

<https://blog.en.erste-am.com/2016/10/13/erste-asset-management-bans-coal-mines-from-all-mutual-funds/>

Erste Asset Management bans coal mines from all mutual funds

Gerold Permoser



© © iStock.com

Erste Asset Management (EAM) has excluded companies that derive more than 30% of sales from coal mining from its mutual funds. In doing so, EAM is one of the first asset managers to have taken this step. “This was the next logical step for us, having excluded coal mining from our sustainable funds at the beginning of the year,” as Heinz Bednar, CEO of Erste Asset Management, explains.

The entering-into-force of the Paris Agreement (NB. on climate change) has become more likely. In order for the agreement to come into force, it has to be signed by at least 55 countries, which account for a minimum of 55% of global CO2 emissions. With India on board, we are now looking at 62 countries and a total of 52% of global CO2 emissions. Within the framework of these developments, Erste Asset Management is also taking further steps to support the climate goals.

Companies that derive more than 30% of sales from coal mining have been excluded

This threshold excludes all companies, whose core business is coal mining, from the portfolios of EAM’s mutual funds. Whereas so far mainly institutional investors and insurance companies have taken this step, Erste Asset Management has now implemented this resolution for its entire range of mutual funds. Heinz Bednar, CEO of Erste Asset Management: “The almost full exclusion of investments in coal mines is an important step for us towards achieving global climate goals.”

Sustainable funds: energy utility companies are now subject to more stringent criteria

In the sustainable funds of Erste Asset Management, we are going one step further. Energy utilities that derive more than 20% of their energy production from coal will be excluded. We started selling the titles identified from our funds on 1 August.

If one were to take all the companies affected by exclusion in the areas of basic industries and energy utilities out of the MSCI World index, the weighting of these sectors would decline by about 2%. According to calculations by EAM, the CO2 intensity of the benchmark index MSCI World would decrease by about 32% in this case. This means that the remaining companies of the MSCI World index would be 32% less CO2-intense than before.

Coal mines excluded from sustainable funds already at the beginning of the year

EAM excluded all companies that derived at least 5% of their sales from coal mining from the investible, sustainable universe (equities and corporate bonds) in spring 2016. "In doing so, we distinguish between coal as raw material for steel production, which is still permitted and necessary, and coal as fuel, which is discretionary. Therefore, we have excluded the latter one," as Dominik Benedikt, analyst of the sustainability team of EAM, explains.

1) The CO2 intensity as key ratio indicates the annual emission of CO2 in tons per USD 1mn in sales.

Coal-burning is responsible for a large part of the potential hothouse emissions

Current research results illustrate that a maximum of ten to 20 percent of global coal reserves can be burnt in order to cap global warming at the agreeable value of below two degrees Celsius. Although almost all industries are affected by these challenges, it is mainly the most CO2-intense sectors such as utilities, commodity producers, energy producers, and industrial companies that are faced with the challenge of using an increasing amount of renewable energy and using energy more efficiently.

Annual Carbon Dioxide in tons caused by the World Economy



34,4 Mio
Utilities



10,9 Mio
Materials



10,8 Mio
Energy



2,4 Mio
Industrials



1,6 Mio
Consumer Staples



1,1 Mio
Telecom Services



0,8 Mio
Consumer Discretionary



0,4 Mio
Health Care



0,3 Mio
Information Technology



0,3 Mio
Financials

Data represents the average annual output per company of the named sector.

Source: MSCI-ESG, Bloomberg, Erste Asset Management GmbH; annual report 2014; index data as of 30.4.2016

Wichtige rechtliche Hinweise

Hierbei handelt es sich um eine Werbemitteilung. Sofern nicht anders angegeben, Datenquelle ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Erste Asset Management GmbH, RINGTURM Kapitalanlagegesellschaft m.b.H. und ERSTE Immobilien Kapitalanlagegesellschaft m.b.H. Unsere Kommunikationssprachen sind Deutsch und Englisch.

Der Prospekt für OGAW-Fonds (sowie dessen allfällige Änderungen) wird entsprechend den Bestimmungen des InvFG 2011 idgF erstellt und im „Amtsblatt zur Wiener Zeitung“ veröffentlicht. Der vereinfachte Prospekt der ERSTE Immobilien Kapitalanlagegesellschaft m.b.H. wird entsprechend den Bestimmungen des ImmoInvFG 2003 idjF erstellt und im „Amtsblatt zur Wiener Zeitung“ veröffentlicht. Für die von der ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Erste Asset Management GmbH, RINGTURM Kapitalanlagegesellschaft m.b.H. und ERSTE Immobilien Kapitalanlagegesellschaft m.b.H. verwalteten Alternative Investment Fonds (AIF) werden entsprechend den Bestimmungen des AIFMG iVm InvFG 2011 „Informationen für Anleger gemäß § 21 AIFMG“ erstellt.

Der Prospekt, die „Informationen für Anleger gemäß § 21 AIFMG“, der vereinfachte Prospekt sowie die Wesentliche Anlegerinformation/KID sind in der jeweils aktuell gültigen Fassung auf der Homepage www.erste-am.com bzw. www.ersteimmobilien.at abrufbar und stehen dem interessierten Anleger kostenlos am Sitz der jeweiligen Verwaltungsgesellschaft sowie am Sitz der jeweiligen Depotbank zur Verfügung. Das genaue Datum der jeweils letzten Veröffentlichung des Prospekts bzw. des vereinfachten Prospekts, die Sprachen, in denen die Wesentliche Anlegerinformation/KID erhältlich ist sowie allfällige weitere Abholstellen der Dokumente sind auf der Homepage www.erste-am.com bzw. www.ersteimmobilien.at ersichtlich.

Diese Unterlage dient als zusätzliche Information für unsere Anleger und basiert auf dem Wissensstand der mit der Erstellung betrauten Personen zum Redaktionsschluss. Unsere Analysen und Schlussfolgerungen sind genereller Natur und berücksichtigen nicht die individuellen Bedürfnisse unserer Anleger hinsichtlich des Ertrags, steuerlicher Situation oder Risikobereitschaft. Die Wertentwicklung der Vergangenheit lässt keine verlässlichen Rückschlüsse auf die zukünftige Entwicklung eines Fonds zu.

Da es sich hierbei um einen Blog handelt, werden die in den jeweiligen Einträgen angegebenen Daten und Fakten sowie Hinweise nicht aktualisiert. Diese entsprechen dem Redaktionsstand zum oben angeführten Datum. Die jeweils aktuellen Daten und Hinweise in Bezug auf Fonds entnehmen Sie bitte den Angaben unter dem Menüpunkt „Fondssuche“ auf www.erste-am.at.



Gerold Permoser

Gerold Permoser has been Chief Investment Officer at Erste Asset Management since early April 2013. He is responsible for all asset management activities and investment strategies for all investment funds held by the Erste Asset Management Group in Austria, Germany, Croatia, Romania, Slovakia, the Czech Republic, and Hungary. Before joining the company, he served this function at Macquarie Investment Management Austria KAG. Permoser has gathered experience in investments since 1997.

He began his career as a fixed-income analyst at the Creditanstalt in Vienna. He moved to asset management at Innovest KAG in 2000. He made significant contributions in the investment field there and advanced to CIO (director of asset allocation and research). Gerold Permoser studied at the University of Innsbruck and is a CFA charter holder. He offers training at the University of Vienna and at various post-graduate institutions for analysts and portfolio managers (i.e., at VÖIG, the Association of Austrian Investment Fund Companies).