anaxis

Securing our future

Strengthening of our sectoral exclusion policy

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Successful climate transition

The Anaxis team is aware of the challenges presented by global warming. Keeping the rise in temperatures to a sustainable level requires swift and bold action. Asset managers can make a major contribution to this collective effort. This is why Anaxis has chosen to work towards the goals of the Paris Agreement. In practical terms, this means implementing a sector exclusion policy to reduce the carbon intensity of our investments and ensure that our action in this area makes sense. This policy has already paid off, with our portfolio's greenhouse gas intensity down by more than 40% in the space of two years. However, there is still a difficult path ahead to reach the aim of being carbon neutral by 2050, in line with IPCC recommendations and the commitments of the Net Zero Asset Managers initiative. Anaxis has thus decided to strengthen several important aspects of its sector exclusion policy.

Extension of the scope

Our policy particularly targets the extraction of fossil fuels and their use as sources of energy in the production of electricity. At first, the transition from coal to natural gas could be considered progress, as it significantly reduces the amount of carbon dioxide emitted by equivalent power stations. Today, the choice of natural gas can no longer be justified given the need for carbon neutrality. The scope of excluded operations has therefore been extended to natural gas: extraction, processing, transport, storage, distribution, power stations.

We also rule out activities aimed at improving the performance, efficiency or yield of fossil fuel sectors. We feel that efforts must focus on the transition to sustainable energy sources and that activities helping to prolong the use of fossil fuels are not eligible.

We also reject several types of business that significantly add to global warming, and therefore cause further damage to natural environments, as they do not follow the practices needed to limit, optimise or offset greenhouse gas emissions. These include waste storage and landfill without greenhouse gas capture, incineration without energy recovery, logging that is not managed sustainably, and agriculture on peatland.

In the case of peatlands, it should be noted that they are composed of partially decomposed organic matter and store large amounts of carbon. Agricultural practices threaten peatlands due to soil drainage and fires caused by land clearing. These fires can be accidental, for example when burning gets out of hand, or criminal, as a means of settling disputes or driving out locals. Peatlands dried out by drainage are highly flammable.

Stricter criteria

We measure companies' involvement in excluded fields by considering the relevant proportion of revenue. The tolerance threshold was set at a flat rate of 20%. Our policy has become more selective. We have lowered the threshold to 5% in the case of fossil fuels, nuclear energy and tobacco, and to 10% for conventional weaponry.

Companies developing new projects in one of the following areas are also excluded, even if they fall within the 5% threshold: coal mining, shale gas exploitation, tar sands extraction, hydraulic fracking, Arctic drilling or deepwater drilling, expansion or construction of coal-fired power plants.

In the case of coal, we are also applying limits in the form of absolute levels, to prevent the continuation of major operations by mining and energy giants. We are excluding mining companies that extract more than 10 million tonnes of coal per year, as well as electricity producers having an installed capacity of more than 5 gigawatts in coal power stations.

Find out more

For more information on our exclusion policy, our commitments and our results in reducing the carbon intensity of our portfolios, please visit our dedicated website www.anaxis-esg.com .

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