

ESG Country Ratings

Introduction

Inrate's ESG Country Ratings were built based on an in-depth analysis of how a country is required to perform to contribute to a sustainable development locally but also at the international level. Inrate therefore evaluates the main functions of a state as well as its ability to meet its duties and obligations to its citizens and to the overarching goal of contributing to a sustainable development worldwide.

It is believed that a country, firstly, needs to ensure a strong institutional framework in place in order to ensure that it is adequately prepared to deal with the challenges of sustainable development and, secondly, its preparedness and performance with respect to how it governs its people and the environment need to be evaluated to reach a robust assessment of how sustainable it can be considered.

Key Benefits

- An analysis of **195 countries worldwide**;
- An **ESG ranking** of all countries based on their performance;
- An overall **ESG score** from 0-100;
- A robust **sustainability assessment** on an absolute scale of A+ to D-;
- Extensive **comparison tools** and options;
- Numerous **flexible exclusion** criteria.

Methodology

The Inrate country ratings approach aims to collect a diverse range of indicators, which together provide a comprehensive view of a country's performance with respect to the environment, the society and its governance practices.

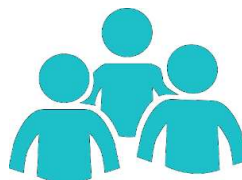
- The environmental pillar has a weight 30%, is comprised of 28 indicators and covers 8 topics;
- The social pillar has a weight of 30%, is comprised of 30 indicators and covers 7 topics;
- The governance pillar has a weight of 40%, is comprised of 19 indicators and covers 5 topics.

Environment



- Air pollution
- Biodiversity
- Water
- Waste
- Energy
- Climate change
- Multilateral treaties and commitments

Social



- Standard of living
- Health
- Education
- Security
- Equality
- Labor
- Human rights

Governance



- Strength of institutions
- Corruption and business climate
- Stability and security
- Democratic values and rights
- Multilateral treaties and commitments

Research Process

Inrate's Country Ratings are updated and delivered on a quarterly basis. In the past decade, due to global efforts including the Sustainable Development Goals, there has been an exponential increase in the amount of data available which can be used in an environmental, social and governance assessment of states. Due to this trend, Inrate strives to continuously evaluate new data points that could add value and increase the robustness of the sustainability assessments of sovereign bond issuers.

The process for researching and rating states is outlined below:



Exclusion Criteria

A comprehensive set of exclusion criteria has been developed that can be applied or not depending on the clients' needs. Exclusions can be based on any combination of normative criteria such as:

- Corruption
- Regime type
- Freedom status
- Electoral democracies
- Possession of nuclear weapons
- Involvement in military conflicts
- Nuclear energy (moratorium of building new stations)
- Nuclear energy (share of power generated)
- Child labor
- Death penalty
- Freedom of association
- Violation of human or labor rights
- Ratification of global weapons treaties
- Ratification of human rights treaties
- Ratification of labor rights treaties
- Ratification of environmental and climate change treaties

About inrate

Inrate is a leading independent sustainability ratings provider based in Switzerland. Since 1990, we link our in-depth sustainability analysis with innovative investment solutions for the financial markets. Our ratings are a measure of the impact companies have with their behavior and products on society and the environment as well as their willingness and ability to effectively tackle the corresponding challenges.

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