



Investor Group on
Climate Change

IGCC Strategy 2016–2019

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From the Chair & CEO

FROM THE CHAIR

In October 2015, IGCC achieved an important milestone - ten years of collaboration and action on climate change policy and investment practice in Australia and New Zealand. These ten years of highs and lows have taught us a great deal about what is required from IGCC in the years ahead.

For IGCC, success has always been about meeting the needs of our members. Ensuring that IGCC promotes investor concerns in the policy debate and plays a practical role in assisting investors to integrate climate change into their investment decisions.

Global momentum might be with us after the successful finalisation of the Paris Agreement in December 2015, but over the next three years IGCC will need to keep pushing for the right policy settings to help Australian and New Zealand investors manage risk and realise opportunity in a low carbon economy.

Thank you for your ongoing support and participation in the IGCC. I look forward to working closely with you in pursuit of appropriate climate action in Australia and internationally in the years ahead.



Frank Pegan,
Chair

FROM THE CEO

It is a testament to the people and the organisations who have supported the Investor Group on Climate Change (IGCC) that, in just over a decade, IGCC has carved out such a vital role in the climate change debate in our region.

It is now widely acknowledged that institutional investors have an incredibly important role to play in tackling climate change. The impact on investment flows must be a key consideration for policy decisions. Continuing to build expertise, skills and capacity to manage climate change related financial risks and opportunities will underpin future profitability in a net zero emissions economy. The need to integrate climate science scenarios into investment decisions is critical to future-proofing our infrastructure.

IGCC will continue to advocate and promote the role of investors in responding to climate change. This strategy sets out our vision, mission and the activities we will be undertaking over the next three years as the world moves to implement the Paris Agreement and limit global warming to well below 2°C.

I look forward to working with all of our members and across the wider community to promote the investor voice on climate change.



Emma Herd
CEO

IGCC Vision & Mission

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.

IGCC Strategy 2016–2019

Focus areas

Policy & Advocacy

Be an effective voice for investors in the climate change policy debate.
Assist the development of climate change policy to support an efficient transition to a sustainable low carbon economy.

Investor Practice

Increase investor understanding of climate change issues and impacts.
Help our members develop the tools, resources and practical responses needed to effectively manage climate change risks and pursue low carbon investment.

Industry Engagement

Engage the investor and finance community to increase awareness of climate change risks and opportunities.
Engage with industries across the economy to increase awareness of climate change as a financial risk.

Enablers

Dynamic and constructive member engagement

Strong governance and disciplined management

Clear and effective communications and advocacy

Vision

An efficient transition to a sustainable low carbon economy.

Key activities

Policy & Advocacy

Be an effective voice of institutional investors in the climate change policy debate.

- 1 Build effective and constructive relationships with media and regional thought leaders.
- 2 Effectively promote and communicate IGCC research reports, guidance notes, policy submissions, thought leadership and related materials on the investor perspective.
- 3 Build networks and engage with environmental organisations, business and industry associations, academic and related multilateral organisations focused on climate change issues and impacts.

Assist in the development of climate change policy which supports an efficient transition to a sustainable low carbon economy.

- 4 Develop policy submissions and participate actively in government and policy consultations on climate change issues and other areas of policy as appropriate.
- 5 Engage in constructive dialogue with policy-makers across all political parties to promote greater awareness of the investment perspective on climate change issues.
- 6 Develop and promote research which profiles the investment implications of policy decisions.

Key activities

Investor Practice

Increase investor understanding of carbon issues and impacts.

- 7 Diversify IGCC working groups to reflect taxonomy of investor issues:
 - a. Maintain Policy and Research Working Groups as cornerstones;
 - b. Maintain Low Carbon Finance and Property Working Groups and establish new Adaptation Working Group practical working groups
 - c. Establish new Disclosure Project Group to coordinate activities in 2016
 - d. Establish Corporate Engagement information channel to share industry developments and facilitate further engagement where appropriate.
- 8 Establish the Asia Investor Group on Climate Change (AIGCC) Working Group and pursue a multi-phase strategy to establish a forum for collaboration with Asia based asset owners, investors and the global investment community on climate finance and investment.
- 9 Facilitate and host special events with international and national specialists for IGCC members and stakeholders.

Help our members develop the tools, resources and practical responses needed to effectively manage carbon risk and pursue low carbon investment.

- 10 Work through IGCC Working Groups to develop research, toolkits, investor briefings and roadmaps focused on practical responses.
- 11 Share and showcase best practice in industry development, nationally, regionally and internationally.
- 12 Facilitate collaboration between members and with broader investor and academic networks on specific investment practices as they develop.

Key activities

Industry Engagement

Engage the investor and finance community to increase awareness of carbon risks and opportunities.

- 13 Work through the Global Investor Coalition and other international investor networks to ensure that regional issues and perspectives are incorporated and considered in global climate change policy frameworks and that global policy developments are shared across IGCC networks.
- 14 Engage with investor networks, associations and bodies to promote increased understanding of climate change issues and an effective industry response.

Engage with industries across the economy to increase awareness of carbon risk as a financial risk.

- 15 Work through industry and business networks, associations and bodies to promote the investor perspective on climate change issues and collaborate on ensuring effective policy outcomes.

Enablers

Capabilities and governance

- Maintain and deliver an effective governance and oversight structure
- Maintain and grow our membership base
- Diversify revenue and income streams by seeking additional project specific funding opportunities

Member engagement

- Maintain dynamic and responsive approach to IGCC member engagement, including annual surveying of member satisfaction
- Increase member profiling and showcasing, through member meetings, newsletters and other IGCC communications channels
- Increase the effectiveness of IGCC Working Groups

Clear and effective communications

- Refresh and re-launch IGCC website with greater functionality
- Strengthen the IGCC secretariat by recruiting a communications specialist

IGCC Working Groups

The Working Groups are an integral part of IGCC. They allow IGCC members to actively participate in the setting of research and policy objectives for IGCC, while at the same time growing expertise and knowledge in key areas of interest.

In 2016, IGCC adjusted the structure and operation of the Working Groups to reflect current and emerging policy issues and investment practice priorities.

The two cornerstone groups will remain the Policy Working Group and the Research Working Group.

Three practically-oriented groups will include Low Carbon Finance, Property and a newly established Adaptation Working Group.

A short term project group focusing on Disclosure will be established in 2016 to coordinate IGCC activities during this intensive time.

International engagement will be primarily driven through the Global Investor Coalition on Climate Change (GIC).

A new stream of regional engagement will be coordinated through the Asia Investor Group on Climate Change (AIGCC) Working Group.

While a formal working group was never established for Corporate Engagement, there is ongoing member interest in maintaining some form of ad hoc collaboration and information sharing on these issues. Therefore, IGCC is proposing to convert

this into a dedicated information distribution list primarily for information sharing, which can be brought together as needed for specific issues or collaborative efforts.

The Working Groups are intended to provide a meaningful and collaborative experience for members. They also provide a significant opportunity to profile members who are actively engaged in supporting the IGCC work priorities. All Working Groups will report back to the full membership at least once a year on progress achieved and major activities being undertaken.

IGCC recognises that participation in the Working Groups is voluntary on the part of individual member representatives, and is grateful for the insights and expertise provided.

Policy Chair: IGCC Deputy: Ian Woods	Low Carbon Finance Chair: Andrew Major	Property Chair: Rowan Griffin
Research Chair: Ross Barry	Adaptation Chair: Kelly Christodolou	Disclosure Chair: Pablo Berrutti

ASIA INVESTOR GROUP ON CLIMATE CHANGE (AIGCC)

GLOBAL INVESTOR COALITION ON CLIMATE CHANGE (GIC)

International engagement

GLOBAL INVESTOR COALITION ON CLIMATE CHANGE (GIC)

Climate change is a global issue, with the policy, market and physical risks being felt across all markets. In addition, investors are global in outlook and invest across a range of markets. Global investors have played a key role in ensuring that climate change is seen and addressed as fundamental to future economic development and prosperity. Therefore, it is appropriate that IGCC continues to collaborate with global investor groups through dedicated forums to gain insight on emerging global policy responses and investor practice.

IGCC will continue to actively participate in international engagement activities, primarily in collaboration with regional investor groups through the global Investor Coalition on Climate Change (GIC). The GIC has come together to provide a global platform for dialogue between and amongst investors and governments on international policy and investment practice related to climate change.

The four investor groups that make up the Global Investor on Climate Coalition have agreed to partner on global carbon policy initiatives, agreements and projects to deliver better investor and climate outcomes.

ASIA INVESTOR GROUP ON CLIMATE CHANGE (AIGCC)

The evolving position and engagement of nations in the Asia region, particularly China and India, but also in emerging economies of South East Asia were vital to a successful outcome in Paris, and will be one of the dominant influencers on Australian and regional economic decarbonisation pathways. The ongoing engagement of Asia in climate change policy and the investor response is key.

Following the announcement in October 2015 that ASrIA would be merging with the UNPRI, the Global Investor Coalition undertook to take over the coordination of a refreshed Asia Investor Group on Climate Change (AIGCC) forum. This will be led and coordinated by IGCC, given regional association.

The AIGCC will consist of a mix of regional investors with interests in the region along with key collaborators from targeted Asian countries.

Within this framework, the goal of the Asia Investor Group on Climate Change (AIGCC) is to engage and collaborate with Asia based asset owners, investors and the global investment community around climate finance and investment.