



The State of Net Zero Investment

Australian superannuation & retail funds
\$2.1 trillion AUM Sample



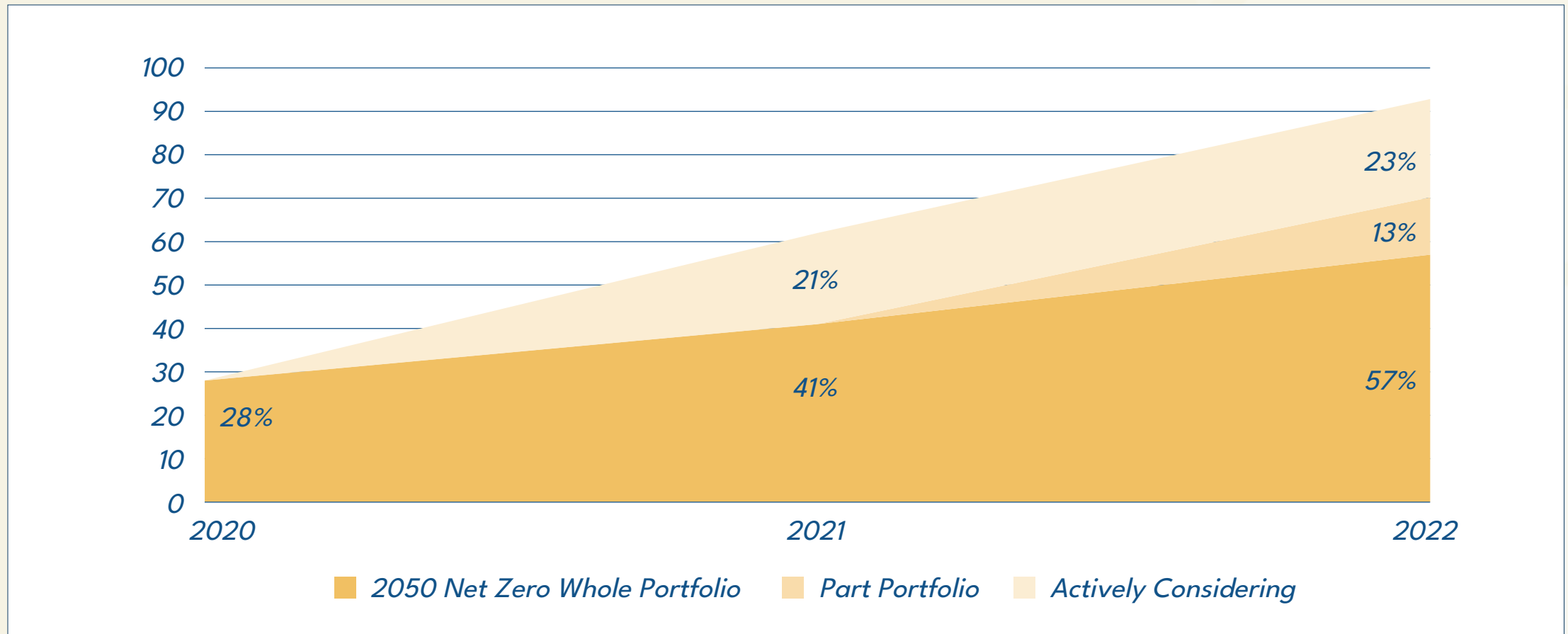
Significant
progress made.

Acceleration
needed.

Download the
in-depth report:
igcc.org.au

Progress: 70% of Investors Surveyed Have Now Set Net Zero Targets

57% have set targets for their *whole* portfolios (up from 28% in 2020)



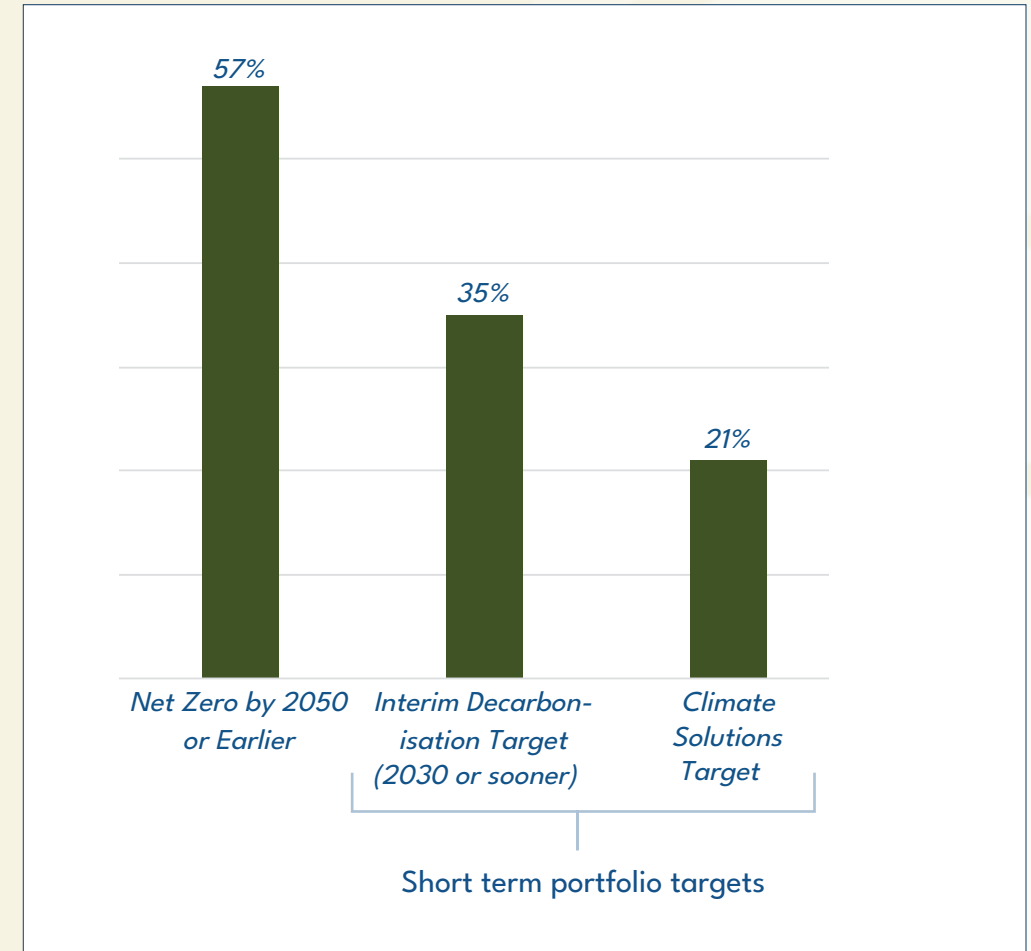
Short Term Targets Lag 2050 Targets

35% of investors have set targets for 2030

21% have “Climate Solutions” targets:
Renewable Energy, Clean Transport etc.

Swift decarbonisation has the greatest net financial benefit to investors beneficiaries and the overall economy.

IGCC will therefore continue to work with members to set and achieve interim targets.



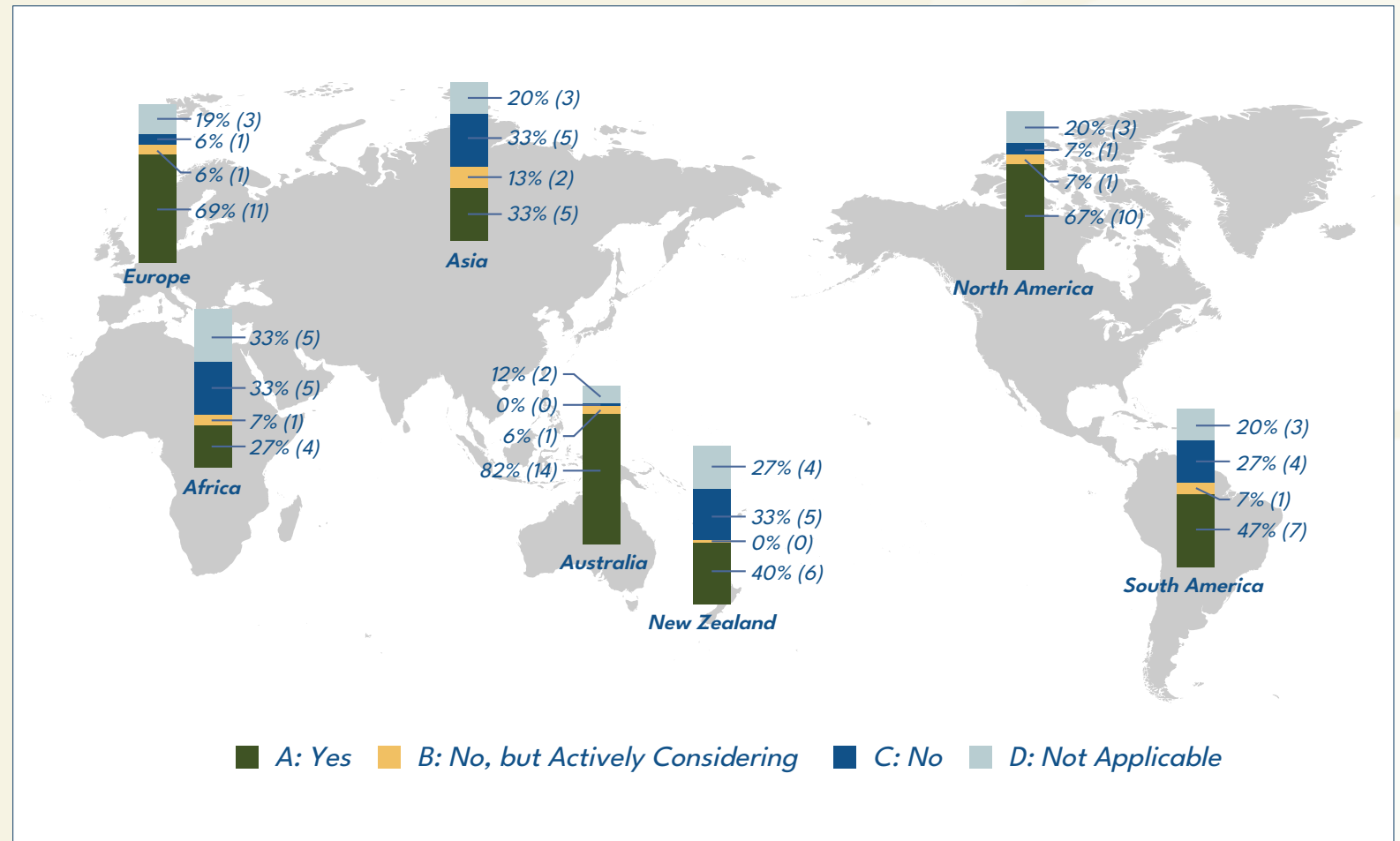
Global Competition For Australian Capital

In which markets do asset owners expect to invest in climate solutions?

82%
included Australia

69%
included Europe

33%
included Asia



Physical risk is not assessed enough

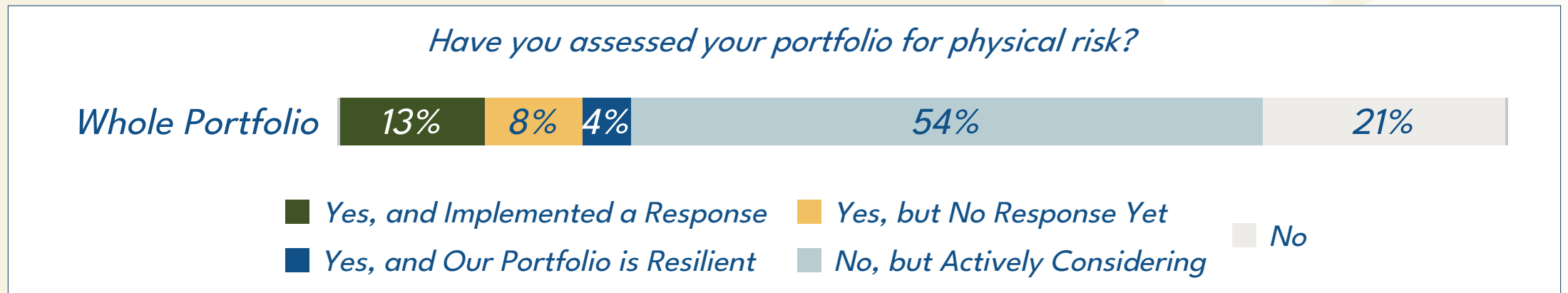
25% of asset owners have assessed their portfolio for physical risk.

8% have implemented a response to physical risk.

By comparison 20% of ASX200 companies have taken and disclosed their physical risk analysis.

Current climate trajectories project severe impacts across the economy.

To address this disparity investors need access to more useful physical climate risk scenarios and data, and must build capacity in this area.

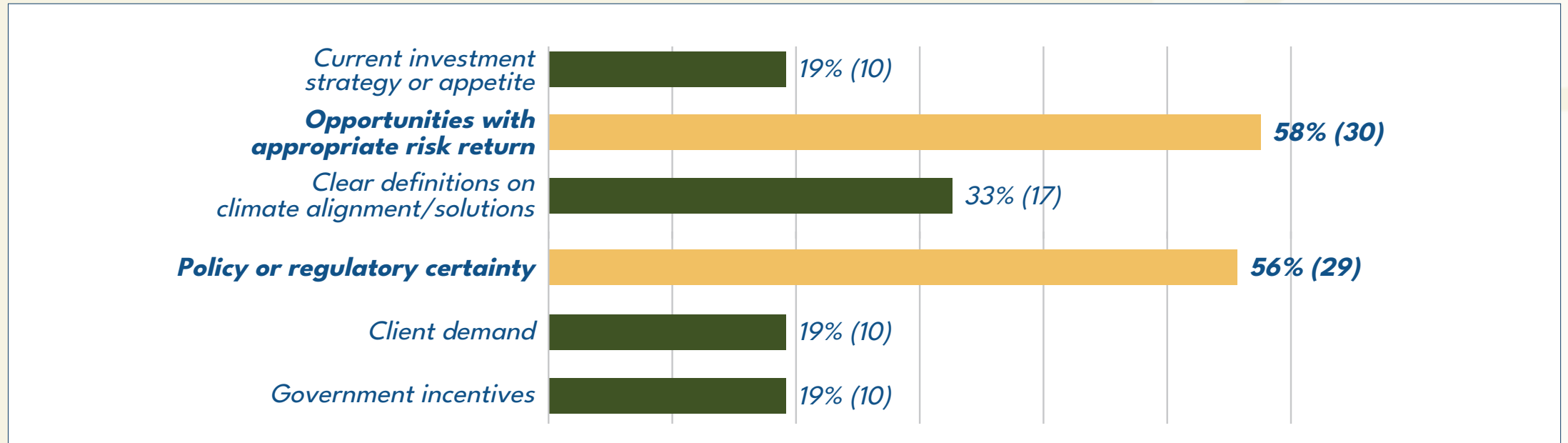


Brakes on Accelerating Net Zero Investment:

56% Of investors need greater policy or regulatory certainty (down 14 points from previous year).

58% Struggle to find opportunities that match their risk/return requirements.

Barriers are falling but still significant. IGCC's policy advocacy work aims to address many of these.



Takeaways on the State of Net Zero Investment

- **Australian investors have made progress.**
- Investors are not yet meeting the goals of the Paris Agreement.
- More work is needed on systemic physical risk.
- **Investors, business and government must accelerate.**

Accelerate Net Zero Investment

Progress an Investor Climate Action Plan with four complementary streams.

- **Investment Practice**

Aligning portfolios with 1.5°, including emissions reductions and protections from climate impacts.

- **Climate Disclosure**

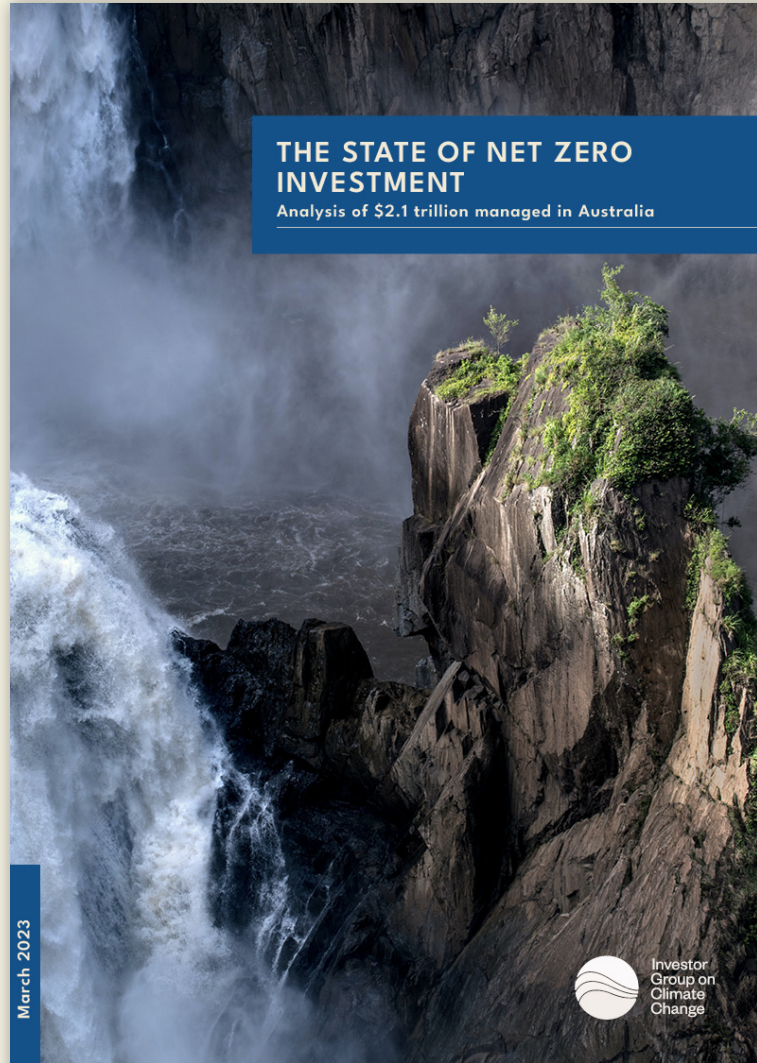
To fully understand and report the risks and opportunities throughout investors' portfolios.

- **Corporate Engagement**

To drive down emissions from businesses and adopt rigorous strategies to protect against climate impacts.

- **Policy Advocacy**

So that governments create the conditions to unlock the billions of dollars necessary for the transition.



The most useful snapshot of Australian climate investment.

36 data charts
17 explainers
16 case studies

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