

Good Corporate Governance for Sustainable Growth & Resilience

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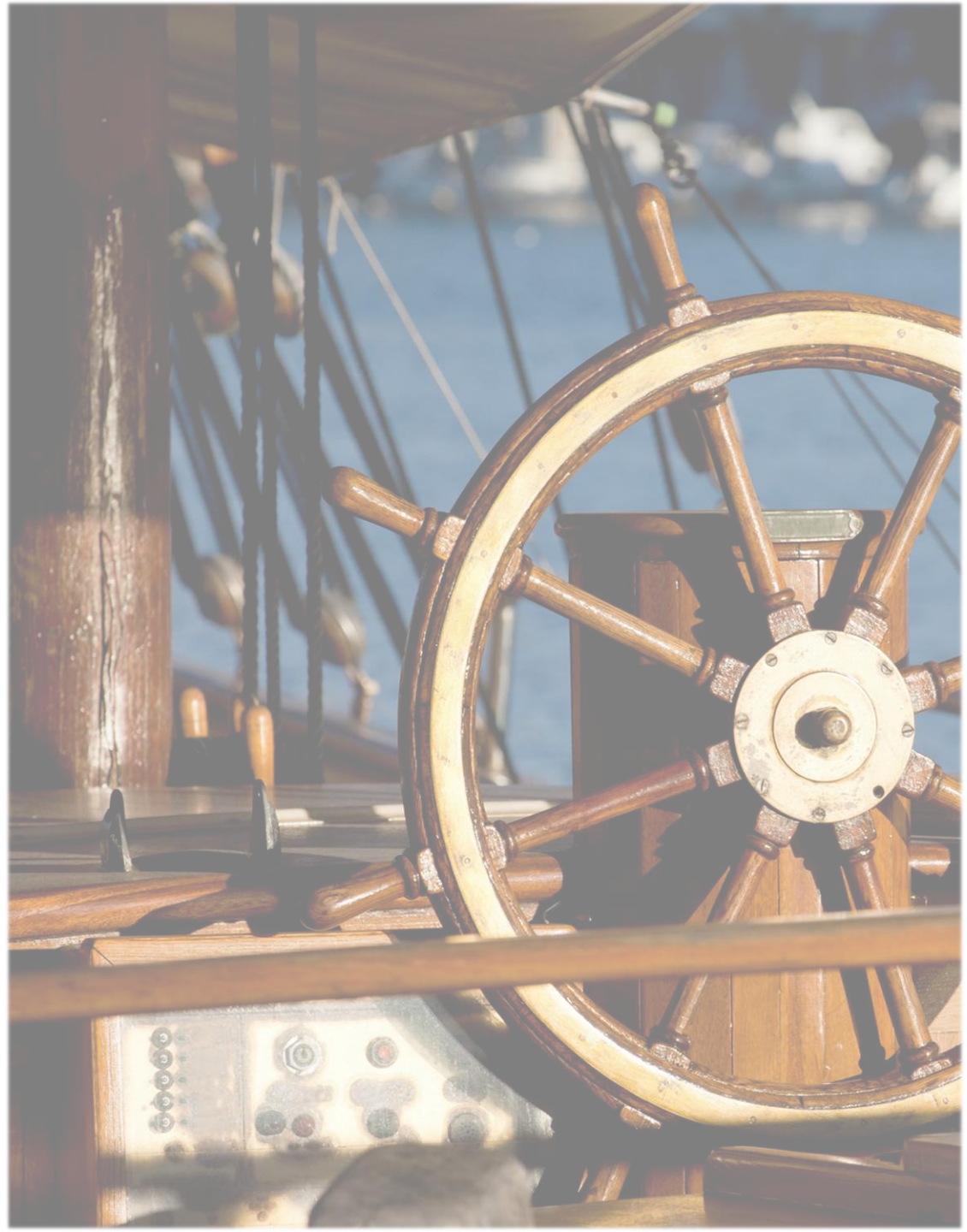
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Summary

- 1** Institutional investor landscape
- 2** Market practices of listed companies
- 3** Trends in the sustainable bond market
- 4** Key policy insights



Institutional investor landscape

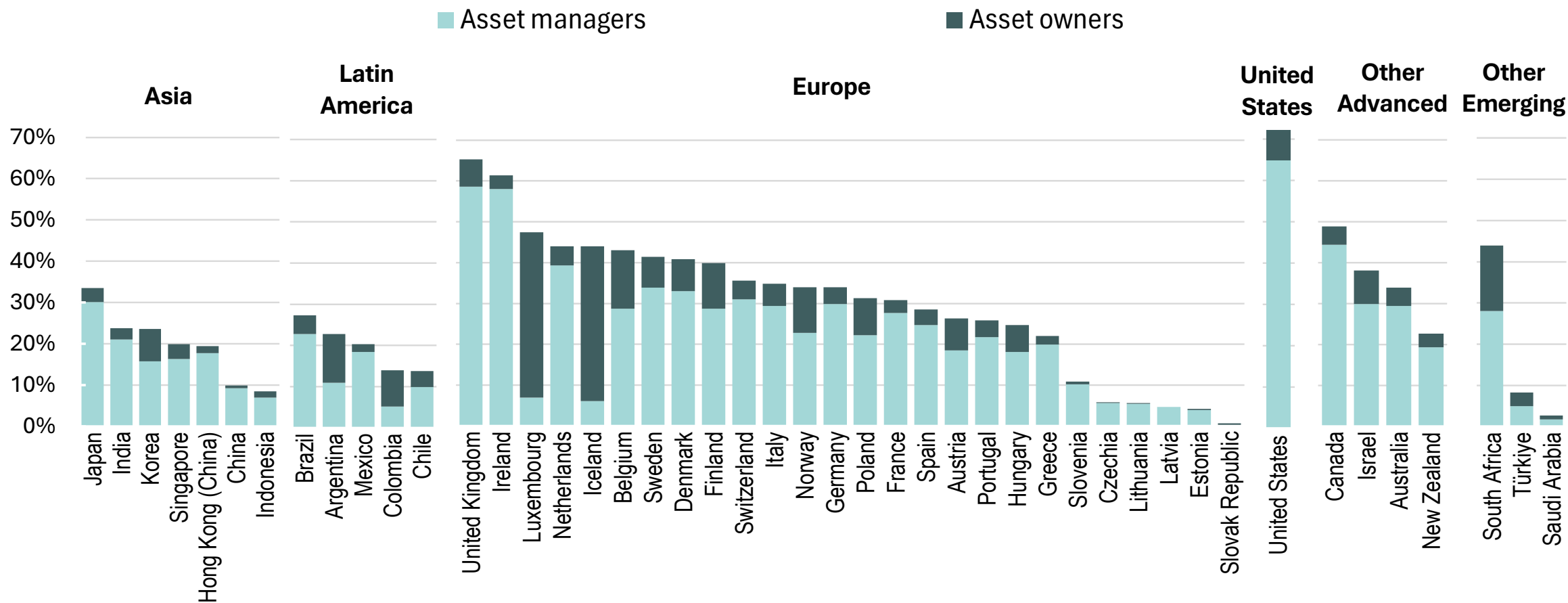




The role of institutional investors as crucial public equity owners

Institutional investors play a key role in capital market efficiency by supporting price discovery, capital allocation, and corporate discipline.

Public equity holdings of asset managers and asset owners, 2024

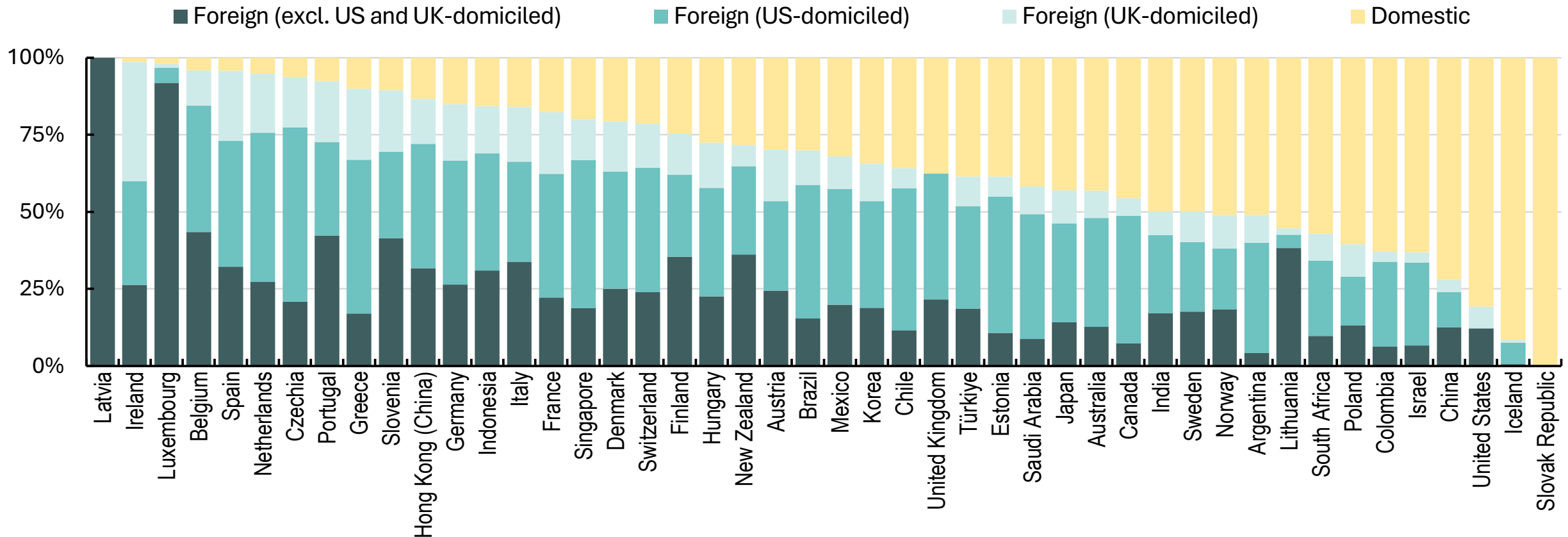




Foreign institutional investors hold a large share of listed companies

Non-domestic institutional investors hold a larger share of equity than domestic ones in almost 80% of OECD, G20, and FSB economies.

Domestic and non-domestic institutional ownership, 2024





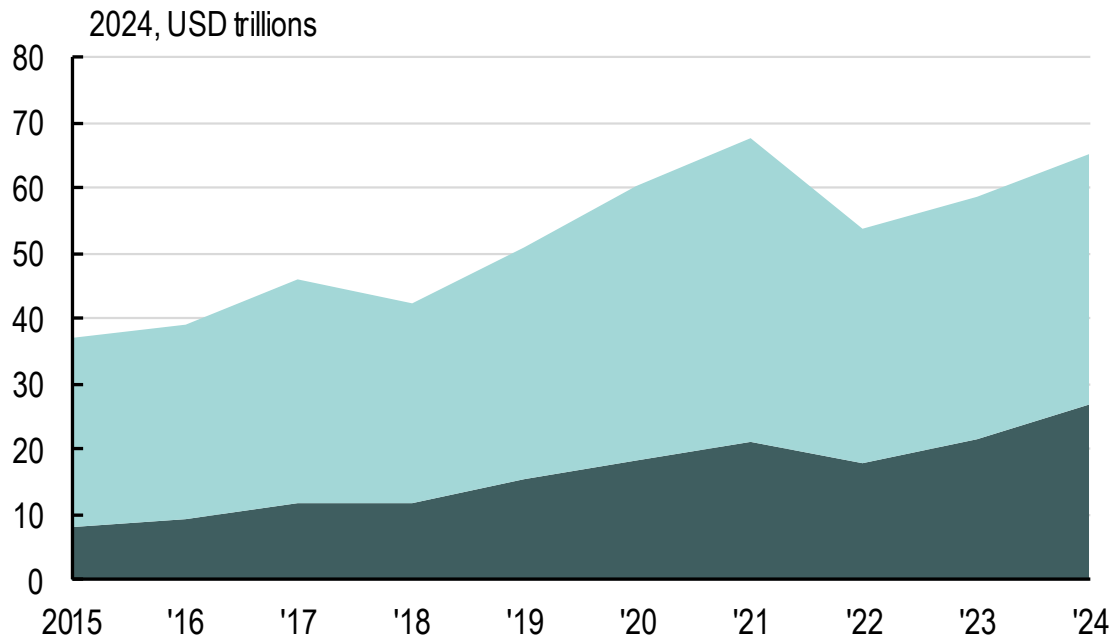
Institutional investors increase their index strategies

To enhance diversification while reducing costs and supported by technological advances, there has been a shift among institutional investors towards the inclusion of passive investment strategies within their portfolios.

Investment funds' assets under management

A. Index and non-index investment funds

■ Index ■ Non-index



B. Distribution among asset classes under management in 2024

	Index	Non-index
Equity	78.7%	39.7%
Fixed Income	18.3%	36.7%
Multi-allocation	0.3%	20.0%
Others	1.3%	2.3%
Alternative	0.0%	1.0%
Commodities	1.4%	0.2%
Money Market	0.0%	0.1%
Total	100%	100%



Market practices of listed companies

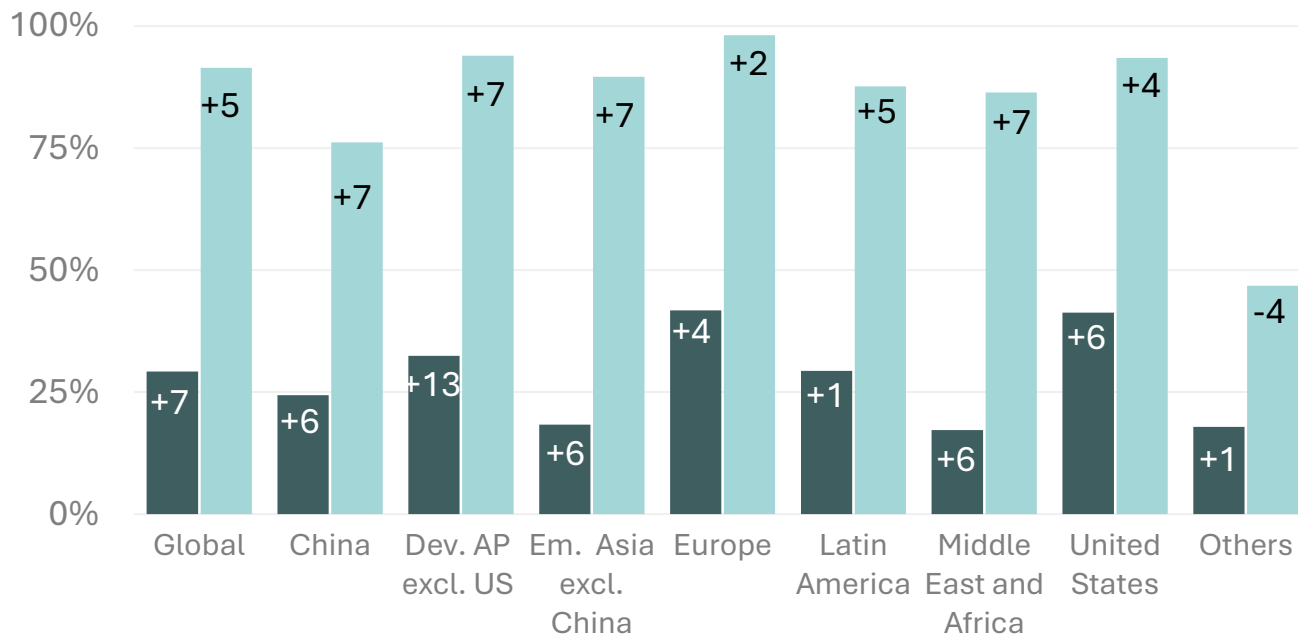
» Sustainability-related disclosure increased in 2024

Disclosure of sustainability-related information, 2024

By number of listed companies

By market capitalisation

+ x% change from 2022



- Between 2022 and 2024, sustainability-related disclosure expanded.
- Energy sector has the highest rate of disclosure, while real estate has the lowest share.
- The global landscape of sustainability-related disclosure standards remains fragmented.

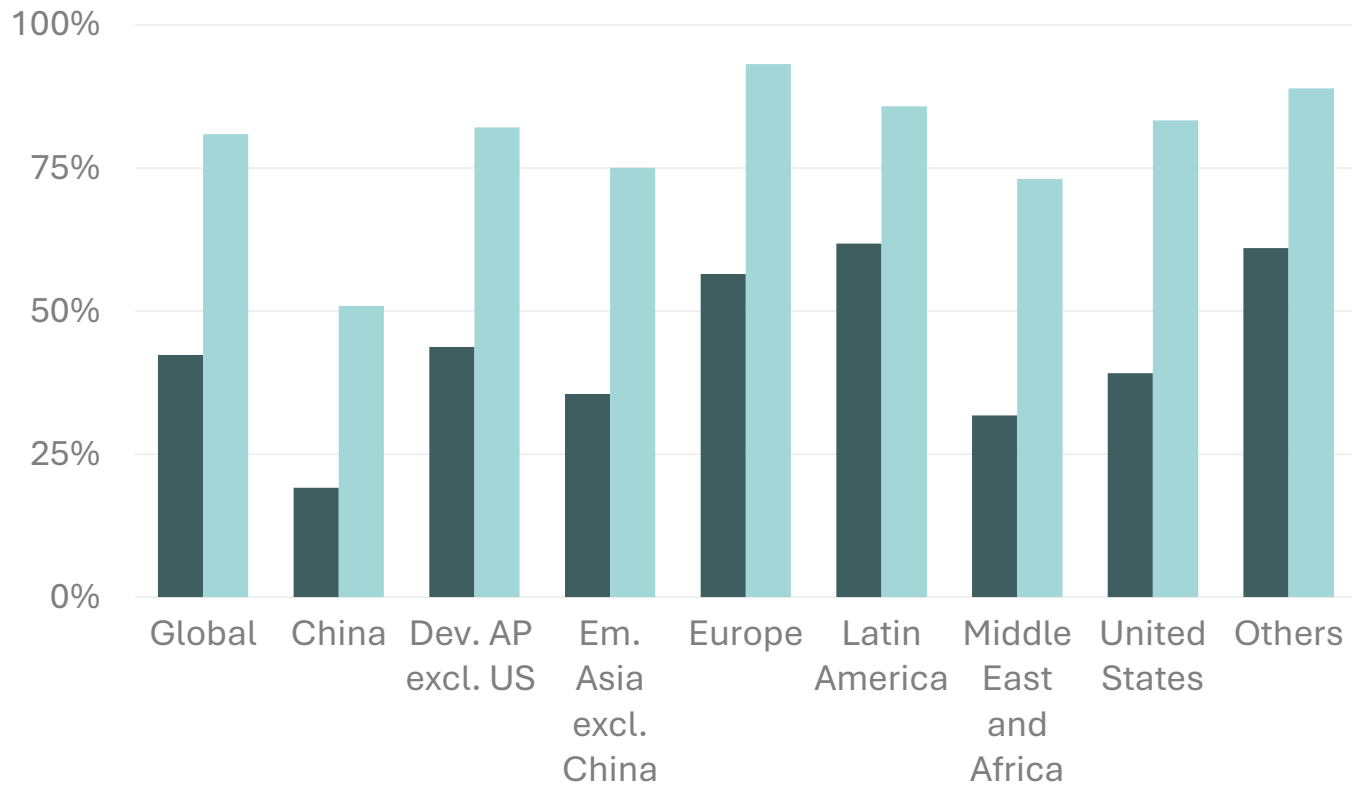
Source: OECD (2025), Global Corporate Sustainability Report 2025, OECD Publishing, Paris, <https://doi.org/10.1787/bc25ce1e-en>

Assurance is widespread, even without regulatory requirements

Assurance of sustainability-related information, 2024

By number of listed companies

By market capitalisation

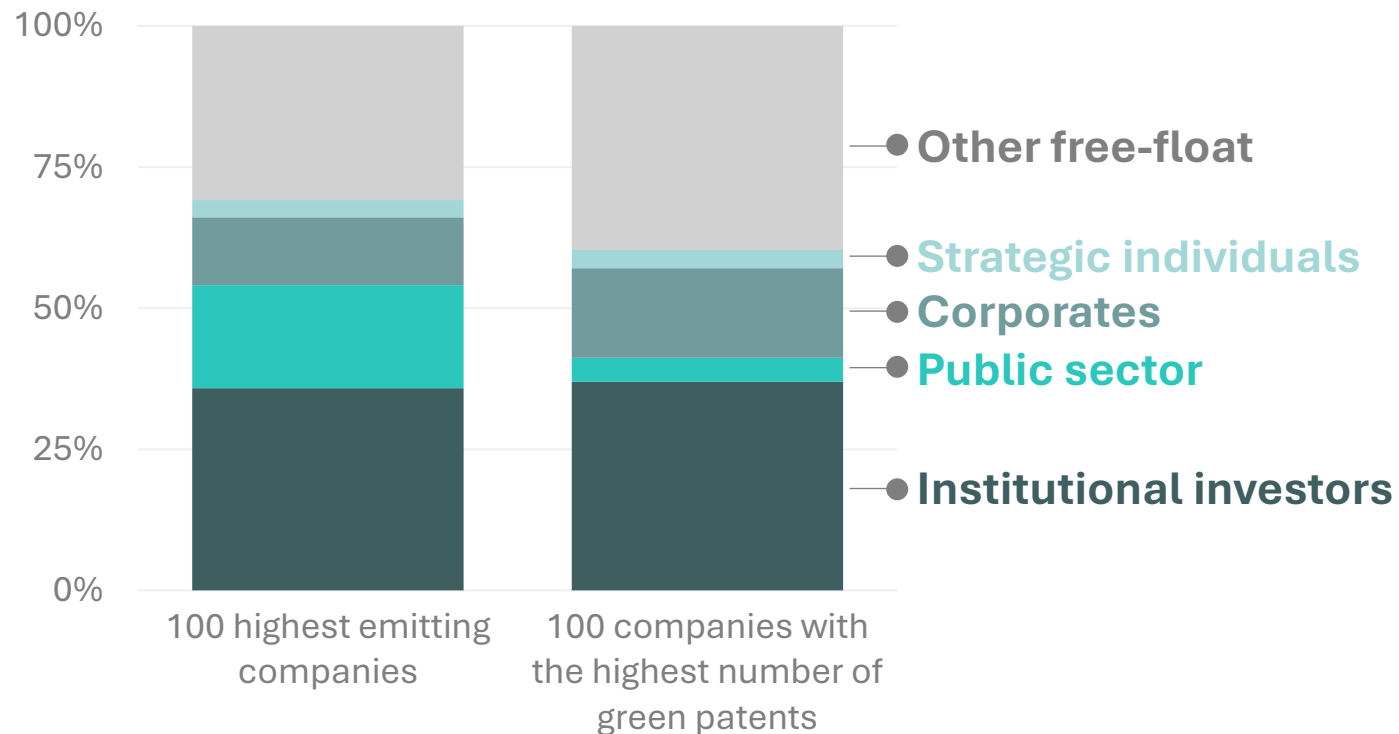


- Globally, an external service provider assures the sustainability information disclosed by 81% of companies by market capitalisation.
- Most companies rely on limited assurance (56%), while only 17% have a reasonable assurance.

Source: OECD (2025), Global Corporate Sustainability Report 2025, OECD Publishing, Paris, <https://doi.org/10.1787/bc25ce1e-en>

» Institutional investors equally invest in green and high-emitting firms

Institutional investors' portfolio allocations in high-emitting companies and those investing in new green technologies, 2024



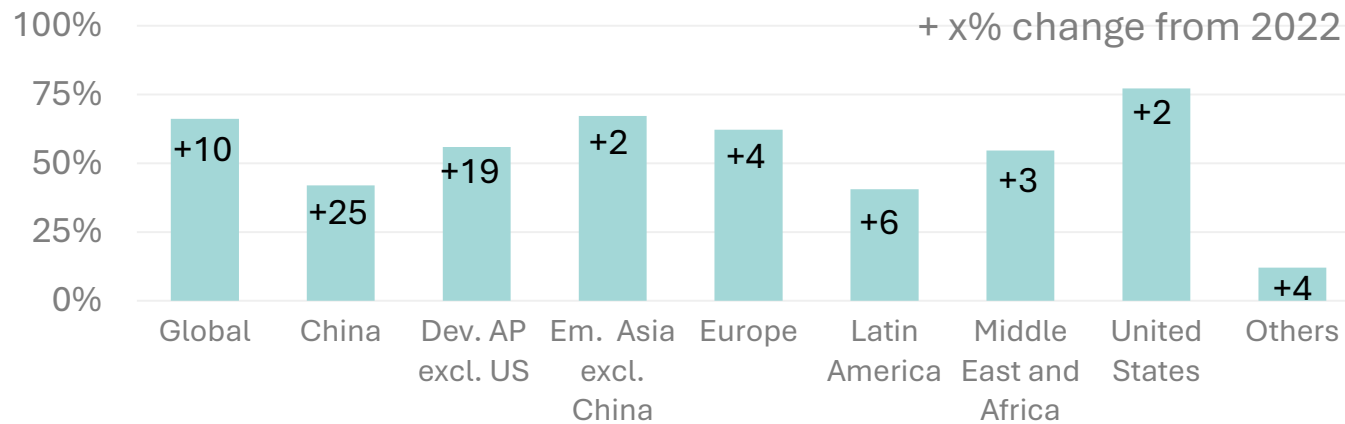
- Globally, institutional investors hold a significant share in both the 100 highest emitting companies (36%) and in the 100 companies with the highest number of green patents (37%).
- Although the public sector holds 18% of equity in the 100 highest emitting companies, it holds only 4% in the 100 leading green-patent filers.

Source: OECD (2025), Global Corporate Sustainability Report 2025, OECD Publishing, Paris, <https://doi.org/10.1787/bc25ce1e-en>

Boards increasingly recognise sustainability as a strategic issue

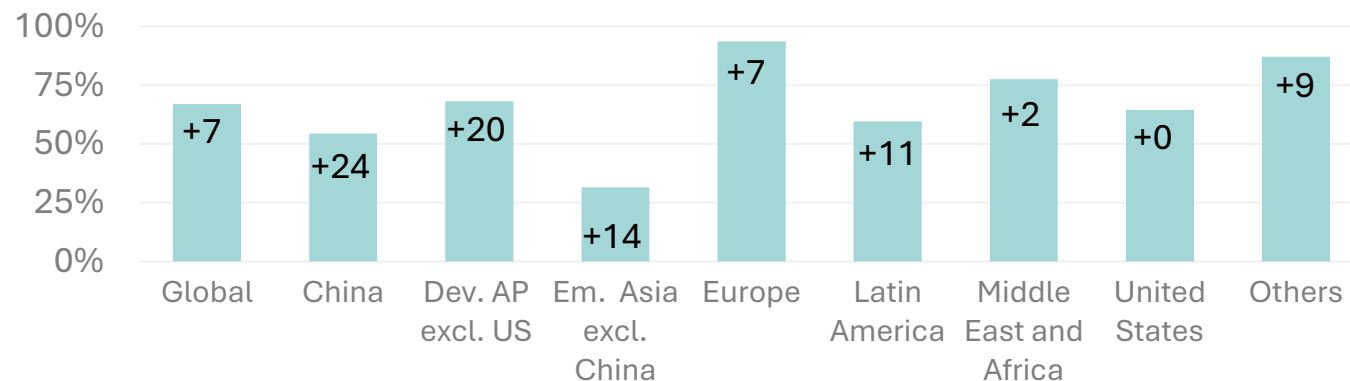
Board committees responsible for sustainability, 2024

By market capitalisation



- Globally, 70% of companies by market capitalisation have a board-level committee whose mandate includes overseeing sustainability risks.

Executive compensation linked to sustainability matters, 2024



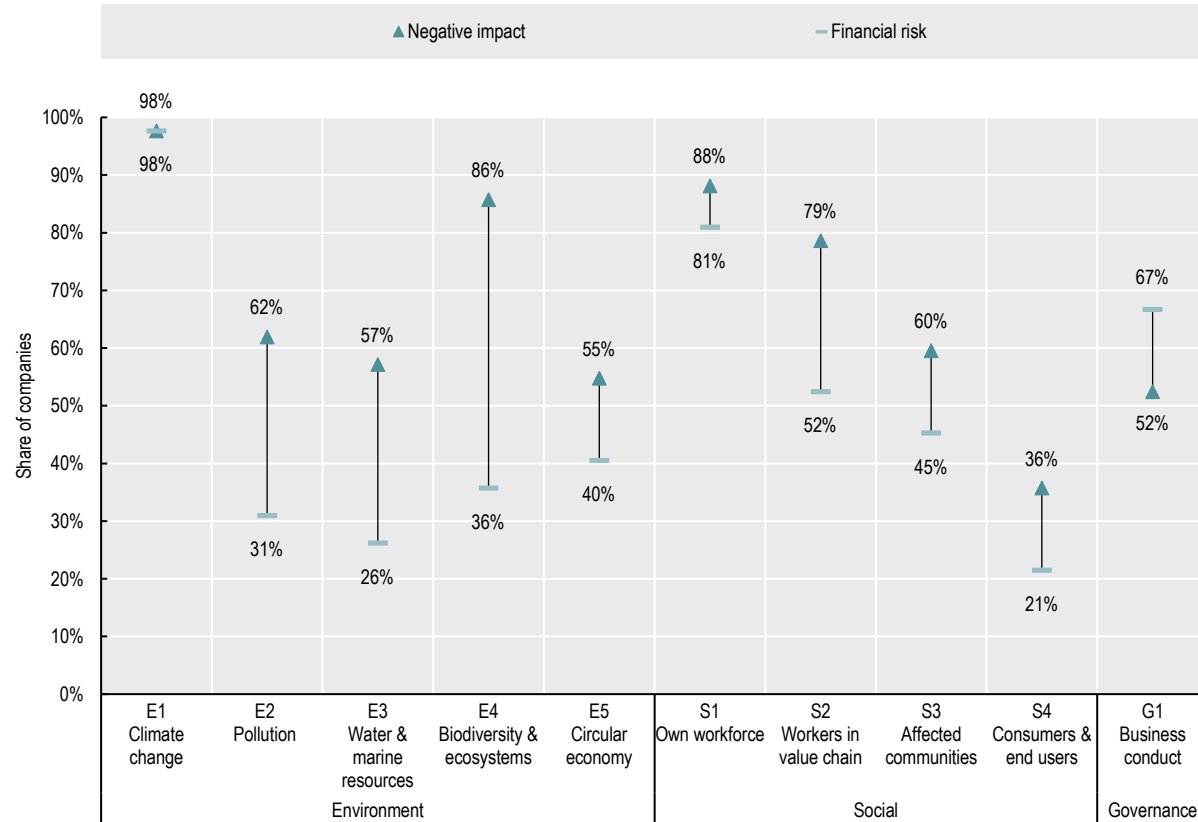
- Two-thirds of companies by market capitalisation that have a variable executive compensation link it to sustainability factors, raising from 60% in 2022.

Source: OECD (2025), Global Corporate Sustainability Report 2025, OECD Publishing, Paris, <https://doi.org/10.1787/bc25ce1e-en>



Sustainability impacts outweigh perceived financial risks

Outcomes of energy companies' double materiality assessments in 2024



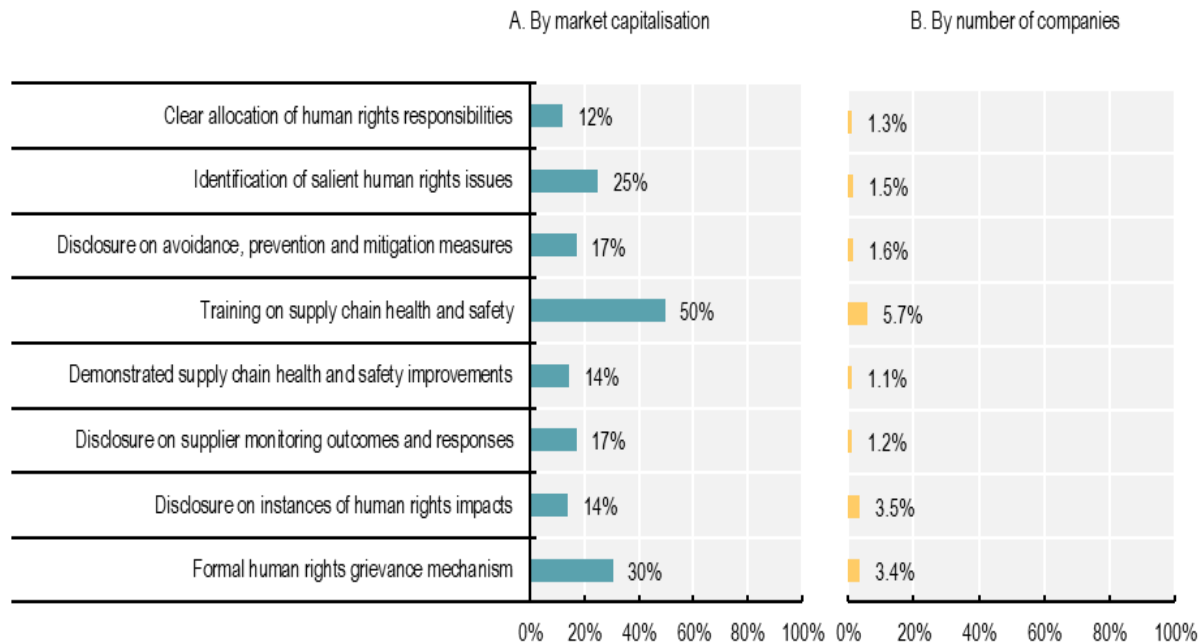
- Climate change and own workforce are the only issues consistently considered material under both impact and financial materiality assessments.
- For most other topics, large gaps persist between impact and financial materiality, particularly for biodiversity (50pp), pollution (31pp), and value-chain workforce (26pp), suggesting weaker financial incentives to address these impacts

Source: OECD (2025), Global Corporate Sustainability Report 2025, OECD Publishing, Paris, <https://doi.org/10.1787/bc25ce1e-en>



Disclosing human rights information increases, with limited depth

Disclosure of human rights due diligence related measures in 2024



- Globally, companies representing a quarter of market capitalisation report on salient human rights impacts identified in their operations and supply chains
- Disclosure of human-rights information is ten times higher when measured by market capitalization than by the number of companies

Source: OECD (2025), Global Corporate Sustainability Report 2025, OECD Publishing, Paris, <https://doi.org/10.1787/bc25ce1e-en>

Trends in the sustainable bond market

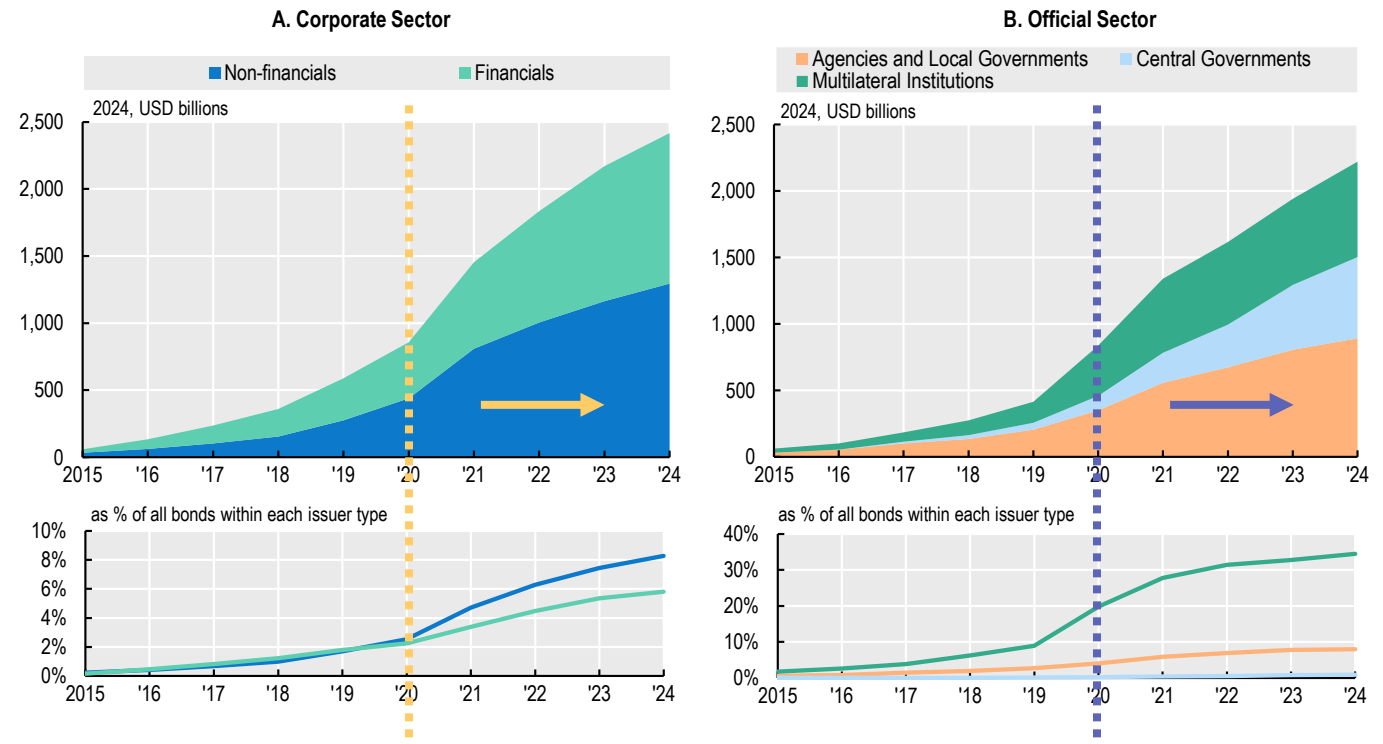




The global outstanding sustainable bonds expanded widely

Multilateral institutions are the most active issuers with 34% of sustainable outstanding over all bonds

- Sustainable bonds experienced noteworthy growth over the past five years.
- In 2024, the outstanding amount accounted for:
 - **Corporate sector:** USD 2.4 trillion
 - **Official sector:** USD 2.2 trillion



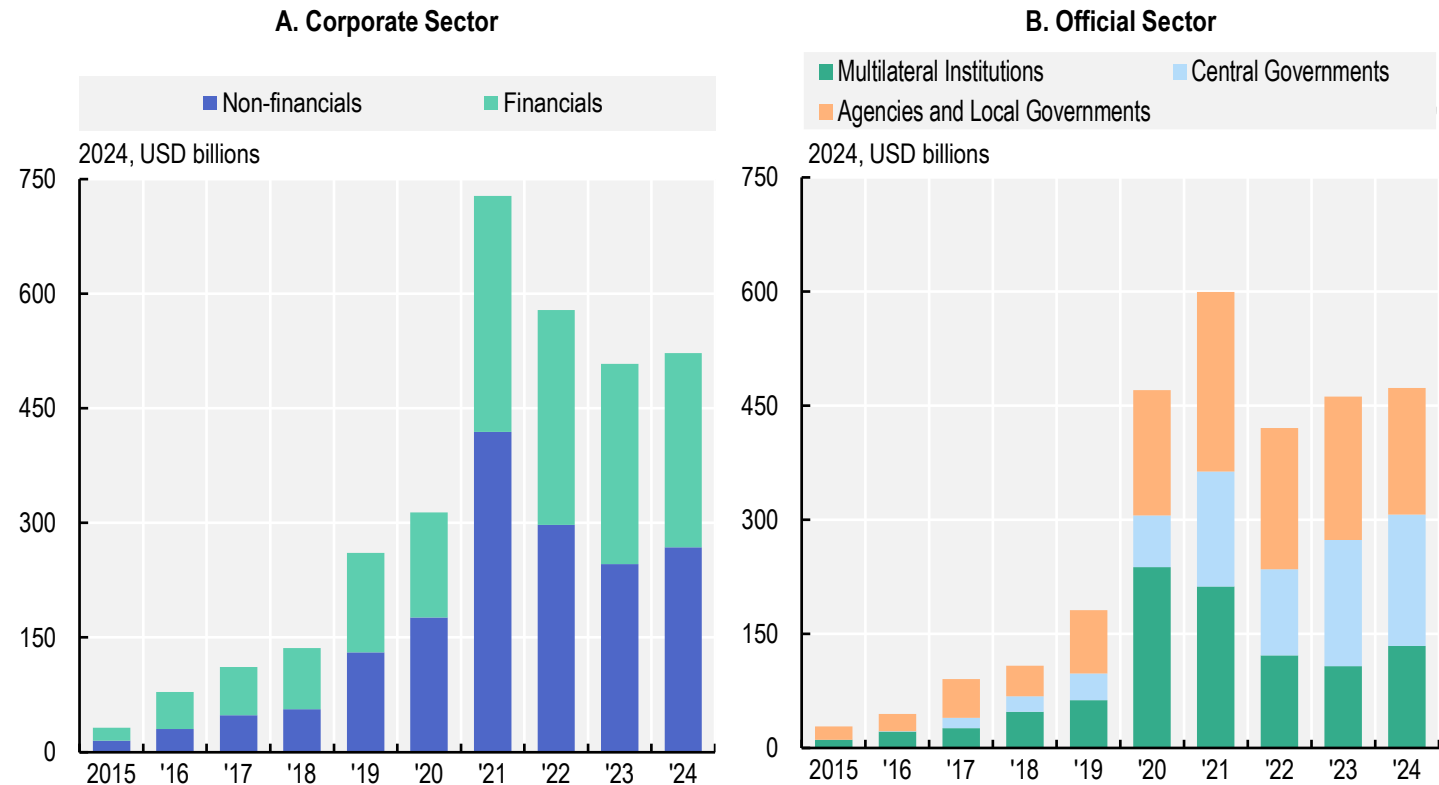
Source: OECD (2025), Sustainable Bonds: Trends and Policy Recommendations, OECD Publishing, Paris, <https://doi.org/10.1787/26726c68-en>



An important source of capital market financing

In 2021, a record amount of sustainable bonds was issued by both corporates and the official sector

- In 2024, USD 522 billion was issued by corporates and USD 473 billion by the official sector.
- The amount issued was four and five times larger in 2020-2024 than in 2015- 2019 for the corporate and official sector, respectively.



Source: OECD (2025), Sustainable Bonds: Trends and Policy Recommendations, OECD Publishing, Paris, <https://doi.org/10.1787/26726c68-en>

Key policy insights



» Key policy insights

Investor landscape

- SOEs can lead by example on sustainability and shape outcomes for a low-carbon transition.
- Investor-led engagement initiatives may consider investment allocation and stewardship efforts towards highly innovative companies.

Sustainability- related disclosure

- Fostering interoperability among sustainability-related disclosure frameworks can contribute to reducing compliance costs for companies operating across jurisdictions and enhancing the comparability, reliability, and decision usefulness of sustainability information.

Third-party assurance

- Policymakers may wish to consider how reasonable assurance for companies that disclose scope 1 and 2 emissions can be further encouraged.

Thank you!

