

# Climate policy

## New risks as a result of climate change

A rapidly changing climate poses a major threat to habitats, societies and economies around the world. This was recognized in 2015 when 195 countries signed the Paris Climate Agreement and committed to transitioning to a lower-carbon economy and limiting the long-term increase in global average temperature to well below 2 degrees Celsius (°C) above pre-industrial levels, preferably to 1.5 °C.

The Intergovernmental Panel on Climate Change's (IPCC) special report "1.5°C Global Warming" from 2018 presents the advantages of the more ambitious 1.5°C target, but also emphasizes that achieving it will require rapid, far-reaching and unprecedented changes. In concrete terms, this means that global carbon dioxide emissions must be reduced by 45% by 2030 - compared to the base year 2010 - and fall to zero by 2050.

Given the scale and speed of the transition required, even an orderly transition will have an impact on how businesses operate now and in the future. This transition risk, alongside physical risks, is one of the main climate change risks to be prepared for.

## Our response

We intend to increase the climate compatibility of our portfolios and contribute to the mitigation of climate change by

- meeting the requirements of the Net Zero Asset Managers initiative
- Increasingly reduce the emissions intensity of our portfolios and rapidly align their emissions pathways with the Paris Agreement.
- identify the climate-related risks and opportunities arising from climate change and climate policy, integrate them into our investment portfolios and use relevant data and analysis based on scientific evidence as a basis for our investment decisions.
- Engage with the companies we invest in to better understand their disclosure policies and how they are addressing risks and opportunities arising from climate change and climate policy and support them in their progress.
- Disclose the climate-related actions we have taken and the progress we have made in addressing climate-related risks and opportunities.

## Next steps

As a signatory to the disclosure recommendations of the Task Force of the Financial Stability Board (TCFD), we are working on the publication of a first TCFD report to ensure an even better understanding of our contribution to climate change in the near future.