



Investor Group on
Climate Change

Investor Group on Climate Change

2017 Annual Report

CONTENTS



	MESSAGES	2
	Message from the Chair	
	Message from the CEO	
1.	ABOUT IGCC	3
	About IGCC	
	The IGCC Working Groups	
	The IGCC Management Committee	
2.	THE YEAR IN REVIEW	6
	What we set out to do	
	Our advocacy and action agenda	
	i. Advocacy	
	ii. Action	
	iii. International collaboration	
	What next for 2018?	
3.	MEMBER UPDATE	14
	Our members	
	IGCC members as at 30 June 2017	
	Monthly member meetings	
4.	FINANCIAL	17
	The Treasurer's Report	

Investor Group on Climate Change Australia / New Zealand

ABN 15 519 534 459

PO Box Q937
Queen Victoria Building
NSW 1230

+61 2 8027 3500
secretariat@igcc.org.au

www.igcc.org.au

Message from the Chair Frank Pegan

To all members of IGCC

Since COP21 at Paris, the Investor Group on Climate Change (IGCC) has expanded its reach domestically and globally through its advocacy, engagement and research programs. Your support, courage and continuous determination to make a difference is beginning to deliver for climate change.

Paris 2015 was the pivotal point in creating a framework for a global agreement to be signed by 197 countries, while also allowing each nation to deliver according to their own economic and political imperatives. Every day, the market, domestically and globally, is addressing the targets set by COP21 through sustainable investments, energy efficient programs and renewable energy. This is occurring, irrespective of the political vacuum, as the risk return profile on climate related investments becomes more competitive against traditional investments.

The importance of constant dialogue with all major participants in the political, business and institutional investment markets is beginning to deliver on policy and investment. The policy paralysis of government has not affected investor risk appetite to invest in climate related investments.

IGCC is a member based organisation and our members not only contribute financially but also intellectually to the discussion and through the working groups to deliver on policy, advocacy and investor action.

This annual report outlines the many achievements that have been accomplished this year and I am privileged to be part



of a team that care about planet and people. We have an incredible team lead by a fantastic Chief Executive Officer and supported by an incredible, capable, committed management team and active investor-led working groups.

On behalf of IGCC, I thank all members for their support. Without you, we would not be able to power above our size. Thank you all. I am a better person today because of involvement with IGCC and interaction with members.

A handwritten signature in black ink, appearing to read 'Frank Pegan'.

Frank Pegan

Message from the CEO Emma Herd

To all members of IGCC

It gives me great pleasure to present the Investor Group on Climate Change 2017 Annual Report.

This has been a particularly full and busy year for IGCC.

All of our working groups have been active, developing projects, writing policy submissions and publishing major new research and analysis reports on the investor implications of climate change.

We have been fortunate to host several major events throughout the year, including with former US Vice President Al Gore (both in Sydney and in Singapore), alongside investor workshops and briefing sessions.

We also staged our own highly successful 2017 IGCC Climate Change Finance and Investment Summit.

IGCC continues to collaborate with our fellow international investor organisations on a number of major global advocacy projects to support the successful implementation of the Paris Agreement and the final recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

IGCC has also invested in our own organisational capabilities and launched a brand new website.

The IGCC 2017 Annual Report aims to provide a useful summary of all of these activities and our major achievements over the year.

I would like to take this opportunity to thank the members of the IGCC Management Committee for the valuable contribution




they make in ensuring that IGCC remains a strong and effective voice for investors in the climate change debate.

I would also like to thank all of our members for their ongoing support and the active role that they play in the IGCC working groups and member events.

Finally, I would particularly like to thank Crystal Fleming, Rebecca Mikula-Wright and Zaira Rocchi for their tireless work and dedication to IGCC this year. It is truly a great pleasure to be working with such a talented team.

Thank you.

A handwritten signature in black ink, appearing to read 'Emma Herd'.

Emma Herd

1 ABOUT IGCC



About Us

The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand investors focused on the impact that climate change has on the financial value of investments.

The IGCC represents institutional investors, with total funds under management of around \$2 trillion, and others in the investment community interested in the impact of climate change. The IGCC aims to encourage government policies and investment practices that address the risks and opportunities of climate change, for the ultimate benefit of superannuants and unit holders.

We aim to:

- Raise awareness of the potential impacts, both positive and negative, resulting from climate change to the investment industry, corporate, government and community sectors;
- Encourage best practice approaches to facilitate the inclusion of the impacts of climate change in investment analysis by the investment industry; and
- Provide information to assist the investment industry to understand and incorporate climate change into the investment decision.

We collaborate on an ongoing basis with similar investor organisations on climate change in Europe, North America and Asia through the Global Investor Coalition on Climate Change. In particular, IGCC is currently supporting the re-establishment of the Asia Investor Group on Climate Change (AIGCC).

IGCC Vision

An efficient transition to a sustainable low carbon economy.

Mission

We recognise that climate change will impact our investments, that there is an economic transition underway and it is accelerating. We support a response that is founded in a science-based assessment of the carbon constraints required to avoid dangerous climate change. We acknowledge that investors are key agents in facilitating an efficient transition.

IGCC will help investors in facilitating this transition, recognising that as stewards of capital we have a positive role to play in managing long term risks and ensuring sustainable returns.

The IGCC Working Groups

Working with our members to develop the tools, research and practical resources they need to manage climate change is a core part of IGCC's mandate.

We have six working groups in place which develop and drive our investment response. These forums provide our members with an opportunity to both directly shape IGCC's wider policy and advocacy response, but also to ensure that the work we deliver accurately reflects real world investor experience and needs. We also provide secretariat support for the Asia Investor Group on Climate Change working group.

IGCC would like to thank all of our members who contributed to the working groups over the year. The diversity of views and deep real world experience helps to sharpen the IGCC position on key issues and plays a valuable role in bringing an investor's perspective to the climate change discussion.

Working Group Chairs

Policy

Emma Herd, CEO, IGCC; and Ian Woods, Head of ESG Investment Research, AMP Capital

Research

Ross Barry, Head of Systematic & Impact Investing, First State Super

Property and Infrastructure

Rowan Griffin, Head of Sustainability - Property, Lendlease

Low Carbon Finance

Nicole Bradford, Portfolio Head, Responsible Investment, Cbus

Adaptation

Kelly Christodoulou, ESG Manager, Investments, AustralianSuper

Disclosure

Pablo Berrutti, Head of Responsible Investments, Asia Pacific, Colonial First State Global Asset Management

AIGCC

Emily Chew, Global Head of ESG, Manulife Asset Management

IGCC Secretariat

Chief Executive Officer

Emma Herd

General Manager

Crystal Fleming

Director, AIGCC and IGCC Investor Initiatives

Rebecca Mikula-Wright

Policy Officer

Michael Mazengarb

Team Assistant

Zaira Rocchi

Management Committee as at December 2017

The IGCC Management Committee is an important part of our governance framework. Members bring world class expertise and market experience to their role and to the contribution they make to the operation of the organisation.

Chair	Frank Pegan	Chief Executive Officer, Catholic Super
Deputy Chair	Ian Woods	Head of ESG Investment Research, AMP Capital
Treasurer	Rajinder Singh	Portfolio Manager, BT Investment Management
Secretary	Bill Hartnett	Head of Sustainability, Local Government Super
Full Member	Kelly Christodoulou	ESG Manager, Investments, AustralianSuper
Full Member	Pablo Berrutti	Head of Responsible Investment, Asia Pacific, Colonial First State Global Asset Management
Full Member	Kristian Fok	Chief Investment Officer, Cbus
Full Member	Rob Fowler	Executive - Investment Execution, HESTA
Full Member	Niall McCarthy	Head of Business Development, Eureka - Real Assets
Full Member	Phil Vernon	Managing Director, Australian Ethical Investment
Associate Member	Louise Davidson	Chief Executive Officer, Australian Council of Superannuation Investors
Associate Member	Elaine Prior	Managing Director, ESG Analyst, Citi Research

About the IGCC Management Committee

We regularly review the skill set and capabilities of the IGCC Management Committee to ensure that it is best meeting the needs of our members. A snapshot of attendance and the composition of the IGCC Management Committee for the year to 30 June 2017 is set out below. The complete IGCC Management Committee Skills Matrix is available at www.igcc.org.au

	FP	IW	RS	BH	LD	RF	PB	EP	PV	KF	NMc	KC
Organisational member type *	AO	AM	AM	AO	A	AO	AM	A	AO	AO	AM	AO
Geography	A/NZ/AP	A	A/NZ	A	A	A	A	A	A	A	AP	AP
Tenure (years)	9.5	11	9.5	5.5	9.5	11	4.5	6.5	2.5	2	7.5	0.5
Gender (M/F)	M	M	M	M	F	M	M	F	M	M	M	F
Age	60-69	50-59	30-39	40-49	50-59	50-59	40-49	60-69	40-49	40-49	50-59	40-49
Attendance at Board meetings (%)^	78	56	89	100	56	67	89	67	44	89	100	80
Of possible attendance	9	9	9	9	9	9	9	9	9	9	9	9

Management Committee as at 30 June 2017. Relates to the 2016-17 financial year. * Categories include Asset Owner (AO), Asset Manager (AM), Associate (A) ^ Includes delegates

2 THE YEAR IN REVIEW



What we set out to do

IGCC works to encourage better climate change policy and improve climate change related investor practice. We do this by engaging with policy makers, investors, business and industry, non-governmental organisations and research organisations.

IGCC's work program is guided by the Investor Group on Climate Change 2016-2019 Strategy.

This strategy sets out our vision, mission and the strategic priorities we will be pursuing over a three-year period, as the world moves to implement the Paris Agreement and limit global warming to less than 2°C. The IGCC Management Committee reviews progress against the strategy on an annual basis and sets yearly Business Objectives to support implementation of our organisational goals.

This year we have also invested in our internal capabilities to better deliver on our objectives, including building a customized CRM system, launching a brand new IGCC website and growing our team.

We will continue to monitor, measure and report on progress against these focus areas of policy, advocacy and international collaboration.

The Investor Group on Climate Change 2016-2019 Strategy sets out our Mission, Vision and Focus Areas of work. It is available at www.igcc.org.au



Advocacy and action

Climate change is a complex policy and economic debate. Investors have a critical role to play in using their role as responsible stewards and long term investors across the economy to drive effective action on climate change.

For IGCC, this means leading on advocacy, supporting investor action and collaborating with our peers globally to deliver effective outcomes for our members.

Advocacy

Strong and effective advocacy is a critical part of effective engagement on climate change policy and a cornerstone of IGCC's activities. Our goal is to ensure that the investor voice and perspective on climate change issues is heard in the policy debate. We do this through a range of media and advocacy channels.

IGCC contributed a number of policy submissions on key issues throughout the year and continues to represent the voice of investors in the climate change policy debate.

In Australia, IGCC provided input into the Independent Review of the Future Security of the National Electricity Market ('The Finkel Review') as well as the 2017 Climate Change Policy Review.

IGCC also provided policy submissions across a range of areas including carbon risk disclosure, National emission reduction target setting under the Paris Agreement, the National Carbon Offsetting Standard buildings standard consultation and physical risk impacts on housing and infrastructure.

In New Zealand, the national election in late 2017 and the subsequent change in

government will create a significant pivot in national climate change policy and we expect this to be a key area of focus in 2018.

Globally, IGCC has collaborated through our international investor networks to call for a step up in policy ambition through forums such as the G7 and the G20, while continuing to strongly support the adoption and implementation of the Paris Agreement.

The consultation process of the Financial Stability Board Taskforce on Climate-related Financial Disclosure has been a key area of advocacy and policy engagement throughout the year. IGCC has played a major role in driving greater awareness of the importance of the work of the TCFD and adoption of the Taskforce's recommendations across Australian and New Zealand markets.

All of IGCC's policy submissions are available at www.igcc.org.au

IGCC provides a unique perspective on current and emerging climate change policy developments and is a respected media commentator.

This year, we have been focused on improving our communications tools and presence. We launched a new IGCC website mid year. We strengthened our social media presence and featured in McClelland Media's @SustMeme Climate & Energy Top 500 globally.

IGCC representatives are active advocates and presented at a wide range of conferences and events throughout the year. Over the financial year, CEO Emma Herd presented at around 45 public conferences, events, private investor briefings, policy sessions or Board meetings, while Crystal Fleming and Rebecca Mikula-Wright also represented IGCC and AIGCC at a number of events.

IGCC hosts former US Vice-President Al Gore

IGCC was privileged to host former US Vice President and Co-founder and Chairman of Generation Investment Management, Al Gore for a special event in Melbourne in July 2017.

To an audience of around 200 investment and finance specialists, CEOs and other business representatives, Mr Gore spoke on the importance of the investment community in reacting to the climate crisis, and set out the case for opportunity in an unfolding 'sustainable revolution'. He highlighted that with effective and imaginative responses to shape a global transition to a low or zero carbon economy, investors are of central importance.

This was followed by a private briefing session with IGCC member and CEOs and Board Directors, to further discuss climate risk and opportunity and to endorse the re-establishment of an IGCC CEO Panel on Climate Change. This will be reconvened in 2018 and will act as a leadership forum for investor action and advocacy on climate change.



Action

Working with our members to develop the tools, research and practical resources they need to manage climate change is a core part of our mandate. We support the development of investor practice through collaboration and engagement and via the research and projects undertaken by the IGCC working groups.

One of the key benefits for IGCC members is the peer to peer learning and sharing of best practice which takes place through our membership engagement program. IGCC convenes a wide range of events throughout the year, including both monthly member meetings and special events. These feature a range of domestic and international experts on the latest climate change developments. The complete schedule of monthly member meetings for the year is set out in Section 3 of this report.

Special events held over the year included:

- Business briefing sessions in Sydney and Melbourne on the TCFD consultation process with Energetics in February
- Former US Vice President Al Gore at major lunch event in July
- Convened a workshop on sustainable land use and deforestation in August
- AIGCC CEO/CIO Roundtable convened in Singapore in September
- IGCC 2017 Investor Summit in October
- Briefing sessions on the TCFD final recommendations with Deloitte and Moody's Investor Services in Sydney and Melbourne over August/October

- Supported PRI and Carbon Tracker Oil and Gas briefing in Sydney in November
- Partnered with global investor groups to host two official side events in November at COP23 in Bonn
- Jakob Thoma from 2iis Investing on investor disclosure in December.

The IGCC Member Newsletter, along with ad hoc issue-specific Investor Briefings, provide our members with a concise summary of the latest research, events and climate change developments of interest to the investor community.

IGCC has six working groups in place, chaired and supported by representatives from our members, which drive our action agenda. Over the year, all of our working groups have been busy developing ground-breaking new research on key issues impacting the investor response to climate change.

Policy

The Policy Committee is chaired by Emma Herd, IGCC CEO, and Ian Woods Head of ESG Research, AMP Capital. It is responsible for shaping IGCC's approach to policy and coordinates all IGCC submissions and political engagement.

Over the year, the Committee had a major focus on energy issues, coordinating IGCC participation in the Finkel Review, the 2017 Climate Change Policy Review and response to the announcement of the National Energy Guarantee. Submissions were developed on adaptation issues for infrastructure, international policy commitments and the TCFD.

The Policy Committee also supported IGCC's ongoing participation in the Australian Business Roundtable on Climate Change, an influential alliance of major Australian business, union, research, environment, investor and social groups.

Research

The Research Committee is chaired by Ross Barry, Head of Systematic and Impact Investing at First State Super. It is responsible for overseeing and directing IGCC's research priorities.

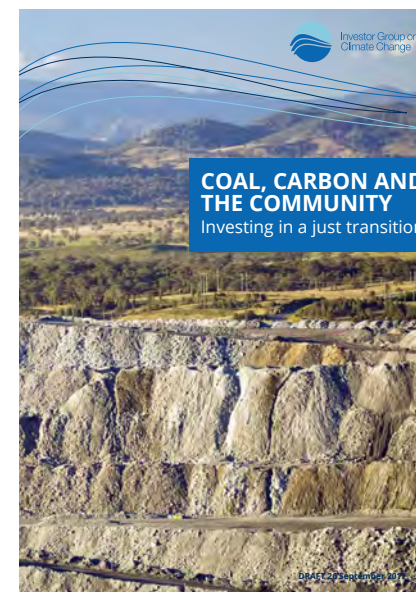
This year, the Research Committee developed and published a major new piece of research looking at the investment implications of a Just Transition. The report *Coal, Carbon and the Community: Investing in a just transition*, based on research undertaken by EY, looks at disruption in the coal sector arising from the transition to a low carbon economy. IGCC would like to thank Cbus and First State Super for supporting this research.

The Research Committee also provides a forum for gathering input from IGCC members into international report which IGCC supports through the Global Investor Coalition on Climate Change. Over the year, IGCC supported the publication of significant new research on the Oil and Gas sector in partnership with global investors networks.

Adaptation

The Adaptation Working Group is chaired by Kelly Christodoulou, ESG Manager, Investments from AustralianSuper. It is responsible for increasing investor awareness and understanding of the risks and opportunities arising from the effective management of the physical risks of climate change.

In March 2017, the Adaptation Working Group released *From Risk to Return: Investing in climate change adaptation*. This significant new research looks explicitly at how to increase investment into adaptation. Developed through a multi-stakeholders



consultation process it aims to identify real world barriers and solutions for increasing the amount of capital being allocated to adaptation investment. The findings continue to form the bedrock of IGCC's adaptation workstream. IGCC would like to thank Eureka-Real Assets for supporting this report.

Low Carbon Finance

The Low Carbon Finance Working Group is chaired by Nicole Bradford, Portfolio Head, Responsible Investment, Cbus. It has oversight of emerging low carbon investment opportunities and identifying practical investor solutions.

In 2017, the group published *Road to Return: Institutional investors and low carbon solutions*. Based on a survey of IGCC members undertaken in June 2017, the report provides a snapshot of investor views on key drivers and barriers for pursuing low carbon investment. The working group also convened a workshop to unpack the findings with around 50 IGCC members in August 2017 to better understand what markets, asset classes and project types investors are pursuing and why.

IGCC intends to replicate this research on a regular basis to help the industry's collective understanding on where low carbon investment opportunities are solidifying.

Property and Infrastructure

The Property and Infrastructure Group acts as a consultative forum to provide oversight and share expertise on the investment implications of climate change on infrastructure, real assets and the built environment. It is chaired by Rowan Griffin, Head of Sustainability, Property at Lendlease.

This year, work has continued to focus on raising awareness, providing guidance, tools and pathways to investors and managers on assessing the risks and opportunities of climate change on real assets. During the year we included Infrastructure into the Property working group agenda and revised the group's charter.

The working group continues to collaborate with other industry associations focused on climate change issues and impacts for the built environment, in developing standards and investor guidance on adaptation and physical risk implications. This included providing input to the October release of the Federal Government's new National Carbon Offset Standard (NCOS) standards for buildings and precincts and working with UNEP-FI on background research on Positive Impact finance application for real assets.

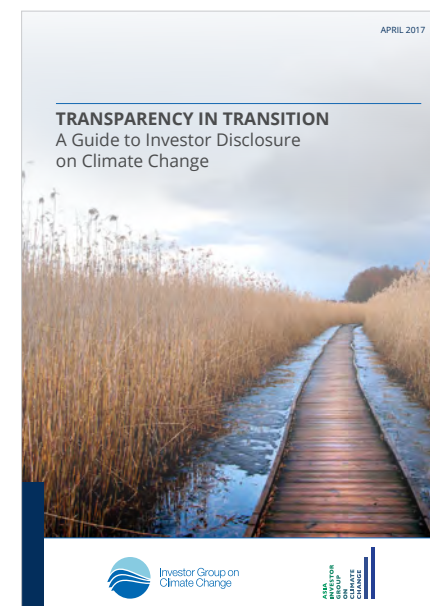
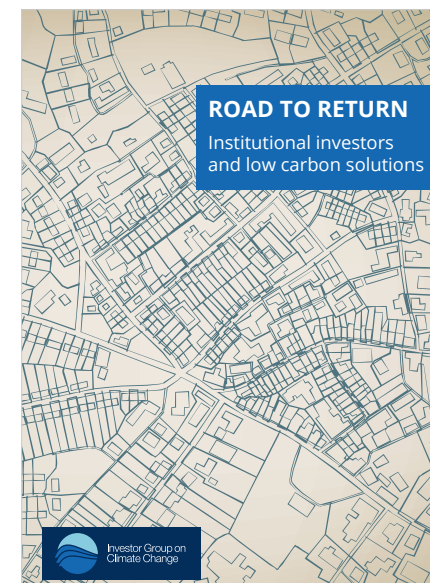
Preparation has now started for a research project into developing a practical investor guide on the risk/return benefits of investing in renewable and distributed energy in property and infrastructure.

Disclosure

The Disclosure Working Group was established in 2016 to provide guidance to investors on strengthening their own disclosure on climate change risks and opportunities. It is chaired by Pablo Berrutti, Head of Responsible Investment Asia Pacific, Colonial First State Global Asset Management.

This year the Disclosure Working Group released *Transparency in Transition: A guide to investor disclosure on climate change*. The Guide sets out a practical framework for implementing and improving investor disclosure, organised around a core set of principles, effective narrative and appropriate metrics. It was released in partnership with the Asia Investor Group on Climate Change.

The release of the final recommendations of the Taskforce on Climate-related Financial Disclosure will continue to drive increased investor focus on climate change disclosure. In the next year the working group will be looking at take up and implementation of some of the recommendations set out in the Guide to Investor Disclosure.



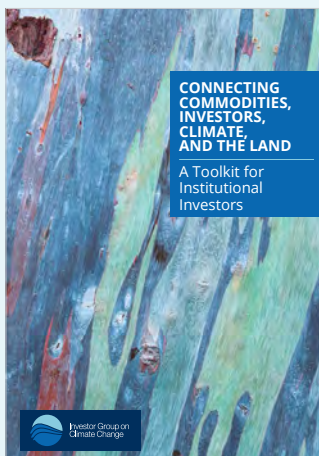
Sustainable Land Use Management Project

IGCC and AIGCC collaborated on a major new project in 2017, looking at the investor role in deforestation related commodities as part of a global project funded by the Moore Foundation.

IGCC hosted a workshop in April in Sydney with 50 investors and key stakeholders to discuss emerging regulatory frameworks, market developments and investor tools and resources. AIGCC undertook a program of direct engagement with investors in Asia. The findings were incorporated into the report *Connecting Commodities, Climate, Investors and the Land: A toolkit for investors*, which was launched at the IGCC Summit in October to over 200 investors.

The report and supporting stakeholder engagement have opened up a new space for investors to actively consider their role in this important sector. IGCC and AIGCC will continue to engage with investors using this research and recommendations to further develop the stream of work and be guided by investors on next steps for 2018.

We would like to thank our partners at the Ceres Investor Network on Climate Risk and Sustainability for their support of this project.



International collaboration

IGCC works in partnership with a number of regional investor networks and organisations to engage with global policy makers and develop investor tools and resources for managing climate change.

The four regional climate change investor groups AIGCC (Asia), Ceres (North America), IGCC (Australia & New Zealand) and IIGCC (Europe) work collaboratively under the Global Investor Coalition on Climate Change (GIC). This provides a global platform for dialogue among investors and governments on international policy and investment practice related to climate change.

This year, the GIC produced a number of collaborative research reports focusing on the Oil and Gas industry and investor disclosure, for example, while partnering to provide input into the global TCFD consultative process. This includes partnering on official side events at the UN climate change talks in Marrakech in late 2016, as well as in Bonn in November 2017.

For specific projects, we work with an extended collaboration of investor groups, which includes the GIC groups as well as CDP, PRI and UNEPFI. In 2017, IGCC joined investor groups and brought together more than 380 global investors managing more than US\$22 trillion in assets to urge G7 and G20 leaders to stand by the Paris Agreement and support the TCFD recommendations.

Finally, IGCC continues to support the re-establishment and growth of the Asia Investor Group on Climate Change. Investors across the region increasingly recognise that the decisions made in Asia will, to a great extent, determine if the world is able to meet the commitments set out under the Paris Agreement to limit global warming to less than 2°C.

International collaboration is an important part of IGCC's work. We expect this to grow even further in 2018 with the launch of the Climate Action 100+ initiative.

The 2017 IGCC Climate Change Finance and Investment Summit

The 2017 IGCC Summit saw over 220 attendees from across the finance industry come together over two days to focus on climate change, against a backdrop of a rapidly evolving policy landscape.

Highlights included the trustee training on the fiduciary responsibilities of boards, the CEO/CIO Panel, an overview of the latest in investment tools and practices and thematic sessions covering energy, policy, opportunity, engagement, climate change disclosure requirements for both investors and corporates and emerging opportunities in the land sector. A special dinner with Professor Admiral Chris Barrie (Rtd) and Waleed Aly reminded us of the urgency to act and challenged all attendees to step up and increase their organisational action on climate change.

IGCC also launched two new reports at the Summit on *Coal, Carbon and the Community: Investing in a Just transition* and *Commodities, Climate, Investors and the Land: A Toolkit for Institutional Investors*.

This was the second event of this kind that IGCC has hosted, following on from the inaugural IGCC Summit in 2015.

The IGCC Summit was a great success and we would like to thank all the speakers, sponsors and attendees for contributing to the event.



The Asia Investor Group on Climate Change

The Asia Investor Group on Climate Change (AIGCC) has had a very busy and successful year in the twelve months since it was re-launched.

Significant milestones include more than doubling the membership, a major Asian investor roundtable in Singapore and launching several reports.

Membership of AIGCC has grown from eight founding members when re-launched in September 2016 in Singapore, to nineteen as at December 2017.

AIGCC hosted the inaugural CEO/CIO Asset Owner Roundtable in September in Singapore, in collaboration with the Milken Institute Asia Summit. Investor representatives with US\$3.5 trillion in assets under management joined former US Vice President Al Gore, as regional investors discussed how to incorporate climate change into their investment strategies addressing specific challenges in the region, while referencing global best practice.

ASIA
INVESTOR
GROUP
ON
CLIMATE
CHANGE

This roundtable provided invaluable input into the development of *Integrating Climate Change into Investment Strategy: a guide for investors*. This important new resource for Asian investors was launched at the China SIF annual conference in Beijing, on December 5th, 2017. Through the guide, and events like the Singapore Roundtable, AIGCC will continue to provide critical outreach to Asian investors in assisting their integration of climate change into their investment approach.

AIGCC also launched two other collaborative reports this year with IGCC. *Transparency in Transition: A Guide to Investor Disclosure* was launched at the RI Asia Tokyo conference in April 2017 and *Connecting Climate, Commodities, Investors and the Land: A toolkit for investors* was launched at the 2017 IGCC Summit in Melbourne in October.

What's next in 2018?

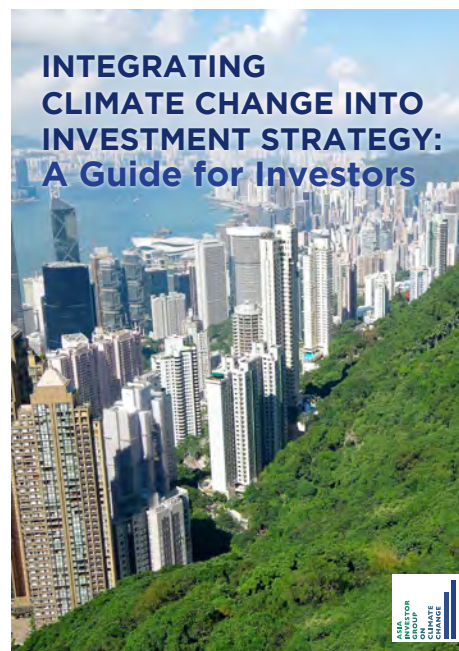
A lot has been achieved, but there is much to do. AIGCC will lead the implementation of the Asia strategy for the global investor Climate Action 100+ initiative and will continue to recruit investors in Asia to support the initiative going forward. AIGCC will establish and manage an Asia Advisory Group made up of key stakeholders to provide guidance and insight to the region on engagement activities, and connect with international investor signatories active in the region.

AIGCC will continue to grow membership in the region through outreach and collaboration, and develop tools and resources to support investors and corporates in Asia on engagement and disclosure around climate risk and opportunities.



AIGCC members

Manulife Asset Management (Chair)
Sumitomo Mitsui Trust Holdings
Cathay Financial Holdings
ASABRI (Persero)
CalPERS
AustralianSuper
LGT Impact
OPTrust
BlackRock
Generation Investment Management
International Finance Corporation
Brawn Capital
Armstrong Asset Management
FTSE Russell
Japan Sustainable Investment Forum
Moody's Investors Service
China Sustainable Investment
ForumBusiness Environment Council
MSCI
Impax Asset Management.



What next for 2018

Throughout 2017, IGCC was principally focused on working with our member network on the challenges of implementing an integrated and effective response to climate change. This included significant new research across areas as diverse as adaptation, disclosure, energy policy, deforestation and low carbon investment opportunities.

At the two-year anniversary of the Paris Agreement, we believe that the investment industry is now in a strong position to expand the investor response to climate change.

In 2018, IGCC will be stepping up policy and advocacy activities in Australia, New Zealand and through our regional and international investor networks.

IGCC also has a critical role to play in engaging with investors across the broader investment industry. Next year, we aim to undertake our own stocktake of investment practice across the Australian and New Zealand markets to better understand the current state of play and identify opportunities to close the gaps.

Having built strong foundations over the year in investor practice, we will work to take the barriers, recommendations, challenges and opportunities identified through the research activities of 2017 and follow through with practical measures to respond.

Through ongoing support for the Asia Investor Group on Climate Change and collaborative projects with the Global Investor Coalition on Climate Change we will continue to contribute to global

investor efforts to support implementation of the Paris Agreement, adoption of the recommendations of the Taskforce on Climate-related Financial Disclosure and stronger policy and business action on climate change.

This includes the Climate Action 100+, a major new five year investor-led project to drive action on climate change.

So in summary, if 2017 was about research and analysis, 2018 will be all about stepping up advocacy, action and ambition to support the transition to a sustainable low carbon economy and keep global warming to well below 2°C.

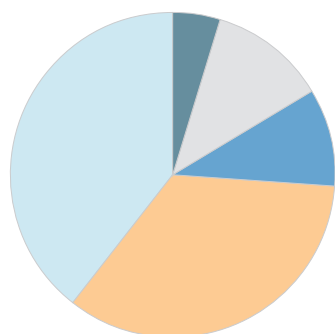


4 MEMBER UPDATE



Our members

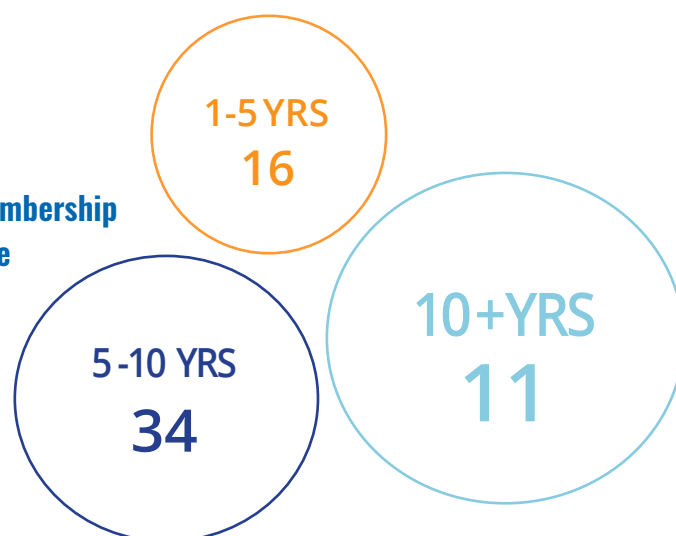
IGCC members are large superannuation funds, fund managers, research analysts, investment industry associations, advisors and service providers. IGCC finished 2016/17 with 61 members. Together, IGCC's current members are responsible for nearly \$2 trillion in funds under management.



IGCC membership by category

- Associate Members – 3
- Associate Members – Industry Associations – 7
- Supporter Members – 6
- Full Members – Asset Owners – 21
- Full Members – Fund Managers – 24

IGCC membership by tenure



IGCC welcomed the following new members in 2016/17



IGCC Members as at 30 June 2017

AMP Capital	Commonwealth Superannuation Corporation	NSW Treasury Corporation (TCorp)
Amundi Asset Management Australia	DEXUS Property Group	Perpetual Investments
ASFA	Energetics	QIC
Australian Catholic Superannuation & Retirement Fund	ESSSuper (Emergency Services and State Super)	Regnan - Governance Research & Engagement Pty Ltd
Australian Council of Superannuation Investors (ACSI)	Eureka - Real Assets	Rei Super
Australian Ethical Investment	FINSIA	Responsible Investment Association Australasia (RIAA)
Australian Institute of Superannuation Trustees	First State Super	Russell Investments
Australian Representative Office of Generation Investment Management	Frontier Advisors	SAS Trustee Corporation (State Super)
AustralianSuper	Guardians of New Zealand Superannuation	StatewideSuper
AVCAL	Hastings Management Pty Ltd	Stockland
Baker & McKenzie	HESTA	Sustainable Business Australia
BlackRock Investment Management (Australia) Limited	IFM Investors	The Emerald Wrap
Brawn Capital Limited	Lendlease	The GPT Group
BT Financial Group	Lighthouse Infrastructure	UniSuper Management
BT Investment Management	Local Government Super	VicSuper
Carbon Market Institute	LUCRF Super	Victorian Funds Management Corporation
Catholic Church Insurance	Mercer Investments (Australia) Limited	Vision Super
Catholic Super	MIRVAC	
Cbus	Moody's Investors Service	Joined after 30 June 2017:
Christian Super	Nanuk Asset Management Pty Ltd	MSCI
Citi Investment Research	Non-Government Schools Superannuation Fund	Investa Asset Management Pty Ltd
Colonial First State Global Asset Management	Norton Rose Fulbright Australia	CalPERS

Monthly member meetings

The monthly member meeting is the cornerstone of IGCC member engagement. It provides an important opportunity for our members to connect on climate change policy and investment practice. An average of 44 members attended each member meeting in 2016/17, with a total of 399 members participating throughout the year.

Month	Topic	Speakers
July 2016	Update on Australian Federal Election	Emma Herd, CEO IGCC
Aug 2016	Adaptation for Investors	About CoastAdapt: Dr David Rissik, NCCARF Emerging trends in adaptation investment: Dr Zsuzsa Banhalmi-Zakar Kelly Christodoulou, Investments Governance Manager, AustralianSuper, Chair IGCC Adaptation Working Group
Sept 2016	AGL's approach to climate change mitigation: a scenario analysis	Cameron Reid, Manager, Carbon & Renewable Energy Policy, AGL
Oct 2016	Best practice in investor disclosure	Pablo Berrutti, Head of Responsible Investment Asia Pacific, CFSGAM, Chair IGCC Disclosure Working Group
Nov 2016	Major international developments and implications for business and investors	Megan Flynn, General Manager, Environment & Carbon Strategy, Qantas Peter Castellanos, CEO, CMI Dr Peter Holt, Associate, Energetics
Dec 2016	Duties and Disclosure: Knowing your obligations and reporting on what matters (2016 IGCC AGM)	Mardi McBrien, Managing Director, Climate Disclosure Standards Board Martijn Wilder, Head of Baker & McKenzie's Global Climate Change Practice
Feb 2017	Special event: TCFD Briefing (Sydney and Melbourne)	
Mar 2017	The 2017 Climate Change Policy Review	Helen Wilson, First Assistant Secretary, Domestic Emissions Reduction Division of the Department of the Environment and Energy Travis Bover, A/g Assistant Secretary of the 2017 Review Branch, Department of the Environment and Energy
April 2017	Report launch: Transparency in Transition: A Guide to investor disclosure on climate change	Pablo Berrutti, Head of Responsible Investment Asia Pacific, CFSGAM, Chair IGCC Disclosure Working Group Dr Stuart Palmer, Head of Ethics Research Australian Ethical Investment Kate Mackenzie, Head of Finance and Investment, The Climate Institute Alison Ewings, Program Manager Regnan
May 2017	Navigating the energy landscape in Australia	John Bradley, CEO, Energy Networks Australia Tennant Reed, Principal National Advisor - Public Policy, Australian Industry Group Michael Dargue, Equities Analyst, Citi Research
June 2017	Coal, Carbon and the Community: Investing in a just transition	Dr Graham Sinden, Director, Climate Change and Sustainability EY

5 FINANCIAL



The Treasurer's report Rajinder Singh, Portfolio Manager BT Investment Management

IGCC Annual General Meeting
Wednesday, 13th December 2017



It gives me great pleasure to present the Treasurer's Report for the 2016 -17 financial year.

IGCC's financial plan remains largely consistent year on year.

Revenues from membership subscriptions remain the bedrock of our income. This is supplemented by additional income for specific research projects and some foundational funding for international activities. During the year, IGCC received funding from Bloomberg Philanthropies and the Gordon and Betty Moore Foundation.

Expenses also remain consistent and are based largely on employee wages, professional services, operational costs and project specific expenses.

Overall, a modest surplus of \$14,719 was delivered for the year.

IGCC would like to thank KPMG for auditing our accounts on a pro bono basis.

Results and performance highlights (as at 30 June)

	2017	2016
Revenue	\$712,579	\$723,735
Expenses	\$697,860	\$644,538
Surplus	\$14,719	\$79,197*
Accumulated funds	\$200,232	\$185,513
Member numbers	61	60
Cash Position^	\$408,796	\$228,896

* Included additional income generated by the 2015 IGCC Summit

^ Membership fees for the subsequent financial year generally received in advance.



www.igcc.org.au
@IGCC_Update



Investor Group on
Climate Change