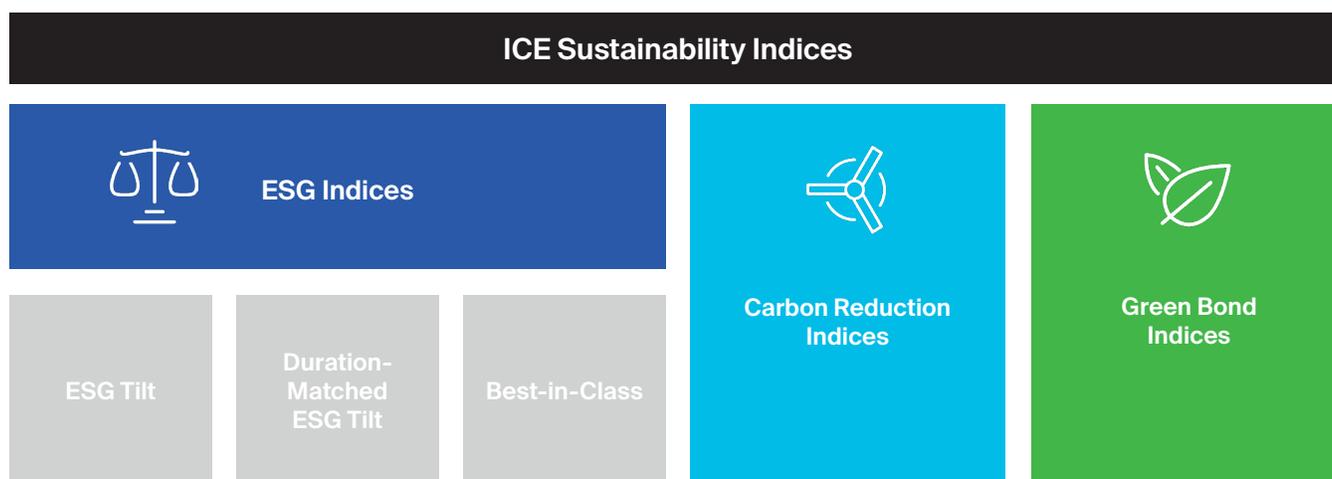


# ICE Sustainability Indices

Creating sustainable benchmark solutions



ICE Data Indices has a range of solutions available for fixed income sustainable benchmarks that account for Environmental, Social and Governance (ESG) factors in addition to other criteria. Our Sustainability Indices<sup>1</sup>, which include ESG constrained indices, carbon reduction indices and green bond indices, combine our fixed income capabilities with popular ESG strategy overlays.



## Corporate ESG Indices

Corporate ESG Indices can be used to filter out securities of companies with certain business involvement and tilt toward those companies with more attractive ESG risk scores. In addition to the data typically used when compiling bond indices (e.g. reference data, evaluations, credit ratings, etc.), Corporate ESG Indices also incorporate Sustainability ESG Ratings. History is available from 2016, providing insight into one of the most volatile periods of corporate bond indices.

Corporate ESG Indices may employ any of the following methodologies:

- ESG Tilt: Filter out companies with significant involvement in controversial weapons and tilt the weights of remaining constituents towards those with more attractive ESG risk scores.
- ESG Tilt with Duration Match: The same as the ESG Tilt method but with additional weighting adjustments to match the Parent Index interest rate exposure across rating and sector segments as closely as practicable.
- ESG Best-in-Class: Filter out companies with significant involvement in controversial weapons and/or less attractive ESG risk scores. The weights of remaining constituents are then adjusted to closely match allocations to rating and sector segments of the Parent Index.

The Corporate ESG Index methodologies have been applied to a number of our flagship indices, including the ICE BofA U.S. and Euro Investment Grade and High Yield Indices.

1. IDI in providing these Sustainability Indices is not intending to interpret or give guidelines on the EU Taxonomy disclosures nor the EU criteria for environmentally sustainable investments. Please refer to the Methodology for each of the ICE Sustainability Indices for additional information: [theice.com/sustainability-indices](https://theice.com/sustainability-indices).

## Global Government Carbon Reduction Indices

Global Government Carbon Reduction Indices tilt the weights of constituent countries to lower the weighted average carbon footprint of the overall index while helping to minimize tracking error versus the starting capitalization-weighted Parent Index. The information used to compile the Global Government Carbon Reduction Indices is based, in part, on CO2 per capita data published in the Emissions Database for Global Atmospheric Research (EDGAR) Carbon Data Report.

The methodology for the Global Government Carbon Reduction Indices has been applied to a number of our most popular Global, Euro and Emerging Markets Government Indices.

## ICE BofA Green Index

With history going back to 2010, the ICE BofA Green Index tracks securities issued for qualified green purposes. Qualifying bonds must have a clearly designated use of proceeds that is solely applied toward projects or activities that promote climate change mitigation or adaptation or other environmental sustainability purposes as outlined by the ICMA Green Bond Principles.

---

## About ICE Data Indices

ICE Data Indices (IDI) is a leading index provider, calculating over 6,000 standard and custom indices spanning the global fixed income, equity, commodity and currency markets. IDI combines ICE Data Services' leading reference data, evaluated pricing and analytics, along with its own established track record in index provisioning spanning 50 years, to deliver unique index solutions as an Index Administrator and as a provider of calculation services for certain third-party indices and intraday estimates of an exchange traded fund's net asset value per share.



[theice.com/sustainability-indices](https://theice.com/sustainability-indices)

LIMITATIONS AND NOTICES: This document is not to be published, reproduced, copied, disclosed or used without the express written consent of ICE Data Indices, LLC. This document is provided for informational purposes only. The information contained herein is subject to change without notice and does not constitute any form of warranty, representation, or undertaking. Nothing herein should in any way be deemed to alter the legal rights and obligations contained in agreements between Intercontinental Exchange, Inc., ICE Data Indices, LLC and/or any of their affiliates and their respective clients relating to any of the products or services described herein. Nothing herein is intended to constitute legal, tax, accounting, investment or other professional advice. Clients should consult with an attorney, tax, or accounting professional regarding any specific legal, tax or accounting situation. The content in this document is provided on an "AS IS" basis. Intercontinental Exchange, Inc. and its affiliates, including ICE Data Indices, LLC, make no warranties whatsoever, either express or implied, as to merchantability, fitness for a particular purpose, or any other matter. Without limiting the foregoing, Intercontinental Exchange, Inc. and its affiliates, including ICE Data Indices, LLC or any of its affiliates make no representation or warranty that any data or information (including but not limited to evaluated pricing) supplied to or by it are complete or free from errors, omissions, or defects. In no event shall Intercontinental Exchange, Inc., ICE Data Indices, LLC and/or any of their affiliates be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the content in this document even if advised of the possibility of such damages. Fixed income evaluations, continuous evaluated pricing, end-of-day evaluations, evaluated curves, model-based curves, and Fair Value Information Services related to securities are provided in the US through ICE Data Pricing & Reference Data, LLC and internationally through ICE Data Services entities in Europe and Asia Pacific. ICE Data Services refers to a group of products and services offered by certain Intercontinental Exchange, Inc. (NYSE:ICE) companies and is the marketing name used for ICE Data Services, Inc. and its subsidiaries globally, including ICE Data Pricing & Reference Data, LLC, ICE Data Services Europe Limited and ICE Data Services Australia Pty Ltd. ICE Data Services is also the marketing name used for ICE Data Indices, LLC and ICE Data Derivatives Inc. and its subsidiaries globally and certain other data products and services offered by other affiliates of Intercontinental Exchange, Inc. (NYSE:ICE). Trademarks of Intercontinental Exchange, Inc. and/or its affiliates include: Intercontinental Exchange, ICE, ICE block design, NYSE, ICE Data Services, New York Stock Exchange, Intellidex, and StrataQuant. Information regarding additional trademarks and intellectual property rights of Intercontinental Exchange, Inc. and/or its affiliates is located at [www.intercontinentalexchange.com/terms-of-use](http://www.intercontinentalexchange.com/terms-of-use). BofA® is a registered trademark of Bank of America Corporation licensed by Bank of America Corporation and its affiliates ("BoFA"), and may not be used without BoFA's prior written approval. Other products, services, or company names mentioned herein are the property of, and may be the service mark or trademark of, their respective owners. ©2020 Intercontinental Exchange, Inc.

Historical returns and weights before the launch date of an Index are based upon back tested data. For the period prior to the launch date of an Index, simulated performance data has been provided as an illustration of how the Index would have performed during the relevant period had the Index been calculated by ICE Data Indices, LLC using the current Index methodology. Such simulated performance data has inherent limitations, as the simulated data is produced by the retroactive application of the methodology. Simulated performance data is based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance and may reflect a bias toward strategies that have performed well in the past.