

# From Paris-Aligned to Net Zero by 2050



Trust  
must be earned

**Amundi**  
ASSET MANAGEMENT

## What is the objective of the Paris Agreement?



Keep global temperature increase 'well below' **2°C**



Pursue efforts to limit it to **1.5°C**



[Click here to find out more about the Paris Agreement](#)

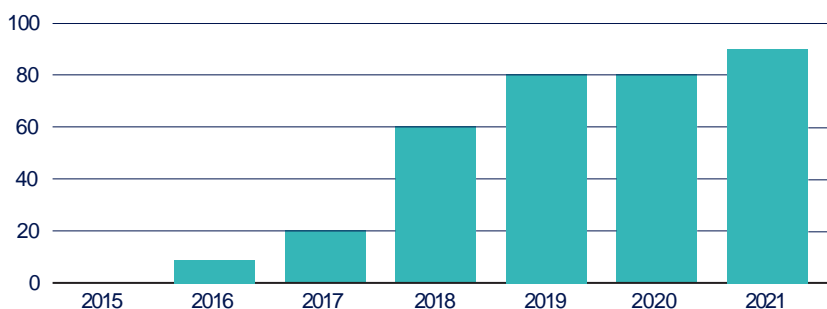
## Come with us on the journey to carbon reduction

Put simply, Net zero is a global objective where we each should contribute to reducing greenhouse gases to as close to zero as possible, with the remaining emissions being reabsorbed in the atmosphere, for example by the oceans and forests. Seven years on from the Paris agreement, the objective is clear:

**Limit the temperature rise to 1.5°C above preindustrial averages, which means reaching net zero carbon emissions by 2050.**

In the last number of years, we have seen increasing Net Zero pledges from both the public and private sector.

Share of global CO2 emissions covered by national net zero pledges\*



Source: IEA's Net Zero by 2050 report \*in law, proposed, or in policy documents, As at 2021

# Are we on track for 2025?

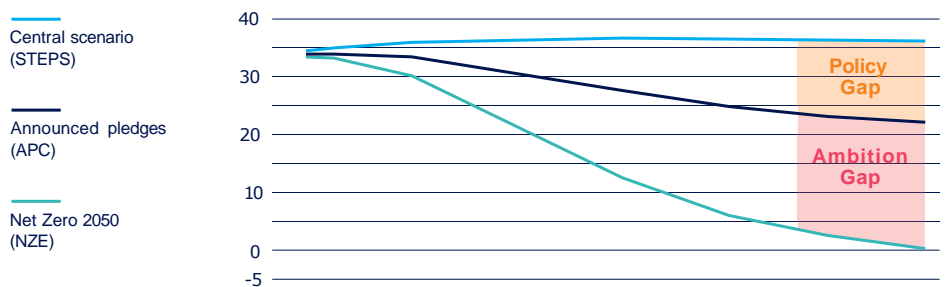
Unfortunately not. Even if governments would pass all the necessary policies to deliver fully and on time their net zero pledges, only **40% of the emissions gap** would be closed.

## DISCLAIMER

The disclosed information are as of June 2023 and constitute our judgment and are subject to change without prior notice. There can be no guarantee they will be met.



Global CO<sub>2</sub> emissions pathways by scenario, in GtCO<sub>2</sub>



Source: IEA World Energy Outlook 2021, Technical note

## The challenges to closing this gap in our opinion are:



### Industrial

The required ramp up of industrial capacities is overwhelming. Renewable power should be 2.5x higher than in 2020 throughout 2030.



### International Policy Coordination

Policy coordination is required to share the costs related to the ramp up of new technologies (subsidies) and avoid tensions around competitiveness issues.



### Innovation

2/3rd's of incremental reduction beyond 2030 depends on technologies that are still under development: solid-state batteries, CCUS, green hydrogen, direct air capture.



### Financing

Energy investments rise from 2.5% to 4.5% of GDP in 2030 with clean energy investments needs three times higher than in 2016-20.



### Societal Acceptance of Behavioural Change

Breaking habits is not an easy thing. Social acceptance of climate policies remains a key challenge.



Source: IEA Net Zero by 2050 – A Roadmap for the Global energy

# What we think is needed?

Development of wind and solar, electric vehicles, carbon capture & storage, green and blue hydrogen, or zero-carbon-ready buildings.

# What we think is not necessary to have?

Approvals for unabated coal plants, but also new fossil fuel boilers from 2025, non-LED lighting solutions from 2030 and new cars powered by combustion engines from 2035.

# What we think is not needed?

New oil and gas greenfield developments and new natural gas liquefaction plants. Although not directly compromising compliance with the carbon budget, they still represent a potential wasted opportunity to allocate capital towards low-carbon solutions.



[Read our introduction on Net Zero](#)

## Responsible Investing at Amundi

Recognised expertise in responsible investing with **€829bn AUM** as of 30 June 2023.

\*Amundi Asset Management AUM as at 30 June 2023

*Signatory of:*



**Amundi**  
ASSET MANAGEMENT

The issuer of this document is Amundi Hong Kong Limited.

This document is not intended as an offer or solicitation with respect to the purchase or sale of securities, including shares or units of funds. All views expressed and/or reference to companies cannot be construed as a recommendation by Amundi. Opinions and estimates may be changed without notice. To the extent permitted by applicable law, rules, codes and guidelines, Amundi and its related entities accept no liability whatsoever whether direct or indirect that may arise from the use of information contained in this document.

This document is for distribution solely to persons permitted to receive it and to persons in jurisdictions who may receive it without breaching applicable legal or regulatory requirements. This document has not been reviewed by the Securities and Futures Commission in Hong Kong.

This document is prepared for information only and does not have any regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investors should not only base on this document alone to make investment decisions.

Investment involves risk. The past performance information of the market, manager and investments and any forecasts on the economy, stock market, bond market or the economic trends of the markets are not indicative of future performance. Investment returns not denominated in HKD or USD is exposed to exchange rate fluctuations. The value of an investment may go down or up.

This document is not intended for citizens or residents of the United States of America or to any «U.S. Person», as this term is defined in SEC Regulation S under the U.S. Securities Act of 1933.