

# Investor Relations from a US perspective

What are US Investors investing in German corporates looking for from an ESG perspective?



20 June 2023



# Agenda

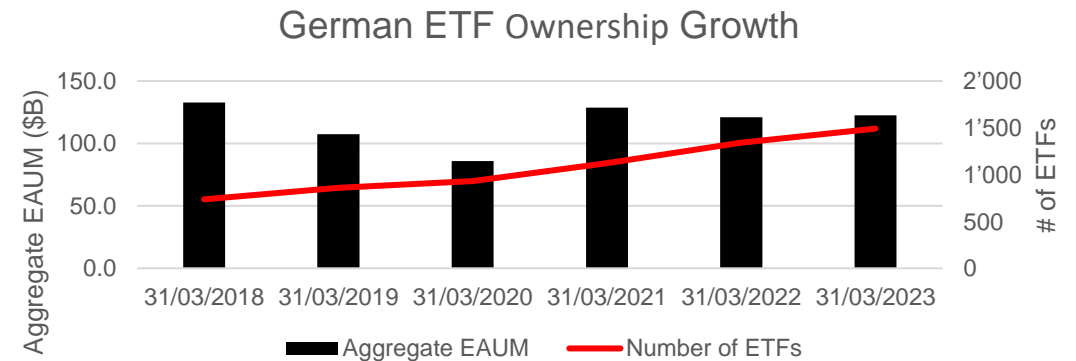
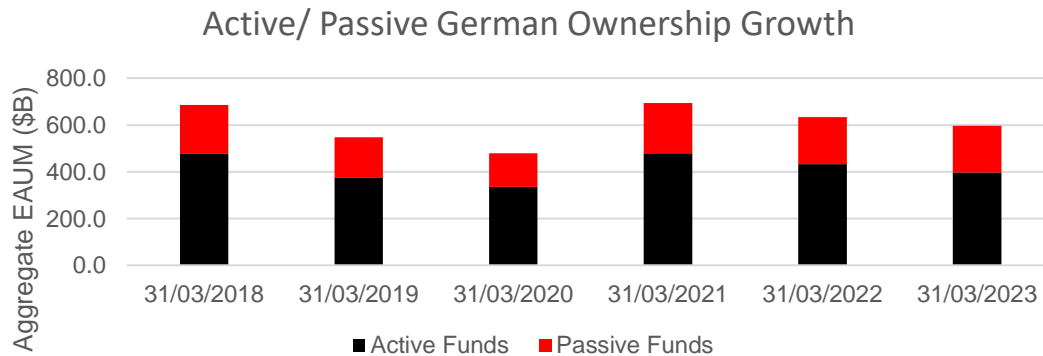
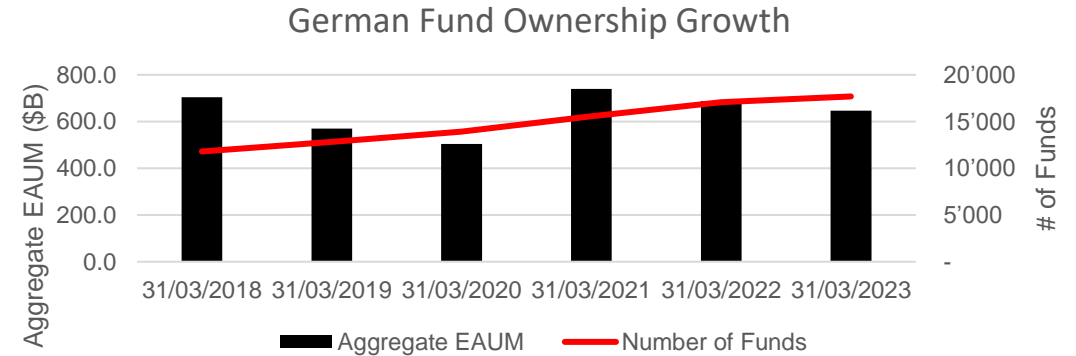
An overview of today's topics and discussion points

- 1 Fund Ownership Overview**
  - German Fund Ownership
  - Sustainability Global EAUM
  - Sustainability Fund German Ownership
- 2 Corporate Governance and Climate Risk Management**
  - Case Study Findings
  - GHG Disclosure Requirements
  - Sustainability Reporting Journey
- 3 Q&A**



# German Fund Ownership

- German equities experienced an increase in the number of funds holders over the last year, and are now held by 17,695 funds globally
- Despite an 8.4% increase in the number of fund holders over the last 5 years, globally, German institutional ownership has fallen by \$57.4B or 1.7%
- Passive investors have increased their share of institutional ownership, as they now represent 33.4% of investor holdings
- ETFs holding German equities have risen dramatically, increasing 11.2% over the last year alone.

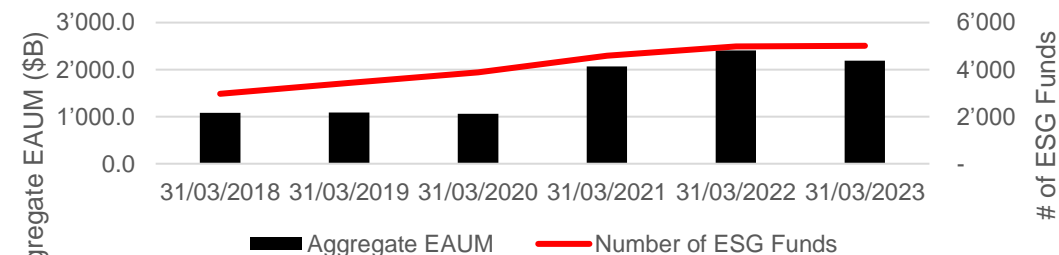


# Sustainability Global EAUM

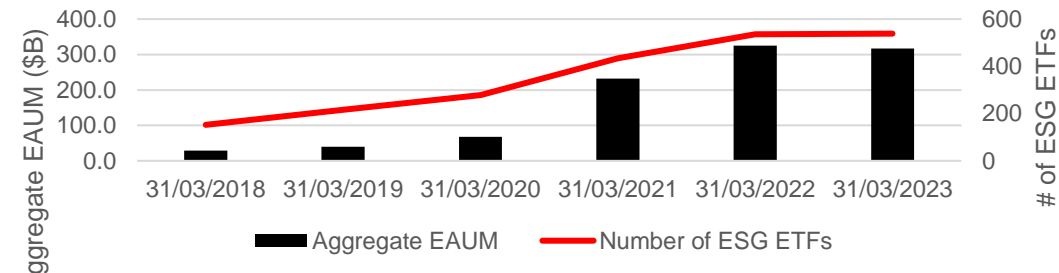
- Despite falling 9% over the last year, sustainable fund EAUM have increased 15% annually over the last 5 years
- The number of sustainability funds have increased annually by 11% over the last 5 years
- Passive ownership has increased in its share of total sustainability fund EAUM by 30% annually over the last 5 years and now represents 30% of total sustainability EAUM
- Passive ownership has been driven by new ETFs as sustainability ETF EAUM has increased 61% annually since 2018

Sustainability Ownership Leaders	# of Holders	\$ Value of Sustainable Investment	
		Investment	% of S/O
Microsoft Corporation	1569	44,854.9	2.10%
Schneider Electric S.E.	1556	11,845.9	12.57%
ASML Holding N.V.	1531	16,033.5	6.17%
Novo Nordisk A/S	1214	12,758.4	4.77%
Alphabet Inc.	1160	21,934.9	3.52%
Roche Holding AG	1127	12,429.3	6.75%
Visa, Inc	1114	10,396.1	2.85%
L'Oreal S.A.	1098	7,464.9	3.17%
SAP SE	1084	6,898.7	4.49%
NVIDIA Corporation	1078	15,055.1	2.30%

Fund ESG Equity Asset under Management Growth over the Decade



ETF ESG Equity Asset under Management Growth over the Decade

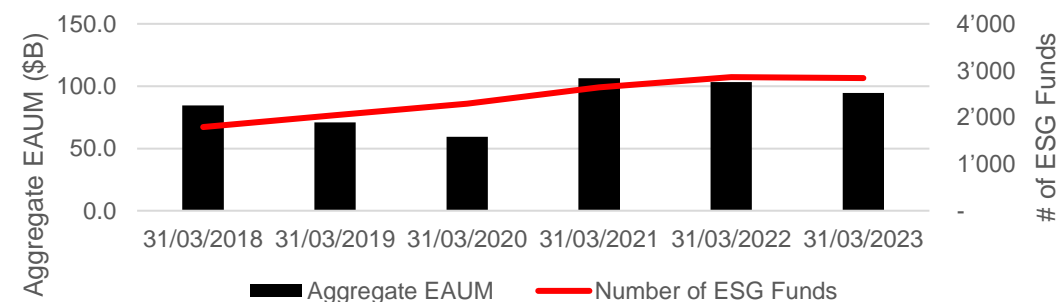


# Sustainability Fund German Ownership

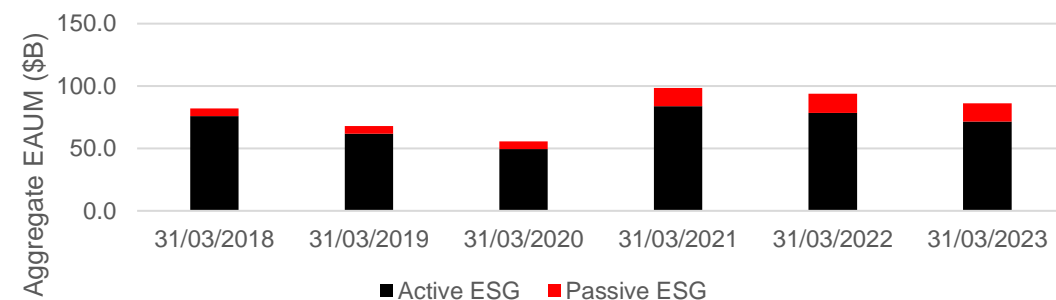
- Sustainable fund investment in German issuers are down 8.4% year over year, dropping to \$94.6B vs. 2022's \$103.3B
- The number of sustainable funds investing in German equities fell for the first year on record, from 2,863 to 2,844
- Passive ownership has increased in its share of sustainability fund equity in German issuers and now represents 17% of equity ownership, significantly lower than the global sustainability funds active/ passive split, overall

	# of Holders	\$ Value of Sustainable Investment	% of S/O
SAP SE	1084	6,898.7	4.49%
Infineon Technologies AG	989	5,502.9	11.36%
Allianz SE	949	6,022.4	6.36%
Siemens AG	814	5,560.5	4.39%
Deutsche Post AG	743	2,396.6	3.97%
Deutsche Telekom AG	731	3,891.9	3.32%
Merck KGaA	724	2,702.9	11.11%
Deutsche Börse AG	669	2,695.0	7.31%
Münchener Rückversicherungs-Gesellschaft AG	669	3,368.2	7.02%
Bayerische Motoren Werke AG	642	2,006.9	6.96%

German ESG Fund Ownership Growth

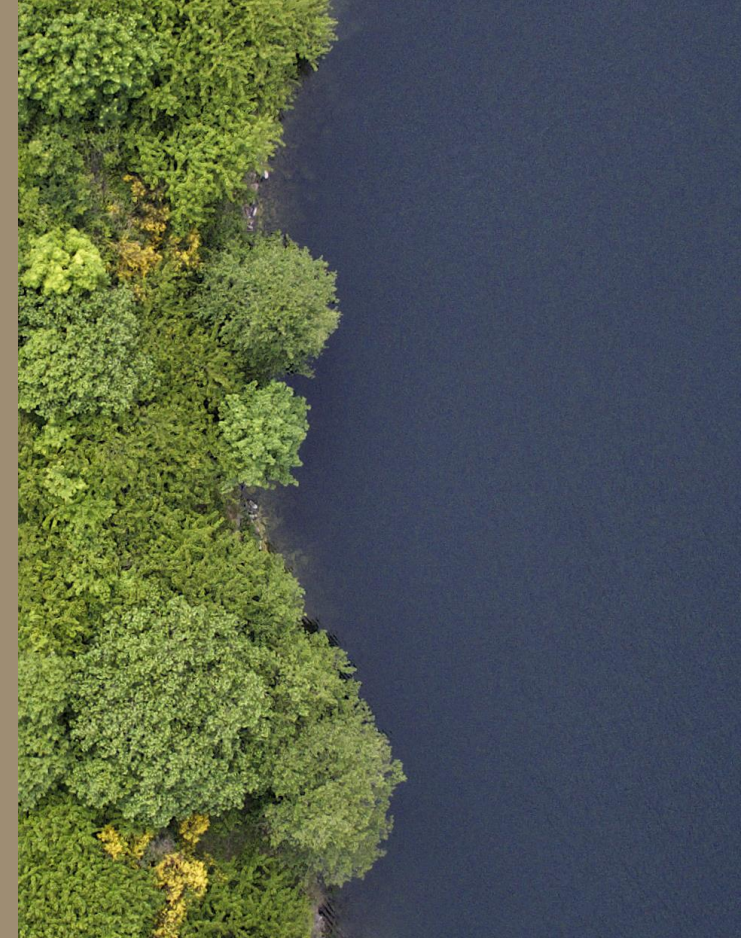
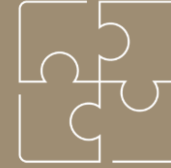


Active/ Passive German ESG Ownership Growth



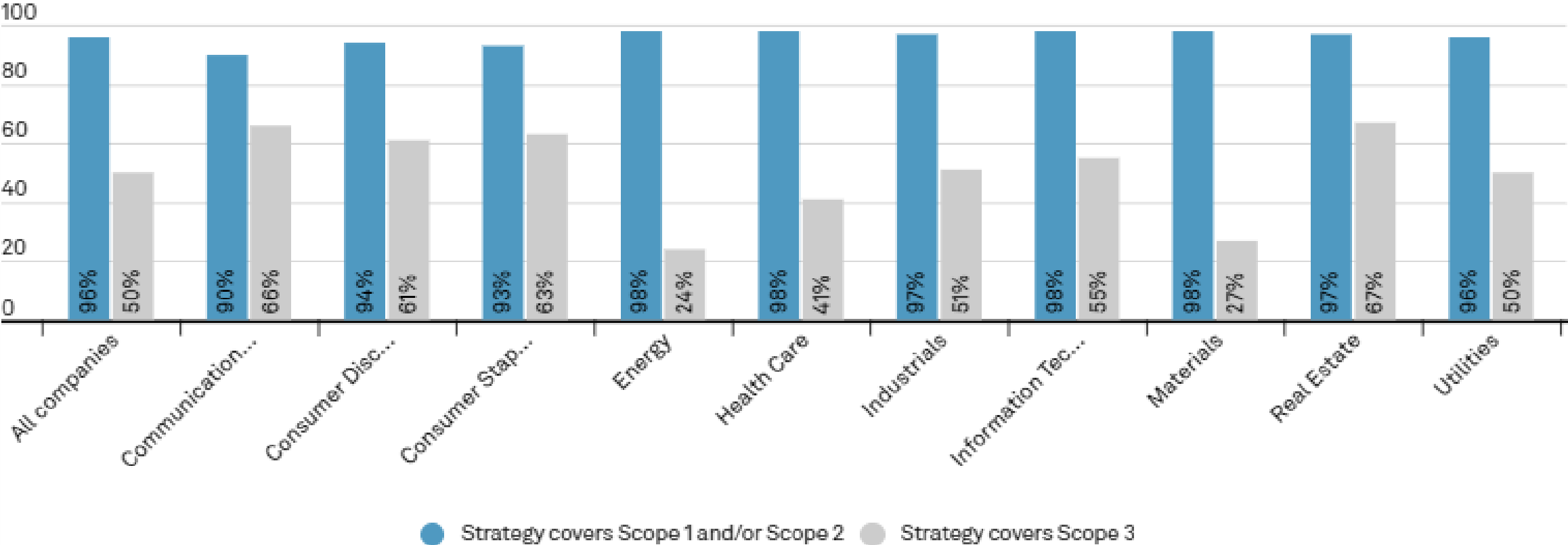
# Corporate Governance and Climate Risk Management

- Corporate governance and climate risk management are inherently linked
- The material impact of bad risk management can be modelled via future credit scores
- Companies need a climate transition plan to ensure stable credit conditions
- This is backed up by S&P Global's in-house solutions



# Net-zero strategies often exclude Scope 3 emissions

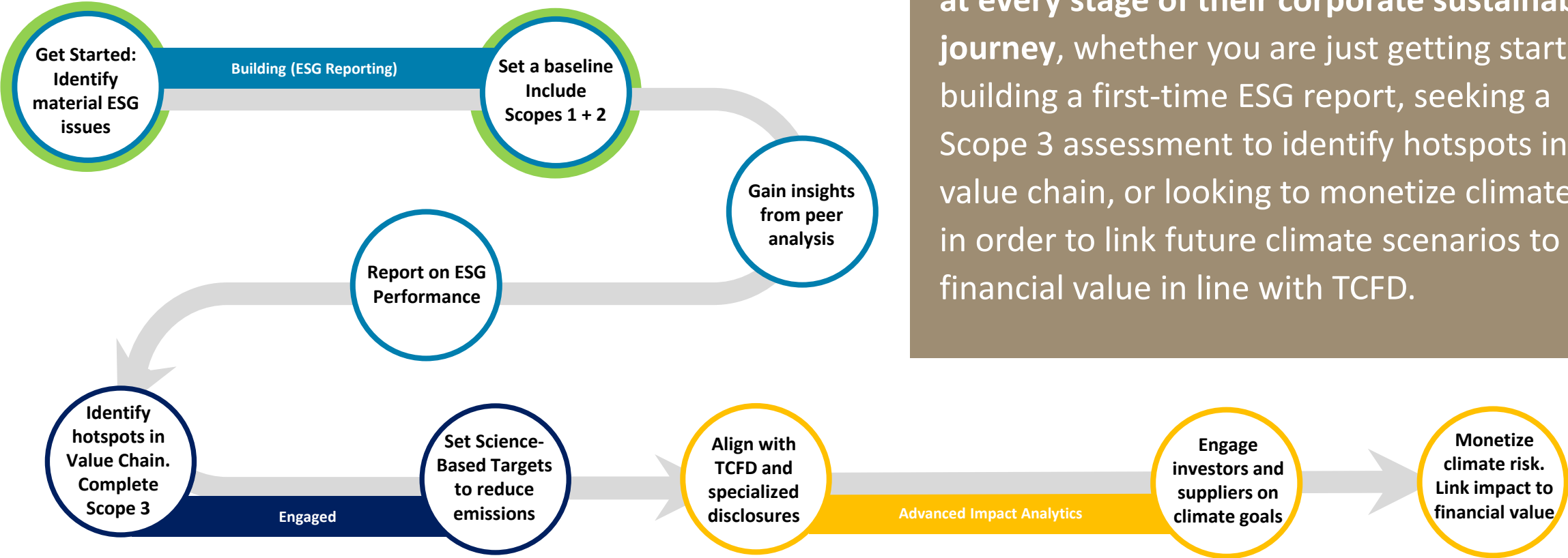
Percentage of companies whose net-zero strategies cover different emissions scopes



Data as of Jan. 25, 2023.  
 Results based on the 1,507 companies assessed in the 2022 S&P Global Corporate Sustainability Assessment that have a net-zero target. Financial sector companies were not assessed using the net-zero strategy question and are therefore excluded from this chart.  
 Source: S&P Global Sustainable1.

Source link: <https://www.spglobal.com/esg/insights/amid-urgent-climate-warning-from-ipcc-few-companies-globally-have-net-zero-targets>

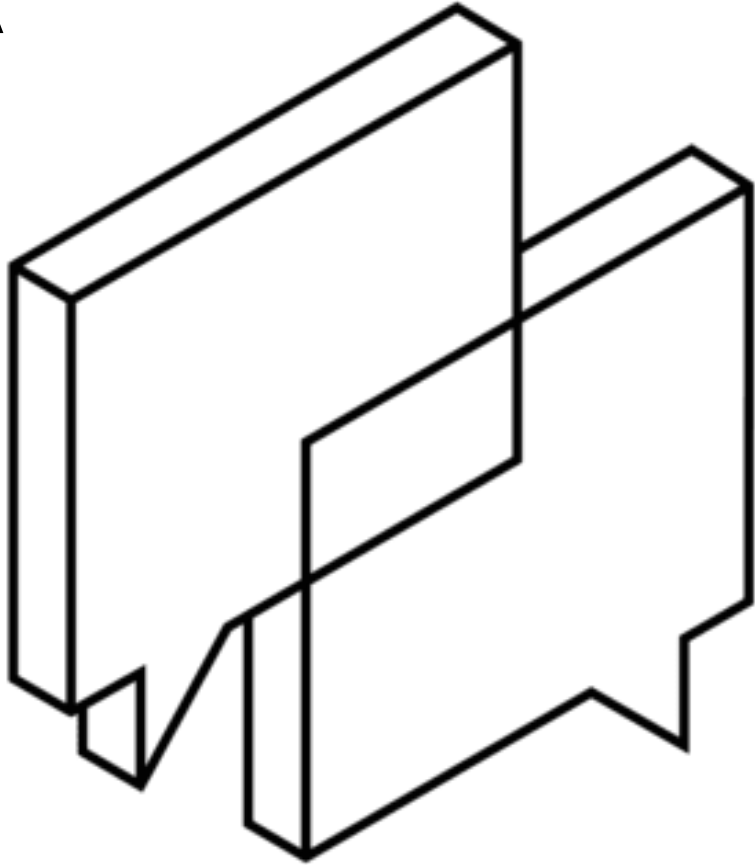
# Sustainability Reporting Journey



S&P Global offers solutions to help companies at every stage of their corporate sustainability journey, whether you are just getting started building a first-time ESG report, seeking a Scope 3 assessment to identify hotspots in the value chain, or looking to monetize climate risk in order to link future climate scenarios to financial value in line with TCFD.



# Q&A



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