ICE Climate Environmental Hazard Score - Annex III.1 Disclosure Methodology: ICE CLIMATE - Version 1 - 10-2026

Regulatory Basis: Public Disclosure Requirements under Regulation (EU) 2024/3005, Annex III, Point 1

Regulatory Information

In accordance with Regulation (EU) 2024/3005 on the transparency and integrity of ESG rating activities, ICE Climate ensures that the information required under Point 1 of Annex III is disclosed in the order prescribed by Commission Delegated Regulation (EU) 2026/87. In fulfilling these disclosure requirements, ICE Climate may cross-reference information available on its website, including through hyperlinks or other appropriate technological means, in line with Article 2(2) of Commission Delegated Regulation (EU) 2026/87. This methodology document forms part of ICE Climate's regulatory disclosure framework and should be read together with the publicly available disclosure documents available at: https://www.ice.com/fixed-income-data-services/ice-climate-data-analytics/regulation

ICE Data Services Ireland Limited is part of Intercontinental Exchange (ICE)'s Fixed Income and Data Services segment. ICE Climate, also part of ICE's Fixed Income and Data Services, provides a comprehensive suite of climate data, analytics, and geospatial intelligence solutions to financial market participants globally. ICE Data Services Ireland Limited is the entity through which ICE Climate intends to establish its ESG ratings business within the European Union and apply for authorisation under Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities Regulation (EU) 2024/3005 ("ESG Ratings Regulation") by 2 November 2026.

Ref	Annex 3 point 1, Regulation	Article, Delegated Regulation	Requirement	Disclosure
Rating product disclosures	Annex III 1.f	Article 3(1)	Information on the ESG rating's clearly defined objective and marking whether the rating is assessing risks, impacts, or both, according to the double materiality principle, or any other dimensions, and in the case of double materiality the proportion of the risk and impact materiality	ICE Climate Environmental Hazard Score assesses the exposure of a community to environmental hazards, including air pollution, toxic releases, contaminated sites, impaired water, extractive industries and transportation-related impacts.
			(a) a description of the risks covered, where the ESG rating is assessing risks;	Environmental hazard exposure can affect a municipal issuer's revenue base through remediation and public health costs, property values and population change. However, the ICE Climate Environmental Hazard Score reflects hazard exposure only and is not calibrated against financial outcomes, it is therefore not a direct measure of financial risk.
			(b) a description of the impacts covered, where the ESG rating is assessing impacts;	ICE Climate Environmental Hazard Score assesses environmental impacts affecting communities and residents within the boundaries of the scored entity. Many of these hazards arise from industrial activity and infrastructure within or close to the issuer's own boundary.
			(c) information on how the risk and impact materiality are taken into account according to the double materiality principle, where applicable;	ICE Climate Environmental Hazard Score primarily addresses the impact dimension of materiality by assessing environmental conditions affecting communities and residents. Financial risk considerations are addressed only indirectly.
			(d) where the ESG rating is based on other materiality dimensions, a description of those dimensions.	ICE Climate Environmental Hazard Score is not based on other materiality dimensions.
Rating product disclosures	Annex III 1.g	Article 3(2)	The ESG rating's scope, namely, whether it covers an individual E, S, or G factor or whether it is an aggregated rating aggregating E, S and G factors, or whether it covers specific issues such as transition risks	ICE Climate Environmental Hazard Score is based on the Environmental (E) pillar. The methodology does not aggregate E, S and G factors into a single ESG rating.
			(a) a description of what is covered under the E, S or G factors and which factors are aggregated, where applicable	Under the Environmental (E) factor, ICE Climate Environmental Hazard Score covers 17 environmental hazard indicators.
			(b) a description of the specific issues that the ESG rating covers.	ICE Climate Environmental Hazard Score ranks communities on their overall exposure to 17 different hazards: PM2.5, Surface ozone, Air toxin cancer risk, Toxic releases (air, land and water), Diesel particulate matter, Pre-1980 housing, Superfund sites, Coal mines, Lead mines, Treatment, Storage and Disposal (TSD) clean-up sites, Risk Management Program (RMP) sites, Airports, Highways, Railroads, and Impaired water.
Rating product disclosures	Annex III 1.h	N/A	In the case of an aggregated ESG rating, the weighting of the three overarching E, S and G categories of factors (for example 33 % for the E factor, 33 % for the S factor, 33 % for the G factor), and the explanation of the weighting method, including weight per individual E, S and G category;	ICE Climate Environmental Hazard Score is not an aggregated ESG rating.
Rating product disclosures	Annex III 1.i	N/A	Within the E, S or G factors, specification of the topics covered by the ESG rating, and whether they correspond to the topics from the sustainability reporting standards developed pursuant to Article 29b of Directive 2013/34/EU;	ICE Climate Environmental Hazard Score does not correspond to topics reported under sustainability standards developed pursuant to Article 29b of Directive 2013/34/EU (European Sustainability Reporting Standards (ESRS)).
Rating product disclosures	Annex III 1.j	N/A	Information on whether the rating is expressed in absolute or relative value;	ICE Climate Environmental Hazard Score is expressed as a relative score on a 0–5 scale. Higher scores indicate greater exposure to environmental hazards relative to other scored communities.
Rating product disclosures	Annex III 1.o, Annex III 1.p	Article 3(3)	If an ESG rating of a rated item covers the E factor, information on whether that rating takes into account the targets and objectives of the Paris Agreement or any other relevant international agreements; if an ESG rating of a rated item covers the S and G factors, information on whether that rating takes into account any relevant international agreements;	ICE Climate Environmental Hazard Score is not designed to assess alignment with, or progress towards, the targets or objectives of the Paris Agreement or any other international agreement.
			(a) disclose an indication of whether the ESG rating takes into account the targets and objectives of the Paris Agreement and which other international agreements are considered, with reference to basic identifying information on the international agreements, together with an explanation of the relevance to the ESG rating;	
			(b) specify whether the ESG rating is assessing alignment of commitments against the objectives of the international agreements referred to in point (a).	
			An overview of the rating methodologies used and changes thereto, including whether analysis is backward-looking or forward-looking and the time horizon covered;	ICE Climate Environmental Hazard Score ranks communities according to their exposure to 17 environmental hazards. Individual hazard indicators are combined into a composite measure and translated into a 0–5 score, where higher values indicate greater exposure to environmental hazards. The score is backward-looking, as it relies on historical and current statistical datasets published by U.S. government departments. No forecasts, scenario analysis, or forward-looking assumptions are incorporated into the score calculation process.
			(a) disclose the title of the rating methodology used;	ICE Climate Environmental Hazard Score Methodology
			(b) describe the types of rated item in relation to which the methodology referred to in point (a) applies;	ICE Climate Environmental Hazard Score is provided for the following product: - ICE Climate Municipal Bonds
			(c) disclose the time horizon over which the ESG rating is considered valid, where applicable;	ICE Climate Environmental Hazard Score is considered valid until the dataset is updated. Updates may be triggered by source data updates, methodology changes, or model changes.

Ref	Annex 3 point 1, Regulation	Article, Delegated Regulation	Requirement	Disclosure
General methodological disclosures	Annex III 1.a	Article 4(1)	(d) disclose a list and overview of the relevant supporting models and key rating assumptions, where applicable;	ICE Climate Environmental Hazard Score combines hazard exposure data into a standardised score, by analysing: - Hazard measures: 17 measures from U.S. government sources, mapped at census tract level, covering proximity-based measures (Superfund, TSD and RMP sites, airports, highways, railroads), air quality measures (PM2.5, ozone, diesel particulate matter), and other measures such as impaired water, toxic releases to air, air toxin cancer risk and housing built before 1980. - Composite construction: each measure is normalised and equally weighted to produce a composite z-score, which is translated onto the published score scale by reference to the distribution across the scored population. - Aggregation: tract values are aggregated to issuer boundaries (e.g. states, counties, cities, school districts) using population weighting, so scores fall within the range of their constituent tract values. Further information available upon request.
			(e) provide information on measures and procedures to ensure the quality and reliability of data used;	Data quality for ICE Climate Environmental Hazard Score is maintained through a structured review applied at every release. Manual tests validate the integrity, format, and internal consistency of underlying data and intermediate calculations. These checks begin at the census tract level, where values are reviewed for completeness, valid ranges, and expected formatting, and they extend to each higher level of aggregation to confirm that results roll up correctly and remain consistent across geographies. Reviewing the data at multiple levels allows anomalies, such as outliers, missing values, or discrepancies between a tract and the larger area it belongs to, to be identified and resolved before delivery to clients.
			(f) describe the ranking system of rating categories used, with reference to:	ICE Climate Environmental Hazard Score is expressed on a relative scale from 0-5, with higher scores indicating greater exposure to environmental hazards. Scores are based on the distribution of environmental hazard exposure across the scored population and are intended to facilitate comparison between rated items. A higher score reflects relatively greater exposure to environmental hazards than lower-scoring peers. Further information available upon request.
			(i) the meaning of each rating category for absolute and relative values and how the ranking system is to be interpreted;	
			(ii) in the case of relative values, an explanation on whether they are relative to a specific industry, geographical area, peer groups or other comparative references and the respective description of those relative values;	
			(g) disclose the date of the most recent update of the methodology and a description of the changes introduced to the previous version.	ICE Climate Environmental Hazard Score Methodology has been updated in October 2026.
General methodological disclosures	Annex III 1.b	Article 4(2)	The industry classification used;	ICE Climate Environmental Hazard Score does not rely on industry classification.
			(a) the name of the issuing body of the industry classification used;	
			(b) the name and version of the industry classification used;	
			(c) any publicly available link to the official documentation of the industry classification system.	
General methodological disclosures	Annex III 1.c	Article 4(3)	An overview of data sources, including whether data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088 and whether sources are public or non-public, and an overview of data processes, estimation of input data in case of unavailability and frequency of data updates;	ICE Climate Environmental Hazard Score is constructed using public data available from a variety of U.S. government departments, including the Environmental Protection Agency, the U.S. Census Bureau, and the United States Geological Survey (USGS). Census tracts with missing data are not imputed. ICE Climate Environmental Hazard Score is static. No data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088. Further information available upon request.
			ESG rating providers shall describe the engagement process with rated items or issuers of rated items, including how the input from such process is taken into account.	ICE Climate does not engage with rated items or issuers of rated items in the preparation of the Environmental Hazard Score and does not perform on-site reviews or visits. The score is prepared using publicly available data and ICE Climate proprietary models, as described herein. Rated items and issuers of rated items may request information about the data used in relation to them, and report suspected factual errors, by contacting ESGDataInquiry@ice.com.
General methodological disclosures	Annex III 1.e	Article 4(4)	Information on whether and how the rating methodologies are based on scientific evidence;	The Environmental Hazard methodology is informed by scientific and technical evidence, including environmental health research, environmental monitoring methodologies, and publicly available U.S. government datasets. This evidence informs indicator selection, score construction, normalisation methodologies and validation activities. Relevant scientific evidence is identified and assessed by the ICE Climate research and methodology teams as part of methodology development, validation and periodic review.
			ESG rating providers shall, where applicable, describe the process for identifying the relevant scientific evidence	
General methodological disclosures	Annex III 1.k	N/A	Where applicable, reference to the use of artificial intelligence in the data collection or rating process including information about current limitations and risks of using artificial intelligence;	The Environmental Hazard Score methodology does not use artificial intelligence in the derivation of scores. Scores are calculated using publicly available environmental hazard datasets and a rules-based aggregation and normalisation framework.
Limitations in data sources, methodologies and information	Annex III 1.m, Annex III 1.q	Article 5	Any limitation in data sources and methodologies used for the construction of ESG ratings; any limitation on the information available to ESG rating providers.	See below Further information available upon request.
			(a) the availability or consistency of data used in the rating process;	Data availability and consistency rely on official U.S. public statistical sources, which are subject to each agency's own validation and disclosure controls. Consistency also varies by measure: the impaired water measure reflects state monitoring effort as well as water quality and is therefore not necessarily comparable between states.
			(b) the completeness, timeliness and accuracy of information;	Source datasets are published on different cycles and with different reporting lags, and the composite therefore combines measures of differing vintage.
			(c) the use of assumptions, proxy reference points and data estimation.	The ICE Climate Environmental Hazard Score incorporates assumptions and proxies. The percentage of housing built before 1980 is used as a proxy for possible lead-based paint, and airport, highway and railroad locations are used as proxies for transport-related emissions. All hazard measures are equally weighted regardless of severity, toxicity, intensity or duration of exposure. Measures are summed directly even where they overlap (e.g. diesel particulate is itself a source of PM2.5), so the same phenomenon may be counted more than once.
Organisational disclosures	Annex III 1.d	Article 6(1)	The ownership structure of the ESG rating provider;	Refer to the Organisational Structure / Org chart section, available at https://www.ice.com/fixed-income-data-services/ice-climate-data-analytics/regulation
			(a) ESG rating providers shall disclose a chart illustrating their ownership links with any parent undertaking and subsidiaries. That chart shall indicate, where applicable, whether any of those entities perform any of the activities listed in Article 16(1) or other services as referred to in Article 16(6) of Regulation (EU) 2024/3005	
			General information on criteria used for establishing fees charged to clients, specifying the various elements taken into consideration, and general information on the business/payment model;	

Ref	Annex 3 point 1, Regulation	Article, Delegated Regulation	Requirement	Disclosure
Organisational disclosures	**Annex III 1.l**	**Article 6(2)**	(a) how the criteria they apply for establishing fees ensure that those fees are fair, reasonable, transparent and non discriminatory, as required by Article 27 of Regulation (EU) 2024/3005;	Refer to the Fees Statement, available at https://www.ice.com/fixed-income-data-services/ice-climate-data-analytics/regulation
			(b) whether the ESG rating provider operates a subscription-paid model, an issuer-paid model, a combination of those models, or another model;	
			(c) a description of the relevant business model, and the proportion of total annual revenue derived from each model;	
			(d) where applicable, the impact of fees charged for services other than ESG rating activities on the determination of fees for ESG ratings, together with a description of those other services.	
Organisational disclosures	**Annex III 1.n**	**Article 6(3)**	The main risks of conflicts of interest and the steps taken to mitigate them;	Refer to the Conflict of Interest Policy, available at https://www.ice.com/fixed-income-data-services/ice-climate-data-analytics/regulation
			ESG rating providers shall indicate the areas of the ESG rating provider's activities, services or organisational structure from which the main risks of conflicts of interest may arise	

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