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Net Zero Asset Managers initiative publishes initial targets for 43 signatories as the number of asset managers committing to net zero grows to 273

- Less than 18 months since the initiative launched, 83 asset managers have set initial targets, with 39% of their assets (USD 16 trillion) now committed to be managed in line with achieving net zero by 2050 or sooner
- Most targets are from those who joined the initiative in March and April 2021, with some asset managers also disclosing early or updating their initial targets
- 53 asset managers have joined the initiative since November 2021, bringing the total to 273, representing more than USD 61.3 trillion in assets under management
- New signatories include T. Rowe Price, Credit Suisse Asset Management and Frontier Investment Management

43 asset managers have disclosed their initial targets for the proportion of assets managed in line with achieving net zero by 2050 or sooner, according to the latest Net Zero Asset Managers (NZAM) initiative [target disclosure report](#). This follows the inaugural NZAM [report](#) published in November 2021.

The latest targets mean that, collectively, approximately USD 16 trillion – out of a possible USD 42 trillion managed by the asset managers who have set targets to date – is now committed to be managed in line with achieving net zero by 2050 or sooner, and subject to targets consistent with a fair share of the 50% global emission reduction by 2030 identified as necessary in the IPCC special report on global warming of 1.5°C. This sum represents approximately 39% of those managers' assets – up from 35% when the [first set of targets](#) were published at COP26.

Some managers who had already set targets, including AXA Investment Managers and Wellington Management have demonstrated greater ambition by updating their initial targets from November 2021¹. Both AXA and Wellington have increased their targets for the proportion of assets managed in line with achieving net zero by 2050 or sooner – from 15% to 65% and 10.6% to 32.4% respectively.

Rebecca Mikula-Wright, CEO, the Asia Investor Group on Climate Change (AIGCC) and the Investor Group on Climate Change (IGCC), said: “In the 18 months since NZAM launched, the world’s biggest asset managers have started on the journey of setting targets and getting their portfolios on track for net zero by 2050. This momentum must continue; climate is a risk that can’t be divested from, so investors will



need to use their influence over capital flows, their influence on companies and their voice to policy-makers to speed up the transition to a net zero global economy.”

Key themes

Throughout the target disclosure and review process, several notable themes were highlighted by a number of asset managers as key drivers behind the targets presented and the approaches taken to setting them.

One relates to the variation in business models owing to the difference in the number of clients across the different managers. While some have relatively few clients, other managers have thousands of different clients invested across hundreds of funds, which can make adjusting funds to align with net zero a lengthier process. However, many have indicated that there are ongoing conversations with clients and other stakeholders which they expect to result in significant increases in the proportion of AUM managed in line with net zero in future.

Another key theme managers highlighted was the difference between setting targets for actively and passively managed investments. While active managers have greater power to decide how the money is allocated, alignment of index funds requires a different approach and could take longer to achieve. Addressing these challenges will be an area of focus for NZAM network partners in the coming months, and they will be working collaboratively with key stakeholders across the sector to address them.

Other key themes noted include the differences in target-setting approaches – the three target setting methodologies endorsed by NZAM are the [Paris Aligned Investment Initiative Net Zero Investment Framework](#), [Science Based Target initiative for Financial Institutions](#) and the UN-convened [Net Zero Asset Owner Alliance Target Setting Protocol](#) – and the importance of available methodologies across all asset classes, including derivatives, private equity, green bonds, sovereign bonds, covered bonds, structured products and cash. More information on the themes is available in the [report](#).

As the importance of decarbonising the global economy has only increased – as highlighted by two recent IPCC reports – the momentum of the NZAM initiative has continued with 53 new signatories joining since November 2021. This takes the total to 273 representing more than USD 61.3 trillion in assets under management.



Quotes from Investor signatories

Marco Morelli, Executive Chairman, AXA Investment Management, said: “Since our first submission in October, we have further intensified our efforts across the whole business to develop an approach which is robust and can be implemented in an effective manner by investment teams, meaning our revised figure now stands at 65% of total assets managed in line with net zero by 2050.”

“Announcements and decisions made by policy-makers in different locations to encourage the financial sector to continue to play a leading role in the transition, for instance Article 29 of the Law Energy-Climate in France, gave us more comfort on some of our points of attention in relation to assets outside of what we first deemed as eligible. We also moved from a bottom-up approach at fund level to a top-down approach at asset class level, specifically in relation to third party assets. Going forward, our aim is to continue to grow the proportion of net zero-aligned AUM as reliable methodologies become available for all asset classes.”

Edward Mason, Director, Generation Investment Management, said: “Achieving net zero emissions by 2050 on a 1.5C pathway across the global economy and the halving of global emissions this decade will require sustained action across all elements of the NZAM commitment by all signatories. We have unquestionably seen a positive start towards these monumental goals, but we are now into the hard work, year on year, of delivery.”

Ben Way, Group Head, Macquarie Asset Management, said: “As we aspire to become a global leader in sustainable asset management, we know that action, supported by evidence, is the most important step. Initiatives like Net Zero Asset Managers play an important role in helping us track our progress against delivering on our ambition to manage and invest our portfolio in line with net zero emissions by 2040. We welcome the release of this progress report which highlights the positive progress we have made across our global portfolio since we became a signatory to the initiative just 12 months ago. Delivering on our net zero ambition is complex and influenced by many factors, however we remain focused on partnering with our investors, portfolio companies, regulators, peers, and a wide range of stakeholders to drive this mission critical work.”

Wendy Cromwell, Vice Chair and head of sustainable investment at Wellington Management, said: “We are proud of our net zero commitment of \$436 billion and the solid foundation we are building. We look forward to continuing to work with asset owners on their decarbonization goals, engaging with companies to assess preparedness for a low carbon transition, and serving on net zero related advisory



boards and working groups to help enhance tools and methodologies. We plan to share periodic updates on our asset level commitment as our methodical client-by-client and strategy-by-strategy work continues.”

Quotes from Founding Network Partners

Stephanie Pfeifer, CEO, IIGCC, said: “It is encouraging to see further commitments from the global asset management industry towards climate change and the decarbonisation of the global economy. While there is some way to go, that \$16 trillion of assets are now committed to be managed in line with achieving net zero by 2050, is a more than positive start – although targets must of course still translate into action. I particularly welcome those who have been proactive and ratcheted-up their initial targets for in scope assets from those set only six months. I would encourage other managers with existing or yet to be set targets to be just as ambitious and proactive.”

Paul Simpson, Chief Executive Officer, CDP, said: “CDP is encouraged by the growing number of asset managers committing to decarbonize their portfolios, setting net-zero targets and increasing the proportion of their assets to be managed in line with those targets. However, the world is not yet on track to meet the goals of the Paris Agreement to limit warming to 1.5 degrees and we are running out of time to do so. As a sector that plays a critical role in the just transition to a net-zero and nature positive world, we look forward to seeing increasingly ambitious targets from asset managers, which translate into action and accountability.”

Mindy Lubber, CEO and President, Ceres, said: “We applaud the asset managers who have set targets for a majority of their assets to align with the global goal of limiting temperature rise to no more than 1.5 degrees. We are most encouraged by the steady growth in the number of asset managers setting targets and increasing the percentage of their assets covered by those targets. The world is on a dangerous precipice regarding climate change risk, and all investors need to think about long-term returns and strategies for growth instead of short-term gains or quick and fleeting profits. The viability of the global economy and health of the planet and its people significantly depend on achieving a 50% reduction in global greenhouse gas emissions by 2030.”

David Atkin, CEO, Principles for Responsible Investment (PRI), said: **David Atkin, CEO, Principles for Responsible Investment (PRI), said:** “The targets announced today through NZAM are a clear statement of intent from investors. We know that climate risk is financial risk, and that strong, decisive action is needed to keep the possibility of limiting warming to no more than 1.5 degrees alive. These commitments by investors are a key step towards the realisation of a truly net zero financial system. We'll continue to work with NZAM signatories and the sector at large to push for even more ambitious action, taken further and faster, to help deliver meaningful action on the road to net zero.”



ENDS

¹ The NZAM commitment requires managers to review their target at least every five years and encourages them to do so more frequently where possible.

[Download the Full Report](#)

Media contacts

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About the Net Zero Asset Managers initiative

The Net Zero Asset Managers initiative is an international group of 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°C; and to supporting investing aligned with net zero emissions by 2050 or sooner.

The Net Zero Asset Managers initiative launched in December 2020 and aims to galvanise the asset management industry to commit to a goal of net zero emissions. The initiative is endorsed by Investor Agenda and governed by six investor networks – also referred to as the ‘Network Partners’.

The Steering Committee of the Network Partners’ CEOs is responsible for the coordination and implementation of the initiative, which includes ensuring that relevant support is provided to signatories to enable best practice implementation of the commitment. The initiative is open to any asset manager globally that is also a member of one of the Network Partner networks. For more information on the initiative please [contact us](#).

<https://www.netzeroassetmanagers.org/>