Questions for asset managers

1. Are your voting policies designed to encourage strategies that enhance the investee companies' sustainable value creation, and do they provide detailed guidance regarding your expectations?
2. How are you monitoring and advising investee companies on material topics, ensuring that the short-term performance of your portfolio of investment securities does not contribute to long-term systemic insecurities?
3. Are you considering the 'additionality' of your investments by seeking to create a positive change as a result of your ownership position?
4. Do you model each company or bond in your portfolio and stress-test their cash flows under various sustainability scenarios? At the very least, do your analysts add a 'cost of carbon' line to the Cost of Goods Sold section of the Profit & Loss statement to see how rising carbon taxes could impact the company's cash flows?
5. Do you hold investee companies accountable for misalignment between sustainability commitments, targets, policies, strategies, capital expenditures and incentive structures?
6. Do you regularly assess and vote against directors who fail to consider material sustainability factors in their oversight, accountability and strategic decision-making?
7. How do you strategically employ your diverse levers of influence—eg research, voting, individual and collaborative engagements, public campaigns, policy advocacy and divestment—in a synergistic manner to address compounding market-wide sustainability risks and unlock the sustainability upside of your portfolio?
8. Do you monitor and engage with investee companies and industry associations to align their lobbying practices with sustainability commitments?
9. Do you support market reforms aimed at redesigning business incentives to ensure that pursuing sustainability is economically viable and helps make climate-neutral and nature-positive products more competitive in the marketplace?
10. How can you leverage economies of scale by collaborating with like-minded investors to drive sustainability engagement, carefully navigating the antitrust considerations surrounding such collaborative efforts?
11. Are you transparent with policymakers and other stakeholders about the genuine potential of stewardship to achieve its intended purposes and its limits as a lever of effective change?
12. How can you engage in policy advocacy to drive an enabling regulatory framework and encourage regulatory initiatives aimed at imposing sustainability guardrails, and have you created procedures for robust internal oversight of policy advocacy efforts?

