

LGIM Climate Impact Pledge

Critical transitions:



Innovation: Impact investing

Geographic focus: Global

\$: £1.2 trillion (\$1.6 trillion)



Legal & General Investment Management (LGIM) is one of the largest asset managers in Europe. It has recently renewed and expanded its “Climate Impact Pledge” to catalyse the transition towards net zero carbon emissions globally.³⁴

To do so, LGIM published its climate analysis of over 1,000 listed companies from 15 climate critical sectors, including food retail and financial institutions that are responsible for over 60 percent of GHG emissions.

The analysis results in scores, displayed publicly in the form of a traffic light system, determined by the analysis of a company’s governance, strategy, risk & opportunities, scenario analysis (Paris-alignment) and metrics and targets.³⁵

Companies that do not meet LGIM’s minimum standards will be subject to divestment, increasing the pressure on companies to improve their ESG targets.

To further support its scoring approach, LGIM launched the climate risk framework, Destination@Risk, co-developed with Baringa Partners. Starting from 2021, LGIM will use its Destination@Risk framework to create an internal dashboard for internal portfolio managers and analysts to facilitate the integration of climate risk assessments through LGIM’s entire portfolio.

By releasing company scores, LGIM hopes to support companies to commit to net-zero emissions by 2050.³⁶

Stakeholders:

LGIM; Baringa Partners

Status:

● Operational