



Finding answers to future problems...

Part 3: Beyond COP26

00:00

24 November 2021

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Learning Outcomes



Outline the key outcomes from the COP26 Climate Change Conference and what this means for the UK government.

Describe what the key themes and drivers are around climate change that investors should be aware of that could impact asset allocation decisions.

Define how the M&G Treasury & Investment Office looks at climate change and other ESG themes when deciding on the long-term strategic asset allocation for funds.

Integrating ESG factors into the investment process

Sensitivity analysis

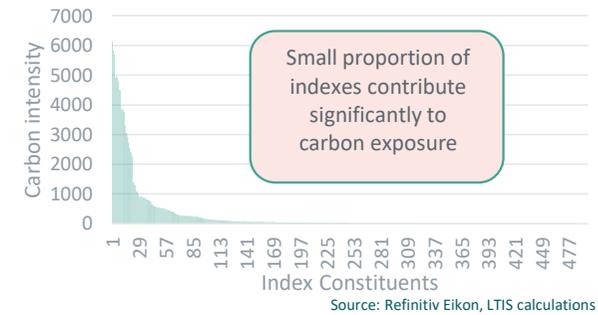
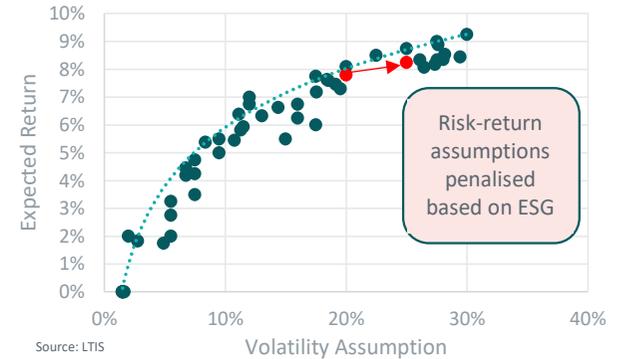
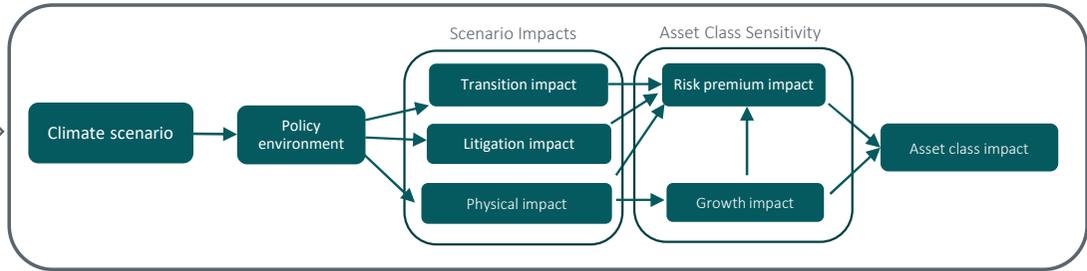
Portfolio exposures to climate change assessed in terms of physical and transition risks

Country Risk Categorisation

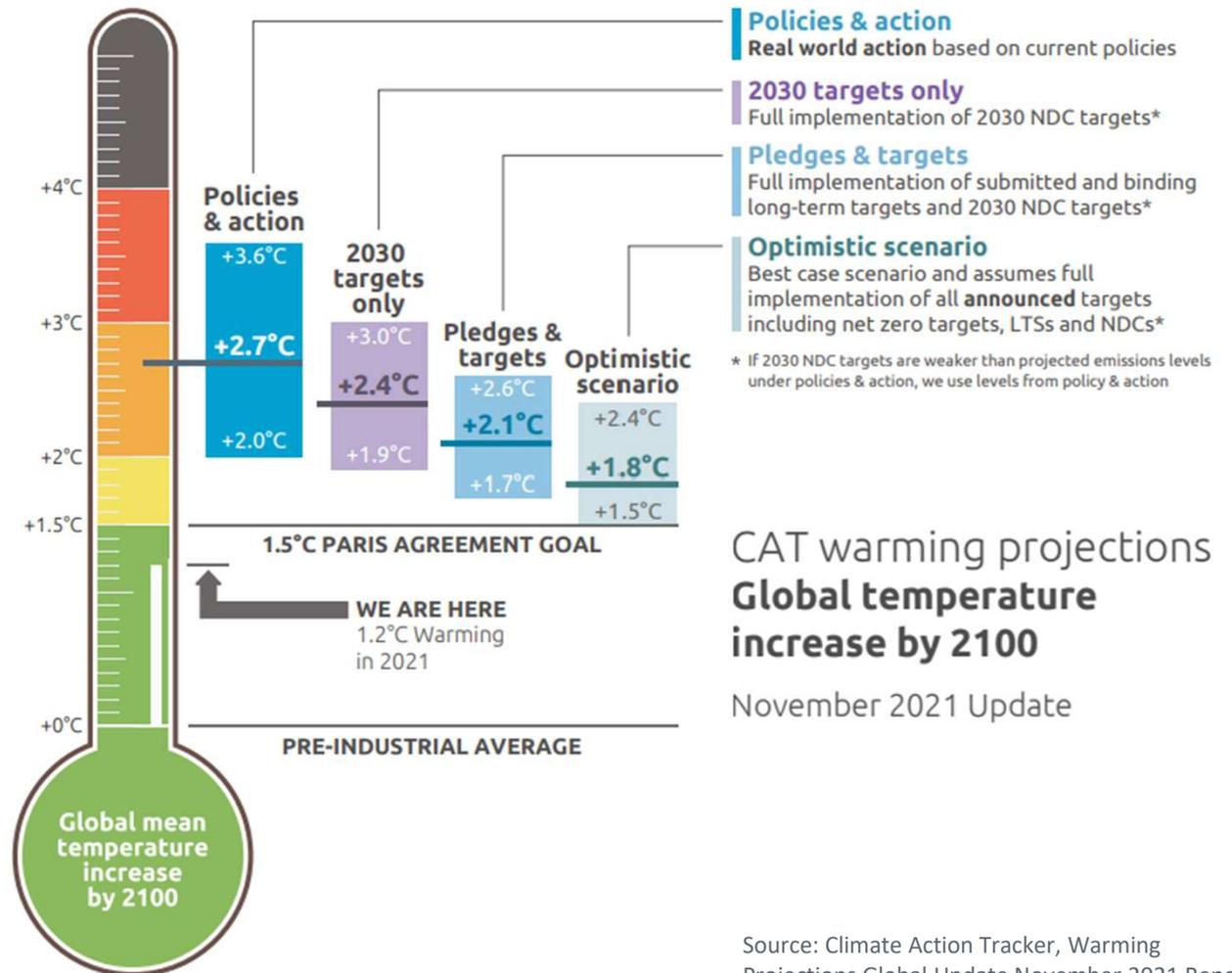
Environmental factors added to country risk categorisation framework alongside existing Social & Governance factors

Bottom up considerations

Small proportion of standard indexes contribute significant portion of index carbon exposure



How do COP26 actions impact us globally?



CAT warming projections
Global temperature increase by 2100

November 2021 Update

Source: Climate Action Tracker, Warming Projections Global Update November 2021 Report

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