



MANAGEMENT & EXCELLENCE SA (M&E)

Financial ESG specialists since 1999



M&E provides professional ESG services for companies, investors, service organizations and media.



Sections of this presentation

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M&E: Services, track record, history

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M&E: Our proposal, next steps

M&E history



DR. WILLIAM COX

Management & Excellence SA (M&E) was founded in 2001 by Dr William Cox and Instituto de Empresa (IE Business School) as a consultancy to advance ESG. IE provided all funding, resources and personnel. Throughout the years, M&E became synonymous for innovation in connecting ESG with financial impacts in companies. M&E forged long-term strategic alliances with Euromoney Group, BDO in Hong Kong, and associations while servicing nearly 30+ blue chips, completing 150 projects.



ESG consulting



Consulted 30+ blue chip companies, generating countless articles

- Corporate ESG reporting & auditing (all frameworks, all services)*
- IR, ESG & publicity for companies
- Calculating financial impacts of ESG, ESG valuation
- ESG ratings (first ratings published in 2002 in *The Economist*)
- ESG and M&A valuation, post merger integration

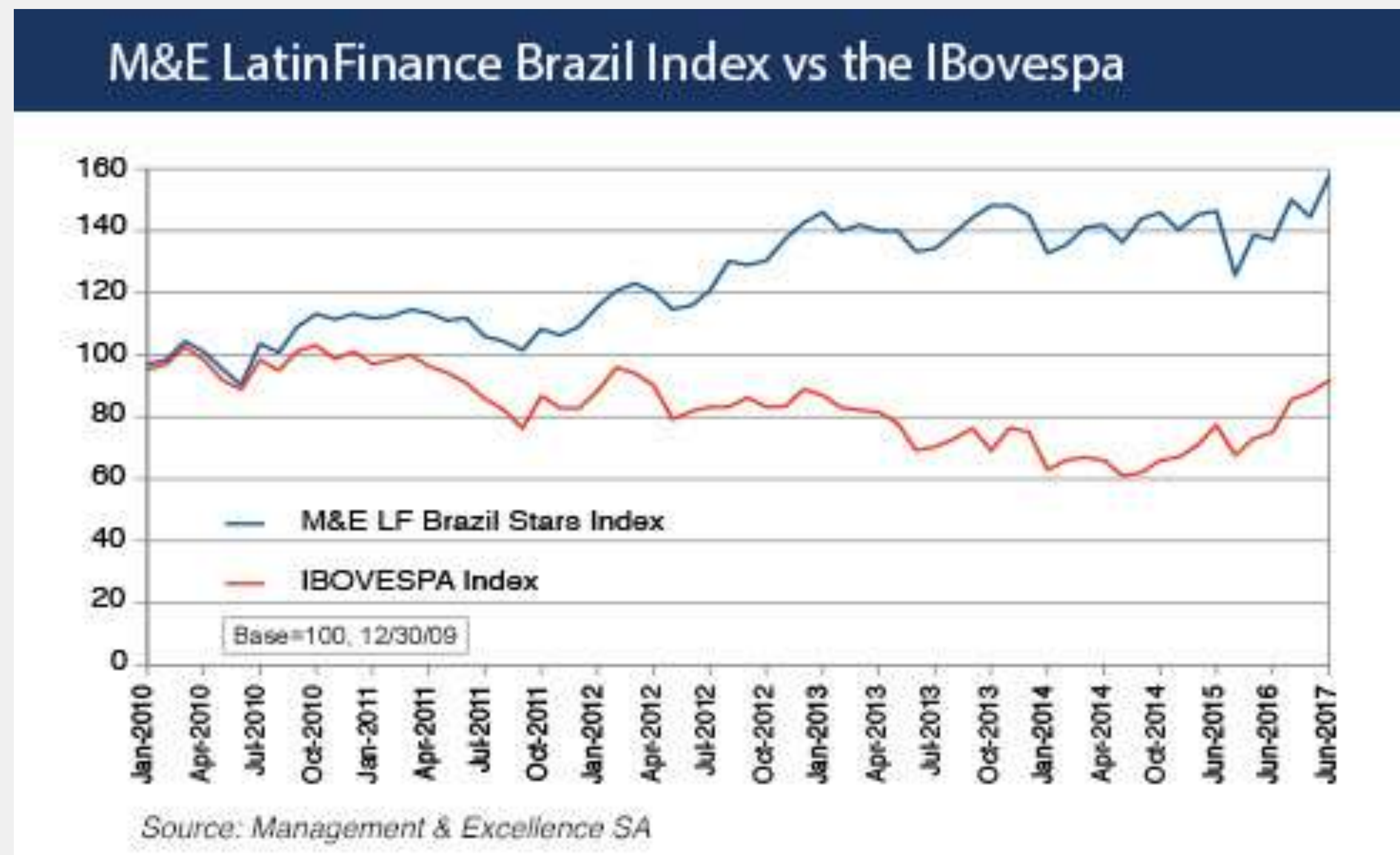


* I SSB IFRS S1/S2, EUROPEAN SUSTAINABILITY REPORTING STANDARDS (ESRS), GLOBAL REPORTING INITIATIVE (GRI), UN GLOBAL COMPACT (UNGC), CARBON DISCLOSURE PROJECT (CDP), CLIMATE DISCLOSURE STANDARDS BOARD (CDSB), SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB), INTL. INTEGRATED REPORTING COUNCIL (IIRC), SUSTAINABLE DEVELOPMENT GOALS (SDG), TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD), WORLD ECONOMIC FORUM (WEF) STAKEHOLDER CAPITALISM METRICS.

Created 2 ESG indexes with Euromoney media



Up to +70% outperformance over 7 years

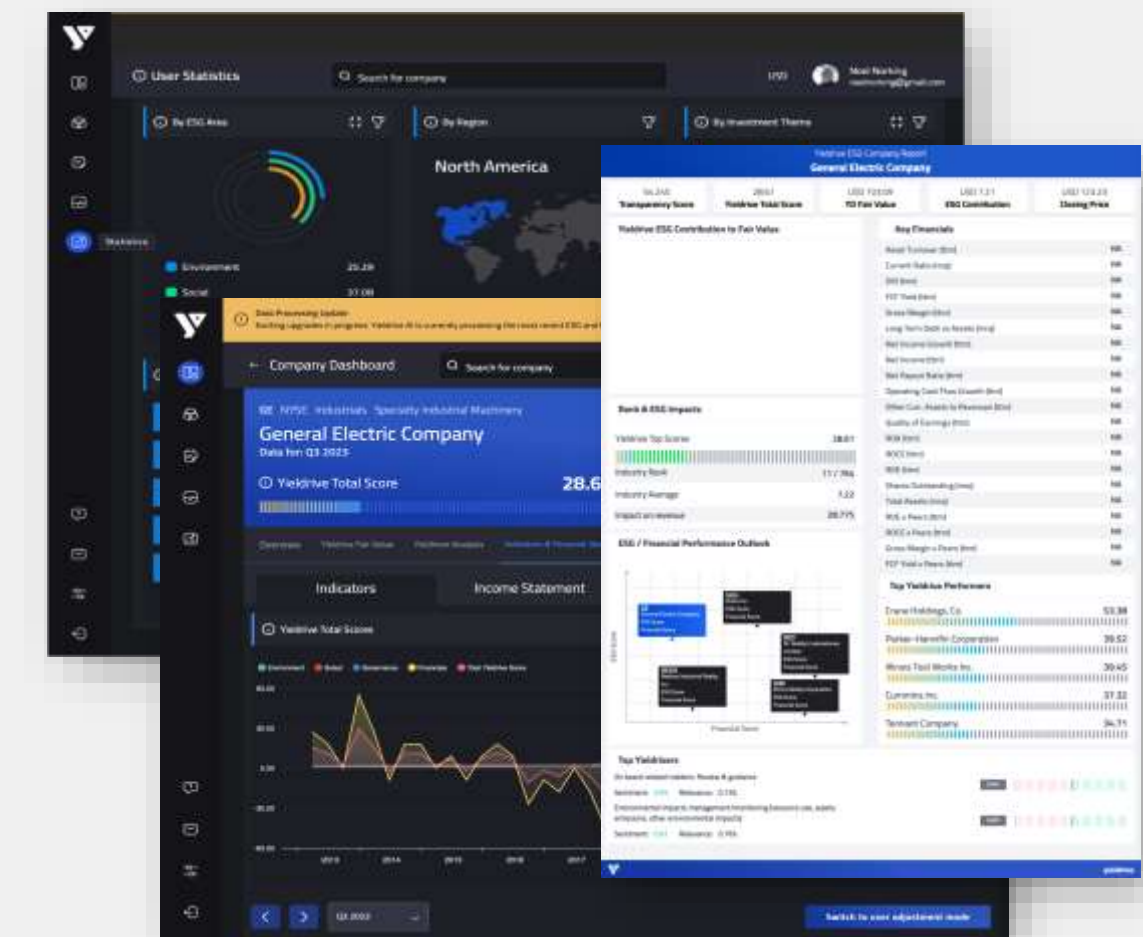


ESG & technology



Co-founded Yieldrive AG (Yieldrive.com), a Swiss fintech with proprietary ESG AI

- Applied our ESG algos to 4,400 companies
- Yieldrive revolutionized how ESG financial impacts are calculated
- Low-touch subscription platform offering high-end analytics
- Calculates ESG's impacts on key company financials such as fair value, cost of equity capital, revenues, margins and EPS
- Platform calculations are based on billions of data points and documents collected for 40+ quarters



ESG studies & rankings



Carried out 30+ rankings and studies with Euromoney Group and other media

corporate sustainability

LatAm Telecoms Fall in Ratings

by Staff Reporters

LatAm telecom companies performed worse this year on a series of metrics

LatAm telecom companies: worse this year. D

Most Sustainable Banks

Brazil and Chile on top

Rank	Bank	Country	Score
1	Itaú	Brazil	95.41%
2	Bradesco	Brazil	94.50%
3	BICI - Chile	Chile	93.24%
4	Santander Chile	Chile	93.14%
5	ABN AMRO Real	Brazil	92.32%
6	Unibanco	Brazil	94.40%
7	BBVA Peru	Peru	94.40%
8	BBVA Venezuela	Venezuela	92.07%
9	Banco de Chile	Chile	90.73%
10	BBVA Colombia	Colombia	77.99%
11	HSBC Mexico	Mexico	77.99%
12	Santander Brazil	Brazil	76.15%
13	BBVA Mexico	Mexico	75.23%
14	Banco do Brasil	Brazil	74.31%
15	Banco de Bogotá	Colombia	70.64%
16	Scotiabank Mexico	Mexico	69.72%
17	BBVA Argentina	Argentina	68.81%
18	Santander Mexico	Mexico	68.81%
19	Banco de Crédito del Perú	Peru	68.81%
20	Bancolombia	Colombia	66.06%
AVERAGE			64.75%
21	Banco Galicia	Argentina	63.10%
22	Banco Itaú	Mexico	62.30%
23	Banco Hipotecario	Argentina	61.43%
24	Noresta Casa	Brazil	61.43%
25	HSBC Brazil	Brazil	60.52%
26	Banorte	Mexico	59.62%
27	Santander Argentina	Argentina	58.72%
28	Safra	Brazil	57.80%
29	Banamex	Mexico	57.80%
30	BBVA Chile	Chile	56.88%
31	Suramercano de Inversiones	Colombia	55.00%
32	Mercantil	Venezuela	55.00%
33	Banco Del Estado de Chile	Chile	54.12%
34	Macró Bursud	Argentina	44.50%
35	Scotiabank Peru	Peru	44.04%
36	Patagonia	Argentina	43.12%
37	Votorantim	Brazil	42.20%
38	Interbank	Peru	42.20%
39	Banco Nación Argentina	Argentina	19.27%
40	Bancarte	Colombia	14.68%

Source: Management & Excellence

MANAGEMENT & EXCELLENCE BDO

Internal risks – the hidden company killers

Internal governance in companies by investor Mathew Garver.

By the time Martin Winterko arrived at his office on Sept had lost 20% of its market day, VW had lost a further 1 million cars worldwide. A governar titanic consequences. Governance global corporate environment, whi demanding more transparency and tices for decades.

Most Sustainable Banks

Brazilians continue to lead

Rank	Bank	Country	Score	Rank vs 2008
1	Bradesco	Brazil	98.68%	↔
2	Itaú-Unibanco	Brazil	98.68%	↔
3	Santander	Mexico	92.05%	1
4	Banco do Brasil	Brazil	91.39%	1
5	Santander-Real	Brazil	91.39%	1
6	BICI	Chile	89.40%	4
7	BBVA Chile	Chile	88.08%	1
8	BBVA Banco Provincial	Venezuela	86.75%	4
9	BBVA Colombia	Colombia	86.09%	4
10	Banco Galicia	Argentina	85.43%	1
11	BBVA Banco Continental	Peru	84.11%	4
12	Banco Itaú	Mexico	79.47%	1
13	Banco de Chile	Chile	78.15%	4
14	BBVA Banco Frances	Argentina	77.48%	4
15	Bancolombia	Colombia	74.17%	1
16	Banorte	Mexico	71.52%	1
17	Banco de Crédito del Perú	Peru	68.87%	1
18	Noresta Casa	Brazil	66.89%	1
19	Santander	Chile	66.89%	4
20	Banesco	Venezuela	66.23%	New
21	Banco Maersk	Argentina	62.91%	1
22	BBVA Bancomer	Mexico	61.59%	4
Average			59.92%	↓
23	Scotia Inverlat	Mexico	56.29%	4
24	Scotiabank	Peru	54.97%	1
25	Mercantil Servicios	Venezuela	54.30%	4
26	Banrisul	Brazil	50.99%	New
27	Corporbank	Chile	49.01%	New
28	Banco de Bogotá	Colombia	41.06%	4
29	Santander	Colombia	41.06%	New
30	Banamex Acredit	Mexico	39.07%	1

Source: Management & Excellence

Medicine against market crashes

The M&E Stars method stays ahead of the Hang Seng index, especially in extreme bear markets. William Cox of Management & Excellence, which created the methodology for the M&E BDO Asiamoney Hong Kong Sustainable Stars Index, explains why.

The Hang Seng indices have almost fallen to December 2010 levels, but the M&E BDO Asiamoney Hong Kong Stars Index is more than 20% above where it started in December 2010. In fact, between June and July 2015, the Stars Index only lost two percentage points. Why? The explanation is that the M&E Stars Index method quantifies the management quality of an Index component and weights it accordingly. Well managed companies are relatively higher weighted in the Index. And rational investors are less likely to discard quality equity, even in down times. Well-run companies are more transparent and put more into

The accompanying chart comparing the M&E Stars Index with its Hang Seng benchmarks clearly reveals a less steep downward curve. Yet the M&E Stars Index includes only 22 components, which should in theory make it more volatile than indices with more components. Most financial specialists preach that a larger number of components reduces idiosyncratic risk. Moreover, the chart also shows that the Stars Index has never looked back once it began significantly outperforming its benchmarks. "Typically, indices outperform and underperform each other over longer periods of time," says Patrick Rozario,

M&E, publicity & media cooperations



Published countless thought leadership articles on ESG in Europe, USA, Hong Kong and LatAm



Dr. William Cox: Some relevant CV points



- Successfully consulted 30+ blue chip companies on ESG-related matters
- Authored 6 books (McGraw-Hill, Frankfurter Allgemeine Verlag), hundreds of articles
- Regular contributor to various media including *IR Magazine*, and presenter at numerous investor, financial and ESG events worldwide
- Innovator of ESG financial algorithms proven effective in published indices, e.g. ESG impact on cost of equity capital
- Before co-founding M&E, specialized in professional PR, marketing and IR; was MD of Hill & Knowlton Switzerland, executive at H&K in Frankfurt, Burson-Marsteller New York, Hamburg, Frankfurt, Cox Communications Consultants GmbH Frankfurt
- PhD London School of Economics, PG Dipl. University of Oxford, MA, BA Boston University, Certificate in Financial Crises, Harvard Kennedy School, scholarships at University of Freiburg (Germany) and Georgetown University.

Conclusions section 1



- ESG related experience & innovation since 1999
- Consulted 30+ blue chips
- Proven successful approach tested in indexes published by Euromoney media
- Consolidated ESG and IR know-how



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M&E: Our proposal, next steps

What drives the ESG market?

ESG = Reputation = Money

Reputation = Presentation

Presentation = Facts * Story



PWC, 2023 GLOBAL ESG ASSETS SURPASSED \$41 TRILLION IN 2022 AND IS SET TO REACH \$50 TRILLION BY 2025, ONE-THIRD OF THE PROJECTED TOTAL ASSETS UNDER MANAGEMENT GLOBALLY, ACCORDING TO A NEW REPORT BY BLOOMBERG INTELLIGENCE (BI).

ESG worldwide



- **Large** market: \$53 trillion AUM by 2025 (Bloomberg),
- Strong **Growth**: CAGR (*compound annual growth rate*) +15% 2013-2023,
- 1,200+ new **regulations** since 2011,
- 96% of top 250 **corporations** in the World report ESG,
- **50,000 companies** worldwide will have to report ESG performance,
- **600+ ESG standards**: Which ones do companies need?
- Approx. **90% of EU companies** will improve their ESG reporting,
- **Trend**: ESG financial accounting



ESG reporting is trending towards financial accounting



Conclusions section 2



- With \$50+ trillion AUM ESG is the single largest investment theme worldwide (total AUM's = \$140tr)
- ESG is about reputation and reputation sells.
- As a result of investor pressure, ESG is increasingly about financial impacts and structured in accounting terms.



Sections of this presentation

01

M&E: Services, track record, history

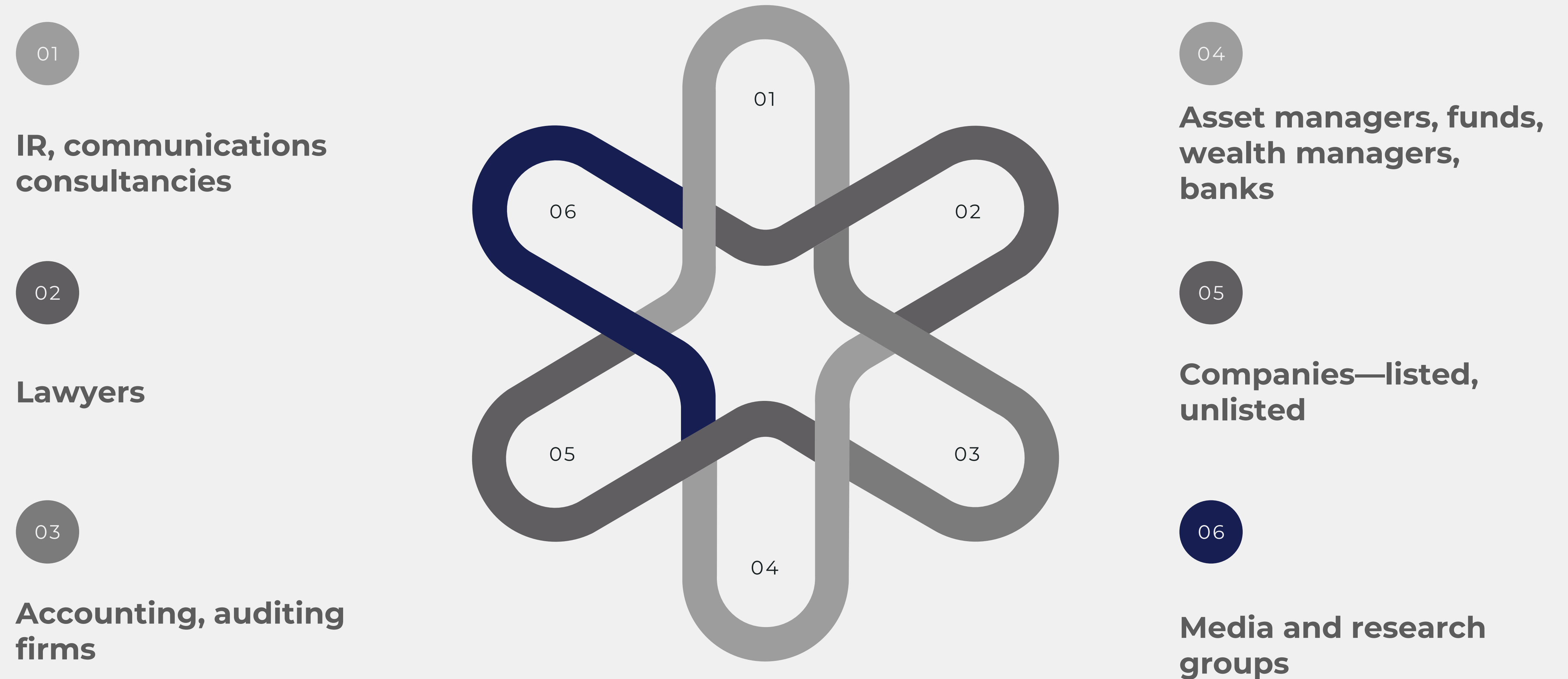
02

The ESG market

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M&E: Our proposal, next steps

Partners types which M&E supports



M&E services overview per partner type



Partner category / M&E service	Financial ESG calculations (ESG in Dollars & Cents)	IR, communications support	ESG gap analysis	ESG data collection, incl. using AI, NLP	Detailed plan, calculations to raise financial impacts of ESG	ESG benchmark data	ESG strategic consulting
IR, communications	X	X	X	X		X	X
Lawyers	X	X			X		X
Accounting, auditors	X		X				
Asset managers	X						X
Companies	X	X	X	X	X	X	X
Media, research	X	X	X	X	X	X	

Conclusions section 3



- M&E adds value with specialized services as a partner in ESG
- Current and future ESG reporting standards require M&E's "ESG in Dollars & Cents", technology-supported approach
- M&E has 25 years of experience in successfully working with partners in financial ESG





ADD VALUE WITH ESG

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