Creating sustainable value!

Sustainability-Impact-Index 2025/2026 – An Exploration –
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Basis: Management of external effects, SDG commitment, ESG image, analyst assessments

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Create lasting value!

Capitalists are often accused by their opponents of ignoring the long-term consequences of their decisions in favor of short-term profits. The stock market is frequently seen as the focal point of irresponsible capitalism because everything there revolves around profits, not sustainability. However, these **silos are broken down** when the focus shifts to **the long-term future**—which is typical for the issue of retirement provision, for example. For 2024, the OECD reports a record $69.8 trillion in pension assets in its member countries.

The Sustainability Impact Index is a response to the growing political controversy in recent years over the extent to which companies should reduce negative externalities and strengthen positive ones. The composite index shows the actual improvement/deterioration in ESG criteria, expressed in financial terms. It takes into account the extent to which companies declare their commitment to the 17 UN sustainability goals in their financial reports. It provides information on whether leading media outlets such as Handelsblatt or the Financial Times consider the company to be on the right track with regard to ESG and value creation, or whether they are guilty of greenwashing. And the index takes into account how top financial analyses cited in leading business media assess the company's performance.

Together, this creates something completely new: an overview of the valuable sustainability footprint companies leave behind.

Navigating through green washing and complacency

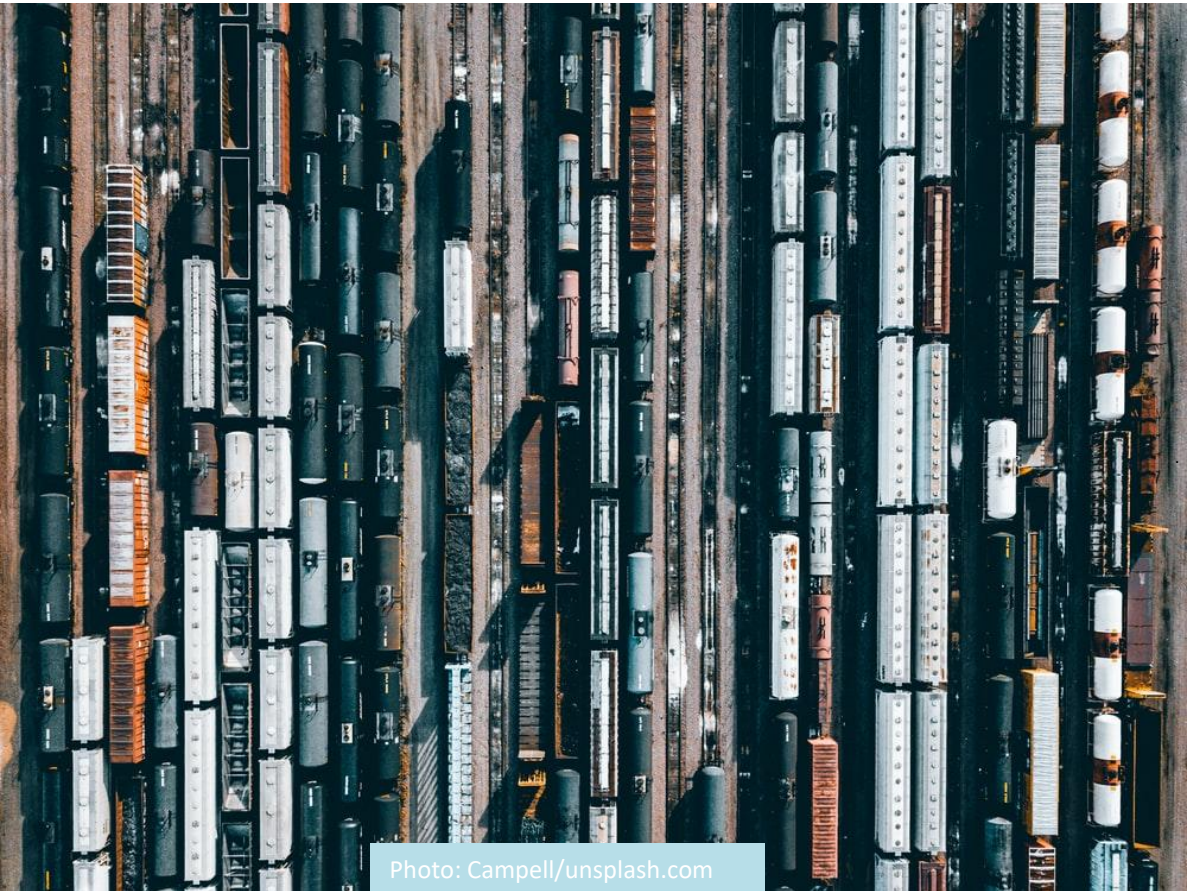


Photo: Campell/unsplash.com

The multitude of releases on climate protection targets, plans to improve human rights along supply-chains, and improving transparency for stakeholders in recent years has left many investors wondering how to distinguish between relevant and irrelevant information, sustainable practice and green washing, pure marketing and hype vs. fundamental shifts in the market.

The Sustainability-Impact Index 2025/26 explores whether answers can be found to these questions.

Criteria for the Sustainability Impact Index 2025/2026

WHO?

DAX40* (2024/2025)
+ selected peers*

*excluding Porsche SE as holding company

WHAT?

4 criteria for impact:

(1) 3Y improvement of positive and negative external effects
(2) SDG commitment Financial Report 2024.
(3) 3Y Media Rating ESG issues
(4) 3Y Rating cited financial analysts (FT, WSJ, HB)

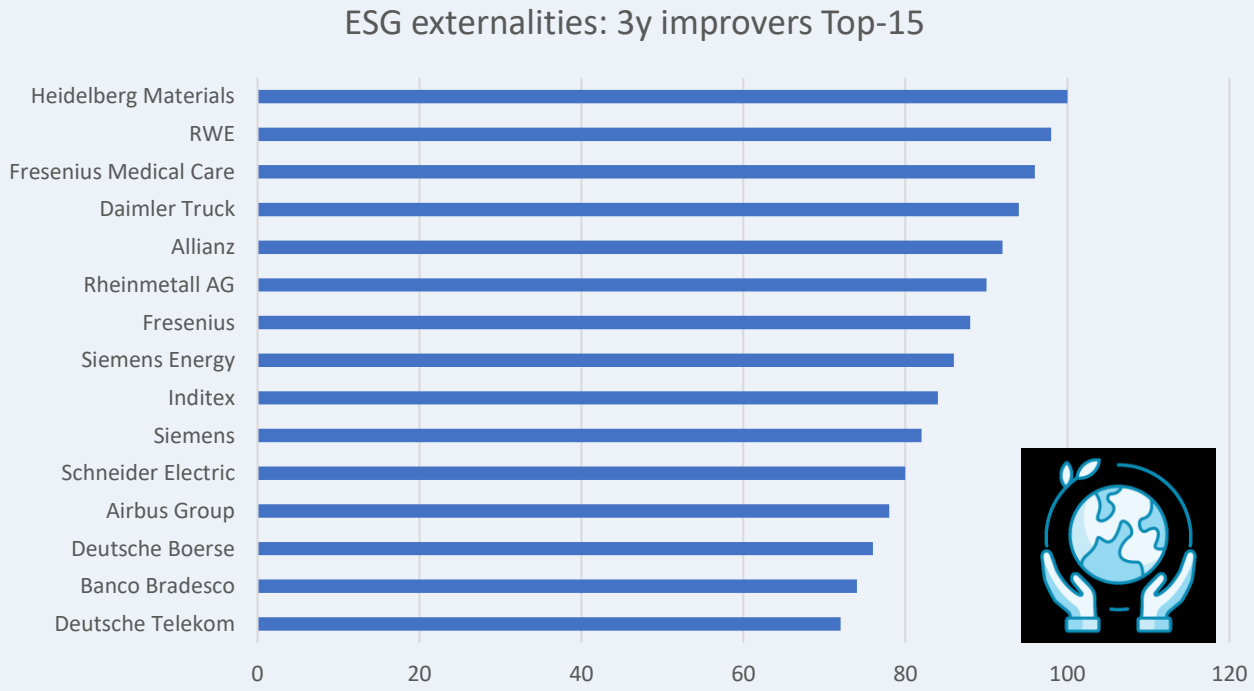
WHY?

(1) Growing controversy in recent years over prioritizing sustainability vs. short-term return on investment in strategy and reporting.
(2) Recognition of companies with impact and comprehensive value creation.

Indicators for the Sustainability Impact Ranking

Criterion	Indicator(s)	Measurement variable(s)	Transformation	Scale
Change in positive and negative external effects	18 individual measures for external effects on the environment and society	Total externalities, valued in EUR, change from 2021 to 2024	Ranking across all criteria, normalization	0 - 100
SDG-Positionierung	SDG-related statements in the annual report Financial Annual Report 2024	Number of SDG statements	Average number of SDG statements per year, normalization	0 - 100
Media coverage of ESG issues	Assessment in reporting on ESG issues in leading media outlets	Balance of positive/negative assessments in percent	Standardization	0-50
Rating in quotes from financial analysts	Coverage in the Wall Street Journal, Financial Times, Handelsblatt	Balance of positive/negative ratings in percent	Standardization	0-50

Heidelberg Materials has improved the most on ESG externalities

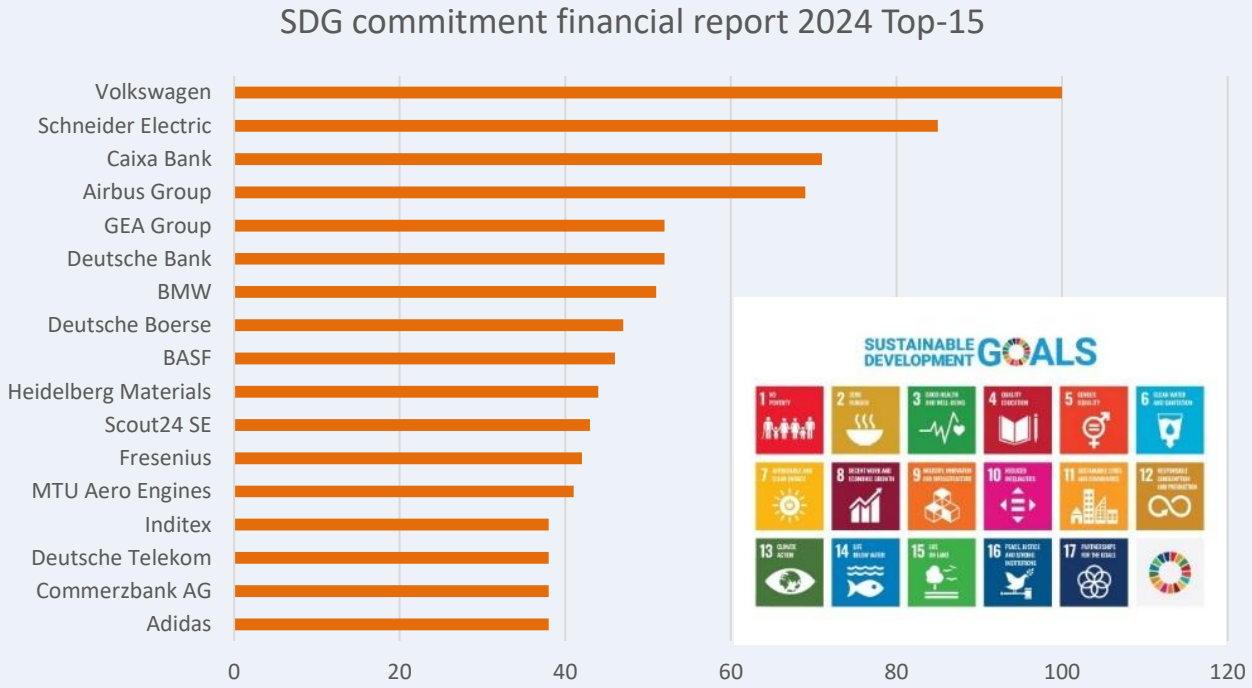


In recent years, it has clearly been an uphill battle for companies to improve their ESG externalities: political headwinds in markets such as the US, different regulatory environments hindering a level playing field (e.g. China) and consumers' reluctance to pay a premium for more sustainable goods, to name just a few.

Nevertheless, 22 out of the 50 companies analysed using *Effectual*'s proprietary measurement approach have achieved a real financial improvement in ESG externalities, **with Heidelberg Materials leading the field with an improvement of 13.1% to reach 100 points.**

Icon: freepik/Environment icon, Slamlabs

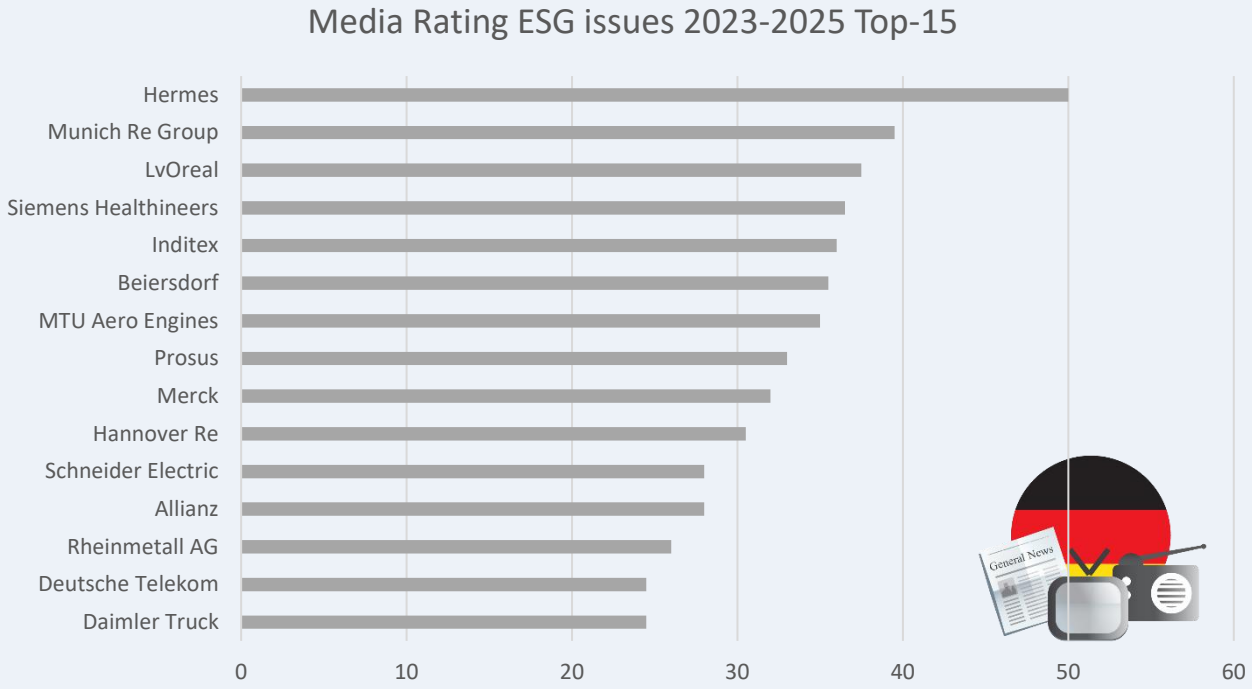
Volkswagen provides the most comprehensive reporting on the SDGs



The Sustainable Development Goals were agreed by 191 states in 2015. The 17 goals and 169 targets address the vast majority of issues that contribute to human, social, and economic flourishing. By analysing annual financial reports, we have observed a significant increase in SDG-related disclosure over the past 10 years, enabling investors and other stakeholders to gain detailed insights into the impact of a company's daily operations and long-term strategies on the world, both positive and negative.

In 2024, the most comprehensive reporting was provided by Volkswagen, followed by Schneider Electric and Caixa Bank.

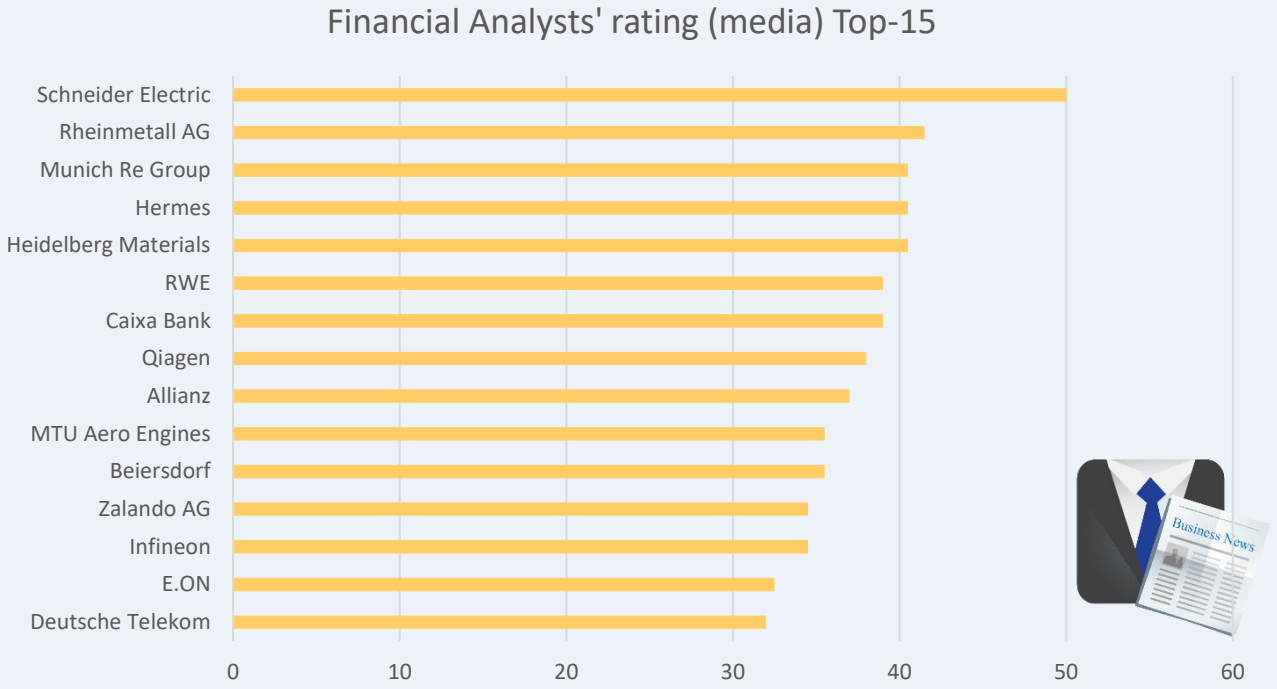
ESG efforts of Hermes and Munich Re are recognized



Providing ESG-related information, such as that relating to the SDGs, can help investors to make better-informed investment decisions, but only if the information is not exaggerated or 'greenwashed'. Leading independent media outlets carefully observe and compare the substance of claims provided by the corporate sector.

Over a three-year period, media ratings on ESG-related topics have been most favourable for the luxury goods company Hermès, the Munich Re Group, and L'Oréal, followed by Siemens Healthineers and Inditex, the Spanish parent company of the Zara fashion brand. The three-year period ensures consistency in the ratings.

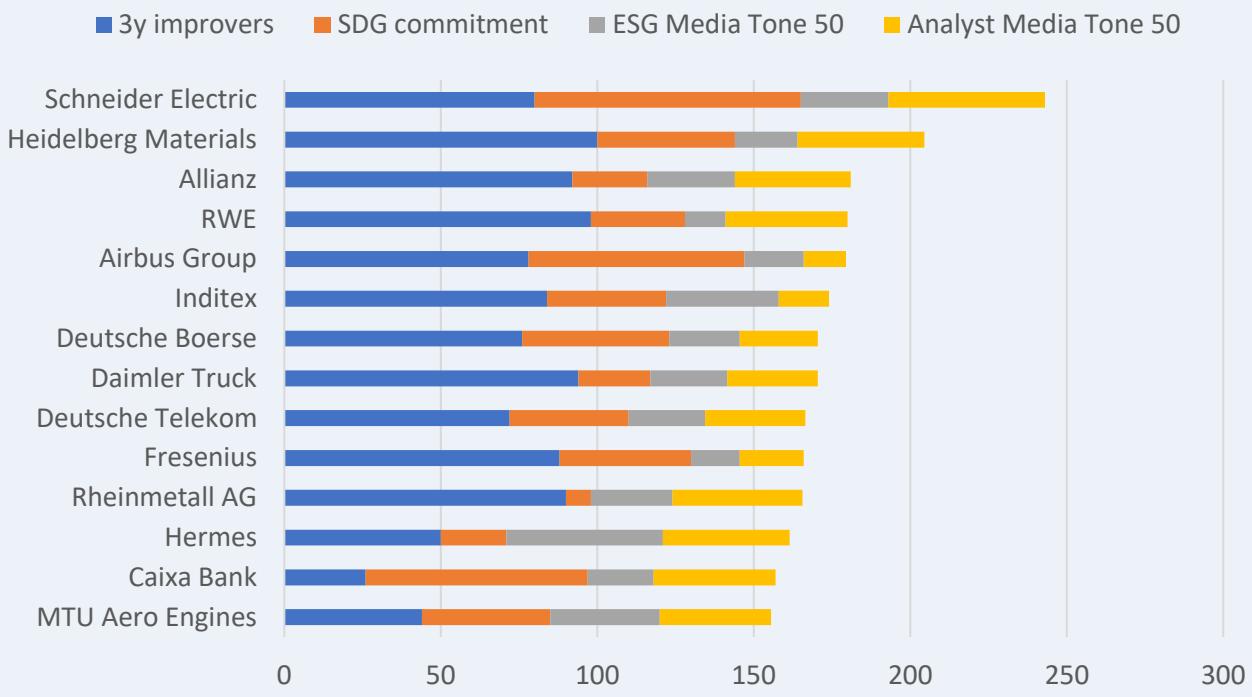
Schneider Electric is praised most highly by financial analysts



When considering companies that have not addressed ESG issues under stakeholder pressure, but rather developed a top-down approach to sustainability decades ago, Schneider Electric is a notable example. Despite a kind of sideways stock development in 2025 after a decade of rising shareholder return, the French multinational company has been favourably commented on by financial analysts over the past three years.

It is therefore especially noteworthy that Schneider Electric has reliably delivered strong financial results while implementing its sustainable strategy. Cited analysts have only given slightly less positive ratings to Rheinmetall, Munich Re, Hermes and Heidelberg Materials.

Schneider Electric sets the standards



In the Sustainability Ranking Index, the companies that score highest in all four pillars perform best. Schneider Electric is the clear leader. The company began reporting regularly on its sustainability performance in the early 2000s and systematically implementing it in its strategy. It even became the driver of the business model. In 2021, a "Schneider Sustainability Impact" program was launched. No wonder the company performs at the top in all four pillars.

In second place is **Heidelberg Materials**, a company that has identified enormous potential for sustainability in its business model and is working to leverage this potential consistently and in a value-enhancing manner.

The insurance group **Allianz** has also increasingly shifted its business model toward sustainability.

Data Sources

- **Media Tenor International:**
  Scientific media content analysis by trained analysts. 29 leading media outlets. Coverage of companies/managers >= 5 lines or 5 seconds. Recording of names, main topic, secondary topics, explicit and contextual evaluation, at the article level. Analysis period January 1, 2023-November 30, 2025.
- **UNGSII Foundation / Media Tenor International:**
  Scientific content analysis of the DAX40 financial reports for the 2024 fiscal year. Recording of explicit and contextual reporting on the 17 SDGs and 169 sub-goals at the statement level.
- **Effectual:**
  Measurement of the positive and negative external effects of companies on the environment and society through the product of physical quantities, such as CO2 emissions, NOx emissions, water consumption, etc., based on company data (reported or estimated) and evaluation factors in EUR based on meta-studies of publicly available scientific research. Further information is available at effctl.com.

About

Effectual

Efficient capital allocation for the transformation to a sustainable economy is Effectual's guiding principle for sustainable investing. So far, a clear framework is missing that meets the requirements of institutional investors.

Founded and supported by the Investment Office Perpetual, Effectual® provides precisely this framework to make sustainable core portfolios a reality: the Effectual® Sustainable Return (ESR).

Media Tenor International

Founded in 1994, Media Tenor International is a leading provider of media intelligence, helping businesses to optimise their communications, improve their stock market performance and manage reputational risks.

Founded in 1994, Media Tenor has become a leading expert in perception change. The company assists universities, research institutes, think tanks, governments and corporations in understanding, managing and analysing the impact of leading media.

UNGSII Foundation

Founded in 2015, UNGSII is a multi-stakeholder, non-profit initiative that supports the United Nations in implementing the Sustainable Development Goals. UNGSII aims to evaluate and compare companies' and countries' sustainability performance in a transparent manner. UNGSII's unique, SDG-focused research and data approach provides companies and stakeholders, including investors, with guidance and benchmarking to encourage progress and improve sustainability performance.

Value Balance Alliance

The VBA is an alliance of multinational companies that have come together with a common goal: to create a metric for measuring and comparing the value of contributions made by businesses to society, the economy and the environment, which is not currently reflected in a company's balance sheet. The Alliance translates environmental and social impacts into comparable financial data. VBA members test the methodology to ensure its feasibility, robustness and relevance.

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