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Investor Group on
Climate Change

New ten-year private sector-focused initiative launched to back deeper Australian emissions reductions

- *Climate League 2030 launches with initial participants of 16 institutional investors who have collective Australian assets under management of over \$850 billion.*
- *Initiative supports goal of reducing annual greenhouse gas emissions by at least a further 230 million tonnes from what is projected for 2030, on the path to net zero by 2050.*
- *Over coming months Climate League 2030 will also be progressively opened to insurers, banks and companies to participate.*

A new ten-year, private sector-focused initiative - backed at launch by 16 institutional investors with over \$850 billion collective Australian assets under management as initial participants - will support and act towards deeper emissions reductions for Australia.

Climate League 2030 asks participants to support efforts to drive a further reduction in annual greenhouse gas emissions of at least 230 million tonnes on top of what is already projected for the end of the decade, and pledge at least one new action each year under three themes:

- Integration of Paris-aligned emissions reduction goals into investment policies or business strategies.
- Collaboration between investors, clients and companies to deliver emission reductions.
- Investment in new clean energy, clean technology and other projects and measures that reduce Australian emissions.

Major institutional investors, Aware Super, Cbus, IFM Investors and the Queensland Investment Corporation have joined Climate League 2030 as foundational supporters. The initiative is being coordinated by the Investor Group on Climate Change (IGCC).

Institutional investors also participating at launch include Aberdeen Standard Investments, AustralianSuper, Australian Ethical, HESTA, Impact Investment Group, Lendlease Funds Management, Local Government Super, New Forests, Pandal Group, Pollination, UniSuper and the Victorian Funds Management Corporation.

Aware Super Chief Executive Officer, Deanne Stewart, said: "To really shift the dial and achieve lasting action to halt the potentially devastating impacts of climate change, it is

critical businesses, investors and governments alike set and deliver on transparent, meaningful and measurable targets and goals. We can do this individually but collaboratively we have the power to do so much more.

"We know that climate change poses the most significant financial risks and opportunities to Aware Super's portfolio in the long term, and most importantly to our members' future economic security.

"Earlier this year we published our Climate Change Portfolio Transition Plan that sets out the ambitious targets and goals that we have committed to and, will hold ourselves accountable for.

"As a founding member of Climate League 2030 we would encourage other investors, businesses and the community to come together, stop talking about the issues and instead start taking meaningful action to support a necessary transition to a low carbon and sustainable economy."

Cbus Chief Investment Officer, Kristian Fok, said: "Climate change is one of the most significant long-term risks facing our members' retirement savings. Climate League 2030 is a stretch target guiding investor focus on driving emissions down. This is especially important in Australia given we have a carbon-intensive economy.

"The more asset owners, the finance and broader corporate sector gets behind Climate League, the bigger collective impact we can all have on embedding innovation and reducing emissions."

IFM Investors Chief Executive Officer, David Neal, said: "Climate change poses economy-wide risks that have the potential to impact the environmental, social and economic stability of nations globally.

"That's why we believe it's in our investors, and their members' financial interests that we have a plan to address climate change. We're targeting net zero by 2050 across all asset classes, and within our Australian infrastructure portfolio we've put in place 2030 emission reduction targets.

"We're proud to be foundational supporters of Climate League 2030 and we encourage others to sign up to this important work."

Speaking in support of the initiative, **former Governor of the Bank of England and current United Nations Special Envoy on Climate Action and Finance, Mark Carney, said:**

"Investors are increasingly recognising that climate risk is investment risk. That is why, for COP26, we want every financial decision to take climate change into account. The IGCC's work to make this a reality through their Climate League 2030 initiative is welcome progress.

"With assets of \$3.5 trillion, the Australian pension industry is the fifth largest in the world. This gives it significant influence on companies and signals support for Paris-aligned, economy-wide emissions reductions.

“This is especially important as achieving net zero emissions by 2050 will require a whole-of-economy transition and every company, bank, insurer and investor will be part of that. The investment and innovation necessary for this shift will also create the greatest commercial opportunity of our time and support a post-COVID green recovery.”

While Climate League 2030 recognises participants may not be able to deliver whole-of-economy Paris-aligned emissions reductions alone, the size and influence of investors, businesses and financiers means they are critical to making a demonstratable shift in our current emissions trajectory.

Actions already registered under the initiative include portfolio-wide emissions reduction goals of up to 45 per cent by 2030 and net zero by 2050, engagement programs seeking climate action from companies, and investment targets for renewable energy and other clean technology.

Participants will be required to report annually on their progress and demonstrate how their registered actions have or will lead to absolute emissions reductions in contribution to the 230 million tonnes by 2030 aim. The initiative intends to publish a first progress report in late-2021.

Starting with institutional investors, Climate League 2030 will be opened to banks, insurers and companies over coming months to build a critical mass of support for Paris-aligned emissions reductions across the financial market.

IGCC Chair, Stephen Dunne, said: “Climate League 2030 is a clear demonstration of the important role the private sector can and will play in meeting our national climate change challenge.

“Institutional investors hold an important stewardship role in our economy that puts us in a unique position to help facilitate an orderly transition to net zero emissions that is aligned with the goals of the Paris Agreement.

“Listed companies are responsible for 40 per cent of Australian emissions, while infrastructure has been connected to 70 per cent of domestic greenhouse gas pollution. Through our universal ownership and management of equities, fixed and other assets, investors can help ensure real-world emissions reductions through our portfolio decisions, management and company engagement.”

IGCC Chief Executive Officer, Emma Herd, said: “Climate change poses systemic risks to the Australian economy that threatens our prosperity. At the same time, we can create \$63 billion in new investment opportunities over the next five years, and in turn create good jobs and drive much-needed economic growth, by putting ourselves on a Paris-aligned trajectory.

“Responding to climate risk with practical action will help our nation deliver on the ambition and goals of the Paris Agreement, and represents responsible economic management for our country given what is at stake.”

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Notes to editors

- Participants are able to devise their own actions under the initiative, so long as it can be demonstrated through reporting they will and have resulted in absolute emissions reductions in Australia.
- Working with data providers, a progress report on the collective contribution of the initiative to emissions reductions will be published in late-2021.
- Climate League 2030 looks to build off successful private sector-focused initiatives for emissions reductions in other markets, like [We Are Still In](#) and [We Mean Business](#) in the United States, and the [Climate Leaders Coalition](#) in New Zealand.
- A further 230 million tonne reduction in annual greenhouse gas emissions on top of what a range of [government](#) and [independent](#) projections forecast for 2030 is equivalent to an approximate 45 per cent cut from 2005 levels.
- A review by the [Climate Change Authority](#) recommended Australia adopt an emissions reduction goal of 40 to 60 per cent below 2000 levels for 2030 (45 to 65 per cent below 2005 levels) to ensure the country makes a fair contribution to keeping global warming to below an average of 2°C.
- To have a reasonable chance of keeping warming to 1.5°C, scenarios from the [Intergovernmental Panel on Climate Change \(IPCC\) have identified](#) that global emissions will need to fall by 45 per cent from 2010 levels by 2030 and reach net zero by 2050.
- More information and details of the initial participants and actions can be found at climateleague.org.au.

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