

NET ZERO CARBON 10



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SCIENCE

Net-zero emissions are necessary for global warming to stabilise. Companies will need to develop strategies contributing to a carbon-neutral economy.

The Oxford Martin Principles¹ have identified that investors need to take action to develop strategies for a carbon-neutral economy.

Active selection of funds with superior ethical processes

External ethical oversight committee

Shaping the ethical debate with fund providers

P1 aims to do ethical investing "as well as possible given real-world constraints"

We seek direct focus on carbon-neutrality by ethical and sustainable fund managers.

INVESTMENT

Few sustainable funds challenge company boards on strategies for net-zero carbon emissions. A systematic framework is needed.

NZC10 target helps funds better align investment policies with carbon-neutrality, not just emissions reduction. Some emissions allowed, providing these are reliably offset.

£2,212,000,000 AUMs²



"The NZC10 target has provided additional structure and impetus to our engagement program, and we are already ahead of the target."

Janus Henderson : Global Sustainable Equity Fund

Janus Henderson

"Better understanding how a business plans to become carbon neutral is useful, especially given the inevitable tightening regulation needed to meet internationally agreed targets."

Liontrust : Sustainable Future Corporate Bond Fund



"Sustainable funds have a responsibility to demonstrate leadership. We will report progress on the NZC10 target from 2020 in the Better World Fund's Impact Report."

Montanaro : Better World Fund



"It's great to see fund managers committing to this target. We hope many more will follow and investors play their role in avoiding climate breakdown."

WHEB : Sustainability fund



"The managers are keen to move beyond 10%, following climate science under guidance from P1's external ethical oversight committee.

A Are carbon neutral or have net-zero carbon emissions.

B Have strategies using current technologies to achieve net-zero carbon emissions by no later than 2030.

C The fund manager is actively engaging with the firms to meet point B.

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¹ Millar, R.J. et al. (2018) Principles to guide investment towards a stable climate. Nature Climate Change 8, 2-4.
² Sum of Assets Under Management for the investment funds using the NZC10 target.