

CFA SOCIETY GERMANY SURVEY ON ESG RATINGS

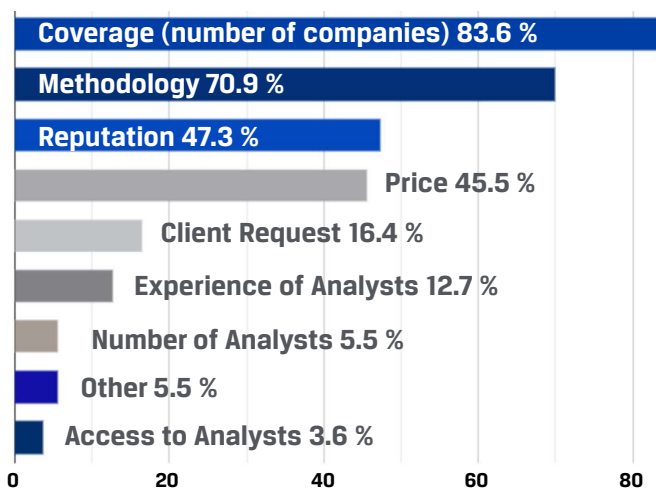
In our latest CFA Society Germany survey on ESG Ratings, we asked our community about their experience and use of ESG ratings and what could be improved. The survey was conducted within a period of 6 weeks in July until August, 143 members participated. Our working group 'ESG Ratings' seeks to enhance the discussion and raise transparency and understanding by including all stakeholders.

Integration of ESG Factors

81 % of the respondents already **integrate ESG factors** in their investment decision. The **remainder** includes CFA society members that are still **working on appropriate concepts** but also members that consider traditional financial metrics and investment criteria to be sufficient for their investment decisions.

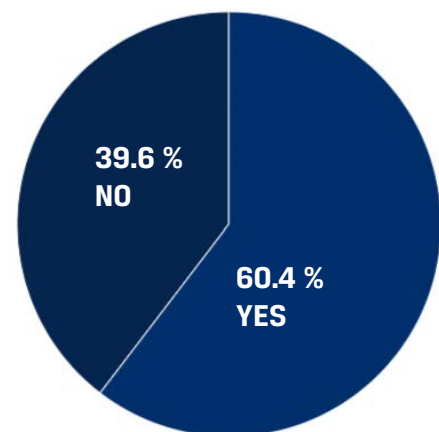
Criteria for the ESG Rating Agency

The integration of ESG factors in various forms and with it the usage of ESG rating providers becomes the norm in the European investment community. Most important criteria to select an ESG ratings provider are **coverage** and **methodology**, followed by reputation and price.



Importance of ESG Rating Providers

While most investors have internal resources for ESG analysis, there is a rising importance of third party ESG rating agencies. 60.4% of the respondents use ESG rating agencies within the investment process whereas 39.6% do not use them.

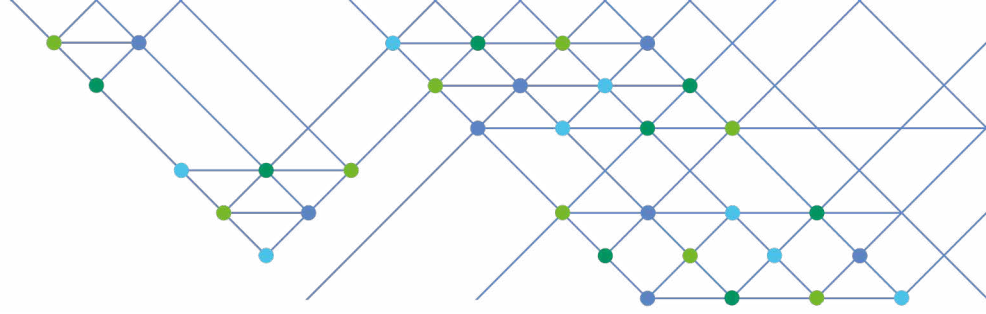


Combination of ESG Work/Analysis with ESG Ratings from Third- Party Provider

85 % combine **internal analysis** with the use of ESG ratings, and around 60% use ESG ratings exclusively for their work.

Data Provider with Respect to Potential Conflicts of Interests

46 % of the respondents check their data provider for possible conflicts of interest. 53 % do not check their data providers in this regard.



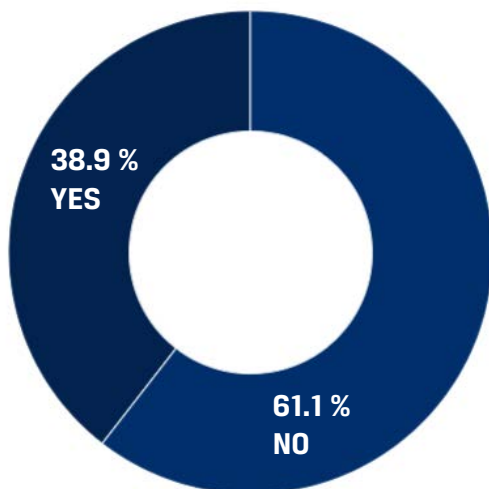
CFA SOCIETY GERMANY SURVEY ON ESG RATINGS

Rating Agency

MSCI ESG	65.5 %
Sustainalytics	49.1 %
ISS ESG	43.6 %
Bloomberg	36.4 %
Moody's ESG Solutions	27.3 %
S&P Global Ratings	18.2 %
Other	14.6 %
Refinitiv	14.5 %
CDP	12.7 %
ESG Screen 17	3.6 %
Fitch	3.6 %

Availability of Data and Quality

38.9 % believe that the availability and quality of data is sufficient for their ESG process. 61.1 %, on the other hand, think that these factors are not sufficient.



Improvements of ESG

Uncertainty on Data Quality, Transparency on Methodologies and Consistency of ESG Ratings and SDG Impact Scores are major headaches, which investors want to be addressed. In addition, the following points were mentioned that could be improved:

Less Dogmatism

Quicker Response to Data Check Requests

Granularity

Faster Reaction to Global Challenges

Independent Auditing of Rating Provider

Direct Access to all Data Points

More Leeway in Evaluation for Companies

Standardised Data over more Providers

Better Coverage

