DPAM
INDOSUEZ

November 2025

Sustainability ranking

Emerging countries

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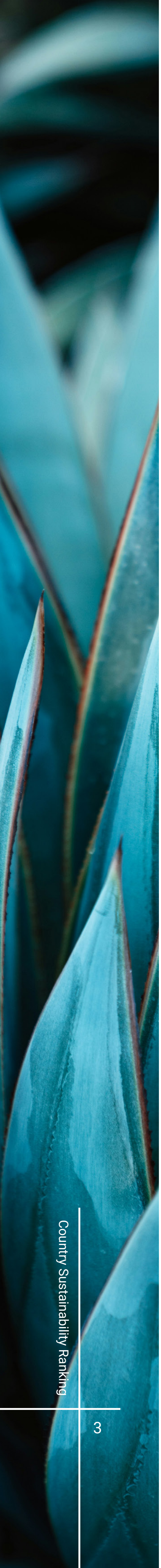


I. Emerging countries universe

1. A pioneer in sustainability analysis for emerging economies

Emerging economies are generally considered to have high potential, notably due to their growing populations which tend to be younger than those of their OECD counterparts. Although most are not always seen as being sustainable or democratic, integrating sustainability criteria into the management of a portfolio investing in these countries provides real added value.

Integrating sustainability factors into the analysis of emerging market issuers is compatible with and adds value to a sovereign debt portfolio. Doing so helps to provide a holistic view by focusing on the long-term perspectives for key institutions that are vital for the functioning and development of markets. The analysis is complementary to credit ratings by mapping the risk situation in terms of sustainability and by providing valuable additional insights to sustainability-oriented investors. Increasingly credit rating agencies are integrating ESG related indicators in their country credit ratings highlighting that DPAM was ahead of the curve in systematically adopting this approach.

The world population currently stands just below 8.2 billion. According to United Nations statistics, this number is projected to grow to 9.5-9.7 billion by 2050. **This increase will be particularly prevalent in emerging economies**, which are currently confronted with overpopulation and a lack of natural resources. The demographic challenge is not only related to energy and environmental challenges, it entails **a challenge for the entire economy.**

The uprisings in the Middle East and large migratory movements continue to highlight the importance of the democratic process and the guarantee of civil rights and freedoms. **Inequality** within a population where high unemployment exists, in particular among youth, creates an insecure and unstable climate, which could lead to rebellion.

Therefore, analysis of the viability of an emerging economy should include the sustainability of the country in terms of transparency and democratic values, as well as the environment, demographics, health care, wealth distribution and education.

The experience DPAM has gained in the sustainability analysis of OECD states has led to a sustainability model designed for emerging countries incorporating their specific characteristics.

2. Sustainability ranking
November 2025

The starting universe is composed of 84 countries, mainly defined by **the existence of a local or hard currency sovereign debt market.** The sustainability ranking enables the identification of countries which have fully integrated global challenges into the development of their medium-term objectives.

This complements the information gathered from credit ratings, which is traditionally used to assess the short-term valuation of sovereign debt. Integrating long-term perspectives allows us to highlight those countries that are expected to outperform others and therefore to be solvent. These perspectives have no direct impact on the current valuation of an investment but will influence medium and long-term performance.

3. A wellbeing model for countries

It is generally agreed that this decade is key for accelerating the transition and that this will determine impact in coming decades.

Currently, the economy is not serving citizens and the planet and is showing its limits in terms of growth.

As Sandrine Dixson-Declève, Co-President of the Club of Rome, mentioned during her keynote speech at the Impact Finance Day in Belgium: we need to shift **from a GDP-based economy to an economy based on values for citizens and the planet, for a wellbeing model.**

Instead of looking at growth through the lens of GDP, she suggested we look at whether the economy finances education or good quality health for all. This is exactly what our model has done since 2007.

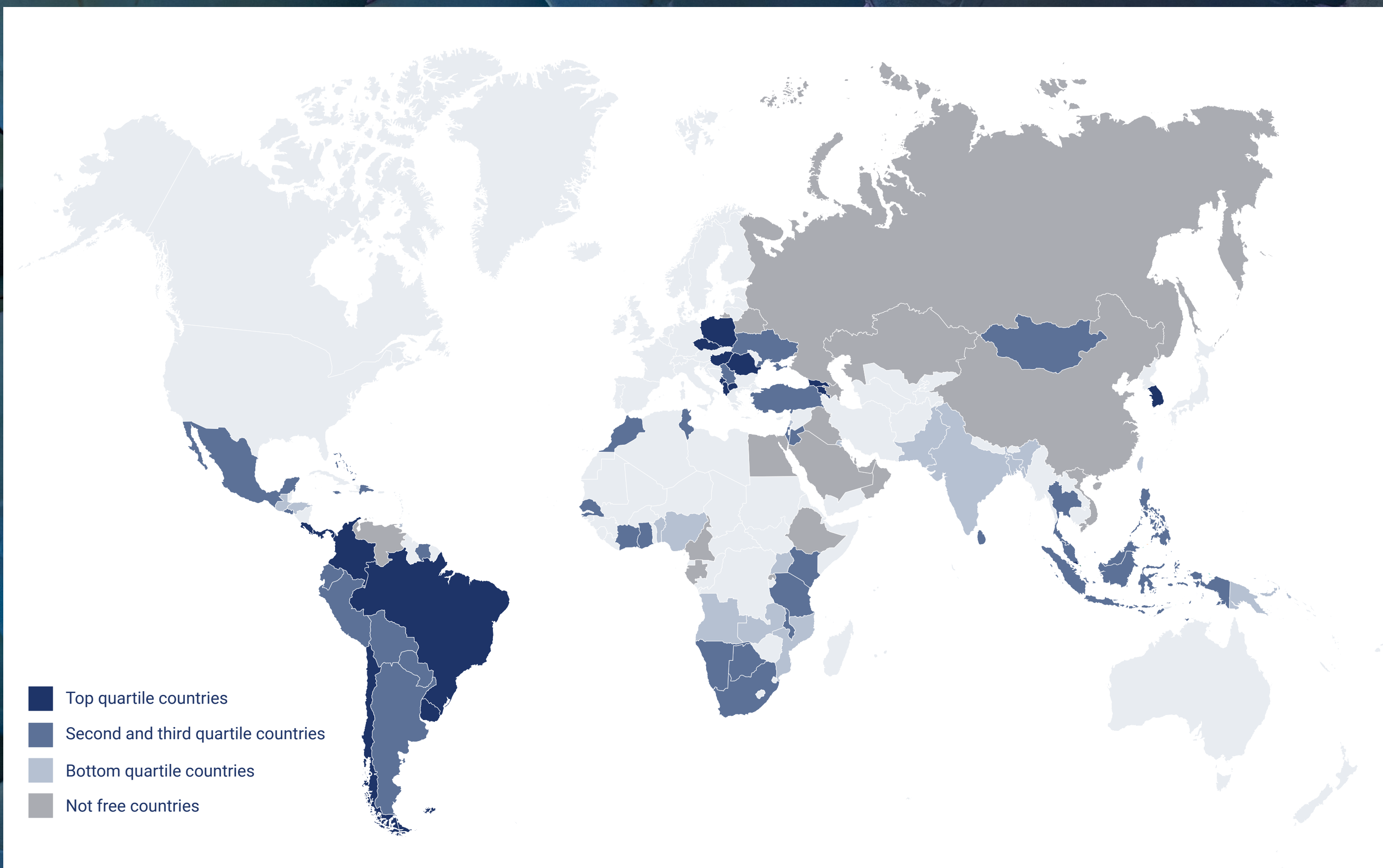
Today we face two scenarios: either business as usual or the acceleration of the transition.

Scientific evidence is clear on the first option: the slower the action, the worse the impact, the higher the cost and the more challenging the transition will be with severe consequences including in terms of poverty and inequality.

We can currently see in Western countries how our economic system is increasing social tensions and inequality and decreasing wellbeing. Therefore, at DPAM, we are convinced about how **meaningful** our model, articulated around challenges such as the environment, governance and democratic requirements, wellbeing/health, and education/innovation, is.

Quantitative metrics and the complex challenges of modelling, both present boundaries. As a result, we constantly review our model, to ensure that it **captures the most relevant challenges accurately.**

Figure 1. Emerging countries



Source: DPAM, November 2025

Figure 2. Sustainable country ranking of emerging countries

Top quartile countries	#	H2 25	H2 24
Chile	1	76	74
Czech Republic	2	75	75
Poland	3	75	72
Uruguay	4	74	73
Costa Rica	5	74	70
South Korea	6	72	74
Hungary	7	71	70
Albania	8	71	66
Singapore	9	70	71
Montenegro	10	69	66
Romania	11	69	68
Brazil	12	68	65
Armenia	13	68	64
Panama	14	66	65
Colombia	15	66	60
Georgia	16	66	64
Macedonia	17	66	62

Second and third quartile countries	#	H2 25	H2 24
Bahamas	18	65	67
Argentina	19	65	64
Namibia*	20	65	66
Botswana	21	64	62
Malaysia	22	64	61
Dominican Republic	23	63	63
Jordan	24	63	Excluded
Israel	25	63	66
Paraguay	26	63	60
Thailand	27	63	63
Mexico	28	63	60
Ecuador	29	62	59
Serbia	30	62	58
Philippines	31	61	58
Ghana	32	61	58
Sri Lanka	33	61	56

Second and third quartile countries	#	H2 25	H2 24
Mongolia	34	61	57
Peru	35	60	60
Jamaica	36	60	62
Morocco	37	60	54
Bolivia	38	60	57
Ukraine	39	59	55
South Africa	40	59	59
Indonesia	41	59	57
El Salvador	42	58	55
Trinidad and Tobago	43	58	52
Tunisia	44	57	55
India	45	57	52
Senegal	46	57	54
Turkey	47	57	58
Suriname	48	57	57
Côte d'Ivoire	49	57	55

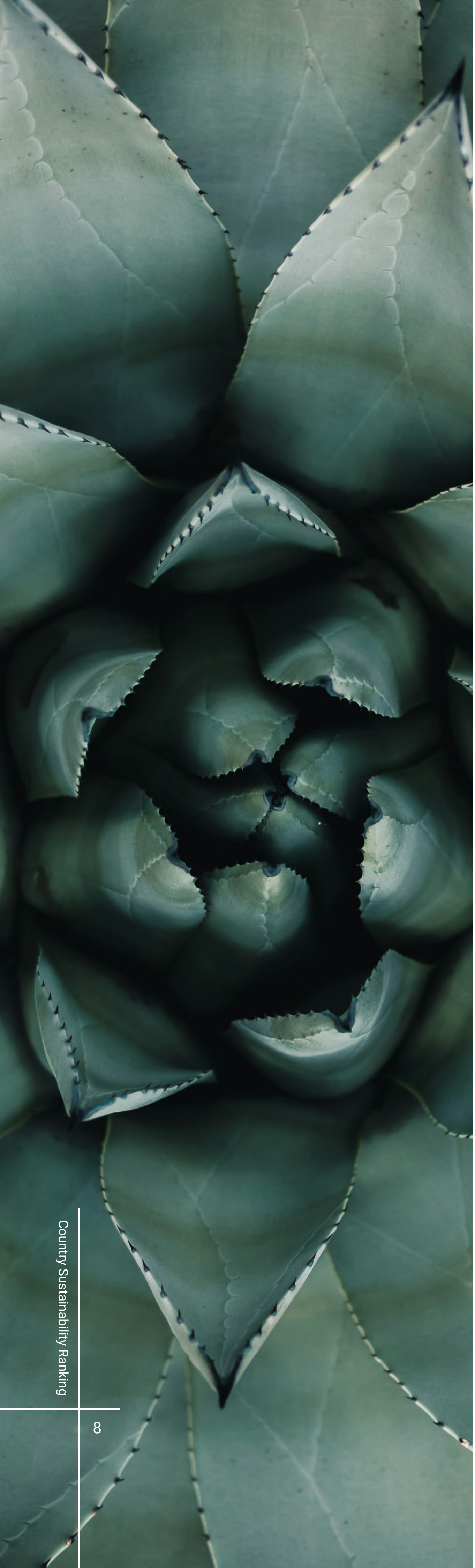
Bottom quartile countries	#	H2 25	H2 24
Tanzania	50	56	55
Bangladesh	51	55	50
Guatemala	52	55	52
Benin	53	55	53
Malawi	54	55	55
Honduras	55	54	50
Zambia	56	54	53
Kenya	57	49	54
Mozambique	58	49	47
Lebanon	59	49	39
Angola	60	48	42
Nigeria	61	48	45
Uganda	62	45	44
Pakistan	63	43	40
Papua New Guinea	64	42	41
Taiwan	65	-100	-100

Excluded	H2 25
Saudi Arabia	61
United Arab Emirates	61
Oman	61
Qatar	59
Kuwait	59
Kazakhstan	58
China	56
Bahrain	56
Vietnam	55
Gabon	54
Venezuela	54
Azerbaijan	54
Belarus	53
Rwanda	52
Egypt	52
Russia	49
Cameroon	49
Ethiopia	45
Iraq	41

*Outstanding bonds < € 2 bn — Top quartile countries — Second and third quartile countries — Bottom quartile countries — Not free countries

* Total outstanding amount of bonds below EUR 2 billion

Source: DPAM, November 2025



II. Principles to analyse emerging countries

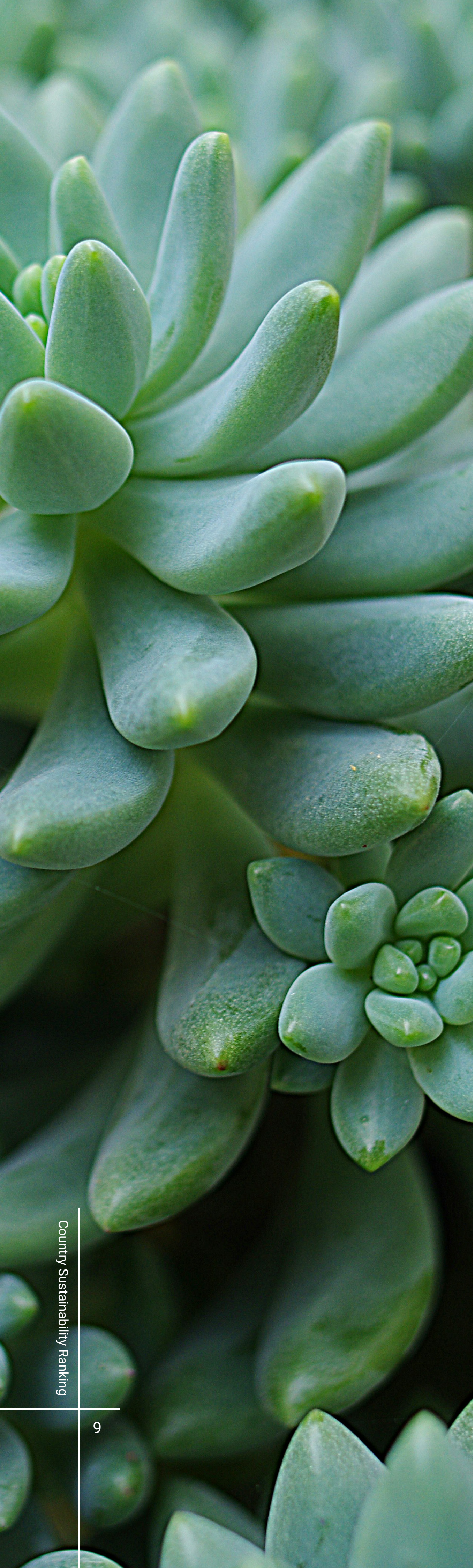
1. Democracy as starting point

The core of the model is democratic values. Upholding these is a moral obligation for DPAM, a convinced sustainable investor. Academic research has demonstrated the correlation between the quality of the institutional framework of a country and its default risk.

DPAM uses the research of the international NGO Freedom House to assess the democratic development of a country. Based on an annual survey containing 25 questions on political rights and civil liberties, a country is attributed the status of 'free', 'partially free' or 'not free'. This information is complemented by the Democracy Index published by The Economist Intelligence Unit, which is based on approximately twenty questions and assesses the democratic level of a country. Countries are attributed the status of 'democracy', 'flawed democracy', 'hybrid regime' or 'authoritarian regime.'

Several countries within the emerging universe do not fulfil the minimum requirements in terms of democracy and investment leeway. Our investment strategy linked to this sustainability ranking means that DPAM does not invest in countries which have been categorised by reputable international sources as 'not free' and confirmed as "authoritarian regimes". These include the United Arab Emirates, Belarus, Oman, China, Kazakhstan, Azerbaijan, Qatar, Vietnam, Rwanda, Saudi Arabia, Russia, Egypt, Bahrain, Gabon, Venezuela, Cameroon, and Ethiopia.

Studies indicate a clear link between the democratic level of a country and its sustainability. It is therefore no surprise that the majority of those countries deemed 'not free' are at the bottom of the sustainability ranking.



2. Sustainability: real added value

Our analysis provides important information regarding the sustainability levels of the countries that have been studied. It enables comparison between countries which have a similar level of economic development, but which differ with regard to social, ecological and corporate governance development. Making a clear and thorough analysis of a country's sustainability adds real value as part of the construction of an investment portfolio, in addition to the ideological values that may be presented. In essence, the model puts the opportunities and risks linked to a country in context.

The objective is not to exclude countries which have low sustainability scores, as several countries in the universe have just started to improve their democratic process. Many years of dictatorship weigh on the sustainable development of a country. The transition to fully respecting civil liberties and political rights, the freedom of the press and gender equality is a long-term process, particularly if these rights have been violated for many years. Therefore, the progress made by countries should be closely monitored.

3. Global coverage

The extra-financial research performed by DPAM covers countries in which investors may want to invest (38 OECD countries and 84 emerging countries). This forms an integral part of DPAM's conviction management, which is based on seeking risk-adjusted performance. Investors having a clear and thorough view of the risks and opportunities of a specific country have a comprehensive source of information to assess whether the companies active in that particular country may be successful. The quality of a financial investment is judged, among other things, by the characteristics of the markets the company operates in and of the specific circumstances of those countries.

III. Country sustainability

1. What is sustainability?

Sustainable development meets the needs of the present generation without compromising the ability of future generations to meet their own needs.

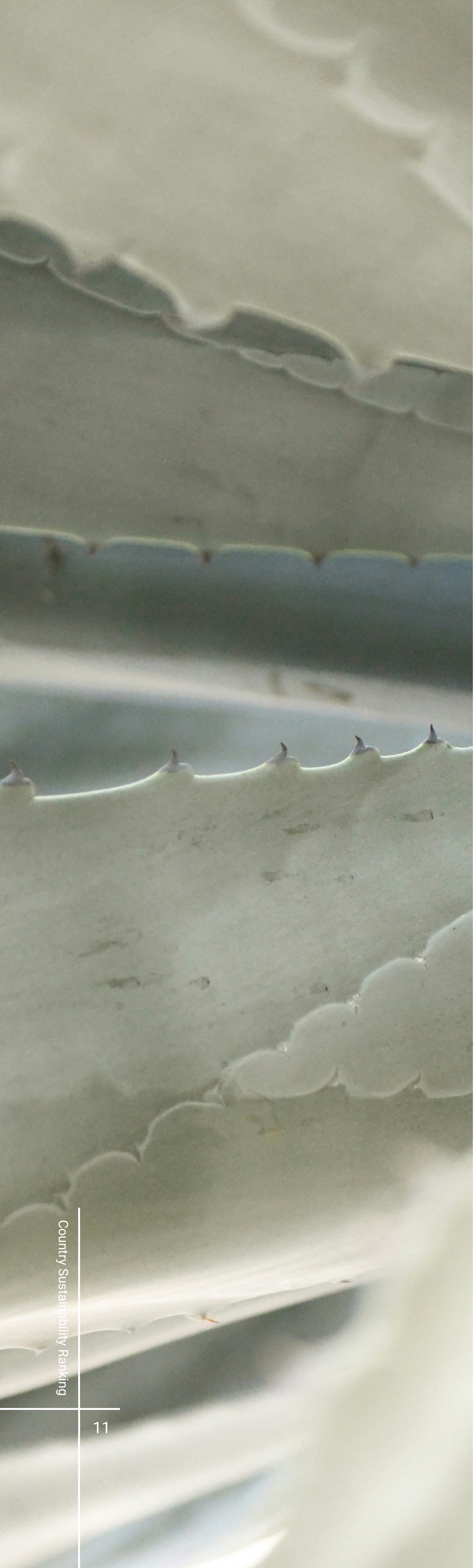
Sustainability at country level differs from sustainability at company level. **A sustainable country is committed to fully ensuring the freedom of its citizens and invests in their personal development and welfare. It respects the environment and is reliable in terms of international responsibilities and commitments. It ensures its future and invests in future generations (education and innovation).**

2. How to measure the sustainability of a country?

Three main approaches are used to measure the sustainability of a country:

1. **The legal approach**, with the emphasis on treaties and offences related to government actions. It should be noted however that agreement on treaties is not always fully binding and there is often no penalty where violations occur.
2. **The extreme stakeholder approach**, the problem with this approach is the importance of the number of stakeholders and parameters to be considered, giving rise to the possible dilution and irrelevance of indicators.
3. **The exclusion approach**, this consists of exclusions based on controversial activities, examples being whale hunting and deforestation.

These approaches raise the issue of the moral threshold level; this is complicated as it is a subjective question.



IV. DPAM's country sustainability model

1. Key principles

Lack of information and an associated model encouraged DPAM to develop **an in-house research model in 2007**. Given the subjectivity of the issues, key principles were defined from the beginning:

01 **Existence of an advisory board:** including external specialists, providing input to the model.

02 **Assessment of the commitment of the country to its sustainable development:** variables on which the country can have influence through decisions.

03 **Comparability and objectivity:** we use numeric data, from reliable sources that is comparable for all countries

2. CSAB (Country Sustainability Advisory Board)

The role of the CSAB is:

01 To select the sustainable criteria which fulfil the key principles and are the most relevant in the framework of the sustainability assessment of the OECD universe.

02 To determine the weights attributed to each indicator.

03 To critically and accurately review the model and the ranking to ensure continuous improvement.

04 To validate the ranking of the developed economies.

The CSAB consists of seven voting members, four external experts. The complementary background of the members provides a high level of expertise and knowledge of the issues in constructing the most relevant model. The objective of the board is to raise awareness on ESG issues among the portfolio management teams.

External members

Aleksandar Rankovic
Researcher at IDDRI
(Institute for Sustainable Development and International Relations)

François Gemenne
Professor at Sciences Po (Paris) & ULB (Brussels)

Jan Schaerlaekens
Deputy at Brussels Parliament

Tom Vandenboch
Global Director of Programmes at VVOB

Ophélie Mortier
Chief Sustainable Investment Officer

Julie Gossen
Responsible Investment Specialist,

Lina Arrifi
Responsible Investment Specialist,

Filipe Gropelli Carvalho
Sovereign Emerging Markets analyst

Félicie Jonckheere
Sovereign Developed Markets analyst

DPAM Internal members

3. Selective and objective criteria

The framework of the sustainability model includes the capabilities governments can use to influence policy (authorities, law). It avoids data linked to the geography or population density of the country. The model is quantitative and tracks the current performance of a country, with comparable data. Only a limited number of treaties are considered as they do not guarantee genuine commitment.

4. Best-in-class combined with best approach

Our sustainability analysis focuses on four key ESG drivers which are all assigned a weight in the model:

E	S	G
33%	17% / 17%	33%
Environment Energy efficiency, GHG emissions, protected area, water stress.	**Education** Literacy rate, School participation, Expenditure per student, etc. **Population, healthcare and wealth distribution** GINI-index, Unemployment, Infant mortality, Water indicators, Sanitation indicators, Health prevention, etc.	**Transparency and Democratic Values** Corruption, Press freedom, Civil liberties, Governance sub indexes, International Criminal Court , etc.
Trend criteria 50%		

Source: DPAM

Each key driver considers a variety of different criteria.

Transparency and democratic values takes into account: emigration, gender equality, institutions, international treaties, rights and liberties and security.

The environment considers: air quality and emissions, biodiversity, climate change and energy efficiency.

Education and innovation takes into account: equal opportunities, innovation, participation and quality.

Population, health and wealth distribution considers: basic human needs, demography, health and wellness, inequality and labour rights.

Different indicators are chosen to reflect the criteria of each key driver. The model has over 50 indicators.

Each country receives a score ranging from 0 (worst) to 100 (best) based on its relative position compared to other countries (the comparison to the difference between the maximum and the minimum).

For binary criterion such as the signing of the Ottawa Convention a score of either 0 or 100 will apply.

The final score of a country is equal to the weighted average of the scores on each criterion, using the weights which are decided by the Country Sustainability Advisory Board. The final scoring is rounded up.

Progress and improvement are taken into consideration through a trend component with a 50% weight which enables us to reward countries that have just started their sustainability journey but are rapidly improving. Conversely, sustainable countries which rank well can not rely on past performance but should remain ambitious and improve over time.

The approach is dynamic as the criteria are reviewed twice annually, with the intention of selecting the most appropriate criteria for each domain. An indicator may be replaced, adapted or omitted. New indicators can enter the model and the allocation of the weightings may also vary.

V. Holistic view and engagement

The indicators used in the model take into account the **three key dimensions of sustainability (environment, social and governance)**. Each dimension is equally important, but the three are interconnected.

In recent years, we have witnessed several disruptions and even contradictions regarding governance, social concerns and environmental issues. Therefore sustainability analysis at country level has been essential in creating an integrated model.

Governance

In terms of governance, the strength of governing institutions is a key indicator to ensure the reliability and stability of the policies and programs a country has adopted. These enable countries to face internal and/or external challenges and obstacles.

Social

As a lack of credible and meaningful policies can impact the social stability of a country sound corporate governance is essential. At the same time, social instability weighs on the long-term growth potential and economic development of a country.

Environment

In terms of the environment the model considers GHG intensity, air quality and biodiversity, among other criteria. The example of citizens, through NGOs, suing States for a lack of responsibility in their environmental ambition and emissions targets – is testament to the strong relationship between governance and the environment.

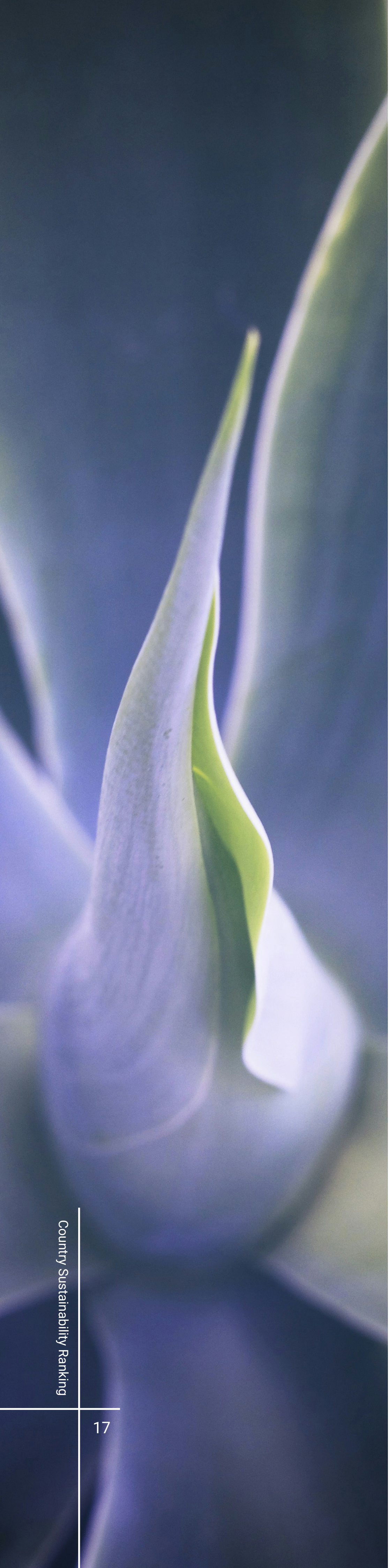
1. The model predates the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs), which followed on from the Millennium Development Goals, were launched by the United Nations between 2000 and 2015 and advocate for sustainable development in the economic, social and environmental domains. These goals reaffirm human rights and the intention to eradicate poverty, hunger and inequality by the end of 2030.

The 17 SDGs have been adopted by nearly 200 countries. They present a unique opportunity to channel more investment towards major environmental and social challenges.

DPAM is proud of its pioneering sustainability model that predates the SDGs. The SDGs are much more than a different framework for communicating our ESG and sustainable investment philosophy. We review the country model, taking into account the SDGs, to increase its relevance and to better integrate these objectives in our investment decisions.

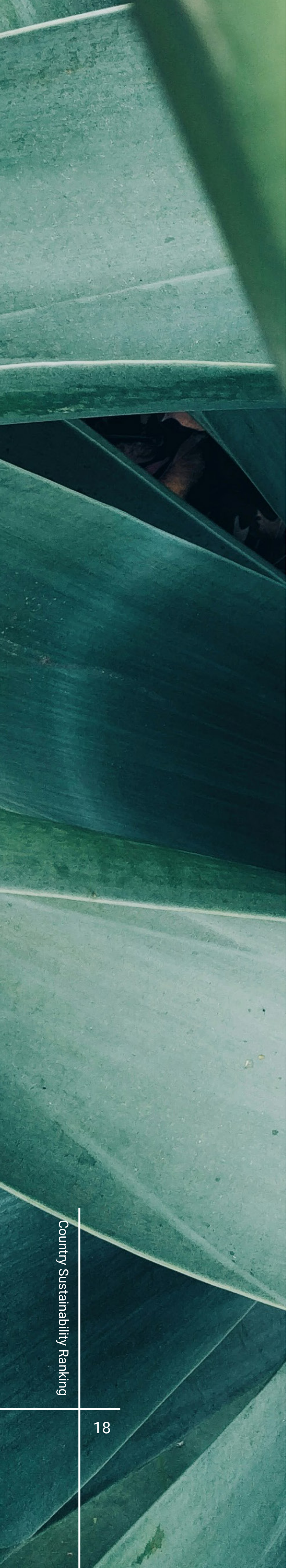
Source: DPAM



VI. International and engagement

1. Sources are internationally recognised

The model aims for the highest possible level of **objectivity.** Accordingly, statistical data to support the analysis of the country’s sustainability are mainly collected from government databases and international governmental agencies such as the International Energy Agency, the World Bank, the International Monetary Fund, the United Nations Development Programme and the US Central Intelligence Agency. Data are complemented by information drawn from leading non-governmental organisations such as Freedom House, Transparency International and the World Economic Forum.



2. Engaging with countries as sovereign bond holders

Dialogue with the stakeholders is at the heart of our fundamental research and investment process. Engaging in dialogue is a means to fine-tune fundamental research-driven investment decisions and to spread best practice and innovative solutions to ESG challenges.

DPAM uses engagement as a due diligence process, integrated in our commitment to be active, sustainable and research driven.

Engaging with sovereigns allows us to actively contribute to the promotion of responsible governance and sustainable development and DPAM is convinced of the important role **sovereign bonds** play as a means of financing the transition to a low carbon economy.

An engagement is meaningful as soon as it has an impact, for example, when it leads to change and progress. However, we use a different approach when engaging with countries than when engaging with companies. **Engagement with sovereign bond issuers is based on dialogue** for mutual learning and it therefore aims to provide an exchange of information and best practice.

The dialogue is structured according to a multi-step process that progresses from awareness raising to focusing on the Paris Agreement's strategy and commitments. Our primary objective is to raise awareness among governments about the importance of ESG integration, including in sovereign bond investments.

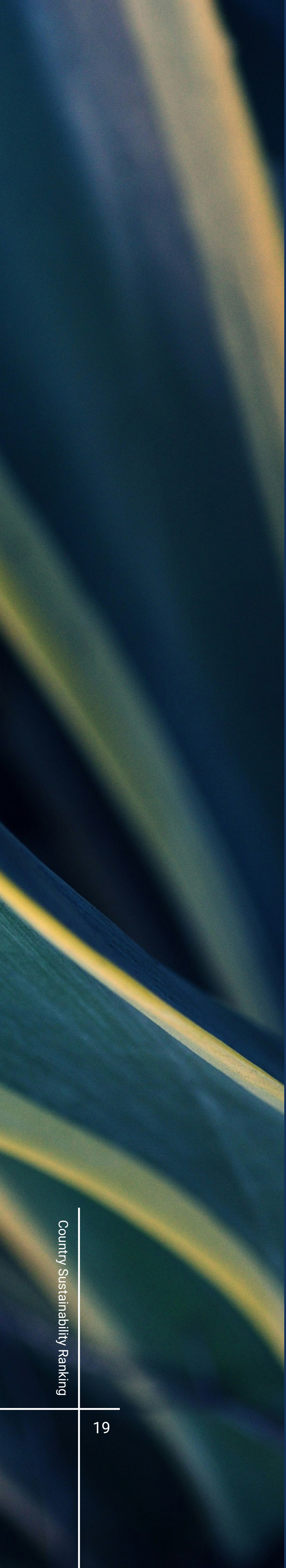
ESG factors provide a robust view on a country's risk profile, shedding light on how countries are managing environmental challenges, social inequalities and governance structures.

1. In the first phase of an engagement our role is to **emphasise that investors consider ESG criteria** in their investment decisions to indirectly encourage the adoption of policies that foster sustainable development.
2. In the second phase, **we introduce DPAM's proprietary country model.** We explain how it works, what DPAM learns from it and in particular we discuss the scorecards DPAM produces for each of the countries eligible for investment. In this way, we highlight countries strengths and areas for attention, while gathering their feedback for a mutual exchange of information.
3. The third phase of engagement focuses on **the importance of green finance** and the country's potential in financing the transition. We highlight DPAM's expectations regarding the use of the proceeds from bonds and share our expectations on the qualities of or improvements possible to green finance frameworks.

Finally, we have an exchange about **a country's alignment with the Paris Agreement** and its ambition to reach Net Zero by 2050. Almost all countries have committed to achieve carbon neutrality by 2050, however it is important to assess the credibility of their claims and their pathway to reach this target.

The discussion about credible paths to alignment with the goals of the Paris Agreement is key for DPAM as a signatory of the Net Zero Asset Managers Initiative. Although sovereign bonds are typically out of the scope of such initiatives, we remain convinced of the importance of this asset class and therefore seek its alignment with our commitments.

For more information about how we engage with countries and examples, please see our <u>Engagement Policy</u> and <u>Engagement Activity Report</u>.



VII.
Country Focus: India

India's total ESG score has steadily increased over the past few years going from 49/100 in the second half of 2023 to 52/100 in the second half of 2024 and now 57/100 in the last ranking. This evolution results in a third quartile position for the first time.

Below we will detail the different areas where the country has improved in recent years based on DPAM's proprietary scorecard for India.

India -sustainability scorecard 2025

INDIA

	Score	Rank	Strength/Weakness
	57.2	45	

	Score	Rank	Strength/Weakness
Transparency and democratic values	**50.5%**	**51**	
Emigration	59.4%	9	
Gender equality	53.8%	29	
Institutions	47.9%	31	
International treaties	31.8%	62	
Rights & liberties	54.1%	45	
Security	80.4%	18	

	Score	Rank	Strength/Weakness
Population, healthcare and wealth distribution	**65.1%**	**29**	
Basic human needs	59.0%	49	
Demography	74.8%	13	
Health & wellness	62.3%	39	
Inequality	71.5%	1	
Labour rights	50.0%	61	

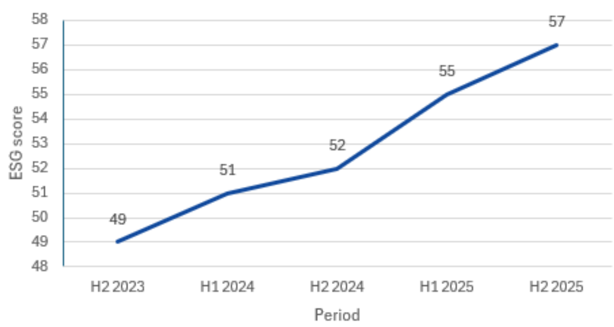
	Score	Rank	Strength/Weakness
Environment	**58.1%**	**53**	
Air quality & emissions	84.6%	7	
Biodiversity	53.4%	42	
Climate change	46.3%	33	
Energy efficiency	52.6%	57	

	Score	Rank	Strength/Weakness
Education / Innovation	**60.6%**	**39**	
Equal opportunities	58.9%	32	
Innovation	9.5%	41	
Participation	59.7%	35	
Quality	76.5%	32	

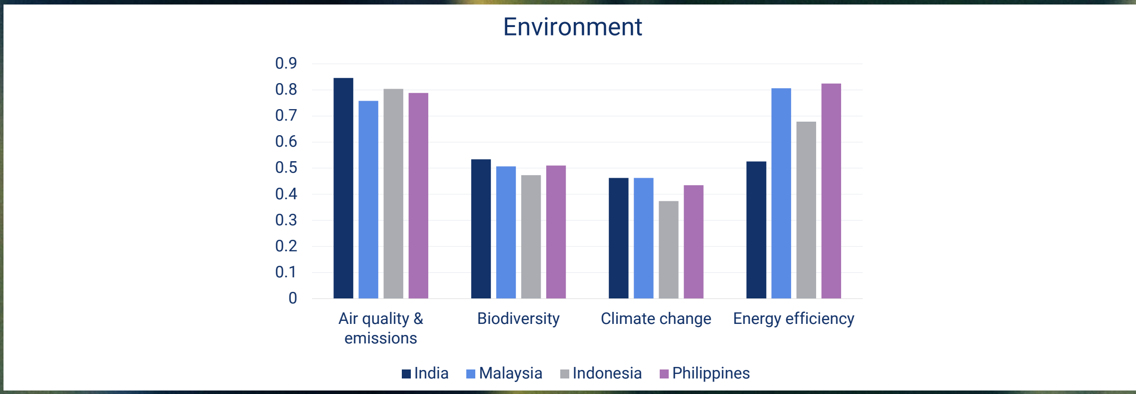
Quartile 1	Quartile 2	Quartile 3	Quartile 4
1-17	18-34	35-49	50-65

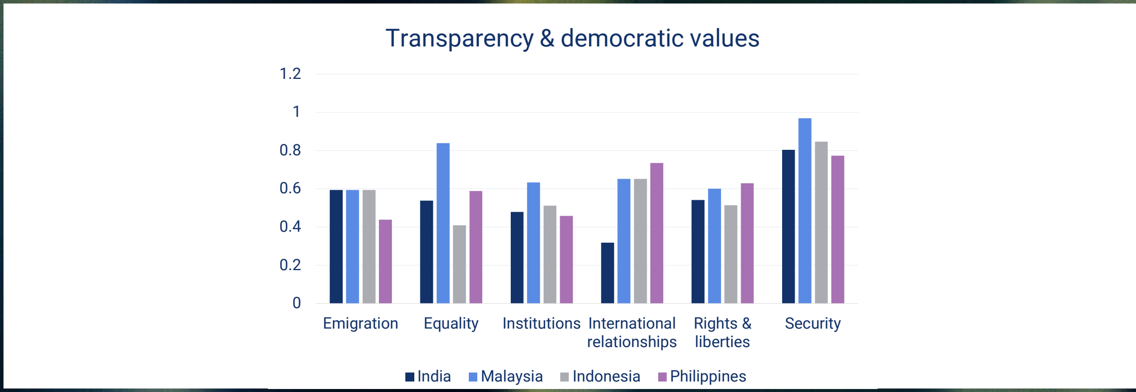
Source: DPAM

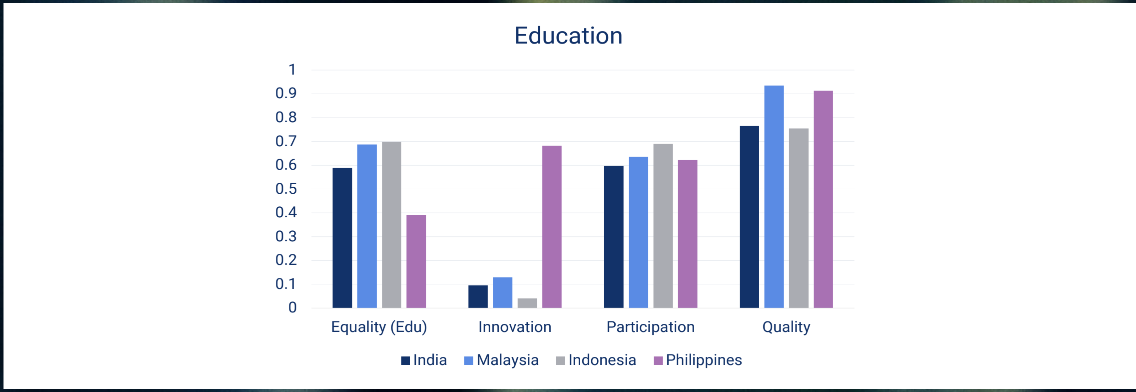
India's total ESG score evolution

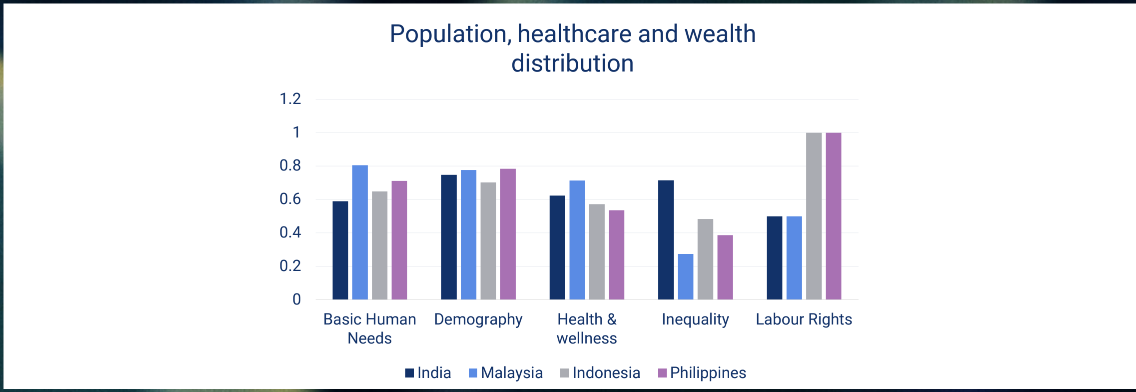


1. Comparison with its peers

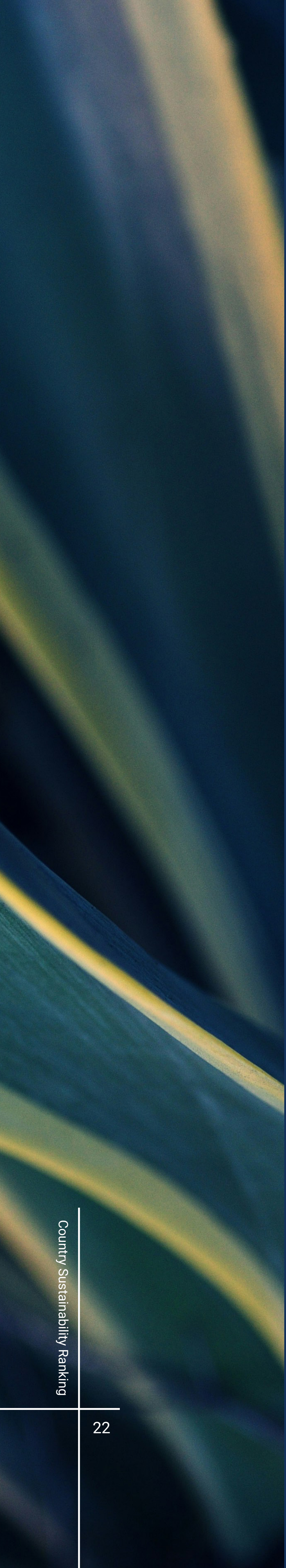




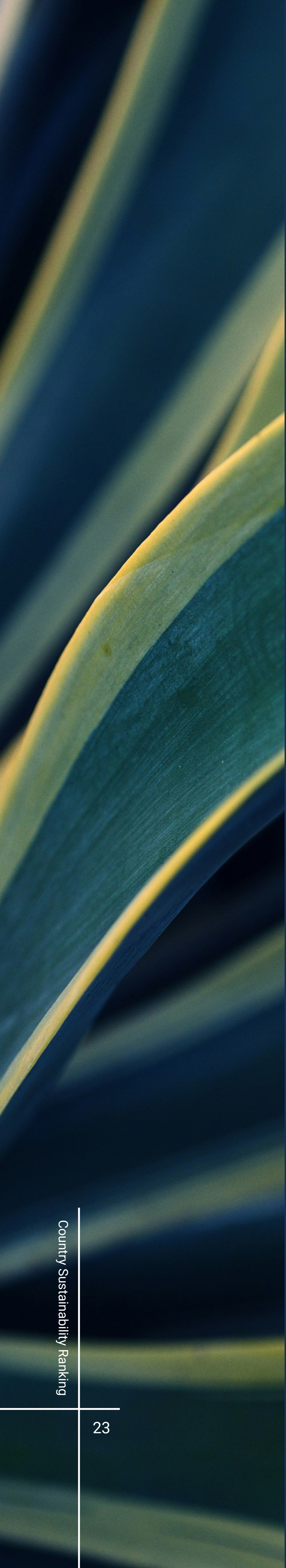




Source: DPAM



02. Focus on ESG dimensions



Environment

India still has room to improve on the environmental front, ranking 53rd among peers in our internal ranking. The country's aggregate energy and emissions picture remains mixed given its continued reliance on coal, which makes up a large share of its energy mix.

On the scorecard, we can see that in the theme air quality and emissions, the country performs very well. **This reflects India's relatively low per-capita CO2 emissions, a new indicator that was added to our country model.** Emissions per capita are a fairer measure of pollution. Emissions as a share of GDP, on the other hand, can be misleading since exchange rates and inflation affect GDP, distorting cross-country comparisons.

India's emissions per capita are low by global standards and even compared to developed economies. However, today, India is the third-largest emitter of CO2 globally, after China and the United States, with total annual emissions of roughly 2.5 billion tonnes of CO_2.

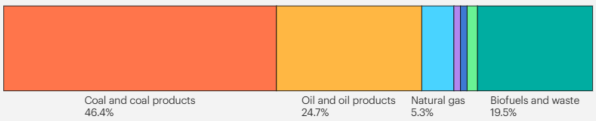
In India's energy mix, **coal** remains dominant, with coal products accounting for about 46% of India's total energy supply (IEA estimate for 2023). This is one of the reasons why the country is lagging in terms of energy efficiency, as can be seen on the scorecard. At the power-generation level, dependence is even stronger: coal provided roughly 74 % of India's electricity generation in 2023, which makes decarbonising the power sector a difficult challenge in the context of reducing national emissions.

Despite its heavy reliance on coal, India has made noticeable progress in expanding renewable energy, with tripled **renewable capacity** over the last decade (about 75 GW in 2014 to over 232 GW in 2025, driven primarily by solar and wind installations), resulting in a second quartile position on the theme climate change. Yet, further growth will be needed to meet the government's ambitious target of 500 GW of renewable capacity by 2030, in line with India's commitment to reach net-zero emissions by 2070.

Energy mix

Total energy supply, India, 2023

Total energy supply | Production | Electricity | Consumption



Energy mix

Emissions

Energy-related CO2 emissions, India, 2023

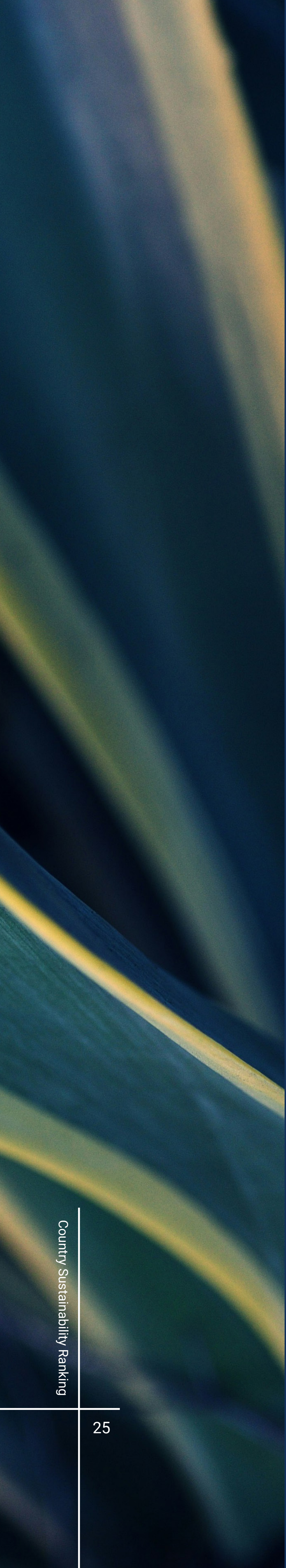
2763 Mt CO2

7.97%
of global emissions

↑210%
change since 2000

Emissions

Source: IEA 2022 and 2023



Population

India has made significant progress in recent years in improving demographic indicators, reducing unemployment, and narrowing income inequality. These positive trends reflect the combined impact of sustained economic growth, policy interventions and expanding labour-market opportunities.

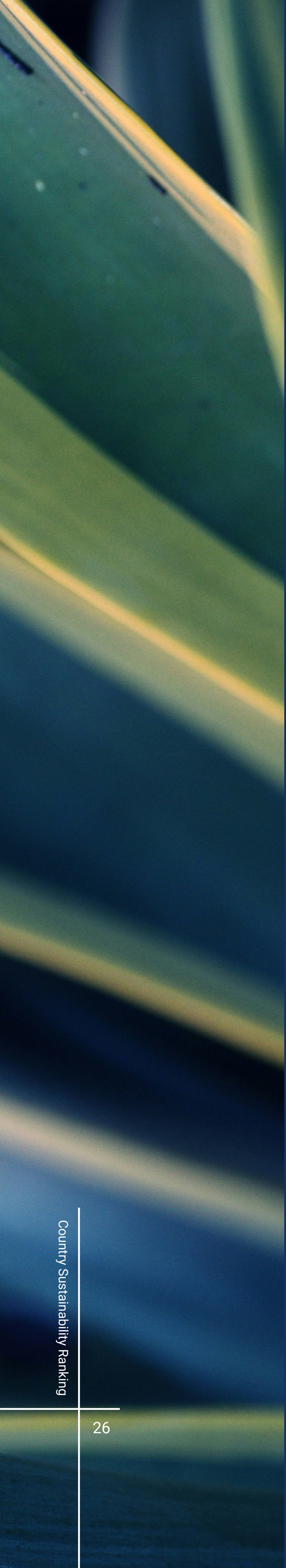
According to the Indian **Ministry of Finance**, the overall **unemployment rate** declined from 6.0% in 2017–18 to 3.2% in 2023–24. Similarly, **youth unemployment** (covering individuals aged 15–29) fell from 17.8% to roughly 10% over the same period. These improvements were accompanied by increases in both the labour force participation rate and the worker population ratio which rose to 59.1% and 58.2%, respectively, in 2023–24. These improvements are reflected in an improved 13th position on the demography theme.

The recent drop in unemployment and underemployment reflects key structural changes in India's economy. The country is gradually moving away from low-productivity agriculture towards manufacturing and services, supported by the rise of digital and gig-economy platforms and initiatives like Make in India and Startup India. However, much of the new employment has emerged in the informal sector, where job quality, stability and pay remain concerns. Despite some progress, female labour-force participation also continues to lag behind.

India has also made notable strides in reducing poverty and improving income distribution over the past decade leading to it being in first position for the theme inequality. According to official government data, the proportion of people living below the international **extreme poverty line** of US$2.15 per day (PPP) fell to around 2.3% in 2022–23, marking one of the sharpest reductions in extreme poverty globally. **The country's Gini coefficient**, which measures inequality in household consumzption, declined from 28.8 in 2011 to 25.5 in 2022–23, indicating a more even distribution of consumption across households. Moreover, **the income share ratio** between the richest and poorest deciles has narrowed, suggesting that income gains have been more broadly distributed than in the past.

Nevertheless, a closer examination reveals that some of these figures, like the Gini coefficient, may understate persistent structural challenges, including informal employment, regional disparities and the concentration of wealth at the top of society.

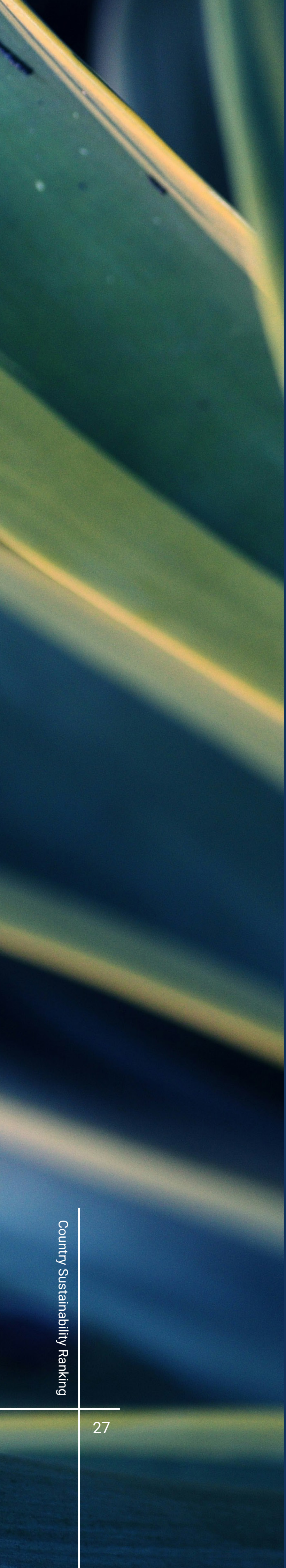
Indeed, the Gini coefficient used in official statistics (also used by the World Bank) is based on consumption-expenditure data rather than direct income measures. This methodology tends to understate inequality, since wealthier households typically save a larger portion of their income and thus do not fully reflect their economic advantage in consumption-based surveys. On the other hand, studies drawing on tax and national accounts data (such as the World Inequality Database) show that India remains among the more unequal large economies. The top 10% of earners capture roughly 57–58% of national income, while the top 1% alone account for more than one-fifth. This highlights the complexity of India's social landscape. While poverty reduction and improved employment outcomes are undeniable achievements, the benefits of growth are not yet evenly shared across all segments of society.



Education

India's education landscape still presents a mixed picture, with significant gains in access and enrolment but persistent challenges in learning outcomes and completion rates. Yet compared to peers the situation is reversed as can be seen on the scorecard with the themes participation and quality of education. Over the past decade, government initiatives such as the 'National Education Policy', and the 'Mid-Day Meal Scheme' have contributed to near-universal access to primary education. **The gross enrolment rate in primary education now exceeds 100%**, and secondary and tertiary enrolment has also risen steadily, reflecting the country's success in expanding educational access across regions and income groups.

However, high enrolment has not necessarily translated into strong educational outcomes. Indeed, reading and numeracy levels among primary-school students remain low, with many children unable to perform grade-appropriate tasks. **Moreover, completion rates are declining beyond lower secondary education, as financial constraints, early marriage and limited access to quality institutions continue to drive school dropouts.**



Governance

Governance indicators for India present a more challenging picture compared to its economic and social progress. While the country upholds a vibrant democratic framework with regular elections, a multiparty system and an active civil society, it continues to face notable governance shortcomings and pressures on fundamental freedoms.

India remains outside several major international legal and disarmament frameworks. It has not ratified the Rome Statute of the International Criminal Court, nor is it a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Ottawa Treaty banning anti-personnel landmines. These absences reflect India's longstanding commitment to strategic autonomy and national security sovereignty, yet they also indicate a degree of distance from global governance and human rights conventions. The death penalty remains legally sanctioned, and although its use is infrequent, its continued existence contrasts with the international trend towards abolition.

Domestically, India's record on political rights and civil liberties has raised concerns in recent years. Freedom House have noted increased constraints on dissent, restrictions on peaceful assembly and allegations regarding politicisation of the judiciary and law enforcement. Civil-society organizations and NGOs also face tighter regulations and funding limitations under the Foreign Contribution Regulation Act (FCRA), contributing to a more constrained civic space.

Lastly, there are major concerns regarding press freedom. In the 2024 World Press Freedom Index, Reporters Without Borders ranked India 159th out of 180 countries, citing several structural and political factors behind the decline. According to RSF, the concentration of media ownership among large business conglomerates with close ties to political power has led to limited editorial independence. In addition, journalists face legal harassment, online intimidation and in some cases physical attacks, particularly when covering sensitive topics such as corruption, communal tensions, or government policy.

Reference sources

Amnesty International

Energy Institute

Freedom House

Global Forest Watch

Global Hunger Index

Global Safety Net

International Criminal Court

International Labour Organisation

International Monetary Fund

Notre Dame Global Adaptation Initiative

Plasteax

Reporters Without Borders

S&P Global

Social Progress Imperative

The Institute for Economics and Peace

Transparency International

Unitited Nations Development Programme – Human Development Reports

United Nations Food and Agriculture Organization Aquastat

United Nations Food and Agriculture Organization Stat

United Nations Office for Disarmament Affairs

United Nations SDG Indicators Platform

United Nations Treaty Collection

World Bank

World Health Organisation

United Nations, digital library.

VIII. Commitment to Sustainability

DPAM is committed to being a sustainable actor, investor and partner. We seek to advance to thrive, ensuring growth that benefits clients, stakeholders and society as a whole. We believe that being a responsible investor goes beyond offering sustainable and responsible products; it is a global commitment at company level translated into a coherent approach.

DPAM is committed to act as a sustainable and responsible market participant. Our engagement is threefold:

Defend basic and fundamental rights
Human rights, labour rights, fight corruption and protect the environment

Express an opinion on controversial activities

- No financing of the usual suspects
- Clear controversial activity policy and engagement on controversial issues
- Avoid controversies that may affect reputation, long term growth and investments

Be a responsible stakeholder and promote transparency

- Find sustainable solutions to ESG challenges
- Engage with issuers, promote best practice and improvements

We are convinced of the risk/return optimisation that comes with the i**ntegration of Environmental, Social Governance (ESG) criteria**. We see sustainability challenges as risks and opportunities and we use ESG criteria to assess them in our investment decisions. As a result we define the ESG factors priorities and targets that are material for us. We are committed to the European Commission's 2030-2050 program for sustainable and inclusive growth.

1. Member & signatory

To affirm our commitment to long-term sustainable financial management, we are a signatory to various organisations. These all advocate responsible investment and offer insights into ESG challenges and opportunities.

We are part of two key initiatives on shareholder responsibility and the fight against climate change: the PRI (since 2011) and the Net Zero Asset Managers initiative (since 2022).

We have been supporters of **the TCFD recommendations** since 2018. In addition, we joined **Climate Action 100+** in 2019. That same year, we also became a signatory of **FAIRR**, a collaborative engagement initiative which seeks to decrease the environmental impact of the food value chain by encouraging the use of sustainable proteins within food products.

As the environment and biodiversity are such urgent global concerns, we have been supporters of **the Finance for Biodiversity Pledge** since December 2020. This Pledge calls on global leaders to protect and restore biodiversity through their financial activities and investments decisions. In 2020 we also joined the **Investor Alliance for Human Rights** to support sustainable investing that respects fundamental human rights

DPAM is also a member of t**he Emerging Markets Investor Alliance**. This Is a not-for-profit organisation that enables institutional emerging market investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest. The Alliance seeks to raise awareness and advocate for these issues through collaboration among investors, companies or governments, and public policy experts.

In 2023, we engaged in two collaborative initiatives: **Advance** (a stewardship initiative for human rights and social issues launched by the UN-PRI); and **IIGCC** (The Institutional Investors Group on Climate change). The Advance initiative primarily seeks change through investors' use of influence with portfolio companies. DPAM's involvement is primarily on access to research, acting as the lead investor for EDP and Acciona, and in endorsing the initiative with public policy makers. IIGCC is the European membership body for investor collaboration on climate change. Their main objective is shaping sustainable finance and climate policy, supporting market development, and guiding investors in managing climate risks and opportunities in aligning portfolios with climate goals, among others. DPAM's involvement is linked to its commitment to the **Net Zero Asset Management initiative.**

In 2023 we also joined **Spring**, the UN PRI's stewardship initiative for nature and **Nature Action 100**, a PRI led collaborative initiative to tackle nature loss and biodiversity decline.

In 2024 DPAM became an early adopter of the **Task Force on Nature-related Financial Disclosures** which aims to enable investors to integrate nature related risks in investment decisions.

We are also a member of the **World Benchmarking Alliance**, which enables us to engage with companies on salient human rights issues and a passive member of the Investor Initiative on Hazardous Chemicals which encourages manufacturers to increase transparency and to stop producing harmful chemicals.

2. Conviction & commitment

Recent decades have brought many challenges and we firmly believe that **sound corporate governance, a clear understanding of current and future environmental challenges and respect for social norms** are drivers for long-term sustainable performance. This vision is integrated in our mission and value statement.

Our goal is to offer first-rate expertise and to uphold our shared values and beliefs. Environmental, Social and Governance (ESG) considerations are integrated into our value proposition, **our fundamental research and our investment processes.**

3. Facts & Figures

A growing focus on sustainable investing for over 20 years

Pioneer in sustainable sovereign debt over EUR 4.4 bn invested
(as of end of June 2025)

Signatory of UN-PRI since 2011
Top rating for the seventh consecutive year

EUR 22.35 Bn is compliant with SFDR art. 8 with partial investment in sustainable investments and art.9 funds across various asset classes
(as of end of June 2025)

Exercise our voting rights **across 530 companies** globally

DPAM Corporate AuM with SBT (Science Based Targets) or **1.5°C Alignment stands at 61.8%**
(as of end of June 2025)

Active via collabo-rative engagements (CA100+, CDP, ADVANCE, Collective Impact Coalition for Ethical AI etc.)

Active dialogue with **227 companies**

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