Empowering Sustainable Growth

Patrizia Celia, Borsa Italiana - Euronext

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19 November 2025

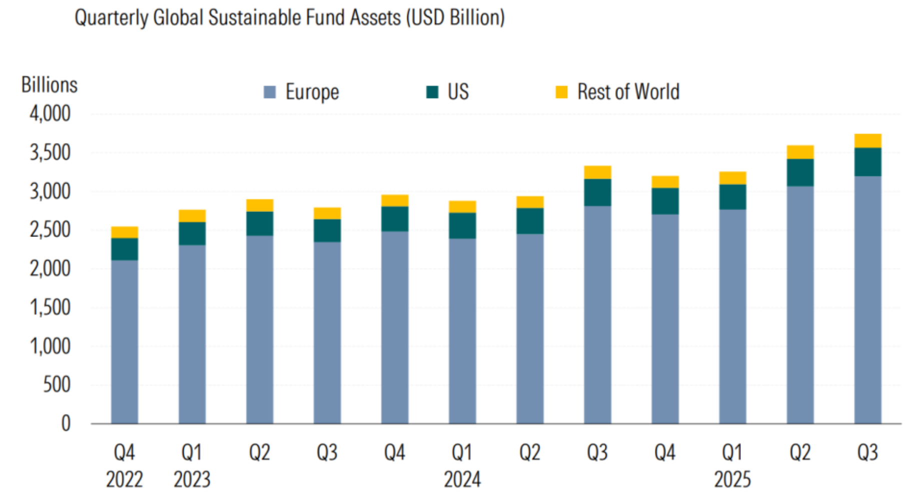
The global sustainable funds market

The global sustainable fund assets amount to $ 3.7 Trillion

As of September 2025, **global sustainable fund assets edged up by about 4% to over USD 3.7 trillion**, compared with USD 3.6 trillion three months earlier. The growth was primarily driven by appreciation in both equity and bond markets.

Europe takes up over 85% of global sustainable fund assets, followed by the United States with 10%, and the rest of the world makes up the remainder.

Sustainable funds represent approximately 19% of the overall European open-end funds and ETF universe, compared to just 1% in the US.



Source: Morningstar Direct. Data as of September 2025.

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Top AMs by global sustainable fund assets

Overall		Actively Managed		Passively Managed	
Firm	Total Assets (USD Bil)	Firm	Total Assets (USD Bil)	Firm	Total Assets (USD Bil)
BlackRock (incl. iShares)	433.8	BlackRock (incl. iShares)	127.6	BlackRock (incl. iShares)	306.2
Amundi (incl. Lyxor)	201.0	Natixis	97.0	Amundi (incl. Lyxor)	111.3
UBS (incl. Credit Suisse)	193.0	Amundi (incl. Lyxor)	89.6	UBS (incl. Credit Suisse)	107.5
Swisscanto	118.1	Nordea	86.2	Vanguard	64.4
DWS (incl. Xtrackers)	108.8	UBS (incl. Credit Suisse)	85.5	Northern Trust	56.8
Natixis	100.0	KBC	74.0	Swisscanto	56.1
Nordea	86.2	Swisscanto	62.0	DWS (incl. Xtrackers)	53.6
BNP Paribas	86.1	DWS (incl. Xtrackers)	55.2	Handelsbanken	41.4
KBC	74.0	BNP Paribas	50.0	BNP Paribas	36.1
Vanguard	68.2	Allianz Global Investors	46.9	Länsförsäkringar	26.0
Northern Trust	62.7	JPMorgan	44.1	Legal & General	25.7
JPMorgan	48.3	Pictet	43.3	State Street	23.6
Allianz Global Investors	46.9	Royal London	42.6	Invesco	21.1
Handelsbanken	46.6	Union Investment	38.4	HSBC	11.8
Pictet	44.9	Parnassus	36.3	Eaton Vance	11.2
Royal London	42.6	Dimensional	34.1	Mercer Global Investments	10.6
Union Investment	38.4	Goldman Sachs (incl. NNIP)	33.8	Storebrand Fonder	10.2
Parnassus	36.3	Robeco	30.2	Scottish Widows	8.9
Eaton Vance	36.0	AXA IM	29.8	First Trust	7.4
Dimensional	34.1	Schroders	28.9	Nuveen	7.2

Source: Morningstar Direct. Data as of September 2025.

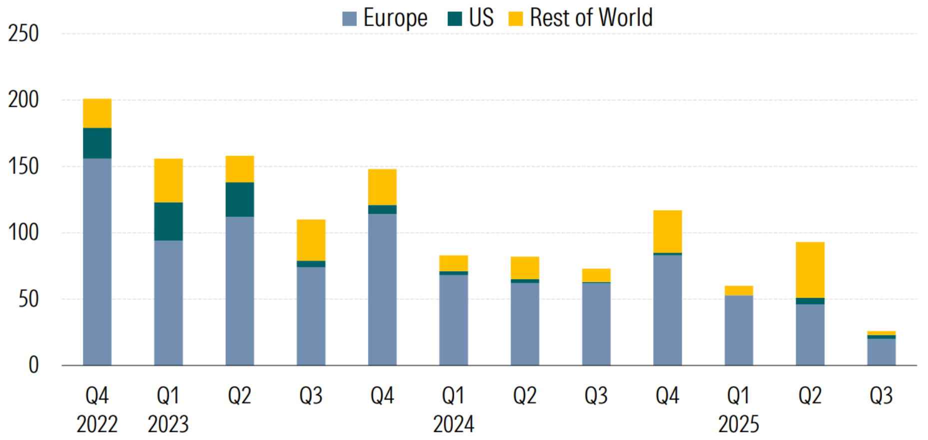
Global sustainable fund launches in recent years

Product development activity in the sustainable funds space was subdued after experiencing a modest uptick in the second quarter of 2025, with **26 new sustainable funds launched globally in Q3.**

This was **a significant decline from 92 in the previous quarter.**

Europe, once again, was the main driver, accounting for 20 new launches.

Global Sustainable Fund Launches Per Quarter



Source: Morningstar Direct. Data as of September 2025.

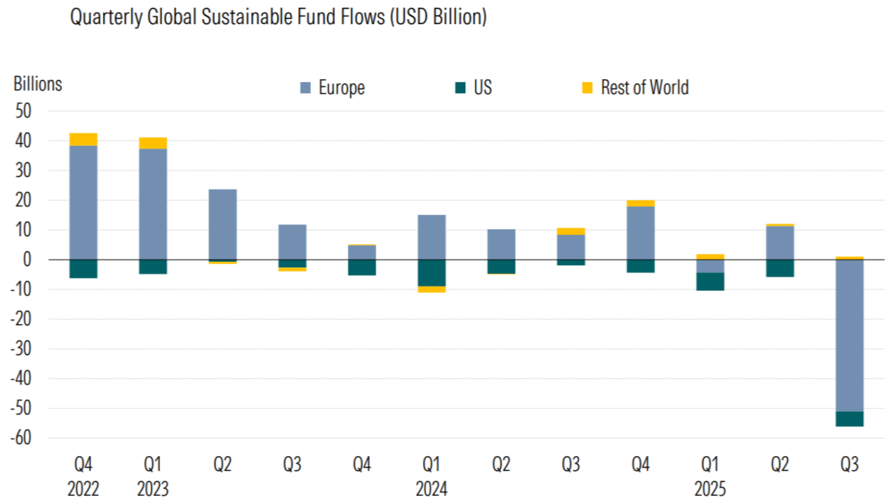
Global sustainable fund flows in recent years

Global sustainable funds registered outflows of about USD 55 billion in Q3 2025, compared with inflows of USD 6.2 billion in the previous quarter. 4 UK-domiciled BlackRock funds saw approximately USD 48 billion of withdrawals following the decision by a client pension fund to transition into custom ESG mandates managed by BlackRock.

Excluding these funds, **global sustainable funds recorded estimated outflows of USD 7.2 billion in Q3.**

Of the redemptions:

- **USD 3.1 billion came from Europe**, marking **a notable reversal** from the inflows of USD 11.3 billion seen in Q2.
- **The United States continued to experience net withdrawals** for the 12th consecutive quarter.
- **Flows into Asia ex-Japan rose to USD 902 million**, signaling continued investor interest in the region.
- **Canadian investors maintained their momentum**, channeling net new money into sustainable funds.
- **Australia and New Zealand also showed signs of recovery**.



Source: Morningstar Direct. Data as of September 2025.

Mitigating risks, pursuing opportunities, focusing on financial materiality

Mitigating risks

Global Risks Report 2025

WORLD ECONOMIC FORUM

Global risks ranked by severity

Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period.

	Short term (2 years)		Long term (10 years)
1st	Misinformation and disinformation	1st	Extreme weather events
2nd	Extreme weather events	2nd	Biodiversity loss and ecosystem collapse
3rd	State-based armed conflict	3rd	Critical change to Earth systems
4th	Societal polarization	4th	Natural resource shortages
5th	Cyber espionage and warfare	5th	Misinformation and disinformation
6th	Pollution	6th	Adverse outcomes of AI technologies
7th	Inequality	7th	Inequality
8th	Involuntary migration or displacement	8th	Societal polarization
9th	Geoeconomic confrontation	9th	Cyber espionage and warfare
10th	Erosion of human rights and/or civic freedoms	10th	Pollution

Risk categories: Economic, Environmental, Geopolitical, Societal, Technological

Source: World Economic Forum, Global Risks Perception Survey 2024-2025

Pursuing opportunities

Harvard research: 45% of U.S. public companies in major industries are developing or selling climate solutions

Harvard Business School

The 879 companies represent about $8 trillion in market capitalization, or roughly 20% of all U.S. market capitalization. **Their combined $6 trillion in revenue approaches the size of America's annual federal budget.**

Focusing on financial materiality

"[…] most shareholder proposals on climate and natural capital issues (environmental), as well as company impacts on people (social), were **overreaching, lacked economic merit, or sought outcomes that were unlikely to promote long-term shareholder value**.

A significant percentage were **focused on business risks that companies already had processes in place to address, making them redundant**. As a result, investor support – including BlackRock's – for such proposals remained low." - 2024 Investment Stewardship Voting Spotlight - BlackRock

Sources: (1) World Economic Forum Global Risks Perception Survey 2024-2025
(2) Harvard Business School, November 2024

Mitigating risks: the cost of inaction

Uncontrolled climate change could result in **estimated global economic losses of $178 trillion over the next 50 years**, equivalent to approximately **7.6% of global GDP**.

Global overview

In 2024, losses amounted to $318 billion, of which **only $137 billion were covered by insurance.**

In the **first quarter of 2025, losses reached $131 billion**, with approximately **$80 billion insured**.

From 2015 to 2024, the failure to manage transition risk led to estimated losses **exceeding $800 billion**.

Europe

Looking ahead, with a temperature rise of 3°C, annual damages from inland flooding could reach **approximately €50 billion per year.**

A **revenue decline of up to 20% by 2030** is projected **for 30% of companies** that do **not adopt decarbonisation strategies**.

Sources: Deloitte Climate & Sustainability based on Deloitte Economics Institute, *Global Turning Point Report* (2022); Swiss Re, *Sigma Report 2025;* Munich Re, *NatCat Update 1H 2025;* European Environment Agency (EEA), *Economic losses from climate-related extremes in Europe* (aggiornamento 2025); JRC, *PESETA IV project – Climate impacts in Europe* (2020); Network for Greening the Financial System (NGFS), 2021 – NGFS Climate Scenarios for central banks and supervisors; European Commission, 2023 – Fit for 55 Package and climate policy updates

Pursuing opportunities with measurable returns and financial materiality

The same risks that currently have a negative impact on the global economy also create significant opportunities with measurable returns.

Not exhaustive

	Value lever		
	KEY EVIDENCES	**BENEFITS**	**FURTHER OPPORTUNITIES**
Energy efficiency and electrification	**Over 70% of industrial projects in Europe** have a **return on investment above 10%,** with a payback period of two to five years.	**Structural reduction in energy costs** and higher margins.	Investments in **retrofit and digitalisation of consumption** result in a rapid return on investment.
Renewable and storage	In 2023, **81% of new global renewables had lower costs than fossil fuels**. In Italy, photovoltaic projects have a **payback period of 4-7 years**, while PPAs provide protection vs energy and CO_2 price volatility.	Stable energy costs. **Reduced exposure to volatility**. More predictable balance sheets	Development of **photovoltaic plants and power purchase agreements** (PPAs)
Decarb tech for hard-to-abate (CCS, Hydrogen)	Over **435 million tonnes of CCS capacity** have been announced globally by 2030.	**Continuity for energy-intensive sectors and protection of competitiveness** even in scenarios with high CO_2 costs.	**CCS and hydrogen projects, participation in industrial clusters** supported by the Emissions Trading System (ETS) and EU incentives
Green infrastructure and water cycle	Constructed wetlands for wastewater treatement: **Sicilia (BCR=1-4), Emilia-Romagna (BCR=10, ROI=9)**	Safer sites. **Fewer operational interruptions**. **Reduced insurance premiums**. **Stable asset value**. Lower management and maintenance costs. Reduced physical water risk. **Enhanced resilience.**	**Open markets for companies** in the environmental biotechnology sector, environmental engineering, and the construction and maintenance of water-related nature-based solutions (NbS)

Fonti: GME/PUN Index: https://www.mercatoelettrico.org/it-it/Home/Pubblicazioni/Indici-GME/PUNIndexGme Mercato Elettrico; IRENA (2024): https://www.irena.org/Publications/2024/Jun/Renewable-power-generation-costs-in-2023; EU ETS price – ICAP: https://icapcarbonaction.com/en/compare/43/45 ICAP Carbon Action; CCUS: https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage; IEA: https://www.iea.org/reports/gaining-an-edge/unlocking-the-potential-of-energy-efficiency; Water/BEI:https://www.eib.org/attachments/lucalli/20220230_ev_eib_support_to_the_water_sector_outside_eu_en.pdf World BankEuropean Investment Bank; JRC/FAO: https://publications.jrc.ec.europa.eu/repository/handle/JRC112505 InvestEU/NZIA/PNRR: https://eur-lex.europa.eu/eli/reg/2024/1735/oj/eng ; https://investeu.europa.eu/index_en ; https://www.italiadomani.gov.it/it/il-piano/missioni-pnrr/rivoluzione-verde-transizione-ecologica.html EUR-LexInvestEUitaliadomani.gov.it; Assicurazioni Italia: https://www.reuters.com/markets/europe/disaster-insurance-set-test-italys-business-backbone-2025-2024-12-16/

Study covers 1,550+ listed companies based on reported and verified data

88% of Euronext issuers

Information available as of 30 July 2025

- **1,550+ companies** companies listed on Euronext
- Aggregate market capitalisation of c. **€6.2 trillion**
- All industries and company sizes represented
- **35+** countries of incorporation

96,000+ data points reported and verified

- Annual Reports, Reference Documents and Sustainability Reports published by the companies – only **public information**, and no estimates
- Standardised quantitative data across **50+ indicators** based on main regulations
- Collected by data provider Cofisem, our trusted partner for financial and extra-financial metrics on Euronext Live
- Data **verified by companies** through Euronext's Connect customer portal
- ESG data enriched when companies upload additional documents

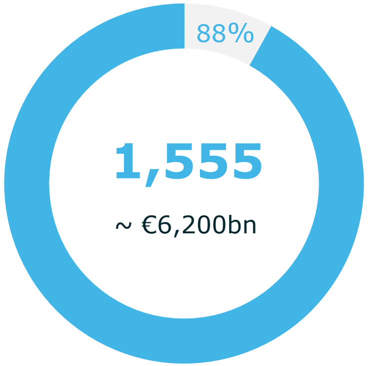
Consistency of year-on-year data analysis

Annual data collection based on the current list of companies listed on Euronext:

- **ESG reporting trends**: evolution of the number of companies which published data on any indicator any year from 2020 to 2024
- **ESG performance trends**: companies which reported every year over the span of 3 years (2022-2023-2024), considering the evolution of the average on each specific metric

50+ indicators collected including:

- **Environmental**: GHG emissions (Scope 1-2-3), energy and water consumption, waste
- **Social**: Share of women, gender pay gap, training, disabilities, rate of resignation
- **Governance**: Board gender diversity, independence rate
- **Financial:** Revenue, EU Taxonomy eligibility and alignment of turnover, CapEx, OpEx



Listed companies covered by 2025 report

Market capitalisation

Data presented in this report:
Data is as of 30 July 2025.
All available data points are included in comparisons.
Averages are compared only for companies that have reported consistently over the past three years.

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ESG trends and performance of Euronext-listed issuers

Environment

- Euronext issuers have **cut Scope 1+2 emissions by 10%** in three years in pursuit of Europe’s low-carbon transition
- **Scope 3 disclosure has surged +31%** since 2022, showing companies widen the lens to their full value chains
- Large caps are continuing on their path, **lowering energy intensity by 7%** in three years

Social & Governance

- More than **one third (35.2%) of boardroom positions are now held by women**, following a 2.8 percentage point increase since 2022
- Women are advancing in leadership, with **representation in management bodies up 1.1 percentage point** in three years
- **Board independence rate is at 52.3%**, following continuous progress in governance standards

Climate targets & Net Zero

- **250+ Euronext issuers have joined the Science-Based Targets initiative (SBTi)**
- Among issuers with SBTi commitments, **86% have near-term targets validated**, signalling a tangible shift from broad pledges to science-based, time-bound action plans
- Nearly half (43%) are also committing to **net-zero strategies**

Alignment with regulation

- **300 "first" CSRD reports of Euronext issuers** published in 2025 mark a milestone in Europe’s sustainability disclosure era
- Euronext issuers delivered **€279 billion in EU Taxonomy-aligned turnover in 2024**
- **EU Taxonomy-aligned CapEx is 30% higher** than EU Taxonomy-aligned OpEx

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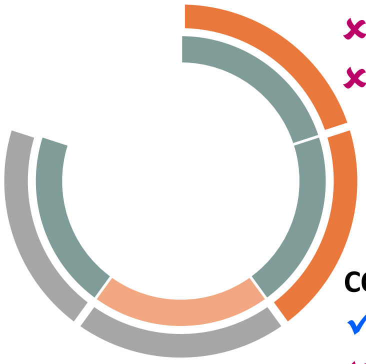
Market moved from idealistic to pragmatic

Transition momentum weakening, long-term drivers intact

DIRECTION	Weakening	Stable	Strengthening
LEVEL	Negative	Neutral	Positive

POLICY
- ✓ Updated NDCs ahead of COP30
- ✓ Energy security, competitiveness goals
- ✗ US federal government retrenchment
- ✗ Geopolitical risks / trade wars

TECHNOLOGY
- ✓ Falling costs of clean-tech
- ✓ AI-powered solutions
- ✗ Power demand from data centers



CORPORATES
- ✓ ST/LT climate target setting
- ✗ Corporate backtracking
- ✗ Bank / investor exits from alliances

FINANCING
- ✓ MDB focus on EM climate finance
- ✓ Growth in sustainable debt markets
- ✗ Financing insufficient to meet needs
- ✗ Market volatility / EM indebtedness

Direction shows expected change in momentum over next 12 months. Level shows absolute strength of transition driver.

Source: Moody's Ratings

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