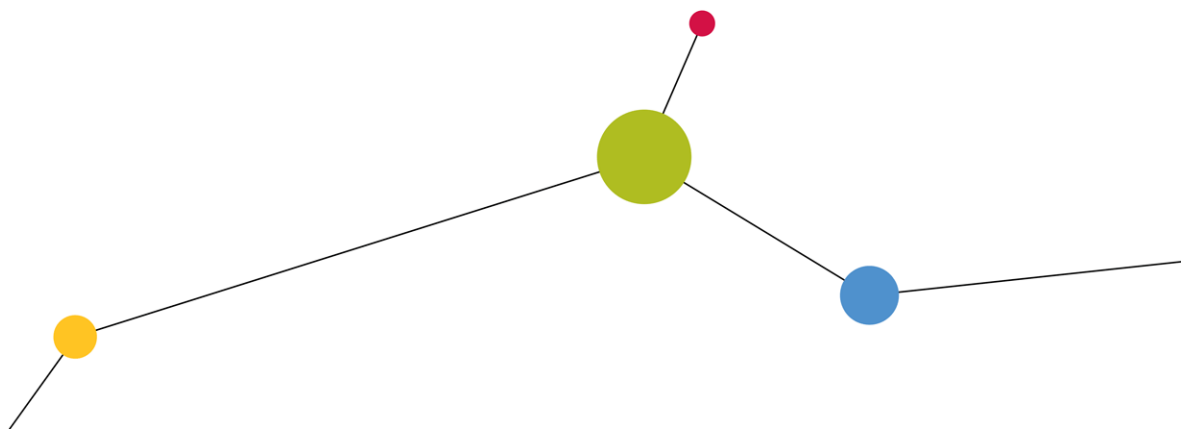


Investing for Net Zero: the climate challenge for capital markets

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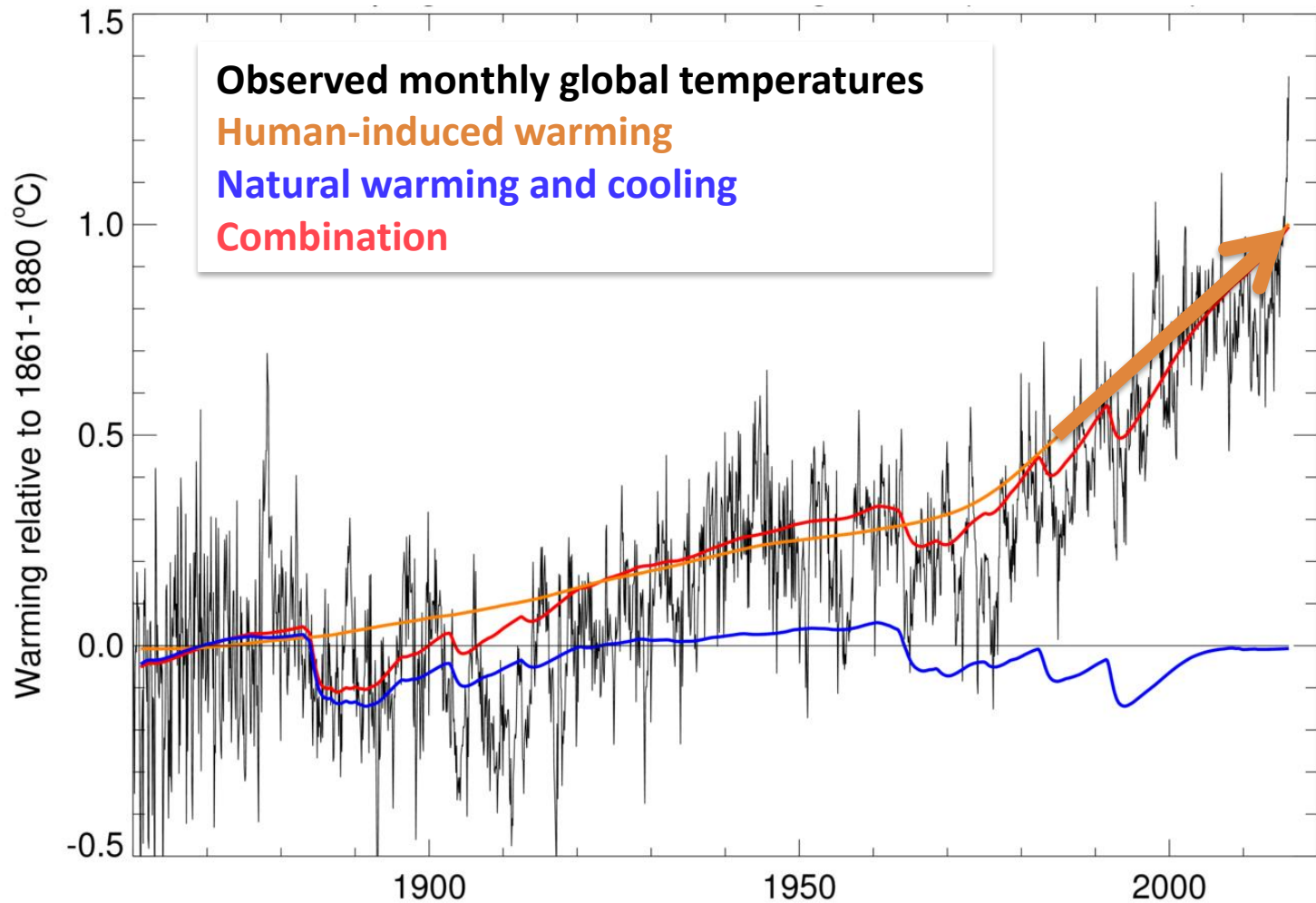


New ideas, new challenges

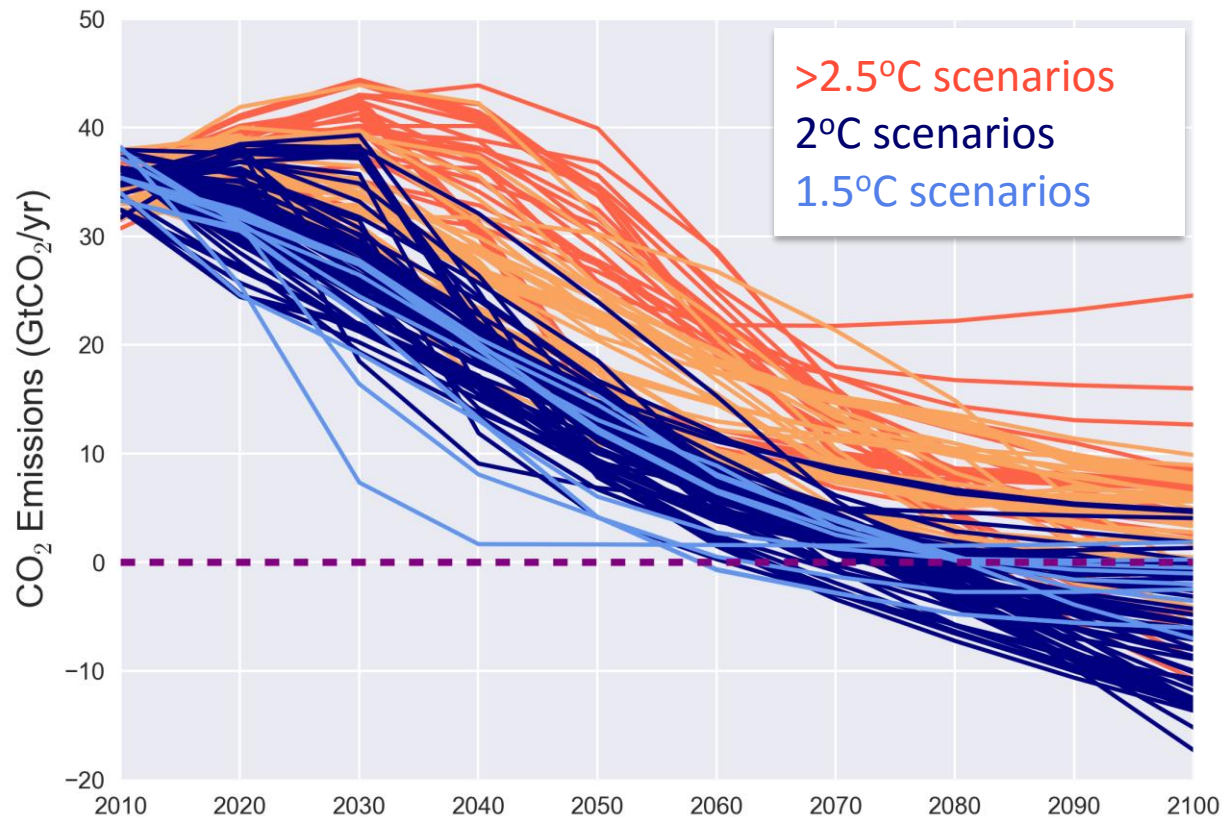
- “One idea is to establish an industry-led group, ... , to design and deliver a voluntary standard for disclosure by those companies that produce or emit carbon. Companies would disclose not only what they are emitting today, but how they plan their transition to the net-zero world of the future.”

Mark Carney, speaking at Lloyds of London, September 2015

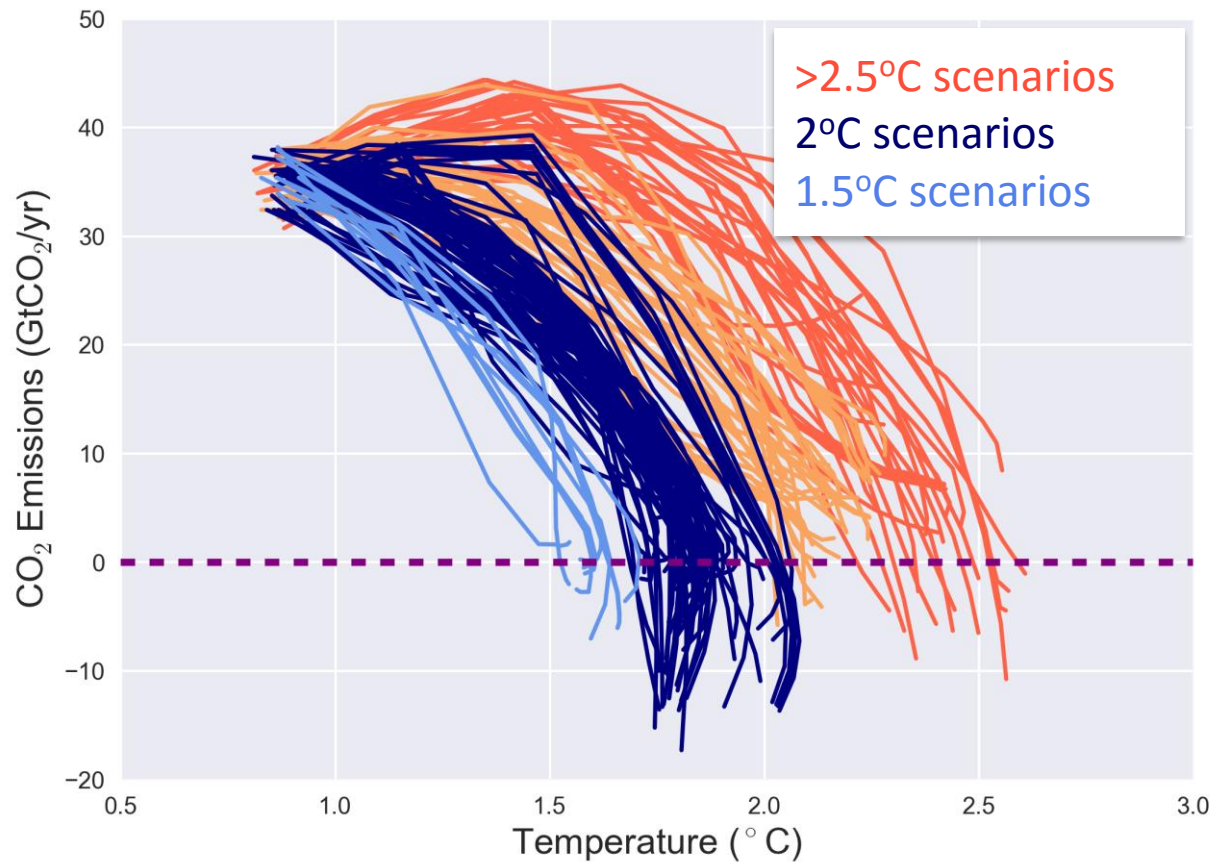
Human-induced warming: now at about 1°C +0.5°C since the 1980s



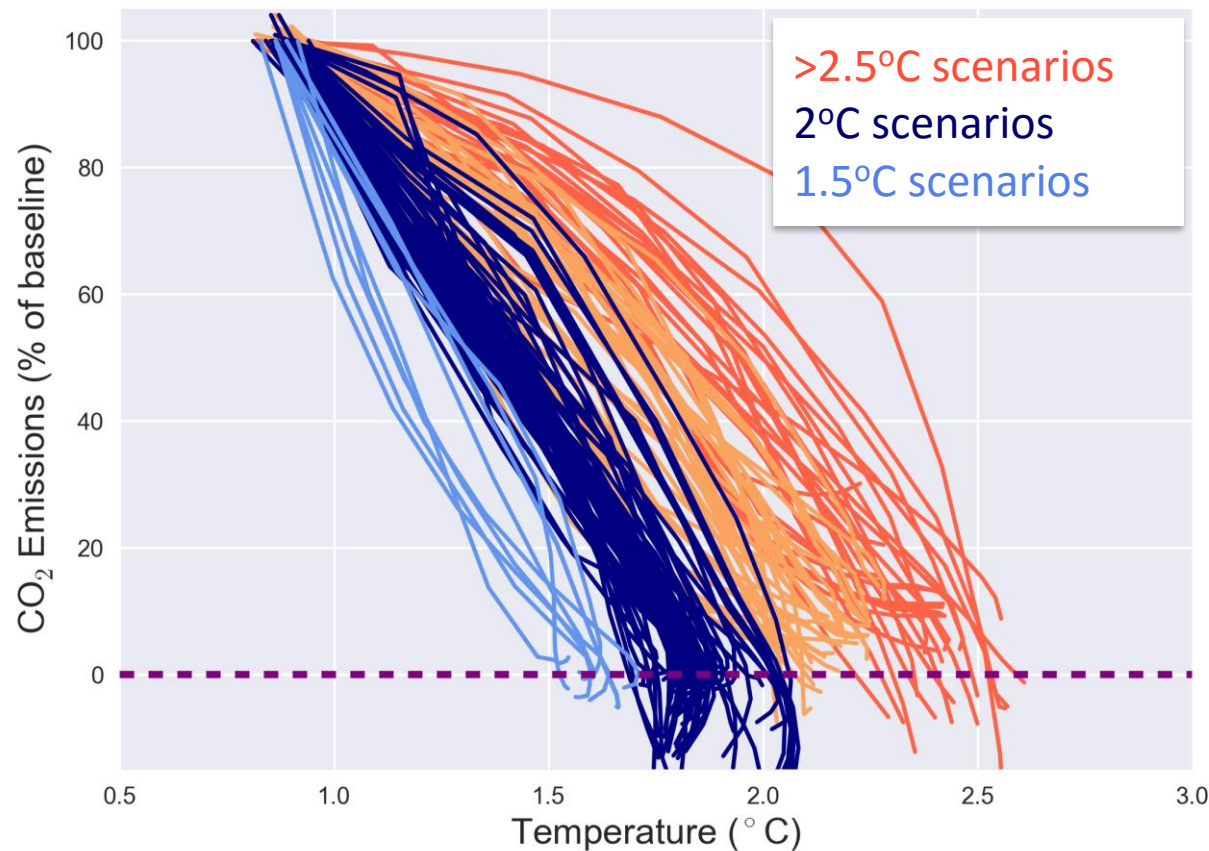
CO₂ emissions have to be reduced to zero to stabilize climate: but how fast?



Plotting future emissions against future warming



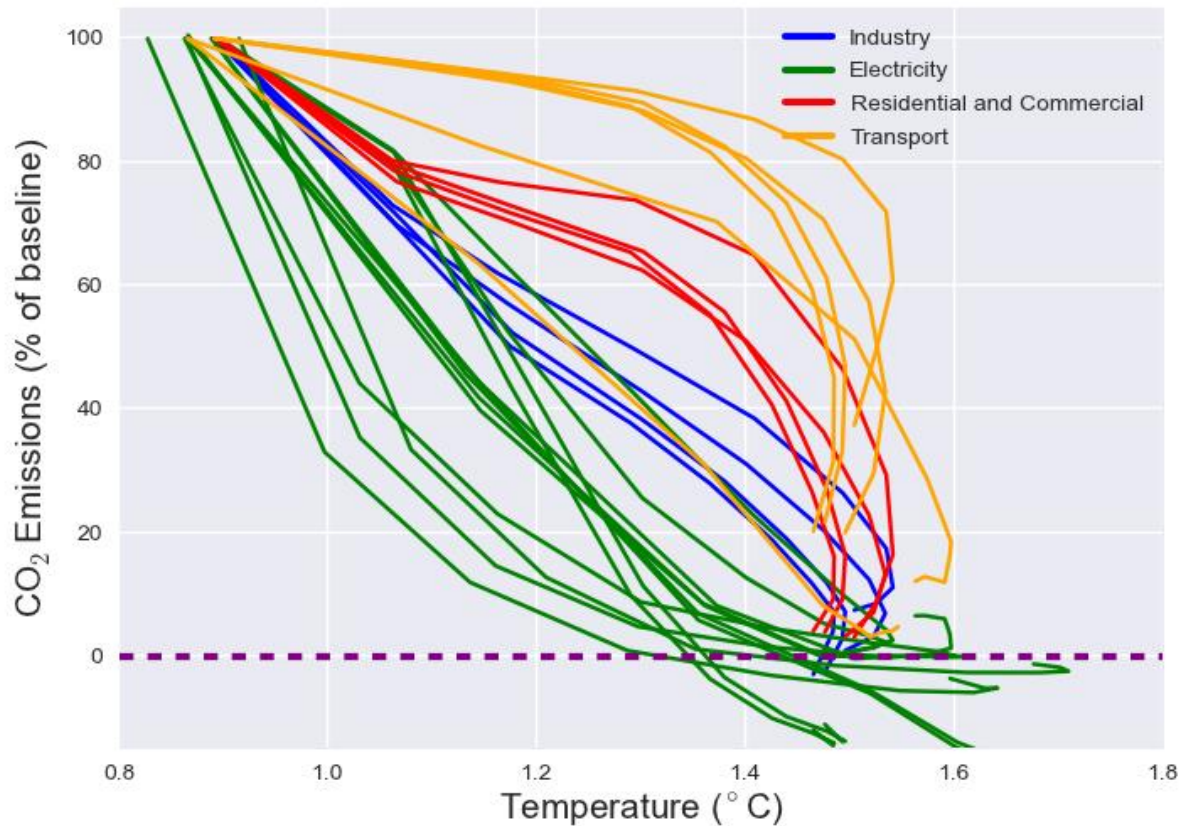
Plotting future emissions against future warming and as a percentage of “business as usual”



The Net Zero Identity

- To reach net zero by 2°C, emissions must fall, on average, by 10% of business-as-usual for every 0.1°C warming from now on.
- To reach net zero by 1.5°C, emissions must fall, on average, by 20% of business-as-usual for every 0.1°C warming from now on.
- Right now, 0.1°C warming takes 6-8 years – but would slow as emissions fall.

Sectors decarbonise at different rates, but all must be net zero by the warming goal



The Oxford Martin Working Principles for Net Zero Carbon Investment

WORKING DRAFT
NOVEMBER 2015



Working Principles for Investment in Fossil Fuels



- At what global temperature will your activities, and the products you sell, be consistent with net zero carbon dioxide emissions?
- What is your strategy for achieving net zero, and who will pay for it?
- How do you propose to monitor progress to net zero as the world warms?

Published by the Oxford Martin Net Zero Carbon Initiative

