

NZAOA | Introductory Webinar

By VBDO and WWF-NL



Vereniging van Beleggers
voor Duurzame Ontwikkeling



Mart van Kuijk
Project Manager
VBDO

Programme

09:15 - 09:25 | Introduction by VBDO and WWF-NL

09:25 - 09:45 | The NZAOA explained and how it adds value for asset owners | Elke Pfeiffer, UN PRI

09:45 - 10:05 | Why join? | Marcus Bruns, Nordic Head of Sustainability at Storebrand – one of the founding members of the Net-Zero Asset Owner Alliance

10:05 - 10:30: Q&A

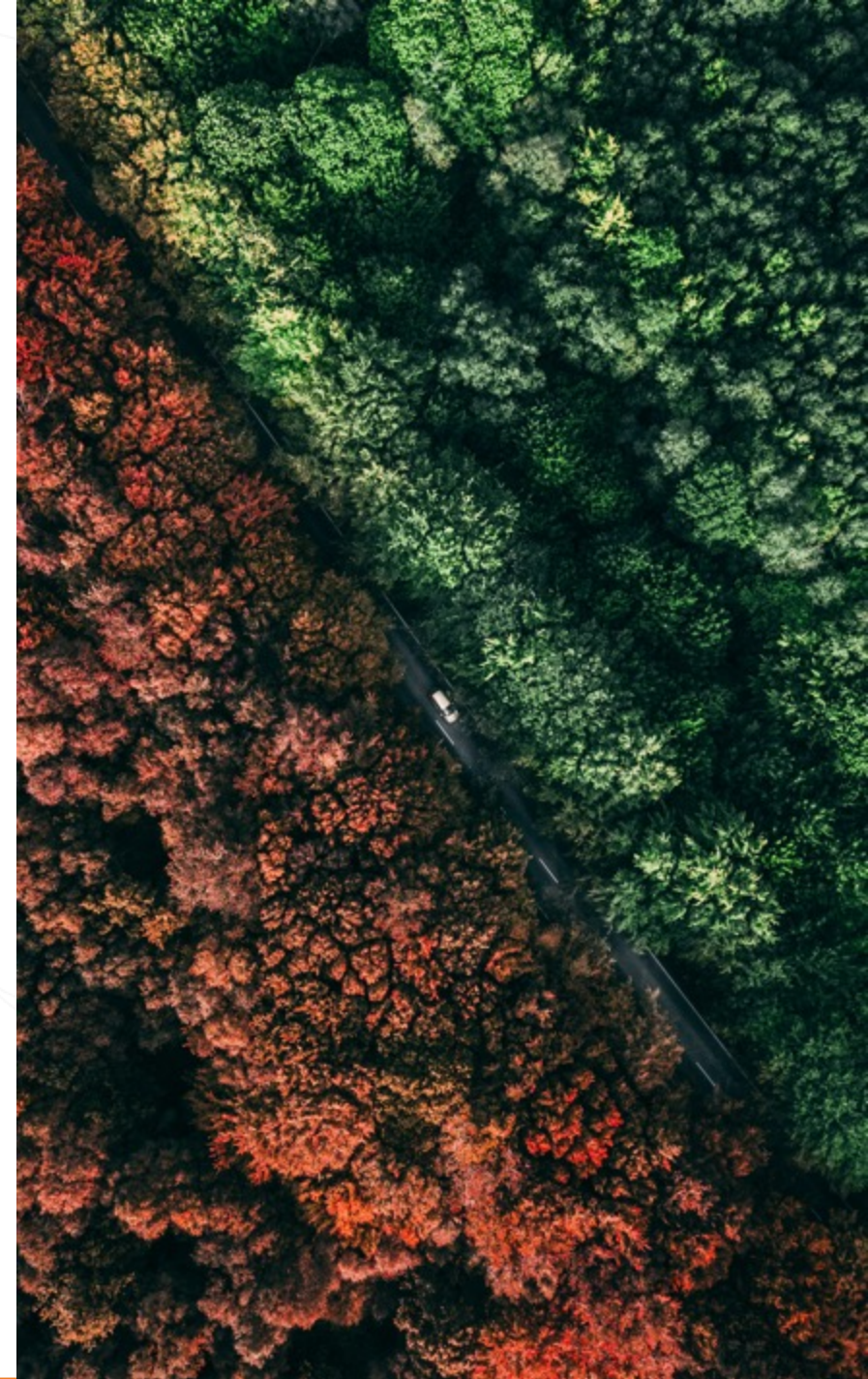


Who's online?

- Name
- Organisation
- Location of your (home) office (attic, basement)

Rules and other practicalities

- Please mute yourself during the presentations
- If you have a question during the presentations, please write it down in the chat and we will address them during the Q&A
- This session is recorded and will be published on the website of VBDO



VBDO & WWF Netherlands



Aaron Vermeulen

Head Green Finance at WWF Netherlands



Jacqueline Duiker

Senior Manager



Survey results



The NZAOA explained and how it adds value for asset owners

Elke Pfeiffer, UN PRI



Webinar

UN-convened Net Zero Asset Owner Alliance

November 10th 2020

UN-CONVENED **NET-ZERO**
ASSET OWNER ALLIANCE



OUR AGENDA IS CLIMATE CHANGE AND A GLOBAL ALLIANCE TO BE PART OF THE SOLUTION

THE CHALLENGE

Joint climate action

To achieve the 1.5°C objective, **CO₂ emissions need to be cut in half every 10 years** until 2050

THE SOLUTION

Coordinated action to achieve 1.5°

Coordinated and determined action by **public authorities, corporations** and **financial institutions** to transition to a low carbon economy

THE ALLIANCE

Asset Owners as part of the solution

Concrete actions and **risk management** by **networking, knowledge sharing** and **aligning our portfolios**

30 ASSET OWNERS WITH OVER \$4.9 TRILLION ASSETS AS STRONG SIGNAL OF SUPPORT TO POLICYMAKERS AND A CALL TO ACTION FOR THE ECONOMY



THE COMMITMENT



Commit to transitioning investment portfolios to **net-zero GHG emissions by 2050** consistent with a maximum temperature rise of 1.5C degrees 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 meet fiduciary duty to manage risks and achieve target investment returns, this Commitment must be embedded in a holistic ESG approach, incorporating but not limited to, climate change, and must emphasize GHG emissions **reduction outcomes in the real economy**.

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.



THE ALLIANCE PROVIDES MANY BENEFITS AND ENABLES LEADERSHIP IN THE AREA OF CLIMATE FINANCE

Why it is worth being part of the Asset Owner ALLIANCE JOURNEY

01

Like minded investors commonly discuss **portfolio alignment to net zero, driving the ambition**
-> Clear focus on **real world impact!**

02

How to decarbonize an investment portfolio? Practical discussions regarding **investment portfolio steering** eg. Alliance member's road testing of Target Setting Protocol acknowledging diversity

03

Achieve together what **a single member would not be able to achieve:**

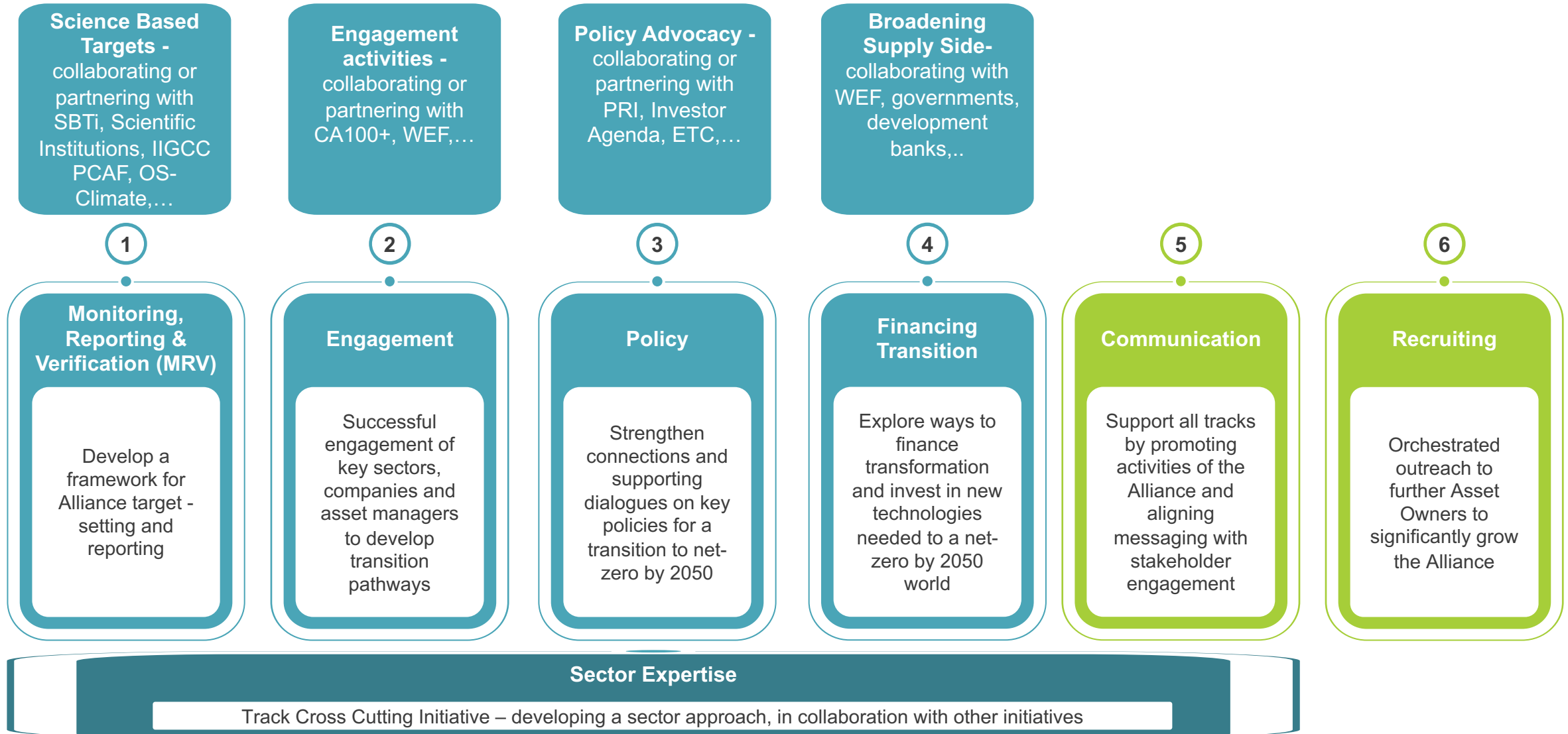
- **Engage with other initiatives, networks and platforms and connect them** eg. TCFD, SBTi, PCAF, CA100+, governments, EU commission, OS-Climate... - to commonly **work on standards**
- **Enhance supply side** for investing, engage with asset managers, governments and development banks
- **Building a climate leadership network** with the real economy

04

Benefit from the technical support of recognized organizations including UN Environment Finance Initiative (**UNEP FI**), Principles for Responsible Investment (**PRI**), **WWF**, and Mission 2020 (**M2020**) – now establishing a **Scientific Advisory Body**.

THE ALLIANCE – NOT DUPLICATING BUT A PLATFORM OF PLATFORMS

Different Tracks reflect the ambition and objectives of the commitment



ALLIANCE STRUCTURE

STEERING GROUP + Advisors

G. Thallinger (Allianz), Chair	G. Fuerer (SR)
A. Simpson (CalPERS)	E. Usher (UNEP FI)
J. Prohin (CDC)	F. Reynolds (PRI)
C. Edmond (CDPQ)	C. Figueres (M2020)
M. Kjeller (Folksam)	M. Kuhlow (WWF)
T. Pedersen (PD)	

STEERING GROUP + Advisor REPRESENTATIVES

M. Zeyss (Allianz)	C. Bolli (SR)
D. Mankikar (CalPERS)	R. Fischer (UNEP FI)
H. Charrier (CDC)	S. Chatterjee (PRI)
B. Millot (CDPQ)	S. Reid (M2020)
E. Westholm (Folksam)	M. Kopp (WWF)
J. Kaeraa Rasmussen (PensionDanmark)	

TRACK 1 MONITORING & REPORTING

Lead:
C. Bolli (SR)
U. Riese (AZ)
J. Andrews
(UNEP FI)

TRACK 2 ENGAGEMENT

Lead:
H. Charrier (CDC)
P. Peura (AZ)
E. Westholm
(Folksam)
John Scott
(Zuerich)
E. Pfeiffer (UNPRI)

TRACK 3 POLICY

Lead:
P. Arber (Aviva)
T. Liesch (AZ)
E. Baker (UN
PRI)

TRACK 4 FINANCING TRANSITION

Lead:
J. Kaeraa
Rasmussen (PD)
S. Stadtmeyer-
Petru
R. Bowdrey (Aviva)
E. Pfeiffer (UNPRI)

TRACK 5 RECRUITMENT

Lead:
E. Pfeiffer
(UNPRI)

TRACK 6 COMMUNICATIONS

Lead:
C. Hach (AZ)
P. Batani (CDPQ)
O. Wagg
(UNEP FI)

Why join?

Marcus Bruns, Nordic Head of Sustainability
at Storebrand



Net Zero Asset Owner Alliance Founding member

Marcus Bruns, Nordic Head of
Sustainability - Storebrand
November 9th 2020





AUM

**> EUR 85
bn**



**Savings
customers**

**> 2
million**



**Sustainability
team
established**

1995



**AUM
screened for
sustainability**

100%

Three methods, one strategy

-  **SOLUTIONS**
Integrated sustainability in all funds through ESG Rating in 2010
-  **ACTIVE OWNERSHIP**
Increasingly focusing on engagement through investor initiatives
-  **EXCLUSIONS**
Storebrand standard launched in 2005



Storebrand has a climate strategy covering the whole business



Own operations

Climate neutral
since 2008
Reduce emissions by
7,6% p.a.



Supply chain

Goal of climate
neutral suppliers by
2025 and climate
neutral supply chain
by 2030



Investments

Goal of net-zero
GHG emissions for
investments by
2050
consistent with a
max. temperature
rise of 1.5°C

Increasingly focus on climate risks and opportunities

In 2019, Storebrand was one of the founding members of the UN convened Net Zero Asset Owner Alliance



Committed to transitioning **investment portfolios** to **net-zero GHG emissions by 2050** consistent with a maximum temperature rise of 1.5°C



Focus on **emissions reductions in the real economy** and establishing intermediate **targets every five years** in line with Paris Agreement

Facilitated by



> \$5t AUM committed



Target setting protocol – breaking down the 2050 commitment into 5-year intervals, starting with 2025

Sub-portfolio (later Portfolio) Emission Targets

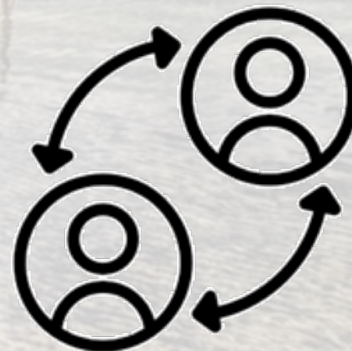


- **Public Equity**
- **Corporate Debt**
- **Real Estate**

Sector Targets



Engagement targets



Financing Transition Targets



Why we joined the Net Zero Asset Owner Alliance



Group of
likeminded
investors



Stronger
together



Use combined
expertise and
resources



Formal
commitment
with strong
credibility



Be a part of
setting the
standards

APPENDIX

PROPOSED TARGET SETTING PROTOCOL DIAGRAM

Individual Alliance Member Targets

Sub-portfolio (later Portfolio) Emission Targets	<ul style="list-style-type: none"> ▪ -16 to -29% CO2e reduction by 2025 (per IPCC 1.5C scenarios¹) on Public Equity and Corporate Debt, with the same recommended for Real Estate and/or CRREM national pathways used ▪ Covers Portfolio Emissions Scope 1 & 2, tracking of Scope 3 encouraged ▪ Absolute or intensity-based reduction against 2019 base year recommended ▪ Phase Two: Sovereign debt to be included 	
Sector Targets	<ul style="list-style-type: none"> ▪ Intensity-based reductions on AOA priority Sectors (O&G, Utilities, Steel, and Transport – Aviation, Shipping, Heavy and Light Duty Road) ▪ Scope 3 to be included wherever possible ▪ Sector specific intensity KPIs recommended ▪ Sectoral Decarbonization Pathways top-down and bottom-up necessary to set targets 	
Engagement Targets	<ul style="list-style-type: none"> ▪ Engagement with Top 20 (non-aligned) emitters or those responsible for 65% of emission in portfolio (either Direct, Collective, or via Asset Manager) ▪ Contribute to <ul style="list-style-type: none"> ▪ Sector - Engagement with target sectors ▪ Asset Manager - Each member to participate in at least one engagement with the pre-identified (largest) 4 Asset Managers ▪ AOA position papers 	AOs to set action targets on Policy Maker engagement
Financing Transition Targets	<ul style="list-style-type: none"> ▪ Report on progress on climate-positive investments ▪ Focus on Renewable Energy in Emerging Markets, Green Buildings, Sustainable Forests, and Hydrogen, among others ▪ Contribute to activities enlarging the low carbon investment universe and building solutions 	

1 – No to Low overshoot P1,2,3 pathways excluding overlap with low overshoot 2C

Q&A



Q&A



Rules

- If you have a question please write it down in the chat or raise your hand



End of this session

Thank you very much for your participation!

