

ESG Country Ratings

Introduction

Inrate's ESG Country Ratings are based on an in-depth analysis of how a country is required to perform to contribute to a sustainable development nationally as well as internationally. 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**;
- A robust **sustainability assessment** on an absolute scale of A+ to D-;
- An **ESG ranking** of all countries based on their performance;
- An overall **ESG score** from 0-100;
- 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.

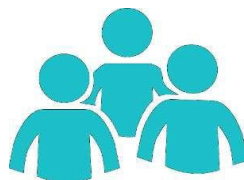
- The environmental pillar has a weight of 25%, is comprised of 18 indicators and covers 7 topics;
- The social pillar has a weight of 25%, is comprised of 28 indicators and covers 9 topics;
- The governance pillar has a weight of 50%, is comprised of 18 indicators and covers 6 topics.

Environment



- Air pollution
- Biodiversity and resources
- Water and sanitation
- Waste
- Energy
- Climate
- Multilateral environmental agreements

Social



- Standard of living
- Health
- Security
- Education
- Equal opportunities
- Intergenerational justice
- Business climate
- Labor

Governance



- Human rights
- Democracy
- Governance and rule of law
- Corruption
- Stability
- International cooperation

Research Process

Inrate's Country Ratings are updated and delivered on an annual 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:

- Death Penalty
- UN Sanctions
- EU Embargoes
- Regime Type
- Electoral Democracy
- Press Freedom
- State Fragility
- Corruption
- Nuclear Weapon State
- 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.

Your contact

Jasmin Gehrig
 Client Relations and Delivery Manager
jasmin.gehrig@inrate.com
 +41 58 344 00 10

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Zurich Office
 Inrate AG
 Binzstrasse 23
 CH-8045 Zürich
 Tel. +41 58 344 00 00
info@inrate.com
www.inrate.com

Geneva Office
 Inrate SA
 Rue de Berne 10 CH-1201 Genève
 Tel. +41 58 344 00 00
info@inrate.com
www.inrate.com

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