

THE CLIMATE IS A CORE CONCERN FOR PRI SIGNATORIES

Paris, September 27th 2017. 74% of asset owners who signed the Principles for Responsible Investment (PRI) state that they are acting on climate change. This figure reflects the financial sector's increased consideration of risks associated with climate change. This phenomenon is analysed in the PRI-Novethic review published today, compiling data from 1,800 PRI signatories, as part of the "PRI in Person" event in Berlin.

Investor action on climate is one of the key components of the fight against global warming. We need to analyse investors' reporting to obtain more information on the scale of this action. The PRI-Novethic review, which analyses the statements of PRI signatories, provides insights on this topic. In 2017, 74% of asset owners state they are acting on climate change, which is an 8% increase from 2016. However, only 17% of asset owners incorporate climate change into asset allocation. As such, we are still some way from massive assets under management shifting to low carbon investments. The subject is gradually being addressed in relationships with asset managers, given that 54% of reporting asset owners encourage portfolio managers to monitor emissions. However, only 8% have aligned their contracts with climate change factors.

Climate reporting: leadership from France

The PRI-Novethic review measures the impact of Article 173 of the Energy Transition Act adopted in 2015 as a groundbreaking climate risk disclosure requirement for asset owners. This initiative, which is somewhat of a pilot scheme, explains why 100% of French asset owners taking action on climate change use portfolio carbon footprinting. It is interesting to highlight that in France, 42% of asset owners and 25% of investment managers use scenario analysis and/or modeling for future environmental trends.

Improved understanding and homogenised climate disclosures, as well as aligning the PRI Reporting Framework with the TCFD (Task Force on Climate-related Financial Disclosure) guidance, are among the many subjects that will fuel debate among the French-speaking PRI network, launched today in Berlin and in which Novethic is an active participant.

[See the report](#)

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