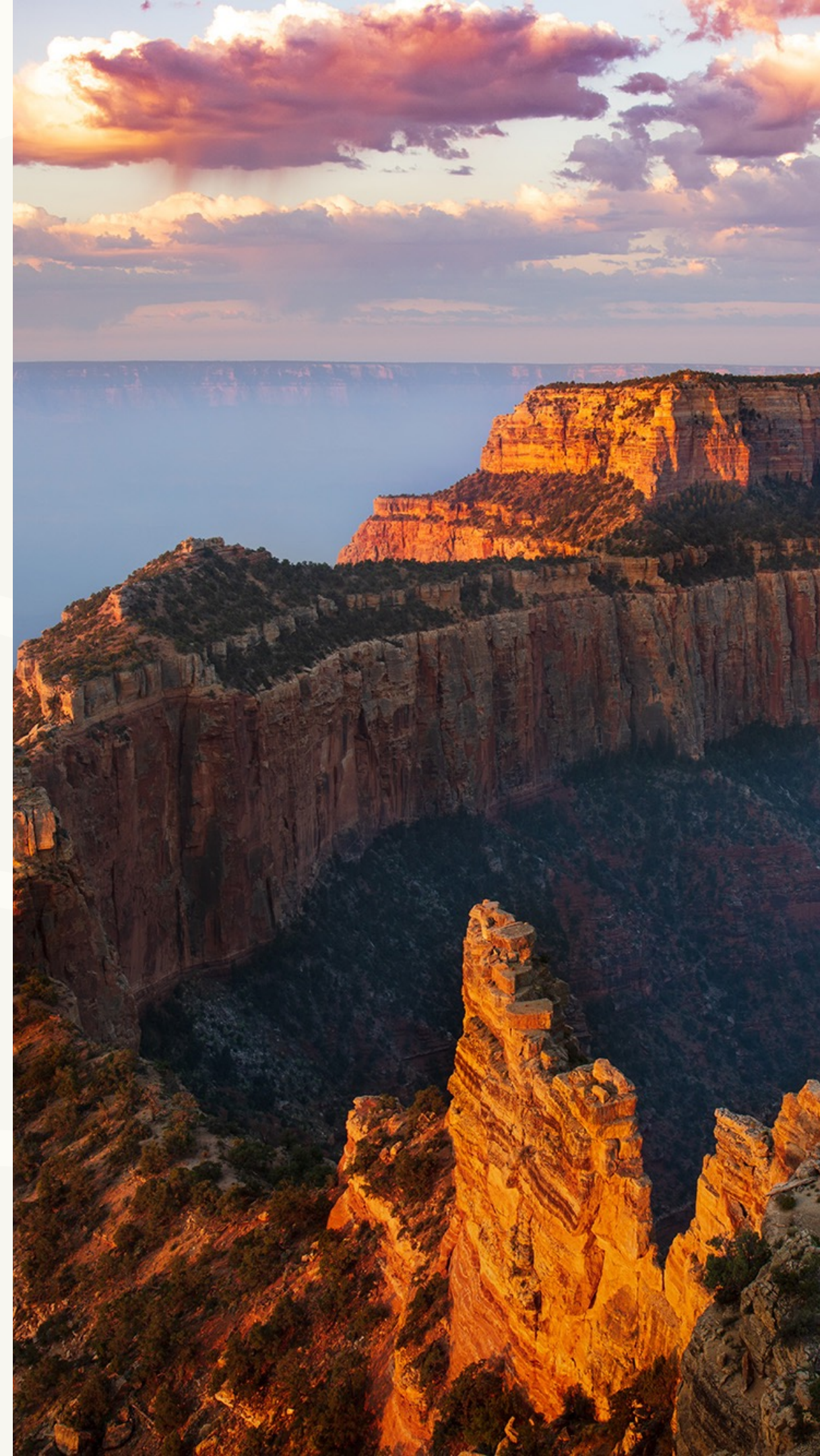


Accelerating Investment for a Clean and Resilient Economy

The Investor Group on Climate Change
Strategy 2022-2025
Summary Presentation



Letter from the Chair & CEO

The Foundations & Achievements to 2022



Stephen Dunne
Chair

This moment calls for radical acceleration in climate-aligned investment. Our network of members, funders and collaborators can and must be a critical part of making that happen.

For readers of this strategy, the climate urgency and backdrop is well known. So too is the opportunity; to align capital with the real needs of investors' beneficiaries, and the environments that support them.

Although the challenge is great, we do believe that the Investor Group on Climate Change and our wider network have shown that astounding progress is possible.

In the past years, with your support, the vast majority of our investor members have made net zero commitments¹, and at the current rate of growth virtually all will have made that commitment by mid-decade.

Businesses now know that they must heed investors' calls to decarbonise their businesses. There have been severe consequences for the corporate laggards, and justified praise and rewards for corporate climate leaders.

We are particularly proud that the Investor Group on Climate Change has also incubated and grown our regional network, under the Asia Investor Group on Climate Change brand. In just six years, it has become influential across 13 markets, attracting more than 70 members as a trusted peer-to-peer forum, policy advocate and hub for corporate engagement.

1 - As of June 2022, 78% of Asset Owners and 66% of Asset Managers had made net zero commitments, With a further 18% and 23% respectively in the process.

All of our impact strategies work together and reinforce each other, but perhaps the most systemically important impact that IGCC and our members have helped realise is that climate is now a key factor in economic policy-making. This network has helped make mainstream the understanding that climate action is crucial for beneficiaries' financial interests. This network has shaped the public debate that carves out a new policy landscape. Capital has already started to flow through that landscape towards climate solutions.

Of course, the acceleration can and must continue. This document is the Investor Group on Climate Change's strategy to make that happen. However, we are fundamentally a catalytic organisation, and we exist to connect and shift a much broader network of investors, partners, policy-makers, and advocates. If you are reading this strategy, believe this work is important, and see a role for yourself, we are looking forward to empowering you.



Stephen Dunne



Rebecca Mikula-Wright

Strategic Landscape

Key Context for The Next Three Years

Climate Action Can & Must Accelerate

**Globally, the focus for climate action has shifted
from 2050 goals to 2030 milestones.**

This is the critical decade
for action.

We have the tools and resources to stay
close to 1.5°.

These goals and impact strategies are
designed to meet this challenge.

Finance and Climate Are Deeply Interlinked

This is now mainstream knowledge in a way that was not true three years ago.

Climate change impacts beneficiaries' returns.

Financial decisions impact climate.

This puts more expectations on investors.

Now that this is widely understood, this strategy focuses on *how* to align capital flows with net zero, not *whether* to do so.

The Transition Must be Just

As climate impacts increase, so will the importance of a just and equitable transition.

Australia's response to climate will trigger significant change.

Jobs will be lost and gained, some land will become uninhabitable, goods and services will change price.

A just transition must be provided.

Social cohesion and support are essential to investors ability to deliver beneficiaries sustainable returns.

IGCC will continue to incorporate just transition across our work.

Physical Risk Is Now a Mainstream Climate Focus

Building resilience to physical risk has joined emissions reduction as an important climate goal.

IGCC made physical risk a standalone focus in the last strategy.

Now, governments, investors and companies are starting to understand and act.

In this three-year cycle we have integrated resilience and physical risk across our three impact strategies.

Global and Local Collaboration

Investors are increasingly collaborating, and that breeds consistency and strength.

Globally IGCC is a co-founder of:

- Climate Action 100+
 - Investor Agenda
 - The Paris Aligned Investor Initiative, integrated with GFANZ, Race to Zero...
- Regionally, IGCC supports AIGCC.

Locally, IGCC connects to

- Australian Climate Roundtable,
- Australian Sustainable Finance Institute,
- Council of Financial Regulators,
- Toitu Tahua: New Zealand Centre for Sustainable Finance

IGCC is the point of connection for investors to be guided through a practical, but complex landscape.

Vision

A climate-resilient economy that is on track, by 2030, for net zero emissions in 2050.

Mission

We will deliver real and accelerated progress on climate change by connecting, collaborating and advocating on behalf of investors to responsibly manage climate risks and opportunities, and drive sustainable returns for investors and the beneficiaries they represent.

Impact Strategies In Australia & New Zealand

How We Will Respond to the Context and The Goals

Accelerating Net Zero Investment Practice

Key Activities:

- Provide forums for collaboration and capacity building
- Connect investors to climate expertise,
- Advocate to members, investment industry and policy makers for accelerated net zero investment,
- Facilitate members' advocacy for policy to unlock capital.
- Support investors evaluation of emerging themes: just transition, biodiversity, natural capital.
- Net zero implementation forums and examples of leadership for members to showcase best practice

Target Impact and IGCC ask of members:

All Australian and New Zealand investors will be actively demonstrating progress against four core areas:

- enhanced climate change policies,
- implementing a climate action plan (ICAP),
- Commenced or expanded reporting against the TCFD in line with emerging global standards, and
- ultimately reduced portfolio emissions.

Driving Down Emissions from Industry

Key Activities:

- Company engagement, notably through Climate Action 100+, with heavy-emitting public companies.
- Thought-leadership, sector analysis, benchmarking, and research-backed advocacy, aimed at industry.
- Promoting best practice on stewardship, voting and engagement.

Target Impact:

A reduction in corporate emissions from IGCC's selected focus companies becoming aligned with a 1.5°C trajectory.

(The companies will be Climate Action 100+'s existing Australian and New Zealand focus companies and additional local companies selected by the working group.)

Advocating for 1.5°C Aligned Policies

Key Activities:

Work with members and stakeholders to influence policy makers to implement the IGCC 2022-2025 Policy Priorities.

Key Policies:

- Sector by Sector and National Goal Posts
- Support for Just and Orderly Transition
- Carbon Pricing
- Orderly Exit from Coal and Gas in Electricity
- Climate Risk Disclosure Standardised
- Systemic Adaptation Measures

Target Impact:

Australian and New Zealand governments and regulators implement mitigation and adaptation policies to achieve Paris aligned 2030 and 2050 goals and a resilient economy.

“ Good energy policy is key to good economic policy.

We heard loud and clear from the IGCC that inadequate assessment of risks and opportunities is a huge barrier to investment.

We need groups like the IGCC to continue making the case to all Australians that good climate policy is good for investment and good for jobs.”

Chris Bowen MP

Minister for Climate Change & Energy

IGCC Summit June 2022



Building The Organisation & The Member Network

Maintaining and Growing Our Resources To Execute

Membership & Organisational Growth

Growing the Membership:

- June 2022: 96 members
- 2022 Target: 180+ members
- Focus on New Zealand

Increased & Targeted Member Support:

- Scaled and efficient for the spectrum of members,
- Reviewed Working Groups,
- Reviewed Masterclasses,
- Increased Summit Frequency,
- Upgrades to communication platforms & practice.

Financial Resources:

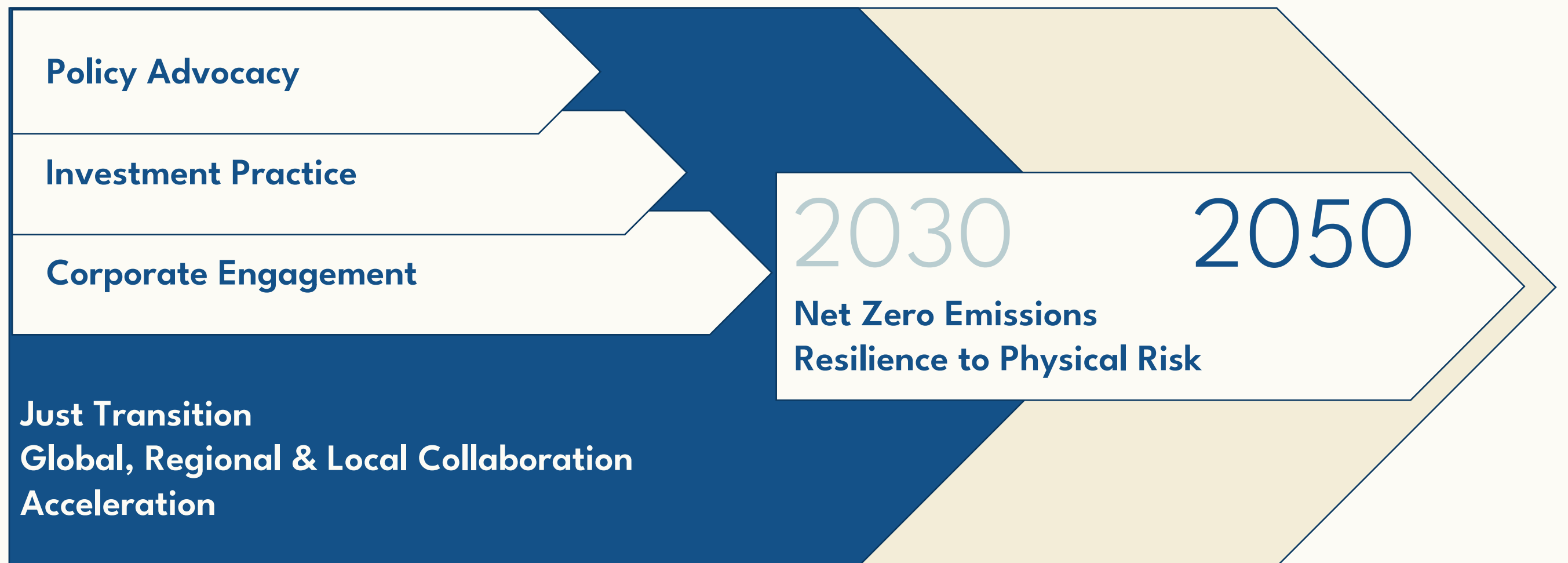
- Recurring revenue increase from membership growth,
- Diversification in philanthropic funding and partnerships.

Staff Resources:

- Supporting people & culture,
- Talent pipeline & retention.

Accelerating Investment for a Clean and Resilient Economy

The Investor Group on Climate Change Strategy 2022-2025



In Summary:

IGCC is asking all Australian and New Zealand members to demonstrate:

- Enhanced climate change policies
- Implementation & Progress of Investor Climate Action Plans (ICAPs) that include:
 - Investment management
 - Policy Advocacy
 - Corporate Engagement
 - Disclosure against the TCFD

That ultimately lead to

- **reduced emissions and**
- **increased physical resilience**

Contacts

secretariat@igcc.org.au

igcc.org.au

[linkedin.com/company/investor-group-on-climate-change-igcc/](https://www.linkedin.com/company/investor-group-on-climate-change-igcc/)

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