PANEL 2

Investmententscheidungen mit ESG

Referenten

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Investmententscheidungen mit ESG

CIRA Jahreskonferenz, Wien 13 Okt. 2021

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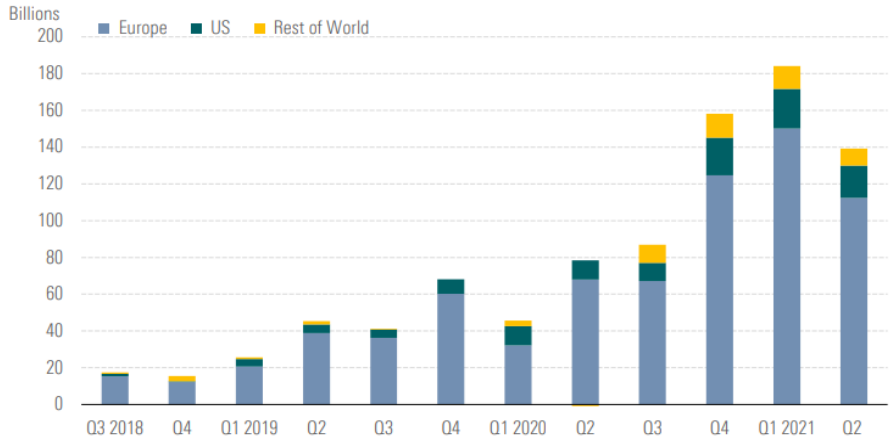
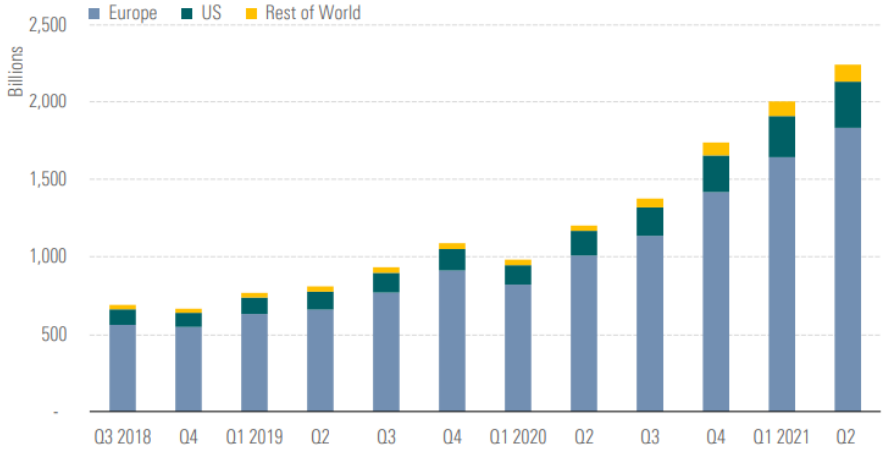
ESG & Sustainable Assets Flows are at record highs...

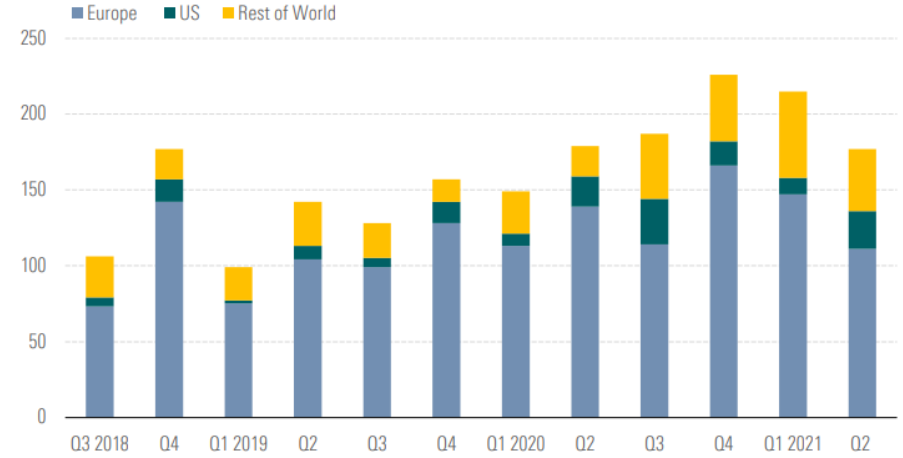
Global Quarterly ESG-Fund Flows ($bn)



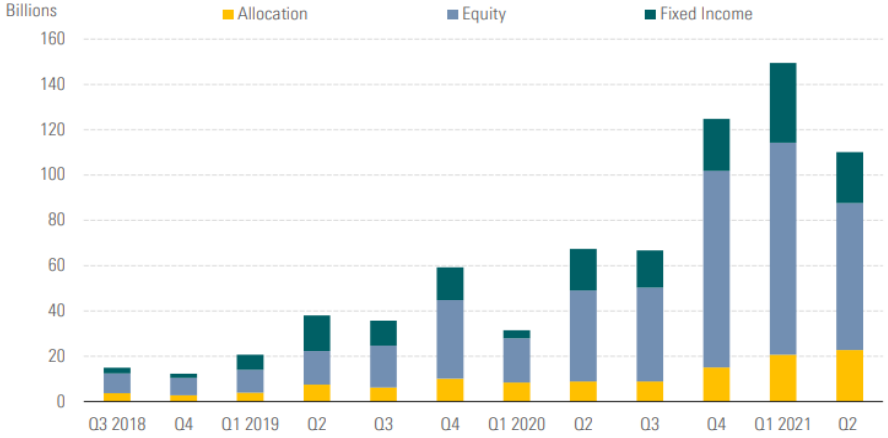
Global Quarterly ESG-Fund AuM ($bn)



Global Quarterly ESG-Fund Launches ($bn)



EU Quarterly ESG-Fund Flows / Assetclass ($bn)



Source: Morningstar 2021, IHSMarkit Research & Verification 2021,

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Complexity how investors integrate ESG into their decision making…

Motivation	*Avoid*	*Advance*		
Approach	**Screening**	**ESG**		**Impact**
		Thematic	**Broad**	
Strategy	Excludes objectionable companies or industries	Invests based on E,S,G or SDG integration	Invests based on ESG performance of issuer	Intention is to contribute positively on environment, S, or G while creating financial return for clients
Integration	Respective impact of screen (often ratings)	Broad vs. specific exposures (e.g. water)	ESG data integration & weighting. Often active	Measurable contribution incl. active reporting and engagement
Examples	• Customized to asset owner demand, e.g • Controversial weapon • Tobacco • Thermal Coal • UNGC violations Additional screens applied tactical	Strategies that capitalize from long-term trends: • Green Revenues • Transition status • Clean Energy • Green Technology • Diversity & Inclusion • Governance	ESG optimized: e.g. index overweight for better performers Best in Class: con-viction towards higher scoring ESG profiles Managed ESG Alpha	Cross-asset strategies linked to tangible impact scenarios: • Global impact • Green Bonds, Sustainability Linked Bonds • Renewable power or infrastructure

Engagement

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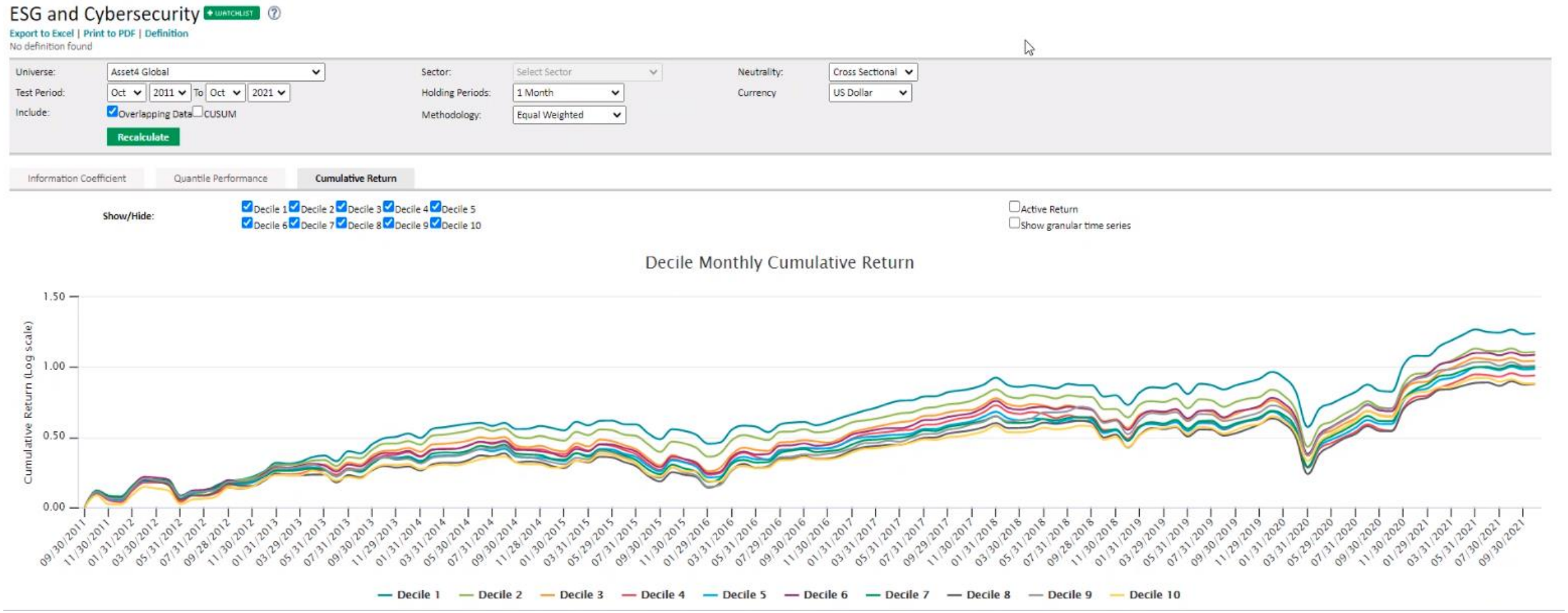
To achieve alpha and differentiate from their peers....



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Importance to learn how the capital market ESG ecosystem evaluates you...

ESG Reporting Repository

HOME | ESG REPORTING | ESG ANALYTICS | ESG FRAMEWORKS | COMPANY ESG | SOVEREIGN ESG | ESG LIBRARY

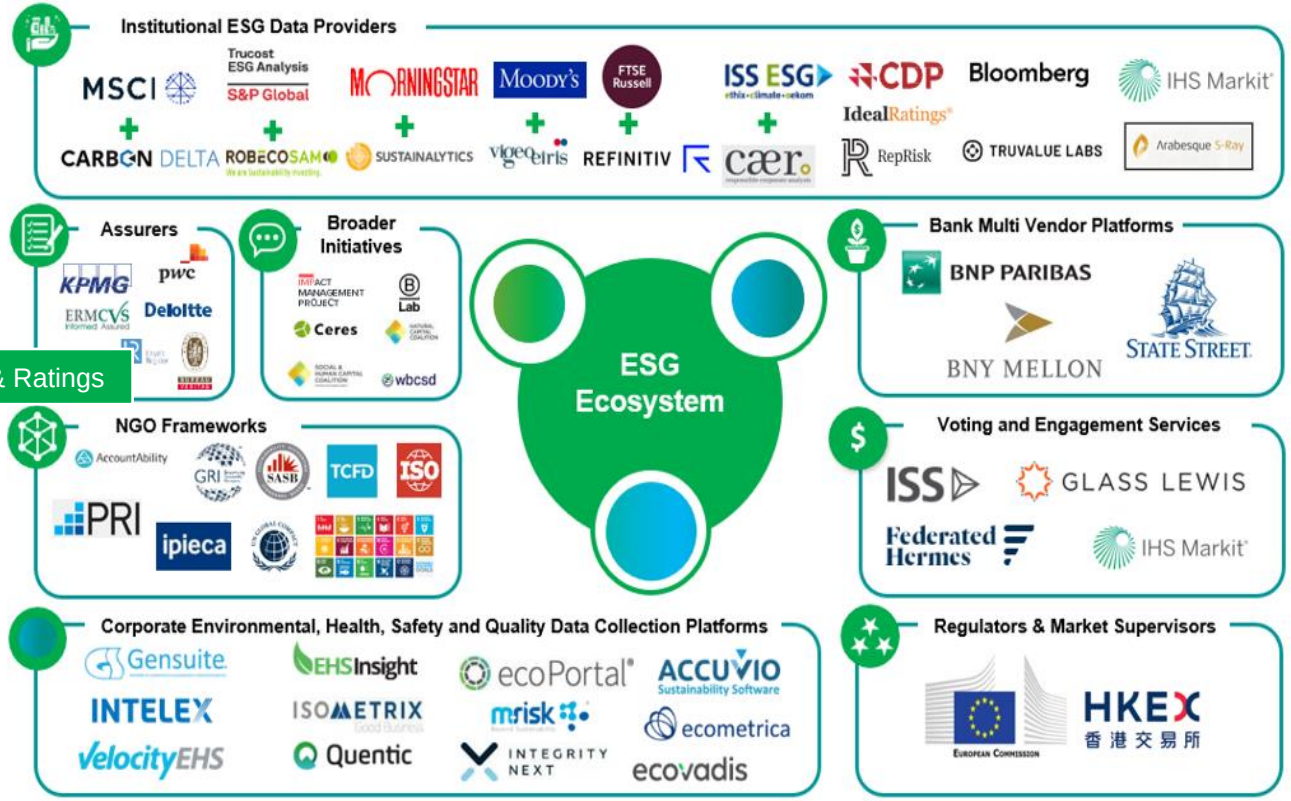
Company ESG Metrics | Company ESG Review | Company ESG Peer Selection | Company ESG Peer Analytics

	ESG	E	E	E
Company Name	Company ESG Risk	Environmental Risk	Emission Reduction	Resource Reduction
TLG IMMOBILIEN AG	91	70	99	28
PUMA SE	19	6	15	7
HELLA GMBH & CO KGAA	37	50	63	49
OSRAM LICHT AG	17	11	23	7
ALLIANZ SE	9	1	1	1
STRATEC SE	46	30	24	45
AMADEUS FIRE AG	87	65	63	56
ADLER REAL ESTATE	80	55	55	36
HANNOVER RUECK SE	15	2	6	2
VONOVIA SE	45	26	34	26
QIAGEN NV	4	16	18	19

← Lower Risk — Higher Risk →

1-20	21-40	41-60	61-80	81-90	91-97	98-100

Scores & Ratings



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Increased ESG sensitivity can be both a risk and opportunity for companies...

Rank	Firm Name	% of ATX Prime Float	ESG Third Party	Portfolio Coverage	ESG Strategies	Portfolio Decarb. (FY2020)	Orientation	Country
1	Norges Bank Investment Management	3.95%	MSCI, Trucost, CDP, ISS	>90%	ESG screening, scenario modelling, engagement	7.10%	Active	NOR
2	BlackRock Fund Advisors	3.31%	MSCI, Sustainalytics, S&P, FTSE, Reprisk, Bloomberg, Refinitiv, ISS, GL, IVIS	>90%	ESG Screening, Avg. Integration, Avg. Integration,	5.00%	Passive	USA
3	The Vanguard Group, Inc.	3.05%	MSCI, Sustainalytics, S&P, Trucost, Bloomberg, Moody's, FTSE, ISS, GL, IVIS	>90%	Screening, Engagement	5.10%	Passive	USA
4	Erste Asset Management GmbH	2.98%	MSCI, Sustainalytics, ESG+,rfu, ISS ESG, ISS	10-50%	ESG Screening, ESG Integration, Engagement	4.30%	Active	AUT
5	BlackRock Advisors (U.K.), LTD	1.43%	MSCI, Sustainalytics, S&P, FTSE, Reprisk, Bloomberg, Refinitiv, ISS, GL, IVIS	>90%	ESG Screening, Avg. Integration, Avg. Integration,	5.40%	Passive	UK
6	Amundi Asset Management S.A.	1.22%	Sustainalytics, VE, Trucost, Bloomberg, Reprisk, CDP	>90%	ESG Screening, Scenario Modelling, ESG Integration	9.20%	Active	FRA
7	Raiffeisen Kapitalanlagegesellschaft mb	1.06%	MSCI, CDP, GL	10-50%	ESG Screening, Engagement,	6.60%	Active	AUT
8	State Street Global Advisors (SSgA)	0.96%	MSCI, Sustainalytics, VE, S&P, Trucost, Bloomberg, ISS	>90%	ESG Screening, Scenario Modelling, Engagement	4.30%	Passive	USA
9	Dimensional Fund Advisors, L.P. (U.S.)	0.88%	MSCI, ISS	10-50%	ESG Screening	4.40%	Passive	USA
10	DWS Investment GmbH	0.85%	MSCI, Sustainalytics, S&P, Trucost, Reprisk, Sray, ISS ESG, ISS	>90%	ESG Screening, Avg. Integration, Engagement	4.10%	Active	GER

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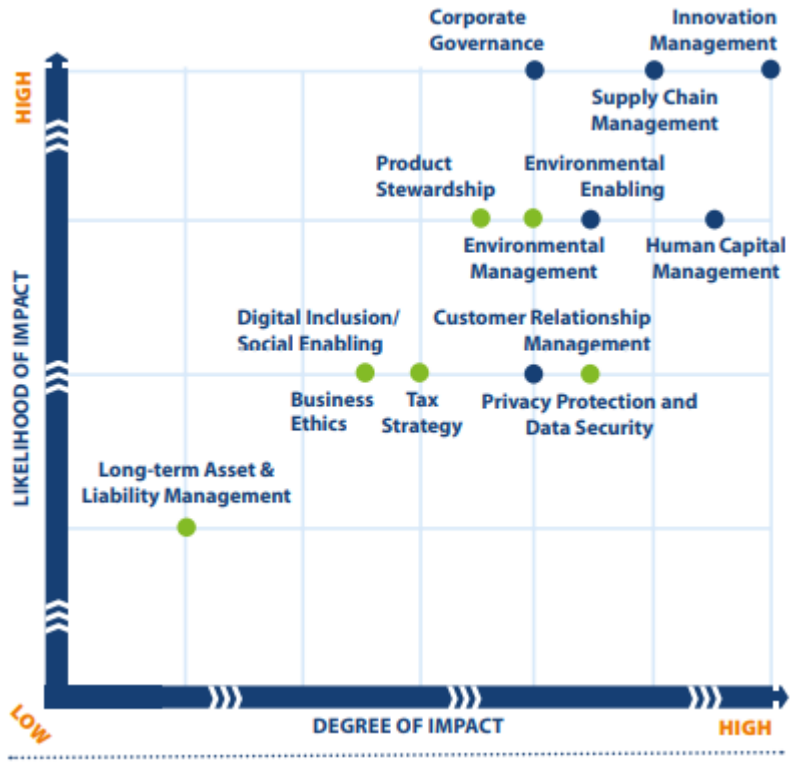
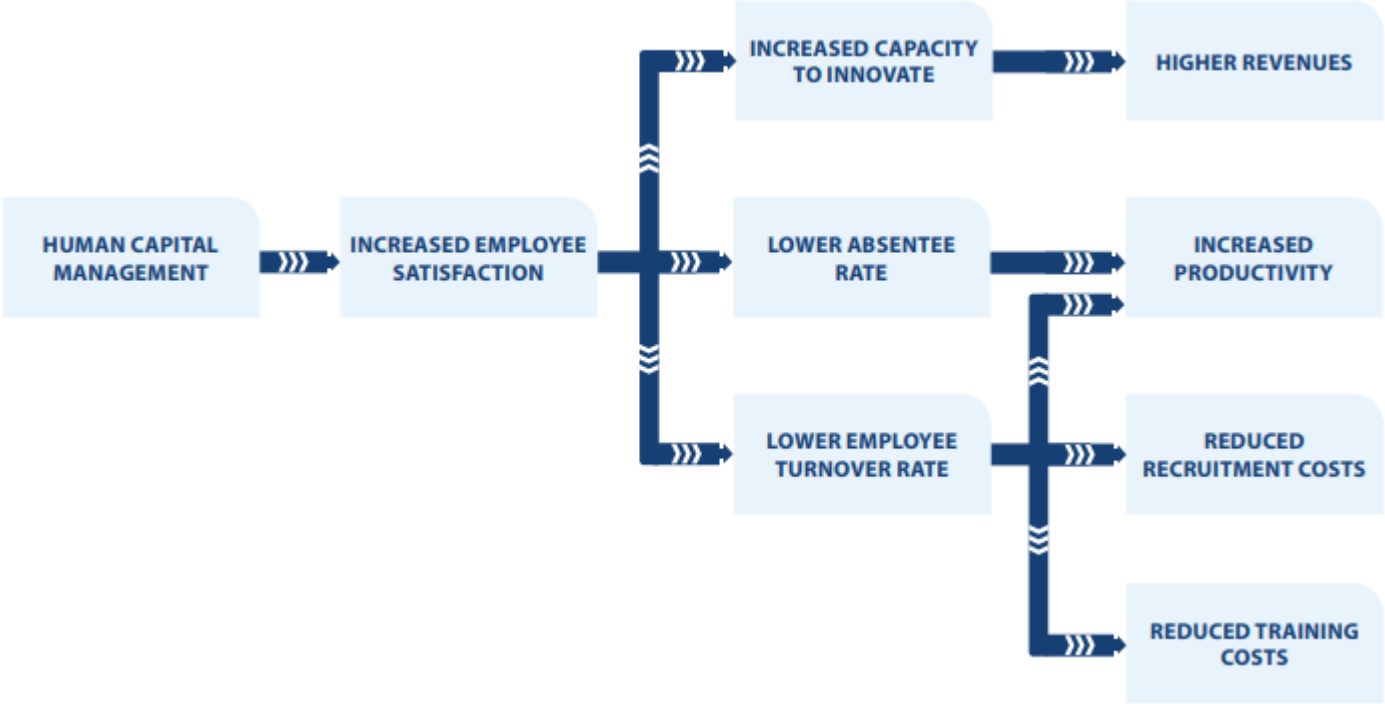
Understand what investors consider material for their decision making...

Materiality matrix for Tech & Equipment



Causality chain for Human Capital Management



Source: RobecoSAM, GRI 2020/21

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Thank you! Lets discuss…

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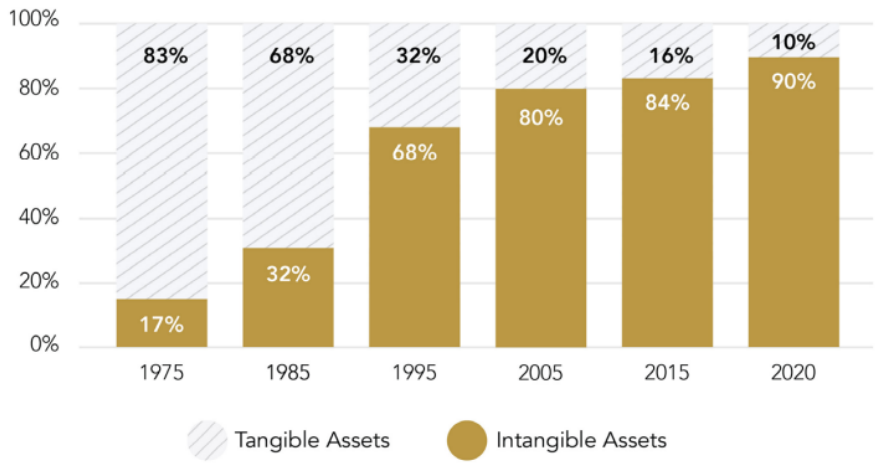
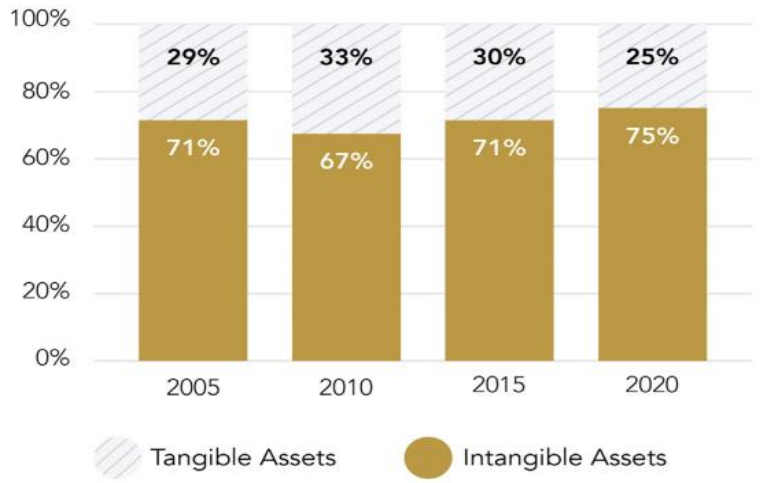
Case Study: Intangible asset market values...from touch to thought...

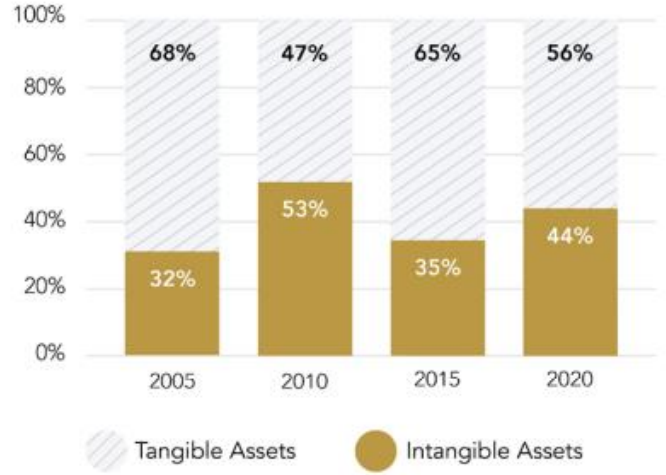
S&P Europe 500



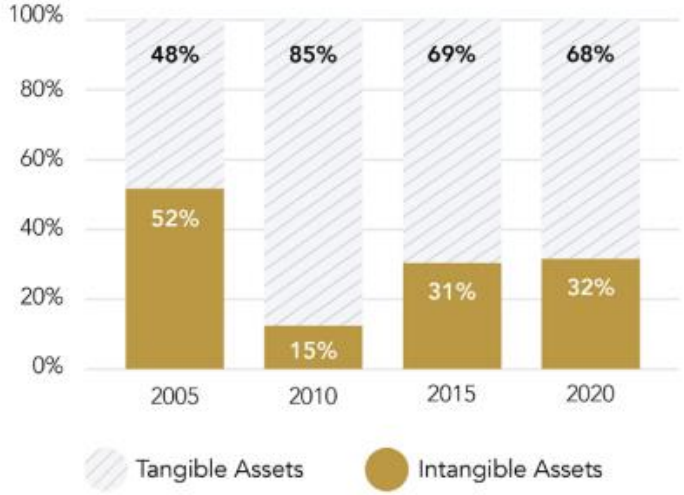
S&P Europe 350



Shenzen CSI 300



Nikkei 225



Kosdaq (Korea)

Source: IHS Markit, Ocean Tomo Research 2020/21

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Case Study: „The climate factor“

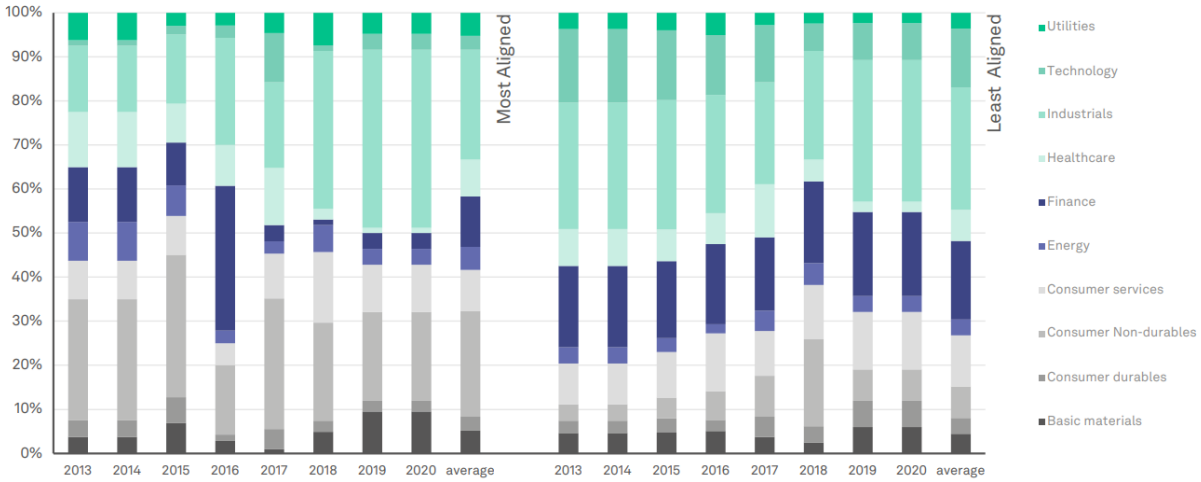
2°C-Aligned vs. Non-Aligned

Outperformance Most vs. Least Aligned

Volatility, Returns & Drawdown

	Return		Max. Drawdown		Sortino Ratio	
	-3<x≤-1	X>2	-3<X≤-1	X>2	-3<X≤-1	X>2
2013	13.3%	19.7%	-11.6%	-10.9%	1.43	2.22
2014	12.9%	4.1%	-9.4%	-13.8%	1.46	0.39
2015	14.9%	-4.7%	-16.4%	-24.7%	1.10	-0.30
2016	10.9%	-2.5%	-9.8%	-23.0%	0.81	-0.12
2017	13.1%	12.8%	-7.7%	-4.4%	2.13	2.22
2018	-13.1%	-7.2%	-18.8%	-18.0%	-1.41	-0.63
2019	40.8%	22.3%	-7.7%	-11.9%	3.96	2.34
2020	0.1%	-19.5%	-30.6%	-42.6%	0.00	-0.59

Industry & Sector Alignment



Source: right.based.on.science, The Climate Factor, 2020, 21

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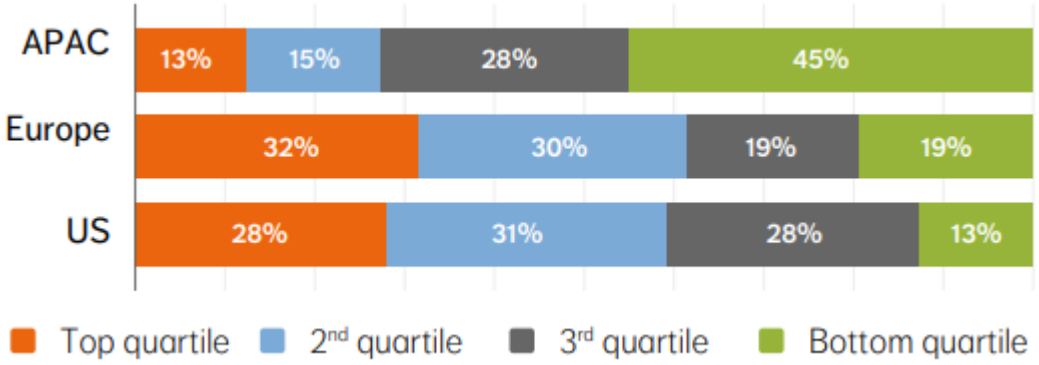
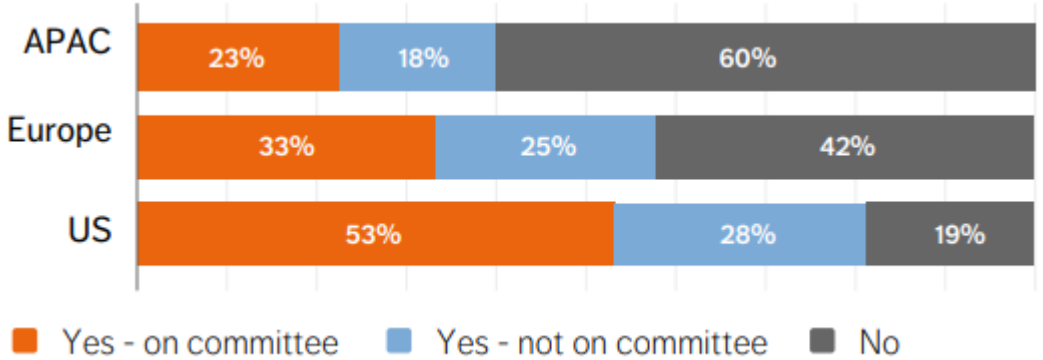
Case Study: „ESG supervision & performance“

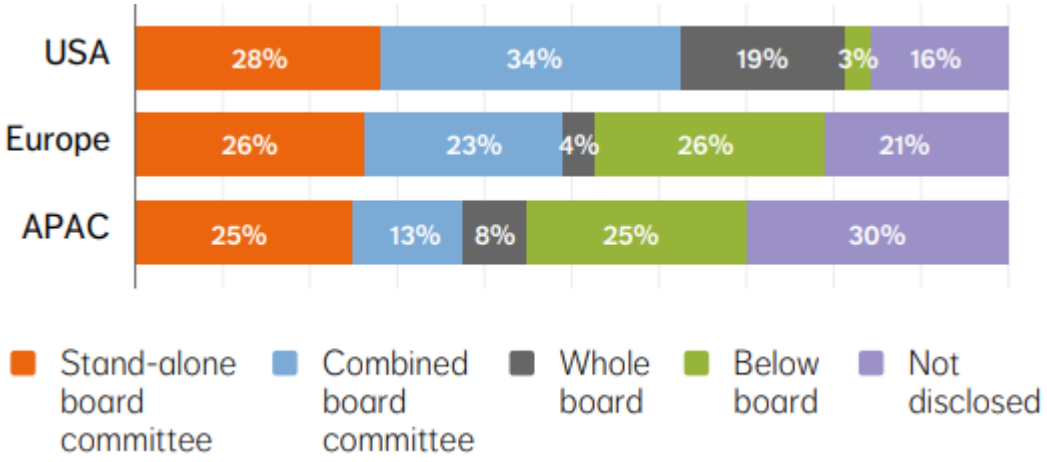
ESG Score Quartiles per Region



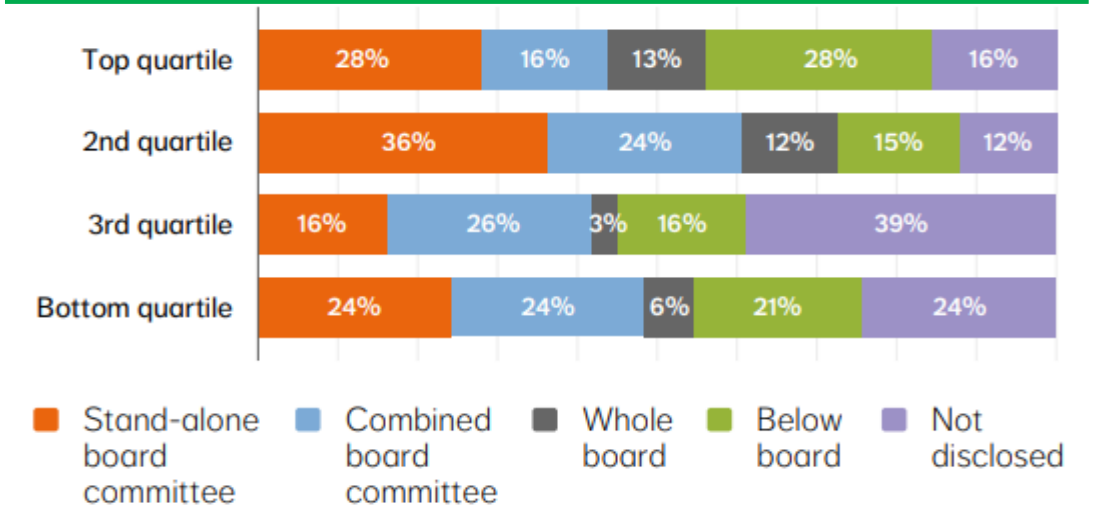
Board Level ESG Expertise per Region



Supervisory Structures per Region



Supervisory Structures per ESG Score Quartile



Source: NNGroup, Glass Lewis, Exploring the link between ESG supervision & performance, 2021

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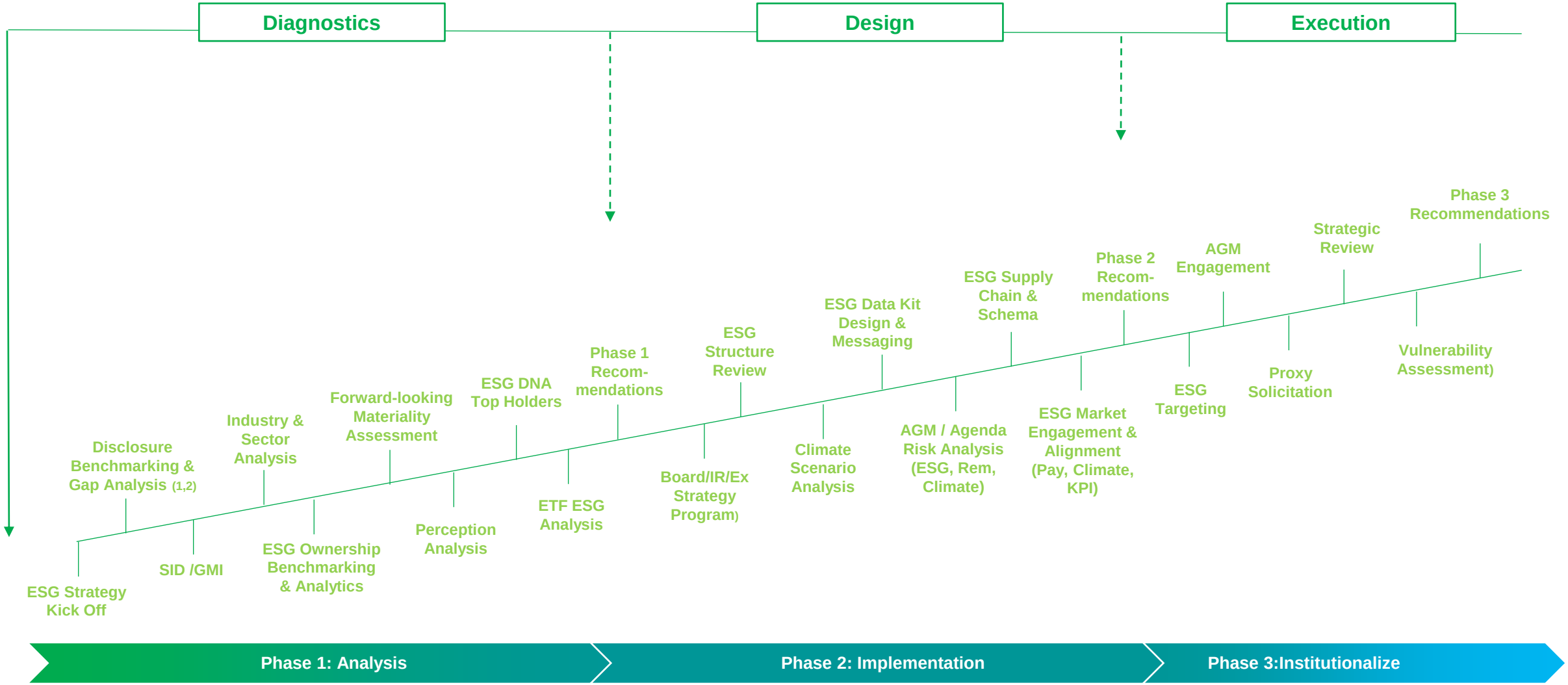
ESG Advisory Capabilities for IR, Board & Executives



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