Federal Ministry
Agriculture and Forestry, Climate
and Environmental Protection,
Regions and Water Management
Republic of Austria

# Emission Performance of Austrian Equity Funds

Pilot study on the application of the Indicators for Portfolio-related Emission Performance (I-PEPs) to assess Austrian equity funds



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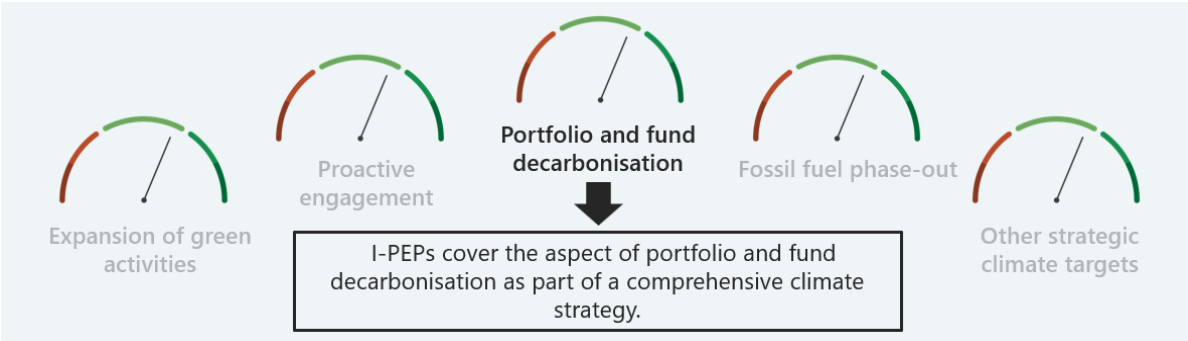
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# 1 Introduction

The Indicators for Portfolio-related Emission Performance (I-PEPs) are a KPI set developed within the Green Finance Alliance (GFA) to support the steering of portfolio decarbonisation. This pilot study analyses the emission performance of Austrian equity funds using I-PEPs in order to draw conclusions about the funds' transition progress.

To achieve climate targets, financial companies need appropriate metrics and measures that address different aspects of their climate strategy. The Climate Navigation Cockpit (CNC) described in the GFA Handbook[1] provides three steering modules, namely Expansion of Green Activities, Impact Engagement and Portfolio Decarbonisation. It shows how I-PEPs can be integrated into a climate strategy as a steering indicator for portfolio decarbonisation. Figure 1 illustrates various elements of a comprehensive climate strategy incorporating I-PEPs.

Figure 1: Use of I-PEPs within a comprehensive climate strategy.




Source: GFA, I-PEPs presentation.

I-PEPs were developed against the background that established indicators for steering portfolio decarbonisation can be influenced by factors that are not directly linked to actual

[1] The GFA Handbook is available in German only. An English summary is provided in the GFA Executive Summary.

changes in greenhouse gas (GHG) emissions[2]. For example, "financed emissions" may suggest a portfolio decarbonisation because of fluctuations in enterprise value[3], even when the emissions of the invested companies have not decreased. I-PEPs were designed to reflect a portfolio's emissions trend as robustly as possible against unintended influences. A more detailed comparison between I-PEPs and indicators based on financed emissions is provided in the I-PEPs Methodology Standard.

In addition to being used by financial companies, I-PEPs can also be applied for analysis at financial market and financial product level. This results, among others, in the following three use cases:

- **Financial market level:** analysis and monitoring of national investment, lending and underwriting portfolios
- **Financial company level:** measurement and steering of portfolio decarbonisation
- **Financial product level:** analysis and comparison of the decarbonisation of individual funds

This pilot study is the first application of I-PEPs at financial product level. Its aim is to examine the practical applicability of the method to measure the transition progress of funds based on the emission trends of invested companies. The study covers **153 out of 255 initially screened equity funds of Austrian asset managers.** The determined funds have sufficient data coverage for at least 60 percent of their holdings. The analysis was conducted in collaboration with the ESG data provider ESG Plus, which provided the underlying fund data and supported the calculations. The 153 analysed funds are categorised according to the following classification:

- by SFDR: Article 6, Article 8 and Article 9 funds
- by sustainability labels: funds with UZ49 and/or FNG label
- by application of the exclusions for EU Paris-aligned Benchmarks (PAB) or EU Climate Transition Benchmarks[4]

[2] In this pilot study, the term "emissions" is used as a synonym for GHG emissions.
[3] Financed emissions are those emissions attributed to the portfolios of financial companies. The attribution for listed companies is based on the company's enterprise value, in accordance with the greenhouse gas (GHG) accounting standard of the Partnership for Carbon Accounting Financials (PCAF).
[4] See Article 12(1) in European Commission. *„Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks"*. July 2020, eur-lex.europa.eu/eli/reg_del/2020/1818/oj/eng

**Important note on the use of the terms "PAB funds" and "CTB funds"**

To improve the readability of this pilot study, funds of the category "application of the exclusions for EU Paris-aligned Benchmarks and EU Climate Transition Benchmarks" are referred to using the abbreviations PAB funds and CTB funds. **It is important to note, however, that these funds are only required to meet the respective exclusion criteria and not any additional requirements of Delegated Regulation (EU) 2020/1818 in order to be classified as such.**

Table 1 shows the distribution of the 153 funds across the different categories.

Table 1: Breakdown of the analysed funds.

| | Total | Funds with UZ49 or FNG label* | PAB funds | CTB funds |
|---|---|---|---|---|
| **SFDR Article 6** | 46 | 0 | 0 | 0 |
| **SFDR Article 8** | 102 | 28 | 25 | 13 |
| **SFDR Article 9** | 5 | 5 | 4 | 1 |
| **Total** | 153 | 33 | 29 | 14 |

** The Austrian Ecolabel for Sustainable Financial Products (UZ49) and the label of the Forum Nachhaltige Geldanlagen (FNG) are sustainability labels that help investors identify funds with sustainability characteristics. Further information can be found on the websites of the* Austrian Ecolabel *and the* FNG.

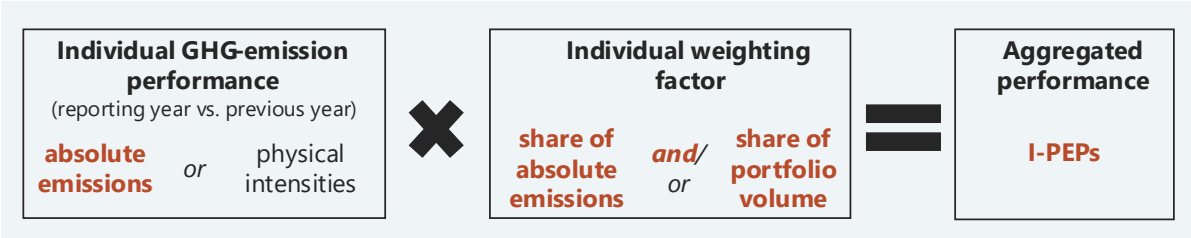
Source: Data from FMA („Fonds-Lupe") and ESG Plus.

# 2 Method

This chapter describes key elements of the I-PEPs methodology and its application in this pilot study. A complete description of the methodology can be found in the I-PEPs Methodology Standard.

The calculation of I-PEPs is based on two factors: the **individual emission performance** and the **individual weighting factor** of each portfolio position. The individual emission performance describes the change in reported emissions from one year to the next. The emission performance is aggregated at portfolio level using the individual weighting factor, which corresponds to the share of emissions and/or portfolio volume. Figure 2 outlines the general calculation method. The calculation formulas used are presented in the Annex, Chapter 5.1.

Figure 2: Overview of the general calculation method.




Source: GFA, I-PEPs presentation.
Note: The method options used for this pilot study are highlighted in **red**.

In this pilot study, the individual emission performance is calculated based on the absolute Scope 1 and 2 emissions[5] reported by the invested companies. The emission data are sourced from MSCI. To aggregate the emission performance at fund level, the share of

[5] Scope 1 comprises direct emissions, whilst Scope 2 comprises indirect emissions resulting from a company's energy consumption. Scope 3 emissions were not taken into account in this pilot study due to a lack of consistently reported data.

absolute emissions and the share within the total fund volume are weighted equally. The aggregated compositions of the analysed funds are provided by ESG Plus.

To avoid the influence of inconsistencies in emission reporting across periods, a GHG fluctuation range is applied. Thereby companies with an emission performance above +50 percent or below -40 percent are excluded or subjected to an individual review of reported emissions. Such a review, including potential correction, was conducted for ten companies outside the GHG fluctuation range that contributed on average the most to the fund shares.

In general, the I-PEPs scope of application is limited to companies for which emissions are reported consistently across reporting periods. In addition, companies whose core activities are primarily in a green technology sector ("green companies")[6] or a fossil fuel sector ("fossil fuel companies")[7] are excluded. Green companies are excluded because their contribution to the transition is often associated with growth-driven increases in emissions and managing them using decarbonisation indicators can lead to conflicting objectives. Fossil fuel companies are excluded because, from a climate perspective, the primary objective is not to decarbonise fossil fuel activities but to gradually phase them out. In summary, the following companies are excluded from the I-PEPs scope:

- Companies without consistently reported emissions across reporting periods
- Companies whose core business is in green technologies
- Companies whose core business is in fossil fuels

To contextualise the performance of the analysed funds, the results are compared with a global benchmark, the MSCI World Index.

[6] Hereinafter referred to as *"green companies"*, for simplicity. For the purposes of this pilot study, "green" refers to technologies that contribute to the avoidance and/or reduction of emissions. The classification is based on an assessment by ESG Plus, used on the CLEANVEST platform and includes renewable electricity generation, activities along the renewable energy supply chain, e-mobility and technologies designed to improve energy efficiency. Further information (German only) is available at: cleanvest.org/de/methodik/

[7] Hereinafter referred to as *"fossil fuel companies"*, for simplicity.

**From climate targets to emission reductions: the importance of realised emission reductions for assessing transition progress**

About 81 percent of the companies in a broadly diversified global equity index disclose their Scope 1 and 2 emissions, and around 70 percent have already set emission reduction targets.[8] For funds analysed in this study, companies reporting their Scope 1 and 2 emissions account, on average, for 94 percent of the fund assets, while companies with validated SBTi targets account on average for 55 percent (even 62 percent when considering only the companies within the I-PEPs scope).[9] This shows that a large proportion of invested companies have ambitions to reduce emissions.

At the same time, global emission trends and the results of this pilot study demonstrate that setting climate targets alone does not yet lead to actual emission reductions. Against this backdrop, realised emission reductions are becoming an important differentiating factor when assessing transition progress and should be considered in portfolio and fund steering.

[8] The figures quoted relate to companies in the FTSE All-World Index and are taken from the following source: LSEG. *"Decarbonising portfolios 2026: Tracking the transition across investment benchmarks"*. September 2026, lseg.com/en/insights/decarbonising-portfolios-2026

[9] While only companies with validated SBTi targets are considered for the analysed funds, no corresponding restriction is indicated for the equity index. The reported values are therefore comparable only to a limited extent. Source for the data on the analysed funds: Own calculations based on data from ESG Plus and MSCI.

# 3 Results

This chapter describes the results of the pilot study. It first provides an aggregated evaluation by fund category, followed by the results of the funds with the best I-PEPs results.

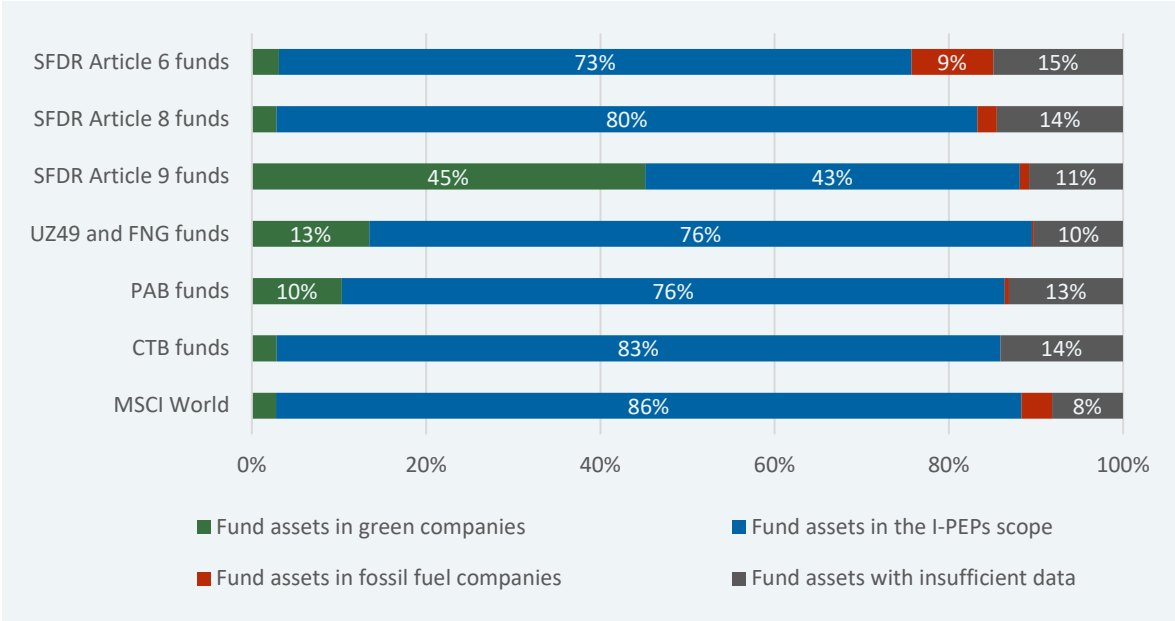
## 3.1 Results by fund category

This subchapter presents and analyses the results of the pilot study aggregated by fund category. The categorisation of the funds is described in Chapter 1. Attention should be paid to the **"Important note"** regarding the use of the abbreviations "PAB funds" and "CTB funds".

### I-PEPs scope

Figure 3 shows the average fund shares within and outside the I-PEPs scope by fund category. The values shown are based on the arithmetic averages of the funds included in each category. They consider the relative holdings within individual funds, but not the absolute fund volumes. For most fund categories, the majority of fund holdings fall within the I-PEPs scope. Only for the five analysed Article 9 funds does the average fund share of green companies exceed the share of the I-PEPs scope.

Figure 3: I-PEPs scope by funds category.



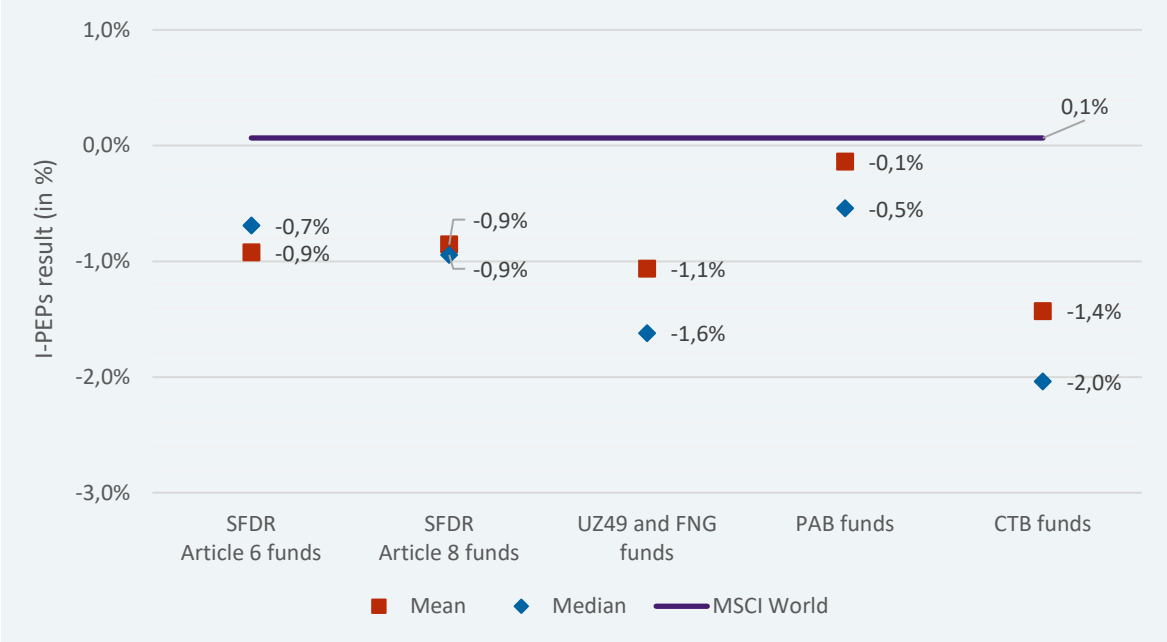

Source: Own calculations based on data from ESG Plus, FMA („Fonds-Lupe") and MSCI.
Note: Data labels for shares under 4 percent are not shown. The shares shown are the arithmetic averages for the funds within a fund category, without considering absolute fund volumes.

The analysis of the I-PEPs scope also shows that fund categories with a sustainability focus, particularly Article 9 funds, funds with sustainability labels (UZ49 or FNG label) and PAB funds, have on average a higher fund share of green companies and a lower share of fossil fuel companies.

## I-PEPs results

Figure 4 presents the mean and median I-PEPs results by fund category and compares them with the MSCI World index as a benchmark. The results for Article 9 funds are not shown because both their I-PEPs scope (43 percent) and the number of funds considered (five) are relatively low.

Figure 4: Mean and median of the I-PEPs results by fund category.




Source: Own calculation based on data from ESG Plus, FMA („Fonds-Lupe“) and MSCI.
Note: The I-PEPs value represents fund-related emission performance. A negative value implies an emission reduction; a positive value implies increased emissions.

Overall, 96 of the 153 analysed funds (63 percent) achieve a better I-PEPs result than the benchmark index. Among the fund categories considered, CTB funds have the lowest average I-PEPs values, corresponding to stronger fund decarbonisation. By contrast, PAB funds have higher average I-PEPs values than the other categories. Overall, however, differences between the categories are small, as the means and medians differ only to a limited extent across the categories considered. The distribution of the overall I-PEPs results by fund category is presented in the Annex, Chapter 5.2 (Figure 5). This distribution confirms the picture shown in Figure 4 and indicates only minor overall differences between the considered fund categories.

**Note on the review of the Sustainable Finance Disclosure Regulation – "SFDR 2.0"**

After the European Commission presented a proposal to amend the Sustainable Finance Disclosure Regulation (SFDR)[10] in November 2025, the Council of the EU and the European Parliament published their positions on the SFDR revision in June and September 2026, respectively. The proposed amendment includes the introduction of three new product categories: "sustainable" (Article 9), "transition" (Article 7) and "ESG basics" (Article 8) products. Against this background, existing standards such as EU benchmarks, which can be used for classification of "transition" products (CTB) and of "transition" and "sustainable" products (PAB), may gain importance. Indicators such as I-PEPs, which reflect the actual emission trend of invested companies, can also contribute to assessing transition progress and could therefore be particularly relevant for classification of "transition" products.

[10] European Commission. *„ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and repealing Commission Delegated Regulation (EU) 2022/1288"*. November 2025, eur-lex.europa.eu/legal-content/EN/

## Comparison of the I-PEPs results with alternative metrics

To contextualise the I-PEPs results, the following categories are compared:

- I-PEPs results of the analysed equity funds and the MSCI World as a benchmark
- Trend of $CO_2$ emissions worldwide and in „advanced economies“[11]
- Other emission-based metrics

The last category comprises the Weighted Average Carbon Intensity (WACI) of European banks' securities portfolios[12] and the EVIC-based $CO_2$ intensity of the FTSE All-World Index. These indicators and underlying figures are selected to illustrate potential divergences between I-PEPs, emission-based indicators and real-economy emission trends. However, they do not claim to represent emission-based indicators in general.

For the contextualisation, the global emission trend and the emission trend of advanced economies are considered. On average, around 97 percent of companies invested in by the analysed funds are headquartered in advanced economies. However, the location of a company's headquarter does not necessarily correspond to the geographical focus of its activities and associated emissions. Emission trends are considered for the period from 2023 to 2025 because the emission data of invested companies used for the I-PEPs calculation refer to this period. For around one quarter of the companies, emission data cover 2024 to 2025, and for around three quarters they cover 2023 to 2024.[13]

Table 2 compares the selected metrics and their respective annual rates of change.

[11] The term 'advanced economies' is used by the International Energy Agency (IEA) and includes OECD member states as well as Bulgaria, Croatia, Cyprus, Malta and Romania. Source: iea.org/glossary

[12] More precisely, the WACI of securities portfolios of euro area deposit-taking corporations at consolidated group level, as published by the ECB, is considered for the comparison.

[13] Generally, the most recently available emission data is used to calculate the emission performance across accounting periods from one year to the next. Differences in time periods arise due to companies' reporting cycles and the availability of data.

Table 2: Comparison of emission-based indicators to contextualise the results.

| Indicator | Description | Relative change |
|---|---|---|
| **I-PEPs of analysed equity funds** | Portfolio-related emission performance of the analysed funds, based on emission trends for 2024–25 or 2023–24 | -0.8 % |
| **I-PEPs of the MSCI World Index** | Portfolio-related emission performance of the MSCI World Index, based on emission trends for 2024–25 or 2023–24 | +0.1 % |
| **Global $CO_2$ emissions** | Annual relative change in global absolute $CO_2$ emissions for 2023–25 (2024–25: +0.4 %; 2023–24: +1.1 %)* | +0.75 % |
| **$CO_2$ emissions of advanced economies** | Annual relative change in absolute $CO_2$ emissions in advanced economies from 2023 to 2025 (2024–25: +0.5 %; 2023–24: -1.1 %)* | -0.30 % |
| **WACI of securities portfolios of European banks** | Relative change in WACI (Scope 1 emissions) of European banks' securities portfolios from 2023 to 2024** | -16.7 % |
| **$CO_2$ intensity of the FTSE All-World index** | Relative change in $CO_2$ intensity (Scope 1 and Scope 2 emissions) per EVIC of the FTSE All-World Index from 2023 to 2024*** | -6.5 % |

Sources:
** IEA. „Global Energy Review 2026". April 2026,* iea.org/reports/global-energy-review-2026*; and IEA. „Global Energy Review 2025". March 2025,* iea.org/reports/global-energy-review-2025
*** ECB. „Analytical indicators on carbon emissions and transition risk". 2026,* ecb.europa.eu/stats/all-key-statistics/horizontal-indicators/sustainability-indicators/data/html/
**** LSEG. „Decarbonising portfolios 2026: Tracking the transition across investment benchmarks". September 2026,* lseg.com/en/insights/decarbonising-portfolios-2026

Note: The comparison intends to put I-PEPs results into perspective. Different observation periods and investments are compared.

The results show that the average I-PEPs result of the analysed equity funds (-0.8 percent) and the I-PEPs result for the MSCI World (+0.1 percent) are approximately of the same order of magnitude as global $CO_2$ trends (+0.75 percent per year) and $CO_2$ trends in advanced economies (-0.3 percent per year). The other emission-based indicators show stronger deviations from these trends, amounting to -16.7 percent for the WACI of European banks' securities portfolios and -6.5 percent for the $CO_2$ intensity of the FTSE All-World. Overall, this comparison highlights the strong link between I-PEPs and real-world emission trends.

## 3.2 Results of individual funds

Table 3 shows the funds with the best I-PEPs results, subject to a minimum coverage ratio[14] of 70 percent and at least 40 individual portfolio positions. The top 15 results range from -11.9 percent to -5.2 percent and are distributed across several investment management companies and different fund categories. The funds in Table 3 are predominantly SFDR Article 8 funds, accounting for 10 of the 15 funds. One third of the 15 funds shown are funds with a sustainability label (UZ49[15] or FNG label[16]) or funds applying exclusions for EU benchmarks (PAB or CTB). Another third consists of funds without a sustainability focus (Article 6 funds).

[14] Only equity funds for which the I-PEPs scope covers at least 70 percent of fund assets are included.
[15] UZ49 is the Austrian Ecolabel for Sustainable Financial Products.
[16] The FNG label is an ecolabel from the Forum Nachhaltige Geldanlagen (FNG), used in German-speaking markets.

Table 3: I-PEPs results (top 15).

| | Asset Manager | SFDR article | Label | Exclusions based on | I-PEPs value | I-PEPs coverage | "Fossil" share | "Green" share |
|---|---|---|---|---|---|---|---|---|
| **1** | KEPLER-FONDS | 8 | | | **-11.9 %** | 84.5 % | 1.8 % | 3.3 % |
| **2** | Erste AM | 8 | | | **-8.6 %** | 88.2 % | 0.0 % | 1.5 % |
| **3** | Erste AM | 8 | UZ49/FNG | PAB | **-8.0 %** | 89.4 % | 0.0 % | 1.7 % |
| **4** | Raiffeisen KAG | 8 | FNG | PAB | **-7.0 %** | 86.9 % | 0.0 % | 6.2 % |
| **5** | KEPLER-FONDS | 8 | | | **-7.0 %** | 82.8 % | 9.2 % | 3.8 % |
| **6** | IQAM Invest | 8 | FNG | | **-6.1 %** | 89.3 % | 2.9 % | 1.3 % |
| **7** | Schoellerbank | 8 | UZ49 | PAB | **-6.0 %** | 88.7 % | 0.0 % | 3.0 % |
| **8** | Erste AM | 8 | UZ49 | CTB | **-5.9 %** | 92.1 % | 0.0 % | 1.4 % |
| **9** | Sparkasse OÖ | 6 | | | **-5.6 %** | 84.0 % | 6.2 % | 4.4 % |
| **10** | Raiffeisen KAG | 6 | | | **-5.4 %** | 90.1 % | 5.2 % | 0.0 % |
| **11** | 3 Banken | 6 | | | **-5.4 %** | 75.8 % | 1.5 % | 8.7 % |
| **12** | 3 Banken | 6 | | | **-5.4 %** | 92.7 % | 0.0 % | 0.0 % |
| **13** | Security KAG | 6 | | | **-5.4 %** | 87.5 % | 4.4 % | 1.4 % |
| **14** | Raiffeisen KAG | 8 | | PAB | **-5.3 %** | 88.3 % | 0.0 % | 2.3 % |
| **15** | Raiffeisen KAG | 8 | | | **-5.2 %** | 78.2 % | 4.1 % | 1.3 % |

Source: Own calculations based on ESG Plus, FMA („Fonds-Lupe") and MSCI.
Note: The table shows only funds with I-PEPs coverage of over 70 percent and at least 40 individual holdings. For a more detailed description of the percentages for the "fossil" and "green" shares, see Chapter 2.

# 4 Conclusions and Outlook

The results of this pilot study make it possible to draw conclusions both about the emission performance of Austrian equity funds and about the applicability of the I-PEPs methodology. Further research, discussions and stakeholder formats on the results are planned.

## 4.1 Conclusions

The conclusions regarding the I-PEPs results (i.e. the emissions performance) and, consequently, the transition progress of the analysed funds are summarised below:

- **The majority of the analysed Austrian equity funds (63 per cent) have outperformed the MSCI World benchmark index.** Besides better emission performances by invested companies, differences in the regional and sectoral composition of funds may also contribute to this result.
- **Sustainability-related fund categories invest, on average, a larger share in green companies and a smaller share in fossil fuel companies.** Nevertheless, for almost all fund categories considered (with the exception of SFDR Article 9 funds) the I-PEPs scope represents on average the largest fund share. This underlines the relevance of transition indicators such as I-PEPs for analysing equity funds.
- **On average, sustainability-related fund categories do not significantly outperform non-sustainability-related funds in terms of emission performance.** The results indicate that sustainability-related funds place greater emphasis on expanding green activities and excluding fossil fuel activities than on the actual realised decarbonisation of invested companies. The result could also be attributable to a stronger focus of sustainability-related funds on companies with already comparatively low emission levels and therefore lower emission reduction potential.
- **The results indicate that the realised decarbonisation achieved by companies is currently given little consideration in funds' investment strategies.** Possible explanations include the limited integration of climate action into investment strategies, a greater focus on other climate-related aspects such as the expansion of green activities or the use of forward-looking target-setting indicators, and the use of

indicators for steering decarbonisation that have a weaker link to the actual emission trends of invested companies (such as financed emissions).

In addition to the conclusions regarding the emission performance of the analysed funds, the following methodological findings have also emerged:

- **The I-PEPs results are in line with the real-economy $CO_2$ emission trends worldwide and in advanced economies.** Other emission-based indicators, such as WACI or $CO_2$ intensities (based on EVIC), can show more significant deviations from $CO_2$ trends in the real economy. This suggests that I-PEPs provide a robust and realistic picture of the actual emission trends of the companies in which investments are made.
- **For the majority (153 out of 255) of the equity funds originally considered, an analysis was carried out with a coverage share of over 60 percent.** The coverage share corresponds to the fund holdings in companies for which sufficient data was available to classify them as "green" or "fossil fuel" companies or to calculate I-PEPs. This demonstrates that the I-PEPs methodology can be widely applied to equity funds.
- **The I-PEPs scope accounted for the largest average share of fund holdings across all fund categories examined, with the exception of Article 9 funds.** This indicates that analysing transition progress based on actual emission reductions is relevant for the majority of companies in which investments have been made and can therefore complement existing analysis of green or fossil fuel related activities.

## 4.2 Outlook

This pilot study is the first practical application of I-PEPs at fund level. The following next steps are planned on this basis:

- **Stakeholder engagement and communication of the results:** The pilot study results will be presented and discussed in a public webinar. In addition, an in-depth exchange in the form of a roundtable with selected national stakeholders and bilateral expert discussions at national and international level take place.
- **Extending the analysed fund universe:** In addition to Austrian equity funds, I-PEPs are to be calculated for equity funds of foreign asset managers distributed in Austria, as well as for fixed income funds, multi-asset funds and ETFs. The results for this expanded fund universe are intended to be published on the CLEANVEST.org platform,

making them available to private and institutional investors, as well as interested stakeholders.

- **In-depth analysis of transition funds:** An analysis focusing on funds with a transition focus, for example based on the planned “Transition” category under SFDR 2.0 or on fund names, would be a meaningful next step for examining these funds’ transition progress more closely. The findings of this pilot study, stakeholder feedback and an expanded analysis of additional Austrian funds may also inform future revisions of the Austrian UZ49 ecolabel.

# 5 Annex

## 5.1 Calculation steps

The following description of the I-PEPs methodology is formulated for portfolios in general and was applied to funds in the scope of this pilot study. As explained in Chapter 2, the basis for the I-PEPs calculation is the multiplication of the individual emission performance of each portfolio position with the respective individual weighting factor.

Equation 1: I-PEPs calculation formula.

$$I - PEPs = \sum_i (\rho_i \times CWF_i)$$

$\rho_i$ ... emission performance of portfolio position i
$CWF_i$ ... Combined Weighting Factor for portfolio position i

The individual emission performance corresponds to the relative year-on-year change in absolute emissions of portfolio positions.

Equation 2: Calculation formula for the individual emission performance.

$$\rho_i = \frac{E_{i,t+1}}{E_{i,t}} \text{-1}$$

$\rho_i$ ... emission performance of portfolio position i
$E_i$ ... absolute GHG emissions of portfolio position i in the reporting year (t+1) / previous year (t)

The individual weighting factor combines the share of each portfolio position in the analysed portfolio volume with the share of each portfolio position in the sum of absolute emissions of all portfolio positions within the I-PEPs scope. The I-PEPs Methodology Standard provides three weighting approaches that can be used depending on use case and portfolio context. Chapter 2.2 of the methodology standard provides a detailed description of these approaches. In this pilot study the “Balanced Approach” is used, in which portfolio volume shares and absolute emission shares are weighted equally.

Equation 3: Calculation formulas for the Combined Weighting Factor.

$$CWF_i = \omega_{i_E} * GWF_E + \omega_{i_P} * GWF_P$$

$CWF_i$ ... Combined Weighting Factor for portfolio position i
$GWF_E$ ... General Emissions Weighting Factor
$GWF_P$ ... General Portfolio Weighting Factor

$$\omega_{i_P} = \frac{V_i}{V_P}$$

$\omega_{i_P}$ ... share in the portfolio volume – portfolio position i
$V_i$ ... outstanding portfolio volume – portfolio position I
$V_P$ ... total analysed portfolio volume

$$\omega_{i_E} = \frac{E_i}{E_P}$$

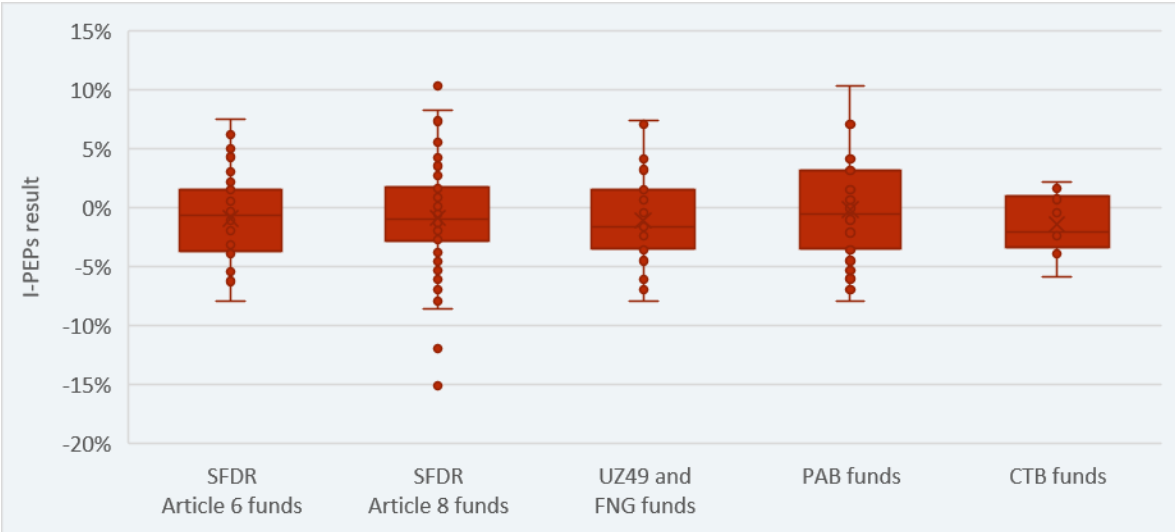
$\omega_{i_E}$ ... share in the emission volume – portfolio position i
$E_i$ ... absolute GHG emissions – portfolio position i
$E_P$ ... sum of absolute GHG emissions from all portfolio positions

Note: The Balanced Approach applied in this study assigns a weight of 50 percent to the General Emissions Weighting Factor and to the General Portfolio Weighting Factor.

## 5.2 Distribution of the results

Figure 5 shows the distributions of the I-PEPs results for the considered fund categories.

Figure 5: Distribution of I-PEPs results by fund category, shown as a box plot.




Source: Own calculations based on data from ESG Plus, FMA („Fonds-Lupe“) and MSCI.
Note: The horizontal line within each box represents the median. The boxes cover the middle 50 percent of results. The whiskers show the range excluding outliers, defined as values outside 1.5 times the interquartile range. Individual points correspond to the I-PEPs results of the analysed funds.

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