⦰ DPAM

May 2025

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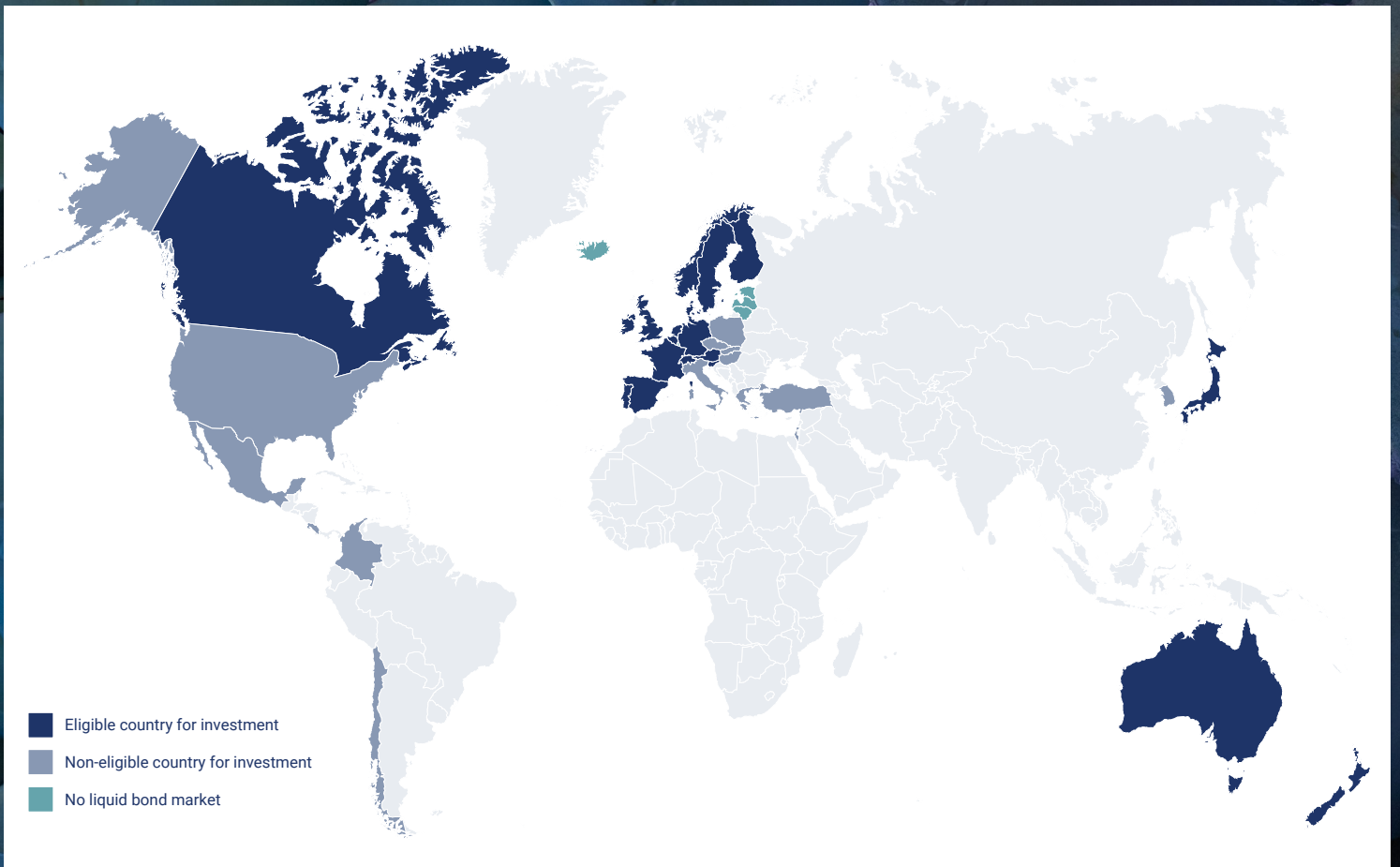
Today we face two scenarios: either business as usual or acceleration of the transition.

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

Legend:
- Eligible country for investment
- Non-eligible country for investment
- No liquid bond market

Source: DPAM, May 2025

Figure 2. Sustainable country ranking of OECD member states

Country	H1 25 #	H1 25 score	H1 24 #	H1 24 score
Iceland	1	77	4	72
Norway	2	76	1	79
Luxembourg	3	75	7	72
Denmark	4	75	2	75
Sweden	5	74	3	73
Finland	6	73	8	72
Switzerland	7	71	5	72
Netherlands	8	69	11	68
Austria	9	69	12	67
United Kingdom	10	69	9	71
Ireland	11	68	6	72
Germany	12	68	13	67
Lithuania	13	67	21	61
Estonia	14	67	16	65
Spain	15	67	18	62
Slovenia	16	67	23	60
Portugal	17	67	20	62
New Zealand	18	66	10	70
France	19	66	17	63

Country	H1 25 #	H1 25 score	H1 24 #	H1 24 score
Belgium	20	66	19	62
Canada	21	65	14	67
Australia	22	64	15	66
Latvia	23	64	24	59
Japan	24	63	22	60
Italy	25	62	27	57
South Korea	26	61	28	57
Czech Republic	27	61	25	58
Chile	28	59	29	56
Costa Rica	29	59	31	52
Poland	30	57	32	51
Hungary	31	56	35	48
Greece	32	56	33	51
Slovakia	33	56	30	55
United States	34	55	26	57
Israel	35	54	34	51
Colombia	36	50	36	44
Mexico	37	46	37	39
Turkey	38	44	38	36

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, May 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
DPAM

Ives Hup
Global Key Accounts Coordinator
DPAM

Julie Gossen
Responsible Investment Specialist,
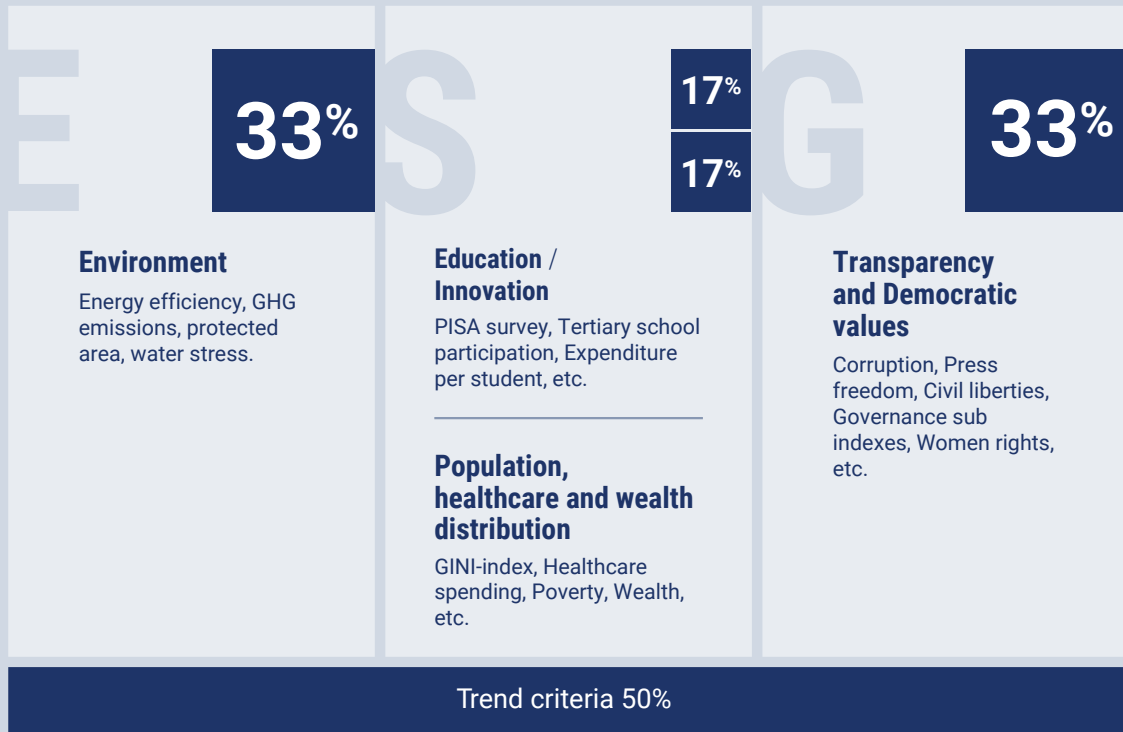DPAM

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:

Environment

33%

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

Education / Innovation

17%

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

Population, healthcare and wealth distribution

17%

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

Transparency and Democratic values

33%

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 Fixed Income 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.
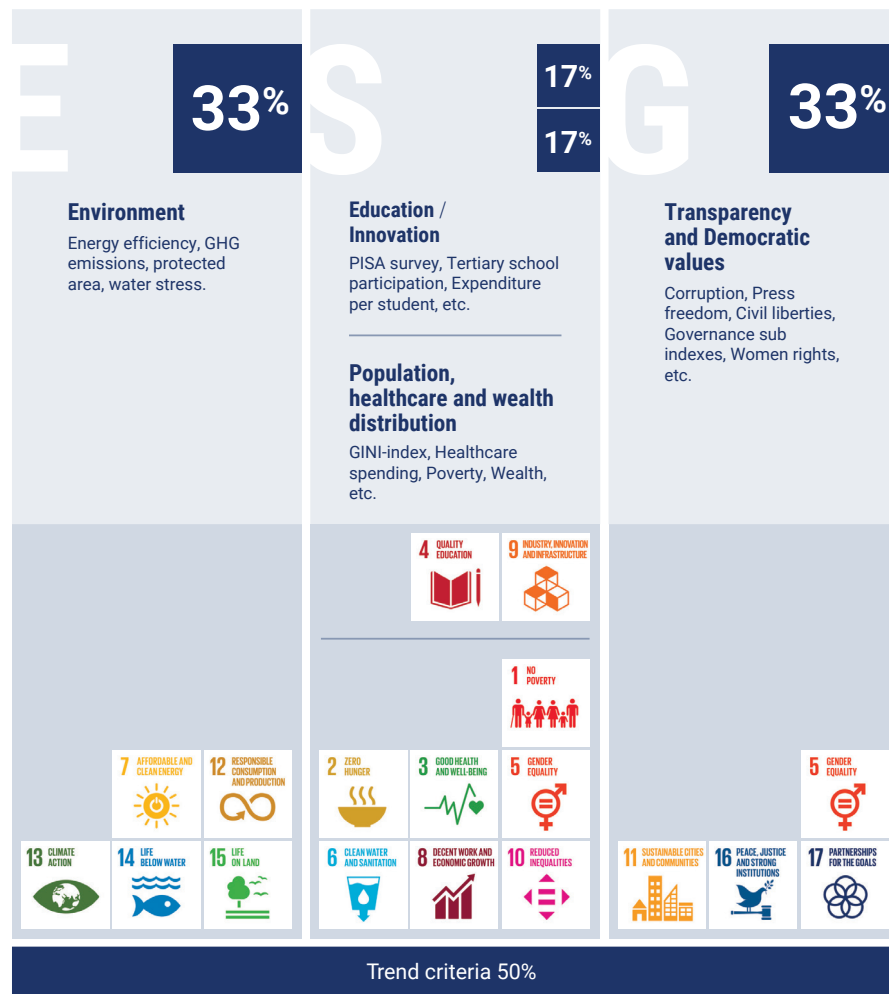
1. The model predates the Sustainable Development Goals

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.

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.

4 QUALITY EDUCATION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

1 NO POVERTY

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY

5 GENDER EQUALITY

13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

Trend criteria 50%

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.**
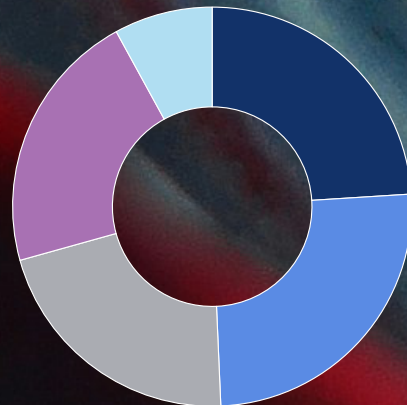
VI. Thematic content
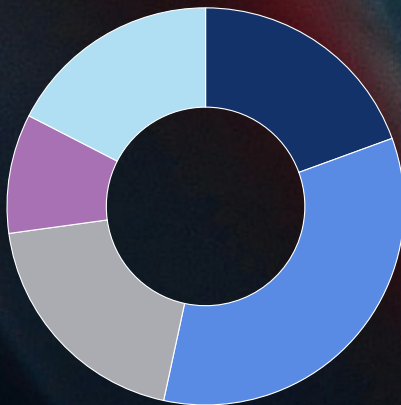
Environment
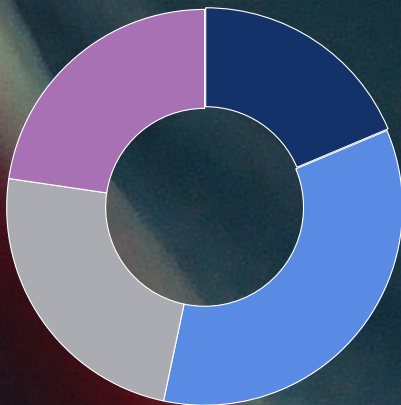
☐ Air quality & emissions   ☐ Biodiversity
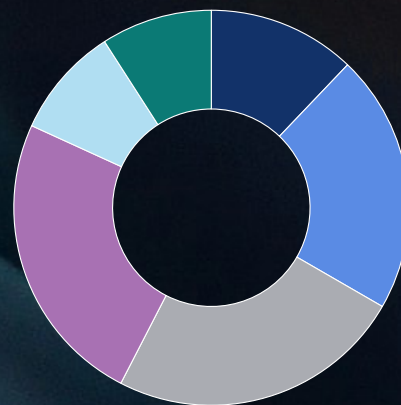☐ Climate change   ☐ Energy efficievncy

Population

☐ Basic Human Needs   ☐ Demography   ☐ Health & wellness
☐ Inequality   ☐ Life satisfaction

Education

☐ Access to advanced education and ICT   ☐ Equal opportunities
☐ Innovation   ☐ Investments
☐ Quality

Transparency

☐ Gender equality   ☐ Institutions
☐ International treaties   ☐ Rights & liberties
☐ Security   ☐ Tolerance for & Inclusion of immigrants

Environment - a focus on the Paris Agreement

The Paris Agreement, adopted in 2015 by nearly all countries, aims to limit global warming to well below 2°C, ideally to 1.5°C, through nationally determined contributions, transparent reporting, and regular updates of national climate plans. While the agreement sets no binding emission reduction quotas, it establishes a common framework for climate action, emphasising ambition, accountability, and support for developing nations.

A new indicator reflecting multilateral climate ambition

The Paris Agreement previously did not differentiate countries in our model, as nearly all nations—except Iran, Libya, and Yemen—had signed it. However, the United States' exit reignited debate around whether formal participation should be factored into our assessment of a country's climate ambition in addition to other indicators like fossil fuel subsidies, share of renewable energy, energy efficiency and coal consumption among others. As signing the agreement is a strong signal of collective commitment to climate action, the CSAB decided to reintroduce a binary indicator reflecting whether a country has formally signed and remains in the Paris Agreement.

Why does it matter?

As the world's largest historical emitter and second-largest current emitter, the United States plays a critical role in international climate efforts. Its withdrawal from the Paris Agreement under the Trump administration marked a significant setback for global climate governance, signaling a shift toward fossil fuel expansion and undermining multilateral momentum. This withdrawal highlights the fragility of international commitments and raises concerns that other countries might follow and exit the Paris Agreement as well.

Social - population, healthcare and wealth distribution

Basic human needs – shelter

Access to adequate, safe, and affordable housing is not only a human right but a fundamental prerequisite for achieving inclusive and sustainable development. Recognised under UN Sustainable Development Goal 11, the aim is to 'ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums' by 2030.

Shelter is a foundational human need that affects health, education, employment, and overall well-being. Inadequate housing or homelessness often leads to exclusion from education and labour markets and correlates strongly with poor health outcomes (OECD, UN-Habitat). Moreover, housing stability is directly linked to a person's ability to escape poverty and participate fully in society.

In recent years, inflation, rising interest rates, and wage stagnation have increased housing costs across OECD countries. These pressures have disproportionately impacted low-income households, pushing many into housing insecurity or homelessness. According to OECD data, nearly one in ten low-income households spends over 40% of their disposable income on housing, water, electricity, gas, and other essential utilities — well beyond what is considered affordable.

Incorporating housing and shelter into the national model is critical, not just to respond to immediate socio-economic vulnerabilities, but to ensure long-term urban resilience and social cohesion. According to UN-Habitat, well-planned housing policies reduce inequality, increase economic productivity, and are essential to climate adaptation strategies.

Housing affordability - an indicator added to our model

Housing cost overburden rate among the low-income population. This measures the share of income that households — especially those in the bottom income quintile — spend on housing and related utilities. It includes final consumption expenditure on housing, water, electricity, gas, and other fuels, expressed as a percentage of household income.

Why does it matter?

This indicator is crucial for monitoring social equity and economic resilience. According to the OECD's Housing Affordability Dashboard and the graph below, housing-related expenses account for a substantial portion of household consumption. When these costs exceed 30-40% of a household's income — the commonly accepted affordability threshold — it places households at risk of material deprivation, financial stress, and at worst, eviction or homelessness.

Housing, water, electricity, gas and other fuels, % of final consumption expenditure of households on the territory, 1995, 2007, 2022 or last year available
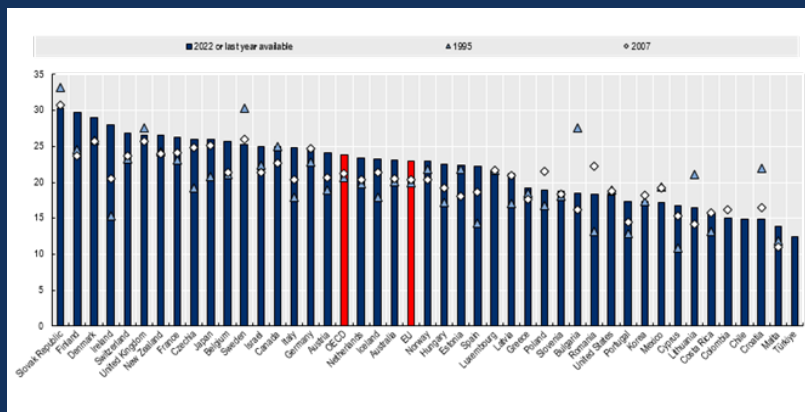
Source: OECD

The graph shows that households in most countries are spending a growing share of their expenditure on housing, water, electricity, gas and other fuels, with 2022 values generally higher than in 1995 and 2007. The Slovak Republic, Finland, and Denmark have the highest recent shares, around 25–30%, while Mexico and Türkiye have the lowest, below 15%. The OECD average is about 20%, and the overall trend indicates rising housing-related costs over time.

This measure also acts as a proxy for systemic urban pressures and policy effectiveness. It provides insight into how housing markets and welfare systems are supporting — or failing — vulnerable populations. Addressing this indicator within the model enables targeted, data-driven interventions and ensures that progress toward SDG 11 (Sustainable cities and communities) remains equitable and inclusive.

Social - education

Education

Education is a key driver of social and economic development. In our model, it builds upon basic human needs and underpins long-term resilience by expanding opportunity, improving social mobility, and supporting inclusive growth.

Indicator: pre-primary education

Pre-primary education is widely recognised as one of the most effective foundations for lifelong learning and social equity. According to the OECD, enrolment between ages 3 to 5 plays a decisive role in shaping future academic performance, strengthening socio-emotional skills and lowering dropout risks — especially for children from disadvantaged backgrounds.

Why does it matter?

Referred to as the 'great equaliser', early education helps close learning gaps before they widen, supporting more inclusive and effective education systems. The UNESCO Global Education Monitoring Report emphasises its importance for equitable development, while the Global Education Evidence Advisory Panel lists it among the most cost-effective and high-impact education investments.

Tracking pre-primary enrolment rates provides a meaningful insight into a country's commitment to early-stage human capital development. It reflects not just access, but also public investment priorities and the inclusiveness of the education system.

Governance - transparency and democratic values

Democratic institutions and civil liberties

Democratic governance and civil liberties are foundational elements of sustainable development and institutional resilience. Strong democratic institutions support the rule of law, enable inclusive participation, and uphold human rights, which are all key to long-term political and economic stability. Yet in 2024, global governance indicators continued to deteriorate despite a record number of elections taking place across the world. The Economist Intelligence Unit's Democracy Index marked its lowest average score since the index was established in 2006. This decline was echoed in Freedom House's 'Freedom in the World' latest report, which marked its 19th consecutive year of declining global freedom.

The latest figures from the Democracy Index show that only 45% of the world's population lived under a democratic regime, while 39% were governed by authoritarian regimes and 15% by hybrid systems. 83 countries saw a deterioration in their democracy scores, while only 37 recorded marginal improvements. However, it is important to note that the regression in the index in 2024 was not driven by the world's democracies, but rather by a further deterioration in the average scores of authoritarian regimes. This ongoing trend reinforces the pattern of such regimes becoming increasingly repressive over time.

Democratic values at the core of our country model

In this context, the continued exclusion of countries, that are classified as authoritarian regimes and not free, from our sustainability model provides added value by limiting exposure to systemic political risks and by promoting democratic values, which are at the core of our proprietary country model. Upholding these is a moral obligation for DPAM and intrinsically linked to our stance as a sustainable investor.

Why does it matter?

These indicators are essential for understanding systemic political risk, institutional strength, and a country's alignment with democratic values. Recently, authoritarian regimes have played a key role in the deterioration of global governance. Sixty countries — up from 52 a decade ago — are now classified as authoritarian, representing nearly 40% of the world's population. These regimes are characterised by suppression of opposition voices, election manipulation, state-controlled media, and erosion of judicial independence. In many of these contexts, elections were either tightly controlled or outright cancelled, with opposition barred and dissent met with violence.

Civil liberties and the integrity of the electoral process, both integrated by the Economist Intelligence Unit's and Freedom House's methodologies, have seen their steepest decline since 2008. This decline in electoral process and pluralism is especially concerning, given the unprecedented number of elections held. Indeed, 2024 was characterised as an 'election extravaganza' with around 4.2 billion people, representing more than half of the world's population, eligible to vote. However, this wave of elections did not translate into democratic progress. In fact, the average score for the category 'electoral process and pluralism' declined by 0.08 points globally. This is particularly concerning given that elections are typically moments of civic engagement and democratic renewal.

Reference Sources

Amnesty International

Center for Global Development

Climate Change Performance Index

Energy Institute

Freedom House

Global Forest Watch

Global Safety Net

International Macro team

International Criminal Court

Notre Dame Global Adaptation Initiative

OECD Data

OECD Statistics

Plasteax

Reporters without Borders

S&P Global

Transparency International

United Nations Development Programme – Human Development Reports

United Nations Food and Agriculture Organization Aquastat

United Nations Food and Agriculture Organization Stat

United Nations High Commissioner for Refugees

United Nations Office for Disarmament Affairs

United Nations Peacekeeping

United Nations SDG Indicators Platform

United Nations Treaty Collection

World Bank

World Economic Forum

World Prison Brief

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 4.8 bn invested

(as of end of December 2024)

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

EUR 23.4 Bn is compliant with SFDR 8+ & 9 funds across various asset classes

(as of end of December 2024)

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

DPAM Corporate AuM with SBT (Science Based Targets) or **1.5°C Alignment stands at 71.5%**

(as of end of December 2024)

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

Active dialogue with **227 companies**

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