



Principles for  
Responsible  
Investment



UNEP

FINANCE  
INITIATIVE

# THE NET-ZERO ASSET OWNER ALLIANCE

The UN-convened Net-Zero Asset Owner Alliance represents the boldest action to date by some of the world's largest asset owners to decarbonize the global economy. Concerned about the disruptive impacts that unabated climate change may have on societies, ecosystems, and economies, responsible asset owners are committing to ensure their investment portfolios are carbon neutral by 2050.

This Alliance was initiated by Allianz, CDC, CDPQ, Folksam Group, PensionDanmark, and SwissRe. Since then, Alecta, AMF, Nordea Life and Pension, Storebrand, and Zurich have joined as founding members.

It is convened by United Nations Environment Programme Finance Initiative (UNEP FI) and the Principles for Responsible Investment (PRI). It is supported by WWF and is part of the Mission 2020 campaign.

# THE JOURNEY TO THE ALLIANCE

- **Asset Owners (AOs) have a unique role to play in today's financial landscape.** With long-term investment horizons they are acutely vulnerable to the systemic disruptions that climate change will cause in ecosystems, societies and economies. They also have a key role to play in catalysing economic decarbonisation and climate-resilience thanks to their ability to drive the development of industry practices through their investment mandates.
- **Recent years have seen an unprecedented surge in investor concern.** Action on climate change has begun to take shape in regulatory frameworks, public policy, and the various spheres of influence that investors have at their disposal including their portfolios and their investees.
- **The Investor Agenda**—a collaborative initiative to accelerate investor actions critical to tackling climate change and achieving the goals of the Paris Agreement—reflects the extraordinary breadth and depth of investor action to date. Ever greater ambition is on the horizon...

# NEW LEADER- SHIP

- It is against this background that a new alliance now aims to instil in the global investment industry **the required level of climate ambition**. Ambition which is anchored in each AO's accountability. AO actions that are based on and guided by objective, authoritative science will emphasize GHG emissions outcomes in the real economy.
- **The UN-convened Net-Zero Asset Owner Alliance** is intended to demonstrate climate leadership and to scale up rapidly to achieve a critical mass of purposeful investors.
- The Alliance will accompany AOs throughout the process of **aligning their portfolios to the needs of an economy** that is compatible with a stable climate. A journey which was ignited in Paris in 2015 and needs ratcheting up through to 2020 and beyond.
- The Alliance members will make significant progress towards delivering on Paris Agreement Article 2.1c:  
*"Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".*

# THE ALLIANCE COMMIT- MENT



The members of this Alliance commit to transitioning their investment portfolios to net-zero GHG emissions by 2050 consistent with a maximum temperature rise of 1.5°C above pre-industrial temperatures, taking into account the best available scientific knowledge including the findings of the IPCC, and regularly reporting on progress, including establishing intermediate targets every five years in line with Paris Agreement Article 4.9.

In order to enable members to meet their fiduciary duty to manage risks and achieve target returns, this Commitment must be embedded in a holistic environmental, social and governance (ESG) approach,

incorporating but not limited to, climate change, and must emphasize GHG emissions reduction outcomes in the real economy.

Members will seek to reach this Commitment, especially through advocating for, and engaging on, corporate and industry action, as well as public policies, for a low-carbon transition of economic sectors in line with science and under consideration of associated social impacts.

This Commitment is made in the expectation that governments will follow through on their own commitments to ensure the objectives of the Paris Agreement are met.



# WHY THIS ALLIANCE?

- Many investor and AO initiatives focusing on climate change exist today. While many of these initiatives are worthwhile and deserve further strengthening and promotion, their respective impacts will benefit from greater alignment and coordination **through a joint and lasting AO-led alliance supported by UNEP FI and PRI.**
- The Alliance will seek to work with, and enhance a range of existing initiatives, including:
  - [Science-based Targets Initiative](#)
  - [Climate Action 100+](#)
  - [The Investor Energy & Climate Action Toolkit](#)
  - [The Investor Agenda](#)
  - [Task Force on Climate-related Financial Disclosures](#)

# HOW TO ACHIEVE PARIS ALIGN- MENT



The UN-convened Alliance will utilise state-of-the-art tools and align with various initiatives led by AOs who have demonstrated leadership on the topic of decarbonisation.

In more detail, potential actions would emphasize:

- **Investor ambition and target-setting at portfolio level**—reporting of contribution to progress in a sector-specific way.
- **Impact on the real economy and emissions**—to the extent methodologies can be developed for this.
- **Implementation via an integrated approach to applying environmental, social, and governance considerations for measuring and managing associated impacts.**
- **Joint engagement and monitoring of engagements** based on the most authoritative, credible scientific input, to ensure consistency of messaging and necessary ambition. This will build on existing active ownership good practice already under development—such as [ClimateAction100+](#).

# AN ASSET OWNER LED ALLIANCE

Led by Asset Owners representing  
more than US\$ 2 trillion AUM

Allianz 



 CDPQ

Folksam

PensionDanmark

alecta



 CalPERS

Nordea

 storebrand

 Swiss Re

 ZURICH<sup>®</sup>

# PARTNERS



Strategic partner



Part of the Mission 2020 campaign

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UN Environment Programme – Finance Initiative (UNEP FI) is a partnership between UN Environment and the global financial sector created in the wake of the 1992 Earth Summit with a mission to promote sustainable finance. More than 250 financial institutions, including banks, insurers, and investors, work with UN Environment to understand today’s environmental, social and governance challenges, why they matter to finance, and how to actively participate in addressing them.



The Principles for Responsible Investment (PRI) works with its international network of institutional investor signatories to put the six Principles for Responsible Investment into practice. Its goal is to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and stewardship decisions.



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