

Net Zero Asset Managers initiative announces 41 new signatories, with sector seeing 'net zero tipping point'

- Net Zero Asset Managers initiative grows to 128 investors managing \$43 trillion – all committed to net zero goal
- Momentum galvanised, contributing to 'net zero tipping point' as approaching half of all assets across global asset management sector are now part of initiative
- Signatories to work with clients to reach net zero emissions by 2050 or sooner and set 2030 interim targets

Tuesday July 6th, 2021: 41 leading asset managers, representing USD\$6.8 trillion in assets, are today joining the [Net Zero Asset Managers](#) initiative. Among other steps, this will see the investors work with clients to reach net zero emissions alignment across their portfolios by 2050 or sooner and set interim 2030 emissions reduction targets. The additional signatories mean a total 128 investors, collectively managing \$43 trillion in assets, are now part of the initiative.

The asset managers joining the initiative today include Amundi, Sumitomo Mitsui Trust Asset Management, Franklin Templeton, MFS Investment Management, HSBC Asset Management and the International Business of Federated Hermes among others¹. New signatories based in North America and Europe are joined by a marked uptick in the number of Asian managers now part of the initiative.

Launched only in December 2020 in just over six months the Net Zero Asset Managers initiative has seen rapid growth. The latest signatories take the initiative close to representing almost half of the entire asset management sector globally in terms of total funds managed (standing at \$100 trillion)².

Yoshio Hishida, Representative Director and President, Sumitomo Mitsui Trust Asset Management, said: *"We believe that important issues concerning Environmental, Social, and Governance will affect the long-term return of assets under management entrusted from our customers. In particular, the effects of climate change have certainly begun to materialise and are beginning to have an impact on the corporate value of our investee companies. As one of the largest investment managers in APAC, we believe it is important to evaluate the potential profit opportunities and risks in these investee companies. As such, we are reflecting the evaluation in investment decision processes and leveraging it in business management. The Net Zero Asset Manager's initiative is consistent with our corporate objectives, and we are pleased to announce our commitment."*

Nicolas Moreau, CEO, HSBC Asset Management said: *"As the world moves to a net zero carbon future, we are committed to playing our part in addressing climate change, both as a business and as stewards of our clients' assets. HSBC Asset Management is proud to be part of this important initiative and contribute to an industry-wide push to achieve net zero emissions by 2050."*

Saker Nusseibeh, CBE, CEO, International at Federated Hermes said: *“The position that we occupy as the investment management industry is one of unique influence. By way of intelligent and considered stewardship of capital we have the potential to effect genuine and positive change. Conversely, collective inertia risks compounding the crisis we face to an irreversible extent. It is for these reasons that we have a responsibility to make the right choices, to the benefit of our clients, their end beneficiaries and indeed society at large. We are proud to join the Net Zero Asset Managers initiative as a demonstration of our commitment to accelerate the transition to global net zero emissions.”*

Valérie Baudson, CEO, Amundi, said: *“2021 needs to be the year of climate action for all economic actors. Governments and companies have a collective responsibility to transition to decarbonized economies by adopting ambitious emission reduction targets. We are convinced that the financial sector is a key catalyst for action in this race to Net Zero. Amundi is a pioneer in responsible investing with strong climate convictions and a deep awareness of our responsibility. Therefore, we are proud to embrace global carbon neutrality objectives.”*

Jenny Johnson, CEO and President of Franklin Templeton, said: *“We are excited to make the commitment to the Net Zero Asset Managers Initiative alongside the growing community of signatories. We approach our journey with the clear acknowledgement that we must commit to finding the data and solutions to help us achieve global net zero emissions by 2050. We will work toward this goal in a spirit of authentic engagement and partnership with our clients and stakeholders, in keeping with our belief that good stewardship as a global asset manager means managing and allocating capital to benefit our clients across generations.”*

With participation more than quadrupling since launch, the initiative already includes the world’s three largest asset managers globally³. Total assets collectively managed by investors as signatories to the initiative (\$43 trillion) are now equivalent to the combined GDP of the United States, China and United Kingdom (\$42 trillion).

The Net Zero Asset Managers initiative is managed globally by six founding partner investor networks: 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 momentum secured over such a short period of time through investor participation in Net Zero Asset Managers, driven by the investor networks behind the initiative, is serving to normalise and mainstream changes required to drive progress towards net zero emissions. Without the asset management sector working to net zero emissions, the goals set out in the Paris Agreement would be more challenging if not impossible to meet.

In achieving net zero alignment, the asset managers also commit to prioritise the achievement of real economy emissions reductions, take account of material portfolio Scope 3 emissions, create investment products aligned with net zero emissions and facilitate increased investment in climate solutions. Putting in place a stewardship and engagement

strategy consistent with net zero emissions by 2050 and ensuring all policy advocacy supports the same objective, also help ensure the investors are driving broader change.

Signatories also commit to transparent and rigorous accountability. They will annually report progress against the Task Force for Climate-related Financial Disclosures (TCFD) recommendations, including implementing a climate action plan that is consistent with the United Nations 'Race to Zero' criteria. They also agree only to use offsets that involve long-term carbon removal where there are no technologically and/or financially viable alternatives to eliminating emissions.

Full details of the steps the investors commit to in joining the initiative can be found [here](#).

Signatories are working to publish details of their individual emission reduction targets in achieving net zero alignment ahead of the COP 26 summit to be held in Glasgow in November later this year.

The initiative is accredited by the United Nations Framework Convention on Climate Change [Race to Zero campaign](#) and has an advisory group drawn from representatives from signatory asset managers.

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Notes to Editor:

1. The full list of investor joining the initiative today is: Affirmative Investment Management, Aktie-Ansvar AB, Amundi Asset Management, Ashmore Group plc, Asteria Investment Managers, Brandywine Global Investment Management, BT Funds Management NZ, ClearBridge Investments LCC, DIF Capital Partners represented by DIF Management BV, DSC Meridian Capital LP, Earth Capital, Evenlode Investment Management, Fiera Capital Corporation, Franklin Templeton, GAM Investments, Green Century Capital Management, HSBC Asset Management, InfraRed Capital Partners Limited, Intech Investments, Investible, Jyske Capital, KBI Global Investors, Kerogen Capital, La Francaise Group, LocalTapiola Asset Management, Man Group, Martin Currie Investment Management Limited, Meridiam, MFS Investment Management, Ninety One, Ownership Capital, Payden & Rygel, RAM Active Investments SA, River and Mercantile Group PLC, Shinhan Asset Management Co. Ltd, Sumitomo Mitsui Trust Asset Management, Swisscanto Invest by Zucherkantonal Bank, the International Business of Federated Hermes, Troy Asset Management, Vista Equity Partners and Willis Towers Watson.

2. Total AUM for asset management sector as per Willis Towers Watson [here](#).

3. The top three being BlackRock, Vanguard Group and State Street Global.

For the full details of the Net Zero Asset Managers commitment and a Q&A, please [click here](#) and [here](#).

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°C; and to supporting investing aligned with net zero emissions by 2050 or sooner. The initiative is managed globally by six founding partners: 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.