REFINITIV COUNTRY SDG SCORES METHODOLOGY

Powered by the market-leading macroeconomic time series database Datastream®, Refinitiv Country SDG Scores are designed to transparently and objectively measure a country's relative performance across each of the Sustainable Development Goal indicators and sub-metrics.
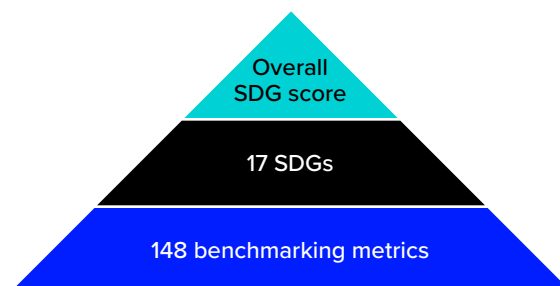
The UN Sustainable Development Goals (SDGs) are a blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.

The underlying framework of the SDGs was chosen based on considerations around global acceptance within the financial community and detailed measures that perform well from a benchmarking perspective.

High-level scores structure

There are three levels of detail applied to each of the 210 countries included in the benchmark group:

1. An overall SDG score

2. A score for each of the 17 United Nations Sustainable Development Goals

3. A score for each of the 148 metrics

Overall
SDG score

17 SDGs

148 benchmarking metrics

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SDG framework

In total, there are 242 detailed indicators that feed into each of the 17 SDGs. A bottom-up approach was taken to map each of the 242 indicators outlined in the framework against the 8.5 million active economic indicators available in Datastream.

Goal 1: **No Poverty**

Goal 2: **Zero Hunger**

Goal 3: **Good Health and Well-Being**

Goal 4: **Quality Education**

Goal 5: **Gender Equality**

Goal 6: **Clean Water and Sanitation**

Goal 7: **Affordable and Clean Energy**

Goal 8: **Decent Work and Economic Growth**

Goal 9: **Industry, Innovation and Infrastructure**

Goal 10: **Reduced Inequality**

Goal 11: **Sustainable Cities and Communities**

Goal 12: **Responsible Consumption and Production**

Goal 13: **Climate Action**

Goal 14: **Life Below Water**

Goal 15: **Life on Land**

Goal 16: **Peace, Justice and Strong Institutions**

Goal 17: **Partnerships to achieve the Goals**

Calculation steps

1. From the initial list of indicators defined by the United Nations, a source list of Datastream data series is created, containing all metrics related to each of the 242 indicators where available.

2. Post source list consolidation, a polarity is attributed to each metric covered in the list. There are three polarity options: neutral, which excludes the metric from consideration; negative, which indicates that the higher the raw data number for a given country, the worse that country is performing on that measure; and positive, which signals that the reverse would hold (i.e., with positive polarity, the higher the raw data number, the better).

3. Polarity attribution is an important input, as it affects the final score associated with any given country for each specific metric. Polarity attribution considers the general intent that should be captured via that specific SDG metric – Should countries with lower raw values get a higher or lower score? On rare occasions where a metric could be faced as either positive or negative, we can apply a neutral polarity and the measure is therefore excluded from scoring.

4. For each metric, countries are benchmarked (globally) using first a percent rank method using the raw value as the input. Depending on the polarity, this relative percent rank score is then converted into points using one of two conversion tables, going from one point up to ten points. As an example: if a metric has negative polarity, a country in the bottom 10% would score 10 points, whereas if a positive polarity were used, such country would score only one point.

The rationale for converting into a 10-points system versus using the raw percent rank scores is to have a balance between not giving a sense of "false precision" on the one hand and having a scoring mechanism that avoids too much "clumping" on the other, such as using quintiles or quartiles.

Percent Rank to Points Table Conversions

Positive Scale Points Table		Negative Scale Points Table	
%	Points	%	Points
0	1	0	10
0.1	2	0.1	10
0.2	3	0.2	9
0.3	4	0.3	8
0.4	5	0.4	7
0.5	6	0.5	6
0.6	7	0.6	5
0.7	8	0.7	4
0.8	9	0.8	3
0.9	10	0.9	2
1	10	1	1

5. For any given country, once points for each metric have been attributed, a consolidated score for each of the 17 SDG pillars is calculated. The consolidated score for any given country is calculated as the median score across all metrics contained in that specific SDG. To avoid biases, a score is only attributed to a certain country's SDG pillar if a certain number of metrics are is available (thresholds vary from SDG to SDG, but as a rule of thumb, it's over 30% availability).

6. A final overall SDG score is attributed to all countries in the template. Much like the aggregation process used for calculating the SDG pillars for any given country, the final aggregated score is calculated as the median score for that country across all 17 SDG scores. Again, to make final scores across countries more comparable, countries are only assessed if greater than 10 SDG scores are available.

Coverage details

As per the United Nations website, a total of 242 indicators were carefully selected to assess and guide countries on their efforts to meet the UN's 2030 Agenda, a global program designed to drive change around the most pressing ESG global issues.

To allow for a more focused analysis and approach, the UN subdivides the group of 242 indicators across 17 different areas (or SDGs).

It was established in early 2020 that Refinitiv currently covers for 25% of the 242 indicators indicated by the United Nations within Datastream. The 25% coverage was calculated using a points based system, 1 point for a full 1:1 match with description provided for a metric. Half a point for a partial match, where some of the critiera within the description provided for a metric were met. And finally 0 points for no match. Users can expect coverage to increase over time. Further details on current coverage is available in the table and chart below:

SDG number	SDG description	Number of indicators	Current coverage score[1]	Coverage percentage
1	No Poverty	12	4	33%
2	Zero Hunger	14	4.5	32%
3	Good Health and Well-Being	26	8.5	33%
4	Quality Education	11	2.5	23%
5	Gender Equality	14	3	21%
6	Clean Water and Sanitation	11	3	27%
7	Affordable and Clean Energy	6	3	50%
8	Decent Work and Economic Growth	17	6	35%
9	Industry, Innovation and Infrastructure	12	6	50%
10	Reduced Inequalities	11	2.5	23%
11	Sustainable Cities and Communities	15	1	7%
12	Responsible Consumption	13	1.5	12%
13	Climate Action	8	0.5	6%
14	Life below Water	10	0	0%
15	Life on Land	14	5	36%
16	Peace, Justice and Strong Institutions	23	7	30%
17	Partnership for the Goals	25	3.5	14%
Totals		**242**	**61.5**	**25%**

[1] Coverage assessment based on the following criteria – full match = 1 point; partial match = 0.5 points; and no match = 0 points

Although the SDG framework has 242 stated indicators, many of these have in fact multiple metrics contained within the same indicator.

For example:

SDG 1.1.1: "Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)"

As per the above example, although it's one indicator, we have tried to measure each of the criteria within the indicator and were able to cover the proportion of population below national poverty lines by geographical location, urban and rural. We've therefore marked ourselves a partial match for this measure (0.5).

Sources

Numerous external sources, which are available in Datastream today, are used to calculate the country scores. We have matched as closely as possible to the original indicators outlined by the SDGs.

We are continually monitoring and reviewing other third-party sources and expect the below list to grow over the next year. Below is a list of all sources used as of May 2020:

- Country Risk Ranking (Refinitiv)
- World Economic Forum
- IMF – Government Finance Statistics
- IFO Institute – World Economic Survey
- Economist Intelligence Unit
- University of Groningen
- Transparency International
- World Bank WDI
- Oxford Economics

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