The role of investors in achieving net zero

Fiona Reynolds, CEO, Principles for Responsible Investment
The PRI
Investor-led, supported by the United Nations since 2006

1. We will incorporate ESG issues into investment analysis and decision-making processes.

2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4. We will promote acceptance and implementation of the Principles within the investment industry.

5. We will work together to enhance our effectiveness in implementing the Principles.

6. We will each report on our activities and progress towards implementing the Principles.

UN PARTNERS:
- UNEP Finance Initiative
- UN Global Compact

SIGNATORIES:
- Asset Owners
- Investment Managers
- Service Providers

US$ trn
Assets Under Management

3000+
100+
Investor levers for climate action

Corporate engagement
Investment
Disclosure
Policy & advocacy
Corporate Engagement

Climate Action 100+

Engagement goals
1. Implement a strong governance framework
2. Take action to reduce greenhouse gas emissions across their value chain [NET ZERO BY 2050]
3. Provide enhanced corporate disclosure in line with TCFD
An international group of asset owners representing nearly US$5 trillion in AUM, committing to transitioning their portfolios to net-zero GHG emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial temperatures.
Climate reporting and disclosure

Investor climate reporting in 2020

2019 (voluntary)
591

2020 (mandatory)
2,097

A 3.5x increase in climate TCFD-based reporting
Policy and advocacy

A seven-part framework for action: reinforcing the link between investors and policy makers to deliver on climate and human rights goals

- Align your policy engagement and investment objectives
- Work to policy makers’ timetables
- Leverage arguments based on technical expertise.
- Engage at all levels of the policy process and through the media.
- Work together, especially where there is consensus.
- Better understand the dynamics of policy decision-making across committees and groups.
- Be clear about who you represent and how policies impact your investor base.
Thank you