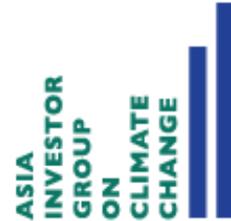


Media Release

7 June 2021



New investor-led engagement program launched to drive net zero emissions transition in Asian electric utilities

A new program [backed by 13 institutional investors and stewardship service providers](#), responsible for \$8.8 trillion in assets under management or advice, has been launched to engage Asia's systemically important electric utilities on cutting emissions, strengthening disclosure and improving governance of climate-related risks.

The new program is coordinated by the Asia Investor Group on Climate Change (AIGCC) and will complement and run in parallel with the global Climate Action 100+ initiative.

Working through the program, investors will collaboratively engage with five utility companies. Companies that are the focus of the program in its first year include: China Resources Power Holdings (China), CLP Holdings (Hong Kong), Chubu Electric Power Co. (Japan), Electric Power Development Co. (J-POWER) (Japan) and Tenaga Nasional Berhad (Malaysia).

Focus companies have been chosen because they produce substantial greenhouse gas emissions, have large coal-fired power capacity or have a strategic role in driving the net zero emissions transition. The five focus utilities collectively emitted approximately 285 million tonnes of CO₂ in 2019, equivalent to the national emissions of a country like Spain.

Asian electric utility companies that are currently the focus of Climate Action 100+ were excluded from consideration.

Investors are working through the program to increase the effectiveness of climate engagement with the focus companies through a common agenda, shared objectives and collaborative effort. Investors commit to engaging with at least one focus company during each year of the initiative as part of a collaborative group.

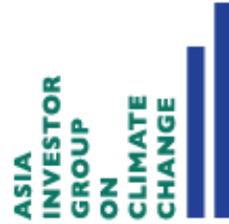
The common agenda for discussion with companies includes strengthening the board's accountability of climate risk, action to reduce emissions across the value chain (including coal phase-out consistent with the Paris Agreement goals), enhancing disclosure, identifying physical risks and ensuring companies are supporting policy in line with achieving net zero emissions by 2050.

AIGCC Executive Director, Rebecca Mikula-Wright, said: "The transition of Asian utilities to net zero emissions will be critical for the world to meet its Paris Agreement goals to limit global warming to 1.5°C.

"Asian utilities are responsible for 23 per cent of the world's total carbon emissions. The average age of coal-fired power plants in Asia is only 13 years when compared to an average life of 40 years.

"This new program will complement the current engagement effort of Climate Action 100+ in Asia and assist investors to increase the effectiveness of their work with Asian utility companies to manage and mitigate climate risk."

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Further supporting quotes from investor participations:

Head of Stewardship, Asia Pacific of BNP Paribas Asset Management (BNPP AM), Paul Milon, said: “Asian utilities have a critical role to play in the achievement of both local and international climate goals. In collaboration with other AIGCC members, we believe that engaging in a constructive dialogue with these focus companies can facilitate their transition towards net zero emissions. Ultimately, this is aligned with BNPP AM’s advocacy for a low carbon, environmentally sustainable and inclusive economy.”

Chief Investment Officer of Cathay Financial Holdings, Sophia Cheng, said: “Investors understand that the success of the Asian electricity sector is critical to the region’s continued development, maintaining sustainable returns for beneficiaries, and achieving a net zero carbon future. To achieve this, it is important investors work collaboratively with key companies through initiatives like the AIGCC Asian Utilities Engagement Program to ensure they are reducing climate risk and are well positioned to capitalise on the opportunities in clean technologies.”

Chief Investment Officer for Fixed Income & Chair, Sustainability Committee of GIC, Liew Tzu Mi, said: “As a long-term investor, GIC believes in supporting companies in their transition towards greater sustainability. Helping these companies reduce their emissions while strengthening their disclosure and governance standards will not only advance the sustainability agenda, but ultimately protect and enhance their long-term value. We support AIGCC’s efforts to bring together stakeholders and like-minded partners to share best practices in mitigating climate risk with each other and lead Asia’s transition towards a low-carbon economy.”

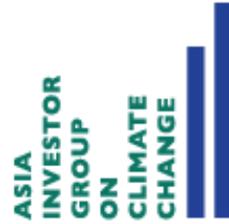
Co-Chief Investment Officer of Income Partners Asset Management, Suvir Mukhi, said: “Asian utility companies collectively represents one of the highest emitters of global greenhouse gas. In the face of accelerating climate crisis, we believe it is imperative that these companies commit to expanding their renewable capacity in line with the net zero target. We look forward to having fruitful discussions with the focus companies, which will hopefully set an example for others in the region to follow.”

Chief Executive Officer of Maitri Asset Management, Manish Tibrewal, said: “The electric utilities sector is in dire need of change in order to achieve a net zero future. In Asia, a just transition is all the more crucial as the region produces and consumes more than 65 per cent of global thermal coal for power generation. Therefore, addressing this climate change issue will require active investor collaboration and as managers of capital, we can be a significant influencer in the critical shift towards sustainability stewardship.”

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Notes to Editors

- The 13 investors and stewardship service providers participating in the first year of the program include: Amundi, BNP Paribas Asset Management, Cathay Financial Holdings, Eastspring Investments, EOS at Federated Hermes, Fidelity International, GIC, Income Partners Asset Management, J.P. Morgan Asset Management, Maitri Asset Management, Manulife Investment Management, Resona Asset Management Co., Ltd. and Sumitomo Mitsui Trust Asset Management.
- A launch statement from participating investors can be found [here](#).
- In December 2020, AIGCC released an investor guide for climate change engagement with Asian utilities, which can be found at the following in [English](#), [Simplified Chinese](#), [Traditional Chinese](#), [Japanese](#), and [Korean](#).

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 56 members from 13 countries representing over \$US15 trillion in assets under management.

About the Engagement Program and Investor Participation

The Asian Utilities Engagement Program does not facilitate or require collective decision-making regarding an investment decision. The initiative will not provide recommendations to investors to divest, vote in a particular way or make any other investment decision – investors continue to make their own independent investment and strategic decisions.

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