



Investment  
Leadership  
Programme

UN-convened Net-Zero  
Asset Owner Alliance

# Target Setting Protocol

Third edition

## Annex

January 2023

In partnership with:

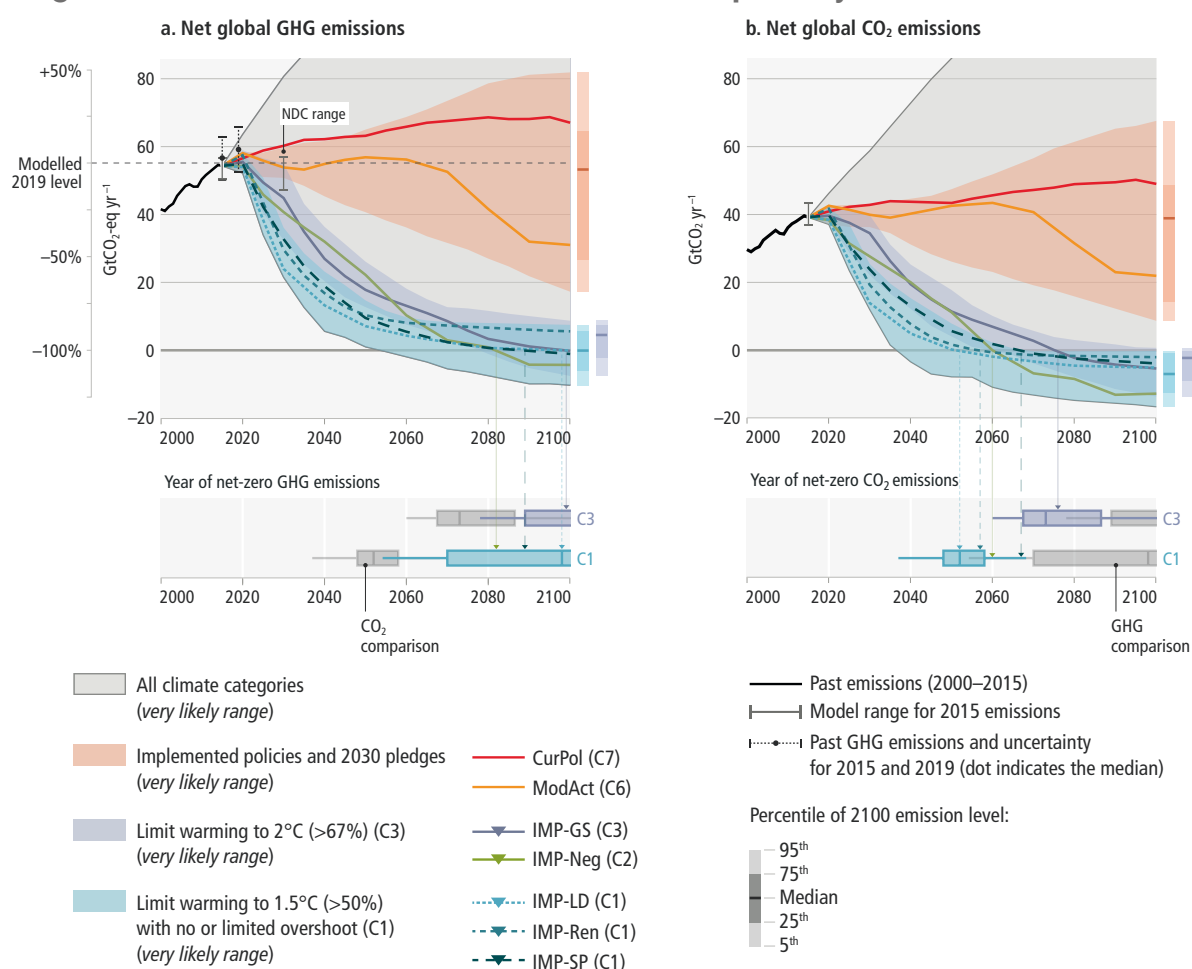


# Annex

## Section I: Scenario pathways

The Scientific Basis Chapter sets out the recommended emissions reduction range for Alliance members. The following explains the assumptions for deriving this range.

**Diagram I: Characteristics of four illustrative model pathways**



Source: IPCC Sixth Assessment Report (AR6)

### Assumptions:

- The Alliance requires use of no and low overshoot scenarios only (referred to as C1 pathways in IPCC's AR6): The Alliance is committed to reviewing climate science and the resulting suggested emission reduction ranges with every revision of the Target Setting Protocol, taking into account latest climate science.

- CO<sub>2</sub> trajectories provide the blueprint for all GHGs; the Alliance's goal is net zero by 2050 for all GHGs, which is more ambitious than the IPCC 1.5°C climate scenarios, because these largely see net zero for non-CO<sub>2</sub> GHGs later than 2050. However, due to data reporting practices at present, data is typically reported in CO<sub>2</sub>e. Thus, the Alliance will need to set targets on CO<sub>2</sub>e. This has the effect of somewhat balancing out the net zero end date between GHGs given practical constraints for tracking GHG emissions reductions as CO<sub>2</sub>e.
- Global pathways are sufficient when portfolios are diversified regionally and by sector.
- When scenarios do not provide data for 2015, 2025, 2035 etc., when needed, the data is linearly projected, a method that is reviewed by the Alliance's Scientific Advisory Board.
- To be less sensitive to the assumptions and narratives of individual scenarios, the Alliance will always rely on the median of a set of scenarios, namely the C1 scenarios of IPCC's AR6. For the emission reduction range 2025, the Alliance used IPCC's SR15 scenarios (p1–3) and in addition filtered those scenarios which foresaw more than 2% reductions from 2015–2020, since the emissions reductions seen during these years were not as scenarios projected (aside from the impacts of the COVID-19 pandemic).
- The Alliance does not consider any high overshoot pathways to be eligible for the emission reduction calculations and justifications.
- For the emission reduction range 2025, the Alliance uses the range as stated in the IPCC AR6 full report table on page 95, which takes a rounded, 75/25 percentile approach to the 97 scenarios of the C1 group, resulting in an emissions reduction range from 40–60%.

## Section II: Sector pathway comparison

### Sector pathways

The sector targets are being set using scenarios and sector pathways modelled to align with a 1.5°C carbon budget. The modelling approach provides a translation of technology development and technology use into transition and decarbonisation pathways for economic sectors. The 1.5°C models explored include:

1. One Earth Climate Model (OECM); and
2. IEA Net Zero by 2050: A Roadmap for the Global Energy Sector

The two initial models (for which information was provided to the Alliance) have been compared in order to establish a corridor of possible quantitative targets and will also be used to corroborate the portfolio target to make sure portfolio targets and sector targets are aligned and consistent.

It is challenging to identify multisector models which include information at the sector level, with enough granularity for target setting purposes. The Alliance continues to call upon the scientific community and other providers to continue to advance such modelling.

In addition, the following chart is adapted from the Glasgow Financial Alliance for Net Zero (GFANZ) progress report, to which the NZAOA contributes under Workstream 2 on Sector Pathways. The chart provides an overview of a number of initiatives which are seeking to use sector pathway modelling in their work.

**Table I: Sector modelling efforts and initiatives applying sector pathway modelling<sup>1</sup>**

	Modelling efforts			Initiatives applying sector pathway modelling (implementation of 1.5°C pathways in progress)		
	One Earth Climate Model	Network for Greening the Financial System <sup>2</sup>	International Energy Agency NZE2050 <sup>3</sup>	Mission Possible Partnership	Climate Action 100+	Transition Pathway Initiative
Agriculture	✓	✓				
Aluminium	✓	✓		*		*
Cement	✓	✓	✓	*	✓	*
Chemicals	✓	✓	✓	*	*	*
Coal	✓	✓ (covered in Energy)	✓		*	*

<sup>1</sup> In progress (\*) as of 2022

<sup>2</sup> Includes use of 3 models: GCAM5.3\_NGFS, MESSAGEix-GLOBIOM 1.1, and REMIND-MAgPIE 2.1–4.2.

<sup>3</sup> Also included in World Energy Outlook

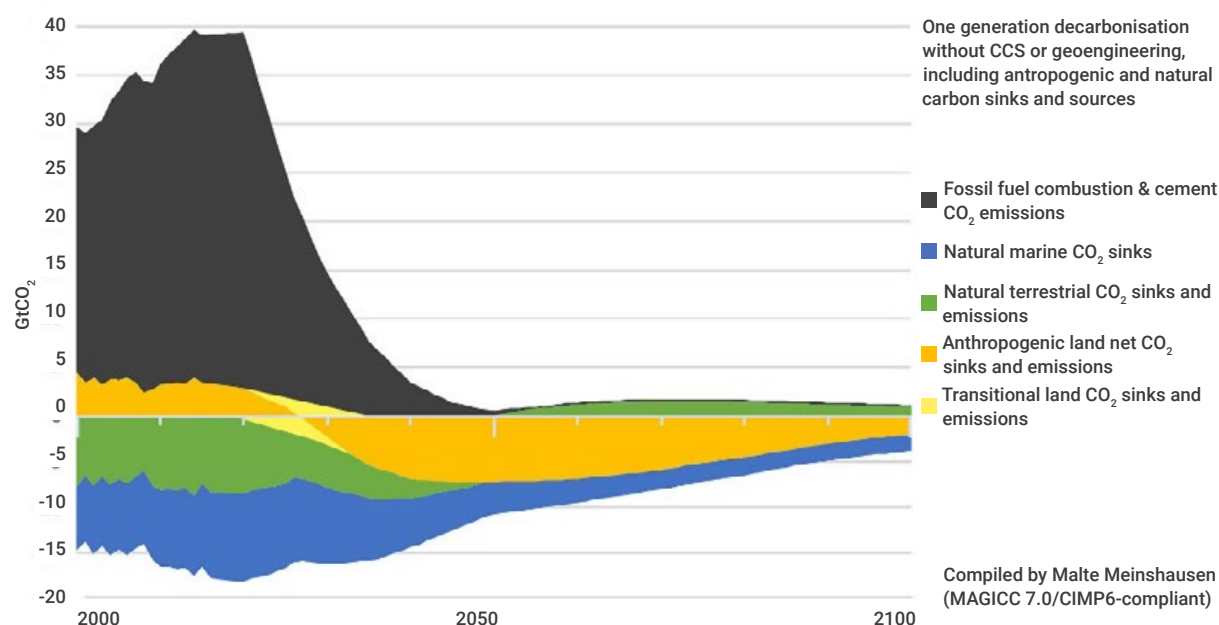
Commercial & residential real estate	✓	✓	✓			
Steel (& Iron)	✓	✓	✓	✓	✓	*
Oil & gas	✓	✓ (covered in Energy)	✓		✓	✓
Power generation	✓	✓ (covered in Energy)	✓		✓	
Transport	✓	✓	✓		*	*
Aviation	✓		✓	✓	✓	*
Shipping	✓		✓	✓	✓	*
Trucking	✓	✓	✓	*		
Auto	✓	✓	✓	*	*	*

### Model: One Earth Climate Model (OECM)

Beginning Q1 2020 and following a period of consultation with various climate modelling organisations, the Alliance collaborated with the University of Technology Sydney, Institute for Sustainable Futures' OECM. It has been used as a first reference case against which Alliance members could set sector targets at five-year intervals to 2050 across all economic sectors and geographic (including regional data for North America and the European region) regions.

The 1.5°C scenario is based on the goal of limiting global warming to 1.5°C, drawing on scenarios underpinning the IPCC's Special Report on Global Warming of 1.5°C, and the scientific consensus around the severe risks associated with global warming even at 1.5°C, and which will continue to increase significantly beyond 1.5°C. The scenario aims to achieve a global energy-related CO<sub>2</sub> emissions budget of around 400 Gt, accumulated between 2020 and 2050. The OECM (2020) shows the 1.5°C target can be achieved through a rapid transition to 100% renewables by 2050, with renewables needing to hit 56% of the global power generation mix by 2030 under the model. The shift to renewable energy will need to be coupled with a major conservation effort to increase the resilience of natural ecosystems and boost food security. This includes a moratorium on land conversions by 2030 and nearly 86 GtCO<sub>2</sub> of 'emissions removed' via afforestation and land restoration (shown in gold below the zero line), which pulls carbon dioxide out of the atmosphere and stores it in trees and the soil.

**Diagram II: One Earth Climate Model**



**Source: One Earth Climate Model**

The OECM is based on a modelling cluster that provides sector specific five-year targets compatible with a 1.5°C pathway. The model is based on the following assumptions:

- Development of a 100% renewable energy scenario;
- Decarbonisation of the entire global energy sector within one generation (until 2050);
- Based only on technologies currently available or under development, excluding

BECCS, CCS and nuclear energy. Note that the exclusion of CCS technology from the OECM model used to set sector targets might differ from the approach used by other organisations. OECM also includes methane emissions resulting from fossil fuels mining and extraction.

The OECM-derived net-zero pathways have been peer reviewed by a number of climate modelling organisations including the Energy Transition Commission, Exponential Roadmap, Potsdam Institute for Climate Impact Research, Science Based Targets Initiative, CDP, and WWF.

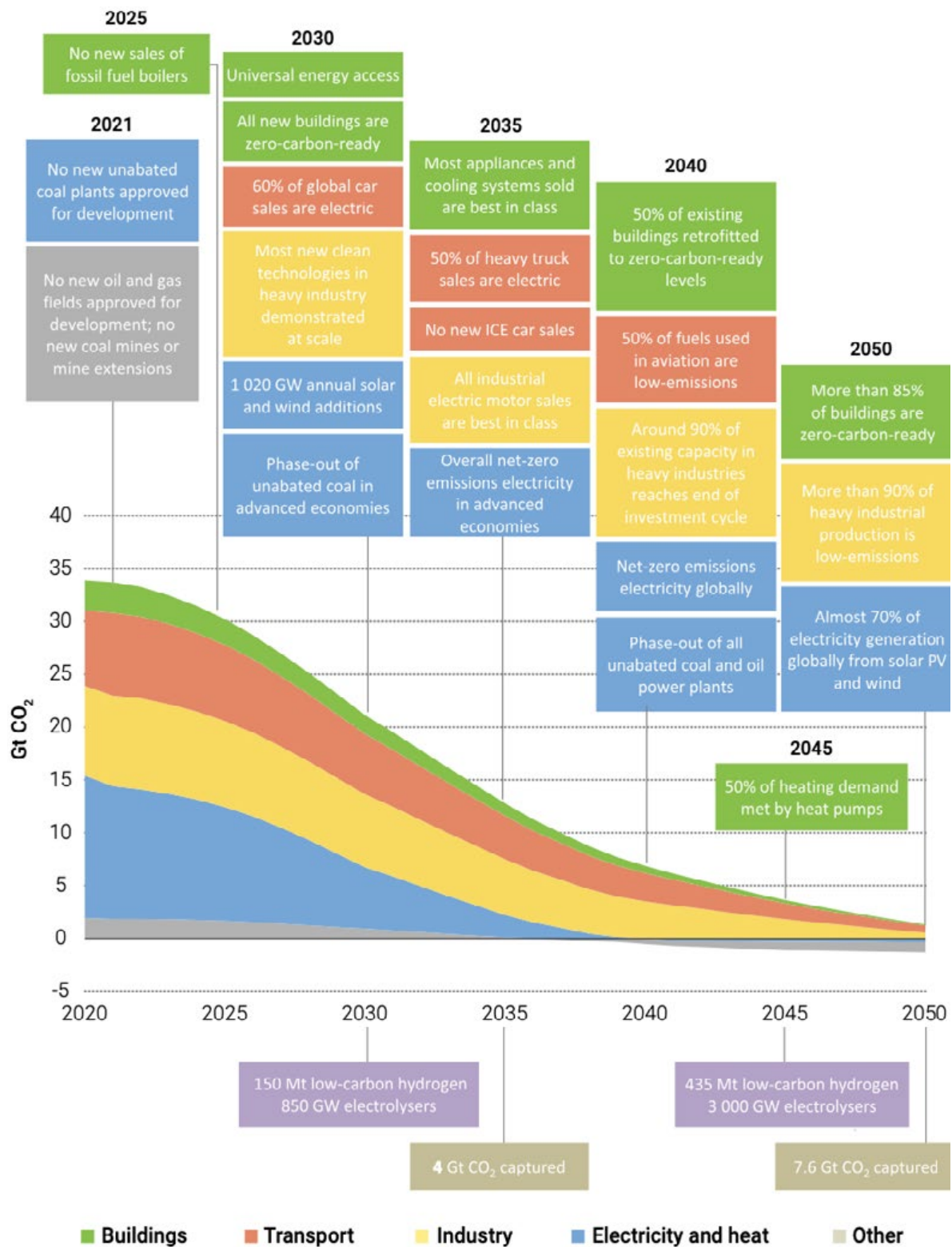
## The International Energy Agency (IEA): Net Zero by 2050, A Roadmap for the Global Energy Sector

In 2021 the IEA released a special report of how to transition to a net-zero energy system by 2050 while ensuring stable and affordable energy supplies, providing universal energy access, and enabling robust economic growth. It sets out a cost-effective and economically productive pathway, resulting in a clean, dynamic, and resilient energy economy dominated by renewables like solar and wind instead of fossil fuels. The report also examines key uncertainties, such as the roles of bioenergy, carbon capture and behavioural changes in reaching net zero.<sup>4</sup> The IEA NZE2050 scenario includes an overall carbon budget of 460GtCO<sub>2</sub> (CO<sub>2</sub>-only) for global energy-related and industrial process only.

4 Press release, IEA Special report: Net Zero by 2050



**Diagram III: Key Milestones in the pathway to net zero**



## Comparison between the IEA Net Zero Roadmap and the OECM 1.5°C sector pathway<sup>56</sup>

To aid Alliance members in their assessment and application, the main differences between the OECM and the IEA NZ are outlined below.

### One Earth Climate Model (OECM)

The One Earth Climate Model (OECM) is a SSP 1 scenario as defined by the IPCC: SSP 1 is a scenario in which social, business, and technological innovations result in lower energy demand up to 2050 while living standards rise, especially in the southern hemisphere. A downsized energy system enables rapid decarbonisation of energy supply. Afforestation is the only carbon dioxide removal option considered, neither fossil fuels with CCS nor BECCS are used.

OECM avoids a carbon budget overshoot and expands ‘natural carbon sinks’ (e.g., forest, mangroves & seaweed) to achieve negative emissions to compensate process emissions which are currently unavoidable (with currently available technologies).

#### Key features:

- Cumulative energy-related CO<sub>2</sub> emissions 2020–2050: 400 GtCO<sub>2</sub>. Overall cumulative negative emissions via natural carbon sinks: (-) 86 GtCO<sub>2</sub>. The OECM includes 50 GHG gases—including over 30 CFCs and HFCs as well as black carbon.

#### Reporting:

All GHG emissions are separated:

- Data is split into primary and secondary energy emissions, as well as enduse activity emissions. Data for 12 industry sectors is in line with the Global Industry Classification Standard (GICS).
- Data is disaggregated by region: Global, OECD North America, OECD Europe (more regions are planned). The OECM also provides carbon emissions data, product level intensity data as well as energy demand data per sector.

### IEA Net Zero by 2050 scenario

The energy pathway of IEA Net Zero by 2050 scenario classifies (partly) as an IPCC SSP 2 scenario which is defined as “a scenario with a broad focus on sustainability including energy intensity, human development, economic convergence and international cooperation, as well as shifts towards sustainable and healthy consumption patterns, low-carbon technology innovation, and well-managed land systems with limited societal acceptability for BECCS”. Land-use scenarios and all other non-energy GHGs including over 30 substances that fall under the Montreal Protocol are not included.

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5 IEA Special report: Net Zero by 2050, A Roadmap for the Global Energy Sector, page 20

6 The Alliance will make available a quantitative comparison between the two models when the next phase of the OECM is finalized.



## Key features:

- The Net-zero Emissions by 2050 Scenario (NZE) is designed to show what is needed across the main sectors by various actors, and by when, for the world to achieve net-zero energy-related and industrial process CO<sub>2</sub> emissions by 2050. Cumulative global energy-related and industrial process CO<sub>2</sub> emissions between 2020 and 2050 amount to just over 460 Gt. The NZE also aims to minimise methane emissions from the energy sector. Alongside corresponding reductions in GHG emissions from outside the energy sector, consistent with limiting the global temperature rise to 1.5°C without a temperature overshoot (with a 50% probability). Universal access to sustainable energy is also achieved by 2030.

## Reporting:

The IEA Net Zero by 2050 covers: All energy related and industrial process emissions but does not split between Scope 1,2 and 3 emissions. Does not specify all regions and industry sub-sectors and does not use the GICS categories.

As demonstrated above, a detailed quantitative comparison is not possible, however, key differences are outlined below.

**Table II: Comparison of OECM versus IEA NZ2050 scenario**

IEA Net-zero Scenario	OECM—Energy pathway
Aside from projects already committed as of 2021, no new oil or gas fields, or coal mines or mine extensions should be approved for development after 2021.	Existing oil and gas fields and coal mines are phased out at an average annual decrease rate of at least 8.5%, 3.5% and 9.5% respectively. New fossil fuel projects cannot go ahead.
Fossil fuel use falls from almost 80% of global energy supply in 2021 to just over 20% in 2050. CC(U)S is used after 2030 for coal, gas, and bio energy fuelled plants.	Fossil fuels will account for just under 8% of total energy supply in 2050 (for non-energy use only).
No new investment decisions should be taken for new unabated coal plants, the least efficient coal plants should be phased out by 2030, and by 2040 any remaining coal plants should be retrofitted with CCUS.	No new investment in fossil power plants after 2030, and coal power plants—including combined-heat and power (CHP)—will be phased out in Europe and North America between 2030 and 2035.
Emissions reductions through to 2030 rely on existing technologies, but by 2050, 46% of emissions reductions come from technologies that are currently at the demonstration or prototype phase.	Emissions reductions are almost completely driven by the shift to existing renewable energy technology, with some new technological development needed to assist the transition to electric vehicles, biofuels and hydrogen in the industry and transport sectors.

IEA Net-zero Scenario	OECM—Energy pathway
<p>Carbon Capture, Utilization and Storage (CCUS) will capture 7,600 Mt CO<sub>2</sub> per year by 2050. 5,245 Mt of this will be from fossil fuels and processes (including power, industry, and hydrogen production), 1,380 Mt from bioenergy (e.g., BECCS), and around 1,500 Mt will be from DACS technologies. IEA: approx. -120 Gt until 2050 (cumulative) no data for 2100.</p>	<p>BECCS and CCUS are both excluded from the analysis due to their lack of commercial viability. Reforestation begins immediately, and deforestation ends by 2030. Nature-based carbon sinks (forests, mangroves, and seaweed) are used instead of CCS to compensate for process emissions. OECM: -5 GtCO<sub>2</sub> by 2050/-86 GtCO<sub>2</sub> (cumulative until 2100)</p>
<p>Hydrogen production will be scaled up to be used as fuel in sectors such as shipping, air travel and heavy industry, with a total of 11 EJ/a produced by 2050.</p>	<p>7% of final energy use (2 EJ/a] will be supplied by renewable generated hydrogen, mainly for industrial process heat by 2050.</p>
<p>Electricity will account for almost 50% of total energy consumption in 2050, and total electricity generation will increase by 250% from 2021. IEA: Total global power generation in 2050: 72,000 TWh</p>	<p>Electricity will account for around 65% of total energy consumption in 2050. Electricity generation will increase by 206% until 2050, based on 2020 levels. OECM: Total power generation in 2050: 53,500 (2020: 26,700 TWh)</p>
<p>Almost 90% of global electricity generation in 2050 comes from renewable energy. Solar and wind account for 70%. Two thirds of <b>total energy supply</b> in 2050 is from renewables, with solar accounting for one fifth of total global energy supply.</p>	<p>100% of electricity generation will be from renewable energy. 100% of <b>total energy supply</b> will be from renewable energy, with solar accounting for one third of global energy supply. Any remaining fossil fuels will only be used for non-energy uses such as the petrochemicals industry.</p>
<p>Solar generation capacity is expected to increase 20-times between now and 2050, and wind capacity by 11 times.</p>	<p>Solar generation is expected to increase by 23 times between 2020 and 2050, and wind by 14.5 times.</p>
<p>Annual rate of energy intensity improvements of around 4% per year to 2030.</p>	<p>While the rate differs per region, this report assumes a comparable global average rate of energy intensity improvements to the IEA.</p>
<p>Total global final energy demand in 2050 is around 17% less than 2020.</p>	<p>Total global energy demand is 29% less than in 2020.</p>
<p>Bioenergy will be deployed for aviation, shipping, cooking, and replacing natural gas with biomethane to provide heat and electricity. Bioenergy will produce 102,000 PJ/a by 2050.</p>	<p>Sustainable biomass will produce 85,000 PJ/a in 2050. It will primarily be used for process heat and aviation.</p>
<p>The biggest innovation opportunities are in the areas of advanced battery storage, hydrogen electrolysis and direct air capture and storage (DACS).</p>	<p>No reliance on “break-through” technologies such as BECCS or DACS, but focused on technology that is already market ready, including technologies that may still evolve and fall in cost over time use to economies of scale.</p>

**Source: Net-Zero Asset Owner Alliance Protocol Annex (with contributions from Dr. Sven Teske)**

## World Economic Forum Mission Possible Partnership (WEF MPP)

The Mission Possible Partnership is a coalition of public and private partners working on the industry transition to set heavy industry and mobility sectors on the pathway towards net-zero emissions by mid-century. MPP is comprised of four core partners—the Energy Transitions Commission, Rocky Mountain Institute, the We Mean Business coalition, and the World Economic Forum. It focuses on developing partnerships to deliver key initiatives for enabling industries to achieve net-zero CO<sub>2</sub> emissions, including aviation, circular cars, heavy-duty road transport, shipping, aluminium, chemicals, cement and concrete, and iron and steel. Sector pathways will be reviewed when made available to the Alliance.

## Sectoral intelligence received from sector participants

To reality check the top-down sector pathways, the Alliance will also employ a bottom-up approach. This includes, but is not limited to:

- Sector dialogues: As companies converge around intensity-based or CO<sub>2</sub> emissions per production unit, it is possible to begin to identify those who are ‘on the mark’ and those who fall short. Through sector dialogues, the “climate change sector leaders” will be used for reality checking the net-zero targets.<sup>7</sup> Gap Analysis: Transition Pathway Initiative (TPI) and other initiatives and data providers have collected targets for the high emitting sectors. This data will be used for a gap analysis of where the selected high emitting sectors are today and will be compared to what science deems necessary to achieve net-zero pathways. The result will feed into sector, company, and policy engagement. Reference to other sector pathways: Where sector pathways are not derived from an economy-wide model, but rather developed per sector, the Alliance will compare the individual sector pathways as well. For example, the Science Based Targets initiative has produced a 1.5°C pathway for the power sector.

The results from these sector decarbonisation pathways will be compared to the top-down sector pathways ‘corridor’ derived from OECM and the IEA.

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7 One Earth Climate Model Sector Pathways to Net Zero

## Section III: Engagement target and metrics

### Engagement KPIs<sup>8</sup>

1. KPIs linked to the Alliance member's engagement activities that contribute to achieving net-zero commitments

### Corporate and sector bilateral engagement contributions:

Overview: Number of corporate engagements, aligned with the Alliance's net-zero corporate expectations, led or supported by the Alliance member.

- **Focus:** This KPI aims to capture all corporate engagement activities pursued by the member bilaterally that contribute to more companies meeting the Alliance's net-zero corporate expectations.
- **Scope:** Qualifying actions include bilateral corporate engagements where the Alliance member advocates for the Alliance's net-zero corporate expectations. The net-zero corporate expectations are outlined in the Engagement Chapter of the Protocol and articulated in an open letter to portfolio companies<sup>9</sup>. They are also available to members in an Alliance internal engagement briefing. Engagements that do not meet this level of ambition should not be included in this KPI. Engagements that count towards this KPI can be conducted directly by the member themselves, initiatives that they are members of, their asset managers, or engagement service providers so long as they are in line with the Alliance ambition. When conducted by their asset manager or service provider, the engagement should be either at the explicit request of the asset owner, or the asset owner should have regular and ongoing monitoring of the asset manager's or service provider's progress with the respective company.

### Corporate and sector collective engagement contributions

**Overview:** Number of collaborative engagements (e.g., via CA100+ or other engagement initiatives) supported by the member:

- **Focus:** This KPI aims to capture the additionality of collaborative engagement.
- **Scope:** Qualifying actions include any support in collaborative engagement with companies, which are in line with the ambitions of the Alliance, e.g., taking a leadership role or active participation. It could also include a contribution to the creation of sector positions or contributing to sector roundtable discussions by either representing their institution as a member of the Alliance or helping organise the engagement.

### Asset manager bilateral engagement contributions

**Overview:** Number of asset managers engaged based on the Alliance ambition and guidance, which addresses the asset manager's climate change policies and practices.

- **Focus:** This KPI aims to capture a member's engagement activities with asset managers on their respective climate-related stewardship activities.

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<sup>8</sup> In all cases, Alliance members will implement their strategies with respect antitrust laws and regulations or applicable regulatory requirements

<sup>9</sup> AOA\_Engagement.pdf ([unepfi.org](https://www.unepfi.org))

- **Scope:** Qualifying actions include bilateral engagement with asset managers on climate specific topics (for existing managers) and building in climate expectations and Alliance guidelines on climate topics for asset manager selection, appointment, and monitoring programs (for new asset managers). This could include focused engagements by members on net-zero alignment with asset managers or engagement on Alliance-generated content such as the guidance contained within the published document, “Elevating Climate Diligence on Proxy Voting Approaches: A Foundation for Asset Owner Engagement of Asset Managers”.<sup>10</sup>

### Asset manager collaborative engagement contributions

**Overview:** Number of asset managers engaged collectively on climate change policies and practices.

- **Focus:** This KPI aims to capture the additionality of collaborative asset manager engagement activities.
- **Scope:** Qualifying actions include collaborative engagement with asset managers on specific topics, participating in collaborative engagement opportunities with other Alliance members, or contributing to the development of additional Alliance climate relevant expectations and guidelines of asset manager’s climate relevant activities.

### Position papers engagement contributions

**Overview:** Number of climate position papers published by the member in line with Alliance corporate expectations

- **Focus:** This KPI aims to capture a member’s contribution to building reference climate positions.
- **Scope:** Qualifying actions include taking part in the working group and drafting of a net-zero position paper. Position papers are public documents which define the member’s position on topics (i.e., that may have policy implications) of key relevance to the net-zero agenda. The positions must include a clear reference to the net-zero/1.5°C goal.

### Alliance position papers engagement contributions

**Overview:** Number of contributions to Alliance position papers.

- **Focus:** This KPI aims to capture the additionality of the Alliance membership to the joint publication of position papers.
- **Scope:** Qualifying actions include contribution to a position paper which is defined as the material participation in its development through the engagement track. Examples of material participation include written contributions, either as text, comments and edits, or repeated attendance in position paper working meetings.

Note: It is estimated that the track will produce 2–3 positions per year.

<sup>10</sup> <https://www.unepfi.org/wordpress/wp-content/uploads/2021/04/16-Elevating-Climate-Diligence-2.pdf>

## Outcome-based to Science Based Targets Coverage <sup>11</sup>

**Overview:** Percent of portfolio companies that have set a science-based target in key Alliance sectors.

- **Focus:** This KPI aims to serve as an outcome-based metric measuring the progress of Alliance members in coverage of their portfolio by science-based targets. This may be in part supported by Alliance member engagement activities.
- **Scope:** Qualifying actions are analysis and tracking of portfolio covered by science-based targets. Portfolio coverage is the percent of companies in an asset owner's portfolio which have set a science-based net-zero target in line with the Alliance's ambitions.

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<sup>11</sup> Science based targets as verified by the SBTi as well as corporate targets that can be shown to be based in scientific scenarios will be accepted (reference to appropriate sector pathways should be included in the latter case). Verified targets are encouraged.



# Section IV: Financial sector classifications

Oil & gas		
Proposal Financial Sector: Energy and O&G		
<b>NACE</b>	B—Mining and quarrying	B5: Mining of coal and lignite
		B6: Extraction of crude petroleum and natural gas
		B7: Mining of metal ores
		B8: Other mining and quarrying
		B9: Mining support service activities
<b>BICS— Bloomberg</b>	Energy	Coal
		Oil & gas
		Oil Comp-Explor&Prodtn Oil Comp-Integrated Oil Refining&Marketing
		Oil & Gas Drilling
		Oil-US Royalty Trusts Oil&Gas Services Pipelines
		Renewables
<b>GICS—S&amp;P and MSCI</b>	Energy	Energy Equipment & Services
		Oil & Gas Drilling
		Oil & Gas Equipment & Services
		Oil, Gas & Consumable Fuels
		Integrated Oil & Gas
		Oil & Gas Exploration & Production
		Oil & Gas Refining & Marketing
		Oil & Gas Storage & Transportation
		Coal & Consumable Fuels

## Utilities

### Proposal Financial Sector: Utilities/Electric Generation and Distribution and Gas distribution

<b>NACE</b>	D—Electricity, gas, steam and air conditioning supply	D35: Electricity, gas, steam, and air conditioning supply
		D35.1: Electric power generation, transmission and distribution
		D35.1.1: Production of electricity
		D35.1.2: Transmission of electricity
		D35.1.3: Distribution of electricity
		D35.1.4: Trade of electricity
		D35.2: Manufacture of gas; distribution of gaseous fuels through mains
		D35.2.1: Manufacture of gas
		D35.2.2: Distribution of gaseous fuels through mains
		D35.2.3: Trade of gas through mains
		D35.3: Steam and air conditioning supply
		D35.3.0: Steam and air conditioning supply
<b>BICS— Bloomberg</b>	Utilities	Electric
		Distribution
		Generation
		Integrated
		Transmission
		Independent Power Producer
		Gas
		Distribution
		Transportation
		Water
		Water

<b>GICS—S&amp;P and MSCI</b>	<b>Utilities</b>	<b>Electric Utilities</b>
		Companies that produce or distribute electricity. Includes both nuclear and non-nuclear facilities.
		<b>Gas Utilities</b>
		Companies whose main charter is to distribute and transmit natural and manufactured gas. Excludes companies primarily involved in gas exploration or production classified in the Oil & Gas Exploration & Production Sub-Industry. Also excludes companies engaged in the storage and/or transportation of oil, gas, and/or refined products classified in the Oil & Gas Storage & Transportation Sub-Industry.
		<b>Multi-Utilities</b>
		<b>Water Utilities</b>
		<b>Independent Power and Renewable Electricity Producers</b>
		Companies that operate as Independent Power Producers (IPPs), Gas & Power Marketing & Trading Specialists and/or Integrated Energy Merchants. Excludes producers of electricity using renewable sources, such as solar power, hydropower, and wind power. Also excludes electric transmission companies and utility distribution companies classified in the Electric Utilities Sub-Industry.
<b>Renewable Electricity</b>		
Companies that engage in the generation and distribution of electricity using renewable sources, including, but not limited to, companies that produce electricity using biomass, geothermal energy, solar energy, hydropower, and wind power. Excludes companies manufacturing capital equipment used to generate electricity using renewable sources, such as manufacturers of solar power systems, installers of photovoltaic cells, and companies involved in the provision of technology, components, and services mainly to this market.		

**Proposal Financial Sector: Transportation/Airlines, Transportation/Light and Heavy Road Transport, Transportation/Shipping**

NACE	H— Transporting and storage	H49: Land transport and transport via pipelines H50: Water transport H51: Air transport H52: Warehousing and support activities for transportation H53: Postal and courier activities
	C— Manufacturing	C29: Manufacture of motor vehicles, trailers and semi-trailers
	C29.1: Manufacture of motor vehicles	
	C29.1.0: Manufacture of motor vehicles	
	C29.2: Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	
	C29.2.0: Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	
	C29.3: Manufacture of parts and accessories for motor vehicles	
	C29.3.1: Manufacture of electrical and electronic equipment for motor vehicles	
	C29.3.2: Manufacture of other parts and accessories for motor vehicles	
	C30: Manufacture of other transport equipment	
	C30.1: Building of ships and boats	
	C30.1.1: Building of ships and floating structures	
	C30.1.2: Building of pleasure and sporting boats	
	C30.2: Manufacture of railway locomotives and rolling stock	
	C30.2.0: Manufacture of railway locomotives and rolling stock	
	C30.3: Manufacture of air and spacecraft and related machinery	
	C30.3.0: Manufacture of air and spacecraft and related machinery	
	C30.4: Manufacture of military fighting vehicles	
	C30.4.0: Manufacture of military fighting vehicles	
	C30.9: Manufacture of transport equipment n.e.c.	
	C30.9.1: Manufacture of motorcycles	
	C30.9.2: Manufacture of bicycles and invalid carriages	
	C30.9.9: Manufacture of other transport equipment n.e.c.	

<b>BICS: Bloomberg</b>	Consumer, Cyclical	Airlines	Auto/Trk Prts&Equip-Repl
		Airlines	N/A
		Auto Manufacturers	Rubber-Tires
		Auto-Cars/Light Trucks	Home Builders
		Auto-Med&Heavy Duty Trks	Bldg-Mobil Home/Mfd Hous
		Auto-Truck Trailers	Bldg-Residential/Commer
		Auto Parts&Equipment	Retail
		Auto/Trk Prts&Equip-Orig	Textiles
	Industrial	Aerospace/Defense	Packaging&Containers
		Building Materials	Shipbuilding
		Electrical Compo&Equip	Transportation
		Electronics	Transport-Air Freight
		Engineering&Construction	Transport-Marine
		Environmental Control	Transport-Rail
		Hand/Machine Tools	Transport-Services
		Machinery-Constr&Mining	Transport-Truck
		Machinery-Diversified	Trucking&Leasing
		Metal Fabricate/Hardware	Transport-Equip&Leasng
		Miscellaneous Manufactur	Trucking & Leasing
<b>GICS: S&amp;P and MSCI</b>	Transporta- tion	Road & Rail	Airport Services
		Railroads	Highways & Railtracks
		Trucking	Marine Ports & Services
		Transportation Infrastructure	

## Cement

### Proposal Financial Sector—Materials/Cement

<b>NACE</b>	<b>C— Manufacturing</b>	C23.5: Manufacture of cement, lime and plaster
		C23.5.1: Manufacture of cement
		C23.5.2: Manufacture of lime and plaster
		C23.6: Manufacture of articles of concrete, cement and plaster
		C23.6.1: Manufacture of concrete products for construction purposes
		C23.6.2: Manufacture of plaster products for construction purposes
		C23.6.3: Manufacture of ready-mixed concrete
		C23.6.4: Manufacture of mortars
		C23.6.5: Manufacture of fibre cement
		C23.6.9: Manufacture of other articles of concrete, plaster and cement
		C23.7: Cutting, shaping and finishing of stone
		C23.7.0: Cutting, shaping and finishing of stone
		C23.9: Manufacture of abrasive products and non-metallic mineral products n.e.c.
		C23.9.1: Production of abrasive products
		C23.9.9: Manufacture of other non-metallic mineral products n.e.c.
<b>BICS— Bloomberg</b>	<b>Industrial</b>	Building Materials
		Bldg Prod-Air&Heating
		Bldg Prod-Cement/Aggreg
		Bldg Prod-Doors&Windows
		Bldg Prod-Light Fixtures
		Bldg Prod-Wood
		Bldg & Construct Prod-Misc
		Ceramic Products
<b>GICS—S&amp;P and MSCI</b>	<b>Materials</b>	Construction Materials
		Construction Materials





Investment  
Leadership  
Programme

## UN-convened Net-Zero Asset Owner Alliance

[unepfi.org/net-zero-alliance/](https://unepfi.org/net-zero-alliance/)

In partnership with:

