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Fitch Ratings Updates Public Finance Interactive ESG Dashboard, Heatmap - 4Q20

Fitch Ratings-London-26 January 2021: Fitch Ratings has updated its interactive ESG dashboard for Public Finance and Global Infrastructure for 4Q20. Fitch has also enhanced its interactive ESG relevance heatmap for 4Q20, with new regional and country selection capabilities.

The dashboard shows the distribution of Fitch's ESG Relevance Scores (ESG.RS) for 2,656 issuers or transactions across the Global Infrastructure Group (Infrastructure), International Public Finance (IPF) Local and Regional Governments (LRG), IPF Government-Related Entities (GRE), and U.S. Public Finance (USPF) Tax-Supported and USPF Revenue sectors.

The dashboard shows that ESG risks influence rating decisions for 5.5% of Infrastructure issuers or transactions. Within IPF, 0.4% of GRE and 20.7% of LRG issuers had ESG risks influence rating outcomes. These risks influenced rating decisions for 3.6% of USPF Tax-Supported issuers and 5.5% of USPF Revenue issuers.

The governance and social categories have similar levels of impact for Infrastructure issuers, while environmental impact affected rating decisions less. Higher ESG risks for IPF LRGs have been identified in recent rating actions, with 13% of issuers scoring a '4' or '5' (indicating rating relevance), as several Ukraine local government defaults have affected Political Stability and Rights governance scores. IPF LRGs had higher ESG.RS for 5% of issuers in the environmental category, followed by 3% in the social category.

For USPF Tax-Supported issuers, governance impact influenced 1.7% of rating decisions, followed by social impact at 1.1% and environmental impact at 0.8%. Governance influenced more rating decisions for USPF Revenue issuers than environmental or social issues did, with 3% of entities scoring a '4' on governance. There were much lower levels of '4' and '5' ESG.RS across the environmental and social categories for these issuers.

For more information please see www.fitchratings.com.