

# 10 steps to invest in line with a 1.5°C goal

Efforts to deliver on the Paris Agreement are intensifying, with an increasing shift from commitments to actions. We are often asked by clients: “How can we invest in line with the 1.5°C goal?”. The below steps aim to outline our proposed approach across portfolio allocation, issuer selection, and monitoring climate targets.

## Portfolio allocation



### 1 Support decarbonisation

A combination of divestment policies, active stewardship and engagement means we can accelerate the transition to net zero and encourage investee companies to act on climate.



### 2 Participate in the energy transition

Carried out at portfolio level by allocating a certain percentage of a fund to ‘green’ or transitioning companies and climate solutions.



## Issuer selection



### 3 Identify low carbon leaders

Companies that already have a low carbon footprint and/or best-in-class climate and environmental practices.



### 4 Identify transition leaders

Companies with a good carbon reduction track record and/or formally committed to a path of improvement, with measurable objectives.



### 5 Identify green leaders

Companies or projects that enable climate change mitigation through their production of ‘green’ goods and services, for example wind energy or battery storage solutions.



## Monitoring climate targets



### 6 Reduce current portfolio carbon footprint

In absolute and relative terms, taking into account future carbon emission potential, according to science-based targets and measurement.



### 7 Maintain exposure

To sectors trying to transition.



### 8 Monitor exposure to green companies

And climate solutions, using relevant measurement criteria.



### 9 Monitor portfolios and issuers' forward-looking climate targets

Such as temperature and low carbon transition credentials.



### 10 Monitor environmental, social and governance factors

Including minimum climate standards.



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