Climate and ESG risks in sovereign markets

A Beyond Ratings and Yield Book collaboration

The global sovereign debt market is one of the largest asset classes in the world, yet fixed income markets have typically lagged other asset classes in relation to ESG integration. Furthermore, sovereign debt investors are exposed to a range of climate change risks that are typically not well understood or incorporated in the investment process.

Our solution

The combination of Beyond Rating's market leading climate and ESG data with Yield Book's trusted fixed income analytics provide clients with a flexible and authoritative source for climate solutions in sovereign markets. The Beyond Ratings' dataset comprises 330+ keywords within the Yield Book Add-In and API to facilitate incorporation of sustainability into investment decision-making, including projected gap to 2º degree scenario based on the proprietary Climate Liabilities Assessment Integrated Methodology (CLAIM) model, and credit risk scores that systematically incorporate ESG factors alongside standard financial considerations.

330+
Access to over 330 ESG and climate factors and KPIs across 3 products

~170
Sovereign coverage, across 90,000 securities

20y
Up to 20 years of historical data available dependent on model

Integrate climate and ESG risk analysis into your investment process

- Easily measure carbon footprint of your sovereign portfolios, current temperature trajectories and gap to 2º degree scenarios
- Conduct ESG-adjusted portfolio analytics on-demand through the Yield Book Add-In, with transparency into underlying Environment, Social and Governance drivers
- Automate customized reports for snapshotting climate and ESG performance and for fulfilment of numerous international disclosure standards such as TCFD and PRI

Analyze your portfolios' climate footprint and ESG performance

Leverage climate and ESG portfolio-level analytics to understand the driving underlying factors behind your position and enhance asset allocation in line with ESG principles directly alongside Yield Book's 2,800 keywords such as yield, effective duration, and weighted average life (WAL).

Yield Book analytics	
Issues	29
Mkt Val (M)	112,487
Price	107.56
Coupon	3.36
Yield	1.30
Eff Duration	6.37
Eff Convexity	0.570
WAL	7.95

Sovereign risk model metrics	
BR Implied Credit Risk	AA-
BR Credit Risk Score	67
Economic & Financial Profile	63.3
Sustainability Profile	69.7
Environmental Performance	59.2
Social Performance	71.3
Governance Performance	76.5

ESG factor-in metrics	
Sustainable-adjusted GDP	40,824
Sustainable-adjusted GDP (% to Actual)	9.2%
ESG score	75.3
Environmental Sustainable-adjusted GDP	39,834
Env Sustainable-adjusted GDP (% to Actual)	6.5%
Social Sustainable-adjusted GDP	40,391
Soc Sustainable-adjusted GDP (% to Actual)	8.0%
Governmental Sustainable-adjusted GDP	42,247
Gov Sustainable-adjusted GDP (% to Actual)	13.0%

Carbon KPIs	
Temperature[1]	3.7 ºC
Gap between 2015 and 2030 emissions for 2º scenario[1]	16%
Carbon exposure at national level	585 tCO^{2}e /€ m
Territorial GHG / GDP	192 tCO^{2}e /€ m
Low-carbon share of energy	17%
Index Implied Credit Risk	50.5

1 Implied by Beyond Ratings CLAIM model.
Source: Yield Book. For illustrative purposes only.

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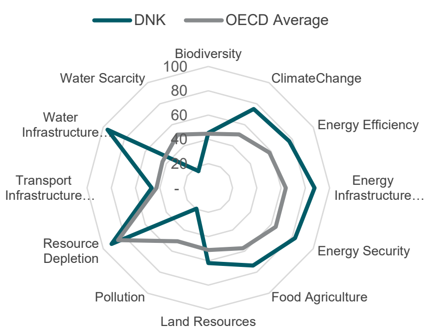
Country level metrics

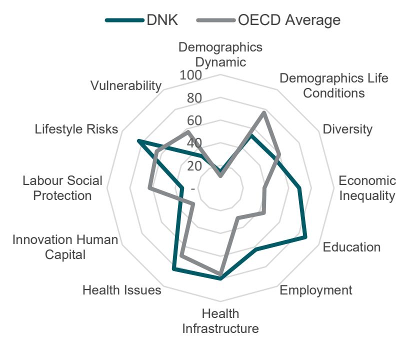
Access your ESG performance across your sovereign portfolio, with ability to investigate the underlying driving factors beneath each Environment, Social, and Governance sub-pillars and make asset allocation and optimization decisions.

Identifier	Market Value	Coupon	Yield	Effective Duration	Effective Convexity	WAL	BR Implied Credit Risk	BR Credit Risk Score	Sustainability Profile	Environmental Performance	Social Performance	Governance Performance	Economic & Financial Profile
Austria	213,786	7.25	12.14	6.91	0.61	9.70	AAA	79.0	81.4	65.2	79.8	94.8	76.6
Australia	1,053,045	2.75	0.75	7.77	0.69	8.79	AAA	74.9	81.9	67.4	77.0	96.4	67.9
Korea	82,544	2.00	220.20	0.10	0.00	0.10	AA-	66.6	69.6	41.9	78.8	83.4	63.6
Denmark	147,110	1.50	10.30	3.63	0.17	3.78	AAA	79.9	83.6	71.0	78.0	97.2	76.3
Sri Lanka	246,280	8.00	-3.64	1.72	0.04	1.90	CCC	36.9	42.7	53.6	29.5	44.4	31.1
Mexico	786,303	10.00	13.61	3.84	0.17	4.83	BB+	46.8	48.5	57.9	53.7	37.6	45.2
Nigeria	210,258	7.63	11.12	11.33	2.11	27.81	C	28.5	27.1	43.4	24.4	16.9	30.0
Germany	290,487	2.25	7.90	0.57	0.01	0.58	AAA	81.5	82.5	64.9	83.8	94.8	80.5

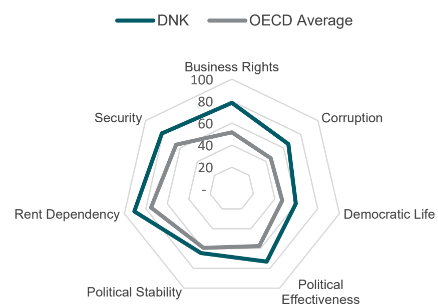
Environmental sub-pillars



Social sub-pillars



Governance sub-pillars



Source: Yield Book. For illustrative purposes only.

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