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MANAGEMENT

PRESS RELEASE

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## La Banque Postale Asset Management announces an ambitious target trajectory for decarbonising its portfolios by 2030

**La Banque Postale Asset Management (LBP AM) is accelerating its 2050 trajectory towards the carbon neutrality of its portfolios with an ambitious new goal: 80% of its total AuM will be aligned with a decarbonation target that is compatible with Paris Agreement objectives by 2030.**

LBP AM, a subsidiary of La Banque Postale and a leading conviction-based SRI asset manager, has made this commitment under the global Net Zero Asset Management Initiative (NZAMI) initiative. As of 31 May 2022, only 83 of the asset management firms worldwide that have joined this initiative, have pledged to place 39% of their total AuM on a 2050 carbon-neutrality trajectory. With the objective of aligning 80% of its total AuM by 2030, LBP AM is the first French multi-specialist asset manager of significant size to announce an ambition that is among the sector's highest.

LBP AM has chosen to use the portfolio coverage methodology established by the Science-Based Targets initiative (SBTi) for financial firms. In concrete terms, by 2030, the objective of 80% of total AuM aligned works out to an investment target of 90% of LBP AM's eligible assets in companies whose decarbonisation trajectories have been certified by SBTi as compatible with the emission-reduction scenarios necessary for achieving the Paris Agreement climate goals. The deployment of this transformation is based on transforming the main objective into a specific objective for each of LBP AM's managers and funds. This objective is consistent with the decarbonisation trajectory established in late 2021 by La Banque Postale and certified by SBTi.

One requirement for implementing this environmental transition ambition in all portfolios is a systematic and transparent policy for managing its allocations in fossil fuels. For example, LBP AM supplements its thermal coal sector policy with an oil & gas policy to steer its alignment towards carbon neutrality. **LBP AM shares with its main shareholder, La Banque Postale, the same objective: having sector exposure that is 100% aligned with the Paris Agreement objectives by 2030.**

In adopting the Net Zero by 2050 scenario of the International Energy Agency (IEA) as a benchmark framework for the energy transition, LBP AM has established several sources of complementary actions.

**An exclusion policy: LBP AM will not invest in companies whose revenues are more than 20% exposed to non-conventional energies** (e.g., shale gas, oil sands and heavy petroleum, ultra-deep offshore drilling and Arctic resources) or in projects dedicated to such energies. It also **excludes new fossil fuel projects**, will not finance any existing project in these energies whose mix is not aligned with the mix advocated by the IEA's Net Zero objective, and excludes **sector companies that have not yet begun their energy transition.**

**An engagement policy: LBP AM has developed an exacting shareholder dialogue with oil & gas companies to accompany them in their energy transition**, by calling on them to adopt a transparent and credible transition strategy aligned with a 1.5°C scenario, based on:

- Exhaustive and transparent greenhouse gas emission reduction targets that are aligned with the 2050 global carbon neutrality objective;
- A shift in business models towards decarbonated energies and services, particularly the end of exploration and development of new fields, with an initial milestone set for 2025. After

- 2025, the halt of investments in exploring new oil & gas reserves as well as the approval of development of new oil & gas fields will be a case-by-case divestment criterion for portfolios;
- Transparency in the company's exposure to climate risks and an energy transition strategy for controlling them;
  - Special vigilance in developing non-conventional energies;
  - An influence policy favourable to the energy transition;
  - Clear and consistent governance.

LBP AM expresses its expectations via a regular bilateral or collaborative dialogue with invested companies. This dovetails with LBP AM's voting and resolution-submission policy.

**An analysis and selection policy: LBP AM analyses any investment in sector projects and companies with regards to how well they are aligned with the energy transition.** These analyses, based on a proprietary rating model encompassing about 30 criteria, are used in selecting its investments.

LBP AM prioritises the strengthening of shareholder engagement in favour of ambitious transition plans, particularly via several financial sector initiatives: CDP Transition Champions, which encourages the development of best practices in formalising transition plans; Finance for Tomorrow, which explores good practices at companies in managing social challenges arising from shifts in their business models; and the Glasgow Financial Alliansz for Net Zero (GFANZ), which draws up recommendations on formalising transition plans on a global scale and for the entire financial sector.

Emmanuelle Mourey, Chair of the Management Board of LBP AM: "We are very proud of this ambitious 2030 decarbonisation objective. This is a proactive, public commitment covering all our activities, such as we expect from invested companies. As an asset manager, we believe that activating all the levers we possess to encourage companies in their organised and fair transition towards carbon neutrality contributes to the general interest and the interests of our clients. This is an important and consistent step that reaffirms our standing as a pioneer of sustainable finance."

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#### **About La Banque Postale Asset Management ([www.labanquepostale-am.fr](http://www.labanquepostale-am.fr))**

LBP AM is owned 70% by La Banque Postale, 25% by Aegon Asset Management and 5% by Malakoff Humanis. As an SRI leader in multi-specialist conviction-based asset management, LBP AM has four investment divisions: equity management via its Tocqueville Finance subsidiary, multi-assets & absolute return, quantitative solutions and real & private assets (with a focus on debt). To its institutional investor and distributor clients, it offers open-ended funds, dedicated funds and mandates. As of 31 December 2021, consolidated managed and distributed assets of LBP AM and its Tocqueville Finance subsidiary came to 60 billion euros.

#### **Media contacts**

*Citigate Dewe Rogerson*

Kristell LE NADAN – +33 6 98 49 22 27 – [kristell.lenadan@citigatedewerogerson.com](mailto:kristell.lenadan@citigatedewerogerson.com)