

Our journey to net zero

The 2025 sprint



2011-2019

2020

2021

2023

2025

2030

2050

2011
Signed the UN Principles for Responsible Investing (UNPRI)

2014
Started dedicated climate change research as part of our overall responsible investing approach

2017
Applied a climate change strategy to our developed markets mandate

2018
Published first TCFD report

2018
Added commodities building block fund, with a bespoke ESG strategy

2019
Joined ClimateAction100+

2019
Switched our low-risk sterling liquidity building block fund to one with an environmentally aware strategy

Published climate change risk policy

Climate strategy applied to all developed market equities in our portfolio

Divested from companies making 20% or more of their revenue from thermal coal production or power generation, oil sands or arctic drilling

Joined the Paris Alignment Investment Initiative

Climate strategy applied to our investment grade bonds

Climate strategy applied to our emerging market equities

Climate strategy applied to our high yield bonds

Started investing directly in renewable infrastructure

Divest from assets deriving more than 10% of revenues from thermal coal production or power generation, oil sands or arctic drilling

All managers to be disclosing fully in line with the TCFD recommendations

Divest from all assets involved in coal production or power generation, oil sands or arctic drilling unless they have a clear and credible plan to phase out these activities by 2030

Have companies representing 70% of emissions under engagement in our equity portfolio

Aim to have reduced carbon emissions by 30% across our investments

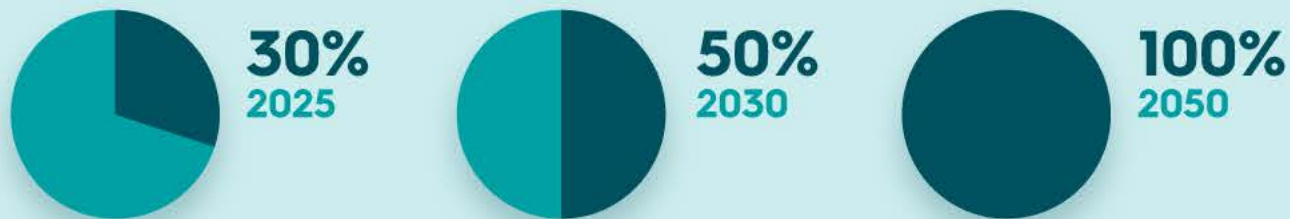
Estimated to invest £1.4bn in renewable infrastructure

Aim to halve emissions in our investments

Net zero emissions in our investments with 100% of AuM in scope



Carbon reduction targets across our investment portfolio*



* Scope 1 and 2 carbon footprint for our equity and fixed income portfolios relative to a 2019 baseline. These targets are our current aims and reviewed regularly in line with our climate change risk policy.

Our four core commitments

- 1 Asset allocation**
We'll continue to decarbonise our portfolio
- 2 Fund manager selection and monitoring**
We expect all our fund managers to work towards aligning the portfolio they manage for Nest with the 1.5C global warming limit
- 3 Stewardship**
We believe that stewardship is one of the most powerful tools investors can use to influence companies to change to low-carbon approaches and will continue to engage with the biggest emitters in our portfolio
- 4 Public Policy**
We'll continue to contribute actively to the public discourse on climate change risks and opportunities