



# ESG RATINGS, DATA & ANALYSIS

Evaluate the ESG impact and performance of labeled fixed income instruments and the issuing entity, with a comprehensive, transparent and cross-comparable qualitative and quantitative assessments from Fitch, a name recognized and trusted for over 100 years in the fixed income space.



## DIFFERENTIATE & FUTUREPROOF YOUR INVESTMENT STRATEGY

We have a uniquely comprehensive approach: deep, detailed, and nuanced analysis specifically for fixed income, with a view of what best practices look like per sector via sector-specific anchoring points. New standards, taxonomies, and regulatory frameworks will be added as they emerge.



## MAKE CONFIDENT DECISIONS WITH ACCESS TO SECTOR-FOCUSED ESG ANALYSTS

This is a human powered, expert-generated analysis of comparable quality and depth to a credit rating, so you can trust that the information you're getting is transparent, granular, and created by experienced ESG analysts with sector expertise. Experts that you can connect with directly, to better understand their analysis.



## OPTIMIZE THE PERFORMANCE OF YOUR FIXED INCOME PORTFOLIO

Our monitored ESG Ratings provide useful, relevant information and are designed to help you minimize greenwashing risk, create actionable insights and maximize the ESG impact and performance of fixed income instruments.

## WHAT IS INCLUDED IN AN ESG RATING?

We look at an instrument on a standalone basis, as well as the issuing entity, and having done this we also provide an absolute cross comparable view of instruments in the context of the entities that have issued them. There are over 2,000 inputs in our framework model that go into producing an overall ESG Rating.

ESG Ratings are on an absolute scale, comparable across sectors and geographies, and are monitored for both positive performance and controversial incidences.

### ESG ENTITY RATING:

Entity Ratings evaluate an issuing entity's positive and negative impacts on the environment and society based on both their underlying business activities, overall strategy, targets, policies & procedures, and governance.

### ESG FRAMEWORK RATING:

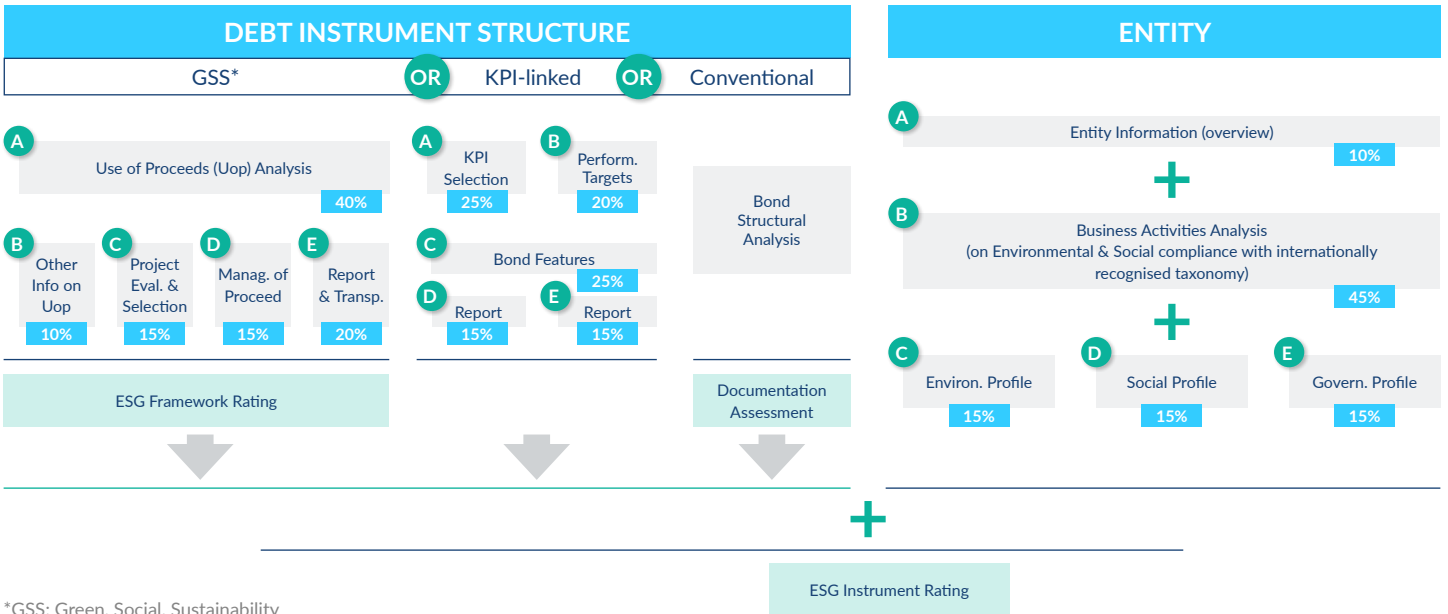
Framework Ratings evaluate a financial instrument's impacts on the environment and society based on the Use of Proceeds or KPIs, where applicable, and the strength and governance of the instrument's overall framework.

### ESG INSTRUMENT RATING:

Instrument Ratings integrate the Entity Rating and Framework Rating, providing issuer ESG context to instruments and allowing for absolute comparison of financing instruments across sectors, geographies and labeling frameworks.

ESG Ratings are human-powered analyses and are subject to robust quality controls, including committee decision-making and verification of the rating. All ratings are monitored, and reviews are either triggered by significant events or, at a minimum, subject to annual review.

# ESG RATING METHODOLOGY



## What Will You Get?

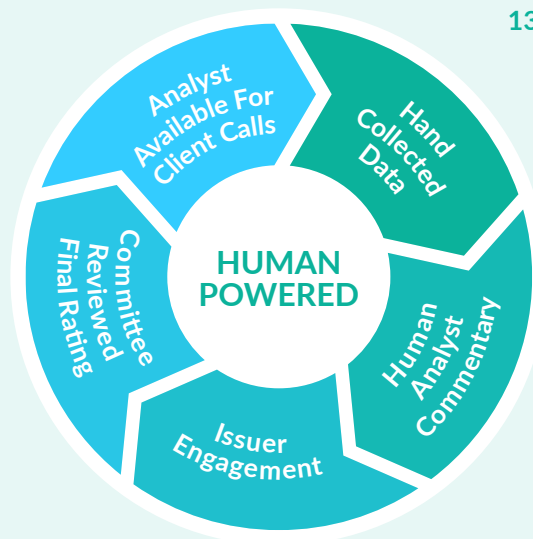
ESG Ratings provide investors with comprehensive qualitative analytical reports, entity and ISIN level ratings and detailed underlying quantitative datasets for all Green, Social, Sustainable and KPI-linked bonds. Our commitment is to provide you with a quality and breadth of analytic information to a precise level of detail to meet your current and anticipated future needs.

## What are the key features of ESG Ratings?

### ESG DATA:

- 1-5 Overall Rating
- 0-100 Granular Score
- 750+ Data Fields
- Entity, Framework & Instrument Data
- Scores Data, Analyst Commentary & Raw Data
- NACE Classifications of UoPs
- Issuer Business Activity Analysis
- EU Taxonomy & SDG Impact Mapping
- ICMA & EU GBS Alignment
- Absolute scores comparable across sectors and debt asset classes

### ESG ANALYSIS:



- 135** Sustainable Fitch Employees
- 85** ESG Analysts
- 20** Academic Backgrounds
- 18** Main Languages Spoken
- 15** Subject Matter Expertise
- Global Team
- Sector Specialists



## WHAT WILL YOU USE ESG RATINGS FOR?

Whether you are a portfolio manager looking to meet sustainability mandates, or an ESG analyst seeking to access instant instrument comparability, peer comparisons and benchmarking, or an ESG manager looking to sign off the right recommendations that will truly have the ESG impacts, our ESG Ratings, Data and Analysis will provide you with a robust framework to incorporate into your workflow.



### INVESTMENT DECISION- MAKING

- **Investment Strategy**
  - Inform investment, engagement and divestment decisions with ESG impact data, not just ESG risk
  - Understand ESG themes and trends for sectors and activities
- **Asset Allocation**
  - Use ESG performance data to support entity/security selection and perform peer comparisons
- **Portfolio Construction**
  - Use overall ESG ratings or sub-components for negative/positive screening & ESG-optimization at entity or instrument level



### INVESTMENT MANAGEMENT & MONITORING

- **Portfolio Control**
  - Fund management, investment strategy alignment, asset rebalancing
- **Risk Management**
  - Manage exposure to ESG performance & impact factors and perform stress testing
- **'Transition' Identification**
  - Identify instruments supporting the transition to sustainable infrastructure and economy
  - Definition of target portfolios and framework level
- **Greenwashing Prevention**
  - Screen portfolios for discrepancies at entity level and framework level



### REPORTING & DISCLOSURE

- For investors to report to their stakeholders, use the scores and raw data to report on impact alignment with EU Taxonomy & UN SDGs for entity-level business activities and instrument-level UoPs/KPIs.
- Understand issuances' alignment with a stated labeled bond framework.
- Report on YoY outcomes from projects funded as a result of labeled issuance (e.g. avoided emissions from renewable energy plant).
- Meet six 'Environmental Objectives', Do No Significant Harm (DNSH), Technical Screening Criteria, Minimum Safe Guard, issuer-disclosed Principle Adverse Impact Indicators (PAIs)



# HOW ARE ESG RATINGS, DATA & ANALYSIS DELIVERED?

ESG Ratings, Data & Analysis are supplied via data feed, API, Excel Add-In and web application. The modular nature of the product allows you to capture and incorporate ESG ratings and supporting data around each ESG sub-rating into your own systems, workflows and decisioning via data feed or API. Ease of ingestion, mapping & data utility allow you to spend your time where it really matters, focusing on impact and outcomes, not gathering data. Our Excel Add-In allows for easy manipulation of the information and our web application makes the full picture easily digestible.



Fitch Connect is a cutting-edge, multi-channel technology platform that delivers our data, research and tools to our clients in a way that ideally matches their current systems and workflows.

Instantly get the information you need in a usable format. Reduce days of work to minutes and reduce the risks of manual data handling errors as our technology does the heavy lifting for you.



### WEB

**Access the latest ratings data and research:** Our web portal offers a user-friendly way to explore and work with our data and research. Advanced Search provides a precise way to home in on the information you need. You can then save the search or add the relevant companies or countries to a portfolio, with custom fields and views for easy peer group comparison and tracking. Each company or country has a standard format entity page for easy navigation, whilst our Early Warning Signals tab and custom alerts ensure you never miss a change that could impact your decision making.



### EXCEL ADD-IN

**Make our data work harder:** Pull our ratings, ESG, transition and default data into Excel via our Add In. Use our simple formula builder to manipulate the data with no specialist knowledge required, as our best practice techniques ensure you can draw down data at speed. Use pre-built templates to assess ratings data or custom-built templates that match your workflow to cut down the time you spend calculating and increase the time you dedicate to critical decisions.



### API & FEEDS

**Use your own systems:** Our Feeds and API channels integrate seamlessly with any third party or proprietary systems, allowing you to bring our ratings data and research into a familiar environment and work with it alongside information from other sources. All our products are available via API and all our data is available via Feeds.

To learn about how the Sustainable Fitch ESG Ratings, Data & Analysis can help you evaluate the ESG impact and performance of any fixed income instrument or loan and the issuing entity, please visit [sustainablefitch.com/tbc](https://sustainablefitch.com/tbc) or contact the nearest office:

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### ABOUT SUSTAINABLE FITCH

Sustainable Fitch provides insights, tools and data designed exclusively to help bring clarity to the ESG financial community. To best serve our clients and partners, Fitch realized that it would be necessary to build a new product suite of objective ESG data and analysis, focusing on

consistency, comparability, coverage and granularity. Powered by the human insight that has differentiated Fitch for over 100 years, Sustainable Fitch brings experience and heritage to help the financial community make smarter decisions, using the best ESG information available.