

Media Release

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New industry survey finds large appetite for net zero investment across Asia

Asian investors are adopting more sophisticated strategies and tools to manage climate change risks and have a large and growing appetite for climate-aligned investments, the latest industry survey by the Asia Investor Group on Climate Change (AIGCC) has found.

The second annual *Net Zero Investment in Asia* survey canvassed the views of regional investors from organisations collectively representing over USD1.9 trillion in assets under management across November and December 2020. Asset owners (including insurance firms, government pension funds and sovereign wealth funds) and asset managers were among those surveyed.

The survey found an upwards trend in the use of decarbonisation strategies (more than 40 per cent of respondents) and portfolio tilting (more than 35 per cent of respondents), suggesting that investors are more actively managing portfolios to pivot away from assets facing climate risk while capitalising on net zero opportunities.

Asian investors are also increasingly (70 per cent of respondents) considering the adoption of portfolio-wide decarbonisation goals for their portfolios but are currently lagging their international counterparts in formally integrating these targets.

In other survey findings:

- Reporting via the Task Force for Climate-related Financial Disclosures (TCFD) recommendations remains high, with 50 per cent of respondents already disclosing against the framework and another 30 per cent actively considering it.
- Asian investors are more widely conducting carbon footprint analysis on assets, particularly in listed equities (79 per cent of respondents in 2020 vs 19 per cent in 2019) and fixed income (74 per cent of respondents in 2020 vs 11 per cent in 2019).
- More than 70 per cent of respondents said that the disruption of the COVID-19 pandemic had not affected their organisation's progress on climate change.

AIGCC Executive Director, Rebecca Mikula-Wright, said the survey provided key insights into the appetite among Asian asset owners and managers for climate-aligned opportunities and what barriers exist to increasing this investment.

"The survey results should send a clear signal to Asian policymakers. If you create investable opportunities there is significant private capital interested in supporting and accelerating the transition to net zero emissions," Ms Mikula-Wright said.

"This latest survey shows that Asian investors are becoming more sophisticated in their approach to climate risk and are better positioning themselves to take advantage of the opportunities in the inevitable transition to net zero emissions.

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“It is pleasing to see significant and ongoing TCFD disclosure and the increasing adoption of a range of tools to help Asian investors manage climate risk across their portfolios.

“However, Asian investors need to ensure they are keeping up with international best practice on climate change across all areas, including integrating portfolio-wide decarbonisation goals.

“Overall, the trends captured in this survey indicate that Asian investors are moving in the right direction on climate change. We know that once Asia gets going it won’t be long until it overtakes rest the of world.”

A full version of the *Net Zero Investment in Asia* report can be found [here](#).

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ABOUT AIGCC:

The Asia Investor Group on Climate Change (AIGCC) is an initiative to create awareness and encourage action among Asia’s asset owners and financial institutions about the risks and opportunities associated with climate change and low carbon investing. AIGCC provides capacity for investors to share best practice and to collaborate on investment activity, credit analysis, risk management, engagement and policy. With a strong international profile and significant network, AIGCC represents the Asian investor perspective in the evolving global discussions on climate change and the transition to a greener economy. AIGCC has 49 members from 11 markets representing over US13 trillion in assets under management. www.aigcc.net