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Royal London Asset Management recognises the science of climate change and the impact it can have on financial outcomes for our clients if not managed appropriately. That's why we are supporters of the goals of the Paris agreement.

Our firm-level climate commitments¹

- Engaging with policymakers, the companies we invest in, our peers and other stakeholders to play our part in moving fairly to a sustainable world².
- Reducing the emissions of our investments by 50% by 2030 as part of the transition to net zero by 2050³.
- Developing investment solutions that enable clients to invest in the low carbon transition.

We measure progress using the carbon footprint of companies we invest in, based on their direct (Scope 1)⁴ and indirect (Scope 2)⁵ emissions. This intensity metric is expressed as tonnes of CO₂ per million US dollars invested.

Tilt funds and climate goals

Our Tilt Funds are designed to support these climate ambitions. They tilt towards companies that are working towards reducing emissions to meet these targets while tilting away from those that do not demonstrate the same potential.

Each Tilt Fund has a specific climate objective to achieve a carbon footprint of at least 10% below that of the Index. The Tilt Funds have a long-term goal to achieve **net zero carbon emissions by 2050**.

We aim to achieve this by gradually reducing the Funds carbon emissions over time and, where appropriate, through continuous evaluation of technology developments and leveraging complementary measures such as investee's investment and use of carbon removals.

What does net zero mean?

Net zero means balancing the amount of greenhouse gases emitted with the amount removed from the atmosphere. For Royal London Asset Management, this means:

- **As shown by various credible (scientific) models net zero requires a reduction of emissions of at least 90% by 2050**, in line with scientific guidance from the Intergovernmental Panel on Climate Change (IPCC) to limit global warming to 1.5°C.
- We will prioritise emissions reductions first, any remaining emissions from investee companies may be addressed through solutions that neutralise their impact, which may include permanent removals - such as carbon capture and storage or nature-based solutions – as well as other emerging technologies. We will continue to monitor technological developments and industry progress to identify the most effective solutions. While IPCC models indicate these residual emissions will likely be addressed through such strategies, many of these technologies are not yet available at scale.

¹ For further details on Royal London and Royal London Asset Management climate commitments, please see [Royal London Climate \(TCFD\) report](#)

² This reflects our ambition to support the global transition while recognising that not all portfolios will necessarily achieve net zero.

³ The term Net Zero means achieving a balance between the amount of greenhouse gases emitted into the atmosphere and the amount removed from it. The commitment is based on the expectation that governments and policy makers will deliver on commitments to achieve the 1.5°C temperature goal of the Paris Agreement. It also assumes this action does not contravene Royal London Asset Management's fiduciary duty to external investors. The commitment is baselined on the year 2020. It includes assets managed and controlled by Royal London Asset Management, but excludes segregated mandates managed on behalf of external clients, unless otherwise instructed.

⁴ Scope 1: Direct emissions from company-owned resources, like fuel combustion in vehicles

⁵ Scope 2: Indirect emissions from purchased energy, such as electricity for buildings

Our approach

We target a linear decarbonisation pathway, which means aiming to reduce the Funds' carbon emissions steadily over time:

- **50% reduction by 2030**
- **Net zero by 2050**

This approach is based on industry well-recognised responsible investment practice, including the Institutional Investors Group on Climate Change (IIGCC) Net Zero Investment Framework⁶.

We remain firmly committed to supporting the goals of the Paris agreement. Our stewardship and the investment strategies that consider net zero are designed to support credible, science-aligned pathways that prioritise emissions reductions and responsibly integrate removals. As technology, policy, and science evolve, we will continue to evaluate and adapt, ensuring that our actions reflect both ambition and realism.

Further details

Please refer to our [glossary](#) for definitions of investment terms.

For further details please read this in conjunction with the Fund Prospectus and KIID, you can also find the latest Fund investment performance in the factsheets, these can be found in our fund centre at www.rlam.com.

Investment risks

Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations, you may not get back the amount originally invested. Your capital is at risk. For further information on the fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), visit our fund centre on our website www.rlam.com.

⁶ [NZIF-Implementation-Guidance.pdf](#)

Important information

The views expressed are those of Royal London Asset Management at the date of publication unless otherwise indicated, which are subject to change, and is not investment advice.

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The Tilt Funds are sub-funds of Royal London Equity Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC000807. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037.