



AIGCC

ASIA INVESTOR GROUP
ON CLIMATE CHANGE

PRI APAC Climate Series: Transition Planning Workshop

Investor Climate Action Plans (ICAPs)

Presented by: Serena Li, Manager, Investor Practice
Date: 22 April 2024

70+ Members

Asset Owners & Managers

11 Markets

Members' Asian Headquarters

\$35 Trillion

Members' AUM (USD)

We are a not-for-profit organisation. Our work is funded by members' fees, philanthropy, partnerships, and sponsorship from supporters who understand the power of capital to support climate action.

ICAPs as a Transition Planning Framework/Tool

1. Purpose
2. Implementation-focussed view
3. Emerging practices from ICAPs that help transition planning
4. How to get started on the ICAPs

Purpose:

How do the ICAPs help investors with their transition planning?

ICAPs is a tool to support investor climate action

Audience: Investors in all stages of their climate action and transition planning journey

Use case:

- Does not replace existing climate-related reporting mechanisms
- Provides investors with clear expectations on how to issue and implement, as well as navigate existing climate change initiatives
- Supports and communicates investor transition strategy planning, accelerates ambition
- Elements of ICAPs can be embedded into existing investment beliefs, transition plans, and disclosures

Implementation-focused view:

What are the major components of the ICAPs?

ICAPs resources

1. ICAPs Expectations Ladder

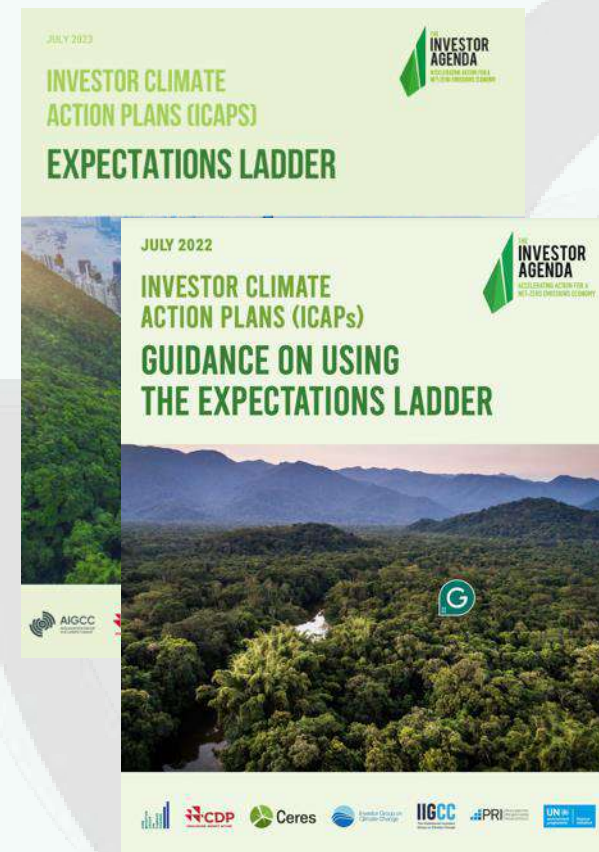
- Summary of actions across interlocking areas
- From beginner (Tier 4) to net zero (Tier 1)

2. ICAPs Guidance

- Explains Ladder
- Gives direction on how to progress across Tiers

3. Investor case studies

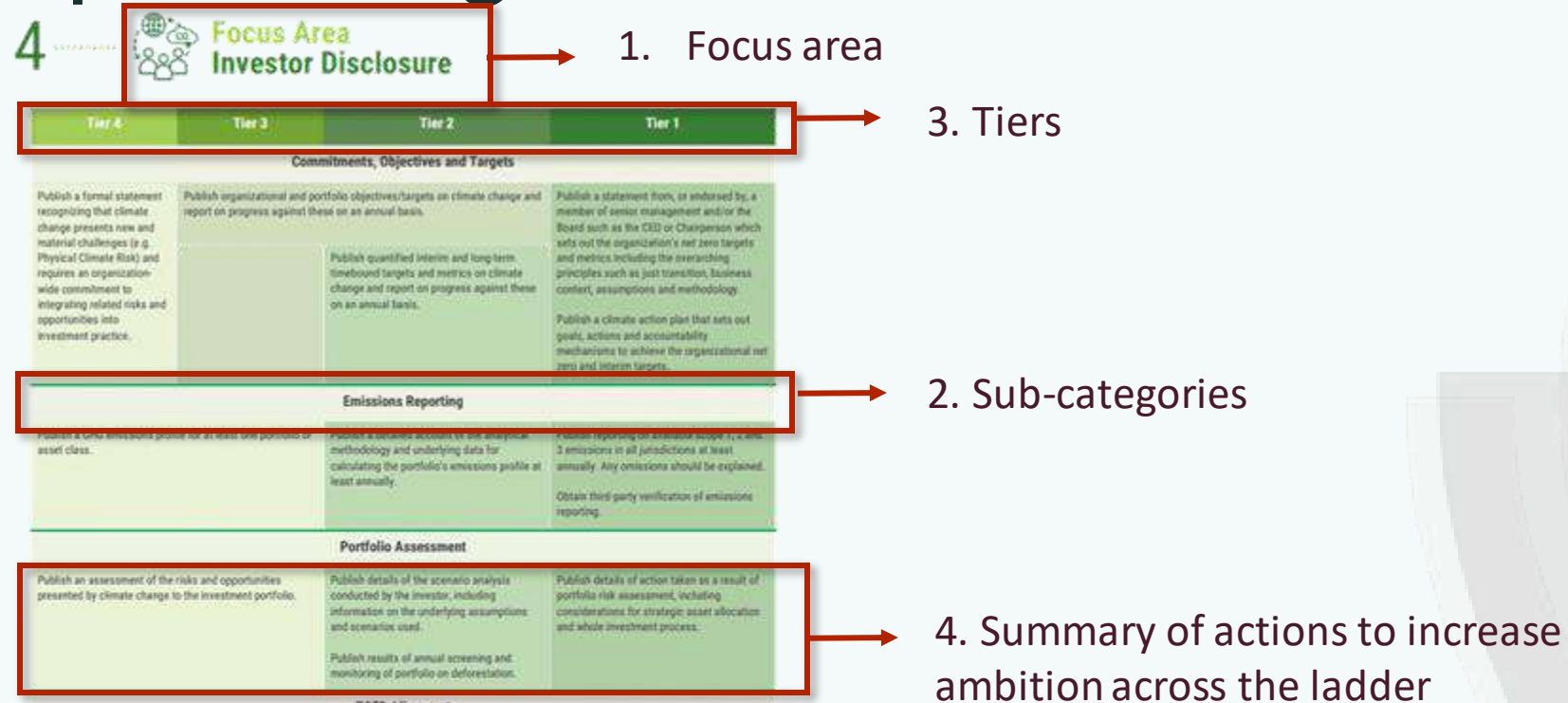
- Available on the [Investor Agenda website](https://www.investoragenda.net)



The ICAPs Ladder and Guidance are updated every two years to keep up with the evolving regulations and trends in the climate investment landscape

[ICAPs Expectations Ladder](#)
[ICAPs Guidance](#)

Interpretating the ICAPs Ladder



Note:

- Investors may be in different Tiers in different focus areas.
- Investors may also be in different Tiers within a focus area, e.g. Tier 1 in 'Commitments, Objectives, and Targets', but Tier 4 in "Progress of Assessment Reporting"

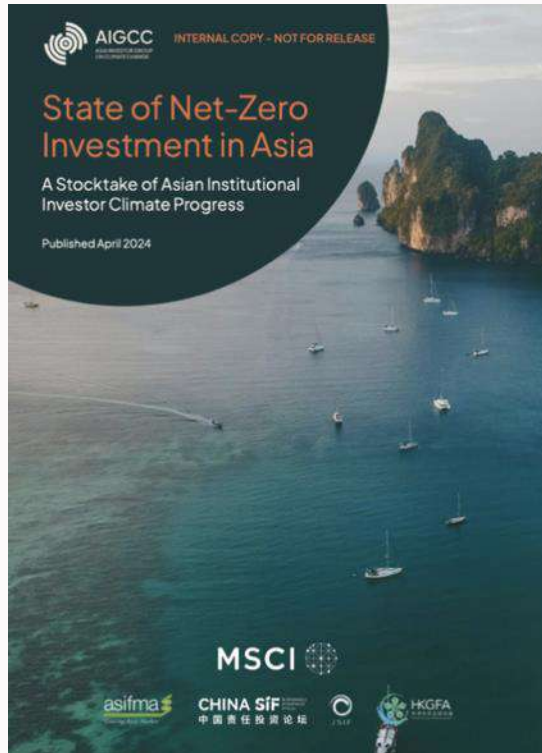
Emerging practices from ICAPs that help transition planning

Insights from AIGCC's annual 'State of Net Zero Investment in Asia' report

Overview

A stock take of climate progress of 200+ asset owners and fund managers in Asia.

Analysis includes 183 investors headquartered in Asia.



[Report available here](#)

100 Asset Owners

Including Asian headquartered pension funds, sovereign wealth funds, insurance companies etc

116 Asset Managers

Headquartered in Asia and global fund managers invested significantly in Asia

58 AIGCC Members

Intertwined within the asset owners and asset managers

15 Asian Markets

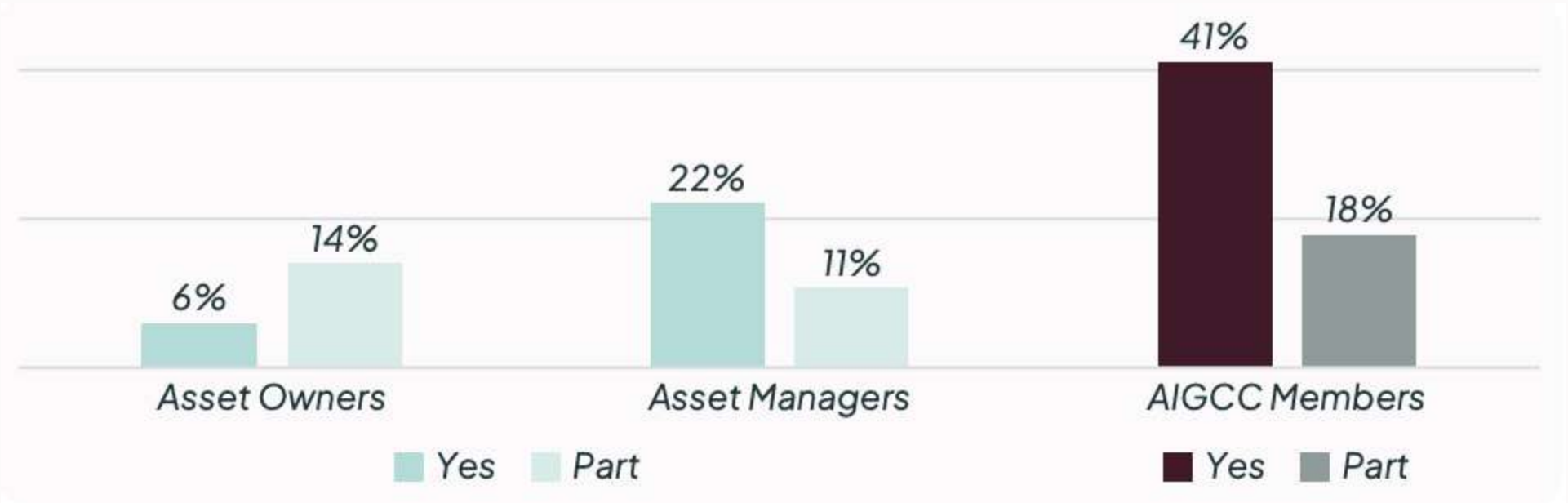
Investor headquartered regions included

\$76+ trillion USD

Collective AUM (USD)

NB: Investor Group on Climate Change (IGCC) will be releasing a similar report with results from investors in Australia and New Zealand.

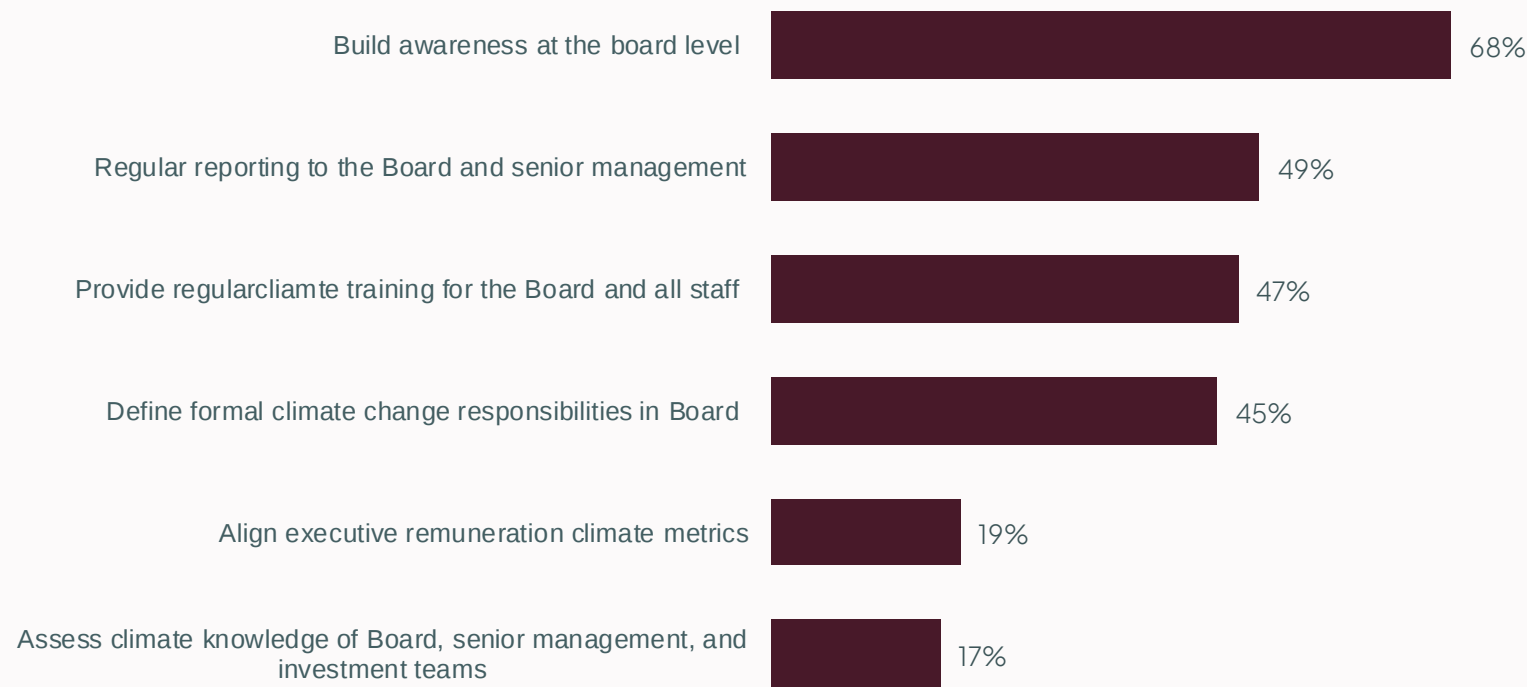
Investors working to set transition plans



Criteria: 200+ Asia investors who published an investor climate action plan.

AIGCC Member Insight area 1: Climate Governance Governance Structures

More than two-thirds of investors surveyed are implementing climate strategies at the board level.

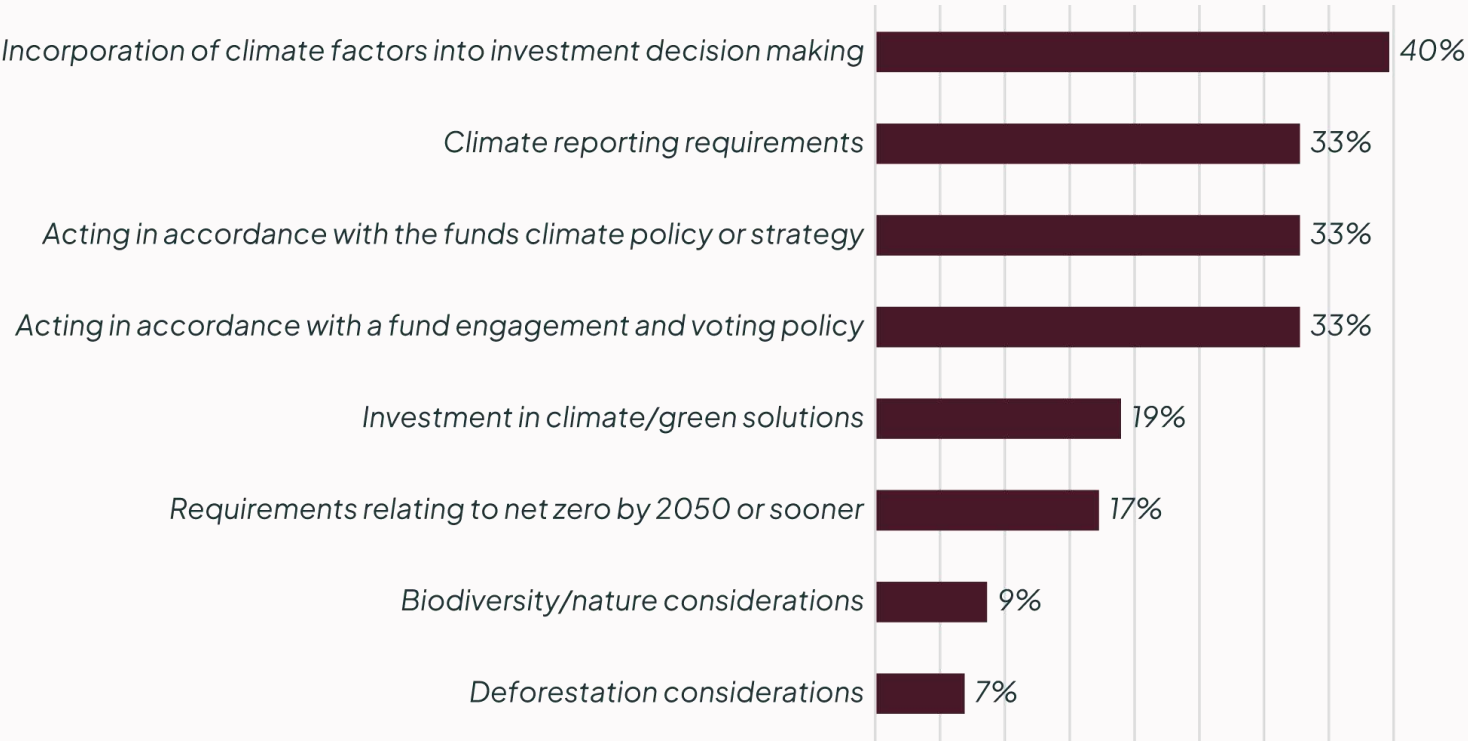


(AIGCC Net zero survey, 47 responses). Regarding your organisational governance structures regarding climate change, which of the following do you generally satisfy?

AIGCC Member Insight area 2: Investment Investor Mandates

Clear and informed client mandates support climate aligned investment.

Which of the following climate considerations do the client mandates
you enter into typically include? (AIGCC Net Zero Survey, 49 responses)

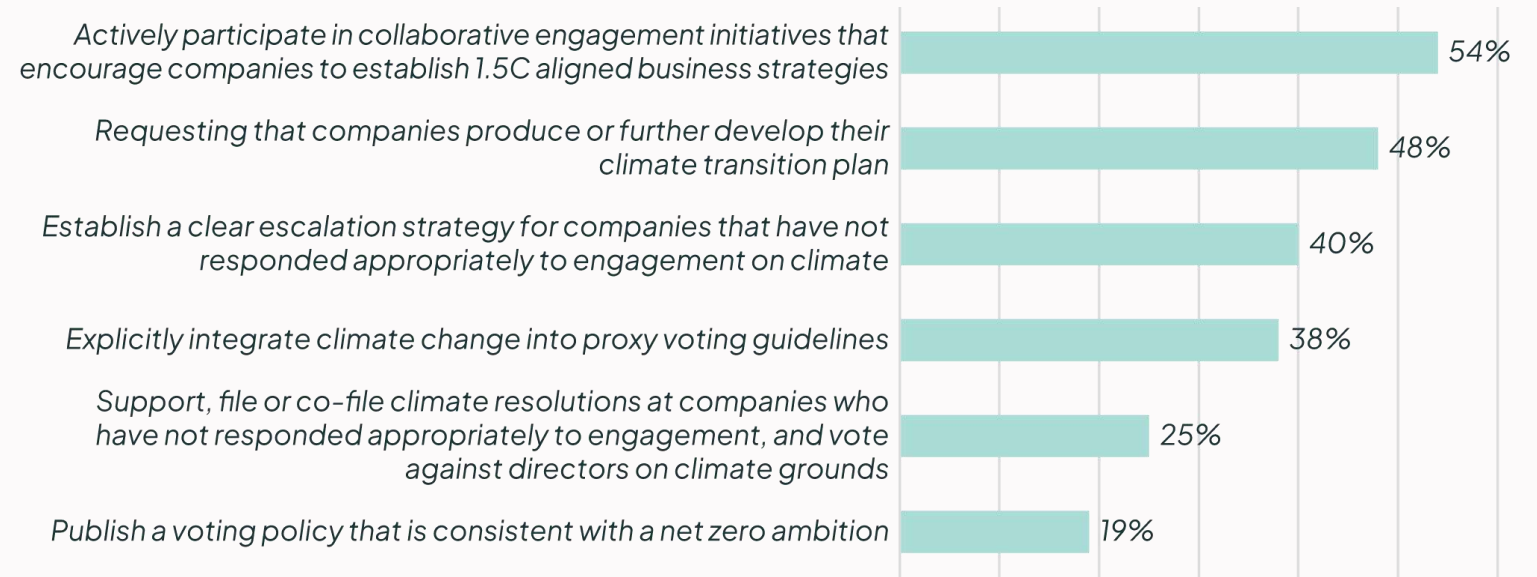


AIGCC Member Insight area 3: Corporate Engagement Engagement Strategies

Investors are deploying a range of corporate engagement strategies.

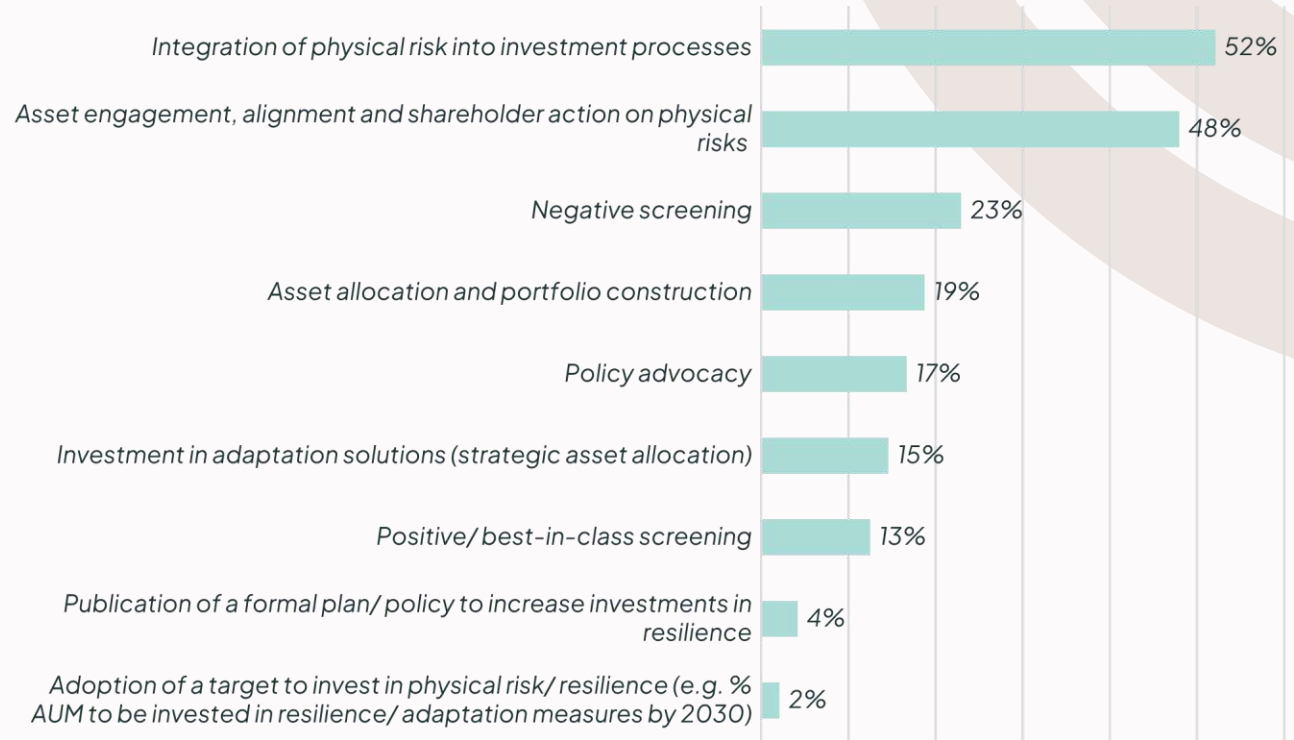
48% of investors have investor expectations for companies to produce net zero transition plans. This notion of transition planning is crucial.

Which of the following shareholder engagement and corporate escalation activities do you deploy to increase the profile of engagement? (AIGCC Net Zero Survey, 48 responses).



AIGCC Member Insight area 4: Disclosures Physical Risk

Investors are beginning to respond to physical risks, but there is more to be done.



What type of responses to physical risk are being implemented to increase resilience? (AIGCC Net Zero Survey, 48 responses).

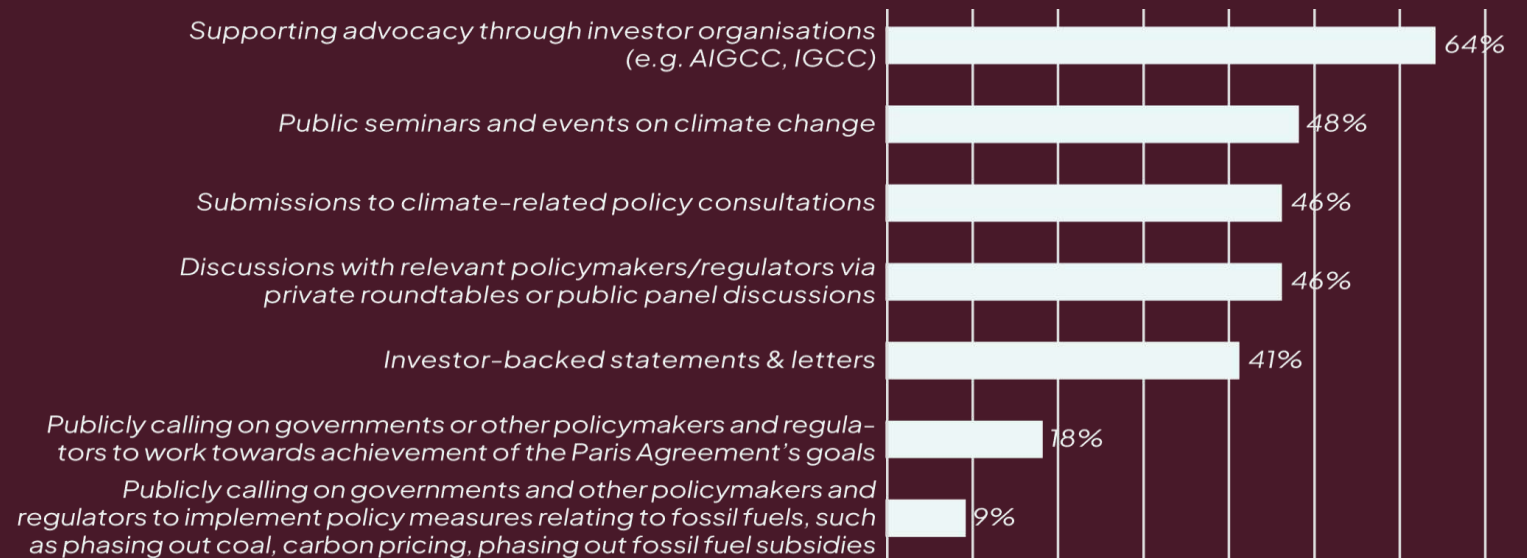
AIGCC Member Insight area 5: Policy Advocacy

Investor climate policy advocacy, on the rise.

Many investors recognise their influence on policymakers and view climate policy engagement as an extension of investor responsibilities.

However, many investors across Asia do not yet disclose climate policy actions or strategies.

Please indicate any of the following types of policy advocacy you have undertaken over the past 12 months regarding climate change? (AIGCC Netzero survey, 56 responses).



How to get started on the ICAPs

Example actions across the ICAPs

Governance	Investment	Corporate Engagement	Policy Advocacy	Investor Disclosure
- Participate in peer-to-peer closed door dialogues on different approaches and perspectives - Include climate change in investment policies - Develop ICAPs with board endorsements	- Set science-based targets using frameworks like NZIF, NZAOA - Make net zero commitments, e.g. Net Zero Asset Managers (NZAM) Initiative, Paris Aligned Asset Owners initiative - Invest increase proportion of portfolio in companies that are aligned to 1.5°C	Join engagement initiatives like CA100+ or Asian Utilities Engagement Program (AUEP), which help set a common agenda Investor Expectations for investee companies	- Sign-on the Global Investor Statements that calls for governments to implement policy measures aimed at achieving net zero emissions by 2050 or sooner - Participate in multistakeholder roundtable discussions on energy transition Respond to public consultations through in dustry associations or bilaterally	Develop and communicate your disclosures via ICAPs, which can be standalone or embedded into other frameworks.

Summary

- ICAPs is tool to support investor climate action and accelerate ambition through a 4-tiered approach
- Investors can use the ICAPs as a strategy planning exercise across the focus areas:
 - Investment
 - Corporate Engagement
 - Policy Advocacy
 - Investor Disclosure
 - *across an overarching theme of Governance*
- Consider practical implementation exercises noted in earlier slides to get started on the ICAPs

Thank you!

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<https://aigcc.net/>

<https://www.linkedin.com/company/asia-investor-group-on-climate-change>

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