

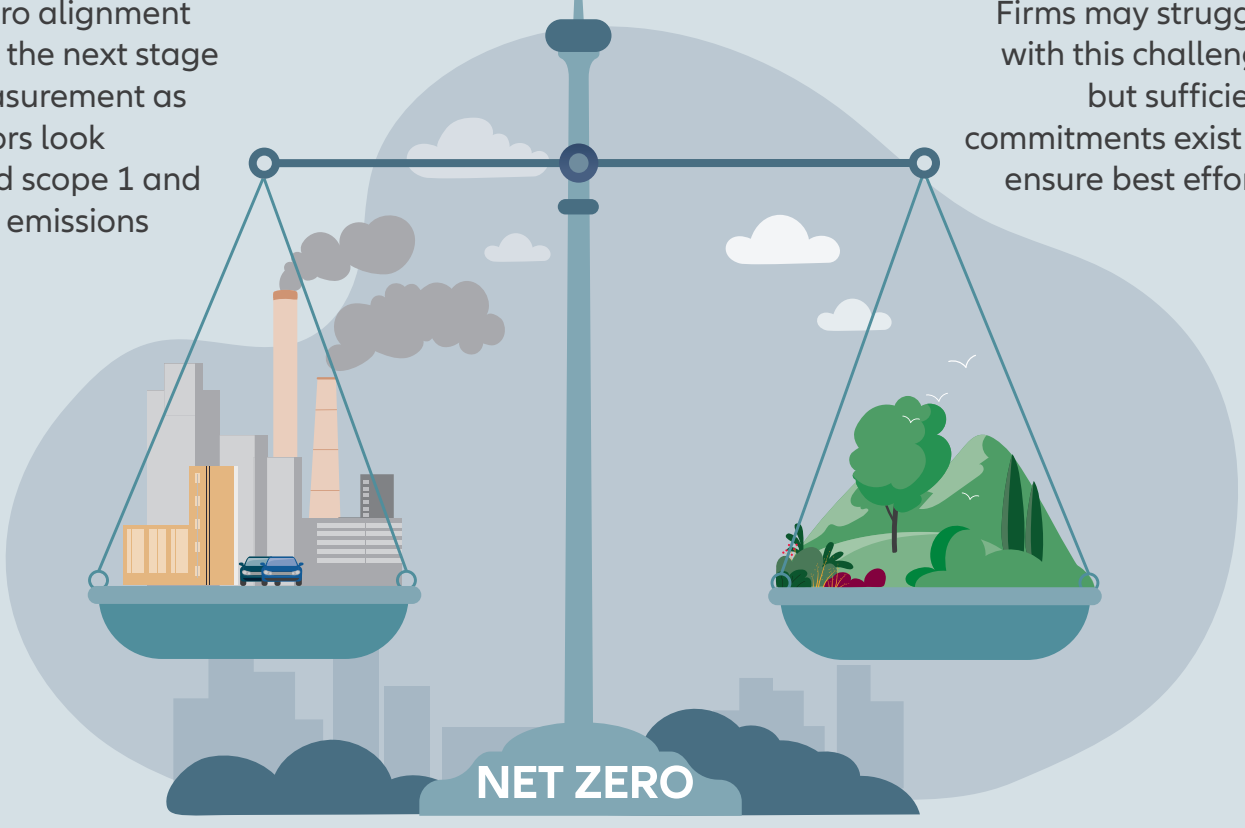
Sustainable investing in 2023

Another eventful year is anticipated – but we expect more evidence that sustainable investing is now the "norm".

Here are our five main themes for 2023

1. Net zero Challenges ahead

Net-zero alignment will be the next stage of measurement as investors look beyond scope 1 and 2 GHG emissions



Firms may struggle with this challenge but sufficient commitments exist to ensure best efforts

Net-zero alignment will be the watch words in 2023

2. Biodiversity Takes centre stage



COP 15 agreement elevates biodiversity as equal to climate

Expected rise in biodiversity screening and evolving "do no significant harm" filters

Footprint and handprint will be better articulated

Growing momentum to measure biodiversity controversies

3. Regulation

Conflicting ESG, sustainability and climate perspectives

Continued uncertainty on ESG, sustainability and climate investment regulation



Lessons learned in drive for a more global approach

Re-establishing the value of engagement

Progress expected in reporting requirements specific to labels

Greater emphasis on transition to green (not just being green)

4. War in Ukraine

Defence sector debate to continue and lessons learned include the need to:

Accelerate affordable, clean alternative energy sources



Create inclusive, resilient food supply chains



Build a circular economy to ensure sustainable sourcing of raw materials for clean and future technologies



5. Impact investing

Third dimension of sustainable investing

Third dimension next to risk and return



Market momentum emerging to measure meaningful outputs

With no consensus on core measurement principles, AllianzGI has developed a proprietary framework for private market investments.

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