ESG SCREEN 17

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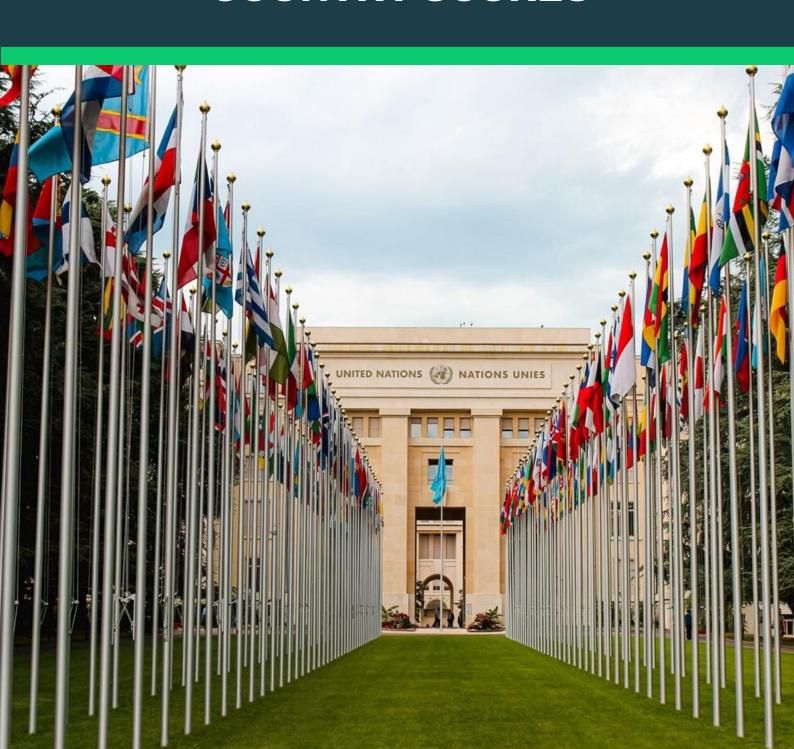## SUSTAINABILTY DRIVERS: COUNTRY SCORES

Screen17 Country Scores

At its core, the Screen17's Sustainability Driver Framework aims to assess sustainability by breaking it down into specific aspects of sustainability performance: the Drivers. The framework is defined in a way, so it can assess different asset classes including countries. Country Sustainability Driver Scores should measure how sustainable a country is performing towards social and ecological challenges. For that various score components can be identified*.

(Note: the definition and number of components is open to change and will be completed with the next releases.)

Score Component	Definition
Status quo performance	Assessing how the country is actually performing with regards to social or ecological challenges
Good governance	Assessing how the country is addressing social or ecological challenges
Geographical risk/exposure	Assessing the geographic exposure with regards to social or ecological challenges

*The first version of the country scores will focus on the Performance component of the sd_bo dimension only

Sustainability Driver Polarity

All Screen17 Sustainability Driver Scores are numerical and range from -100 to +100. A score of 100 denotes the best possible assessment. Depending on the Sustainability Driver and the actual approach, the best score represents a theoretical optimum in line with a science-based approach, or the average of the 5 best performing countries. A score of -100 is the worst possible assessment which is derived by the 2.5 percentile of all observed values. Depending on the Sustainability Driver and the underlying sustainability goal, the score for a Sustainability Driver can have positive, negative, or mixed polarity.

Absolute vs. Relative Assessment

When computing the Screen17 Country Sustainability Driver Scores, rather than considering the indicators that measure the absolute expression of a value like total GHG emissions in tonnes or amount of people that are illiterate, indicators are preferred that measure a relative sustainability performance. Absolute indicators are set into relative perspective by measuring for example, literacy rate by percentage of a population, greenhouse gas emissions by GDP or percentage of deforestation with respect to the total intact forest in a country. Using relative indicators ensures that scores are not biased on country sizes and that scores are more meaningful, as it enables the comparison of the scores of different countries, independent from their geographical size or population, while still giving an accurate assessment of their sustainability performance.

Data Sources

Out of all data sources selected by Screen17, three sources are mainly relevant for the assessment of countries:

01 | SDG Index

The SDG Index data is published annually and includes a total of 122 raw data points and 193 countries.

02 | MSCI

The MSCI dataset includes 240 raw data points for 141 countries. Both the SDG Index and MSCI source their data through established, external, publicly available sources, such as the World Bank, WHO, ILO and other organizations including research centres and non-governmental organizations

03 | ISS (controversies only)

IISS completes the data sources from a controversy screening angle, covering 25 essential government topics such as whaling or the possession of nuclear weapons.

Country Score Sustainability Drivers

Screen17 Country Sustainability Drivers define a mutually exclusive breakdown of the of most important aspects of sustainability for countries. Screen17 provides a score for each of these drivers. Depending on investment goals or theme, clients can select drivers that are relevant to those goals and report and manage performance against those.

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	Name	Description	Topic
1	Workforce health & safety	The extent to which the entity fails to protect the population's health and well-being	Health & Equal Treatment
2	Fair Income	The extent to which the entity supports a decent standard of living and prevents income & wealth gaps	Workforce
3	Gender Equity	The extent to which the entity ensures that all genders have equal rights, are equally represented in critical positions and have equal professional oppurtunities	Health & Equal Treatment
7	Child labour	The extent to which the entity relies on child labour	Workforce
8	Forced Labour	The extent to which the entity relies on forced labour	Workforce
10	Water Stress	The extent to which the entities water use contributes to water stress	Resource use
11	Energy consumption/ efficiency	The extent to which the entity's energy consumption is sustainable, i.e., the amount of energy consumed, the proportion of renewable energy consumption as well as the consumption efficiency	Resource use
12	Waste	The extent to which the entity produces waste and disposes of it responsibly	Emissions & Waste
13	Air emissions	The extent to which the entity causes harm by emitting harmful pollutants into the air, excluding greenhouse gases	Emissions & Waste
19	Ethics & Corruption	The extent to which the entity operates in a non-corrupt manner	Governance
23	Resource efficiency	The extent to which the entity uses raw materials carefully & efficiently	Resource Use
24	Land ecosystem preservation	The extent to which the entity directly affects terrestrial ecosystems	Ecosystems
25	Marine ecosystem preservation	The extent to which the entity directly affects marine ecosystems	Ecosystems

26	Protected Species	The extent to which the entity's operations pose a direct threat to protected species through poaching or trafficking	Ecosystems
27	Civil & Political human rights	The extent to which the entity's operations affect civil and political human rights. Encompasses the rights of indigenous people, the right to life, to privacy and to freedom of expression	Society
30	Innovation	The extent to which the entity fosters innovation and supports research & development activities	Governance
35	Total GHG emissions efficiency	The extent to which the entity emits Greenhouse gases	Climate Change
37	Democracy level	The extent to which the entity ensures the participation of their population in the democratic process	Governmental Institution
38	Employment rate	The extent to which the entity fails to achieve full employment	Workforce
39	Rule of Law	The extent to which the entity fails to ensure the general rule of law	Governmental Institution
40	Access to telecommunication	The extent to which the entity enables access to internet communication	Communications
41	Access to Finance	The extent to which the entity enables access to basic financial services	Financials

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To find out more about ESG Screen17 visit our website at:

screen17.com