



Net zero y TCFD en el portafolio

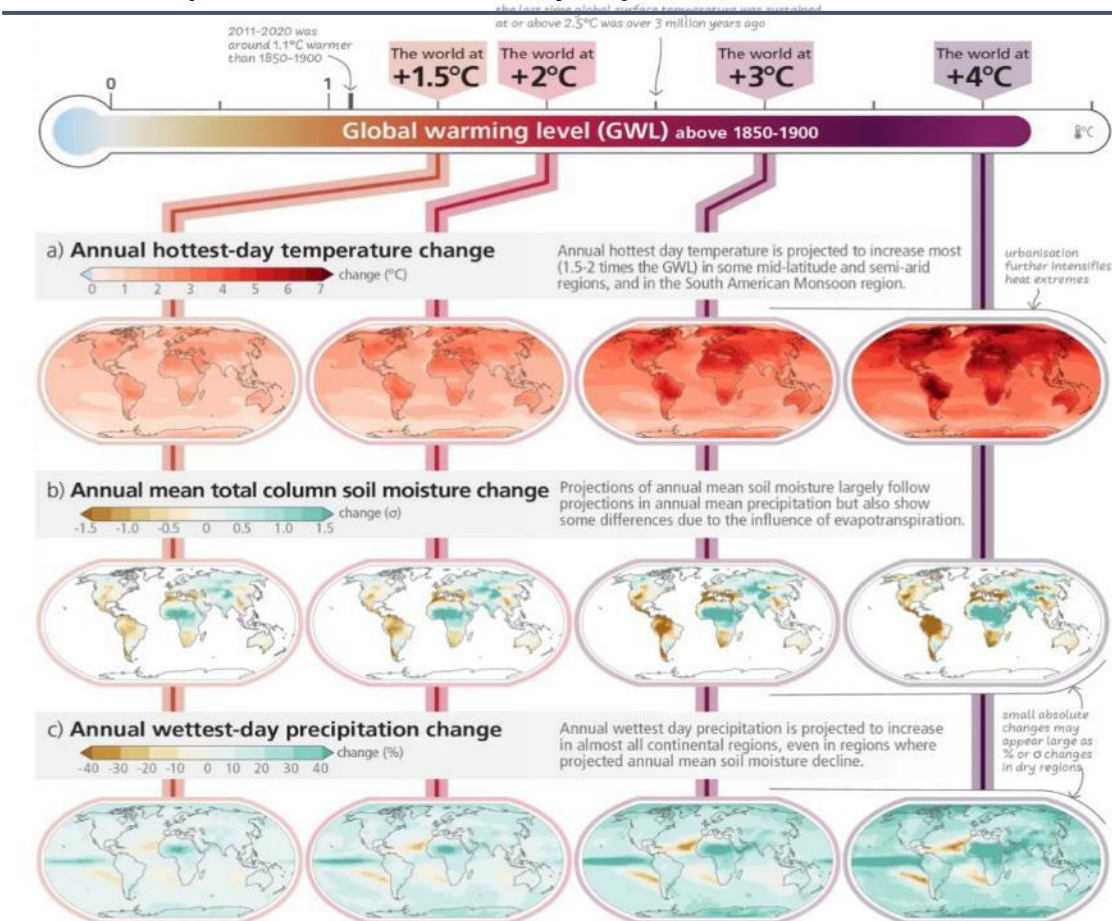


1. Contexto

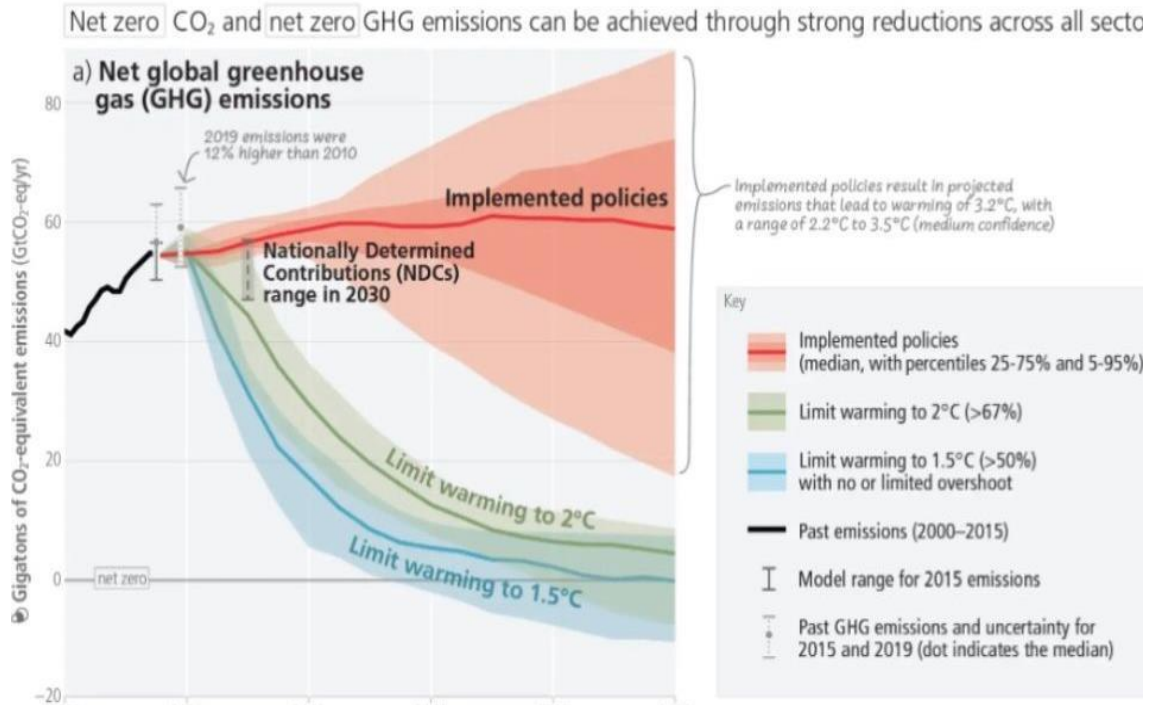
2. Estrategia de AINDA contra el cambio climático
3. Acciones que busca AINDA a nivel de activos

El acuerdo de París buscaba limitar el calentamiento global a 1.5 C a 2050. Actualmente, el incremento ya se ubica 1.3 grados centígrados a nivel global. Los efectos del cambio climático derivados del incremento del calentamiento no son lineales sino exponenciales.

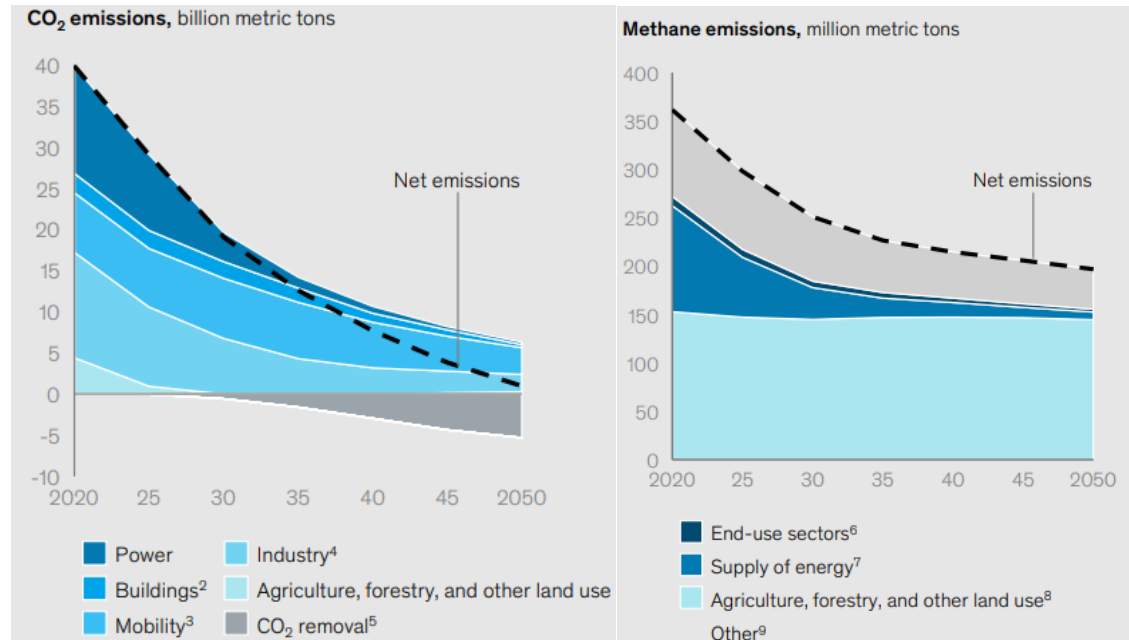
Con cada incremento en la temperatura global, los cambios regionales en el clima promedio se extienden y se pronuncian más



La transformación requerida es incluso mayor a la originalmente planteada en París. La humanidad vivirá durante cientos de años con las consecuencias del cambio climático registrado hasta ahora.



Net Zero 2050 scenario from the NGFS¹



1. The net-zero scenario is based on the Network for Greening the Financial System Net Zero 2050 scenario using REMIND-MagPIE from the 2021 release of NGFS.

China e India que son los mayores emisores de GEI tienen metas laxas en cuanto a **Net Zero**, lo cual permite prever que **no se logre alcanzar la meta de Net Zero para 2050**.

Países

- 2030: Noruega (Ley, 2016) ahora 2050
- 2045: Suecia (Ley 2017)
- 2050:
 - Objetivo de Reino Unido.
Prohibición de coche de CI a partir de 2030
 - Europa (A nivel política adoptada en 2020)
 - Plataforma del Partido Demócrata
 - Canada a nivel de política
 - Japan objetivo
 - Nueva Zelandia a nivel Ley
- 2060:
 - China
 - Russia
- 2070:
 - India

Ciudades

- 2025: Copenhague
- 2035: Helsinki
- 2040: Estocolmo
- 2050: Amsterdam

Empresas

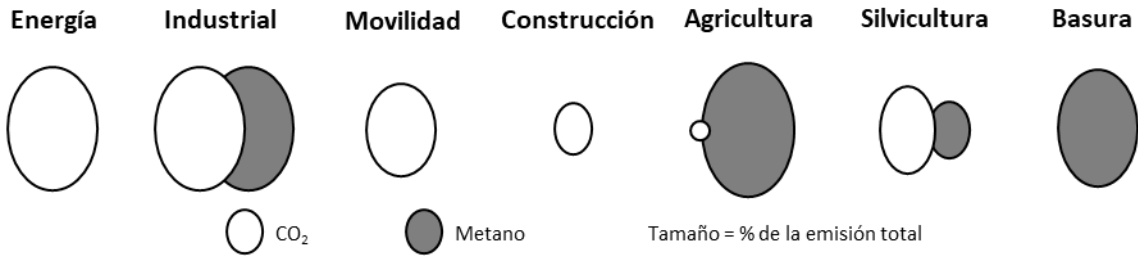
- 2030:
 - Google
 - Microsoft
 - Apple
- 2035: 6M
- 2040:
 - Amazon
 - Walmart
- 2050:
 - Maersk
 - Delta
 - British Airways

Para lograr una transición Net Zero exitosa, ésta deberá caracterizarse por ser universal, justa, profunda y acelerada.

Universal

Implica la transformación de todos los sistemas que aportan GEI

Actualmente todas las emisiones de CO₂ y metano son generadas por 7 sectores que usan energía y suelo.



Front-loaded

Las inversiones anuales en Net Zero se darán principalmente en los primeros años, lo cual impactará en incrementos en los precios de los productos y servicios

Riesgos de transición

Por la envergadura de la transición net zero, ésta no será armónica y por ello se enfrentan riesgos de desabasto y mayores precios de energía, así como pérdida de valor de activos fósiles (i.e. stranded assets e impacto en balances)

Significativa

Las inversiones anuales en Net Zero para los siguientes 30 años tendrán que incrementarse de US\$ 5.7T anuales a ~US\$ 9.2T anuales durante los siguientes 30 años.

Uneven

Los países ricos en energía fósil y los menos desarrollados presentan el mayor riesgo de transición:

- Stranded assets
- Medidas de mitigación de riesgos físicos

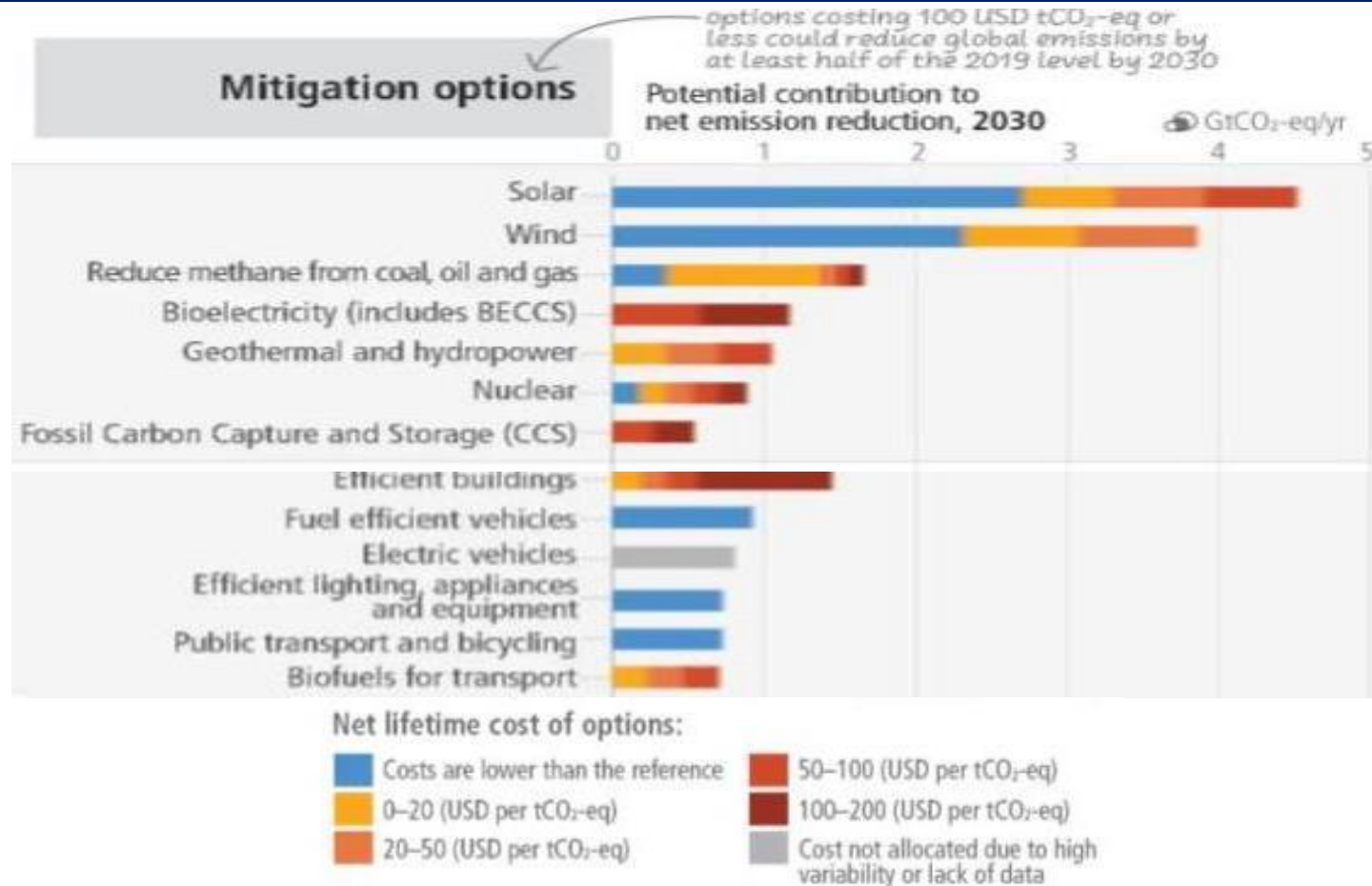
Rica en oportunidades

La transición creará nuevas oportunidades en materia de procesos y productos de descarbonización:

- Sistemas de captura de carbón
- Energías renovables
- Generación distribuida
- Hidrógeno
- Sustitución de vehículos de combustión interna

El cambio climático también presenta oportunidades derivadas de la adaptación en los modelos de negocio, los productos demandados, así como la resiliencia requerida para la infraestructura y fuentes de energía. Los procesos de inversión deberán considerar la factibilidad y costos de adaptación.

Factibilidad de las respuestas y adaptación al clima, y potencial de mitigación de las opciones en el corto plazo



Las industria de cemento y acero son críticas para lograr una reducción significativa en GEI. El cemento produce GEI por la energía consumida y por su proceso de producción y no existen tecnologías o combustibles actualmente que aporten de manera significativa a reducir sus GEI. Los sistemas de CCS parecen ser lo más adecuado pero a un costo significativo.

Emisiones totales por sector, %

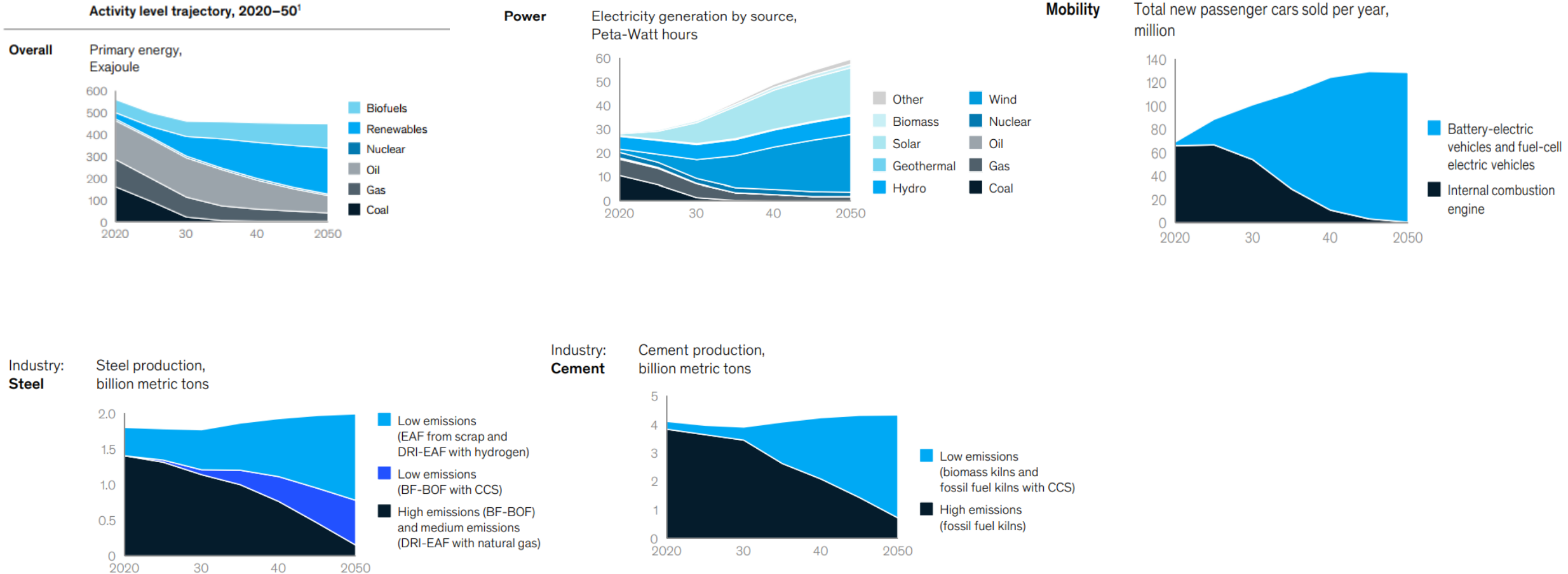
	CO ₂	N ₂ O	Metano	CO2 eq ¹
Energía	30%	3%	-	26.14 Gt
Industria	30%	8%	33%	3.06 Gt
Movilidad	19%	2%	-	8.43 Gt
Edificios	6%	-	-	3.07 Gt
Agricultura	1%	79%	38%	5.79 Gt
Forestal	14%	5%	6%	1.39 Gt
Desechos	-	3%	23%	1.63 Gt
TOTAL	100%	100%	100%	49.51 Gt

1/ https://www.climatewatchdata.org/ghg-emissions?breakBy=sector&end_year=2019&gases=all-ghg§ors=total-including-lucf&start_year=1990

Emisiones por energía y sistemas de land use, 2019, %



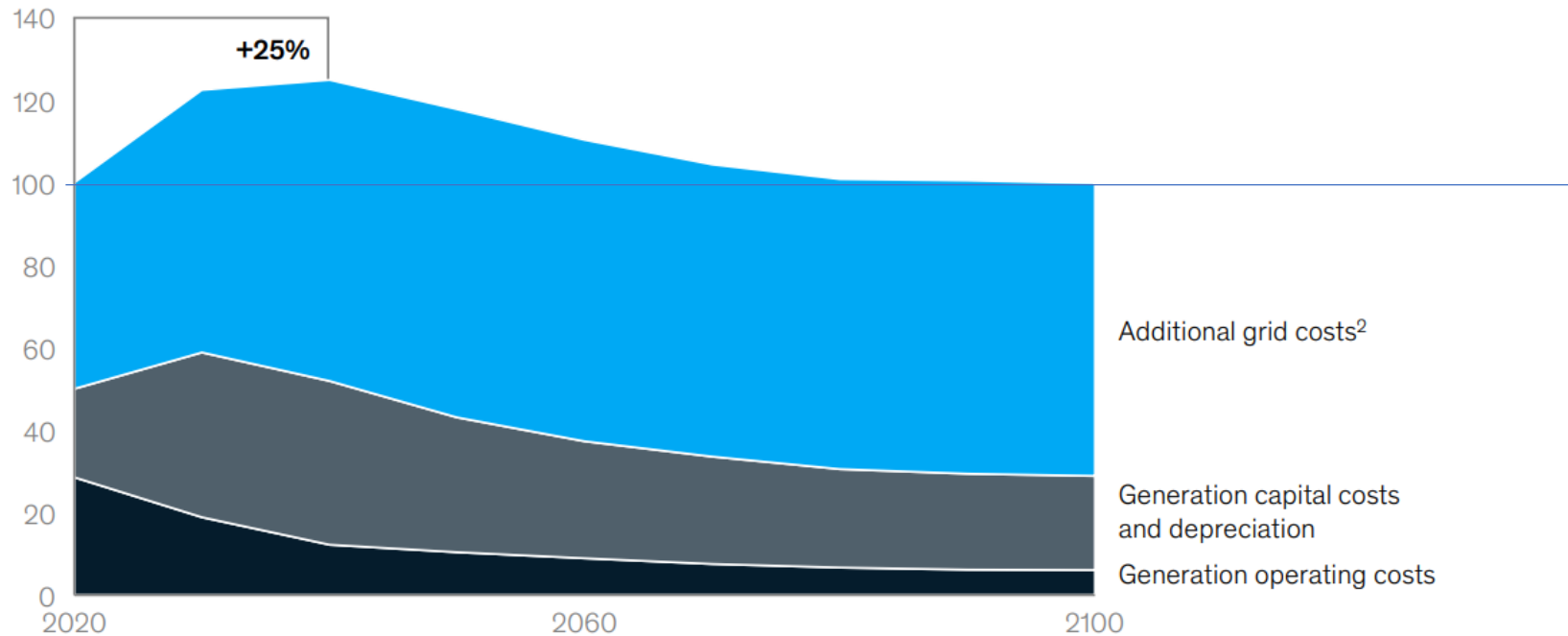
El éxito de la transición Net Zero a 2050 se apalanca en la masificación de energías renovables, la electrificación de los vehículos, el uso de hidrógeno y de sistemas CCS para la energías fósiles.



1. Based on the NGFS Net Zero 2050 scenario using REMIND-MAgPIE. In some instances, variables were downscaled by Vivid Economics. This represents global activity levels and emissions. In the Net Zero 2050 scenario, different systems reach zero emissions at different times.

Las inversiones necesarias para la descarbonización de la producción de electricidad y principalmente la ampliación y mejora de las redes de transmisión y distribución podría incrementar el costo de la electricidad en 25%.

Delivered cost of electricity,¹ \$ per MWh, index (100 = 2020), NGFS Net Zero 2050 scenario, global average



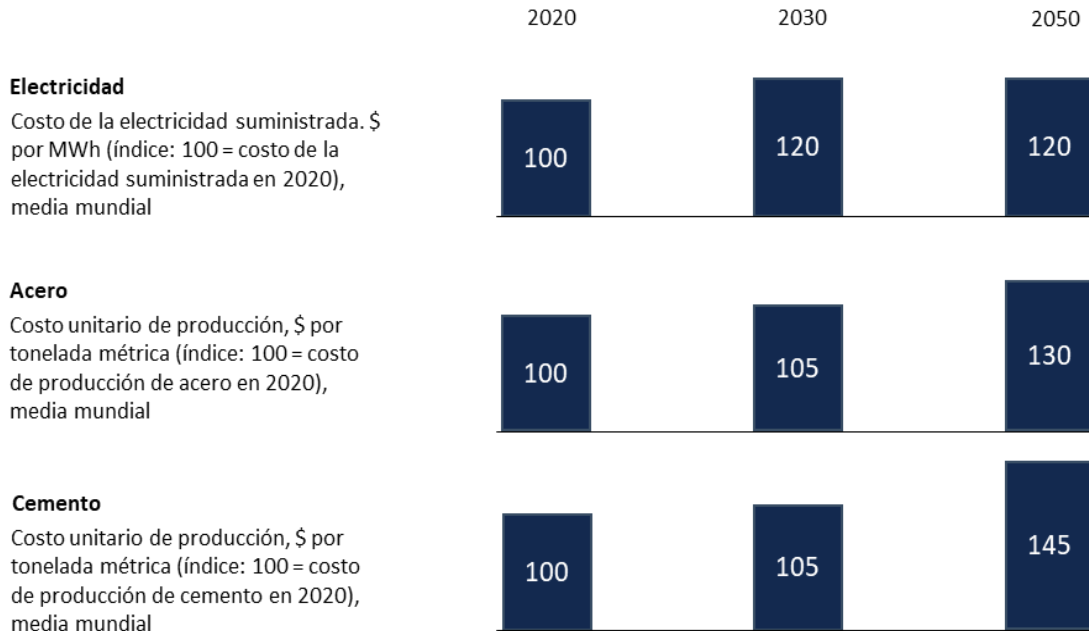
1. This metric represents a full system cost for power, across generation, transmission, and storage. It includes operating costs, capital costs, and depreciation. To assess cost changes for power, we first quantified the change in three main cost drivers: power generation capital charge (at a weighted average cost of capital of 6.5 percent), power generation operating costs, and transmission, distribution and storage investments. These were then translated into the delivered cost of electricity by dividing by electricity production in each time period. This metric indicates how the underlying costs are changing for the power sector and is not the same as consumer electricity prices. The trends described here are global averages and would vary across regions.

2. Transmission and distribution plus storage.

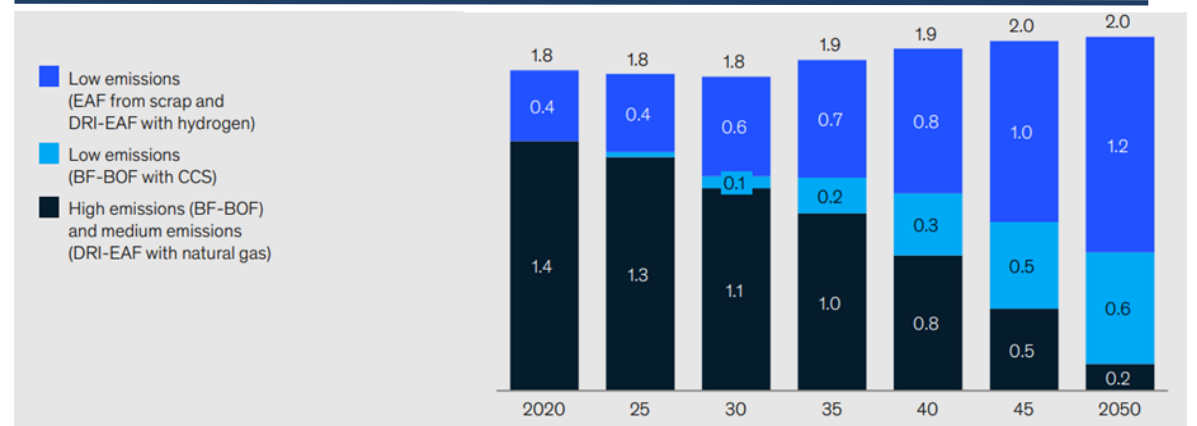
Los costos de producción y de construcción serán mayores. Mientras que el acero se incrementará en 30%, el costo del cemento será 45% superior. Esto será crítico de incorporar en las valuaciones de las inversiones realizadas y por realizar.

Costs for electricity, steel and cement

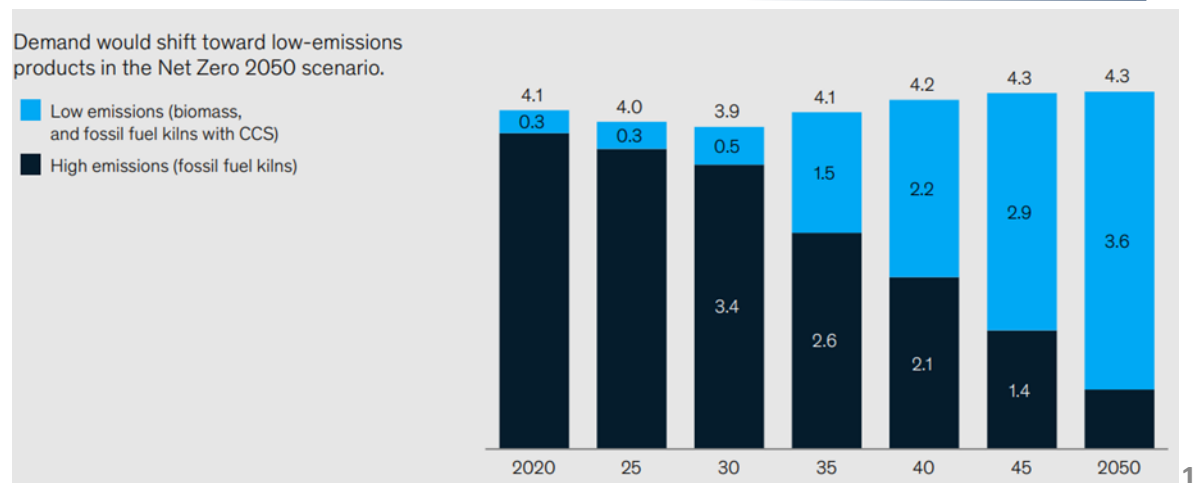
Costos, escenario NGFS Net Zero 2050



Global steel production

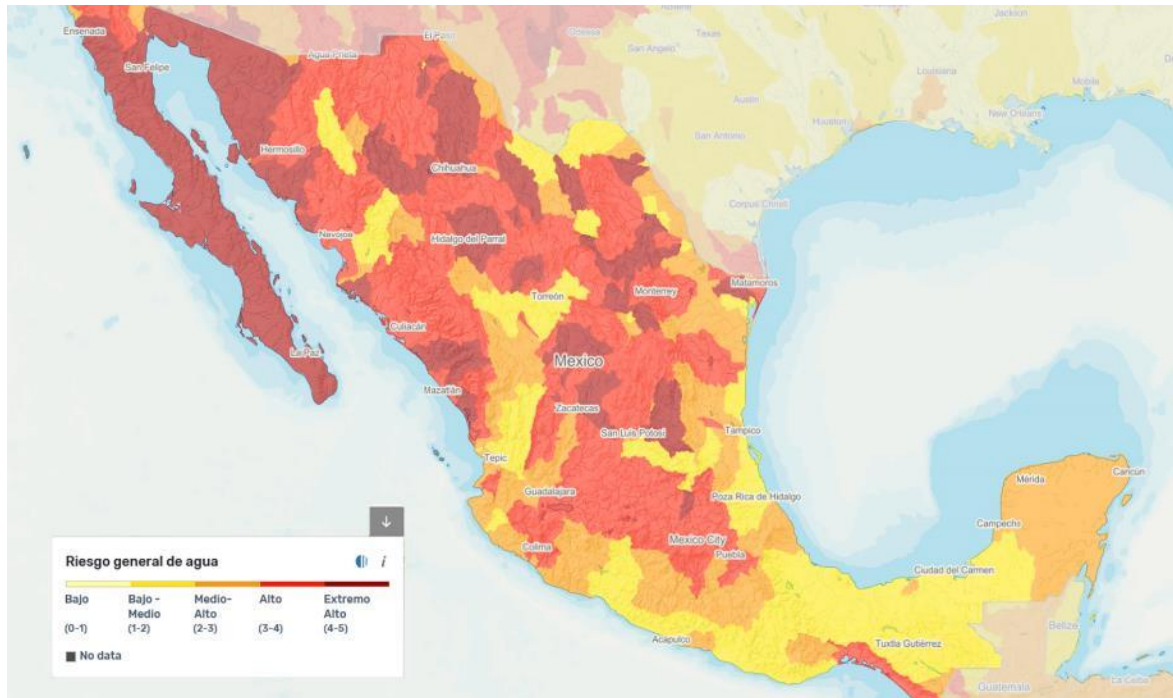


Global cement production



Si bien México es un país que sufrirá de manera relevante efectos del cambio climático, es crítico analizar los impactos a nivel regional.

Estrés hídrico



Vulnerabilidad de los asentamientos humanos por deslaves

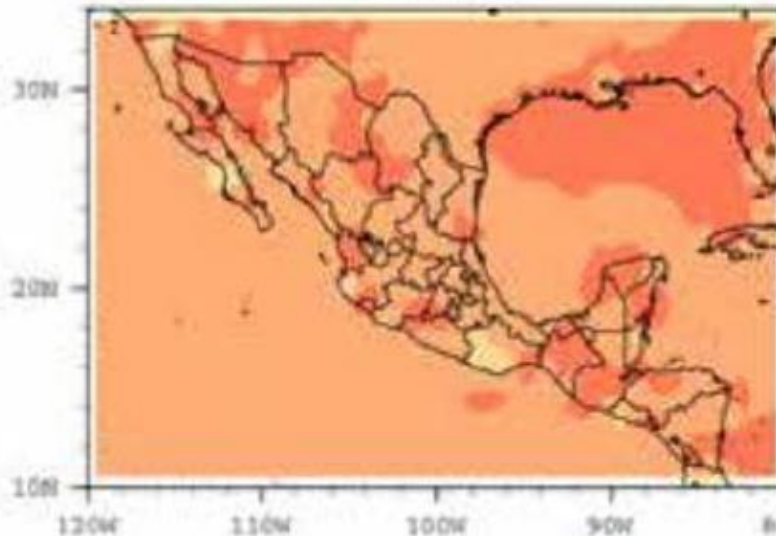


En México, los estados de Norte, del Pacífico y del Sureste presentan las mayores variaciones de temperatura en la actualidad; hasta 1.8 grados.

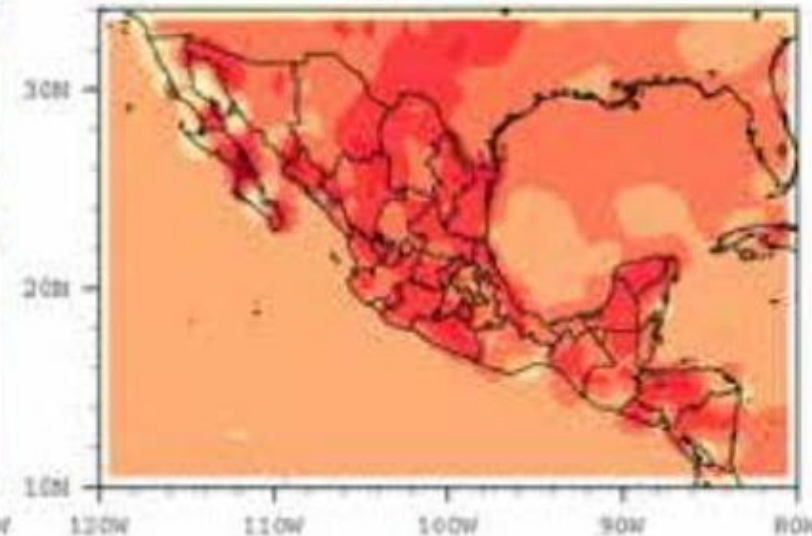
Anomalía de temperaturas

Primavera-Verano

Mínima



Máxima



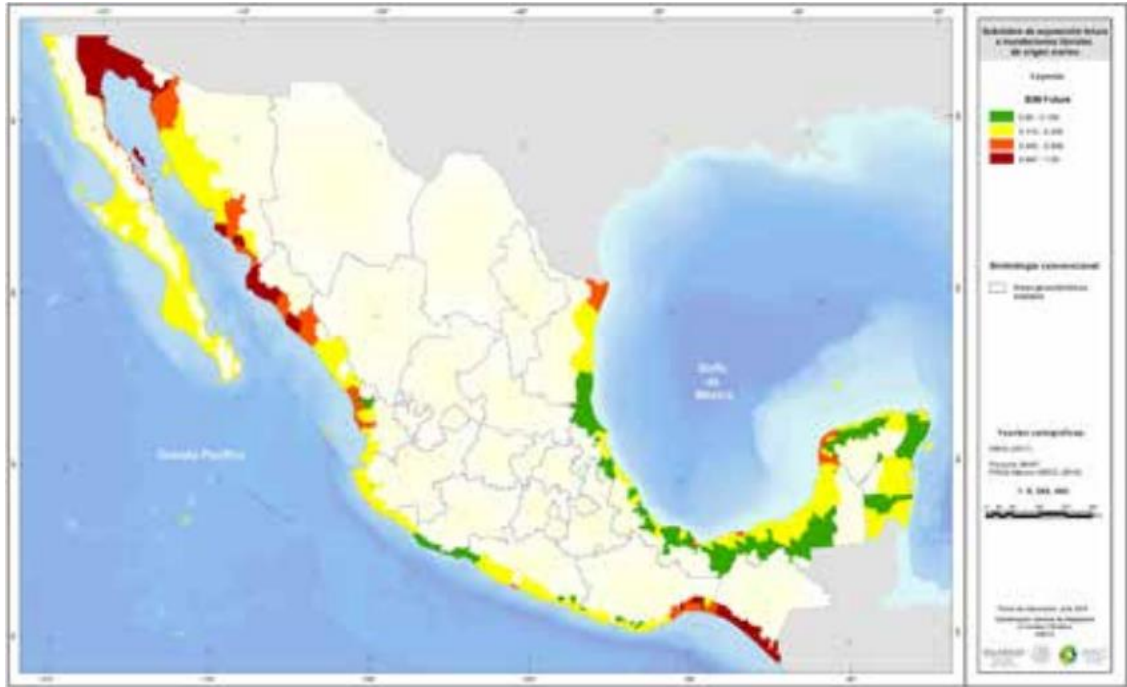
Anomalías de temperaturas máxima y mínima durante primavera-verano del futuro cercano: 2015-2039 respecto del histórico: 1980-2004.

El incremento en la capacidad hidráulica en nuestras carreteras fue una medida de mitigación acertada ante mayores riesgos de inundaciones esperadas en los estados donde se ubican. Por lo que respecta a inundaciones en los litorales, Tabasco, Campeche, Yucatán y BCS son altamente vulnerables.

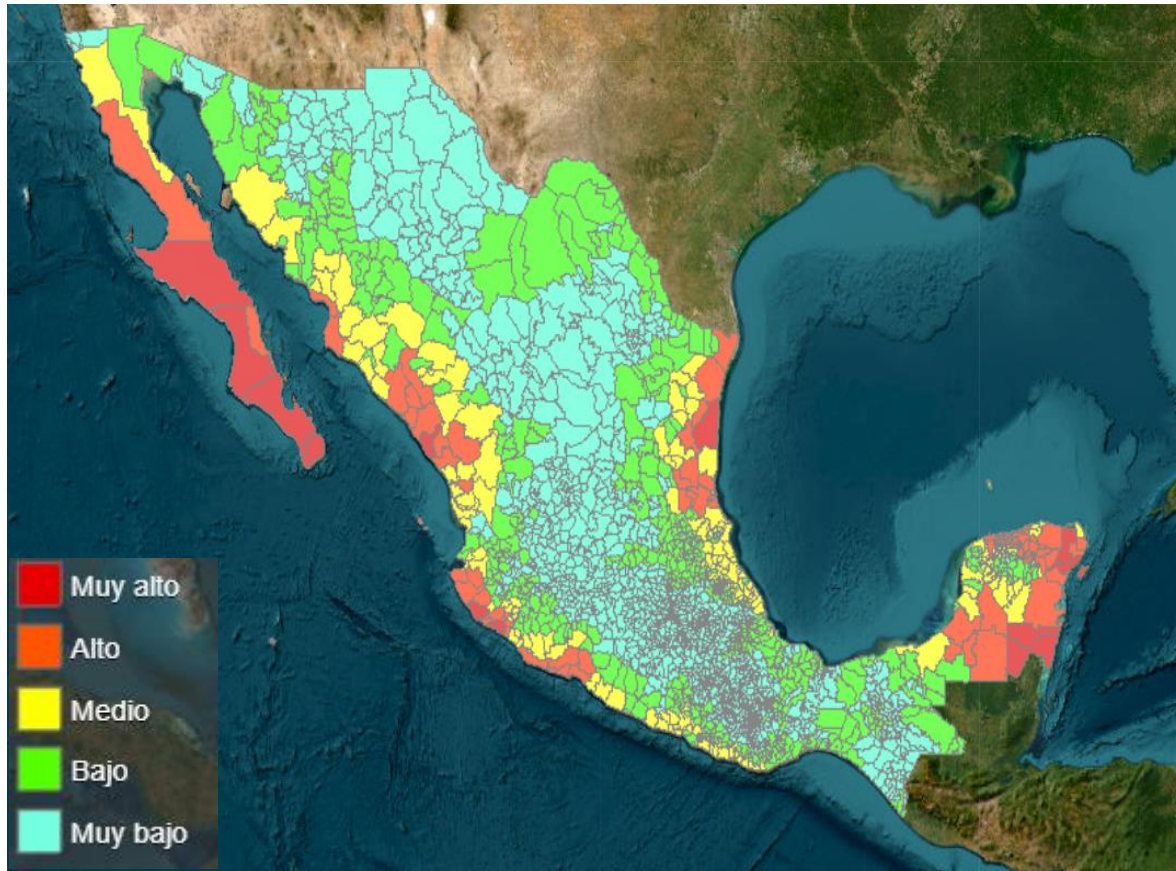
Vulnerabilidad de los asentamientos humanos por inundaciones



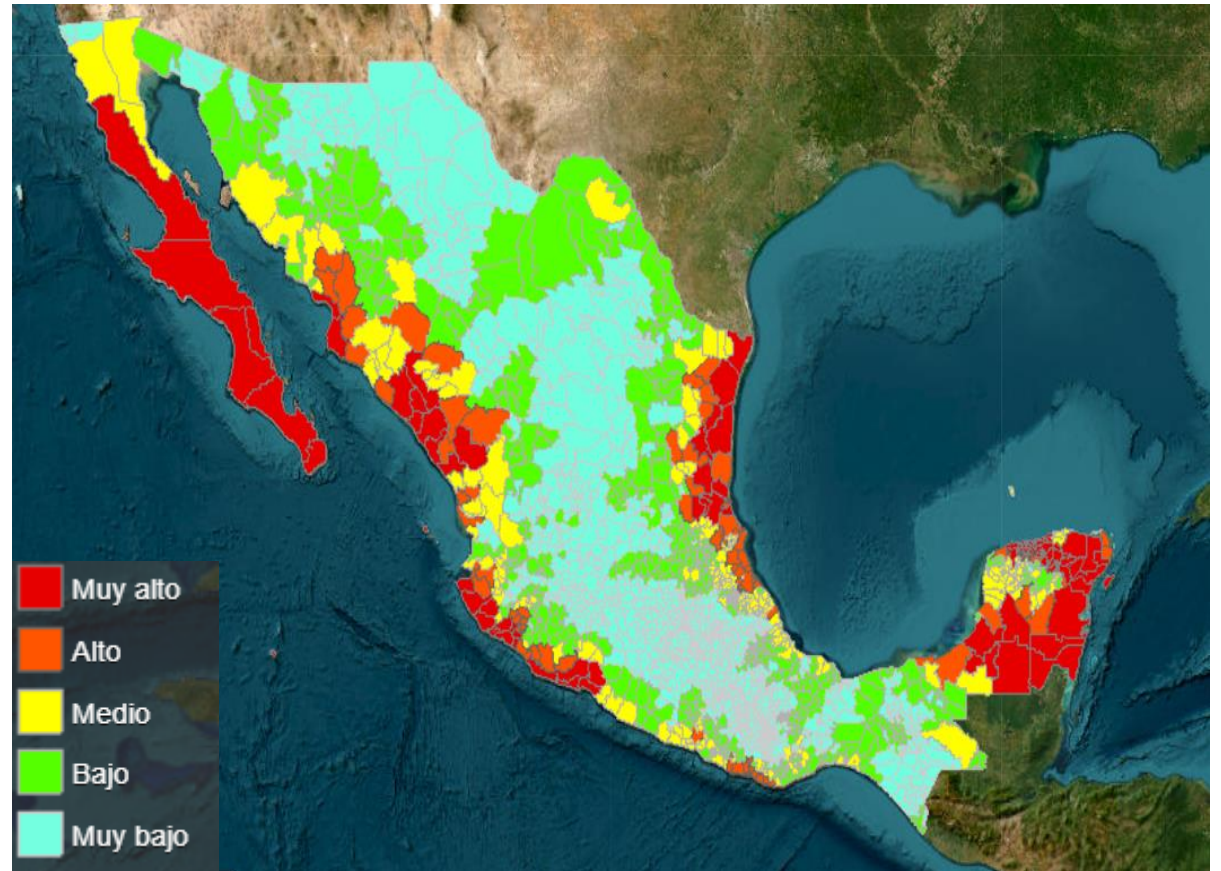
Proyección a inundaciones litorales de origen marino



GRADO DE PELIGRO POR PRESENCIA DE CICLONES TROPICALES



GRADO DE RIESGO POR PRESENCIA DE CICLONES TROPICALES



El Financial Stability Board (FSB) se estableció en 2009 a raíz de la crisis hipotecaria. Es un organismo internacional que monitorea y hace recomendaciones sobre el sistema financiero global para promover la estabilidad.

- ▶ El FSB estableció el TCFD para desarrollar un conjunto de recomendaciones para comunicar de manera efectiva el riesgo climático y facilitar decisiones mejor informadas relacionadas con el cambio climático a través de una mayor transparencia.
- ▶ La importancia del TCFD ha crecido en los últimos años a medida que más organismos reguladores adoptan sus recomendaciones.
- ▶ Más recientemente, el Parlamento de la UE ha propuesto nuevas reglas de divulgación relacionadas con los modelos en parte basado en las recomendaciones del TCFD, que requieren que las capacidades climáticas y de ESG se integren en el marco de riesgo de la organización y en la toma de decisiones estratégicas.
- ▶ Las recomendaciones se centran en cuatro áreas temáticas:

Gobernanza: La gobernanza de la organización alrededor de las oportunidades y riesgos relacionados al clima

Estrategia: El impacto potencial de los riesgos y oportunidades relacionados al clima y el modelo de negocio que mejor puede lidiar con éstos



Gestión de riesgos: El proceso para identificar, evaluar y gestionar riesgos climáticos

Métricas y objetivos: mecanismo de seguimiento riguroso para evaluar continuamente los riesgos y oportunidades climáticas



Net zero se refiere a un estado en el que los gases de efecto invernadero que ingresan a la atmósfera se equilibran al eliminarlos de la atmósfera. El término Net Zero es importante porque, al menos para el CO₂, este es el estado en el que se detiene el calentamiento global. El Acuerdo de París subraya la necesidad de net zero. Requiere estados que "logren un equilibrio entre las emisiones antropogénicas por las fuentes y las absorciones por los sumideros de gases de efecto invernadero en la segunda mitad de este siglo".

1. Contexto
- 2. Estrategia de AINDA contra el cambio climático**
3. Acciones que busca AINDA a nivel de activos

Por lo que respecta al marco metodológico de TCFD, contamos con un proceso para la identificación de los riesgos y oportunidades derivadas del cambio climático

Proceso de identificación de riesgos y oportunidades físicos y de transición

Análisis

- Analizar los **documentos** de **cambio climático** elaborados por instituciones de renombre
- **Seleccionar escenario** de riesgo físico y de riesgo de transición con la finalidad de evaluar la exposición de las inversiones y la resiliencia de la estrategia (IPCC, RPC, NGFS, IEA, entre otros)
- Recopilar información acerca de la **exposición de riesgos** como mapas de aumento de temperatura, precipitación, aumento de nivel del mar, entre otros

Identificación de riesgos y oportunidades

- Análisis de exposición a **riesgos y oportunidades por cambio climático** (aspectos físicos y de transición) para el GP y por inversión.
- Evaluación de **impactos financieros materiales** en las inversiones derivadas de los riesgos físicos y de transición
- **Resiliencia** de la estrategia frente a riesgos y oportunidades del cambio climático (riesgos físicos y de transición)

Comunicación y acciones

- Presentar al **Comité de Auditoría**, al de Inversiones y al **Consejo de Administración** los hallazgos clave de los análisis desarrollados con la finalidad de generar conciencia
- Comunicar a las **sociedades promovidas** el análisis realizado con la finalidad de generar conciencia acerca de la importancia del cambio climático y sus implicaciones
- En conjunto con los socios en las sociedades promovidas, definir un **plan de mitigación de riesgos** y de **captura de oportunidades**

Seguimiento

- Seguimiento a los riesgos y oportunidades a nivel de las inversiones y de las operaciones propias
- Seguimiento de la **gestión de riesgos y oportunidades** del cambio climático por parte del **Comité de Auditoría** y el **Consejo de Administración**

TCFD recomienda el uso de escenarios para analizar los riesgos y oportunidades del cambio climático



De acuerdo a TCFD, IPCC y otros organismos internacionales el cambio climático presenta riesgos tanto de transición como físicos, que a su vez generan oportunidades para la industria.

Riesgos de transición

REGULATORIOS

Iniciativas políticas que se llevan a cabo conforme al cambio climático evoluciona.

Nacionales: Los gobiernos pueden implementar regulaciones para limitar las emisiones de GEI

Internacionales: Impuesto compensatorios por huella de carbono a los bienes importados.

TECNOLÓGICOS

Las mejoras o innovaciones tecnológicas que favorecen la transición pueden tener un impacto significativo en las organizaciones.

MERCADO

Cambios en la oferta y la demanda a medida que se tiene más en cuenta el cambio climático

REPUTACIÓN

Cambios en la percepción de los clientes sobre la contribución de una organización al cambio climático o la distracción del mismo.

Riesgos físicos

CRÓNICOS

Resultan del comportamiento a largo y mediano plazo del cambio climático:

- Incremento del nivel del mar
- Alteraciones en la irradiación
- Alteraciones en la precipitación
- Acidificación de los océanos
- Aumento de la temperatura media
- Desertificación
- Estrés hídrico

AGUDOS

Eventos climáticos extremos:

- Inundaciones
- Incendios
- Deslaves
- Sequías
- Ciclones / Temporales de Viento
- Olas de frío / calor

De acuerdo a TCFD, las oportunidades relacionadas con el cambio climático son:

Eficiencia de recursos

Mejora de la eficiencia de procesos de producción especialmente en relación con la eficiencia energética, pero también con la gestión de materiales, agua y residuos.

Fuentes energéticas

Los países tendrán que pasar un porcentaje importante de su generación de energía a alternativas de bajas emisiones, por lo que representa una oportunidad.

Productos y servicios

Las organizaciones que innovan y desarrollan nuevos productos y servicios de bajas emisiones pueden mejorar su posición competitiva y sacar provecho de los cambios en las preferencias de los consumidores y los productores.

Mercados

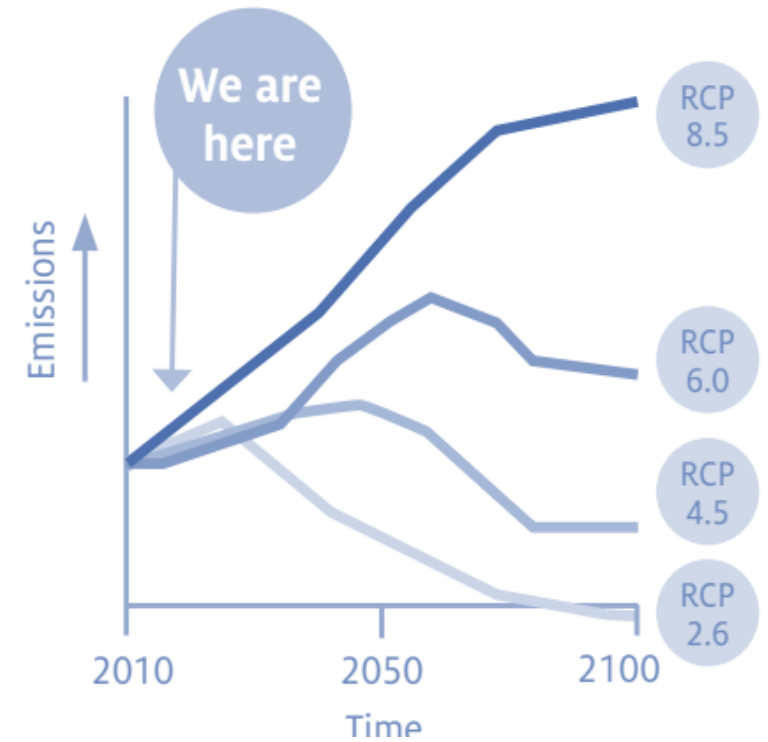
Las organizaciones que buscan proactivamente oportunidades en nuevos mercados o tipos de activos pueden diversificar sus actividades y posicionarse mejor para la transición a una economía con menos emisiones de carbono.

Resiliencia

Implica que las organizaciones desarrollen una capacidad de adaptación para responder al cambio climático con el fin de gestionar mejor los riesgos asociados y aprovechar las oportunidades, incluida la capacidad de responder a los riesgos de transición y a los riesgos físicos.

AINDA utilizará los escenarios RCP6.0 y RCP8.5 para el análisis de los riesgos físicos

ESCENARIO	ESFUERZO PARA REDUCIR EMISIONES	PICO EMISIONES	GENERACIÓN DE ENERGÍA	AUMENTO TEMPERATURA 2081-2100	AUMENTO NIVEL DEL MAR	ADAPTACIÓN REQUERIDA
RCP4.5	Medio Alto	2040	Renovables	1.8°	0.47 m	Media a costo medio
RCP6.0	Medio Bajo	2080	Fósil/ Renovables	2.2°	0.48 m	Media a costo medio
RCP8.5	Bajo	Indefinido	Carbón	3.7°	0.63 m	Alta a alto costo



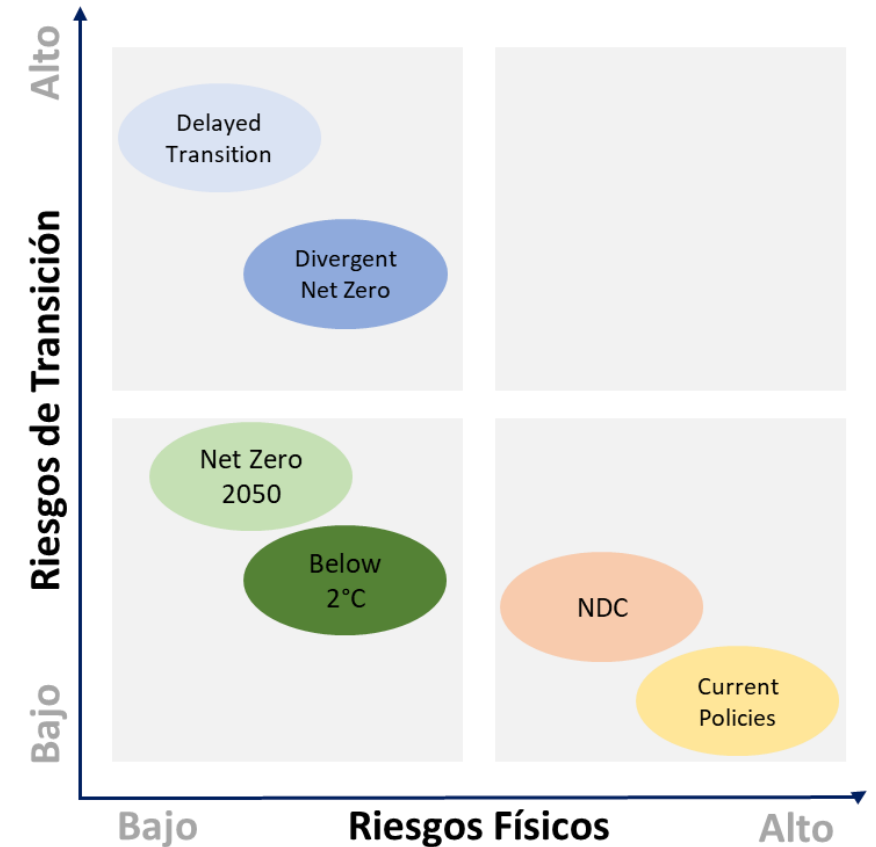
Escenario elegido por Ainda

Proponemos usar el escenario RCP 6.0 y RCP 8.5 que implica más tiempo para la descarbonización de la matriz energética y con el consecuente incremento en la temperatura de 2.2 y 3.7 centígrados, respectivamente.

Effort to curb emissions	Energy generation	New technology	Transport		Temperature 2081-2100 (average increase relative to 1986-2005)	Sea level 2081-2100 (average rise relative to 1986-2005)	Extreme weather 2081-2100	Adaptation required
 Low	 Coal-fired power		 Cars, trucks	 RCP 8.5	 3.7 °C	 0.63 m	 Large increase	 High level at high cost
 Medium	 Mix		 Mix	 RCP 6.0	 2.2 °C	 0.48 m	 Moderate increase	 Medium level at medium cost
 Medium	 Renewable		 Mix	 RCP 4.5	 1.8 °C	 0.47 m	 Moderate increase	 Medium level at medium cost

A partir de los escenarios planteados por NGFS, se seleccionó el escenario de Delayed Transition que implica que de 2020 al 2030 se mantiene el contexto vigente y es hasta 2030 que hay un cambio profundo en materia regulatoria.

CATEGORÍA	ESCENARIO	AMBICIÓN POLÍTICA	REACCIÓN POLÍTICA	CAMBIO TECNOLÓGICO
Ordenada	Net Zero 2050	1.4°C	Suave e inmediata	Rápido
	Below 2°C	1.6°C	Suave e inmediata	Moderado
Desordenada	Divergent Net Zero	1.4°C	Inmediata diferente entre sectores	Rápido
	Delayed Transition	1.6°C	Retrasada	Lento / Rápida
Calentamiento Global	Nationally Determined Contributions	2.6°C	NDCs	Lento
	Current Policies	3°C+	Ninguna - actual	Lento



Escenario elegido por Ainda

En síntesis, para evaluar los riesgos y oportunidades del cambio climático en Ainda, seleccionamos los siguientes escenarios.

ESCENARIOS FÍSICOS**RCP 6.0**

- Se espera que las **emisiones** alcancen su punto **máximo en 2080**.



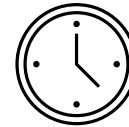
- Después de 2080, se prevé que las emisiones comiencen a disminuir gradualmente a medida que se adopten políticas y tecnologías que promuevan la **reducción de emisiones**



- Se logra **cierto control de las emisiones** de gases de efecto invernadero, pero **no lo suficiente** para evitar impactos significativos en el clima

RCP 8.5

No se toman medidas significativas para reducir las emisiones de gases de efecto invernadero, el **pico de las emisiones** es **indefinido** y las **concentraciones atmosféricas continúan aumentando rápidamente**.

ESCENARIO DE TRANSICIÓN**Delayed Transition**

- Se seguirá la trayectoria de las **políticas actuales** hasta **2030**



- Después de 2030, prevé la aplicación de una **trayectoria de precios del carbono** acorde con los objetivos a largo plazo (Net Zero 2050)



- Se llega al objetivo climático, pero con altos costos de transición

Política Net Zero

En junio 2023, AINDA publicó su política Net Zero que se desprende de su Política de Inversión Responsable
En ésta AINDA afirma su intención a establecer compromisos y metas Net Zero, consistentes con una transición justa y alineada con su responsabilidad fiduciaria

Compromisos y metas Net Zero

Ainda ha elegido afiliarse a la Net Zero Asset Managers Initiative la cual aglomera a fondos de inversión y los obliga a establecer metas Net Zero basadas en ciencia

**The Net Zero Asset
Managers initiative**

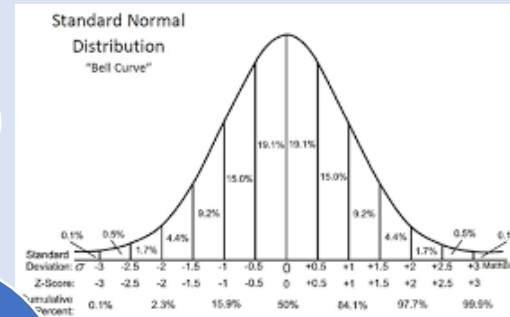
1. Contexto
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Definición de proceso de identificación de riesgos y oportunidades



- 1**
- Proceso estructurado y sistemático
 - Incorporación de proceso a la gestión del negocio
 - Revisión y ajustes que refuercen el proceso

Cuantificación de riesgos y oportunidades



- Incluir riesgos y oportunidades materiales únicamente
- Iniciar con los “más cuantificables”
- Trabajar de la mano de auditores en metodología

Gobernanza

Identificación y priorización de riesgos y oportunidades materiales

		Impacto			
		Bajo	Moderado	Significativo	Severo
Probabilidad	Muy probable	Yellow	Orange	Red	Dark Red
	Probable	Yellow	Orange	Red	Dark Red
	Posible	Green	Yellow	Orange	Red
	Poco probable	Green	Yellow	Orange	Red

- 2**
- Utilizar matriz de riesgo
 - En riesgos más relevantes, seleccionar los KPIs para poder medirlos
 - En ejercicio aparte, seleccionar oportunidades con materialidad



Reflejar cuantificación en EEFF

- Acordar con auditor primer año de inclusión
- Revisión continua de metodología debido a constantes cambios



June 2023

IFRS S1

IFRS[®] Sustainability Disclosure Standard

General Requirements for Disclosure of Sustainability-related Financial Information



International Sustainability Standards Board



June 2023

IFRS S2

IFRS[®] Sustainability Disclosure Standard

Climate-related Disclosures



International Sustainability Standards Board

Alcance de S1

IFRS S1 se aplica ampliamente en los riesgos y oportunidades relacionados a la sostenibilidad (que podría esperarse razonablemente que afecte las perspectivas de una empresa) y sirve como marco de aplicación de estándares IFRS SDS. Por ejemplo, modelos de negocio dependiendo de recursos naturales (como el agua), podrían afectar y ser afectados por la calidad, disponibilidad y asequibilidad de recursos. La degradación o agotamiento podría crear riesgos, mientras que la regeneración y la preservación podría crear oportunidades para las operaciones de las entidades y afectar los estados financieros.

Alcance de S2

IFRS S2 aplica a:

- Riesgos físicos (derivados de eventos relacionados con el clima, por ejemplo, tormentas, inundaciones o de cambios a más largo plazo en el clima ej. cambios en la precipitación y temperatura que lleva al aumento del nivel del mar)
- Riesgos de transición (derivados de los esfuerzos hacer la transición a una economía baja en carbono e incluye política, legal, tecnológicos y reputacionales)
- Oportunidades (por ejemplo, desarrollar un producto alternativo con menos huella carbono)

IFRS S2 puede ser visto como un estándar dentro del S1 que tiene mayor amplitud. La aplicación de S2 debe darse en combinación con S1

Diseñar y acordar política

1



- Alineada con responsabilidad del negocio con sus accionistas (fiduciaria)
- Consistente con una transición justa
- Congruente con la industria en la que participa

Definir pertinencia de contar con asesoría técnica de tercero

3



- Entender brechas de entendimiento en la empresa
- Identificar firma reconocida que tenga las capacidades para servir el tipo de negocio en cuestión



Elegir afiliación a iniciativa Net Zero

2



- Debe ser la más apegada al tipo de negocio
- Debe tener suficiente reconocimiento en el mercado

Establecimiento, publicación y seguimiento de metas

4



- Acordar el establecimiento de compromiso Net Zero
- Plantear calendario para establecimiento de metas
- Inscribir metas para que sean avaladas

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Net – Zero

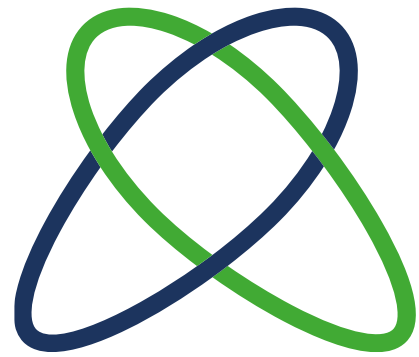
Las normas S1 y S2 de IFRS establecen...

“Use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort”

Ejemplos:


- Información respecto a eventos pasados
- Condiciones actuales
- Predicciones de condiciones futuras
- Experiencia de empresas comparables
- Análisis externos
- Información interna que no genere “undue cost or effort”


Actualmente AINDA está en proceso de definir pertinencia de contratar a un asesor en la materia. Aun no tenemos visibilidad del costo de los servicios





AINDA
Energía & Infraestructura


Anexos


Initiative	Description	Process	Additional
	<p>Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals – limiting global warming to well-below 2°C above pre-industrial levels for scope 3, and pursuing efforts to limit warming to 1.5°C for scope 1 and 2.</p> <p>It is a partnership between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the UN Global Compact. It is also one of the We Mean Business Coalition commitments.</p>	<ol style="list-style-type: none"> Commit: submit a letter establishing your intent to set a science-based target: https://sciencebasedtargets.org/resources/files/SBT-Commitment-Letter.pdf The exception is Small and Medium-Sized Enterprises (SMEs)*, who can bypass the commitment stage and immediately set a science-based target for their scope 1 and 2 emissions, and, optionally, net-zero targets by choosing from one of several predefined target options. Develop: work on an emissions reduction target in line with the SBTi’s criteria. Once your organization has signed the commitment letter you will have a maximum of 24 months to: 1) Develop a science-based target aligned with the SBTi Criteria; and 2) Submit the target to the SBTi for validation. Submit: present your target to the SBTi for official validation Communicate: announce your target and inform your stakeholders Disclose: report company-wide emissions and track target progress annually <p>*SMEs defined as a non-subsidary, independent company which employs fewer than 500 employees and is not a Financial Institution (FI) or Oil & Gas (O&G) company.</p> <p>Detailed steps: https://sciencebasedtargets.org/step-by-step-process</p> <p>The initiative defines a financial institution as one that engages in investment activities as part of its core functions. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> - Asset management/asset owners - Retail and commercial banking activities - Insurance companies (when functioning asset managers) - Mortgage real estate investment trusts (REITs) <p>In addition, if at least 5% of a company’s revenue comes from activities such as those described above, they would be considered a financial institution.</p> <p>The financial sector’s largest impact comes from its investment and lending activities (known as scope 3 emissions) and therefore it is imperative that targets for this sector encompass such activities.</p>	<p>Web site</p> <p>Financial sector Science-based targets guidance</p> <p>Private Equity sector guidance</p> <p>SBTi Criteria: here</p> <p>Target Validation protocol</p> <p>Costs: Developing countries near-term target submission and/or Net-zero target submission – Exempted: \$0</p>
<p>Commitment overview</p>	<p>GPs are required to set targets on</p> <ul style="list-style-type: none"> • Scope 1 own emissions (direct emissions from owned or controlled sources) • Scope 2 own emissions (indirect emissions from the generation of purchased energy e.g. petrol for company vehicles, or gas for heating at offices, and electricity procurement at offices) • Scope 3 emissions, category 15 (indirect emissions that occur in the value chain of the reporting company)- investments identified, i.e., portfolio company GHG emissions. <p>Companies and financial institutions can commit to the SBTi by making a near-term commitment or a net-zero commitment, see the Commitment Compliance Policy.</p>		


Initiative	Description	Process	Additional
	<p>The Climate Pledge is a commitment for businesses and organizations to take collective action on the world's greatest crisis, and to work together to build a safe and healthy planet for future generations.</p> <p>Signatories commit to reaching net-zero carbon emissions by 2040 – 10 years ahead of Paris Agreement. Amazon co-founded The Climate Pledge with Global Optimism in 2019, and became the first company to sign the pledge.</p>	<ol style="list-style-type: none"> 1. Sign in to be a signatory https://www.theclimatepledge.com/us/en/join 2. You will receive an email with a video that details more information about the process of signing. 3. You will complete a short questionnaire that will help our team assess if The Climate Pledge is the right fit for your company. 4. We will process your inquiry within approximately 1-2 weeks and will be in touch for more information if necessary. Once approved, we will send additional details and a template letter to be signed by a C-Suite executive within your company. 5. Once we receive your letter, you will be confirmed as a signatory. <p>Companies anywhere in the world, with 20 or more employees, are eligible to join The Climate Pledge.</p>	<p>Web site</p> <p>Not a fee or any cost</p>
<p>Commitment overview</p>	<p>Signatories agree to:</p> <ul style="list-style-type: none"> • Regular reporting: Measure and report greenhouse gas emissions on an annual basis. You must <u>commit to measuring and reporting within one year of signing the Pledge.</u> • Carbon elimination: Implement decarbonization strategies in line with the Paris Agreement through business change and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies. • Credible offsets: Neutralize any remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets to achieve net-zero annual carbon emissions by 2040. <p>Emissions mitigation activities associated with:</p> <ul style="list-style-type: none"> - Energy use and sourcing - Manufacturing and production - Product design and materials use - Transportation and logistics - Supplier and customer engagement 		

Initiative	Description	Process	Additional
	<p>Transform to Net Zero aims to deliver guidance and business plans to enable a transformation to net zero emissions, as well as research, advocacy, and best practices to make it easier for the private sector to not only set ambitious goals—but also deliver meaningful emissions reductions and economic success.</p> <p>A cross-sector initiative to accelerate the transition to a net zero global economy. Our vision is to enable an inclusive net zero economy no later than 2050.</p>	<ol style="list-style-type: none"> 1. Commit to transforming your business to enable net zero emissions by 2050 or sooner. <ul style="list-style-type: none"> - Set a robust net zero goal which is 1.5°C aligned, with short-term and long-term reductions across the value chain. - Submit your commitment to a UNFCCC Race to Zero partner to be included in the campaign (How to join Race to Zero). 1. Plan <ul style="list-style-type: none"> - Develop a company-wide transformation plan to enable net zero emissions by 2050 or sooner. - Include short-term decarbonization across emissions scopes 1, 2 and 3. - Plan to halve emissions by 2030. 1. Transform <ul style="list-style-type: none"> - Use the Transformation Guides to help reshape key business functions, models, and products and services. - Support value chain partners to build a net zero value chain. - Enable climate solutions that are just and equitable. <p>A Transformation Guide does not prescribe a single way to tackle net zero implementation but instead invites readers to choose between and combine different approaches depending on which is best suited to their circumstances. The Transformation Guide focuses on how companies shape climate transition action plans (CTAPs) to guide their net zero transformations.</p>	<p>Web site</p> <p>Climate Transition Action Plans</p>
<p>Commitment overview</p>	<p>Eleven Key Element of Model Climate Transition Action Plans (CTAPs) proposed by members:</p> <ol style="list-style-type: none"> 1. Near- and long- term science-based targets to reach 1.5°C-aligned value chains, including a target year for net zero GHG emissions. 2. Robust governance structures that establish ownership and accountability to deliver targets, including Board-level oversight, roles and responsibilities of management, and elements to drive employee engagement. 3. Information about how climate considerations are integrated into financial planning to demonstrate alignment between the CTAP and business strategy. 4. GHG emissions accounting of complete and consistent scope 1, 2, and 3 emissions inventories that have been verified by a third-party. 5. Low carbon and other climate-related initiatives to decarbonize business operations and value chains and implement the near- and long- term science-based targets. 6. Net zero aligned carbon removal plans with time bound KPIs. 7. Value chain engagement strategy that articulates how the organization will encourage suppliers, peers, and customers to transition to a low carbon economy. 8. Policy engagement strategy to create an environment that enables 1.5°C-aligned GHG reductions in the real economy. 9. Cross-issue evaluation of impact that adopts a systems approach to consider interlinkages between climate, nature, and society. 10. Strategy to promote a just and inclusive transition that addresses the disproportionate distribution of climate impacts and climate transition costs on under-resourced communities. 11. Transparency and reporting covering all aspects of the CTAP. Annual reporting should show progress against goals and targets. 		

Initiative	Description	Process	Additional
	<p>The Race to Zero campaign was launched and is led by the Global Climate Action Champions, implemented with support from the UNFCCC secretariat. It implies a commitment to achieve net-zero emissions by 2050 or earlier at organization level.</p>	<ol style="list-style-type: none"> 1. Application form: https://unfccc.int/climate-action/race-to-zero-campaign. Please submit it to RaceToZero@unfccc.int <p>Investors are invited to contact Net-Zero Assets Owners Alliance.</p> <ol style="list-style-type: none"> 1. The process criteria involve: <ol style="list-style-type: none"> a. Pledge: Pledge at the head-of-organisation level to reach (net) zero GHGs as soon as possible, and by 2050 at the latest, in line with the scientific consensus on the global effort needed to limit warming to 1.5C with no or limited overshoot, recognising that this requires phasing down and out all unabated fossil fuels as part of a global, just transition. Set an interim target to achieve in the next decade, which reflects maximum effort toward or beyond a fair share of the 50% global reduction in CO2 by 2030. Targets must cover all greenhouse gas emissions: 1) Including scopes 1, 2 and 3 for businesses and other organizations; 2) Including all territorial emissions for cities and regions; 3) For financial entities, including all portfolio/ financed/ facilitated/ insured emissions; 4) Including land-based emissions. b. Plan: Within 12 months of joining, publicly disclose a Transition Plan, City/Region Plan, or equivalent which outlines how all other Race to Zero criteria will be met, including what actions will be taken within the next 12 months, within 2-3 years, and by 2030. c. Proceed: Take immediate action through all available pathways toward achieving (net) zero, consistent with delivering your interim targets. Where relevant, contribute to sectoral breakthroughs. d. Publish: Report publicly progress against both interim and longer-term targets, as well as the actions being taken, at least annually. Report in a standardized, open format, and via platforms that feed into the UNFCCC Global Climate Action Portal. e. Persuade: Within 12 months of joining, align external policy and engagement, including membership in associations, to the goal of halving emissions by 2030 and reaching global (net) zero by 2050. 	<p>Web site</p> <p>To understand in more depth the criteria see the Interpretation Guide.</p>






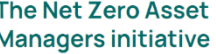

Initiative	Description	Process	Additional
	<p>It encourages and supports organizations and other interested stakeholders to act now in order to achieve a climate neutral world by 2050 as enshrined in the Paris Agreement. It is a tool to promote additional voluntary action on climate, and to provide recognition for it.</p> <p>The Climate Neutral Now Initiative is one of several initiatives launched by the UNFCCC secretariat to increase climate action by engaging non-Party stakeholders (sub-national governments, companies, organizations, individuals).</p>	<p>An organization can become a participant by signing the Climate Neutral Now Pledge, following the three steps (Measure, Reduce, Contribute) and reporting on its actions and achievements annually.</p> <ol style="list-style-type: none"> 1. Sign the Pledge (this document is a public commitment to estimate your emissions, to act to reduce them, to consider contributing -through offsetting- as an option, and to report annually): https://unfccc.int/climate-action/climate-neutral-now/take-the-pledge 2. The pledge is then sent to the Climate Neutral Now team at the UNFCCC secretariat via email. The team will send a confirmation of receipt of the pledge and indicate the next steps within 10 business days. 3. Once the Pledge is signed and within a maximum term of one calendar year, the organization must report their calculated emissions. GHG footprint quantification standards such as the following ones are preferred: ISO 14064, GHG Protocol Corporate Accounting & Reporting, Standards recognized by national or local authorities, Standards developed by an official industry body, Standards developed by the UNFCCC secretariat. 4. Once an organization has measured its GHG emissions and recognized significant GHG emissions sources associated with its activities, actions to reduce and avoid the GHG emissions from those activities as much as possible must be identified and implemented. 5. [Optional] After emission reduction efforts have been undertaken, some activities to offset/compensate has been a tool to take responsibility and encourage a further reduction in emissions globally. As a measure to accelerate this process, compensation or offsetting with carbon credits that come from projects that avoid, reduce, or capture GHGs temporarily is a precious tool. Those projects need to be certified under a recognized standard that follows best international practice (UN Carbon Offset Platform). <p>Organizations that are not ready to complete the three steps (measure, reduce, offset) immediately may make the pledge and join Climate Neutral Now, in the understanding that the three steps should be completed in a reasonable time frame, usually one calendar year from the moment when the pledge is submitted.</p>	<p>Web site</p> <p>Climate Neutral Now Pledge</p> <p>Climate Neutral Now Guidelines</p> <p>No participation fee.</p>

Commitment overview	Levels of achievement within Climate Neutral Now: Different levels can be reached within each of the three steps of Measure, Reduce and Contribute. The higher the level of ambition and rigor an organization chooses the higher recognition it will receive.
	 <p>The net zero commitment at organization level is not required at the basic level of commitment (Bronze). Therefore, Climate Neutral Now allows organizations to get started on the path to climate neutrality/net zero at organization level, without making that commitment at the outset. Climate Neutral Now participants that meet the required criteria are recognized under the Race to Zero. The Climate Neutral Now process supports organizations to eventually meet the requirements of Race to Zero as well. Climate Neutral Now participants that reach the Silver Level for Step 1. Measure and Step 2. Reduce will align with Race to Zero criteria and will receive recognition through this campaign too.</p>

Initiative	Description	Process	Additional
	<p>NZAOA is a member-led initiative of institutional investors committed to transitioning their investment portfolios to net-zero GHG emissions by 2050 – consistent with a maximum temperature rise of 1.5°C, including establishing intermediate targets every five years.</p> <p>The Alliance is a joint initiative of, and convened by, the UNEP FI and PRI. Together UNEP FI and PRI provide the secretariat functions of the Alliance.</p>	<p>The obligation of Alliance membership can be summarised in three parts i) making the commitment, ii) boosting the efficacy of like-minded initiatives, and iii) reporting on progress.</p> <ol style="list-style-type: none"> 1. Register: https://www.unepfi.org/net-zero-alliance/join-the-alliance/ Each Alliance member is expected to be a signatory of the Principles for Responsible Investment (PRI). A member of the Secretariat will be in touch. 1. Sign the Alliance Commitment Document: https://www.unepfi.org/wordpress/wp-content/uploads/2020/03/04-UN-AOA-Commitment-doc-D10.pdf <p>Alliance Members’ Intermediate Targets for 2025: here</p> <p>The Alliance members are the finance industry’s first to set intermediate targets, which include CO2 reduction ranges for 2025 (22 – 32%) and for 2030 (40% – 60%).</p>	<p>Web site</p> <p>Alliance Commitment (extended doc)</p> <p>FAQ</p> <p>Annual membership fee: AUM < US\$ 5bn EUR 5,000</p>
<p>Commitment overview</p>	<ul style="list-style-type: none"> • My Organization commits to transitioning its investment portfolios to net-zero GHG emissions by 2050 consistent with a maximum temperature rise of 1.5°C above pre-industrial levels, 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 the Paris Agreement Article 4.9. • My Organization fully endorses and understands that in order to meet our fiduciary duty to manage risks and achieve target returns, this Commitment must be embedded in a holistic approach to managing sustainability considerations, incorporating but not limited to, climate change, and must emphasize GHG emissions reduction outcomes in the real economy. • My Organization 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. • My Organization makes this Commitment with the expectation that governments will follow through on their own commitments to ensure the objects of the Paris Agreement are met. 		

Initiative	Description	Process	Additional
<p>The Net Zero Asset Managers initiative</p>	<p>The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.</p> <p>The Net Zero Asset Managers initiative is a formal partner of the UNFCCC's Race to Zero Campaign.</p>	<p>1. Become a signatory by fulfilling the Commitment. The commitment is designed to be 'methodology neutral' and asset managers may choose the most appropriate target methodology for their business:</p> <ul style="list-style-type: none"> Paris Aligned Investment Initiative's Net Zero Investment Framework (NZIF) Science Based Targets initiative for Financial Institutions (SBTi) Net Zero Asset Owner Alliance Target Setting Protocol (TSP) <p>1. Within a year of becoming a signatory, asset managers are required to disclose:</p> <ul style="list-style-type: none"> The initial percentage of their portfolio that will be managed in line with net zero. Their 'fair-share' interim targets for AUM that will be managed in line with net zero, and target date. The methodology used in target setting. <p>The initiative is open to any asset manager globally that is also a member of one of the Network Partner networks:</p>  <p>For general enquiries about the initiative, investors can contact info@netzeroassetmanagers.org or their relevant network partner directly, PRI: Rosie Farr, Specialist Climate and Investor Engagement – rosie.farr@unpri.org</p>	<p>Web site</p> <p>Commitment</p>
<p>Commitment overview</p>	<p>My organization commits to:</p> <ul style="list-style-type: none"> Work in partnership with asset owner clients on decarbonization goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management ('AUM'). Set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner. Review our interim target at least every five years, with a view to ratcheting up the proportion of AUM covered until 100% of assets are included. <p>NZAM full Commitment: http://netzeroassetmanagers.org/media/2021/12/NZAM-Commitment.pdf</p>		

Initiative	Description	Process	Additional
<p>Paris Aligned Investment Initiative</p>	<p>The Paris Aligned Investment Initiative is a collaborative investor-led global forum enabling investors to align their portfolios and activities to the goals of the Paris Agreement.</p> <p>This Initiative is collaborating with the Partnership for Carbon Accounting Financials (PCAF) and is a formal partner of the UNFCCC’s Race to Zero Campaign. It was established in May 2019 by the Institutional Investors Group on Climate Change (IIGCC).</p>	<ol style="list-style-type: none"> Sign the Net Zero Asset Owner Commitment and use the Net Zero Investment Framework (Signatory form). <p>The Net Zero Investment Framework proposes key components of a net zero investment strategy. Such a strategy should focus on achieving two alignment objectives:</p> <ul style="list-style-type: none"> Decarbonise investment portfolios in a way that is consistent with achieving global net zero greenhouse gas (GHG) emissions by 2050. Increase investment in the range of ‘climate solutions’ needed to meet that goal. <ol style="list-style-type: none"> Submit the form to one of the four regional investor networks (AIGCC -Asia, Ceres -North America, IGCC -Australasia, IIGCC -Europe) indicating their CEO has approved signing on.  <p>Natalie Queathem, Ceres nqueathem@ceres.org (North America)</p>	<p>Web site</p> <p>Investment framework Implementation Guide</p>
<p>Commitment overview</p>	<p><u>Net Zero Asset Owner Commitment:</u></p> <p>My institution commits to the following consistent with our fiduciary obligations:</p> <ol style="list-style-type: none"> Transitioning our investments to achieve net zero portfolio GHG emissions by 2050, or sooner. Implementing this commitment with the aim of achieving real economy emissions reductions and undertaking a comprehensive set of actions available to investors, drawing on the Paris Aligned Investment Initiative’s Net Zero Investment Framework. Setting objectives and targets, including an interim target for 2030 or sooner for reducing Scope 1, 2 and 3 emissions associated with our portfolios, and setting a target consistent with a fair share of the 50% global reduction in CO2. Where offsets are necessary where there are no technologically and/or financially viable alternatives to eliminate emissions, investing in long-term carbon removals. Ensure any direct and collective policy advocacy we undertake supports policy and regulation relevant for achieving global net zero. Implementing a stewardship and engagement strategy, with clear voting policy with an objective for all assets in the portfolio to achieve net zero emissions by 2050 or sooner. Engaging with asset managers, credit rating agencies, auditors, stock exchanges, proxy advisers, investment consultants, and data and service providers to ensure that funds, products, and services available to investors are consistent with achieving global net zero. Setting a target and reducing our operational (Scope 1 and 2) emissions in line with achieving global net zero emissions. Disclosing objectives and targets and publishing a clear Investor Climate Action Plan for achieving these goals as soon as possible, no later than one year from making this commitment, and reviewing and updating targets every five years or sooner. Reporting annually on the strategy and actions implemented and progress towards achieving objectives and targets, and in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. <p>Commitment here</p>		

Initiative	Description	Relevant comments
	<p>Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals – limiting global warming to well-below 2°C above pre-industrial levels for scope 3 and pursuing efforts to limit warming to 1.5°C for scope 1 and 2.</p> <p>It is a partnership between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the UN Global Compact. It is also one of the We Mean Business Coalition commitments.</p>	<ul style="list-style-type: none"> - No cost - Clear, structure and long process - Special guidance for the Private Equity sector
	<p>The Climate Pledge is a commitment for businesses and organizations to take collective action on the world’s greatest crisis, and to work together to build a safe and healthy planet for future generations.</p> <p>Signatories commit to reaching net-zero carbon emissions by 2040 – 10 years ahead of Paris Agreement. Amazon co-founded The Climate Pledge with Global Optimism in 2019 and became the first company to sign the pledge.</p>	<ul style="list-style-type: none"> - No cost - Clear and guided process - Companies with +20 employees are eligible to join
	<p>Transform to Net Zero aims to deliver guidance and business plans to enable a transformation to net zero emissions, as well as research, advocacy, and best practices to make it easier for the private sector to not only set ambitious goals—but also deliver meaningful emissions reductions and economic success.</p> <p>A cross-sector initiative to accelerate the transition to a net zero global economy. The vision is to enable an inclusive net zero economy no later than 2050.</p>	<ul style="list-style-type: none"> - Not available information about the cost - You must commit to the Race To Zero Campaign
	<p>It encourages and supports organizations and other interested stakeholders to act now to achieve a climate neutral world by 2050 as enshrined in the Paris Agreement. It is a tool to promote additional voluntary action on climate, and to provide recognition for it.</p> <p>The Climate Neutral Now Initiative is one of several initiatives launched by the UNFCCC secretariat to increase climate action by engaging non-Party stakeholders (sub-national governments, companies, organizations, individuals).</p>	<ul style="list-style-type: none"> - No cost - You can sign the pledge and join, and have one calendar year to complete the steps
	<p>NZAOA is a member-led initiative of institutional investors committed to transitioning their investment portfolios to net-zero GHG emissions by 2050 – consistent with a maximum temperature rise of 1.5°C, including establishing intermediate targets every five years.</p> <p>The Alliance is a joint initiative of, and convened by, the UNEP FI and PRI. Together UNEP FI and PRI provide the secretariat functions of the Alliance.</p>	<ul style="list-style-type: none"> - Annual membership EUR 5,000 - Direct contact to be provided with a clear step-by-step process - You must be a signatory of the Principles for Responsible Investment (PRI)
	<p>The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C, and to supporting investing aligned with net zero emissions by 2050 or sooner.</p> <p>The Net Zero Asset Managers initiative is a formal partner of the UNFCCC’s Race to Zero Campaign.</p>	<ul style="list-style-type: none"> - Not available information about the cost - To commit you must choose a methodology between: SBTi, TSP, and NZIF.
	<p>The Paris Aligned Investment Initiative is a collaborative investor-led global forum enabling investors to align their portfolios and activities to the goals of the Paris Agreement.</p> <p>This Initiative is collaborating with the Partnership for Carbon Accounting Financials (PCAF) and is a formal partner of the UNFCCC’s Race to Zero Campaign. It was established in May 2019 by the Institutional Investors Group on Climate Change (IIGCC).</p>	<ul style="list-style-type: none"> - Not available information about the cost - North America contact must be through Ceres Network.