November 2025

Sustainability ranking

OECD member states

Contents

I. OECD universe

1. A pioneer in country sustainability

Since the 2008 sovereign debt crisis and the loss of "risk-free asset" status, countries are increasingly being scrutinised from an environmental, social and governance perspective.

Credit rating agencies now include climate change risk in their assessments. **DPAM's holistic sustainability approach**, developed by DPAM in 2007, remains pioneering due to the range of interconnected issues it analyses and the continued input of leading experts in subjects such as biodiversity and education.

2. Sustainability ranking
November 2025

The starting universe is composed of OECD member states and each new member is included in the starting universe. The sustainability ranking allows us to identify the countries which have **fully integrated global challenges** in the development of medium-term objectives.

This complements the information gathered from credit ratings, which are traditionally used to assess the short- and medium-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 the 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; to 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 acceleration of the transition.

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

In Western countries we can currently see 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. For this reason, we constantly review our model, to ensure that it captures the most relevant challenges accurately.

Figure 1. OECD member States

Source: DPAM, November 2025

Figure 2. Sustainable country ranking of OECD member states

Country	H1 25 #	H1 25 score	H1 24 #	H1 24 score
Iceland	1	75	3	76
Finland	2	74	6	74
Denmark	3	74	2	77
Sweden	4	74	5	75
Norway	5	73	1	79
Luxembourg	6	72	4	75
Switzerland	7	70	8	72
United Kingdom	8	69	9	70
Netherlands	9	68	12	69
Ireland	10	67	7	73
Austria	11	67	10	70
Slovenia	12	67	22	64
Germany	13	67	11	69
Estonia	14	67	13	68
Spain	15	66	15	67
New Zealand	16	65	18	67
Lithuania	17	65	21	65
Belgium	18	64	19	66
France	19	64	20	66

Country	H1 25 #	H1 25 score	H1 24 #	H1 24 score
Canada	20	64	17	67
Australia	21	63	14	67
Portugal	22	63	16	67
Latvia	23	62	23	63
Italy	24	62	25	61
Costa Rica	25	61	30	55
Japan	26	61	24	62
Czech Republic	27	59	27	60
Chile	28	59	26	60
Poland	29	58	33	55
Greece	30	58	32	55
South Korea	31	57	28	59
Slovakia	32	57	31	55
Colombia	33	54	36	47
United States	34	53	29	57
Hungary	35	52	35	53
Israel	36	48	34	54
Mexico	37	48	37	42
Turkey	38	40	38	39

Eligible country for investment | Non-eligible country for investment | No liquid bond market

Please keep in mind that for year-on-year comparisons, sustainability ranks could be influenced by various factors, such as changes in metrics and data availability.

Source: DPAM, November 2025

II. 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.

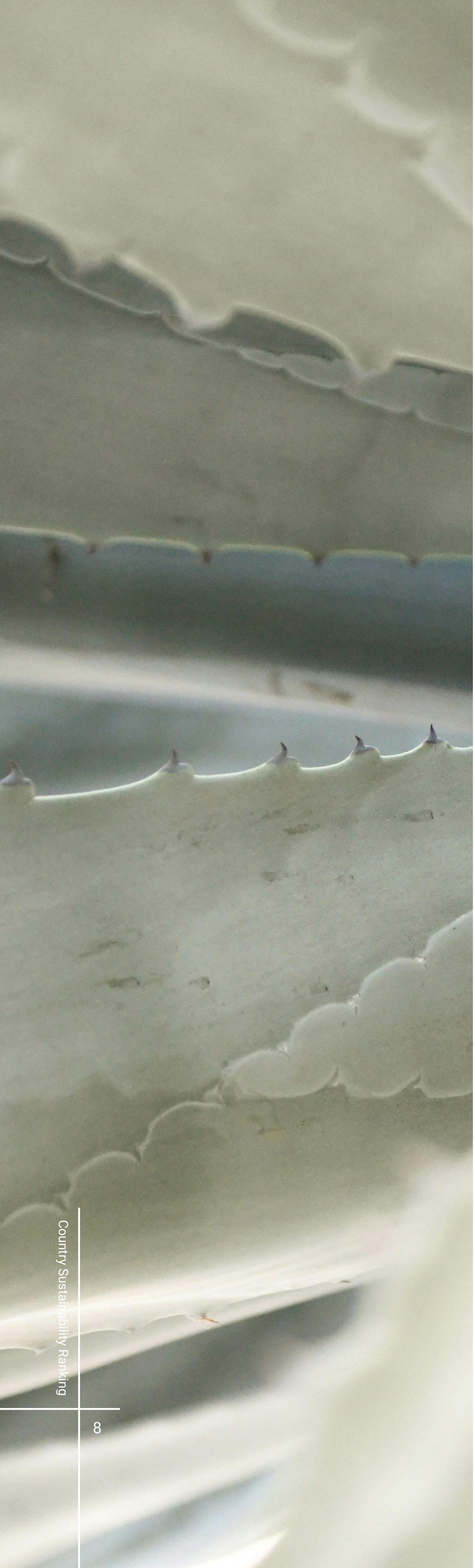
Sustainability at country level differs from sustainability at company level. **A sustainable country is committed to fully ensuring the freedom of its citizens and invests in their personal development and welfare. It respects the environment and is reliable in terms of international responsibilities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



III. 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 which 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 — 33%

Environment

Energy efficiency, GHG emissions, protected area, water stress.

S — 17% / 17%

Education / Innovation

PISA survey, Tertiary school participation, Expenditure per student, etc.

Population, healthcare and wealth distribution

GINI-index, Healthcare spending, Poverty, Wealth, etc.

G — 33%

Transparency and Democratic values

Corruption, Press freedom, Civil liberties, Governance sub indexes, Women rights, etc.

Trend criteria 50%

Source: DPAM

Each key driver considers a variety of different criteria.

Transparency and democratic values takes into account: gender equality, institutions, international treaties, rights and liberties, security and tolerance and inclusion of migrants.

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

Education and innovation takes into account: access to advanced education and ICT, equal opportunities, innovation, investment and quality of education.

Population, health and wealth distribution considers: demography, health and wellness, inequality and life satisfaction.

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.

IV. 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.

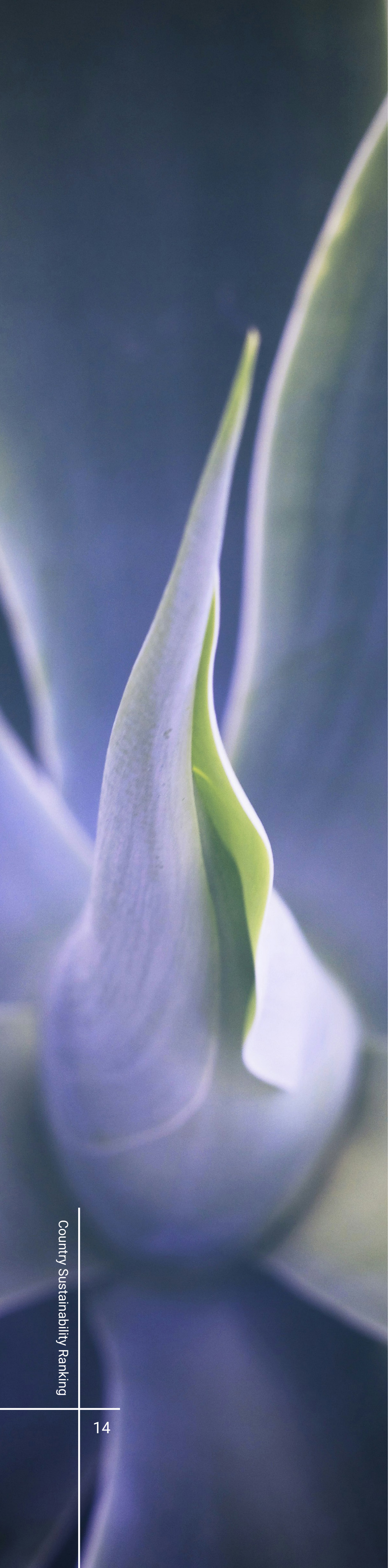
1. The model predates the Sustainable Development Goals

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 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.

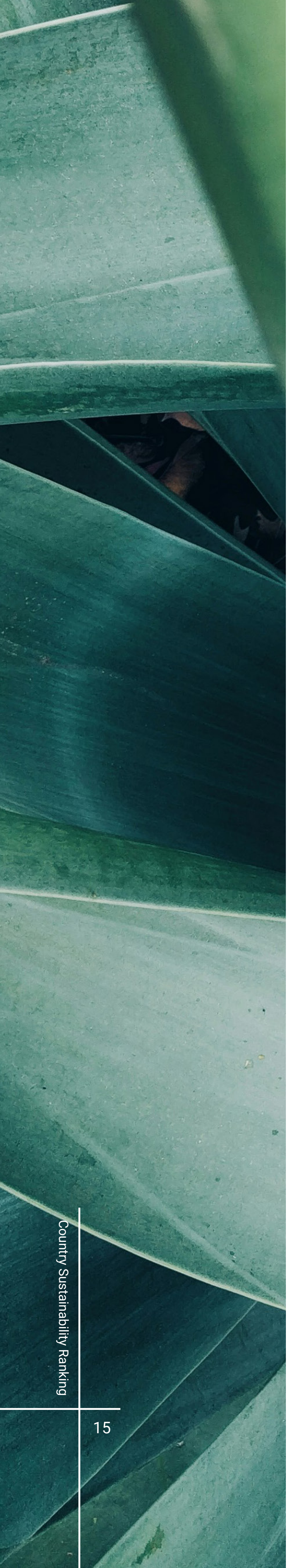
Source: DPAM



V. 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 Engagement Policy and Engagement Activity Report.

VI. Country Focus: the United States

In the latest OECD sustainability ranking, the United States declined from 29th to 34th position among 38 member states, with a composite score of 53.2. This deterioration reflects enduring weaknesses in population health, wealth distribution and transparency and democratic values. Although the country retains moderate strength in education, innovation and environmental performance, its environmental ranking nevertheless fell from 20th (in the second semester of 2024) to 26th, highlighting the uneven nature of its overall sustainability progress.

Despite its economic scale and global influence, the US sustainability profile reveals deep structural imbalances between prosperity and equity, innovation and inclusion, and environmental ambition and implementation.

We will examine the underlying ESG dimensions shaping the US trajectory, the political and structural factors influencing recent trends, including the growing anti-ESG movement and how the country compares with its OECD peers.

In recent years, the United States has become the focal point of a growing backlash against environmental, social and governance initiatives. Under the Trump administration, federal agencies and several state governments have advanced measures aimed at limiting the influence of ESG principles in investment, procurement and corporate reporting. These include efforts to roll back climate disclosure requirements proposed by the Securities and Exchange Commission, state-level legislation restricting public pension funds from considering ESG factors, and initiatives targeting large asset managers perceived as 'politicising' capital allocation. The broader 'anti-ESG' movement, amplified by political rhetoric and legal challenges, has created regulatory uncertainty and fragmented sustainability practices across US markets. This contrasts sharply with ESG integration in Europe and parts of Asia, potentially widening transatlantic divergence in sustainable finance and corporate governance norms.

The United States – sustainability scorecard 2025

UNITED STATES

	Score	Rank	Strength/Weakness
	53.2	**34**	

	Score	Rank	Strength/Weakness
Transparency and democratic values	**50.3%**	**35**	
Tolerance for & Inclusion of immigrants	42.2%	30	
Gender equality	47.8%	35	
Institutions	60.3%	23	
International treaties	39.1%	37	
Rights & liberties	60.3%	32	
Security	41.5%	37	

	Score	Rank	Strength/Weakness
Population, healthcare and wealth distribution	**53.7%**	**35**	
Life satisfaction	50.0%	20	
Demography	60.8%	12	
Health & wellness	48.7%	36	
Inequality	36.1%	34	
Basic human needs	67.5%	13	

	Score	Rank	Strength/Weakness
Environment	**56.4%**	**26**	
Air quality & emissions	62.1%	19	
Biodiversity	50.3%	32	
Climate change	53.4%	16	
Energy efficiency	64.7%	29	

	Score	Rank	Strength/Weakness
Education / Innovation	**51.9%**	**22**	
Access to advanced education and ICT	55.3%	**15**	
Equal opportunities	52.1%	30	
Innovation	50.6%	13	
Investments	46.8%	22	
Quality	51.9%	23	

Quartile 1	Quartile 2	Quartile 3	Quartile 4
1-14	15-26	27-28	29-38

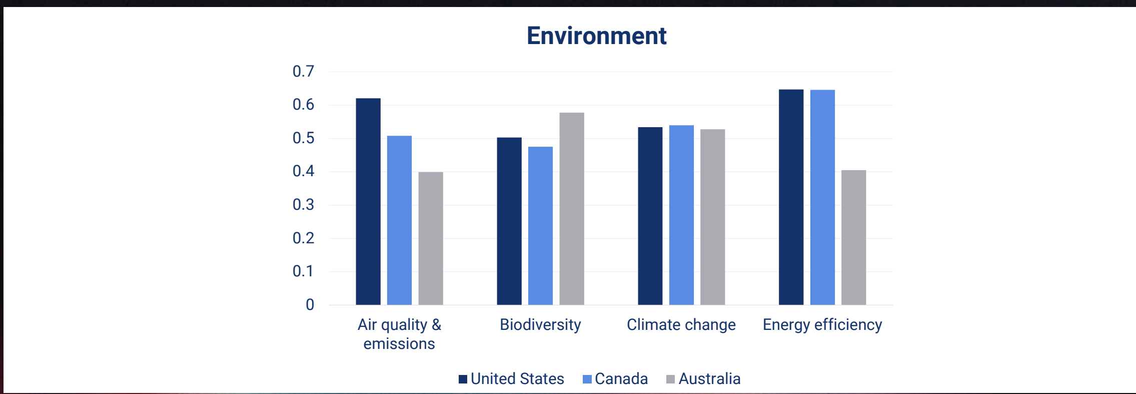
Source: DPAM

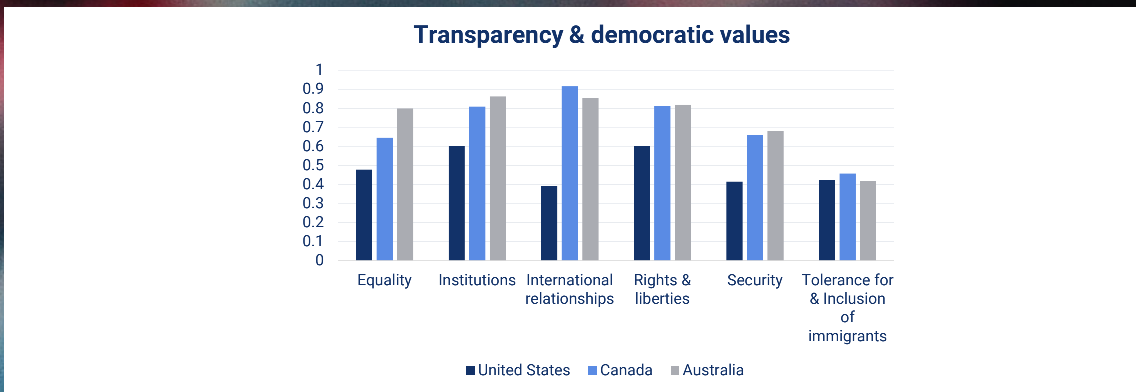
1. Comparison with its peers

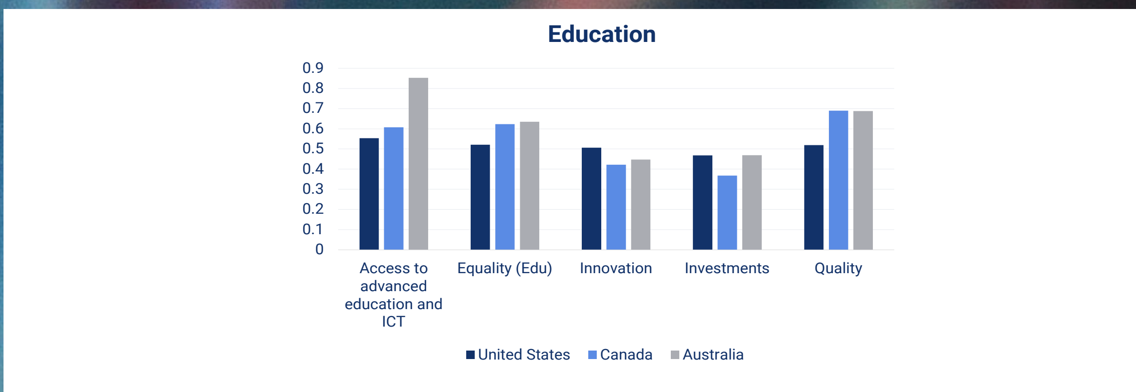
While the United States remains a global economic powerhouse, its sustainability trajectory continues to show a widening gap between potential and performance. The country shares broad similarities with Canada and Australia regarding the specific themes of education and innovation and environment outcomes, yet its overall scores remain lower across most ESG dimensions.

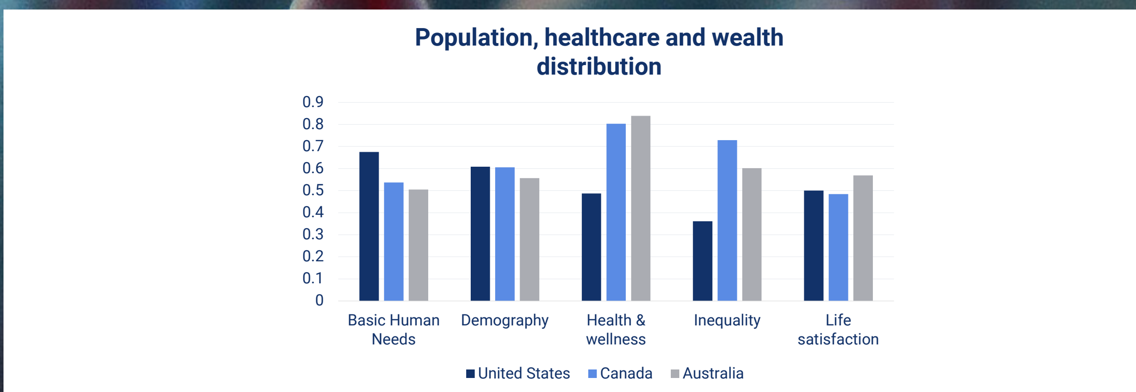
The data highlight that the US performs relatively well in air quality and emissions reduction, as well as in innovation capacity, where it maintains competitiveness with its peers. However, it lags significantly in all aspects of transparency & democratic values, and most of the population, healthcare and wealth distribution aspects.

US strength in technology, education and environmental innovation are offset by persistent deficits in social equity and governance performance, underscoring the structural imbalances that weigh on its sustainability standing.





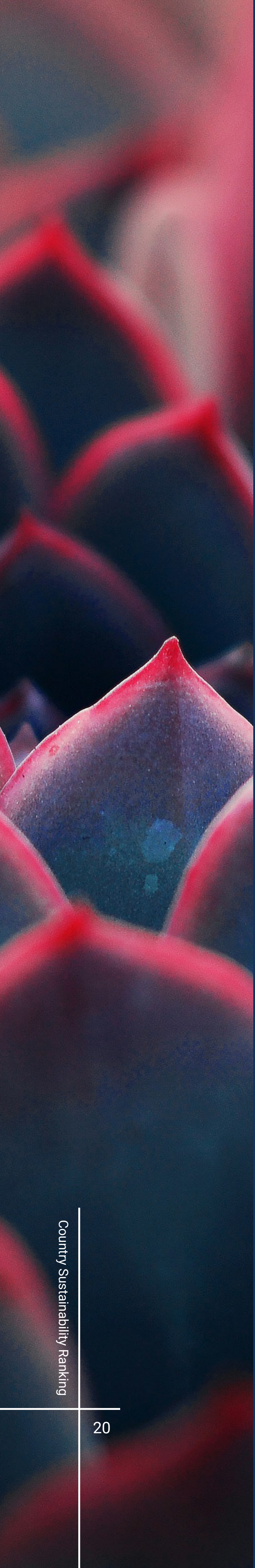




Source: DPAM

01. Focus on ESG dimensions

* indicators



Population, healthcare & wealth distribution

Health outcomes remain one of the United States' weakest performance areas within the OECD framework, alongside governance indicators. Despite spending roughly 17% of GDP on healthcare, which is the highest share among OECD countries, **the U.S. records the sixth highest infant mortality* and fifth highest maternal mortality* rates in the group.**

According to OECD Health Statistics (2024) and the World Bank, these outcomes reflect an inefficient system characterised by fragmented insurance, lack of universal coverage and inequitable access to preventive and primary care, as the US has the lowest level of **government provided health insurance coverage*** in the OECD, after Mexico.

This leads to chronic disease prevalence, which varies sharply across regions and socioeconomic groups, with **disadvantaged communities** facing barriers to prevention and management. Addressing these disparities will require large-scale public health strategies that go beyond clinical care, focusing on the social, behavioral and environmental determinants of health and supported by stronger national frameworks for affordability and inclusion.

When it comes to **Wealth Distribution**, the United States is among the most unequal economies within our OECD universe, ranking 34 out of 38 on income distribution indicators.

According to the World Bank, the US **Gini coefficient*** stands at 0.418, significantly above our OECD universe average (where 0 indicates perfect equality - everyone has the same income) and 1 indicates perfect inequality - all income goes to one person). This places it among the six most unequal economies in our OECD universe.

Economic inequality has widened further with inflationary pressures and **housing affordability*** challenges.

On average, **housing expenditure*** accounts for 18.2% of total household consumption in the U.S. This figure includes homeowners and renters. However, in 2023, nearly 21 million renter households, **half of all renters**, spent more than 30% of their income on housing. Within this group, an increasing share were severely cost burdened, allocating over 50% of their income to rent.

These figures highlight the unequal weight of housing costs across US households, showing the much heavier burden faced by millions of low- and middle-income renters.

Beyond social implications, this imbalance undermines long-term sustainability and growth. OECD research links inequality to reduced intergenerational mobility and lower trust in institutions. Furthermore, wealth concentration is increasingly associated with political polarisation and regional divides, contributing to governance challenges.

Temporary policy measures, such as tax credit expansions, childcare subsidies and housing affordability programs introduced under the American Rescue Plan have provided limited relief. However, structural reforms in wage policy, taxation, and social protection are needed to align the US more closely with its peer nations in equitable wealth distribution.

Transparency & democratic values

The United States ranks in the fourth quartile among OECD members for transparency, institutional trust, and democratic governance. Despite relatively strong constitutional foundations, public confidence in government and the media has weakened considerably.

The United States' **press freedom*** has declined year on year, now reaching historic lows. Ranking among the bottom ten within our OECD universe, in terms of media freedom, amid challenges related to misinformation and increasing restrictions on the press.

Reporters Without Borders now ranks US press freedom as 'problematic' down from 'satisfactory' in previous years, placing it alongside countries such as Gambia, Uruguay and Sierra Leone.

According to the watchdog, economic pressures are driving the global erosion of press freedom. Across autocratic and fragile democracies alike, governments are leveraging financial tools to weaken independent journalism. In the United States, this has manifested in efforts to defund public broadcasters and the increasing control of advertising revenues by major technology platforms, leading to **widespread media consolidation** and the proliferation of local 'News deserts.'

A recent example came in mid-October 2025, when several major US media outlets, including Reuters, the Associated Press, CNN, the New York Times, and the Washington Post, lost their Pentagon access after refusing to sign a new Department of Defense press agreement. The policy introduced strict restrictions on reporting military affairs. As a result, non-signatory organisations were required to surrender their credentials and vacate their Pentagon offices. The Pentagon Press Association and press freedom advocates condemned the move as a serious violation of First Amendment principles **(the constitutional guarantee protecting freedom of speech, press, and assembly), and a significant setback for government transparency.**

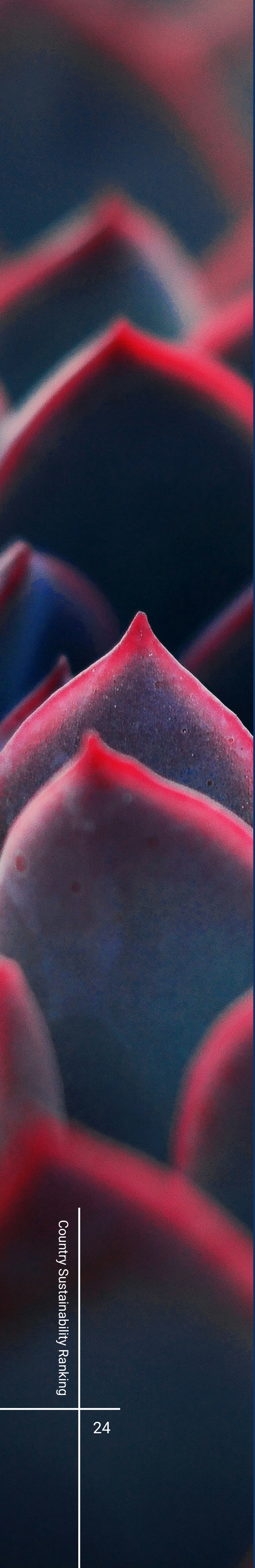
Beyond media freedom, broader governance challenges extend to issues of inclusion and equal treatment, particularly affecting **migrant workers and communities***.

Even though migrants have been playing a significant role in sustaining employment levels and supporting overall economic growth in the United States, the US' immigration policy remains a subject of ongoing debate and controversy. Enforcement measures initiated under the Trump administration emphasised border security and stricter immigration controls, shaping public discussion about the balance between national security, economic needs and social inclusion.

According to the OECD's International Migration Outlook (2024), **foreign-born workers*** accounted for 14.5% of the US labor force in 2023, with an employment rate of 73.3%, higher than the average employment rate across OECD countries. **Unemployment*** among the foreign-born population stood at 3.7%, slightly lower than that of native-born Americans (3.8%) and below the OECD averages (7.3% for foreign-born and 5.2% for native-born workers).

This reflects continued strong migrant participation in the US labour market, particularly in sectors facing persistent labour shortages.

Social and governance weaknesses are one part of the story. On the other hand, environmental performance has shown policy volatility, reflecting the country's shifting stance on environmental commitments.



Environment

The United States continues to face persistent challenges in policy coordination and environmental performance, contributing to a decline in its environmental ranking from 20 in the second semester of 2024 to 26 in the second semester of 2025. These issues have drawn renewed attention since the Trump administration's decision to withdraw from the Paris Agreement under the UN Framework Convention on Climate Change.

The OECD's Environmental Performance Review: United States 2023, which is the most recent comprehensive international assessment, found that the country had made progress in decoupling environmental pressures from economic growth. Greenhouse gas emissions, air pollutants and water abstractions decreased even as GDP expanded. However, high consumption levels, intensive agriculture and urban development continued to exert pressure on ecosystems.

By the second semester of 2025, this progress appears to have partially reversed. The US' **air quality and emissions*** score declined sharply, from 80.6% in second semester of 2024 to 62.1% in the second semester of 2025, while the **climate change*** score fell from 68.3% to 53.4%. In contrast, the **biodiversity indicator*** showed a modest improvement, rising from 46.2% to 50.3%.

Furthermore, despite substantial investments through major legislative packages in 2022, including the Inflation Reduction Act and the Infrastructure Investment and Jobs Act, which together allocated more than USD 1.5 trillion to clean energy, infrastructure modernisation and climate resilience, the **energy efficiency*** score also weakened slightly, from 71.1% to 64.7% in the second semester of 2025.

The OECD review of 2023 also highlighted progress in **environmental justice**, including initiatives such as Justice40, which allocated 40% of federal climate and infrastructure investments to disadvantaged communities and the creation of the EPA's Office of Environmental Justice and External Civil Rights.

However, since taking office in early 2025, the Trump administration has dismantled key elements of the federal environmental justice framework. Executive orders rescinded the Justice40 Initiative and related mandates, disbanded the White House Environmental Justice Advisory Council, and directed agencies to terminate environmental justice programmes. Funding and investigations grounded in environmental justice principles have been dropped. These measures mark **a major policy reversal**, shifting the federal approach away from equity-focused climate and infrastructure investment. As a result, the institutional foundation for advancing environmental justice in the United States has been significantly weakened.

Marine pollution remained a key challenge, with the United States identified as the world's largest producer of **plastic waste.** Low recycling rates and the absence of comprehensive national targets limited progress. Federal measures primarily focused on research and funding assistance, while economic instruments such as landfill taxes or extended producer responsibility programmes were limited. The OECD called for clearer national targets and stronger regulations to address plastic leakage and improve recycling performance.

In 2025, the federal environmental policy shifted, with several ESG-related and climate initiatives facing reductions or rollbacks under the current administration. As a result, the longer-term trajectory of U.S. environmental progress remains uncertain.

Education & innovation – a strategic strength

Education and innovation remain the United States' strongest sustainability assets. The country ranks among the top eight OECD members in **tertiary education*** attainment, with 51% of adults aged 25-34 holding a degree and also ranks in the top eight for **education expenditure*.**

The United States continues to lead the global innovation landscape, investing 3.6% of GDP in **research and development*** in 2024, up from 2.7% in 2019. It remains a major source of innovation in applied life sciences and technology, although its share of global patents has declined as other R&D-intensive economies expand. Sustaining US scientific leadership will require consistent federal investment and long-term support for basic research.

Educational inequality, however, reflects broader socio-economic divides. **Funding disparities** among public schools and regional gaps in learning outcomes persist, with lower performance and graduation rates among students from low-income and minority backgrounds. Increased investment in STEM (Science, Technology, Engineering, and Mathematics) education, vocational training and workforce reskilling under the CHIPS and Science Act represents an important step toward reducing these disparities and ensuring that innovation-driven growth benefits a broader segment of the population.

Another emerging dynamic relates to the role of **international students** in the US higher-education ecosystem and growing signals of hesitation among potential applicants abroad. While the US continues to host more than one million international students, growth in new enrolments has largely stagnated. The Trump administration introduced a series of **visa and immigration-policy reforms** aimed at curbing perceived national-security and immigration-risks, which have added uncertainty for many prospective students. For example, the administration paused new student-visa interviews at US embassies worldwide in 2025. It also announced that it would 'aggressively revoke' the visas of some students. In addition, a proposed rule would limit the duration of stay of foreign-students under some specific visas rather than tie the stay directly to the academic programme, potentially reducing flexibility for doctoral and other long-term students.

For the United States, this means that one of its innovation-ecosystem inputs, namely, global talent attracted through its universities, is under pressure. Should attractive alternatives abroad draw more students away, the US may face challenges maintaining its deep talent pipelines in research, innovation and doctoral-level programmes.

Strengths undermined by structural weaknesses

The United States presents an imbalanced sustainability profile: an economy of high innovation capacity and global influence that underperforms in key environmental, social and governance dimensions. Despite robust investment in research, education and technological advancement, structural inequities, particularly in health outcomes, income distribution and access to affordable housing, undermine inclusive and sustainable growth.

Governance indicators reveal persistent challenges to transparency, institutional trust, and democratic resilience, as evidenced by declining press freedom and politically polarized debates around environmental and social policy. The rise of anti-ESG sentiment and related policy rollbacks further contribute to uncertainty and fragmentation in sustainability governance, distancing the U.S. from its OECD peers that are advancing toward more integrated ESG frameworks.

On the environmental front, inconsistent policy direction leaves long-term targets vulnerable to political shifts.

To improve its sustainability standing, the United States will need to move beyond sectoral or partisan approaches toward a more coherent national strategy, one that aligns economic competitiveness with social equity, institutional accountability and crucial environmental stewardship. Only through such an integrated effort can the country translate its resources and innovation leadership into lasting sustainable progress.

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World Economic Forum

World Prison Brief

VII. 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 **integration 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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