



# INVESTORS STEP UP CLIMATE ACTION

The Investor Agenda calls on global investors to accelerate and scale up the actions that are critical to tackling climate change and achieving the goals of the Paris Agreement. It is a comprehensive agenda for investors to manage climate risks and capture low-carbon opportunities, and a mechanism to report and showcase their actions in four key focus areas: Investment, Corporate Engagement, Investor Disclosure and Policy Advocacy.

## Nearly 400

### investors

*accelerating climate action\**

## US \$32

### trillion

*in assets under management*

Significant investor action is already being captured under the Investor Agenda, across Investment, Corporate Engagement, Policy and Investor Disclosure.

## INVESTMENT

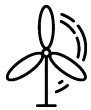
*This focus area reflects investment actions that include reporting on new and existing low-carbon investments and commitments; phasing out investments in coal; and integrating climate change into portfolio analysis and decision-making.*

### Examples of action:



**Allianz** excludes coal-power generation and mining as well as related infrastructure from its proprietary investments and stopped underwriting single coal power plants. By 2040, in a step-by-step process, Allianz will have phased out both its proprietary investments in coal-based business models and its insurance coverage of such risks. Allianz also joined the

Science Based Targets initiative and committed to set itself long-term climate goals linked to the below 2° target of the Paris Agreement - not only for its own business operations but also for its proprietary investments.



**Amundi** recently launched Amundi Planet Emerging Green One, now the largest green bond fund with US\$1.4 billion in AUM. The fund combines an innovative risk sharing mechanism provided by development finance institutions and a technical assistance facility for developing green bonds in emerging markets.



Dutch pension fund manager **APG Asset Management**, on behalf of its major client ABP, increased its sustainable energy investments from €2.6 billion in 2015 to €4.8 billion in 2017. APG has set 2020 targets to reduce the carbon footprint of its listed equity portfolio by 25% (against a 2015 baseline) and to invest €58 billion for ABP in line with the UN Sustainable Development Goals.



**CalPERS**, the largest public pension fund in the U.S. with \$360 billion in AUM, has over \$8 billion in investments in a variety of low-carbon funds, strategies and assets, mainly renewable energy and LEED certified real estate. In 2017, CalPERS began phasing out investments in companies deriving a significant portion of their revenues from thermal coal. CalPERS plans to systematically increase its investments in energy efficiency in its real estate portfolio through its Energy Optimization Initiative and continue investing in economically attractive renewable energy opportunities.



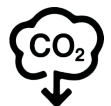
**CalSTRS** divested all of its U.S. and non-U.S. thermal coal holdings between 2016-2017, representing a total of \$9.8 billion in investments, and prohibits any future active non-U.S. thermal coal investments. CalSTRS also continues to invest in green bonds in its Fixed Income Portfolio, and as of June 2017, it had green bond holdings worth almost \$255 million with nearly 30 percent of the proceeds going to renewable energy projects.



This week, **Candriam** announces it is stopping all investments in companies with more than 10% revenue exposure to thermal coal activities, and will be divesting out of existing positions before the end of 2018. Companies that launch new thermal coal projects will also be excluded even if their revenue exposure remains under 10%.



Australian superannuation fund **Cbus** is a leading investor in low-carbon property development, including investment in over A\$2 billion in green buildings.



**La Caisse de dépôt et placement du Québec** (CDPQ), Canada's second largest pension fund, has committed to increasing its low-carbon investments by 50% by 2020, representing more than US\$6.2 billion in new investment. CDPQ also pledged to reduce the carbon intensity of its overall portfolio by 25% by 2025.



In January 2018, **New York State Comptroller** Thomas P. DiNapoli put an additional US\$2 billion into the state's groundbreaking low emissions equities index, raising the fund's commitment to its sustainable investments portfolio to US\$7 billion.



In January 2018, New York City Mayor Bill De Blasio and Comptroller Scott Stringer announced a goal for New York City to divest its pension funds from fossil fuel reserve owners within five years consistent with fiduciary duty.



The **Nikko Asset Management** Global Green Bond Strategy invests in securities that finance climate change mitigation and adaptation projects, with the highest level of transparency. Initiated in 2010, the strategy recently expanded to include Global AAA rated sovereigns, supnationals and agencies (SSAs) with the strongest sustainable development credentials, such as the Asian Development Bank and the European Investment Bank.



In July 2018, **Sumitomo Mitsui Trust Asset Management** announced its intention to restrict project financing for new coal plant projects regardless of their location, as part of a group-wide TCFD commitment.



The **Wallace Global Fund** is completely divested from all fossil fuels. It has invested approximately 16% of its portfolio in climate solutions and 1% of its portfolio in safe, clean and affordable energy access for communities without electricity. The fund's entire US\$150 million in AUM are invested in sustainable, low-carbon or climate resilient companies. The fund has fully integrated Environment, Social and Governance factors to mitigate risk and generate alpha.

## CORPORATE ENGAGEMENT

*This focus area reflects corporate engagement actions that include signing on to the Climate Action 100+ initiative and engaging with the world's largest greenhouse gas emitters; to requesting companies disclose and take action on their environmental impact through CDP.*

### Examples of action:



Investor support for CDP's annual corporate environmental disclosure request has grown from 35 climate conscious investors in 2002 to **over 650 global investors representing US \$87 trillion in assets** in 2018.



296 investors from across 29 countries, who together manage nearly US\$31 trillion in AUM, have committed to engage with the world's largest greenhouse gas emitters on climate change, through **Climate Action 100+**.

## POLICY

*This focus area reflects policy actions that include urging world government leaders to implement the Paris Agreement and enhance their climate policy ambitions by 2020.*

## Examples of action:



**345 institutional investors with US\$30 trillion in AUM** have urged governments to step up their ambition and action to achieve the goals of the Paris Agreement, support investment in the low-carbon transition, and improve climate-related financial disclosures.

*"As institutional investors with millions of beneficiaries around the world, we reiterate our full support for the Paris Agreement and strongly urge all governments to implement the actions that are needed to achieve the goals of the Agreement with the utmost urgency."*

### 2018 Global Investor Statement to Governments on Climate Change

## INVESTOR DISCLOSURE

*This focus area reflects investor disclosure actions that include commitments to reporting in line with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations.*

## Examples of action:



In 2018, **nearly 500 investors** piloted climate reporting based on the TCFD recommendations through the PRI Reporting Framework.



An international group of **20 institutional investors** including Aviva, CDPQ, Citibanamex, City Developments Ltd of Singapore, Manulife Asset Management and Norges Bank Investment Management, are piloting methodologies through the UNEP FI TCFD pilot project to implement the recommendations of the TCFD.



A similar group of **16 banks** supports the implementation of the TCFD recommendations for the lending industry and another will deliver a first set of climate-related financial disclosures by insurers.

Visit **[www.TheInvestorAgenda.org](http://www.TheInvestorAgenda.org)** for more information.

\*The 'nearly 400 investors' refers to those investors that are taking action in line with one or more of the following focus areas of the Investor Agenda: Investment, Investor Disclosure and Policy. The exact number is 392.