The Net Zero Asset Managers initiative

Fossil fuel expectations

The Net Zero Asset Managers (NZAM) initiative supports signatories as they fulfil their commitments to the ambition of reaching net zero greenhouse gas emissions by 2050 or sooner across all assets under management. This goal should be undertaken in keeping with investors’ fiduciary duties – climate risk is financial risk and the commitment to reach net zero by 2050 is rooted in investors’ overarching duty to manage risk and achieve positive investment outcomes on behalf of their beneficiaries.

It recognises that differing mandates agreed with clients, varying starting points for investment strategies, and different jurisdictions and regulatory environments, can influence the approaches signatories take. Signatories are encouraged to adopt fossil fuel financing and investment policies and practices that are based on science-based net zero scenarios and that follow the guidance provided by the target setting methodology adopted by the signatory.

Three approved NZAM target setting methodologies:

1. Net Zero Investment Framework

2. Science-Based Targets initiative

3. Net Zero Asset Owners Alliance’s Target Setting Protocol. In addition to the target setting protocol, Net Zero Asset Owner Alliance has developed position papers on Thermal Coal and Oil and Gas.
Disclaimer:

NZAM does not require or seek collective decision-making or action with respect to acquiring, holding, disposing and/or voting of securities. Signatories are independent fiduciaries responsible for their own investment and voting decisions and must always act completely independently to set their own strategies, policies and practices based on their own best interests and decision making. The use of particular tools and guidance, including the scope of participation in NZAM, is at the discretion of individual signatories. NZAM facilitates the exchange of publicly available information, but signatories must avoid the exchange (including one-way disclosure) of non-public, competitively sensitive information, including with other signatories, NZAM itself, and its investor networks. Even the exchange of certain information in the context of collaboration can give the appearance of a potentially unlawful agreement; it is important to avoid exchanging information which might result in, or appear to result in, a breach of corporate or competition law.

Signatories may not claim to represent other signatories or make statements referencing other signatories without their express consent. Any decision by signatories to take action with respect to acquiring, holding, disposing and/or voting of securities shall be at their sole discretion and made in their individual capacities and not on behalf of NZAM, its investor networks or their other signatories or members. Signatories must strictly avoid coordination of strategic behaviour between competitors that impacts or is likely to impact competition.

NZAM and its investor networks do not provide investment, legal, accounting or tax advice. NZAM and its investor networks do not necessarily endorse or validate the information contained herein.

The terms of engagement, responsibilities, rights and other information contained elsewhere herein are intended to be interpreted in a manner consistent with the foregoing.