

Big firms with \$7 tn exit climate investment pressure group

February 16 2024



Smog is pictured over Lake Geneva in Switzerland in February 2017.

A pair of large investment companies with nearly \$7 trillion in assets, said Thursday they exited a climate change investor initiative that aims to pressure companies to quickly cut carbon emissions.

JPMorgan Asset Management, which manages \$3.1 trillion in assets, has not renewed its membership in Climate Action 100+, saying through a spokesperson that it will oversee its stewardship on climate change with companies with its bank staff.

A second large asset manager, State Street Global Advisors, with \$3.7 trillion, also dropped out, saying Climate Action's approach "will not be consistent with our independent approach to proxy voting and portfolio company engagement," according to a statement.

BlackRock, the world's biggest asset manager, is also scaling back its work with the group, a spokesperson confirmed.

Launched in 2017, Climate Action 100+ aims to work with companies to halve their [greenhouse gas emissions](#) by 2030, through governance reforms, the elimination of emission through the [value chain](#) and enhanced disclosure. Its website boasts \$68 trillion in assets under management.

The moves come as Republican officials in Washington and some state governments criticize financial companies for prioritizing climate change, in some cases blocking the firms from state contracts.

Texas Attorney General Ken Paxton applauded the news, saying financial companies had undertaken an "unlawful" campaign to force environmental, social and [corporate governance](#) on customers.

"I'm pleased JPMorgan has exited the Climate Action 100+," Paxton said on X, the former Twitter. "This is a critical step toward putting customers' financial well-being first."

JPMorgan said in light of its 40 "dedicated sustainable investing professionals" and other staff, the asset manager "has determined that it

will no longer participate in Climate Action 100+ engagements," according to a company statement.

"We believe that climate change continues to present material economic risks and opportunities to our clients, and our analysts will continue to factor this into engagement with companies around the world."

© 2024 AFP

Citation: Big firms with \$7 tn exit climate investment pressure group (2024, February 16)
retrieved 28 April 2024 from <https://phys.org/news/2024-02-big-firms-tn-exit-climate.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.