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Vanguard & BlackRock's 'net zero' pledges

InfluenceMap's analysis shows both have a long way to go

The world's two biggest asset managers, BlackRock and Vanguard, have today signed up to the [Net Zero Asset Managers](#) (NZAM) initiative. However, InfluenceMap's ongoing analysis of the financial sector shows both have some way to go to fulfil their new commitments.

As part of the NZAM, asset managers have committed to: "Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner" alongside pledging to set 1.5°C aligned 2030 and 2050 portfolio emission reduction targets.

InfluenceMap's research measures the asset manager's portfolio alignment with the Paris Agreement, their engagement score (how ambitious their climate-related stewardship of investee companies is), and their support for climate-related shareholder resolutions.

See here for the 2021 report of [Asset Managers and Climate Change](#), which ranks the world's largest asset managers on climate change.

Both BlackRock (-13%) and Vanguard (-12%) remain deviated from a below two degree-aligned trajectories in their portfolios based on public data run through the InfluenceMap system. This is based on the industry recognized PACTA methodology to assess the Paris Alignment of each asset manager's listed equity portfolios against IEA climate scenarios.

InfluenceMap's research also shows both BlackRock and Vanguard have a track record of opposing more than three-quarters of climate-related shareholder resolutions and have historically only focused on climate-risk reporting in their company engagements.

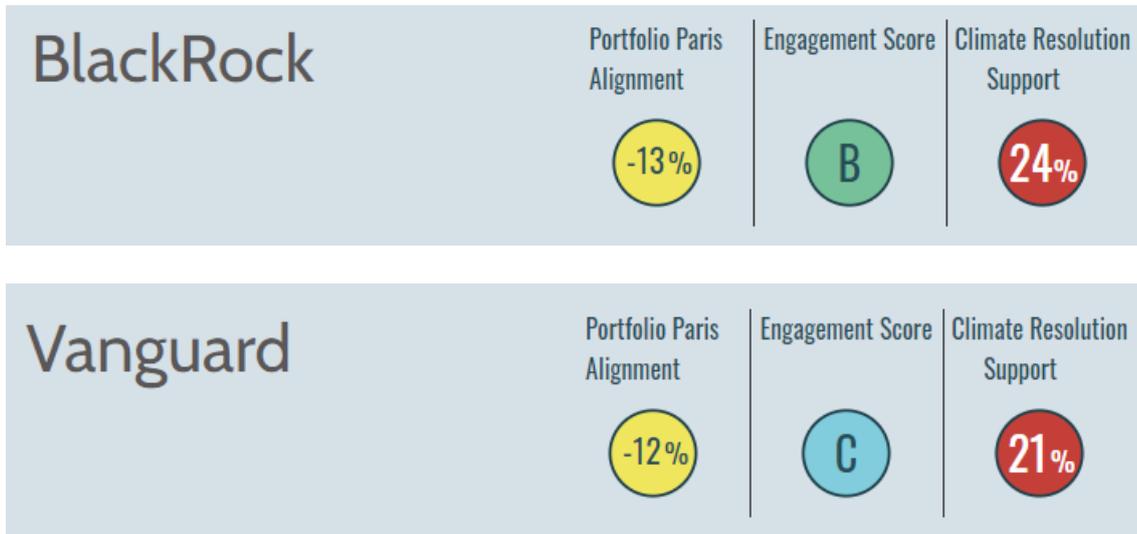
Recently however BlackRock has expanded its climate engagement focus to include engaging companies on [Paris aligned business models](#), including around their climate-related [lobbying activities](#). However, Vanguard has so far made no such public statements and its expectations of companies remains firmly focused on [climate-risk governance and reporting](#).

"It is a positive sign to see BlackRock and Vanguard committing to a stewardship and engagement strategy that is consistent with the target of net-zero by 2050 or sooner," said InfluenceMap analyst Eden Coates.

"However, both of these asset managers appear to trail behind industry leaders when it comes to climate engagement and voting, and both may have a long way to go to meet these new pledges."

"The first real litmus test of this net-zero commitment will be the upcoming proxy voting season, when BlackRock and Vanguard will have to decide how to vote on a range of climate-related shareholder resolutions."

With a combined AUM of over US \$15.5 trillion, these asset managers clearly have significant power to move the needle on climate votes in 2021.



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About InfluenceMap

InfluenceMap is a London-based think tank providing data driven analysis to investors, corporations and the media on issues related to energy and climate change. Our metrics for measuring corporate influence over climate policy are in use by investors, including the global Climate Action 100+ investor engagement process. Our content has been covered widely in global media and is used by campaign groups.