.

Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range	Treatment of Unavailable Data
Adult Entertainment: Distribution	The company is involved in the distribution of adult entertainment materials.	<5% of revenues	n/a	Eligible
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	Eligible
Arctic Oil & Gas Exploration: Extraction	The company is involved in oil and gas exploration in Arctic regions.	<10% of revenues	n/a	Ineligible

Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range	Treatment of Unavailable Data
Controversial Weapons: Evidence of Activity	The company is involved in activities with respect to controversial weapons.	No involvement	n/a	Ineligible
Oil & Gas: Generation	The company generates electricity from oil and/or gas.	<50% of revenues	n/a	Ineligible
Oil & Gas: Production: Exploration and Production Natural Gas	The company is involved in gas exploration and/or production.	<50% of revenues	n/a	Ineligible
Oil & Gas: Production: Exploration and Production Oil	The company is involved in oil exploration and/or production.	<10% of revenues	n/a	Ineligible
Oil & Gas: Production: Refining Natural Gas	The company is involved in gas refining.	<50% of revenues	n/a	Ineligible
Oil & Gas: Production: Refining Oil	The company is involved in oil refining.	<10% of revenues	n/a	Ineligible
Oil & Gas: Production: Transportation and Storage Natural Gas	The company is involved in gas transportation and/or storage.	<50% of revenues	n/a	Ineligible
Oil & Gas: Production: Transportation and Storage Oil	The company is involved in oil transportation and/or storage.	<10% of revenues	n/a	Ineligible
Oil Sands: Extraction	The company extracts oil sands.	<5% of revenues	n/a	Ineligible
Thermal Coal: Overall	The company's total (aggregated) revenue percentage of involvement in all categories of Thermal Coal.	<1% of revenues	n/a	Ineligible

Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range	Treatment of Unavailable Data
Tobacco: Production	The company manufactures tobacco products.	0% of revenues	n/a	Ineligible

APPENDIX C: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
3/24/2025	Security eligibility criteria: ESG eligibility	<p>A security’s issuer must not be positively identified by Sustainalytics as exhibiting any of the following characteristics:</p> <ul style="list-style-type: none"> • A Controversy Rating higher than four (4). • An ESG Risk Rating for ‘Resource Use’ above “Medium.” • An Event Rating higher than three (3) for the Events listed in Appendix A. • Involvement in specific business activities, as defined in Appendix B. <p>Sustainalytics’ ESG Risk Ratings issue – Resource Use – focuses on how efficiently a company uses its raw material inputs (excluding energy and petroleum-based products) in production and how it manages related risks.</p> <p>If data from Sustainalytics is unavailable for a given security’s issuer, the issuer remains eligible for index inclusion.</p>	<p>A security’s issuer must not be positively identified by Sustainalytics as exhibiting any of the following characteristics:</p> <ul style="list-style-type: none"> • 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 (collectively referred to as “Global Compact Non-Compliance”). • A Controversy Rating higher than four (4). • An ESG Risk Rating for ‘Resource Use’ above “Medium.” • An Event Rating higher than three (3) for the Events listed in Appendix A. • Involvement in specific business activities, as defined in Appendix B. <p>Sustainalytics’ ESG Risk Ratings issue – Resource Use – focuses on how efficiently a company uses its raw material inputs (excluding energy and petroleum-based products) in production and how it manages related risks.</p> <p>If data from Sustainalytics is unavailable for a given security’s issuer, the issuer</p>

Effective Date	Methodology Section	Previous	Updated
			remains eligible for index inclusion, except in cases of Global Compact Non-Compliance or as otherwise specified by the treatment of unavailable data in Appendix B, in which case the security's issuer is deemed ineligible.
3/24/2025	Appendix B: Prohibited areas of business involvement	--	<p>The acceptable involvement range must be 0% of revenues for the following business activity, and issuers with unavailable data will be ineligible for index inclusion:</p> <ul style="list-style-type: none"> - Tobacco: Production <p>The acceptable involvement range must be no involvement for the following business activity, and issuers with unavailable data will be ineligible for index inclusion:</p> <ul style="list-style-type: none"> - Controversial Weapons: Evidence of Activity <p>The acceptable involvement range must be less than 1% of revenues for the following business activity, and issuers with unavailable data will be ineligible for index inclusion:</p> <ul style="list-style-type: none"> - Thermal Coal: Overall <p>The acceptable involvement range must be less than 10% of revenues for the each of following business activities separately, and issuers with unavailable data will be ineligible for index inclusion:</p> <ul style="list-style-type: none"> - Arctic Oil & Gas Exploration: Extraction - Oil & Gas: Production: Exploration and Production Oil - Oil & Gas: Production: Refining Oil - Oil & Gas: Production: Transportation and Storage Oil <p>The acceptable involvement range must be less than 50% of revenues for the each of following business activities separately,</p>

Effective Date	Methodology Section	Previous	Updated
			<p>and issuers with unavailable data will be ineligible for index inclusion:</p> <ul style="list-style-type: none"> - Oil & Gas: Generation - Oil & Gas: Production: Exploration and Production Natural Gas - Oil & Gas: Production: Refining Natural Gas - Oil & Gas: Production: Transportation and Storage Natural Gas <p>Issuers with unavailable data will be ineligible for index inclusion for the following business activity:</p> <ul style="list-style-type: none"> • Oil Sands: Extraction

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.

Nasdaq® is a registered trademark of Nasdaq, Inc. and Clean Edge® is a registered trademark of Clean Edge, Inc. The information contained on this website is provided for informational and educational purposes only, and nothing contained herein should be construed as investment advice, either on behalf of a particular security or an overall investment strategy. Neither Nasdaq, Inc. nor Clean Edge, Inc. nor any of its affiliates makes any recommendation to buy or sell any security or any representation about the financial condition of any company. Statements regarding Nasdaq-listed or other publicly listed companies or Nasdaq Clean Edge proprietary indexes are not guarantees of future performance. Actual results may differ materially from those expressed or implied. Past performance is not indicative of future results. Investors should undertake their own due diligence and carefully evaluate companies before investing. **ADVICE FROM A SECURITIES PROFESSIONAL IS STRONGLY ADVISED.**