ICE Climate Physical Risk Scores - 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 issues Physical Risk Scores assessing a rated entity's exposure to physical climate risks.
			(a) a description of the risks covered, where the ESG rating is assessing risks;	ICE Climate Physical Risk Scores cover financial losses that may accrue from climate-related events like hurricanes, wildfires, floods, and extreme temperatures. These risks are often highly localised (i.e. a property a few blocks away may have significantly different risks).
			(b) a description of the impacts covered, where the ESG rating is assessing impacts;	ICE Climate Physical Risk Scores do not quantify impacts on the environment and society in general (Inside-Out).
			(c) information on how the risk and impact materiality are taken into account according to the double materiality principle, where applicable;	As ICE Climate Physical Risk Scores quantify financial risk (Outside-In) and do not cover impact (Inside-Out), the double materiality principle does not apply.
			(d) where the ESG rating is based on other materiality dimensions, a description of those dimensions.	ICE Climate Physical Risk Scores are 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 issues Physical Risk Scores based on the Environmental (E) pillar assessing a rated entity's exposure to physical climate risks. 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 Physical Risk Scores cover: - Acute Risk Scores - Chronic Risk Scores - Combined Risk Scores
			(b) a description of the specific issues that the ESG rating covers.	- Acute Risk Scores cover: Flood Risk Score, Hurricane Risk Score, Wildfire Risk Score, and Acute Risk Score (the sum of Flood, Hurricane and Wildfire Risks) - Chronic Risk Scores cover: Extreme Heat Score, Extreme Cold Score - Combined Risk Scores are the combination of Acute, Extreme Heat, Extreme Cold and Water Stress Risks
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 Physical Risk Scores are 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 Physical Risk Scores do 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 Physical Risk Scores are expressed as relative scores on a 0–5 scale. The scores represent the level of risk of the most exposed instruments in the asset class.
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 Physical Risk Scores are 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;	- For Acute Risk Scores, ICE Climate's methodology is built around a workflow that transforms raw building and hazard data into risk scores. Beginning with comprehensive data inputs (building footprints, building characteristics, and hazard classifications), ICE Climate extracts localised hazard metrics for present day and forward-looking Shared Socioeconomic Pathways (SSP) scenarios, to which vulnerability functions are applied to estimate losses. Property and revenue Value-at-Risk (VaR) values are computed at the building level and aggregated to the relevant security. Finally, risk metrics are normalised for each peril, and a unified 0-5 risk score is derived, providing a measure of climate exposure ranging from negligible to extreme. - For Chronic Risk Scores, ICE Climate assesses chronic hazard vulnerability from extreme temperatures using heating and cooling degree days, both measured against an 18°C (65°F) threshold. This captures financial exposure through four key vulnerability metrics: excess mortality, crop loss, worker productivity loss, and GDP impairment. Damage functions were developed for each metric using peer-reviewed heat stress and mortality research, accounting for variables such as industry type, worker exposure, income level, and climate classification. For sovereign entities, these functions are applied across combinations of income type (High, Middle, Low) and climate type (Hot, Temperate, Cold), with income classification based on World Bank Gross National Income (GNI) per capita data.

Ref	Annex 3 point 1, Regulation	Article, Delegated Regulation	Requirement	Disclosure
General methodological disclosures	Annex III 1.a	Article 4(1)	(a) disclose the title of the rating methodology used;	ICE Climate Physical Risk Scores and Climate Vulnerability Indicators Methodology
			(b) describe the types of rated item in relation to which the methodology referred to in point (a) applies;	Risk Scores are are provided for the following products: - ICE Private Markets Climate Risk Analytics - ICE Climate Risk Corporates - ICE Climate Sovereigns - ICE Climate Mortgage-Backed Securities (MBS) - ICE Climate Municipal Bonds - ICE Climate Global Real Estate - Data Centre Site Analytics Tool
			(c) disclose the time horizon over which the ESG rating is considered valid, where applicable;	Physical Risk Scores are considered valid until the dataset is updated. Updates are released at least annually and may be triggered by input data updates, methodology updates, model updates, or geospatial linkage updates.
			(d) disclose a list and overview of the relevant supporting models and key rating assumptions, where applicable;	ICE Climate Physical Risk Scores combine raw building and hazard data into a standardised climate risk scale, by analysing: - Exposure: Risks are identified by mapping 1.6 billion building footprints globally and their characteristics (occupancy, height, materials), plus population/GDP data for chronic hazard analysis. - Hazard: ICE Climate extracts localised hazard intensity data (flood depth, wind speed, flame length, temperature extremes) at building level, for both current conditions and future climate scenarios. - Vulnerability & Loss: For acute risks, ICE Climate applies damage functions to translate hazard intensity and building characteristics into estimated property value loss and business interruption/revenue loss. For chronic hazard vulnerability, damage functions were developed for each metric using peer-reviewed heat stress and mortality research, accounting for variables such as industry type, worker exposure, income level, and climate classification. Building-level losses and risk metrics are then aggregated to the relevant security type: sovereign, corporate, municipal bond, or MBS using asset-specific methods (e.g., footprint area for sovereigns, employment/capital intensity for corporates). The final output is a normalised 0–5 risk score per peril, where a score of 5 indicates the top 2% of risk and each point roughly reflects a doubling of expected annual losses. Further information available upon request.
			(e) provide information on measures and procedures to ensure the quality and reliability of data used;	The ICE Climate global physical risk model has been quality assessed internally by multiple climate and data scientists. Modellers confirmed that hazard trajectories follow spatial patterns and regional projections predicted by the latest Intergovernmental Panel on Climate Change (IPCC) reports. Model outputs are validated against peer-reviewed scientific research and academic literature. Further information available upon request.
			(f) describe the ranking system of rating categories used, with reference to:	Scores are scaled 0-5 within each asset class and capped at the 98th percentile. A score of 5 places an asset in the top 2% of estimated risk for that peril. Doubling the score reflects an approximate doubling of underlying average annual losses. Scores are relative within each asset class and hazard. 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 Physical Risk Scores and Climate Vulnerability Indicators Methodology was updated in October 2026. The methodology update improves physical risk modelling for mines and adjusts corporate asset materiality weights to increase stability between releases.
General methodological disclosures	Annex III 1.b	Article 4(2)	The industry classification used;	ICE Climate Physical Risk Scores do 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 utilises a mix of public and non-public data to build Physical Risk Scores. The global building footprint layers are geospatial datasets from Regrid, Microsoft and Global Human Settlement Layer (GHSL). Hazard metrics are collected from Fathom for flood risk, the U.S. Forest Service for U.S. wildfire risk, Sust Global for hurricane wind risk, and the World Resources Institute for water stress. Wildfire and Extreme Temperature scores are derived from ICE Climate Modelling. No data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088. A detailed description of ICE Climate vendors and data sources is 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 Physical Risk Score and does not perform on-site reviews or visits. Scores are prepared using publicly available data, licensed third-party 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;	ICE Climate Physical Risk Scores are derived from spatial patterns and regional projections predicted by the IPCC Sixth Assessment Report (AR6), in-house models are built on peer-reviewed scientific articles and damage functions and model outputs are validated against peer-reviewed scientific research and academic literature. Further information available upon request.
			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 only artificial intelligence used in the ICE Climate Physical Risk Scores is the machine-learning techniques employed in developing the global wildfire and global exposures models.

Ref	Annex 3 point 1, Regulation	Article, Delegated Regulation	Requirement	Disclosure
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 vary by geography, hazard type, and asset class, with more granular and complete data available in North America and Europe (e.g., building footprints) and more generalized or extrapolated data used elsewhere.
			(b) the completeness, timeliness and accuracy of information;	Data completeness, timeliness and accuracy depend on the availability of underlying data points, which vary across regions and asset types. These differences are reflected in factors such as U.S.-based damage functions extrapolated globally, or city-centre data being used rather than address specific locations in specific markets, and considerations in areas with limited access to property records.
			(c) the use of assumptions, proxy reference points and data estimation.	ICE Climate Physical Risk Scores incorporate assumptions, proxies, and estimation techniques, including proxy locations for unmapped corporate facilities, nearest-footprint averaging where exact coordinates are unavailable, interpolation of certain scenario-specific climate metrics, and simultaneous-event assumptions used in tail risk calculations.
Organisational disclosures	**Annex III 1.d**	**Article 6(1)**	The ownership structure of the ESG rating provider; (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	Refer to the Organisational Structure / Org chart section, available at https://www.ice.com/fixed-income-data-services/ice-climate-data-analytics/regulation
Organisational disclosures	**Annex III 1.l**	**Article 6(2)**	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; (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; (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.	Refer to the Fees Statement, available at https://www.ice.com/fixed-income-data-services/ice-climate-data-analytics/regulation
Organisational disclosures	**Annex III 1.n**	**Article 6(3)**	The main risks of conflicts of interest and the steps taken to mitigate them; 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	Refer to the Conflict of Interest Policy, available at https://www.ice.com/fixed-income-data-services/ice-climate-data-analytics/regulation

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