

## Net Zero Asset Owner Alliance Target Setting Protocol Consultation Questions

The following provides a preview of the questions which accompany the Protocol Consultation. Please provide all questions via the electronic form:

<https://forms.office.com/Pages/ResponsePage.aspx?id=CGNC96Zw00mOt96I3kHW00nSZOzXiz1LmHevBY1itcNUN05GQktBRzZVNU5SRzBTMzJZV0IHQU4yMS4u>

### Personal Information

1. Name:
2. Organisation:
3. Contact Email:

### Chapter 2

4. Do you agree with the role of the asset owner as described in Chapter 2?  
 Yes  No  Undecided

Please offer any additional suggestions on action points an asset owner should consider taking when contributing to the net-zero transition:

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### Chapter 3

5. Are you aware of alignment methodologies for the asset classes listed above which are not already identified in Chapter 3?  
 Yes  No  Undecided

Please provide linking to detailed guidance documents:

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## Chapter 4

6. Several Alliance members began their decarbonization journey in years prior to 2020. Scientific scenarios indicate that -5% per annum additional reductions should be added for each additional year added to the 2020-2025 period. For Alliance members who would like to use an earlier base year, do you agree that -5% should be added for earlier base years? Importantly, please note that the real economy did not decarbonize in any previous year, such that this recommendation would require decoupling *ex-post*.
- Yes                       No                       Undecided

If No, please describe:

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7. Do you have suggestions for different methods of applying scientific scenarios to portfolios and deriving a reductions target than those presented above?
- Yes                       No

If Yes, please describe:

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8. Are you aware of 1.5C sector pathways which are not noted above?
- Yes                       No                       Undecided

If Yes, please provide input:

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## Chapter 5

9. Do you agree with the approaches described in Chapter 5 for setting sub-portfolio targets?
- Yes                       No                       Undecided

If No, please describe:

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10. Do you agree with the recommendation of absolute targets over intensity targets?  
 Yes  No  Undecided

If No, please describe:

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11. Do you agree with the use of EV/EVIC or Market cap as metrics for assessing absolute emission?  
 Yes  No  Undecided

If No, please describe:

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12. Do you have further suggestions for how an Alliance member should adjust for inorganic portfolio growth (or other portfolio change) or M&A activities?  
 Yes  No

If Yes, please describe:

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13. Do you have a suggestion for a threshold for change in size which should trigger a revision of targets?  
 Yes  No

If Yes, please describe and provide justification:

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## Chapter 6

14. Do you have suggestions for a minimum threshold of real estate assets covered which should be recommended?  
 Yes  No

Please provide threshold and rationale:

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15. If the Alliance member selects the second option for target setting (combination with other asset classes) normalisation could be carried out e.g. through CO<sub>2</sub>e/invested amount. If CO<sub>2</sub>e/invested is considered, definitions for application to real estate need to be clarified. It could also be CO<sub>2</sub>e/asset value (stock) which would thus reflect improvement achieved both through improvements of existing holding and virtuous new acquisitions. As it is a relative indicator based on monetary values there is a potential problem that overall performance varies if denominator increases or decreases without actual changes in emissions (i.e. real-world impact). Do you have relevant content for the alliance to consider?
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## Chapter 7

16. The Alliance will seek to expand sector pathway coverage and is considering i) chemicals and ii) aluminium as next sectors. Do you agree with the prioritisation of these sectors?

Yes

No

Undecided

Please share any relevant links or sources for sector pathway information:

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17. Sector pathways can be defined based solely on modelled pathways from scientific providers within a low to no overshoot carbon budget or can be complemented with 'bottom-up' technology development pathways from industry insight that may rely on substantial negative emissions technologies, what is your opinion on the application/applicability of the two?

Please provide your reactions:

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18. Do you agree with the suggestion to begin setting sector targets on Scope 1 and 2 (except for areas where Scope 3 is covered through product/production targets), while Scope 3 data becomes more readily available and consistent?

- Yes  No  Undecided

If No, please describe:

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19. Target metrics (e.g. tCO<sub>2</sub>/steel) are a work in progress for all sectors. Do you have suggestions for additional metrics?

- Yes  No

If Yes, please describe:

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20. Are there any sectors for which you believe the Alliance should not set targets?

- Yes  No  Undecided

If Yes, please describe which sector and why:

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21. The Alliance is exploring treatment of tar sands, fracking, and methane leakage. Please provide any appropriate approaches or methodologies:

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## Chapter 8

22. Do you have further suggestions on the Alliance's engagement target setting approach? Please provide any appropriate methodologies:

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## Chapter 9

23. Do you agree with the definition of Climate Solution Investments?

- Yes  No  Undecided

If No, please describe:

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24. Are there other relevant and evolving technologies that should be mentioned in the digital map?

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25. Are there measures of impact such as avoided emissions (scope 4) or off-setting emissions you would like to suggest?

Yes  No

If Yes, please describe:

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26. Do you find the geographic dichotomy in OECD/Non-OECD countries appropriate?

Yes  No  Undecided

If No, please describe:

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27. Do you have suggestions on how the Alliance should interface with other initiatives outside the Alliance?

Yes  No

If Yes, please describe:

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28. What other public institutions should the Alliance seek to establish partnerships with?

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29. Note, the Alliance has solicited advice from Green Bond Principles and PCAF on the treatment emission accounting for green bonds (which aim to finance net-zero projects). The Alliance aims to include guidance on emissions accounting for such bonds in future versions of the Protocol. Please provide links to any guidance you would have the Alliance consider:

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## Chapter 10

30. Policy – Do you have any general comments?

Yes  No

If Yes, please describe:

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## Chapter 11

31. Reporting – Do you have any general comments?

Yes  No

If Yes, please describe:

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