

Leading Asset Managers Commit to Net Zero Emissions Goal with Launch of Global Initiative

- *30 founding investor signatories to Net Zero Asset Managers initiative will work in collaboration with clients to achieve target-based net zero goal by 2050 or sooner*
- *Other asset managers encouraged to join initiative, to demonstrate sector leadership and commitment to sustainable future*

11 December 2020: Asset managers representing over \$9 trillion of assets under management (AUM) today announced the launch of the Net Zero Asset Managers initiative. This is a leading group of global asset managers that commit to support the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C. They also commit to support investing aligned with net zero emissions by 2050 or sooner. Delivery of the commitment also includes prioritising the achievement of real economy emissions reductions within the sectors and companies in which the asset managers invest.

As part of the initiative, asset manager signatories have committed to:

- Work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management;
- Set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner; and
- Review their interim target at least every five years, with a view to ratcheting up the proportion of AUM covered until 100 per cent of assets are included.

The commitment in turn recognises “*an urgent need to accelerate the transition towards global net zero emissions and for asset managers to play our part to help deliver the goals of the Paris Agreement and ensure a just transition.*” A full version of the commitment statement adopted by signatories can be found on the initiative website¹.

Drawn from across the world, the initial 30 Net Zero Asset Managers signatories are: a.s.r. Asset Management, Anaxis Asset Management, Arisaig Partners, **Asset Management One**, ATLAS Infrastructure Partners, **AXA Investment Managers**, **BMO Global Asset Management**², Calvert Research and Management, CCLA Investment Management, Clean Energy Ventures, **DWS**, FAMA Investimentos, **Fidelity International**, Generation Investment Management LLP, Gulf International Bank Asset Management, Handelsbanken AB Publ, IFM Investors, Inherent Group LP, Kempen Capital Management, **Legal & General Investment Management**, **M&G plc**, New Forests Pty Ltd, **Nordea Asset Management**, Robeco, Sarasin & Partners LLP, **Schroders**, Swedbank Robur, **UBS Asset Management**, **Wellington Management** and WHEB³.

Further commitments from other leading names in the sector are expected over coming months.

David Neal, Chief Executive Officer, IFM Investors: *“We believe it is in the financial interests of our investors and their members and beneficiaries that we have a plan to address the risks of climate change. Targeting net zero by 2050 is a natural step for us and a necessary one to help ensure we keep delivering on our purpose to protect and grow the retirement savings of working people.”*

Akira Sugano, President and Chief Executive Officer, Asset Management One: *“Tackling the climate challenges is a global effort that requires commitment and collaboration. At Asset Management One we believe that asset managers have a key role to play within the investment chain towards achieving the goals of the Paris Agreement. As a responsible long-term investor, we have been actively engaging with investee companies on accelerating climate strategies and business model transformation towards a low-carbon economy. Through joining Net Zero Asset Managers and working closely with our clients and stakeholders around the world, we are committing to our net zero ambitions and a sustainable future for our planet.”*

David Blood, Senior Partner, Generation Investment Management: *“The Net Zero Asset Managers initiative represents a significant moment on the road to addressing the climate crisis. The transition to net zero will be the biggest transformation in economic history and we want to send a clear signal that there is simply no more time to waste. The opportunities to allocate capital to this transition over the coming years cannot be underestimated. Without the asset management industry on board, the goals set out in the Paris Agreement will be difficult to meet.”*

Anne Richards, CEO, Fidelity International: *“At Fidelity International, we recognise that climate change poses one of, if not the most, significant risks to the long-term profitability and sustainability of companies, including our own. Following our commitment earlier this year to reduce our operational carbon emissions to net zero by 2040 and the publication of our first TCFD report this week, we are pleased to join the Net Zero Asset Managers initiative, working together with our peers to support and accelerate the transition towards global net zero emissions.”*

Michelle Scrimgeour, Chief Executive Officer, Legal & General Investment Management and member of UK Government’s COP26 Business Leaders Group: *“By signing up to the Net Zero Asset Managers initiative LGIM is committing – in partnership and on behalf of our clients – to invest in alignment with the net zero emissions framework by 2050 or sooner. Our responsible investment strategies are already channelling capital towards low carbon solutions, we are accelerating our efforts to help our clients set and meet decarbonisation goals for their portfolios and investing in many of the world’s largest companies we continue to hold them to account. Delivering on this ambition requires substantial change across the global economy and LGIM will be at the heart of these efforts.”*

Asoka Woehrmann, CEO, DWS: *“These times call for leaders. The asset management industry plays a fundamental role in leading the way towards a net zero carbon economy and society. While DWS was an early mover in responsible investments, now is the time to take another bold step. We are committed to transparency and targets to progress the era of sustainability.”*

Gilbert Van Hassel, CEO, Robeco: *"It is clear from scientific reports about climate change and carbon emissions that society has to act now. We cannot solve big problems such as climate change and the rapid decline of biodiversity on our own. But what we can do is set a clear example for the broader industry, work together and encourage other financial institutions such as asset managers to follow suit. We have set this ambition with the conviction that investing is not only about creating wealth but also about contributing to well-being."*

The launch of the Net Zero Asset Managers initiative comes ahead of the five-year anniversary of the Paris Agreement Saturday 12th December. A key 'Climate Ambition Summit 2020' event, co-hosted by the UK COP26 Presidency, the UN and France will mark the occasion and contribute to further climate action on the run up to next year's COP26 climate conference⁴.

The Net Zero Asset Managers initiative will be managed globally by six Founding Partner investor networks, namely: Asia Investor Group on Climate Change (AIGCC), CDP, Ceres, Investor Group on Climate Change (IGCC), Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI). In turn, the initiative is endorsed by The Investor Agenda, of which the investor networks are all founding partners.

Emma Herd, Chief Executive Officer, Investor Group on Climate Change: *"Asset managers face a specific and complicated set of issues in shifting to net zero emissions by 2050 or sooner. This new global commitment offers an important pathway to help managers navigate this transition, while continuing to generate benefits for their clients. We look forward to working with Australian and New Zealand managers to implement a roadmap to net zero."*

To fulfil the requirements established by the initiative, signatories have also made a further nine commitments, including:

- Set interim targets for 2030, for assets to be managed in line with the net zero goal, consistent with a fair share of the 50% global reduction in CO₂ identified as a requirement in the Intergovernmental Panel on Climate Change (IPCC) special report on global warming of 1.5°C.
- Take account of portfolio Scope 1 and 2 emissions and, to the extent possible, material portfolio Scope 3 emissions;
- Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with the ambition for all assets under management to achieve net zero emissions by 2050 or sooner; and
- As required, create investment products aligned with net zero emissions by 2050 and facilitating increased investment in climate solutions.

In demonstrating delivery against the Net Zero Asset Managers initiative commitment, signatories will also submit disclosures in line with the Task Force on Climate-related Financial Disclosures

recommendations and climate action plans through The Investor Agenda investor networks for review. This process will ensure the approach applied is based on a robust methodology, consistent with the United Nations Race to Zero criteria and that action is being taken in line with the commitment statement.

Building on strong global representation at launch, the initiative will continue to expand over the coming months. The initiative is also set to join the 'Race to Zero', the UNFCCC-led global campaign that brings together net zero commitments from a range of leading networks and initiatives across the climate action community⁵.

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For full details of the commitment made by signatories and Q&A see: www.netzeroassetmanagers.org.

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Notes to Editor

1. See initiative website [here](#).
2. Excluding PwC International Limited.
3. Signatories managing more than \$250 billion in assets are in bold.
4. See [here](#) for more details on the event.
5. See [here](#) for more detail on the campaign.

About the Net Zero Asset Managers initiative

The [Net Zero Asset Managers](#) initiative is a group of international asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner. The initiative will be managed globally by six Founding Partner investor networks, namely: Asia Investor Group on Climate Change (AIGCC), CDP, Ceres, Investor Group on Climate Change (IGCC), Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI). The initiative is also endorsed by The Investor Agenda, of which the investor networks are all founding partners.

For further information, please visit www.netzeroassetmanagers.org.