[Date]

[Organisation Name]

[Address]

To: The Net Zero Financial Service Providers Alliance

c/o the PRI and UN SSE

**Subject: Commitment to join the Net Zero Financial Service Providers Alliance**

To whom it may concern,

Based on the best available science, including the findings of the IPCC, on the drivers and impacts of climate change, we believe there is an urgent need to accelerate the transition towards global net zero greenhouse gas (GHG) emissions and for service providers to play our part to help deliver the goals of the Paris Agreement and ensure a just transition to a low carbon economy.

**My organisation commits to support the goal of net zero greenhouse gas emissions by 2050 or sooner, consistent with a maximum average global temperature rise of 1.5°C above pre-industrial levels.**

In order to fulfil this Commitment, my organisation will:

1. Align all relevant services and products to achieve net zero greenhouse gas emissions by 2050 or sooner, scaling and mainstreaming Paris Agreement-alignment into the core of our business.
2. Build internal capability to understand the risks and opportunities of the net zero transition using best-practice net zero methodologies where they exist and, where methodologies1 or data are missing, proactively and collaboratively work to address those gaps.
3. Set an interim target for relevant services and products offered to be aligned to the net zero transition which is consistent with a fair share of the 50% global reduction in carbon emissions needed by 2030. Review and update such targets at least every five years with a view to increasing the proportion of services and products to achieve full alignment.
4. Address our own operational impacts by setting science-based emissions reduction targets across all operational emissions (Scopes 1 and 2 and, where material, 3) in line with 1.5°C emissions pathways. Set interim science-based reduction targets within 12 months of joining for no later than 2030 across all operational emissions.
5. Consistently raise with our key stakeholders the importance and implications of setting net zero targets and strategies across Scopes 1, 2 and 3 emissions and understanding the impact businesses can have to help reduce GHG emissions2.
6. Work to ensure our relevant services and products take into account the best available climate science, including credible emissions reduction pathways to net zero. Support innovation and prioritise our efforts where we have, or can have, the most significant impact. Support the development of products and services supporting the net zero transition.
7. Advance our efforts by proactively engaging with stakeholders and policy-makers on corporate and industry action, as well as public policies, that support a net zero transition of economic sectors in line with science and with regard to social impacts. Contribute to Glasgow Financial Alliance for Net Zero (GFANZ) efforts within the financial services provider alliance, which will aim to bring together existing tools and alliances.
8. Report progress, individually as firms signing this Commitment, at least annually, including publishing disclosures aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD)3 and climate action plans.

This Commitment must be read in the context of the explanatory text that follows (see Annex) which provides interpretative guidance to the Commitment text.

We recognise the vital role of service providers in supporting the transition to net-zero emissions. We make this Commitment with the understanding that our clients and stakeholders, including regulators, policy-makers and standard-setters, will endeavor to facilitate these objectives.

We will work in coordination with and seek to support the existing alliances including the Net Zero Asset Owner Alliance, Paris Aligned Investment Initiative, Net Zero Bankers Alliance and the Net Zero Asset Managers Initiative within the broader GFANZ.

We commit to engaging with policy-makers, regulators, peers and other stakeholders, consistent with applicable law and regulatory requirements, in order to pursue the objective of net zero alignment.

Yours sincerely,

|  |
| --- |
| Name of Organisation: |
| Country Headquartered: |
| Name of CEO/Chair:  |
| **I confirm that [*insert Service Provider name*] is hereby a signatory of the commitment set out above and that this commitment is being undertaken at CEO level with the express agreement of the CEO named above.**  |
| Signature  | Date |

**Service Provider Contact Information**

|  |  |
| --- | --- |
| Lead Contact name |  |
| Lead Contact email |  |
| Lead Contact telephone number |  |
| Communications team contact information (optional) |  |

**Annex A: Commitment Clarifications for Exchanges**

*The parties making this Commitment do so subject to any legal, regulatory, professional standards and professional or ethical obligations that apply to them.*

#1

Refers to the extent relevant and appropriate, to disclosure, market participation and/ or listing interventions or requirements and issuer tools and support.

#2

As described

#3

Meaningful targets to 2025 to be set within 12 months which are pertinent to each sub sector. The target should reflect the way in which the action taken will help to reach the interim target of a fair share of the 50% global reduction in carbon emissions needed by 2030. This point refers to target setting by the organization.

#4

As described

#5

Listed companies, market participants and relevant securities

#6

Demonstrate how disclosure, financing and other interventions are being aligned to appropriate net zero paths and sustainable solutions

#7

As described

#8

Reporting format will be defined by the targets set for each sub-group to be developed within the next 12 months

**Commitment Footnotes**

[1] Such as Science Based Targets initiative and alliance partners of Race to Zero and GFANZ. Best methodologies to incorporate scope 3 emissions, as well as appropriate use of carbon offsetting, should be incorporated.

[2] This commitment does not apply to service providers, including without limitation credit rating agencies, whose business model and/or regulatory obligations require them to maintain complete independence, both actual and perceived.

[3] As comprehensively as possible, while being cognisant that some sections do not directly apply to all signatories

**Notes on addressing the letter**

Please send a pdf copy of your letter to the NZFSPA secretariat representatives below:

Melanie Jarman, Net Zero Senior Specialist, PRI: melanie.jarman@unpri.org

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