



Investor  
Group on  
Climate  
Change

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# 2023 The Year in Review

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Annual Report

Published February 2024

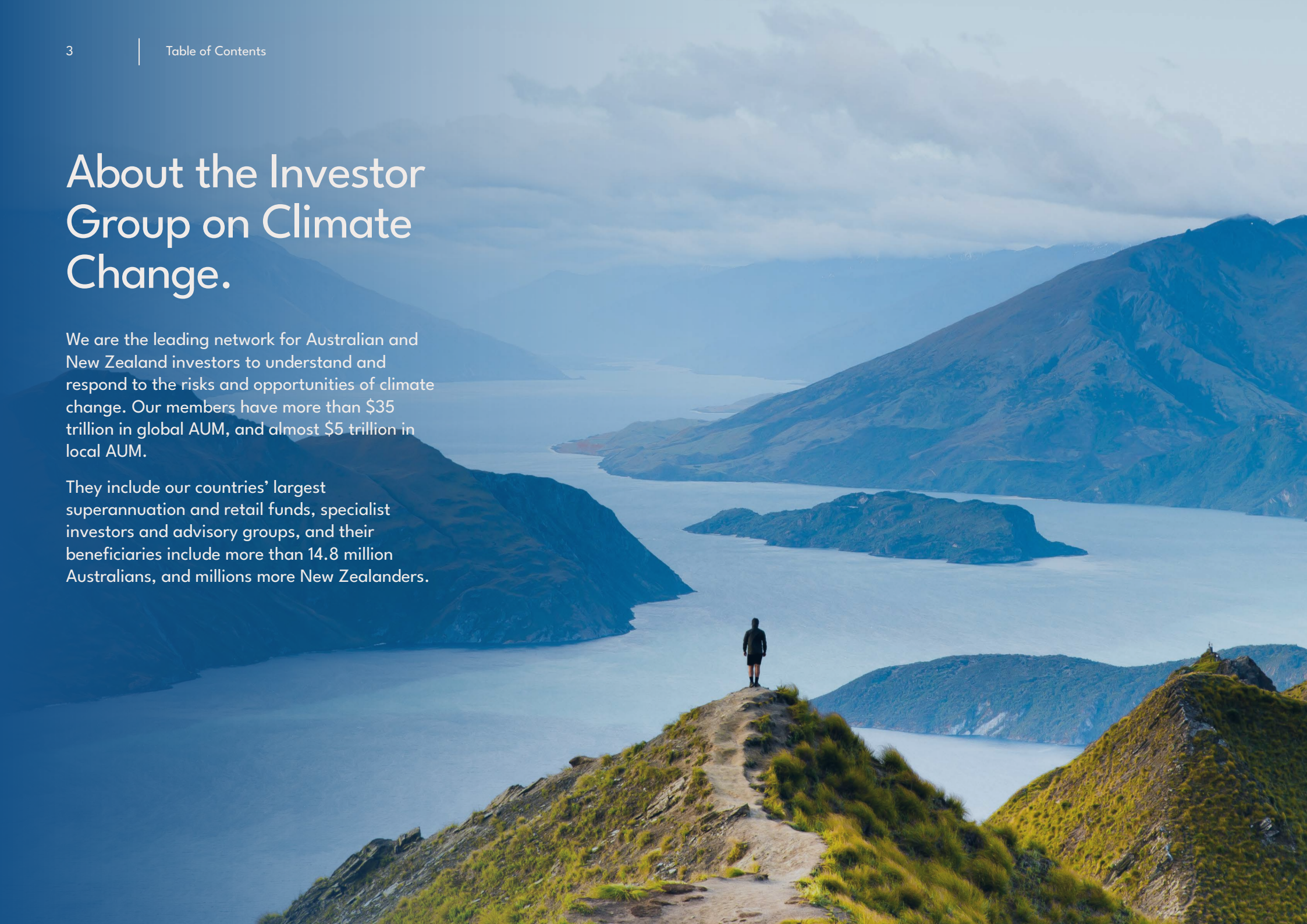
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# About the Investor Group on Climate Change.

We are the leading network for Australian and New Zealand investors to understand and respond to the risks and opportunities of climate change. Our members have more than \$35 trillion in global AUM, and almost \$5 trillion in local AUM.

They include our countries' largest superannuation and retail funds, specialist investors and advisory groups, and their beneficiaries include more than 14.8 million Australians, and millions more New Zealanders.



# 01: From the Chair & CEO





**Rebecca Mikula-Wright**  
CEO, IGCC & AIGCC

In 2023, we maintained a keen focus on the key levers necessary to accelerate investor action and reach critical 2030 pathways and targets. Our team and members seized important opportunities for advancing this goal.

### **Our Members's Focus is Transitioning from Intention to Implementation**

Firstly, the investment industry, and our members in particular, are now well beyond mere climate awareness. Investors are increasingly setting and implementing their clear, actionable targets. We've seen more of the pieces come into place, including our newly formed Investor Practice team, who have worked to stoke, match, and accelerate our members' climate ambition.

As CEO and Chair, we believe the team's 2023 program of masterclasses, workshops, thought leadership aimed at helping members set and progress their climate targets



**Stephen Dunne**  
Chair

has been our best yet; more useful, more thoughtful, and more impactful than ever before. The times certainly call for it: we're now in an era where intentions must become the hard yards of implementation, and actions need to accelerate.

Our members know that by joining IGCC they gain access to the tools that will help them meet their fiduciary duty. Through their collaboration in the membership and genuine participation we're seeing how they are contributing to climate progress.

### **Our Policy Team Has Been Laying the Foundations To Support Investment in Climate Solutions**

The second major opportunity was a long time coming. Following last year's legislative action by the Australian Parliament, setting a target of 43% emissions reductions by 2030, the door opened to our members as never before. Our members, in partnership with our policy team, have done exceptional work to articulate to policy makers how and why credible, well-designed policies are fundamental to capital flowing to climate solutions. To paraphrase an insightful member at our Annual Summit; "thinking about investment without considering policy is like studying blood without studying veins".

Our impact in Canberra comes from two elements; firstly, that our members manage large amounts of capital on behalf of millions of beneficiaries, and secondly, through our involvement in the Climate Action 100+ initiative, we possess deep knowledge and engagement with the heaviest emitting companies in Australia.

We expect that foundations laid by our Corporate Engagement team this year will bring another opportunity for acceleration: The second phase of Climate Action 100+, which was launched in June, has expanded to include systemic impact. The initiative's tools, data and platform will not just be used to influence company-by-company, important as that is. Through Climate Action

100+, investors will now have the chance to advance entire sectors, with the principles for sector plans now agreed.

Throughout this annual report, which comes near the mid-point of our 2022-25 strategy, you'll find details on the specific achievements of our three workstreams – Investor Practice, Corporate Engagement, and Policy & Advocacy. These sections highlight the collaborative efforts undertaken on behalf of our members to drive tangible progress on climate. You'll also be able to read how we're integrating two priority themes: physical risk and resilience and a just transition, across our work.

### **We're Driving Increased Collaboration with Asian Markets**

IGCC is also the parent entity of the Asia Investor Group on Climate Change, and our teams share resources, techniques, and knowledge. Despite the vastly different contexts between Australia and Asia, and the diversity within the region, we're seeing patterns emerge: Whether in Japan, Korea, Singapore or China, investors' access to policy makers and business decision makers is improving, and we're using that convening power to articulate investors' perspectives and expectations, as the countries announce and refine their transformation plans.

Our work is supported by membership fees and contributions from partners, foundations, and supporters. We thank these organisations for their invaluable support across 2023. They enable us to make tangible, real-world outcomes across our key strategic areas on a local level and advance our co-led global programs in collaboration with our international peers.

# 02: Our Workstreams

Our 2022-2025 priorities are shaped around three 'impact strategies', delivered through dedicated workstreams.

The intersection between these workstreams reflect the essential partnership between investors, industry, and government in realising a climate-resilient net-zero emissions economy.

From accelerating net zero investment practice, to driving down emissions from industry, to advocating for 1.5°C aligned policies, we strengthen the contribution investors are making to accelerate climate action, whilst helping them protect their investments and safeguard the interests of their beneficiaries.

[Our 2022-25 Strategy Deck](#)

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# Policy & Advocacy.

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## Advocating for Orderly and Just Transition Policies.

IGCC is the investment community's authoritative voice on climate change. Our [policy positions](#) are developed through thought leadership, extensive member consultation and research based on the latest science. We advocate for these policies by engaging with relevant decision-makers across Parliament, government departments and agencies, media, and other key stakeholders.

To learn about our working groups and thought leadership activities, please see [Appendix D](#).

# A Message from our Managing Director of Policy.

Erwin Jackson - Managing Director, Policy



Climate change policy in 2023 was marked by several developments. The Albanese Government focused on fulfilling its election commitments. Global clean energy subsidies — notably through the USA's Inflation Reduction Act — introduced concerns about capital flight. Households experienced significant cost-of-living pressures, and the impact of extreme climate events strengthened demands for more effective resilience measures.

Against this crowded backdrop, the investor voice in policy making could have been overshadowed or fractured, leading to policies being implemented without a strong focus on investor needs. Our policy team saw this risk as an opportunity, and in partnership with our members, brought the investor voice to Canberra.

Through roadshows, submissions, thought leadership, and analysis, we delivered a clear, unified message from investors. To the industry's benefit, investors have been well-considered in national policy development. It also benefited policymakers and the wider community; the elevated investor voice in the national discourse helped the government justify credible climate-related policies.

So, our efforts have paid off and we are on track to achieve IGCC's 2022-2025 policy priorities. Credible carbon pricing has been established for the industrial sector. Internationally aligned climate-related disclosures will be start to be mandatory during 2024. A national Net Zero Authority focused on the delivery of a just transition was launched, and the government has agreed to develop detailed sector-by-sector policy plans to support an orderly and just transition to net zero emissions.

As pivotal five-year policy decisions — including Australia's 2035 emissions target — approach in late 2024, our team is preparing to elevate efforts to facilitate investment in a rapid, just, and orderly transition for communities and the economy.

## **Minister for Climate Change and Energy The Hon. Chris Bowen - March 2023:**

*"There has been strong support for our policy from people who want to invest in our decarbonisation."*

*Rebecca Mikula-Wright, the CEO of the Investor Group on Climate Change, said 'Policy uncertainty has been the biggest handbrake for long-term investors who are ready to invest in economy wide decarbonisation.'*



## Project 1: A New Carbon Price on Industrial Emissions Passed Through Parliament

*We Supported the Safeguard Mechanism Reforms With Coordinated and Broad Engagement.*

### The Need

At the start of 2023, Australia effectively had no explicit price on carbon, which slowed the flow of investment to new zero emissions technologies and industry's ability to meet economic and overall policy objectives.

An immediate priority in 2023 was therefore to ensure Australia's existing carbon pricing mechanism – the Safeguard Mechanism – aligned with avoiding climate damages from warming above 1.5°C.

### Our Work

Our engagement covered policymakers, investors, business decision makers and the wider public sphere. Our investor-led Canberra Roadshow briefed key stakeholders on the importance of the Mechanism's passage, highlighting investor needs and clarifying that a carbon price would accelerate portfolio decarbonisation without leading to divestment.

In March, [we issued a joint statement](#) urging Parliament to pass the reforms and take further action to support emissions reductions, such as the development of sector plans. We produced submissions, made a Senate Inquiry appearance, and coordinated finance industry group engagement. Throughout, we noted that the reforms' emissions reductions are not yet aligned to limiting global warming to 1.5°C.

### Policy Outcome

In March, the Safeguard Mechanism (Crediting) Amendment Bill 2023 was passed, and Australia now has a new carbon pricing regime for large industrial emitters, including a limit on gross emissions. Government and the Greens have also agreed to commission the Climate Change Authority to develop sector by sector emissions pathways.

## Project 2: Government Introduced Policy Mechanism to Fast-Track Investment in Renewable Energy into Australia's Grids

*Consultation with Government on the Design of the Capacity Investment Scheme*

### The Need

Electrifying Australia will reduce emissions across sectors and bring us closer to national targets. Investors can benefit from decarbonised industries in a world rapidly introducing clean energy incentives. However, renewable energy infrastructure has a long lead time between development and investors seeing returns.

### Our Work

Our Energy Transition Working Group engaged the Australian Energy Market Operator, the Australian Energy Regulator, the Department of Climate Change, Energy, the Environment and Water and the Department of Industry, Science and Resources on the design of the Capacity Investment Scheme, Residential Electrification, Renewable Energy Certificates and on the Future Gas Strategy. We produced submissions on each of these, providing government with recommendations to create the policy settings investors need to confidently allocate capital to renewable energy projects.

### Policy Outcome

In November, the government announced an expansion of the Capacity Investment Scheme, intended to underwrite new renewable energy generation and storage. The expanded Scheme will draw investment to Australia and help put the government on track to meeting its renewable energy goals. The Scheme has already had new renewables projects reach financial close in New South Wales, Victoria, and South Australia, with the other states and territories to follow. Government departments and authorities continue to contact us for consultation on specific policy problems.

## Project 3: Credible, Consistent, and Comparable Climate-Related Reporting and Transition Planning

### *Cross-Industry Engagement to Support Mandatory Climate-Related Disclosures in Line with International Best Practice*

#### The Need

Investors require transparent, consistent, and comparable disclosures to effectively allocate capital across individual investments asset classes. Investors are also increasingly subject to regulatory expectations and requirements to provide their own climate-related disclosures. Investors have therefore been advocating for mandatory disclosures aligned with the International Sustainability Standards Board (ISSB) standards. The government publicly committed to mandatory disclosures in 2022, but with few details.

#### Our Work

In 2023, we worked towards ensuring the reporting regime meets investor needs and has bipartisan support. We took several investment leaders to Canberra to meet with decision makers on the importance of disclosures and areas requiring attention. The discussions reflected our two submissions to Treasury and a joint letter calling for a clear framework to strengthen corporate transition planning. We also hosted a “Parliamentary Friends of Clean Investment” event focussing on the topic.

#### Policy Outcome

The government is on track to implement its economy-wide disclosure requirements, aligned with ISSB standards. Disclosures will commence for large businesses in FY2025, expanding to medium-sized companies over time. In November, the government also released its proposed Sustainable Finance Strategy, a significant milestone towards addressing systemic climate risk and unlocking capital flows. In line with our recommendations, this included a commitment to strengthening corporate transition planning.

#### **Our Impact in New Zealand’s Mandatory Disclosures Regime:**

Our team also contributed to progress on New Zealand’s disclosure regime.

In December 2022, the New Zealand External Reporting Board (XRB) issued its climate disclosure standards aligned closely recommendations outlined in our “Climate Disclosures” report.

We presented at an Asia Pacific Climate Reporting Summit, hosted by the XRB, where we engaged with delegates from government, the Council of Financial Regulators, and representatives from the APAC region.

## Project 4: Commitment by Government to Develop Detailed “Sector Plans”

### *Our Routine Engagement with Government and Ongoing Consultation on Net Zero Sector Plans*

#### The Need

“Investable” 1.5°C-aligned national pathways and plans that show how key sectors can decarbonise are critical to unlocking finance for climate solutions and supporting investor engagement with companies. Inability to attract investment prevents many sectors from transitioning towards net zero. Actionable sector transition plans, which can underpin stable and long-term policies, will help investors avoid investing in potentially stranded assets, and allow them to allocate capital confidently.

#### Our Work

This year, we met with the Treasurer and Climate Change Ministers, providing investor members the opportunity to highlight that sector-specific pathways and targets can guide investment for an orderly and just transition. We also provided feedback on the Climate Change Authority’s issues paper on Australia’s emissions reduction targets, focussing on areas most material to long-term investment returns. And in November, we released “Decarbonisation Investment Solutions for Sectors”, which articulated investor needs for sector plans to unlock private sector capital.

#### Policy Outcome

In July, the government announced its commitment to developing plans to decarbonise key economic sectors. Our thought leadership and relationships provide the foundations for our ongoing engagement with several government departments as the plans are developed.

[Read our ‘Decarbonisation Investment Solutions For Sectors’ paper here.](#)

“IGCC has long advocated for detailed sectoral decarbonisation plans to underpin investment and support the deployment of capital toward the economic opportunities of a net zero global economy, and I’ve listened.

Last month I announced the development of the sectoral decarbonisation plans which will be a key priority of the government over the next years.

These plans will be vital for attracting billions in investment to Australia’s decarbonisation, by providing industry and investors with certainty.”

*The Hon Chris Bowen MP. Minister for Climate Change and Energy. IGCC Summit, August 2023.*





# Treasurer's Climate Investment Roundtable.



Senior executives from IGCC and our members joined a roundtable meeting with Treasurer Jim Chalmers, and Climate Change and Energy Minister Chris Bowen to confirm their support for key principles in the government's development of sector-by-sector transition pathways and plans. Image courtesy of Australian Government, the Treasury.

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# Investor Practice.

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## Accelerating Net Zero Investment Practice.

Our Investor Practice team works with members to integrate climate risk and opportunities into their investment processes and manage their portfolios in line with net zero.

With access to global climate investment initiatives, the latest technical guidance, and up-to-date information on local climate policy settings, members are supported in implementing net zero commitments and translating them into leading climate-related practices.

To learn about our working groups, masterclasses and thought leadership activities, please see [Appendix D](#).

# A Message from our Director of Investor Practice.

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Duncan Paterson – Director of Investor Practice

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Throughout 2023, investors faced a host of new challenges in taking action on climate change which underscored the growing importance of transparency, due diligence, and the adoption of best practice standards.

Locally, policymakers have strengthened signals that climate action is part of investor responsibilities, as reflected by the Australian Accounting Standards Board consultation on sustainability-related financial reporting. At the same time, increased scrutiny from ASIC on greenwashing demonstrated that investors should make climate targets transparent, credible, and actionable. Globally, investors have been facing conflicting pressures: European markets have pushed for greater climate ambition, while certain sections of the U.S. political establishment have pushed back on ESG progress.

Despite these challenges, our State of Net Zero Australia Survey in 2023 indicated that investor commitment to climate action continued to strengthen across the year.

There have been year on year increases in Australian investor ambition on metrics including public net zero targets, reporting on climate performance and physical risk, and most notably, the presence of a climate action plans.

Our Investor Practice team remains committed to helping our members navigate this complex market by providing access to the latest guidance on international frameworks for net zero investing, regulation and emerging climate issues through our working groups, masterclasses, and association with leading net zero climate finance initiatives.

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## Project 1: Delivering Transparency on Investors' Net Zero Progress

### *The State of Net Zero Australia Report*

The Need	Our Work	The Outcome
In 2023, investors faced considerable pressure to be more transparent about their climate ambitions. The term 'greenhushing' emerged, suggesting that some investors may avoid disclosing their climate goals, or even scale them back, as a precaution against accusations of greenwashing. It is therefore critical that there is a reliable information source in the market to track investor progress on climate.	Our annual State of Net Zero Australia Survey measures how institutional investors and fund managers are acting on climate risks and opportunities. The findings from the survey and corresponding report provide crucial intelligence on the current landscape of climate-aligned investing across Australia, including the emerging net zero trends and evolving climate expectations for investors.	The interim results from the latest survey collected in October 2023 suggest that investor ambition on climate continues to grow, albeit slowly in places, with an increased number of investors taking steps to address the risks and opportunities associated with climate change. These insights will provide some market confidence and indicate to policymakers that there is support from the finance sector on climate. Accelerating investors' progress would be an imperative part of achieving a Paris-aligned future.

### Progress in Members' Climate Practice

*A comparison of members' Climate Practice Indicators over the past three years reflects a notable increase in investor ambition on climate.*

Climate Practice Indicator	2023	2022	2021
Have set a public 2050 (or earlier) net zero target	<b>63%</b>	64%	No Data*
Have a climate policy	<b>81%</b>	80%	66%
Have a climate action plan or "roadmap"	<b>56%</b>	48%	43%
Have reported in alignment with TCFD	<b>57%</b>	56%	52%
Have assessed part or whole of portfolio for physical risk	<b>60%</b>	59%	51%
Have implemented a response to part or whole of portfolio to increase physical risk resilience	<b>29%</b>	27%	No Data

*Responses to the most recent IGCC State of Net Zero Australia Survey, and previous member surveys.*

## Project 2: Supporting Investors in Setting Robust Public Targets

*Member participation in global, industry-leading net zero investor initiatives*

### The Need

Investor statements on climate ambition are increasingly being scrutinised by regulators, beneficiaries, and activist groups. Transparency and credibility are important, and so too is fostering investor ambition on climate.

### Our Work

IGCC is the local secretariat for two global initiatives, the Net Zero Asset Managers (NZAM) initiative and Paris Aligned Asset Owners (PAAO). With more than 400 signatories combined, these initiatives bring together investors committed to supporting the global goal of achieving net zero emissions by 2050.

During 2023 our Investor Practice team has helped over a third of NZAM signatories in Australia and New Zealand develop targets. Our team reviews signatory targets against global best practice methodologies and facilitates learning opportunities amongst signatories. Working with AIGCC, we also convened signatories in Asia and Oceania to share experiences and build momentum in the region.

### The Outcome

Participating in these initiatives provides investors with the confidence, tools, and know-how to set ambitious but robust public targets that stand up to regulatory scrutiny, supported by an internationally recognised and transparent process.

See [Appendix B](#) for a list of IGCC member signatories to NZAM and PAAO.

### About Paris Aligned Asset Owners (PAAO):

Paris Aligned Asset Owners are a global group of 56 asset owners, with over \$3.3 trillion in assets. They have committed to transitioning their investments to achieve net zero portfolio GHG emissions by 2050, or sooner, drawing on the [Net Zero Investment Framework](#) to deliver these commitments.

IGCC coordinates the international initiative together with regional partners in the United Kingdom/Europe, Asia, North America.

IGCC signatories are demonstrating leadership on the international stage, with HESTA holding an advisory role on the initiative's investor Steering Group.

[Read more about the initiative here.](#)

### About Net Zero Asset Managers (NZAM) initiative:

The Net Zero Asset Managers initiative is an international group of asset managers committed, consistent with their fiduciary duty to their clients and beneficiaries, to supporting investing aligned with the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 °C.

As one of six convening organisations, IGCC supports the coordination of the initiative and is responsible for reviewing targets set by signatories headquartered in Australia and New Zealand.

IGCC members make up 88% of NZAM signatories in this region and collectively represent US\$947bn in AUM.

[Read more about the initiative here.](#)

## Project 3: Supporting Investor Reporting and Target-setting

### *A Statement for Regulator and Member Stakeholders on the Uses and Limitations of Investee Scope 3 Disclosures*

#### The Need

Some asset owner members have reported that a barrier to formalising net zero commitments is an expectation that targets include scope 3 emissions. This concerns some members who say that the availability, nature, and quality of data about their investees' scope 3 data prevents investors from confidently stating their position.

#### Our Work

In collaboration with members, we have developed a statement that outlines the uses and limitations of investee scope 3 emissions reporting. The paper also recommends meaningful and effective approaches for investors to include investee scope 3 emissions in financed emissions disclosures, climate reporting and targets.

#### The Outcome

The statement is a concise and user-friendly resource to help members improve their engagement with regulators and internal stakeholders. Additionally, our recommendations will help our members with their climate reporting on financed emissions as it becomes mandatory and contribute to global discussions among investors in the global Paris Aligned Asset Owner initiative.

## Project 4: Aligning Portfolios to the Goals of the Paris Agreement

### *Improved Technical Guidance Through the Net Zero Investment Framework*

#### The Need

Setting climate targets helps investors drive real-world change across their portfolios, but the process can be complex. Methodologies for some asset classes are still developing, so investors have focused on assets where they are most established, such as listed equities.

#### Our Work

The [Net Zero Investment Framework](#) (NZIF) is the most implemented net zero methodology for investors and financial institutions in the [Glasgow Financial Alliance for Net Zero](#) (GFANZ). Developed by a collaboration of international climate finance bodies including IGCC, it helps investors decarbonise their portfolios by offering robust guidance on governance, targets, strategic asset allocation, market engagement and policy advocacy.

To help members navigate the complexity of setting targets across some asset classes, we shaped our 2023 Paris Aligned Investment Working Group program around the NZIF's newer detailed asset class guidance, including infrastructure, private equity, real estate, and sovereign debt. Sessions featured presentations from international experts and leading practitioners, and in-depth case studies from investors.

#### The Outcome

The sessions fostered peer-to-peer learning, strengthening community of practice on investor portfolio-wide net zero efforts.



## Project 5: Promoting Investor Support for Climate Action in Developing Economies

### *“Mobilising Climate Investment in Emerging Markets” Report*

#### The Need

Investing in climate solutions in emerging markets and developing economies (EMDEs) represents a strong opportunity for Australian asset owners. The World Economic Forum has estimated the market could be worth USD\$2 trillion per year by 2026. However, investment remains slow.

#### Our Work

In May 2023, we released a detailed report exploring the opportunities and barriers for Australian superannuation funds to invest in climate solutions in EMDEs. It made key recommendations designed for institutional investors and policymakers to increase capital flows.

#### The Outcome

Our report has become an oft-cited resource for organisations seeking to promote investor support for climate action in developing economies. Our leadership on the topic and the quality of the report provided an opportunity to present at the Australian Government Pavilion at COP28. We expect this will help drive essential investment in climate solutions in emerging economies. [Read the report here.](#)



At COP28, IGCC hosted a panel discussion on the steps required to direct climate finance towards emerging markets. L-R: Marwa Curren (IGCC), Anjali Viswamohanam (AIGCC), John Grimes (Smart Energy Council), Cate Rogers (Australian Government, Department of Foreign Affairs & Trade), Luke Brown (ClimateWorks Centre).

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# Corporate Engagement.

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## Driving Down Emissions from Industry.

Our Corporate Engagement team supports investor engagement with industry on climate risks and opportunities. Our work is primarily focused on heavy emitters in the Australian economy, aiming for a level of ambition that aligns with a 1.5°C pathway.

IGCC is a founding partner of Climate Action 100+, a global investor-led engagement initiative ensuring the world's largest corporate greenhouse gas emitters take necessary action on climate change. This initiative shapes the vast majority of our engagement work.

To learn about our working groups and thought leadership activities, please see [Appendix D](#).

# A Message from our Director of Corporate Engagement

Richard Proudlove – Director of Corporate Engagement



Investor efforts to manage portfolio climate risk and capitalise on associated opportunities faced growing scrutiny throughout 2023.

Australian regulators stepped up their efforts to address instances of companies and investors overreaching on sustainability claims. Additionally, the broader community's expectations are evolving, marked by more climate litigation against companies and financial institutions, globally and domestically.

This year also witnessed some major global emitters stepping back from their decarbonisation targets. These organisations largely justified these decisions by referencing instability in global energy markets and ongoing uncertainty surrounding the availability and viability of key emerging decarbonisation technologies.

Although the context evolves, investors' fundamental climate engagement goal remains to ensure the companies they invest in implement credible, Paris-aligned decarbonisation strategies backed by sound governance and capital allocation, whilst maintaining shareholder value.

Across 2023, our Corporate Engagement team has been helping members address this challenge by facilitating investor collaboration on corporate climate engagement objectives, providing access to research and thought leadership and organising pre-AGM briefings. We have also been supporting investor agreement on next steps where company commitments and action don't meet investor expectations.

Launching the second phase of Climate Action 100+ was another key aspect of our work in 2023, driving a shift in focus from corporate climate disclosure to action. The expanded scope of Climate Action 100+ under Phase 2 will be a central focus in 2024, as we work to support investor-led engagement with a broad range of stakeholders to address system-level sector and thematic barriers to decarbonisation.



## Project 1: Driving Greater Climate Action from Australia's Heaviest Emitters

### *Climate Action 100+ Phase 2 Launch*

#### The Need

Since 2017, Climate Action 100+ has been facilitating consistent investor-led engagement on climate change with the world's largest corporate greenhouse gas emitters. The initiative's Net Zero Company Benchmark assessments — introduced in 2021 — provide investors with actionable information to inform these engagements and monitor company progress and ambition.

Whilst Climate Action 100+ has made progress on corporate climate disclosure and commitments, signatory feedback and engagement priorities indicated a need for the initiative to place a stronger emphasis on focus companies implementing their climate transition plans.

#### Our Work

This year, we helped define and launch the second phase of Climate Action 100+, which will run until 2030. In consultation with signatories, the initiative has renewed its core goals to now move companies from commitments to action and pursue emissions reductions in line with the 1.5°C Paris Agreement goal.

Phase 2 also included updates to the Net Zero Company Benchmark to reflect evolving investor needs. It now has a stronger focus on emissions reductions, alignment with 1.5°C pathways, robust transition plans, and corresponding capital allocation.

#### The Outcome

Phase 2 of Climate Action 100+ is designed to help scale up active ownership thereby facilitating greater corporate climate action. For Australian companies the initiative aims to see climate targets and plans aligning with 1.5°C pathways and adequately including Scope 3 emissions. We expect to see Australian focus companies allocating capital to support decarbonisation goals, positively lobbying for climate, and planning for a just transition that supports impacted workers and communities.

The initiative's scope has also expanded to support investor-led engagement to address system-level sector and thematic barriers to corporate decarbonisation.

[Read more about Phase 2 of Climate Action 100+ here.](#)



#### About Climate Action 100+

Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

Over 700 investors, responsible for \$68 trillion in assets under management, are engaging companies on improving climate change governance, cutting emissions, and strengthening climate-related financial disclosures, to create long-term shareholder value.

The work of the initiative is coordinated by five investor networks: AIGCC, Ceres, IGCC, IIGCC and Principles for Responsible Investment (PRI). It is supported by a global Steering Committee.

[Read more about Climate Action 100+ here.](#)



## Project 2: Helping Investors Assess Diversified Mining Companies Progress Towards Net Zero

*The Net Zero Standard for Diversified Mining, a Global Framework for Investors*

### The Need

Climate Action 100+ focuses on companies that are key to the global transition to net zero. Eleven of these organisations are classified as diversified miners, including ASX-listed companies BHP, Rio Tinto and South32. As providers of materials and minerals that will support our transition to a low carbon economy, mining companies have a vital role to play in our global effort to meet the goals of the Paris Agreement.

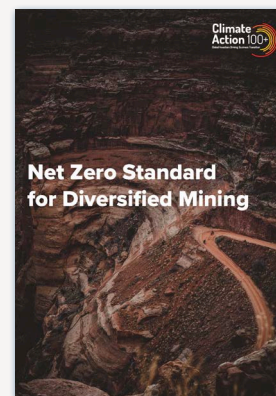
However, these organisations are often exposed to significant transition risks themselves. It is vital that investors have robust tools to independently and consistently assess mining company transition plans to understand this risk and support engagement efforts.

### Our Work

In collaboration with our peer network from Europe, the Institutional Investor Group on Climate Change (IIGCC), we led the development of the Net Zero Standard for Diversified Mining. The standard sets out detailed, sector-specific metrics to assess mining company transition plans to net zero.

The final version of the standard was published in September this year, accompanied by [Investor Expectations for Diversified Mining](#), which provides additional background and rationale behind the metrics. The development process took two years and involved extensive consultation with investors and international industry stakeholders, including the mining companies themselves.

### The Outcome



The transparent, systematic, and evidence-backed standard complements the sector-neutral [Climate Action 100+ Net Zero Company Benchmark](#), as a specialist engagement tool. Climate Action 100+ signatories and the wider investor landscape now have metrics specific to this important but complex sector.

Several of the mining companies engaged by Climate Action 100+, including BHP, Rio Tinto and South32, have already adopted elements of the standard in their disclosures.

[Access the Net Zero Standard for Diversified Mining here.](#)

# 03: Cross-Workstream Themes

We have identified “physical risk and resilience” and “just transition” as crucial themes that require particular focus and effort across our three impact strategies.

Over our current three-year strategy cycle, each of our workstreams are integrating work from these themes into their workplans.

[Read our 2022-25 Strategy Deck here.](#)

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# Physical Risk & Resilience.

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## Driving Urgent, Economy-Wide Adaptation and Resilience.

Spanning our three workstreams, our Physical Risk and Resilience strategy “Road to Resilience” supports investors in understanding and assessing physical risk, securing policy that drives investment into climate adaptation, and integrating physical risk into members’ existing climate-related activities. Ultimately, we aim to drive urgent, economy-wide adaptation and resilience.

# A Message from our Physical Risk Task Force.

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Michael Bones – Manager, Advocacy

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Kate Simmonds – Physical Risk and Resilience Advisor

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At the start of 2023, IGCC's flagship report, "The State of Net Zero Investment", showed that investors have been taking far more action managing the economic risks associated with transitioning to a low-carbon economy than understanding and adapting to physical risks from climate change. In Australia and New Zealand, those physical risks included extreme weather events and systemic disruptions which affected ecosystems, infrastructure, food production, supply chains, and human health.

The Intergovernmental Panel on Climate Change underscores the harmful impacts from climate damages at around 1.5-2°C of global warming, emphasising the critical need for adaptation and resilience strategies.

Although IGCC has long been at the forefront of guiding investors through these challenges, we've established physical risk and resilience as a dedicated theme that cuts across our three workstreams.

As we approach the challenges and opportunities of 2024, we look forward to continuing to lead in climate resilience and demonstrate the possibilities that can arise from innovative adaptation strategies.



## Project 1: Road to Resilience: Addressing Climate Change's Physical Risk

*An Investor-Led Strategy for an Adaptive and Sustainable Economy*

### The Need

As climate change intensifies, investors face unprecedented physical risks, including extreme weather events and systemic disruptions. The evolving investment landscape demands strategies that not only address transition risks but also focus on resilience and adaptation to these physical challenges.

### Our Work

We responded to this challenge with our Road to Resilience strategy, a comprehensive framework designed to guide investors in managing physical risks associated with climate change, address policy barriers, and facilitate investment in adaptation and resilience.

### The Outcome

The strategy was launched at our Annual Summit by the Assistant Minister for Climate Change and Energy and the responsible minister for climate adaptation — Senator Jenny McAllister. The strategy has been well received by the investment community and we have now established an internal taskforce to drive its ongoing implementation with members and across our workstreams.

[Read our Road to Resilience strategy here.](#)

## Project 2: Our Contribution to Shaping Climate Policy and Australia's National Climate Risk Assessment

*Engagement as a Catalyst for Coordinated Action on Physical Risk*

### The Need

Developing effective climate investment approaches requires comprehensive understanding and assessment of national-level climate risks. As well, beneficiaries are exposed to systemic physical risks associated with climate that cannot be managed by investors alone. However, the complexity and scope of these risks often outpace current policies and there is limited common understanding of the risks.

### Our Work

We have been at the forefront of influencing policy direction through high-level engagements with ministers and government departments, and in during the engagement process for the National Climate Risk Assessment (NCRA). This included submissions such as the [Investor Expectations of NCRA Policy Brief](#) and attending expert workshops like the Economy, Finance and Trade and the Integration and Synthesis Workshop.

Our meetings with relevant ministers, their offices, and departments, provided a platform to voice investor concerns, share expertise on climate risks and opportunities, and advocate for policies that support a sustainable, climate-resilient economy. See [Appendix C](#) for a list of our engagements.

### The Outcome

Our involvement in these critical discussions has been instrumental in shaping government understanding and response to climate change. Financial stability was identified as a systemic risk in the NCRA. By providing investor-focused insights and financial implications of climate's physical risks, we helped to ensure that the government's systemic risk mapping process can better guide policy towards a climate-resilient economy. This participation underscores our commitment to influencing climate policy and underscores the importance of investor engagement in national climate discourse.

# Senator McAllister Welcoming IGCC's Physical Risk Strategy



*Senator Jenny McAllister, Assistant Minister for Climate Change and Energy, delivering a keynote at the IGCC Summit where she provided an update on the government's response to physical risks.*

## Project 3: Investors’ Working Group on Physical Risk and Resilience

*Cultivating Expertise and Capacity for Climate-resilient Investment Strategies*

### The Need

In the face of escalating climate-related risks, investors needed to ramp up their understanding of the physical impacts of climate change on their portfolios. However, knowledge gaps persist, hindering effective risk assessment and adaptation strategies.

### Our Work

In 2023, our Physical Risk and Resilience Working Group focused on building member understanding of physical risk, producing research, and integrating physical risk into members’ existing climate-related activities.

This led to asset class-specific sessions on assessing and managing physical risk, including sovereign bonds, infrastructure, real estate, and equities.

### The Outcome

The group provided a foundation of tools and understanding to navigate the complexities of climate change. By enhancing investor knowledge and capacity, it contributes to more informed decision-making, better risk management, and the promotion of resilience and sustainability in investment portfolios, thereby safeguarding long-term financial health and stability.

In 2024 physical risk will be integrated across working groups, and we will retire this standalone group.

## Project 4: Amplifying the Investor Voice on Climate Risk, Resilience and Adaptation

*Thought Leadership and Collaboration in Shaping the Resilience Dialogue*

### The Need

The investor community’s voice on resilience and adaptation often lacks the prominence it deserves in climate change discussions. To effectively tackle climate risks, investor perspectives need to be more prominently featured in broader climate resilience dialogues.

### Our Work

We have taken a leadership role in elevating the investor voice on resilience and adaptation. This includes Michael’s appearance on the FS Sustainability podcast to discuss Road to Resilience, Kate’s participation in panels like [Climate Adaptation 2023](#), her lecture at [Australian National University’s Disaster Risk Workshop](#), the launch of the [UNSW’s Institute for Climate Risk and Response](#), and the joint presentation by Kate and Michael at the [Resilient Futures Investment Roundtable](#). These initiatives reflect our commitment to engaging and collaborating with diverse organisations on climate adaptation.

### The Outcome

Through this wide variety of platforms, we have not only amplified the investor perspective in the national conversation on climate resilience but have also influenced the direction of this discourse. These engagements highlight the critical role investors play in driving adaptation strategies and shaping resilient futures, cementing our position as a thought leader in climate resilience and adaptation.

[Listen here to The Greener Way interview with our Policy Advocacy Manager – Michael Bones.](#)

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# Just Transition.

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## Sharing the Benefits of the Net Zero Economy.

Sharing the risks and benefits of the energy transition equitably across the Australian community contributes to what is known as a “just transition”.

Delivering a just transition is a cross-cutting theme of our three core workstreams. Our work includes engagement with heavy-emitting companies, research, masterclasses to support the integration of just transition considerations into investment practices, and advocacy with the Australian government, unions, and community groups.



# A Message From Our Just Transition Specialist.

Kate Donnelly

Manager of Corporate Engagement and Policy



Rural and regional communities are bearing many of the direct risks and benefits created by Australia's energy transition. The concentration of these impacts on local jobs, ecosystems, and social cohesion represents both a challenge and opportunity for the Australian economy, as well as the long-term value of institutional investors' portfolios.

We have seen the discord and economic losses that new project developments and closures create when they do not respond to local needs and priorities. In contrast, robust, place-based transition planning encourages the type of political stability and economic optimism required to successfully navigate the long, challenging road to net zero.

During an investor visit to Newcastle that we facilitated earlier this year, we found that unions and community groups in transitioning regions have started to identify the new opportunities and social infrastructure that they need to thrive in a net zero future. As a result, there

are now more ways than ever that investors can directly contribute to a just transition across Australia.

And our members have shown up.

This year, Climate Action 100+ signatories engaged with companies about worker and community issues following early closure announcements and asset sales. We joined union and community calls to establish an independent national transition authority, the Net Zero Authority, and we shared investor perspectives on how to better leverage private capital to support a just transition in Australia's emissions-intensive regions.

In collaboration with our members, we're looking forward to continuing our work towards a just and equitable transition throughout 2024.

## Project 1: Government Commitment to Establish a National Net Zero Authority

### *Facilitating Engagement and Coordinated Action*

#### The Need

Australia's response to climate change will unavoidably create significant change across most industries and regions. A key consideration for all stakeholders, including investors, is the need to guarantee social equity and a just transition for affected workers and communities throughout our response to climate change.

#### Our Work

In March 2023, we joined union and community calls for a statutory authority to improve coordination, standards and investment in affected regions and sectors so that the energy transition would be fair for all. We ran a public advocacy campaign, complementing our long-running direct engagement work, targeting key decision makers in Canberra to lobby for this important body.

#### The Outcome

In May, the government announced the establishment of a new national Net Zero Authority. This statutory Authority, which is set to be legislated in 2024, has a mandate to ensure that the workers, sectors, and communities that have powered Australia for generations can seize the opportunities of Australia's net zero transformation. Working with investors towards this goal is one of the Authority's three key priorities.

## Project 2: Addressing Barriers to Investment in Transitioning Regions

### *Our "Investing in Australia's Vital Regions" Report*

#### The Need

Significant investment is needed to successfully manage the social impacts that come with decarbonising Australian industry and scaling new green products and services. While investors recognise the importance of place-based transition planning and new investment for affected workers and communities, our members identified three key barriers preventing greater investment in these areas today.

#### Our Work

We interviewed 29 organisations, including asset owners, managers, banks, and government departments, to develop recommendations that address identified investment barriers and opportunities in Australia's transitioning regions. In October, we published the insights from these interviews in a new report titled "Investing in Australia's Vital Regions".

#### The Outcome

In November, we delivered briefings to key government departments and Members of Parliament on the recommendations and key insights from our report. These recommendations will continue to form the basis of our advocacy relating to the investment function of the Net Zero Authority and state governments.

[Read our Investing in Australia's Vital Regions Report here.](#)

## Project 3: Exploring Transition Risks and Opportunities in the Hunter Valley

*An Educational Excursion to Newcastle to Visit Industrial Facilities and Meet with Local Stakeholders*

### The Need

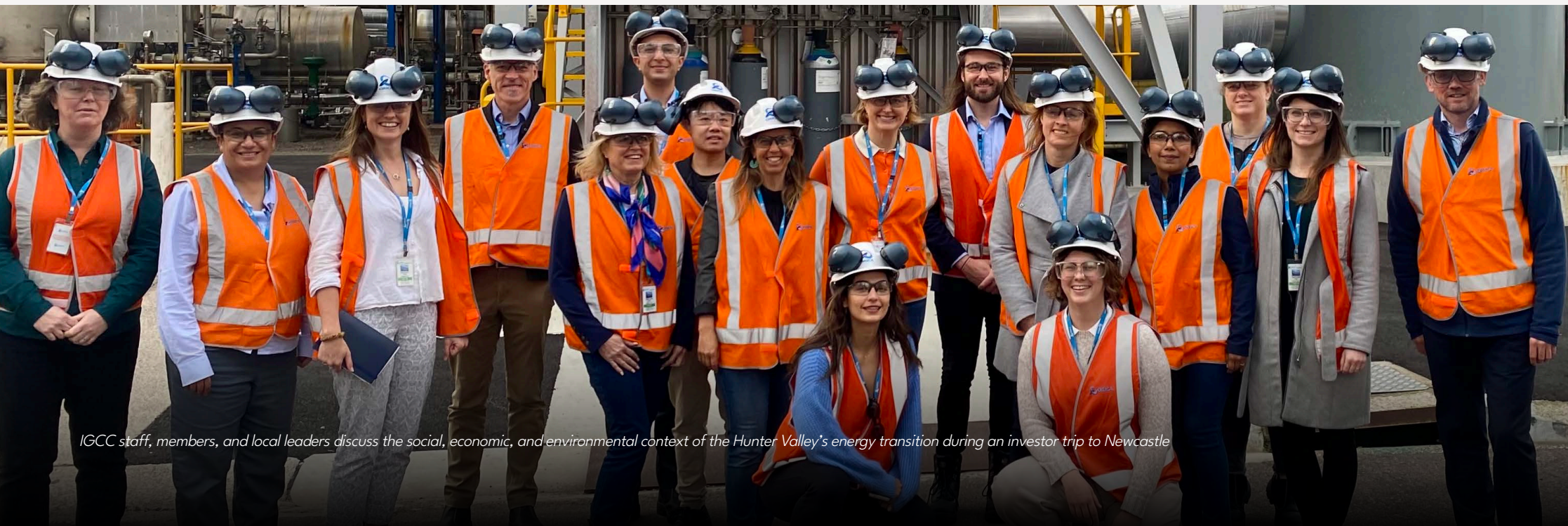
Many of the most direct impacts of the energy transition will be concentrated in a handful of industrial regions, including the Hunter Valley, Collie, the Latrobe Valley, and Gladstone. These places have emissions-intensive industries that must decarbonise or close in the coming decades, as well as the renewable resources and skills base that make them attractive to new green industries. Understanding the complex social dynamics that underpin these economic risks and opportunities is critical for investors seeking long-term returns in these regions.

### Our Work

As part of our Annual Summit, we hosted an investor trip to Newcastle to provide members with an opportunity to develop a deeper understanding of the social, economic, and environmental context of the Hunter Valley's energy transition. The group visited two industrial facilities and met with local leaders across government, industry, unions, and community groups.

### The Outcome

The investor trip facilitated an exchange between our members and local stakeholders to begin building a mutual understanding of the investment needs, challenges, and opportunities in the Hunter Valley.



*IGCC staff, members, and local leaders discuss the social, economic, and environmental context of the Hunter Valley's energy transition during an investor trip to Newcastle*

# 04: Looking Ahead



# The work we've planned for 2024 and beyond

Investor Practice	Corporate Engagement	Policy & Advocacy	Physical Risk & Resilience	Just Transition
Increasing our focus on member progress relating to climate practice and ambition	Ensure investor engagement strategies and outcome monitoring is aligned with the enhanced engagement model of Climate Action 100+ Phase 2	Investor support for ambitious emission reduction policy, including the national 2035 target and sector plans	Ongoing integration of our R2R physical risk strategy across our three workstreams	Continued advocacy with the Net Zero Authority
Building on our series of working group sessions and masterclasses to include member-led sub-working groups to drive real-world action on topical issues	Facilitate targeted investor-led engagement to address key sector and thematic barriers to industry decarbonisation in Australia	Robust and decision-useful climate-related disclosure requirements commencing in July 2024 and next steps on supporting credible corporate transition plans	Fundraising for program roll-out	Investor experiences in transitioning regions
Distributing the results of the State of Net Zero Australia 2024 Report to provide the latest updates on the climate investment market in this region	Expand engagement support activities beyond Australian-listed equities, guided by member interests and needs	Embedding financial mechanisms to unlock private capital in the forthcoming National Climate Adaptation Plan	Policy engagements to drive investment opportunities in adaptation and resilience, including the National Adaptation Plan and the National Climate Risk Assessment	

# 05: Member Report

IGCC continues to represent a diverse range of institutional investors in Australia and Aotearoa New Zealand.

Our members' total funds under management amount to almost \$5 trillion regionally and more than \$35 trillion around the world. IGCC members' beneficiaries include more than 14.8 million people in Australia and millions more in Aotearoa New Zealand.

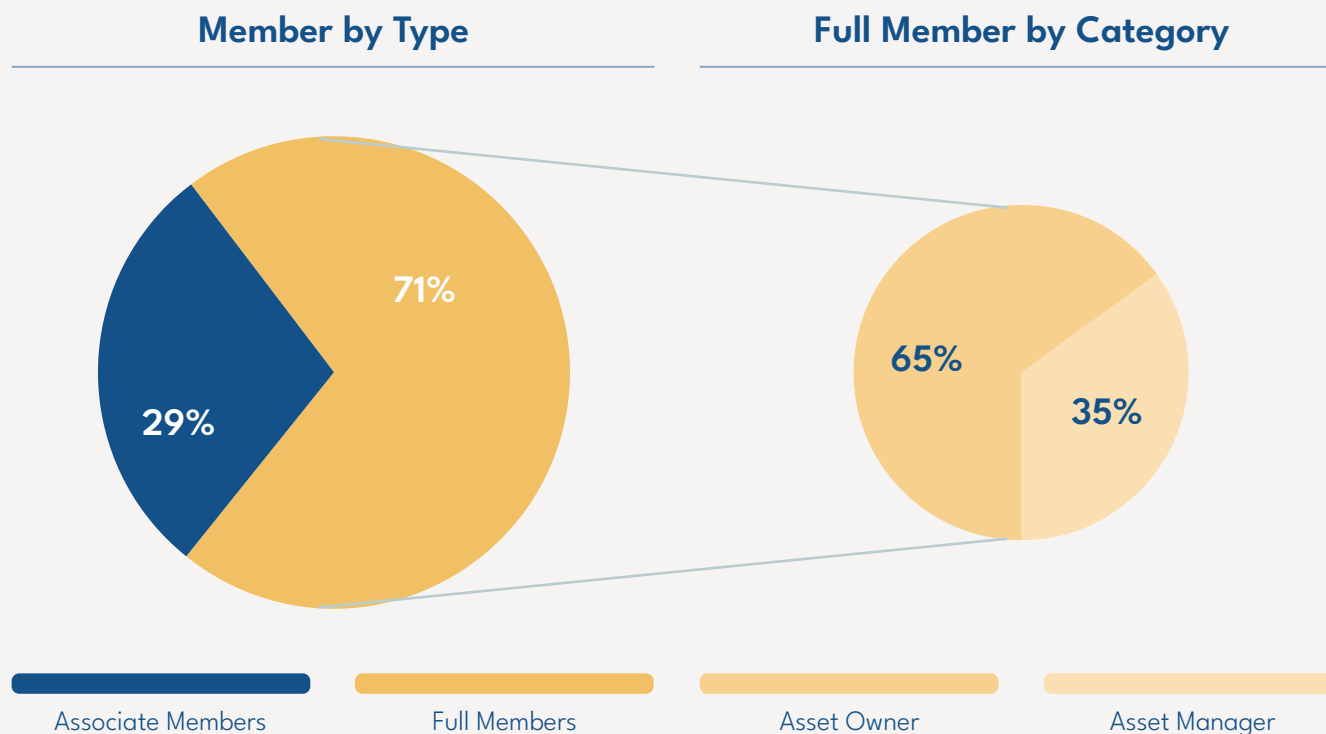
Our members include many of the region's largest superannuation funds, retail fund managers, boutique investors and advisory businesses.

Institutional investors, comprising asset managers and asset owners, make up 71 per cent of IGCC's total membership.

## Figure 1: Members by Type.

In 2023, IGCC's membership saw an organic growth rate of over 10 per cent from 2022 levels. We expect to see a similar, if not increased, membership growth rate over the next few years. This trend is likely to be driven by the financial services industry's continuing need to develop their climate action response and prepare for increasing disclosure requirements.

As IGCC's membership grows, so will its voice and ability to achieve its mission.



*Note: Associate members are advisers, service providers, industry associations, asset consultants or investment brokers. Asset owners are typically superannuation or pension funds.*

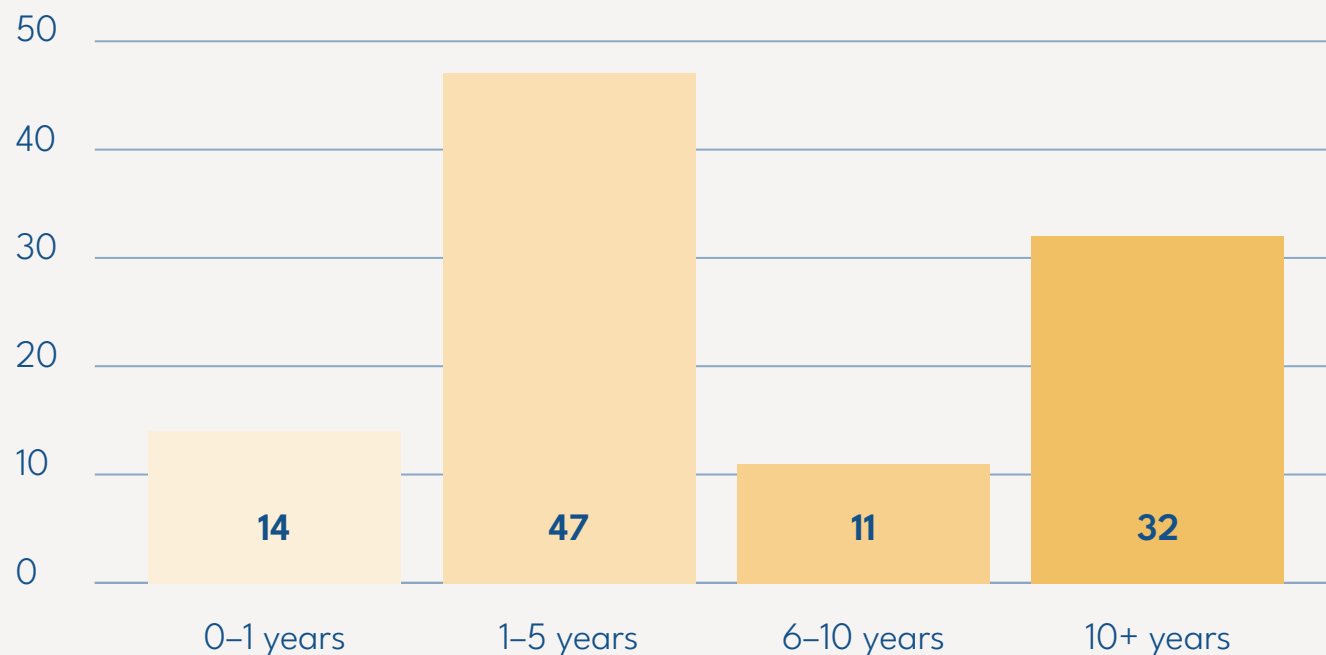
## Figure 2: Number of Members by Duration of Membership.

Almost a third of IGCC members have been part of the organisation for over 10 years, but the largest proportion have joined within the last five years, reflecting a growing need in the industry.

Please see the [Investor Practice section](#) for further details on members' progress on their climate action practices.

In 2024, IGCC will continue to focus on supporting and growing its membership in both Australia and Aotearoa New Zealand.

Number of Members by Duration of Membership





# 06: The Summit

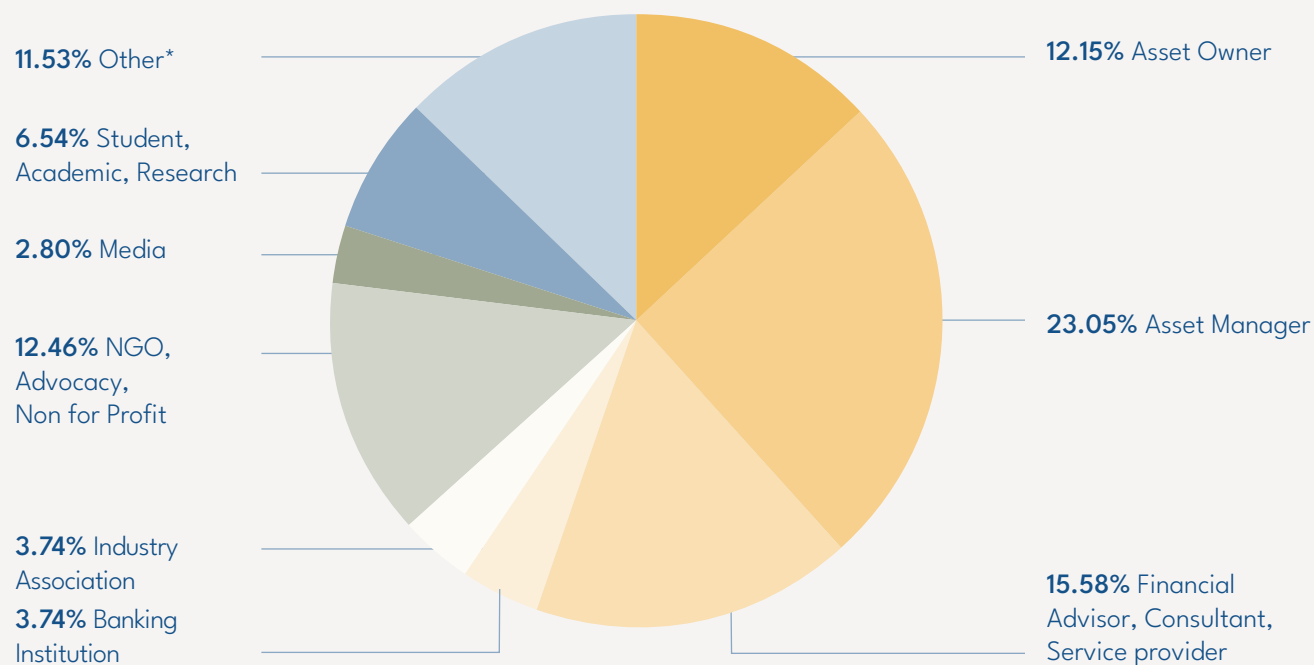
Our Annual Climate Change and Investment Summit remains the most valuable event on the calendar helping institutional investors manage the risks and opportunities of climate change. Held across 21-22 August in Sydney, this year's summit focused on the financial implications of climate change, the latest in investor practice, and the opportunities in the acceleration to decarbonise by 2050.

By furthering our mission and securing revenue crucial for supporting our operations and impact throughout the year, the Summit is an important project for IGCC.

Preparations have started for the 2024 Summit, which will be held on 7-8 November in Melbourne.

# Audience & Speakers.

## Industry Segmentation



The 'Other' category included: Reinsurance, Property, Mining / Energy.

**4**

Ministerial Keynotes

**61**

Speakers

**14**

Exhibitors & Sponsors



Professor Mark Howden, Director of the Institute for Climate, Energy and Disaster Solutions at The Australian National University, outlining the latest climate science at the IGCC Annual Summit.

# Sponsors.

Thank you to our speakers, sponsors and attendees who made this Summit an inspiring and informative event.

## Gold

IFM Investors 

 **Fidelity**  
INTERNATIONAL

**S&P Global**

NEUBERGER BERMAN

  
**Wilderness  
Society**  
Life. Support.

## Silver

  
New Forests



 Pathzero

 **AXA Climate**

 **alphinity**  
INVESTMENT MANAGEMENT

MSCI 

  
windlab

## Gala Dinner

**ANZ** 

## Supporter



## Coffee

 **EMMI**

## Media Sponsor

 **Sustainability**  
Integrating ESG for risk & return

# Gala Dinner and Awards.



Entertainment at the Gala Dinner provided by Nardi Simpson and Kaleena Briggs from The Stiff Gins, one of Australia's best known and most loved Indigenous music acts.



L-R: IGCC Chair, Stephen Dunne. IGCC CEO Rebecca Mikula-Wright. Professor Mark Howden ANU, Ian Woods, Saksham Malhotra (for Akaash Sachdeva) HESTA. Marwa Curran, IGCC. Dani Siew, IGCC. Zoe Whitton, Pollination. Michael Bones, IGCC.

Hosted during the Summit Gala Dinner, our Climate Awards acknowledge the outstanding commitment, innovation, and leadership demonstrated by individuals in tackling the pressing challenges of climate change.

## 2023 Award Winners

### Contribution to Investor Practice: Akaash Sachdeva, Manager of Responsible Investment at HESTA

Akaash's insights and active involvement with the IGCC Investor Practice team have paved the way for meaningful discussions. Moreover, his dedicated contributions to global sustainability are evident through his integral role in the Steering Group of the Paris Aligned Asset Owners Initiative.

### Best in Corporate Engagement: Ian Woods, Ian Woods Advisors

Ian Woods is a co-lead investor for one of the focus companies in Climate Action 100. His tireless efforts in advocating for improved corporate disclosure on critical matters, such as scenario analysis assumptions and emissions reporting boundaries, highlight his balanced and thoughtful approach.

### Driving the Policy Agenda: Zoe Whitton, Pollination

Zoe is honoured for her invaluable contributions as a policy thought leader and mentor to the IGCC team. Zoe's direct engagements with policymakers have played a pivotal role in translating IGCC's advocacy goals into impactful outcomes.

### Chair's Award for an Individual Advancing the Cause of Climate Investment: Professor Mark Howden, ANU

Professor Mark Howden is the Director of the Institute for Climate, Energy and Disaster Solutions at the Australian National University. His leadership in pioneering climate solutions, energy shifts, and disaster management highlights a strong commitment to sustainability. His ongoing efforts to educate investors, policymakers, and the broader community have made a substantial impact.



# 07: Asia Investor Group on Climate Change

# A Message from the AIGCC Chair.

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Sophia Cheng - Chair, AIGCC and Chief Investment Officer, Cathay Financial Holding Co. Ltd

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The Asia Investor Group on Climate Change (AIGCC) serves 71 members in 12 diverse Asian markets. It operates within the overall IGCC group but presents to the market largely as a separate brand and network.

Asian investors' beneficiaries are increasingly aware that they live in economies that are at the forefront of sea level rise, heat stress, flooding, and biodiversity loss, all accentuated by the hottest year on record. Asian investors are also realising the opportunities their economies can deliver in the transition to net zero: Manufacturing for solar and wind power in China and India, batteries and EVs in Korea, energy efficiency in Japan, critical minerals in Indonesia, green steel in Japan, Korea and China, and innovative green finance in Singapore and Hong Kong are but a few examples of these. The region has several manufacturing and primary industry leaders. With Europe and the USA increasingly looking to green their supply chains, a decarbonised Asia would have a strong export competitive advantage.

Asian investors, businesses and policymakers have a very clear alignment of interests: increased collaboration will result in faster action on mitigation, adaptation and will attract increased investment in transition opportunities.

So, this year, the catalytic potential of AIGCC to accelerate climate progress has started to become clear. The network has a highly engaged and active membership. They are rapidly building and sharing their already high climate expertise, engaging with high-emitting companies, and increasingly sharing their perspectives with policymakers.

## Member Growth

AIGCC's membership grew by 13 members during 2023.

# Workstreams.

## Investor Practice & Capacity Building

In our well-attended working groups, masterclasses, briefings, and roundtables, investors built their considerable expertise on topics including coal-phase out in Asian economies, the development of green hydrogen and other clean energy technologies, physical risks including water impacts, and carbon pricing.

Investors also contributed to the global frameworks that support investors' net zero journeys. These tools, and help using them are available to AIGCC members.

We are seeing more detailed action and engagement on climate from members, which reflects growing awareness of climate risks and opportunities across Asia's investment industry and the different nuances across Asian markets.

### Members' Climate Progress Indicators

84% have a climate policy (78% in 2022)  
 59% have a net zero target (51% in 2022)  
 75% have TCFD-aligned disclosure (75% in 2022)  
 75% have evidence of corporate engagement and stewardship (no data for 2022)  
 45% have evidence of climate aligned policy advocacy (no data for 2022)

The increased engagement reflects the region's high exposure to climate risks, although, as our latest survey data shows, capital flows in Asia are still far behind the goals of the Paris Agreement.

## Corporate Engagement

Our members invested their time and influence to engage with the companies in Asia that have challenging decarbonisation pathways. Of course, investors know that as befits their fiduciary duty, the best way to serve the long-term interests of their beneficiaries is to fully manage risks and opportunities, and that means accelerating the transition of heavy-emitting sectors in Asian economies.

### AIGCC's Asia Utilities Engagement Program (AUEP)

This is a corporate engagement program to help investors and service providers engage with Asia's systematically important electric utilities. It includes 18 members representing US \$13 trillion in AUM engaging 7 utilities across 5 markets. In 2023, investors saw some progress from some focus companies on coal phaseout and renewable energy commitments. They will be continuing to call for accelerated action and transition plans and focus on climate governance in the focus companies.

### Climate Action 100+ in Asia

AIGCC facilitates Climate Action 100+ in Asia, where local conditions require a nuanced, localised approach. As well as the ongoing engagement and assessment work that continues from Phase 1, new Asian companies have been added for Phase 2, namely: Baosteel, Tata Steel, Samsung Electronics, and Mitsubishi Heavy Industries.

The growing market share of Chinese and Indian steelmakers and the potential to decarbonise the industry presents an opportunity for AIGCC and Climate Action 100+ to focus on the sector. In October 2023, AIGCC convened a special closed-door, Chatham House roundtable with a focus on creating an enabling environment for a structured green transformation of Asia's steel sector.

## Policy

Through 2023, AIGCC has highlighted investor support for climate action from Asian governments at various national, regional, and international fora. We have actively been engaging on;

- energy transition,
- just and orderly transition,
- adaptation and resilience planning,
- data transparency through disclosure frameworks
- climate finance.

A highlight of the year was The Asian Leaders Sustainable Finance Development Programme, an event AIGCC produced in collaboration with Client Earth and the Oxford University Sustainable Finance Group.

For the first time, a group of regulators, banks, government representatives, think tank leaders, and top experts in sustainable finance across Asia gathered to discuss major challenges and opportunities in financing the energy transition.

Participants from more than 10 markets, including China, India, Indonesia, Japan, Malaysia, Mongolia, Philippines, Singapore, South Korea, Thailand, and Vietnam, attended the forum in July. The connections and relationships that we developed at that event have already been catalytic in opening doors for our members to enter policy-making circles. That will have profound influence on the speed of our region's transition to a resilient and net zero economy. AIGCC intends to scale up this work in the year ahead, working with regional and global partners.

# Selected Countries.

## Japan

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Japan is a key market for AIGCC. As is the case for other large and developed economies, it has high levels of absolute emissions and high emissions per capita. Therefore, accelerating the decarbonisation of the economy is a high priority in and of itself. Additionally, Japan occupies a leadership position in the region, and is a key link in value chains that traverse the region and the world, so we believe progress in the country has the potential for outsized influence in the region.

To that end, AIGCC has focussed on building relationships and profile in the market, and convening discussions where AIGCC members can share their perspectives and expectations for decarbonising and managing climate risks with policymakers and business decision-makers.

## Korea

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2023 marked an important new phase for AIGCC in Korea. The country is one of Asia's economic powerhouses and innovation hubs; Korean companies are committing capital to climate solutions, and during 2023, the country was the second largest manufacturer of EV batteries. However, as is true in almost every global market, greenhouse emissions continue to rise with growth of new industries.

A major step forward in decarbonising Korean economy, including their large semiconductor, automotive, and steel industries, would be to accelerate renewables replacing fossil fuels in their energy system.

Our focus on Korea culminated with our leadership team collectively visiting the country for a week of events and high-level meetings in early November. AIGCC developed and deepened trusted relationships with key policymakers, the Presidential Commission on Low Carbon & Green Growth, business decision-makers, and investors in the market, which will be crucial for shifting the economy onto a 1.5°-aligned pathway.

## China

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The green energy transition in China is well underway and it comes with enormous investment opportunities into low-carbon and green industries, as evidenced by the boom of renewable-energy installations domestically and those products for export such as electric vehicles, lithium-ion batteries, and solar batteries.

Given the vast scale of China's economy, and its place in global value chains for the net zero transition, AIGCC has increased the staffing, time, and attention focussed on the market.

In 2023, AIGCC launched a new working group for investors active in China, covering the local policy outlook, climate disclosures for Chinese investors, local corporate engagement, and climate capacity-building.

In the second half of the year, our networks in the country have strengthened. The AIGCC CEO and Directors are invited to speak at high-level industry and policymaker events.



# 08: Operations Supporting Success & Growth

Our back-office teams play a pivotal role in facilitating the success and growth of IGCC. Throughout 2023, we have implemented various initiatives aimed at promoting employee wellbeing, nurturing exceptional talent, and accelerating the impact, reach and growth of our organisation.

# A Message from our Director of Operations.

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Nicole O'Brien - Director of Operations, IGCC & AIGCC

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We are experiencing rapid growth and transformation within our organisation. Our influence is on the rise, along with a growing awareness of our mission and impact. The increased number of paying members in both IGCC and AIGCC throughout 2023 indicates a heightened sense of urgency among the investment community to accelerate the transition to a low carbon economy, and we anticipate this trend to continue in the years ahead.

We are focused on ensuring we have the right talent, culture, and systems to sustainably deliver on our ambitious climate action objectives. At the heart of our efforts is a commitment to employee wellbeing, talent development, and cultivating a healthy workplace culture that encourages innovation, creativity, and productivity.

Supporting these priorities is our focus on maintaining agility and resilience, ensuring we are well-equipped to navigate and address the challenges and complexities associated with climate change.

Throughout 2023, we have dedicated our efforts two key areas: retaining top talent to drive the organisation's growth and implementing appropriate systems to streamline and scale our operations.

# Key Projects in 2023.

## Employee Engagement and Retention

As financial institutions prioritise climate action, competition for talent with strong finance and ESG expertise has intensified, making it increasingly challenging to source professionals with the right skillset. That said, the quality of our work, the depth of our impact, and how we position and communicate our brand, mission, and values through 2022 helped us successfully attract top talent, as reflected in the success of our recruitment efforts this year. Now, our emphasis is on engaging and retaining our employees.

In 2023, employee satisfaction was healthy, as reflected through a Net Promoter Score of 66. Two key employee initiatives are worth highlighting as key contributors to IGCC being recommended as a great place to work:

**Employee Upskilling:** To build the team's capacity, help advance their careers and further their industry knowledge, we have provided training in a range of formats, including:

- Access to a new online course by Kaplan on Understanding Financial Markets,
- In-house training on Communicating with "Smart Brevity",
- A two-part course run by Dale Carnegie on Presenting for Impact.

We are also reviewing our in-house climate training, to be available in 2024.

**Staff Wellbeing:** Ensuring staff wellbeing is a top priority as we navigate the challenges of the climate emergency and cope with the often-overwhelming natures of the issues we address every day. To address this, we have been working with [Psychology for a Safe Climate](#), a Melbourne-based not-for-profit that builds people's capacity to constructively respond to climate change by promoting and strengthening mental health and wellbeing.

## Company-wide Systems Development

As our organisation and membership continues to grow, so does the need to improve the platforms, tools and processes we use to keep members and other stakeholders fully informed and engaged with our work.

**Customer Relationship Management System:** In 2022, we initiated a project to upgrade our customer relationship management platform and refine our use of it. In 2023, we successfully concluded this project, establishing HubSpot as now our centralised 'single source of truth' for member, partner and supporter, and contact information.

This initiative has enhanced our external communications and streamlined internal knowledge sharing. It has also played an important role in improving our data quality, supporting improved decision making and reporting to the satisfaction of our stakeholders.

**Websites:** We entirely overhauled and redesigned the website platform for IGCC and AIGCC. The project delivered on time, on budget, and to a high quality, with the agreed scope to:

- Increase the impact of our work,
- Convey our quality, expertise, and distinctiveness,
- Add to the value of membership (and make that value clear), by making information and resources easier to find,
- Provide a useful experience for other audiences (including policymakers, corporate decision-makers, funders, journalists, peers),
- Provide an 'on-ramp' for audiences looking at AIGCC and/or IGCC for the first time (or only looking at us rarely),
- Make the websites easier to maintain and update in-house.

# 09: Finance & Governance

# Treasurer's Report.

Sonya Sawtell-Rickson - Chief Investment Officer, HESTA

*This report covers IGCC at the 'group' level; that is, it covers IGCC and AIGCC together.*



It is a privilege to have served as the Treasurer of IGCC since February 2023 and I am delighted to present the Treasurer's Report for a highly successful financial year.

IGCC continues to grow as an organisation, with an increased membership base across the region. During the financial year, IGCC maintained its healthy financial position while delivering on its important mission.

Our generous partners continue to support programs that help us achieve our strategic objectives. This year, across IGCC and AIGCC, we received support from partners including but not limited to the Myer Foundation, Boundless Earth limited, Sea Change Foundation, Laudes Foundation, Sequoia Foundation, and ClimateWorks Foundation.

Expenses remained consistent with budget and in line with revenue received, and relate largely to employee wages, professional services, operational costs, and project specific expenses.

## Results & performance highlights (as at 30 June)

	2023	2022
Revenue	\$5,186,655	\$5,435,618
Expenses	\$4,933,979	\$4,355,288
Surplus	\$252,676	\$1,080,330
Accumulated Funds	\$2,418,225	\$2,165,549
Cash Position	\$3,469,200	\$2,572,756

This year IGCC increased its staffing expenses to grow both IGCC and AIGCC resources.

Overall, a surplus of \$252,676 was achieved for the year, contributing to improved organisational resilience for the future. The cash position of the organisation is set to ensure that the organisation remains solvent and operationally viable, taking into account the potential variability of grant funding, and accrued liabilities.

I would like to thank the IGCC staff, both in Australia and across Asia, for their unwavering dedication throughout the year. I would also like to thank my fellow Directors on the IGCC Board, past and present, who give up their valuable time, knowledge, and wisdom to support IGCC.

Finally, I would like to thank all members, supporters, and consultants for your belief in our mission, your trust in the organisation and your generous support. With you by our side, I look forward to another successful year for IGCC.



# 10: Our Management Team & Board

# Our Team.

Our team works closely with members in shaping priorities, delivering activities across workstreams, and representing the investment community on climate-related issues.

## Executive & Back Office



**Rebecca Mikula-Wright**  
Chief Executive Officer



**Nicole O'Brien**  
Director, Operations



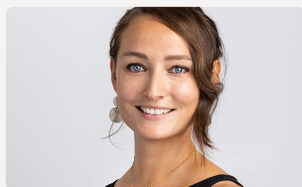
**Fergus Pitt**  
Director, Media, & Communications



**Matina Sarris**  
Head of Partnerships & Development



**Bethany Noble**  
Senior Communications Manager



**Rachael Millar**  
Senior Communications Manager



**Sashi Lata**  
Manager, Finance & Governance



**Cornelia Palleschitz**  
Events & Administration Lead

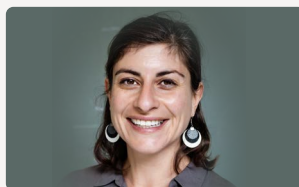
## Investor Practice



**Duncan Paterson**  
Director, Investor Practice



**Marwa Curran**  
Investor Engagement Manager

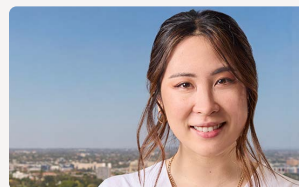


**Lisa Caripis**  
Investor Practice Program Manager

## Corporate Engagement



**Richard Proudlove**  
Director, Corporate Engagement

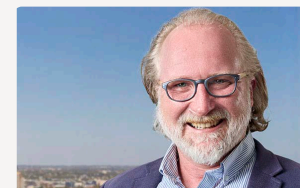


**Dani Sew**  
Snr Manager, Corporate Engagement



**Kate Donnelly**  
Manager, Corporate Engagement & Policy

## Policy and Advocacy



**Erwin Jackson**  
Managing Director, Policy



**Amy Quinton**  
Senior Manager, Policy



**Michael Bones**  
Manager, Advocacy



**Kate Simmonds**  
Physical Risk & Resilience Advisor



**Bethany Richards**  
Junior Policy Analyst

# Expansion of our Leadership Team.

In late 2022 and early 2023 IGCC welcomed three new directors, aligning with the expanded scope of strategic priorities within our organisation.



**Nicole O'Brien**  
Director of Operations, IGCC & AIGCC

Nicole O'Brien, an accomplished leader with expertise in organisational development, commercialisation, and financial management, is Director of Operations for both IGCC and AIGCC. Before joining, Nicole served as the CEO of start-up incubator Fishburners, and has held senior leadership positions at ACON, YWCA, and the Australian Conversation Foundation.

In this role, Nicole ensures our organisations possess the necessary talent, culture, systems, and processes to achieve our ambitious climate action objectives effectively and sustainably. Central to these efforts are employee wellbeing, talent development, and fostering a healthy workplace culture that encourages innovation and creativity. Nicole also led our Summit project in 2023.



**Duncan Paterson**  
Director of Investor Practice, IGCC

Seasoned responsible investment executive Duncan Paterson is now IGCC's Director of Investor Practice, a newly established position. With more than 25 years of industry expertise, Duncan has held several prestigious roles, including Global Head of ESG Thought Leadership at ISS ESG and Director and Chair of the Responsible Investment Association of Australasia, amongst others.

In this role, Duncan is responsible for driving climate-aligned investment across IGCC's membership and ensuring members are equipped with leading tools and knowledge to integrate climate risk and opportunities into their investment processes and manage their portfolios in line with net zero.



**Richard Proudlove**  
Director of Corporate Engagement, IGCC

Richard Proudlove is IGCC's Director of Corporate Engagement, a newly established role. Previously, Richard was a key member of KPMG's Climate Change and Sustainability team, providing advisory services to companies concerning their climate commitments and transition strategies. He also led ClimateWorks Centre's Net Zero Momentum Tracker, a research and engagement campaign examining the climate commitments of Australia's largest organisations.

In this role, Richard champions climate progress in the corporate sector, a key component of the transition to a low-carbon economy. This involves overseeing the facilitation of the Climate Action 100+ in Australia and New Zealand. Richard sits on the initiative's global steering committee.

# Our Board.

All board directors are from organisations that are members of IGCC.



**Stephen Dunn**  
Chair | Board Director, Chair of  
Investment Committee, CBUS



**Damian Graham**  
Full Member | Chief Investment  
Officer, Aware Super



**Ian Patrick** Chief Investment  
Officer | Chief Investment Officer,  
Australian Retirement Trust



**Dan Chi Wong** Deputy Chair  
(AIGCC) | Head of ESG  
Integration (APAC), Schroders



**Sybil Dixon**  
Secretary | Head of ESG Product,  
Vanguard



**Helga Birgden** Deputy Chair |  
Partner & Global Business Leader  
Responsible Investment, Mercer



**Andrew Gray**  
Full Member | Head of ESG and  
Stewardship, AustralianSuper



**Rajinder Singh**  
Full Member | Portfolio Manager,  
Pandal Group



**Sophia Cheng**  
Chair (AIGCC) | Chief Investment  
Officer, Cathay Financial Holdings



**Sonya Sawtell-Rickson**  
Treasurer | Chief Investment  
Officer, HESTA



**Ed John** Associate Member |  
Executive Manager – Governance  
and Engagement, ACSI



**Zoe Whitten**  
Associate Member | Executive  
Director, Pollination



**Mark Knight**  
Full Member | Chief Executive  
Officer, Ausbil

*Rajinder Singh has stepped off the IGCC board after more than 10 years. We thank him for his important and long-running contribution to our mission. We would also like to welcome Chris Fayers – Head of Regnan Australia – to our board in 2024.*

# 11: External Partners and Supporters



# Growing Partnerships and Development Initiatives with Our External Partners and Supporters.

Our work at IGCC is supported by membership fees as well as by contributions from the following partners, foundations, sponsors, and supporters, as well as those who wish to remain anonymous.

We would like to thank these organisations for their ongoing support in 2023, which has enabled us to create real-world outcomes across our key strategic areas on a local level and progress our co-led global programs in collaboration with our international peers. This critical support has enabled innovation, growth, and change.

Some of these include:



*The Myer Foundation*



*Boundless Earth*



*Climateworks Foundation*



*Children's Investment Fund Foundation*



*Laudes Foundation*



*Seachange*



*Sequoia Climate Foundation*

Climate Action 100+ is made possible by the support of the following partners and supporters and others who wish to remain anonymous.

These include:

# 12: Appendices

# Appendix A: Our Members.

IGCC's membership includes a broad range of asset owners and asset managers, including many of the largest global and Australian institutional investors. As the importance of climate change grows within the investor community and the impact of our work becomes more apparent, our membership continues to grow.

New members are reflected in **bold**.

## Asset Consultants

1. Frontier Advisors
2. JANA Investment Advisers
3. WTW

## Asset Managers

1. abrdn
2. Adamantem Capital
3. Alphinity
4. AMP
5. **Apostle Funds Management**
6. Ausbil
7. AXA Investment Managers
8. Barings
9. BlackRock
10. Booster
11. BT
12. Dexus
13. EG
14. Ethical Partners Funds Management
15. Fidelity International
16. First Sentier Investors
17. GGP Energy

18. IFM Investors
19. Investa
20. Investible
21. Lighthouse Infrastructure
22. **Macquarie Asset Management**
23. Magellan Financial Group
24. **Maple-Brown Abbott**
25. MaxCap Group
26. Melior Investment Management
27. Mercer
28. Metrics Credit Partners
29. MLC Asset Management Services
30. Morrison and Co
31. Munro Partners
32. **Myer Family Investments**
33. Nanuk Asset Management
34. New Forests
35. Pathfinder
36. Pandal Group
37. Perpetual Group
38. PIMCO
39. Platypus Asset Management
40. QIC
41. Qualitas
42. Sentient Impact Group
43. Stockland
44. **Triple Eight Capital**
45. Vanguard
46. **Viridios Capital**
47. **Windlab**
48. Woodbridge Capital

## Asset Owners

1. Active Super
2. Australian Ethical Investment
3. Australian Retirement Trust
4. AustralianSuper
5. Aware Super
6. CareSuper
7. Cbus Super
8. Colonial First State
9. Commonwealth Superannuation Corporation
10. Equip Super
11. ESSSuper
12. HESTA
13. **Hostplus**
14. Lendlease
15. NZ Super Fund
16. QBE Insurance Group
17. REI Super
18. Rest
19. State Super
20. TCorp
21. TelstraSuper
22. TWUSUPER
23. UniSuper
24. University of Melbourne
25. University of Sydney
26. Victorian Funds Management Corporation

## Industry Associations

1. Australian Council of Superannuation Investors
2. Australian Institute of Superannuation Trustees
3. Australian Investment Council
4. Australian Property Institute
5. Carbon Market Institute
6. **Resilient Building Council**
7. Responsible Investment Association Australasia

## Investment Brokers

1. Citi
2. Regnan

## Law Firms

1. Baker McKenzie
2. MinterEllison

## Service Providers

1. Brunswick
2. Energetics
3. Engevity
4. **ERM**
5. EY
6. **FairSupply**
7. FTSE Russell
8. ISS ESG
9. Monash Centre for Financial Studies
10. MSCI
11. **Pathzero**
12. Pollination Group
13. S&P Global
14. ScientificBeta
15. **Socialsuite**
16. The Climate Risk Group

# Appendix B: Net Zero Investor Initiatives | IGCC Member Signatories.

IGCC is the local secretariat for two global initiatives, the Net Zero Asset Managers (NZAM) initiative and Paris Aligned Asset Owners (PAAO). With more than 400 signatories combined, these initiatives bring together investors committed to supporting the global goal of achieving net zero emissions by 2050.

New signatories reflected in **bold**.

## Net Zero Asset Managers (NZAM)

- |                                      |                                 |
|--------------------------------------|---------------------------------|
| 1. Abrdn                             | 10. First Sentier Investors     |
| 2. <b>Alphinity</b>                  | 11. IFM Investors               |
| 3. <b>AMP Wealth Management</b>      | 12. Investible                  |
| 4. Apostle Funds Management          | 13. Macquarie Asset Management  |
| 5. Axa Investment Managers           | 14. Magellan Financial Group    |
| 6. Blackrock                         | 15. Maple Brown Abbott          |
| 7. BT Funds Management NZ            | 16. Metrics Credit Partners     |
| 8. Ethical Partners Funds Management | 17. New Forests                 |
| 9. Fidelity                          | 18. <b>QIC</b>                  |
|                                      | 19. <b>Triple Eight Capital</b> |
|                                      | 20. WTW                         |

## Paris Aligned Asset Owners (PAAO)

- |          |                  |
|----------|------------------|
| 1. HESTA | 2. NZ Super Fund |
|----------|------------------|

Two other asset managers headquartered in Australia or Aotearoa New Zealand are part of NZAM (as PRI members, not IGCC members). Three Aotearoa New Zealand asset owners are part of PAAO but are not IGCC members.

[The full list of NZAM signatories is available here.](#)  
[The full list of PAAO signatories is available here.](#)

Some IGCC members are also part of the Net Zero Financial Service Providers Alliance, Net Zero Investment Consultants Initiative, Net Zero Asset Owner Alliance, Net Zero Insurance Alliance, or Net Zero Banking Alliance. These are sector-specific alliances under the Glasgow Finance Alliance for Net Zero (GFANZ) and a formal partner of Race to Zero. Those alliances have not been listed above as they are not administered or facilitated by IGCC but by other international climate networks.

# Appendix C: Direct Engagement Meetings.

## With the Australian Federal Government, Parliament & Public Service

- Senator the Hon. Penny Allman-Payne
- The Hon. Simon Birmingham, MP
- The Hon. Alison Byrnes, MP
- The Hon. Chris Bowen MP
- Senator the Hon. Andrew Bragg
- The Hon. Jim Chalmers MP
- The Hon. Kate Chaney, MP
- The Hon. Zoe Daniels, MP
- The Hon. Warren Entsch, MP
- Senator the Hon. Katy Gallagher
- Senator the Hon. Karen Grogan
- Senator the Hon. Jane Hume
- The Hon. Ged Kearney, MP
- Senator the Hon. Jenny McAllister
- The Hon. Emma McBride MP
- Senator the Hon. Nick McKim
- The Hon. Ted O'Brien MP
- Senator the Hon. David Pocock
- The Hon. Sophie Scamps MP
- The Hon. Zali Steggall, MP
- The Hon. Monique Ryan, MP
- Chief of Staff to the Hon. David Pocock, MP
- Chief of Staff to the Hon. Sussan Ley, MP
- Chief of Staff to the Hon. Terri Butler, MP
- Office of Senator the Hon. Murray Watt
- Office of the Hon. Adam Bandt MP
- Office of the Hon. Anthony Albanese MP
- Office of the Hon. Ted O'Brien MP
- Office of the Hon. Jim Chalmers MP
- Office of the Hon. Angus Taylor MP
- Office of the Hon. Chris Bowen MP
- Office of the Hon. P. Dutton, MP
- ARENA
- CSIRO
- Clean Energy Finance Corporation
- Climate Change Authority
- Commonwealth Treasury
- Department of Climate Change, Energy, the Environment and Water
- Department of Foreign Affairs and Trade
- Department of Industry, Science and Resources
- Department of Prime Minister and Cabinet
- Department of the Treasury
- National Emergency Management Agency
- Net Zero Economy Agency

## With Australian Regulators & Standard Setters

- Australian Energy Market Operator
- Australian Energy Regulator
- Australian Prudential Regulation Authority
- Australian Securities and Investments Commission
- Clean Energy Regulator
- Reserve Bank of Australia

## With the Aotearoa New Zealand Government and Public Service

- External Reporting Board
- Reserve Bank New Zealand

## With Diplomats

- Vicki Treadell, British High Commissioner to Australia
- David McNaught, Head of Political and Climate, British High Commission Canberra
- Michael Sullivan, Counsellor for Economic Affairs, U.S. Embassy Canberra
- Rachel Walsh, National Intelligence Manager for Climate and Global Issues, Office of the Director of National Intelligence (ODNI).
- Andrew Carlson, Director for Global Health, ODNI



# Appendix D: Working Groups, Master Classes and Additional Thought Leadership Publications.

# Policy & Advocacy.

## Working Groups

In our Working Groups we share information, build capacity, and work on collaborative projects with members.

### Policy and Advocacy Working Group

Our Policy and Advocacy Working Group coordinates on government engagement and maintains oversight on the role of companies and industry associations in delivering constructive climate policy outcomes.

Routine meetings were held four times in 2023, with occasional ad-hoc briefings and discussions as needed. When drafting submissions or developing major research publications we consult with sub-groups.

### Energy Sub-Working Group

Our Energy Working Group helps to unlock policy settings that will give new renewables projects the appropriate scale and risk-return profiles for investors to confidently allocate capital.

Factors include the supply, demand, and exit considerations that are impacting the transition to a zero-emissions electricity system and clean exports. This sub-group was established in June 2023. It has been successful in attracting speakers across government, industry, and academia, and has produced four submissions this year.

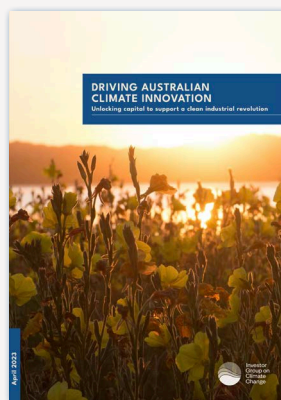
### Disclosure Sub-Working Group: “TCFD Champs”

This informal Working Group was convened to provide targeted input in government consultation processes on mandatory climate-related disclosures. The group met several times this year and provided substantial review and feedback on IGCC written responses.

## Thought Leadership Publications

Our [thought-leading resources](#) are based on exclusive research and our unique position in a network of investors, analysts, academic researchers and policymakers.

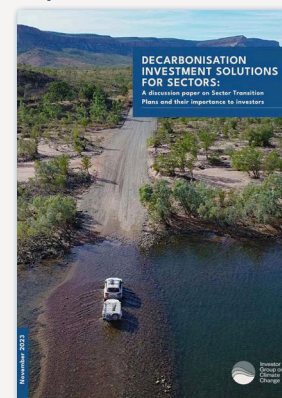
### Driving Australian Climate Innovation - April 2023



Institutional investors, many of whom have set targets for ‘climate solutions’ investments, and collectively manage trillions of dollars, are not finding enough attractive opportunities to sufficiently invest in Australian transition industries. Our paper draws on lessons from five markets that have built the world’s most successful climate industries to provide a clear picture of international best practice. It recommends the specific policies and overall political approaches that Australian governments can and should adopt to support

investor interest in Australia’s green industry potential. The report was delivered by global climate change investment and advisory firm, Pollination. Read the full report [here](#).

### Decarbonisation investment solutions for sectors: A discussion paper on Sector Transition Plans and their importance to investors - November 2023



Actionable sector plans underpinned by decarbonisation pathways will drive economic growth and attract investment while seizing on the net zero transition opportunities. Accordingly, investors have identified investable sector plans as their highest policy priority to attract capital to the transition in Australia. Based on in-depth

consultation with institutional investors, our report supports a broader discussion on how sector plans can deliver investment into just and orderly transition to net zero emissions by outlining the investment industry’s needs from the Governments sector-by-sector climate plans.

The report also outlines what sector plans are not and how companies and governments can use sector plans to attract capital to transition activities.

The paper was prepared by Dr Ian Woods and Dr Rory Sullivan at Chronos Sustainability. [Read the full report here.](#)

# Investor Practice.

## Working Groups

Our working groups provide members unique opportunities to hear from technical experts and share their investment integration challenges and successes.

### Paris Aligned Investment

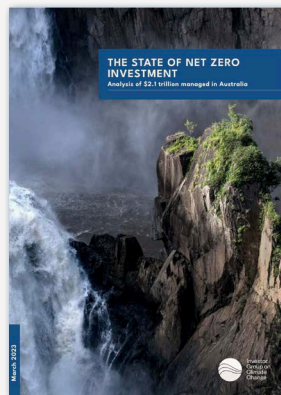
The Paris Aligned Investment Working Group covers the essential tools for climate solutions, drives net zero implementation by facilitating participation in leading net-zero initiatives, encourages robust climate action plans, and leads the development of the State of Net Zero 2024 reports for Australia and Aotearoa New Zealand.

Our Investor Practice team supports working group members by delivering bi-monthly meetings. In 2023, these focussed on the latest updates to asset class guidance for the Net Zero Investment Framework.

In 2024 this working group will be renamed as the Investor Practice Working Group

## Thought Leadership Publications

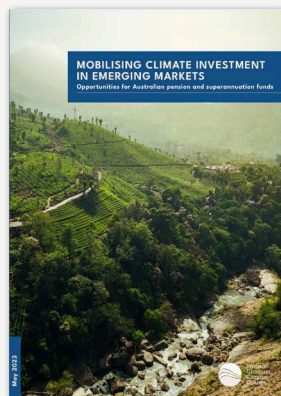
### Australia: 2023 State of Net Zero Investment



Insight into climate-aligned investing, opportunities and challenges for asset owners and fund managers in Australia. The March 2023 edition of this report reflected responses from 53 investors with median assets under management (AUM) of \$28 billion, providing the collective views of approximately 60% of the AUM in Australia.

[Read the 2023 report here.](#)

### Mobilising Climate Investment in Emerging Markets: Opportunities for Australian Pension and Superannuation Funds



Published in May 2023, this report provides a summary of the barriers and opportunities for Australian superannuation funds looking to invest in climate solutions in emerging markets in our region.

[Read the report here.](#)

## Masterclasses

IGCC held four interactive Investor Practice Climate Masterclasses across 2023, focussing on the granular, practical actions investors can take to drive portfolio climate resilience. They showcased best practice from international investors and drew on the experience of leading investors in Australia and New Zealand. These sessions covered:

**Session 1: ‘Assessing Sovereign Climate-Related Opportunities and Risks (ASCOR) Regional Roundtable Consultation’:** This session explored one of the emerging practical tools to understand sovereign climate risks and opportunities and to highlight transition investment opportunities.

**Session 2: ‘Effective Engagement in a Time of Heightened Scrutiny’:** This session focussed on helping participants to approach and disclose climate engagement in a way that stands up to external scrutiny.

**Session 3: ‘Nature and Climate’:** This session explored the nexus between climate investment and land use practices, drawing on local experience with the Taskforce on Nature-Related Financial Disclosures (TNFD) and the regulatory perspective.

**Session 4: ‘Investor Climate Disclosures’:** With the introduction of mandatory climate reporting in Australia and New Zealand, this Masterclass explored the why, what, and how of investor climate disclosures.

# Corporate Engagement.

## Working Groups

### Corporate Engagement Working Group

Our Corporate Engagement Working Group is open to all IGCC investor members and Climate Action 100+ signatories. The working group provides a forum to discuss and build understanding of the priorities and challenges associated with climate related corporate engagement. It hosts presentations and briefings from a range of experts and market stakeholders. Sessions include updates related to Climate Action 100+, the IGCC Lead Investor Working Group, and sector and thematic engagement activities.

### Lead Investor Working Group

Our Lead Investor Working Group is a closed forum for Australian and New Zealand Climate Action 100+ Lead Investors to discuss engagement activities and challenges within the context of Climate Action100+ Australian focus company engagements. Its key purpose is to ensure a common understanding of lead investor expectations, identify and address engagement support needs, and share progress updates.

## Thought Leadership

### Emissions-Intensive Asset Exits: A Universal Owner Perspective on Sales and Managed Closures



Investor engagement with companies on their climate transition exposure, and associated fossil fuel exclusion policies, has created an incentive for some companies to sell emissions-intensive assets. While this might decrease company-specific climate-related risks, system-wide emissions and climate risks might increase, particularly if assets are transferred to operators without equivalent climate commitments or disclosures. This is not in the best long-term financial interests of investors and their fiduciaries. This paper summarises insights from an IGCC member roundtable that explored options for investors to minimise perverse outcomes from the sale of high-emitting assets.

[Read the paper here.](#)



Investor  
Group on  
Climate  
Change

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