NATIXIS INVESTMENT MANAGERS

# Your monthly sustainability digest – February 2026

***Contrary to what you might be hearing, asset owners are not stepping back from sustainable investing. In fact, they are raising the bar. This message came through clearly in our recent research collaboration with Dutch pension funds. Among other discoveries, it's clear that the capital leverage held by asset owners is driving a more disciplined approach to impact with a sharper distinction between where scale matters and where depth matters — from advancing ESG alignment and real-world decarbonization at scale in listed assets, to pursuing deeper impact through private markets. As asset managers, our responsibility is to support asset owners through this transition, helping them move forward with confidence, clarity and alignment. Far from perpetuating a backlash, long-term investors are more determined than ever to focus on what truly delivers real world outcomes. We join them in this challenge head on.***

**Laura Kaliszewski**
Global Head of Client Sustainable Investing

## In the news this month

### 1 Big read: How do asset owners want their managers to resource stewardship?

Asset owners want integrated stewardship led by portfolio managers with ESG support, blending business insight and sustainability expertise rather than focusing on volume. They emphasize strong resourcing, clear accountability, and AI-assisted but human-led processes to ensure genuine integration and measurable, long-term outcomes.

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### 2 Asset owners 'disappointed' by NZAM exits but acknowledge headwinds

Asset owners welcome the relaunch of the NZAM initiative but are disappointed by major U.S. managers withdrawing amid growing political and legal pressures.
They urge managers to remain transparent and committed despite challenging ESG headwinds.

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### 3 Investors navigate shifting consensus on controversial weapons

Investors are loosening some exclusions—especially around nuclear weapons—amid shifting regulations and geopolitical pressures, creating a fragmented and inconsistent policy landscape. Emerging autonomous and AI-driven weapon systems, however, pose growing ethical and fiduciary risks that current definitions and screens fail to capture.

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### 4 EU green rules fail to boost funds' ESG credentials, research finds

SFDR's green-label rules haven't boosted sustainable fund flows or meaningfully improved portfolios' emissions or ratings, research finds. Investors struggle to understand the categories, limiting impact. Critics call the regime costly and complex. The EU is considering reforms to simplify disclosures and cut costs.

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### 5 Ontario Teachers fund ditches emissions intensity target for climate investment goal

The Ontario Teachers' Pension Plan has dropped its 2030 emissions-intensity target to instead commit C$35 billion toward climate-transition investments in private markets over the next five years. The fund argues this new approach better supports real-world decarbonization, even if it causes short-term emission-intensity increases and will continue reporting its carbon footprint annually.

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### 6 The investment bubble that has already burst

Net-zero investing has burst and shows bubble traits, but the energy transition remains viable: cheaper solar and smarter governance are driving greener investments, wind having limited growth, and grid-related opportunities rising. Policy and price signals matter most, and AI can aid analysis without replacing sound judgment.

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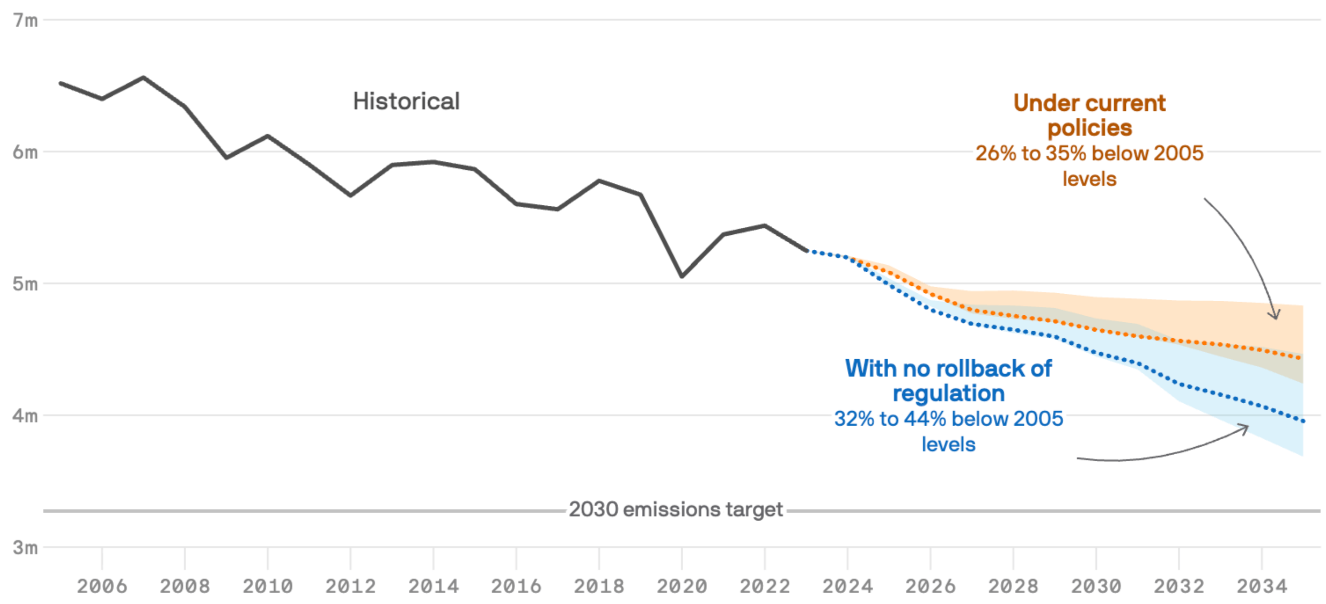
# Chart of the month

## Estimated U.S. Greenhouse Gas Emissions

Annual net emissions in metric tons of CO2-equivalent from 2005 to 2035




Source: Rhodium Group; Note: 2030 emissions target set in 2021 during the Biden administration; Chart: Kavya Beheraj/Axios, as of September 2025

### What does this chart show?

Greenhouse gas emissions in the United States have been on an overall downward trend for 20 years. The targets set by the Biden administration for 2030 seem out of reach. The continuation and steepness of the downward emissions curve depend in part on compliance with environmental regulations.

### Why is this important?

By recently repealing the *Environmental Protection Agency's 2009 Greenhouse Gas Endangerment Finding* and eliminating the legal basis for federal greenhouse gas limits across vehicles, power plants, and oil and gas, President Trump is putting a new brake on US efforts to limit greenhouse gas emissions. The United States had already withdrawn from the Paris Agreement and the Intergovernmental Panel on Climate Change (IPCC), alongside withdrawals from the United Nations Framework Convention on Climate Change (UNFCCC) and other international bodies. The Endangerment Finding had established that greenhouse gases pose a threat to public health, thereby underpinning national emissions standards.

As this chart illustrates, environmental regulation is an important factor in reducing emissions. General environmental deregulation would not automatically reverse the trend, but it would further hamper the United States' ability to reduce its emissions.

That said, Federal regulations are fortunately not the only factor to consider. The growing cost-competitiveness of renewable energies compared to fossil fuels, the specific carbon neutrality commitments of certain investors, and the markets and legislation in force in different States may continue to support the reduction of emissions, and above all this makes economical sense. Not to mention the possibility that the Supreme Court could invalidate the repeal of this Endangerment Finding.



1 - Natixis Investment Managers does not give regulatory advice. The client must undertake its own analysis in collaboration with its own internal and external experts

# The Big Picture


## 2026 ESG and Sustainability Barometer:
### From Integration to Impact: ESG & Sustainability in UK & European Fund Markets 2026

- While greenwashing risk is stabilising, it remains material: a quarter of Article 8 funds and nearly a third of Article 9 funds miss key ESG thresholds, while Asset Manager scores continue to decline and social strategies stay underrepresented.
- Regulation is tightening expectations: under SFDR 2.0 only 14% of funds would qualify as "Sustainable," and naming-related penalties are falling as funds better align labels with their sustainability commitments.
- Mirova ranked number one among top asset managers, standing out for its industry-leading sustainability expertise and consistent excellence in ESG and impact-driven investment.

Source: Mainstreet Partners

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## 2026 Outlook
### Transition shifts, extreme weather and AI boom drive credit risks

- The Global Sustainable Finance Outlook 2026 shows energy security, affordability, and policy fragmentation shaping transition strategies, with emphasis on resource efficiency and resilient supply chains.
- Adaptation and resilience funding will increasingly drive credit quality as extreme weather rises, alongside stronger public-sector risk management and corporate disclosure.
- Natural-resource management, water/land use, and AI-era data governance will create new credit risks, while expanding private credit and blended-finance tools may help close investment gaps.

Source: Moody's

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## Electricity 2026
### Analysis and forecast to 2030


- Global electricity demand is rising rapidly due to widespread electrification of industry, transport, and buildings, with AI, data centers, and tech innovations driving growth.
- The IEA's Electricity 2026 expands forecasts to 2026–2030, analyzing trends, policy developments, and emissions across regions/countries.
- The report emphasizes the need for greater grid flexibility, including grids, demand response, and utility-scale batteries, to securely integrate diverse generation and evolving demand.

Source: IEA. International Energy Agency

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## What to Expect in Sustainability in 2026


Source: Sustainable Views

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# Key insights from our investment managers

## Mirova

### Grids and electrification: the key to unlocking renewables' potential

- Global renewables accelerate driven by geopolitics and energy sovereignty, with electricity demand rising due to AI/data centers.
- Growth brings challenges: need for grid modernization, storage, and managing price volatility and policy risk.
- Investment opportunities expand in energy storage, grids, and related equipment; long-term PPAs help stabilize revenues for top players.
- Regional outlook: Europe deploys fastest but faces overproduction risks; the U.S. benefits from higher demand; Asia shows uneven growth with China dominant; grid-capacity investments expected to accelerate toward 2026.

Source: Mirova

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## Additional publications from our investment managers

> **MySustainableCorner**
(Ostrum)

> **ESG Newsletter**
(Flexstone Partners)

> **Creating Sustainable Value**
(Mirova)

> **Estonia Strengthens Energy Resilience: Hertz 1, One of Continental Europe's Largest Battery Storage Parks, Opens in Kiisa**
(Mirova)

## Quote of the month :

***"What matters to us is not the exact structure but that there is genuine integration, clear accountability and effective information flow between ESG and investment professionals."***

- Daan Spaargaren, senior strategist for responsible investment at PME

**Sustainable Investing at Natixis Investment Managers.**
One goal, many paths.

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