



Sustainable
Fitch

a FitchSolutions Company

PURPOSE BUILT ESG
POWERED BY HUMAN INSIGHT



Introducing Sustainable Fitch: the transparent, independent source of ESG information for benchmarking, reporting, and communicating the true impact of companies worldwide, born out of a trusted credit ratings provider.

Powered by the human insight that has differentiated Fitch for over 100 years, **Sustainable Fitch** combines experience and heritage with the best ESG information available in the market today.

Our focus is, and will always be, on providing transparent, objective and substantive data and analysis that enables confidence in decision-making.



Global
Coverage



85+

ESG ANALYSTS GLOBALLY



18

LANGUAGES SPOKEN



ALL SECTOR COVERAGE

Financial Institutions
Corporates
Project Finance
Public Finance
Sovereigns,
Supranationals,
and Agencies



ALL INSTRUMENT COVERAGE

Green, Social, and
Sustainability Linked
Bonds
KPI Linked Bonds
and Loans
Conventional Bonds
and Loans





PURE ESG DATA AND ANALYSIS ON A SINGLE SCALE

To best serve our clients and partners, Fitch built a product suite of objective ESG data and analysis, focusing on consistency, comparability, coverage and granularity. Leaning on our expertise in best-in-class analytics and research, and reputation for transparency and integrity, our team of leading ESG experts came together to bring the financial community a robust and comprehensive ESG data and analysis solution.

The Sustainable Fitch solution suite provides a much-anticipated, single source for the ESG focused financial community with tools, data, research and insights under one holistic, modular, user-friendly ESG investing umbrella including:

ESG RATINGS

ESG Ratings from Sustainable Fitch are among the first products to provide a quantitative and qualitative assessment of an entity or transaction's impact on environmental, social, and governance matters, according to third-party published principles and guidelines. We assign ESG Ratings to individual entities, to Green, Social and Sustainable (GSS) and Sustainability-Linked debt instruments, (collectively referred to as "labelled instruments") and also to non-labelled instruments.

ESG Ratings are derived from an analysis of actions, outcomes, impacts and activities, in addition to policies and broader commitments. Built from scratch for the exclusive purpose of providing a pure ESG management benchmark and impact assessment, these ESG analytical tools help the financial community effectively discriminate the ESG quality of financial instruments and entities and make smarter, more informed ESG investing decisions.

What is included in an ESG rating?

We look at an instrument on a standalone basis, as well as the issuing entity, and having done this we also provide an absolute cross comparable view of instruments in the context of the entities that have issued them.

ESG ENTITY RATING

Evaluates the entity activities from an environmental and social perspective, as well as the impact and outcomes of policies, procedures, targets, and governance of an entity.

ESG FRAMEWORK RATING

Evaluates either the use of the proceeds raised from the issuance or KPI targets, as well as the strength of the framework. Includes second party opinions and alignment with taxonomies.

ESG INSTRUMENT RATING

Integrates the entity and framework ratings (or documentation assessment for conventional bonds) to provide an instrument rating in the context of the issuing entity, thereby allowing for an absolute comparison of all instruments (labelled or conventional)

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





ESG RATINGS FOR INVESTORS

ESG Ratings, Data & Analysis are granular and transparent ESG ratings and sub-scores at an entity, framework, and instrument level. Built from the bottom-up, our framework for ESG analysis enables investors to measure ESG impact accurately.

ESG Ratings include comprehensive qualitative analytical reports, entity and ISIN level ratings and detailed underlying quantitative datasets for all Green, Social, Sustainable and KPI-linked bonds. Designed to support investment decision-making, investment management & monitoring, and reporting & disclosure, ESG Ratings, Data & Analysis can help investors:

DIFFERENTIATE & FUTUREPROOF INVESTMENT STRATEGIES

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

MAKE CONFIDENT DECISIONS WITH ACCESS TO SECTOR FOCUSED ESG ANALYSTS

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

OPTIMIZE THE PERFORMANCE OF FIXED INCOME PORTFOLIOS

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

ESG RATINGS FOR ISSUERS

Highlight an entity or transaction's ESG credentials with an ESG Rating from Sustainable Fitch. With transparent and granular analysis, ESG Ratings can demonstrate and communicate an entity or transaction's sustainability credentials to key stakeholders with an absolute scale for comparability. Our deep analytical approach is carried out by first-class experts who apply a robust and transparent methodology, developed by leveraging Fitch's extensive credit rating experience, resulting in a high-quality and comprehensive sustainability profile assessment:

- Full Coverage of Labelled Bond Universe
- Focus on ESG **impact**
- Monitored, Not Point in Time
- Human Engagement / Dialogue
- Consistent Disclosure of Alignment Indicators
- Ability to Cover any Debt Instrument, labelled or conventional
- Instrument and Entity Level Reports and Ratings (issuers, not just issuance)

ESG SCORES

Sustainable Fitch's ESG Scores are a short-form proprietary ESG assessment product designed to indicate an overall entity's business alignment with Environmental, Social and Governance (ESG) factors, focusing on their core underlying business practices and activities. Two standalone scores can be provided:

- ESG Entity Score (ESG ES)
- ESG Framework Score (ESG FS) for debt instruments linked to ESG key performance indicators (KPIs) and/or use of proceeds

The Framework Score gives a specific perspective for instruments, beyond the pure ESG entity's evaluation.

SECOND-PARTY OPINIONS (SPOs)

For sustainable bonds and loans, a Second-Party Opinion (SPO) provides an opinion that a debt instrument framework aligns with accepted market principles, backed by our rigorous analysis, and can help effectively highlight a transaction's ESG value to key stakeholders.

- Verifies and evaluates the alignment of the debt instrument framework with certain principles, including the use of the proceeds.
- Relevant UN Sustainable Development Goals mapping
- Alignment evaluation to the relevant principles & guidelines
- Can be provided on Green /Social /Sustainability /Sustainability-linked bonds and loans

Sustainable Fitch has been included in the ICMA (International Capital Market Association) list of External Reviewers, a worldwide credential as ICMA Guidance and Principles are a recognized global market standard.

CLIMATE VULNERABILITY SCORES

Climate Vulnerability Scores assess the relative vulnerability of sectors' and entities' financial profiles to a stress scenario incorporating reasonably foreseeable risks arising from ESG developments up to 2050. With a focus on the long-term outlook, our credit analysts use their sector knowledge to consider the impact of a realistic stress scenario incorporating likely policy actions required by governments to limit global warming to below two degrees Celsius (2°C).

Our analysis extends to 2050 but also provides milestone assessments from 2025. We provide scores in a time series to 2050 to compare the relative vulnerability of sectors and entities at different stages in the transition. Our core stress scenario is the UN Principles of Responsible Investment Inevitable Policy Response Forecasted Policy Scenario. We believe its focus on policy provides a realistic assessment of the core credit risk from climate to corporate issuers.

ESG RESEARCH

The dedicated global ESG Research team provides analysis covering pertinent ESG credit risks and the broader macro trends in ESG and the debt capital markets. The themed reports analyze ESG themes at a macro level and sector level with an emphasis on how they are likely to impact sectors and entities from a credit risk perspective. The ESG Research team prioritizes emerging ESG trends and developments that are most material and likely to disrupt industries and business models with a focus on:

- Thematic topics, often cross sector, and usually global
- Major regulatory developments related to ESG with implications by sector and region
- Potential impact on financing flows and issuances of ESG related bonds

In addition to ongoing analysis and insights, ESG Research publishes quarterly and annual reports:

- ESG Credit Quarterly
- ESG Credit Trends Annual

FITCH RATINGS ESG RELEVANCE SCORES

Fitch Ratings ESG Relevance Scores, a proprietary integrated scoring system, show how ESG factors impact individual credit rating decisions. It is the first product of its kind to provide a value-neutral view on how different ESG risk issues specifically impact credit. ESG Relevance Scores will identify which ESG risk issues are material and relevant to your credit decisions with a completely transparent and easily understood view.

ESG Relevance Scores Data is available for the majority of Fitch Ratings publicly rated entities and transactions across corporates, banks, non-bank financial institutions, insurance, public finance, global infrastructure, and structured finance (excluding structured credit and covered bonds).

FitchRatings



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THE FITCH ADVANTAGE

COVERAGE

Coverage that spans across every sector, asset class, and geography in one pure comprehensive view accessible from one provider that accelerates ESG integration and reporting.

TRUST

ESG ratings, tools and data that leverage over 100 years of experience in rating methodologies and analytical excellence from a trusted provider.

RELIABILITY

On-the-ground subject matter analysts that provide real-time updates and actionable insights so that you can respond to regulatory changes and assess physical ESG risk on assets and investments.

OBJECTIVITY

Objective assessment of ESG credentials with a focus on impact and outcome not policy; fact-based reference that quantifies investment risk and opportunity and reports on portfolio and investment level ESG.

COMPARABILITY

High-value data with superior granularity and objectivity with broad coverage that allows for peer comparisons, benchmarking, and reporting in an easy-to-use overall ESG view.

TRANSPARENCY

Full disclosure and access to raw data, alongside thoughtful context and analysis, that far exceeds the traditional high-level view and automated approach that exists today.





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Find out more about
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