

Comment

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Leading investors welcome BP net zero ambition

BP has [announced](#) a 'new ambition to become a net zero company by 2050 or sooner'. The Institutional Investors Group on Climate Change and its members welcome the move.

Stephanie Pfeifer, member of the global Climate Action 100+ Steering Committee and CEO, Institutional Investors Group on Climate Change (IIGCC), explains: *"This is a very welcome announcement from BP's new CEO. We need to see a wholesale shift to a net zero economy by 2050. This must include oil and gas companies if we are to have any chance of successfully tackling the climate crisis."*

"Building on the positive engagement with BP through Climate Action 100+, investors will continue to look for progress from the company in addressing climate change. This includes how it will invest more in non-oil and gas businesses, and ensuring its lobbying activity supports delivery of the Paris Agreement."

Today's announcement from BP has been influenced by constructive investor engagement with the company through Climate Action 100+, led by European investors and the Institutional Investors Group on Climate Change. Lead investors involved in engagement with the company through Climate Action 100+ explain:

Steve Waygood, Chief Responsible Investment Officer, Aviva Investors, adds: *"Today's announcement that BP aims to achieve net-zero emissions by 2050 is a step-change in the company's approach to climate change and sets the pace and direction of travel for the industry at large. We welcome the ambition, which comes at the start of a pivotal decade if the world is to change the course of global emissions."*

"The onus will now be on BP to reshape its portfolio in light of a shrinking carbon budget. Last year's resolution will have a vital part to play in supporting the company on its path to carbon neutrality. We are encouraged by BP's ambition, and look forward to working further with the company in the collaborative spirit of Climate Action 100+."

Bruce Duguid, Head of Stewardship, Hermes EOS, explains: *"BP's net zero ambition by 2050 or sooner sets a bold vision which should profoundly transform the shape of the business and is a welcome response to investors' concerns. We look forward to working with Bernard Looney and the Board on behalf of our clients, together with other investors as part of Climate Action 100+, on its implementation plans to ensure that these move at the necessary pace and are aligned with the Paris Goals."*

Sacha Sadan, Director of Investment Stewardship, Legal & General Investment Management (LGIM), said: *"The announcements today demonstrate the power of collaborative engagement, and LGIM are delighted that co-filing our first ever shareholder proposal at BP has helped lead to positive results. Oil and gas companies have an important role to play in the energy transition – we encourage the sector to follow BP's leadership by setting ambitious net zero targets."*

BP must report on how its business strategy is aligned with the goals of the Paris Agreement. This is the outcome of a shareholder resolution from Climate Action 100+ investors, which received record-breaking levels of support. See [here](#) more detail. Investors look forward to its publication, alongside additional details the company explained will be forthcoming in September.

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About IIGCC

The [Institutional Investors Group on Climate Change](#) (IIGCC) is the European membership body for investor collaboration on climate change and the voice of investors taking action for a prosperous, low-carbon future. IIGCC has more than 200 members, mainly pension funds and asset managers, across 15 countries, with over €30 trillion in assets under management.

Our mission is to mobilise capital for the low carbon transition and to ensure resilience to the impacts of a changing climate by collaborating with business, policy makers and fellow investors. IIGCC works to support and help define the public policies, investment practices and corporate behaviours that address the long-term risks and opportunities associated with climate change.

For more information visit www.iigcc.org and @iigccnews.

About Climate Action 100+

[Climate Action 100+](#) is a five-year investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. More than 450 investors with over \$39 trillion in assets collectively under management are engaging companies on improving governance, curbing emissions and strengthening climate-related financial disclosures. The companies include 100 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition.

IIGCC leads investor engagement across Europe through the initiative. Launched in December 2017, Climate Action 100+ is coordinated by five partner organisations: Asia Investor Group on Climate Change (AIGCC); Ceres; Investor Group on Climate Change (IGCC); Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI). These organisations, along with five investor representatives from AustralianSuper, California Public Employees' Retirement System (CalPERS), HSBC Global Asset Management, Ircantec and Manulife Asset Management, form the global Steering Committee for the initiative.

For more information, visit: www.ClimateAction100.org and follow: @ActOnClimate100.

About Federated Hermes

Federated Hermes is a leading global investment manager with \$575.9 billion in assets under management as of Dec. 31, 2019. Guided by our conviction that responsible investing is the best way to create wealth over the long term, our investment solutions span 135 equity, fixed-income, alternative/private markets, multi-asset and liquidity management strategies and a range of separately managed account strategies. Providing world-class active investment management and engagement services to more than 11,000 institutions and intermediaries, our clients include corporations, government entities, insurance companies, foundations and endowments, banks and broker/dealers. Headquartered in Pittsburgh, Federated Hermes' nearly 1,900 employees include those in London, New York, Boston and several other offices worldwide. For more information, visit FederatedHermes.com. This communication has been distributed on behalf of the international business of Federated Hermes.

About Aviva Investors

Aviva Investors is the global asset management business of Aviva plc. The business delivers investment management solutions, services and client-driven performance to clients worldwide. Aviva Investors operates in 14 countries in Asia Pacific, Europe, North America and the United Kingdom with assets under management of £346 billion in assets as at 30 June 2019.

