



Climate Transition, Global Priority at Leaders Summit on Climate



State commitments are key. On the occasion of "Earth Day", the American president organised a virtual climate summit on 22 and 23 April with the main international leaders, including Xi Jinping, Narendra Modi, Angela Merkel, Vladimir Putin and Emmanuel Macron. «**This is the decisive decade** », he said in his introductory speech.

After joining the Paris Agreement on his first day in office, President Joe Biden pledged at the summit **to reduce US greenhouse gas emissions by 50% by 2030, compared to 2005**, compared to 26% by 2025 under Obama.



Europeans, trying to maintain their leadership, **are aiming for a reduction of at least 55%** in their greenhouse gas emissions by 2030 (compared to 1990). **Japan has raised its target to 46% by 2030 from its previous target of 26%**. The same goes for **Canada**, which will reduce its emissions by between **40% and 45%** by 2030 instead of the previous target of 30%. **China**, the leading polluter, which accounts for more than a quarter of global emissions, has reaffirmed its desire to achieve the first reduction in its emissions before 2030, with the aim of becoming carbon neutral by 2060. The "climate race" is thus well and truly underway. **It is becoming a major investment theme for the financial markets.**

Companies will therefore be part of the solution. This is why we have launched **M Climate Solutions**, a thematic international equity fund with the Greenfin and Towards Sustainability labels. **It targets leaders in the climate transition**, companies with secular growth trends and investment flows above the market average.

This latest climate summit once again highlights **the long-term potential of the issue**. Solving the climate crisis will necessarily require a perfect alignment of interests between citizens, who are profoundly changing their lifestyles, governments, whose climate targets are increasingly ambitious, and businesses, which have the capacity to find solutions.

M Climate Solutions is distinguished by the purity of its approach. The green share of companies, i.e. the share of turnover linked to eco-activities, is in our view a key indicator. Therefore, in order to target only the leaders in the climate transition, **we have chosen not to retain companies whose green share is less than 10%**. This management choice has largely borne fruit since its launch and, at the end of April, the green share (weighted average) of **M Climate Solutions was over 70%**.

This summit is only a first step until the launch of COP26 in Glasgow this autumn. **Investors have a key role to play in tackling global warming.**

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