

Your monthly sustainability digest – March 2026

“The renewed tensions in the Middle East and the disruption of energy flows through the Strait of Hormuz are once again exposing the vulnerabilities of a global energy system still heavily reliant on fossil fuels and fragile supply routes. As oil and gas prices react and supply chains come under pressure, this crisis — much like in 2022 during Russia's invasion of Ukraine — serves as a reminder that the energy transition is not only about decarbonization, but also about energy security, sovereignty and resilience.”

For investors, this context reinforces the strategic relevance of sustainability-related themes. Renewable energy, electrification, efficiency and energy infrastructure are increasingly seen as domestic, scalable solutions to geopolitical risk. Turning this moment into a catalyst requires disciplined, long-term capital allocation, grounded in economic reality and value creation. It's a focus we continue to pursue closely with our clients.”



Laura Kaliszewski

Global Head of Client Sustainable Investing

In the news this month

1 US asset managers diverge from foreign rivals on climate

US asset managers are pulling back from climate alliances like NZAM due to US political pressure, while European and Japanese peers, influenced by investor demand, remain committed. This divergence highlights a growing divide in how asset managers address climate change globally.

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2 UK government moves forward on clarifying fiduciary duty and ESG

The UK government is introducing a Pension Schemes Bill amendment to provide statutory guidance on how trustees should consider ESG and long-term member interests, aiming to clarify fiduciary duty despite some concerns about overcomplicating established rules.

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3 Should fund managers listen to 'investor assemblies'?

Investor assemblies, using randomly selected members, are emerging as a way for pension funds and asset managers to align investment decisions with ethical values, as demonstrated by a Dutch fund's success in expanding impact investing. This approach bypasses individual investor apathy and is being considered for guiding ESG voting by major firms.

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4 Reaching net zero by 2050 'cheaper for UK than one fossil fuel crisis'

Achieving the UK's net-zero target by 2050 via renewables and green tech will cost less than an oil shock, delivering substantial health, economic, and security benefits. Climate advisers forecast this £4bn annual transition offers superior value and protection against volatile fossil fuels.

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5 Iran conflict disrupts oil and gas supply – and more energy stories | World Economic Forum

A fifth of world's crude and natural gas supply is suspended, oil prices surge over 25%, and vital shipping routes like the Strait of Hormuz are disrupted. This crisis impacts fuel costs for consumers and businesses, food security via fertilizer shipments, and forces Europe to reconsider its energy reliance amidst dwindling gas stockpiles, potentially accelerating investment in nuclear and renewables.

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6 China battery trio gain \$70bn as Iran war sparks 'paradigm shift'

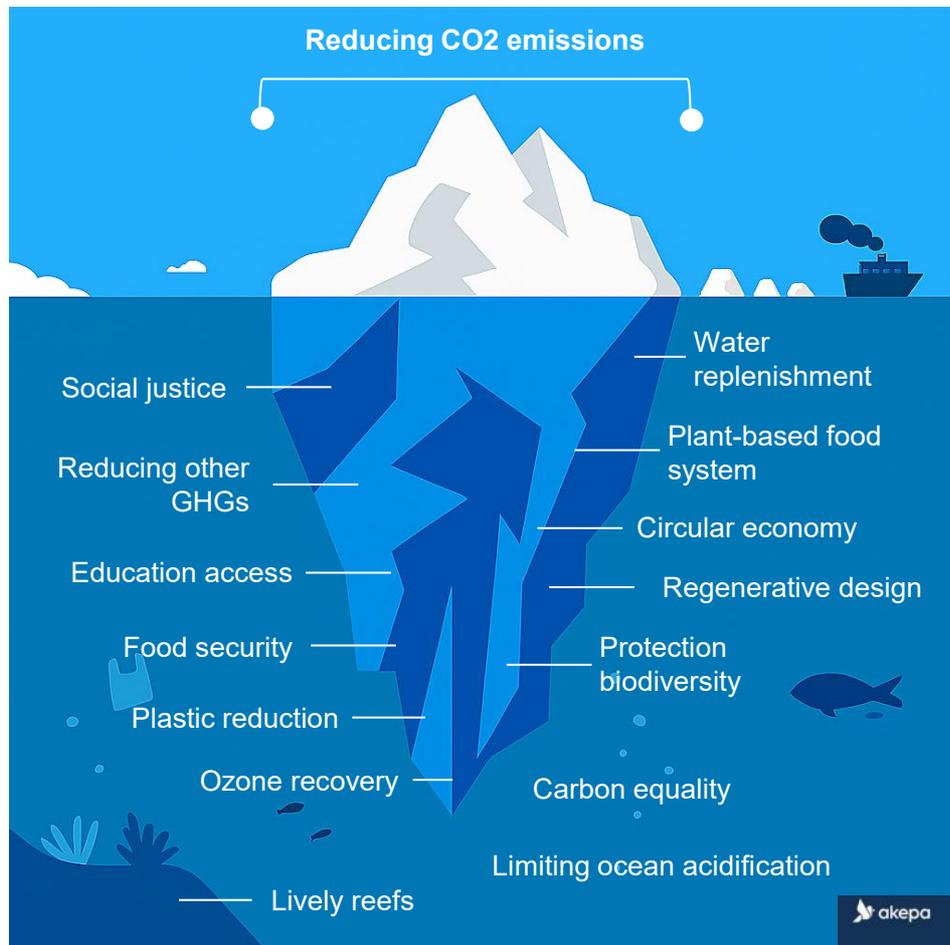
China's top battery makers have gained more than \$70bn in market capitalization since the US and Israel attacked Iran, highlighting investor expectations of a long-term boost for clean energy. The surge in clean energy shares illustrates how China and other oil importers may respond to the war in order to boost their energy security.

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Chart of the month

SUSTAINABILITY

What People See, What it Also Communicates



Source: akepa

What does this chart show?

Sustainability issues are sometimes – wrongly – reduced to the pursuit of lower CO₂ emissions. But measuring carbon concentrations in the atmosphere is not the be-all and end-all of any sustainable policy. Keeping a carbon footprint is certainly a key indicator for preserving the Earth’s habitability, but it is only the tip of the iceberg. Climate change is, in fact, just one of the nine planetary boundaries, which also include, for example, the depletion of the ozone layer, ocean acidification and the loss of biodiversity.

Why is this important?

“*What is essential is invisible to the eye,*” wrote Saint-Exupéry in “The Little Prince”. This observation also applies to sustainability issues. City dwellers do not see, in their daily lives, the impact on their lives of marine heatwaves, coral bleaching, deforestation, soil organic depletion, air pollution, mineral water sources, and so on. Yet these issues deserve just as much attention as carbon accounting. All these issues threatening our environment are interconnected. For example, the loss of natural carbon sinks (ocean acidification, deforestation and forest fires) jeopardizes the achievement of the +1.5°C/+2°C target. We must therefore ensure that achieving one target does not come at the expense of others. The response to sustainability challenges must be holistic and systemic, not in silos. More than just an engineering problem, with a succession of issues to resolve, or a financial one, the climate challenge is also a societal challenge, requiring political will and social acceptance.

If you have a question about the newsletter, contact the Client Sustainable Investing Team clientsustainableinvesting@natixis.com

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



Sustainable Fund Returns Slightly Below Traditional Peers in Second Half of 2025

- Sustainable funds' assets under management (AUM) reached a record \$4.13 trillion by December 2025. Despite this growth, their share of total fund assets declined to 6.5% because traditional funds saw stronger inflows.
- Sustainable funds experienced net outflows of \$86.4 billion in the second half of 2025, including the first outflows from Europe, mainly due to reallocations.
- Overall median returns for sustainable funds were 5.3% in late 2025, slightly below traditional funds, and regional outperformance was offset by geographic exposure differences.

Source: Morgan Stanley Institute for Sustainable Investing

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What the Market Thinks: How Global Insurers are Responding to Rising Physical Risk



- Across all regions, insurers consistently assessed their own preparedness more favorably than the sector's collective readiness.
- The maturity of physical-risk integration varies. A majority (68%) of insurers surveyed in Europe say they have integrated physical risk into overall risk management. That compares with 36% of those surveyed in APAC and a third in North America.
- The impact of physical risk on rising insurance costs, claims and availability is spurring supervisors in many regions to focus on insurers' governance and risk management.

Source: MSCI Institute

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50 Investible Opportunities for a New Nature Economy

- Businesses are experiencing negative impacts from nature loss but are increasingly recognizing the business opportunities within a nature-positive economy, which can offer both resilience and short-term gains.
- In 2024, the green economy accounted for ~\$8 trillion in listed equity market value and has outperformed global equities by ~59% since 2008.
- The report highlights over 50 investible opportunities across 13 key sectors that already demonstrate cost savings or revenue generation, aiming to shift investment away from nature-harming activities toward sustainable, industry-shaping transitions.

Source: World Economic Forum

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Zero: What the Iran War Means for the Energy Transition



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Source: Bloomberg

Key insights from our investment managers



Mirova: Partners of the World Living Soils Forum 2026 to Accelerate Action for Soil Regeneration

- Mirova has become a member of the Advisory Board for the World Living Soils Forum, a major event focused on soil regeneration.
- The forum and its partners recognize that living soils are crucial for food security, climate resilience, and biodiversity, yet 40% are threatened by erosion, pollution, or overexploitation.
- The Forum and its expanded Advisory Board (including Groupe BPCE and Natixis CIB) aim to bring together diverse stakeholders – scientists, farmers, businesses, financial institutions, and public entities – to create concrete, measurable solutions for ecological transition.

Source: Mirova

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Additional publications from our investment managers

> [MySustainableCorner](#)
(Ostrum)

> [ESG Newsletter](#)
(Flexstone Partners)

> [ESG report 2025](#)
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> [Creating Sustainable Value](#)
(Mirova)

> [Engagement Policy and Priorities for 2026](#)
(Mirova)

Quote of the month :

“The Climate Change Committee analysis shows the switch to clean, green renewables and electric vehicles is not only economically sensible but will make us far better off in the long run, while simultaneously safeguarding our environment.”

- Mike Childs, head of science at Friends of the Earth

Sustainable Investing at Natixis Investment Managers.

One goal. Many ways to sustainable growth.

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