

How could you potentially contribute to Net Zero efforts?



Trust
must be earned

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Investors are increasingly on board, and Net Zero alliances now exist for all kinds of financial institutions.

However, Net Zero is not a one-size-fits-all. There are tools, guiding principles and experts who can support you in your Net Zero Investment decisions.

The disclosed information are as of 13 June 2023 and constitute our judgment and are subject to change without prior notice. There can be no guarantee they will be met.



Find out more about what Net Zero means >

How could you allocate your investments to contribute to the Net Zero objective?

1

Exclude companies that are detrimental to Net Zero objectives

Excluding the worst issuers from investment universes through **comprehensive exclusion policy**¹ for companies responsible for most of the greenhouse gas emissions (i.e. those producing high amounts of carbon).

2

Historical carbon footprints are good, but this could be enhanced by combining it with forward looking metrics

Innovative investment solutions and continuous dialogue with issuers seeking to turn investment beliefs into **concrete action**:

- Seek carbon reductions in the real-world;
- Look at trends and forward-looking indicators that are using new metrics to measure the contribution to Net Zero;
- Clear reporting against the ultimate goal;
- A green transition cannot be achieved without a socially inclusive approach.

Forward looking indicators

Science-based target initiative (sbti): defines and promotes best practices in emissions reductions and net-zero targets in line with climate science.

Temperature score: measures the alignment of corporates ambition and past performance with respect to the carbon budget.



3

We believe active engagement with companies is crucial to turn investment beliefs into concrete action

Engagement shows the **credibility** of an asset manager in its Net Zero objective and puts pressure on corporates to act.

5

Traditional approaches to strategic asset allocation should be reassessed to account for climate risks

- Given the **uncertainty** around climate policy, scenario analysis can help anticipate future trends and pathways resulting from climate change;
- Pushing for dialogue at the industry and policy levels could play a major role in overall portfolio risk management.

4

We believe there is plenty of room for innovation when it comes to financing the transition to Net Zero

Tapping into new geographies and asset classes when incorporating Net Zero in their strategic asset allocation:

- Adapt your targets to geographies;
- Unlock financing barriers: this includes strategies structured around public-private collaborations;
- Consider new and unexplored asset classes such as green impact strategies and green private financing.



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