ICE Climate Vulnerability Indicator - 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.	The ICE Climate Municipal Bond Climate Vulnerability Indicator ("ICE Climate Vulnerability Indicator"), assesses a rated entity's exposure to climate risks by measuring its potential vulnerability to physical climate hazards.
			(a) a description of the risks covered, where the ESG rating is assessing risks;	The ICE Climate Vulnerability Indicator addresses financial risk materiality (Outside-In). The scores assess vulnerability associated with physical climate hazards and the capacity of communities or countries to withstand and adapt to those hazards.
			(b) a description of the impacts covered, where the ESG rating is assessing impacts;	The ICE Climate Vulnerability Indicator does not quantify impacts on the environment and society in general (Inside-Out). A social impact dimension is included in the Climate Vulnerability Score but is not used to assess impact (inside-out). It is used instead to assess the overall vulnerability of a community.
			(c) information on how the risk and impact materiality are taken into account according to the double materiality principle, where applicable;	As the ICE Climate Vulnerability Indicator quantifies financial risk (Outside-In) and does 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.	The ICE Climate Vulnerability Indicator 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	The ICE Climate Vulnerability Indicator is an aggregated rating covering Environmental (E) and Social (S) factors; it does not assess Governance (G) factors. It focuses specifically on physical climate risk (heat, flooding, hurricane wind and wildfire) combined with socioeconomic vulnerability. The indicator applies to U.S. municipal issuers.
			(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) and Social (S) factors, ICE Climate provides the following score: - ICE Climate Municipal Bond Climate Vulnerability Indicator
			(b) a description of the specific issues that the ESG rating covers.	The ICE Climate Vulnerability Indicator is a combination Physical risk property (Property Average Annual Losses), Cooling Degree Days and U.S. Social Impact Scores. Please refer to ICE Climate Annex III.1 Disclosure Methodologies: Social Impact Scores and Physical Risks Scores for more information.
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;	The ICE Climate Vulnerability Indicator assesses Environmental (E) and Social (S) factors. No percentage weights are applied to the E and S categories, as the indicator is not a weighted average. Instead, a location is flagged as vulnerable only when it simultaneously falls in the top 30% of physical risk for a given hazard (E) and has an ICE Social Impact Score above 70 on a 0-100 scale (S). Neither category can produce a vulnerability flag on its own. Within the E category, the hazards (heat stress, heat stress vulnerability, flooding, hurricane wind and wildfire) are not weighted relative to one another; a location's indicator is the highest value it receives across all hazards. The indicator is reported as the percentage of each issuer's population with current, and with current and future, climate vulnerability.
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;	The ICE Climate Vulnerability Indicator 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;	The ICE Climate Vulnerability Indicator is not expressed as a relative score. The Municipal Bond Climate Vulnerability Indicator classifies issuers according to the presence of socioeconomic vulnerability and elevated current and future physical climate risks on a 0–2 scale.
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;	The ICE Climate Vulnerability Indicator 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;	The ICE Climate Vulnerability Indicator is a U.S. specific score that highlights a community's social and climate change vulnerability. It quantifies populations that are both socioeconomically vulnerable and have high physical climate risk, and populations that are socioeconomically vulnerable and have high current and future physical climate risk. The indicator is composed of: ICE Climate U.S. Social Impact Score, Heat Stress, Heat Stress Vulnerability, Flooding, Hurricane Wind, and Wildfire. - Score of 1 (current vulnerability): A location scores 1 for flood, hurricane wind, wildfire or extreme heat if it is in the top 30% for that hazard's present-day physical risk (average annual loss for the acute risks, cooling degree days for extreme heat) and has a Social Impact Score above 70 on a 0-100 scale. A location will also receive a score of 1 if it has high heat stress vulnerability. Heat stress vulnerability targets communities that are not hot today but are warming and are less likely to be adapted, for example because of lower air-conditioning adoption. A location scores 1 if it is in the bottom 30% for current cooling degree days, in the top 30% for the 2020–2025 increase in cooling degree days, and has a Social Impact Score above 70 on a 0-100 scale. - Score of 2 (current and future vulnerability): A location scores 2 if it already scores 1 for a hazard and the same hazard is projected to rise substantially, meaning it is in the top 30% of change between 2020 and 2060 (2025–2060 for heat stress vulnerability).
			(a) disclose the title of the rating methodology used;	ICE Climate Physical Risk Scores and Climate Vulnerability Indicator Methodology
			(b) describe the types of rated item in relation to which the methodology referred to in point (a) applies;	The ICE Climate Vulnerability Indicator is provided for the following product: - ICE Climate Municipal Bonds

Ref	Annex 3 point 1, Regulation	Article, Delegated Regulation	Requirement	Disclosure
General methodological disclosures	Annex III 1.a	Article 4(1)	(c) disclose the time horizon over which the ESG rating is considered valid, where applicable;	The ICE Climate Vulnerability indicator is 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;	The ICE Climate Vulnerability Indicator combines ICE Climate Physical Risk metrics with ICE Climate U.S. Social Impact Scores to identify communities that are both socioeconomically vulnerable and exposed to elevated physical climate risks. Please refer to ICE Climate Physical Risk Scores and ICE Climate Social Impact Scores for further information on supporting models and key rating assumptions.
			(e) provide information on measures and procedures to ensure the quality and reliability of data used;	The ICE Climate Vulnerability Indicator has been quality assessed internally by multiple climate and data scientists. Controls implemented include: automated testing, completeness and validity checks, pre-release milestone checks, and release-to-release comparison. Further information available upon request.
			(f) describe the ranking system of rating categories used, with reference to:	Municipal Bond Climate Vulnerability Indicator: Score 0: Negligible climate vulnerability risk. Score 1: Socioeconomically vulnerable with elevated current physical climate risk. Score 2: Socioeconomically vulnerable with elevated current and future physical climate risk. Higher scores indicate that residents residing within an issuer's geographic boundary have greater vulnerability than other communities in the U.S. The ICE Climate Vulnerability Indicator assigns categorical scores (0, 1 or 2), but the thresholds behind them are relative values. A location qualifies only if it falls in the top 30% nationally for a given hazard's physical climate risk and has an ICE Social Impact Score above 70, also assessed nationally. Scores are therefore relative to the U.S. as a whole, not to a specific industry, state or peer group of issuers.
			(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 Indicator Methodology was updated in October 2026.
General methodological disclosures	Annex III 1.b	Article 4(2)	The industry classification used;	The ICE Climate Vulnerability Indicator 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;	The ICE Climate Vulnerability Indicator data sources include public statistical datasets from the U.S. Census Bureau and the U.S. Centers for Disease Control and Prevention (CDC) regarding the U.S. Social Impact scores, together with physical risk metrics for flooding, hurricane wind, wildfire, and heat stress. Physical risk metrics are sourced from Fathom (flood risk), the U.S. Forest Service (wildfire risk), Sust Global (hurricane wind risk), and ICE Climate modelling (heat stress, heat stress vulnerability, and certain wildfire metrics). No data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088. A detailed repository 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 ICE Climate Vulnerability Indicator 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;	Scientific evidence is reflected in the use of climate hazard models and climate vulnerability frameworks, including flood, hurricane wind, wildfire, and heat stress assessments. Relevant scientific evidence is identified through the selection and review of recognized climate risk datasets, models, and indicators provided by specialized research organizations and data providers. The methodology also incorporates publicly available socio-economic and demographic data, including data from the U.S. Census Bureau and the U.S. Centers for Disease Control and Prevention (CDC), to assess vulnerability and adaptive capacity. The methodology does not rely directly on academic research studies as rating inputs. Rather, they leverage climate risk models, vulnerability frameworks, and statistical datasets developed by recognized governmental, academic, and research institutions.
			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;	No artificial intelligence is used in the ICE Climate Vulnerability Indicator.
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 and underlying data source. ICE Climate Vulnerability Indicator underlying socio-economic and demographic datapoints are sourced from publicly available U.S. datasets, while the climate hazard indicator is derived from recognized climate risk datasets and models.
			(b) the completeness, timeliness and accuracy of information;	Data completeness, timeliness and accuracy depend on the availability of underlying datapoints, which vary across regions and asset types. The ICE Climate Vulnerability Indicator relies on U.S. Census Data, which has a 1-2-year release delay.
			(c) the use of assumptions, proxy reference points and data estimation.	The ICE Climate Vulnerability Indicator incorporates assumptions, particularly with regards to the definition of heating vulnerability. Without explicit knowledge on air conditioning use, the score assumes that locations with historically low cooling degree days do not have air conditioning and are therefore more vulnerable.
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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