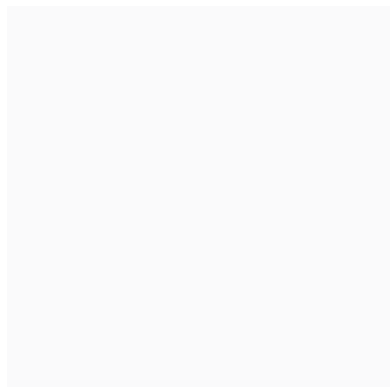




The Net Zero Asset Managers initiative

Signatory Disclosure



Brandywine Global Investment Management

Brandywine Global is a specialist investment manager of Franklin Templeton. Brandywine joined the Net Zero Asset Managers Initiative in July 2021 and made its Initial Target Disclosure in November 2022.

Initial Target Disclosure: November 2022

Percentage of assets covered by the Net Zero Asset Managers Commitment Statement

4.3% of total AUM (USD **\$2.75 billion**)

Information on interim target(s) covering the proportion of assets to be managed in line with net zero

Baseline(s):

2019

Portfolio coverage baseline

0% of AUM in material sectors is considered net zero, aligned, or aligning.

2019

Engagement threshold baseline

0% financed emissions net zero or aligned

25% of sovereigns and companies engaged based on GHG emissions and intensity for countries, and companies in material sectors.

Target(s):

2030

Portfolio coverage target

By 2030, 75% of respective sovereign and corporate credit exposures aligned to improved climate performance (i.e. aligning to their Net Zero commitments) using our issuer scorecards. For sovereigns, our scorecard assesses performance on the following factors: national climate policy, energy use, renewable energy use, historical and present GHG absolute emissions and per capita emissions, physical and transition risk, and economic climate opportunities related to employment, investment, and exportation. Aligning countries will show demonstrable commitment to their respective Net Zero targets via their published NDCs, budgets, and green/social/sustainable bond frameworks and related reporting. For corporates, our performance scorecard is based on the Climate Action 100+ Net Zero Company Benchmark and its 10 indicators, and related sub-indicators and metrics. Aligning companies will be actively aligning with disclosed short-medium, and long-term targets, and provide additional climate and financial risk reporting per the TCFD.

2030

Engagement threshold target

By 2030, 40% of corporate exposures in material sectors will remain subject to engagement, with the expectation that climate performance must demonstrate active alignment to Net Zero targets.

By 2030, 90% of financed corporate emissions that have been subject to engagement will be expected to be aligned to Net Zero commitments.

GHG scopes included:

Sovereigns: aggregate GHG emissions from energy and land use. GHG emissions will also be measured on a per capita basis.

Corporate credit: Scope 1 and 2 emissions, and when material and information is sufficient, Scope 3. We will continue to evolve and disclose our targets over time.

Methodology:

Net Zero Investment Framework

Scenario(s):

Net Zero pathways and scenario analysis will be based on research provided by the IPCC and IEA, and will be compared to the components of countries' NDCs. We will update our approach over time, particularly as countries publish their progress reports every five years.

Additional information

Proportion of AUM committed:

We spent the last year developing our approach and discussing it with clients; we look forward to increasing our AUM managed in line with net zero during each reporting period. To meet our long-term AUM commitments, we have dedicated net zero strategies in the new product pipeline. With respect to existing AUM and relationships, we continue to discuss alignment strategies with existing clients that have raised climate risk as a priority. These discussions remain ongoing to incrementally increase existing AUM alignment to the initiative. It is important to note that equity strategies are also in consideration for future alignment.

Policy on coal and other fossil fuel investments:

We do not have a firmwide policy exclusion policy regarding coal and fossil fuels; however, we offer impact and ESG focused strategies have specific guideline criteria that screen these sector exposures. We also implement client-requested restrictions on coal and fossil fuels. As a firm, we believe engagement is a powerful tool to drive change in these sectors. To date, we have not introduced broad-based exclusion policies on any particular industry or sector.

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