

The Net Zero Investment Consultants Commitment

The 2015 Paris Agreement is a legally binding international treaty that sets goals to limit the global average temperature increase to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. In accordance with the best available science, meeting these goals requires greenhouse gas emissions to drop by half by 2030 and reach net zero around mid-century. In this context, we commit to support the goal of net zero greenhouse gas emissions by 2050 or sooner.

This commitment is made in the context of our legal and fiduciary duties to clients and unless otherwise prohibited by applicable law. It is subject to the mandates agreed with our clients and their regulatory environments.

Our Net Zero Commitment applies to our: investment advisory services, fully discretionary services, and our own business operations.

With respect to our investment advisory services, we commit to provide advice on climate change and net zero ambitions across our client base in line with their mandates by:

1. working with our clients to identify how climate change impacts the risks and opportunities for their portfolio;
2. highlighting the importance for both the economy and asset values of global decarbonisation on a Paris-aligned path and consistent with the goal of net zero by 2050;
3. empowering willing clients to make a meaningful contribution to the goals of the Paris agreement¹ through investment practices that help drive real world emission reductions, toward the goal of net zero by 2050 as well as robust interim targets;
4. assessing, monitoring and engaging with asset managers on the integration of net zero ambitions in their independent investment decisions and stewardship, and reflecting this evaluation in our client recommendations.

With respect to our fully discretionary services², we will:

5. individually set goals consistent with the target setting framework of the Net Zero Asset Manager initiative.

With respect to our own business operations, we will:

6. individually set emissions reduction targets across all our operational emissions consistent with Paris goals.

Within the wider financial community, we will:

7. where suitable net zero methodologies do not exist, work together for the benefit of our clients to address these challenges, seeking harmonised methodologies consistent with competition law;
8. engage, independently or as a group, with regulators and policymakers, to facilitate the transition to net zero carbon emissions, addressing any barriers to our clients adopting and achieving their net zero targets.

To ensure accountability, we will:

¹ The Paris Agreement's long-term temperature goal is to keep the rise in mean global temperature to well below 2 °C above pre-industrial levels, and preferably limit the increase to 1.5 °C.

² Members that are also members of NZAM can choose to report their progress against the NZICI commitments under their NZAM report rather than a separate NZICI report to avoid duplication.

9. report progress by our firm against the commitments made here at least annually in the public domain.

DISCLAIMER

Signatories commit to engaging with policymakers, regulators, peers and other stakeholders in accordance with all applicable laws and regulatory requirements. The PRI and NZICI recognise that the laws and regulators to which signatories are subject differ by jurisdiction and signatories are not required to take action that is not in compliance with applicable laws. PRI and NZICI are committed to compliance with all applicable laws and do not seek, require or endorse individual or collective decision-making or action that is not in compliance with those laws. The use of particular tools and tactics discussed, and the scope of participation in this initiative is at the discretion of individual participants and subject to all relevant laws, including competition and antitrust laws. Participants must avoid coordination of strategic behaviour that impacts competition. They must make independent decisions regarding next steps and how they will pursue them, and are encouraged to consult their own counsel as appropriate.