

Net Zero Investment Framework

Organization
IIGCC

Partner organizations
AIGCC
Ceres
IGCC

Summary

The Net Zero Investment Framework proposes key components of a net-zero investment strategy. It provides recommended methodologies and actions that asset owners and asset managers should utilize to assess and undertake alignment of their portfolios toward net zero, in order to maximize their contribution to the decarbonization of the real economy.

The Framework puts forward metrics to assess investments and measure alignment, and requires investors to set concrete targets at portfolio and asset levels. It also sets out implementation actions in order to effectively achieve portfolio alignment, meet targets, and enable broader transition toward net zero, through a combination of portfolio construction, engagement, and policy advocacy.

The NZIF was created as a part of the Paris Aligned Investment Initiative, made up of four investor networks—AIGCC, Ceres, IGCC, and IIGCC. It invites investors to make a net-zero commitment as set out in this Framework, and to use the Framework as a basis to implement their net-zero strategies. Investors who want to make this commitment are also invited to join one of the partner networks through which they can access further support and guidance to move toward Paris alignment.

Climate Focus

Alignment	Impact	Risk
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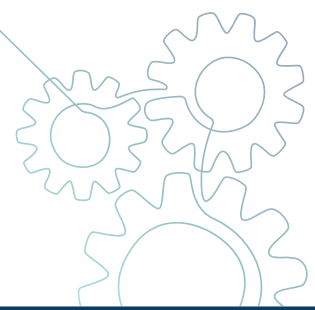
Resource Type

Data & Metrics	Pathways & Scenarios	Assessment Tools	Methodology	Target Setting Guidelines & Verification	Reporting Frameworks & Guidelines	Collaborative Initiatives
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Intended Users

Banks	Investors	Insurers	Central Banks	Regulators
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Net Zero Investment Framework	
WHO	Investors, including asset owners and asset managers
WHAT	<ul style="list-style-type: none"> • The framework was designed to help investors deliver meaningful emissions reductions and provide a basis on which a broad range of investors can define strategies, measure alignment, and transition portfolios, while taking into account different mandates and starting points that the investors might be at. • The Net Zero Investment Framework outlines six key components of a net-zero investor strategy, governance and strategy, objectives and targets, strategic asset allocation, asset class alignment, policy advocacy, and market engagement. It provides investors with recommendations in order to manage their portfolios in line with net-zero emissions. • It sets out a number of components for an effective net-zero investment strategy, with recommendations on the key actions and methodologies that can be used to implement such a strategy.
WHEN	The framework should be used when investors are looking for a methodology to achieve net-zero commitments or manage their portfolios in a way to help achieve net-zero emissions by 2050 by creating real economy impacts.
WHERE	It currently covers four asset classes: listed equities, corporate fixed income, real estate, and sovereign bonds, with methodology for additional asset classes currently being developed.
WHY	<ul style="list-style-type: none"> • The Net Zero Investment Framework enables investors to maximize the contribution they make to decarbonization of the global economy and tackling climate change. • The framework puts forward metrics to assess investments and measure alignment, and requires investors to set clear, science-based targets at the portfolio and the asset class level. • It also sets out implementation actions in order to effectively achieve portfolio alignment, meet targets, and enable a broader transition toward net zero, through a combination of portfolio construction, engagement, and policy advocacy.
HOW	More information can be found on PAII's website .