

2022

YEAR IN REVIEW



ASIA
INVESTOR
GROUP
ON
CLIMATE
CHANGE

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 net-zero investing.

www.aigcc.net

March 2023

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Acronyms

AAG	Asia Advisory Group
AUEP	Asian Utilities Engagement Program
AUM	Assets under management
COP27	27 th United Nations Conference of the Parties
ESG	Environmental, social, and governance
ICAPs	Investor Climate Action Plans
IGCC	Investor Group on Climate Change
IIGCC	Institutional Investor Group on Climate Change
ISSB	International Sustainability Standards Board
NDCs	Nationally Determined Contributions
NZAM	Net Zero Asset Managers
NZIF	Net Zero Investment Framework
PAAO	Paris Aligned Asset Owner Initiative
PAII	Paris Aligned Investment Initiative
PRI	Principles for Responsible Investment
SBTi	Science Based Targets initiative
SOE	State-owned enterprises
TCFD	Task Force on Climate-Related Financial Disclosures

2022: A Year in Highlights

- **69 members with USD 39 trillion AUM globally** represented by AIGCC.
- **5,400+** media mentions worldwide for FY2022, including AIGCC's work on international programs.
- **16** AIGCC staff (FTE), covering six markets, with six new recruits in 2022.
- AIGCC and IGCC representation at **COP27**.
- Joined **over 600 investors with USD 42 trillion AUM globally** in the 2022 Global Investor Statement to Governments on the Climate Crisis.
- **21 Asian signatories** to the global Net Zero Asset Managers initiative.
- **Two advanced modules** launched for Climate Change Training for Investors: Corporate Engagement and Active Stewardship, and Advanced TCFD Scenario Analysis.



- **Over 15** works produced in 2022, in the form of progress reports, training modules, masterclasses, op-eds, and submissions to governments.
- Senior-level participation in close to **20** webinars, roundtables and panel discussions, including the **AIGCC Virtual Focus Sessions at the IGCC Summit** organised by our sister network, Investor Group on Climate Change (IGCC).
- Actively involved in **impactful international collaborations**, including Climate Action 100+, Net Zero Asset Managers initiative, Paris Aligned Asset Owners initiative, and The Investor Agenda.



- A sustainable finance industry partner for **Ogier's Talent4Impact Program**.

Welcome from the Chair and CEO

Finance and climate are deeply interlinked. This is now a mainstream understanding in most major financial markets—not only in Asia but across the globe. Public and private investors have clear roles in supporting climate solutions, in collaboration with policy-makers and corporate decision-makers.

Investors will need to increase investments to achieve the necessary mitigation and resilience to the impacts of climate change. Governments need to set clear, long-term, and effective policies to support those investments. This will both protect their competitive position in global capital markets and contribute to critical climate goals that will protect their economies and communities.

Looking Forward

In 2022, AIGCC released our [next three-year strategy](#). It recognises that investors in Asia need to rapidly accelerate their portfolio decarbonisation. Globally, net-zero commitments have become the expectation. However, the focus for those climate commitments has quickly shifted from net zero by 2050, 2060 or 2070 to near-term milestones. Interim targets—normally for 2030—are emerging as key indicators for demonstrating genuine alignment with the goals of the Paris Agreement.

AIGCC will work with these investors, helping them progress toward net zero with increased urgency by providing road maps and other tools for implementing their climate action plans.

On the policy front, AIGCC will advocate for stronger climate policies and a greener and more rapid transformation of economic development in respective markets that align with the Paris Agreement goals.

[Our latest survey of leading investors in Asia](#) showed that corporate engagement is the most widely used portfolio decarbonisation tool. Accordingly, AIGCC will continue to help investors choose the most appropriate model of engagement for their region or market—a crucial element of accelerating the global transition to net zero.

Crucially, increasing investor collaboration will breed consistency and strength. AIGCC facilitates several global programs where we are the point of connection for investors, guiding them toward practical tools and frameworks in a complex and evolving landscape. These include the Net Zero Asset Managers initiative and the Paris Aligned Asset Owners Commitment, and for corporate engagement, [Climate Action 100+](#) and [the Asian Utilities Engagement Program](#) (AUEP).

AIGCC's Progress to 2022

In the meantime, it's important to celebrate the progress of our members and of our work and demonstrate what's possible to continue to drive our action. This report details these milestones.

Since our launch in 2016, AIGCC has published [more than 30 thought leadership research pieces and tools](#) with the support of our partners and members. We have also collaborated with our members to develop [climate change training modules](#) suitable for early and advanced practitioners.

Over the past 12 months, AIGCC has continued to attract new members, with our membership hitting a total of 69 members, representing USD 39 trillion in global assets under management (AUM). The nearly 50 per cent membership growth in the last two years is having positive networking effects—these are particularly evident at our monthly member meetings, which provide opportunities for investors to meet, engage with, and learn from peers across the region and the globe.

We thank you for working with us over the past year, and for some of you, for up to six years now. We thank the growing AIGCC team for their dedication and incredible collaboration across the region—we now have 16 staff across the Asia-Pacific region in Beijing, Hong Kong, Melbourne, Singapore, Sydney, and Tokyo.

We would also like to express our gratitude to the Board of our sister network, the Investor Group on Climate Change (Australia/New Zealand) (IGCC), and the IGCC team for their ongoing support.



Rebecca Mikula-Wright
CEO



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

Our Growth and New Strategy

In 2022, AIGCC released our next three-year strategy, organised into three strategic goals, and set targets for meeting them:

- increasing investment in net-zero emissions energy
- accelerating portfolio decarbonisation (including through investor climate action plans and company engagement to improve business models)

- advocating for stronger climate policies and greener economic development trajectories that align with Paris Agreement goals.

AIGCC’s strategy also identifies the most valuable initiatives across nine key markets, based on market size and membership and the possibilities for leveraging domestic and international investors in policy and regulatory engagement.



“There is an urgent need for a global transition to net zero and public and private investments have clear roles in supporting climate solutions. Progressive climate policies to accelerate growth of sustainable investing is key. Investors will also have to pay close attention to the rapid developments in climate change policy as these will play a pivotal role across their investments, disclosures, corporate engagement and advocacy activities.”

– Rebecca Mikula-Wright, CEO

Capacity Building

There is no doubt that the world urgently needs to meet the goals of the Paris Agreement and effectively tackle the climate crisis. AIGCC raises awareness of the importance of acting on climate issues in Asia. We inspire regional investors to showcase their competitive advantage and create a “race to the top” for climate action among fellow investors, companies, and regulators. Through AIGCC, we provide thought leadership resources for investors and highlight international and regional best practices on climate.

Masterclass Series

The AIGCC Investor Practice Masterclass Series—created exclusively for our members—was a series of three classes designed to help investor participants develop climate action plans, produce credible climate disclosures, and enhance their corporate engagement strategies.

The inaugural session, held online in December 2021 taught investors how to use the [Investor Climate Action Plans \(ICAPS\) Expectations Ladder](#) framework as a guide, focusing on two strategy pillars: investments and governance. AIGCC conducted the remaining two masterclasses in 2022, focusing on TCFD disclosures and corporate engagement and policy advocacy. The series attracted more than 150 attendees across the three sessions.

AIGCC masterclasses are formatted as 3.5-hour deep dive sessions into specific topics, with breakout sessions for peer-to-peer experience sharing, as well as a panel discussion by asset owners, asset managers, and service providers on practical use cases in the Asian context to enable effective implementation in portfolios.

Climate Change Training for Investors

The [AIGCC Climate Change Training for Investors online course](#) covers the fundamentals of climate change science and global commitments, financial impacts and regulatory risks, TCFD framework and reporting, and integration of climate risks and opportunities in investment strategies. Courses are available as part of the membership while non-member access can be purchased for a [reasonable fee](#).

Milestones in 2022

- AIGCC launched new training modules on Corporate Engagement and Advanced TCFD on Applied Scenario Analysis.
- 137 participants from 55 members organisations registered for training, with 10 AIGCC non-member organisations successfully signed up for the climate change training courses.
- AIGCC launched a Korean-language supplement for all four foundational modules.

“Global investor collaboration has been critical to progress towards net zero. Asian companies have shown ambition in acting on climate issues but will need to proactively communicate 2030 targets to achieve net zero targets by mid-century. We need to see more investors linking their stewardship actions to net zero pledges and targets.”

– Monica Bae, Director, Investor Practice

Targeted Capacity Building

Stewardship Tools

Building investor capacity is our core work at AIGCC and we aim to help investors bridge knowledge gaps across markets. Since its launch, AIGCC has engaged and tested investor’s roles as stewards of their assets. From 2023 onwards, AIGCC aims to increase investors’ capacity to use their ownership rights to ask companies for climate transition plans. This includes raising expectations for investing in net zero and considering a wider range of stewardship options and tools of engagement to complement commonly used tactics such as closed-door private dialogues with companies.

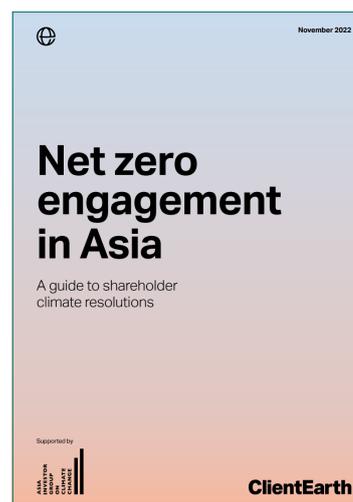
The 2022 “[Net Zero Engagement in Asia: A Guide to Shareholder Climate Resolutions](#)” report—published by ClientEarth with the support of AIGCC—provides investors with guidance about legal processes for filing climate resolutions in different jurisdictions during the upcoming proxy seasons.

Emerging Technologies

According to AIGCC research, [net zero investment opportunities in Asia’s energy supply](#) is USD 37 trillion under a 1.5 °C, and USD 26 trillion under 2 °C, which is 1.7 per cent to 2 per cent of Asia’s GDP. Asia is well placed to effect the transition to renewable energy. Renewable energy will be the single largest area for investment opportunities over the next several decades. Asian countries are also home to major producers of global steel and cement, which together account for over 14 per cent of global CO2 emissions annually.

The steel and cement sectors will be another key area of focus for AIGCC in building investor capacity and supporting corporate engagement in emerging decarbonisation technologies. AIGCC convened investors in a steel industry dialogue, to help bridge the investor perspective on steel decarbonisation in Asia. The Trilateral Industry-Policy Dialogue organised by Solutions for Our Climate (SFOC) and Climate Catalyst shed light on investment potential and in shaping investor appetite for net-zero steel.

Further work to bridge sector expertise with existing investor engagement in other key markets will be one of AIGCC’s focus areas in 2023.



The “Investor Guides to Support Corporate Engagement for the Net Zero Transition in Asia” launch event, co-organised with ClientEarth, in November 2022.

Emerging Themes

AIGCC has connected investors to research providers and stakeholders such as InfluenceMap via discussion forums, to help them understand climate policy lobbying practices in different markets, particularly on the auto and steel sectors to understand the impact of indirect lobbying through industry associations.

AIGCC also supports the *Global Standard on Responsible Corporate Climate Lobbying* and continues to build investor capacity on this topic.

Engagement with State-Owned Enterprises

Investors in Asia typically carry out engagements with state-owned enterprises (SOEs). As SOEs make up a growing share of the corporate landscape, investors are able to engage with SOEs in China, India, Indonesia, Malaysia, and Thailand through various corporate engagement programs convened by AIGCC.

SOEs are typically required to prioritise alignment with national mandates to strategically support national agendas. However, the avenues available for investor influence are highly nuanced across different markets since no two markets are alike.

Local investors have a stronger presence in some markets and play critical roles in convening engagements with SOEs. Markets with little to no participation from local investors require more recruitment and capacity building.

In 2022, AIGCC offered input on **clean energy opportunities for SOEs in India** in [a report produced by IISD](#), leveraging the role of SOEs in the country's clean energy transition, specifically to share insights on engaging with Indian Public Sector Undertakings.

From 2023 onwards, AIGCC will conduct workshops to identify key strategic engagement levers for selected markets, in addition to complementing local expertise with the experience of international investors.

New Markets: China and India

AIGCC encourages **peer-to-peer knowledge transfer** through regional event engagement and participation. For example, we have been hosting side sessions to the China SIF Annual Conference since 2019 and co-hosting the China SIF Summer Summit since 2020 to help build capacity in transition finance, corporate engagement, investor climate action plans, emerging decarbonisation technologies and net zero investment trends in the region.

With the addition of a China-based consultant in 2022, stakeholder mapping and initial consultations were conducted to help expand AIGCC's network in the market. Our aim is to **broaden our reach and increase membership** in existing and new markets, including China and India.

Investor Practice

In 2022, the investment industry has continued its progress toward setting voluntary, ambitious, and science-aligned commitments to achieving net zero. Now, the focus is increasingly on implementing those commitments.

Investors are also working on setting interim targets for portfolio alignment, decarbonisation, engagement, and climate solutions. These interim targets will drive action and accountability over the shorter term.

According to the latest AIGCC member activity survey, there are encouraging indicators of progress within our full membership:

- 78 per cent had a climate policy
- 51 per cent had a public net-zero target
- 49 per cent had a climate roadmap in place, and another 25 per cent were actively considering adopting a climate road map.

Our [annual Asia net-zero investment report](#) provided a snapshot of climate practice from a cohort of leading investors in Asia with USD 7.9 trillion AUM. It revealed:

- 87 per cent of investors surveyed are **undertaking corporate engagement directly**, either through a third-party provider or through Climate Action 100+ and the Asia Utilities Engagement Program
- 73 per cent of surveyed investors adopted the Net Zero Asset Managers (NZAM) initiative for their net-zero pledges
- 44 per cent have **materially integrated just transition** as part of their portfolio management and investment strategies, and almost another half (44 per cent) are actively considering doing so
- investors currently take an **aspirational approach to physical risk assessment**, with 53 per cent of respondents actively considering undertaking an analysis.

We believe that AIGCC members have taken considerably more climate-focused actions than the average investor in the region, reflecting both the effectiveness of the AIGCC's work program for members and the critical progress still needed across Asian and global economies.

About the report

Translating to action: Net Zero Investment in Asia (4th Edition)

Background:

- Based on a survey taken in October 2022
- Received responses collated from a range of asset owners and asset managers with AUM of over USD 7 trillion

Purpose:

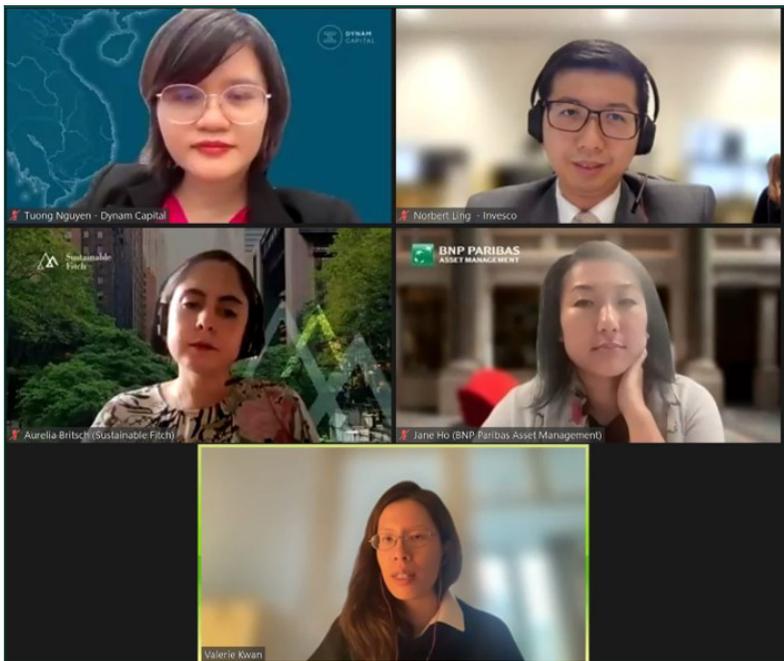
- Better understand of the trends of net zero investment in Asia
- Snapshot in time of investor sentiment
- Understand factors driving investor thinking and behaviour



Access the report from the Publication section on AIGCC website



Firdaus Anuar (AIGCC)



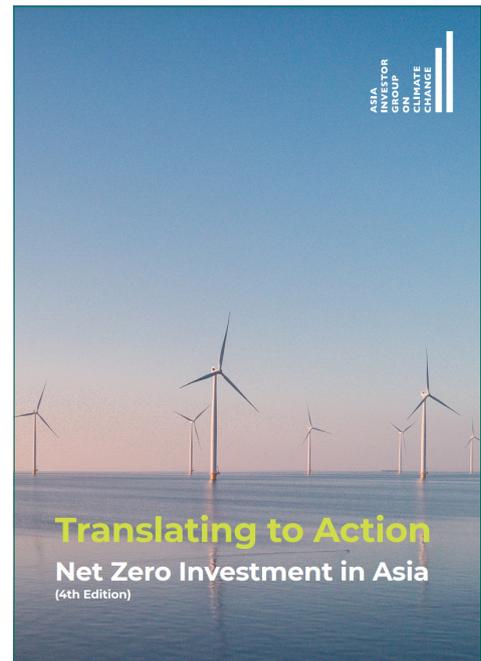
Tuong Nguyen - Dynam Capital

Norbert Lillig - Invesco

Aurelia Britsch (Sustainable Fitch)

Jane Ho (BNP Paribas Asset Management)

Valerie Kwan



AIGCC's fourth annual net-zero investment report, "Translating to Action: Net Zero Investment in Asia," launched at the 10th China SIF Annual Conference in December 2022.

Working Groups

Investors are an integral part of the AIGCC working groups. First established in 2020, our network of investor-led working groups allows members to participate in setting research and policy objectives for AIGCC while also growing expertise and knowledge in key areas of investor practice. We are pleased to see our engaged group of investors not only participate in working group meetings but use them as additional forums for member collaboration and idea sharing.

All working groups report back to the full membership at least once a year on major activities and progress achieved. Participation in our working groups is voluntary on the part of individual members and we are grateful for the insights and expertise provided.

AIGCC's investor practice program continues to expand via the three current working groups (Engagement and Policy, Physical Risk and Resilience, and Paris Aligned Investment) as our membership grows. New working groups have been announced for 2023.

A new working group—the Japan Working Group—was launched in 2022 to help Japanese members of AIGCC support our mission. It provides a platform for sharing knowledge and discussing findings and outcomes of other AIGCC meetings and activities in Japanese.

Our working groups meet quarterly and are currently made up of approximately 50 members. These members led a total of 13 engagements in 2022. Topics covered and actions taken by each working group include:

Paris-Aligned Investment

Chair: De Rui Wong, GIC

- increasing the uptake of ICAPs via case studies, identifying ICAPs pioneers, and other opportunities
- teach-ins on portfolio alignment metrics and their application for company engagement, as well as early retirement and just transition of coal assets phaseout

- implementation of the *Net Zero Investment Framework* and contribution toward its further development
- creating a forum to share updates from international initiatives and, in turn, solicit Asian feedback on relevant projects, including NZAM, PAII, and the Investor Agenda
- contributing to AIGCC's fourth annual *Net Zero Investment Survey*.

Engagement and Policy

Chair: Paul Milon, Fidelity International

- [contributed feedback to International Sustainability Standards Board \(ISSB\)](#) consultation on exposure drafts *IFRS S1 General Requirements for Sustainability-related Financial information* and *IFRS S2 Climate-related Disclosures*
- provided updates on AIGCC's [Asian Utilities Engagement Program](#)
- capacity building on engagement and policy tactics
- sharing updates on consultations and policy engagement.

Physical Risk and Resilience

Chair: Eric Nietsch, Manulife Investment Management

- contributed to the development of the AIGCC [Investor Expectations on National Adaptation Plans in Asia](#), which we took to COP27
- teach-ins on physical climate adaptation in real estate and resilience in cities, and corporate engagement on water risks.

Japan

Chair: Masahiro Kato, Mitsubishi UFJ Trust and Banking Corporation

- held inaugural Japan Working Group meeting in October 2022.

The Investor Agenda

AIGCC is one of seven founding partners of the Investor Agenda (IA), a collaborative initiative that aims to accelerate the transition to a net-zero emissions global economy and limit global warming to 1.5 °C.

The Investor Agenda is a common leadership agenda for the climate crisis that is unifying, comprehensive, and focused on fast-tracking investor action toward a net-zero emissions economy. It draws on expertise from across the investor landscape to set out clear joint expectations in four interlocking areas—investment, corporate engagement, policy advocacy, and investor disclosure—across an overarching theme of governance. The collaboration ensures that all the global networks working with investors on climate are coordinating their efforts and are increasing alignment between initiatives in the rapidly evolving investor climate integration work. Investors should go to AIGCC to receive guidance which initiative is right for them for where they are on the road to net zero.

Investor Climate Action Plans

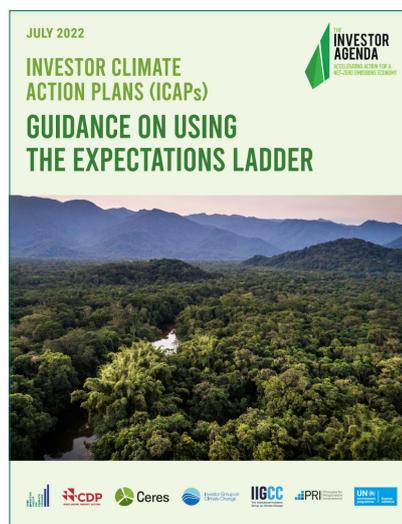
Launched in May 2021, the ICAPs framework, developed by the IA partner networks, consists of two primary resources, the [Expectations Ladder](#) and [Guidance on Using the Expectations Ladder](#), designed to enable investors around the world to step up action to tackle the climate crisis and accelerate the transition to a net-zero economy.

The [updated Guidance document](#), released in July 2022, provides further information on the *Expectations Ladder's* tiers, asset classes, tools and methodologies, and sector levels, as well as where to find new resources on topics of increasing importance such as nature, biodiversity, adaptation, and resilience.

The ICAPs also serve as a self-assessment tool for supporting investor climate action wherever investors are in their climate journey, as they move towards net zero. It is not a new mandatory framework, nor does it replace the TCFD or other disclosure or reporting mechanisms.

Three of our members contributed to a compilation of [worldwide case studies that demonstrate the asks of ICAPs](#). Published in January 2022, the AIGCC case studies showcase ICAP work in Asia.

From 2023 onwards, AIGCC will continue to work with members on developing ICAPs covering investment, corporate engagement, policy advocacy, and TCFD disclosure across an overarching theme of governance, through various forums such as working groups, deep dive masterclasses, and climate change training modules.



“Investor Climate Action Plans (ICAPs) Guidance on Using The Expectations Ladder,” published in July 2022.

ICAPs are an important tool for investors in developing and communicating their ambition toward net zero, which are complementary and form part of Net Zero Asset Managers and Paris Aligned Asset Owners initiatives. AIGCC will also continue to work with our global network partners to publish case studies and highlight international and regional best practices on climate.

Tools for Net Zero Portfolio Alignment

AIGCC helps run two important initiatives that connect investors in Asia with global climate best practice: the [Net Zero Asset Managers initiative \(NZAM\)](#) and the [Paris Aligned Asset Owners Initiative \(PAAO\)](#).

Net Zero Asset Managers Initiative

NZAM has made good progress in the last year. The initiative has grown to 291 asset managers who collectively manage USD 6 trillion AUM. As of November 2022, 169 total global signatories to the initiative have disclosed their initial targets for the proportion of assets managed in line with achieving net zero by 2050 or sooner.

However, the initial targets are only a starting point and represent what asset managers can feasibly commit to today. More progress is needed by a larger number of investors to align with the Paris Agreement.

As of December 2022, nine AIGCC members headquartered here in Asia are now signatories to NZAM. A further 18 members have signed up through AIGCC's peer networks.

Paris Aligned Investment Initiative and Asset Owners Commitment

The [Paris Aligned Investment Initiative \(PAII\)](#) is a collaborative, investor-led global forum that enables investors to align their portfolios and activities to the goals of the Paris Agreement.

The Asset Owner Commitment (PAAO) was designed to highlight leading global asset owners who and currently comprises 57 leading global asset owners, turning net-zero commitments into action, representing over USD 3.3 trillion AUM. In 2022, the initiative released [their inaugural progress report](#), highlighting best practice among asset owners.

Although there are no Asia-based signatories to date, AIGCC anticipates that investment mandates will continue to catch up to climate aspirations among the region's asset owners, with some of the key insights highlighted in the most recent [annual Asia Net Zero Investment Survey report](#).

Corporate Engagement

Designed by investors for investors, the Climate Action 100+ initiative aims to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. To date, more than 700 investors, responsible for over USD 68 trillion in AUM, are engaging 166 companies on improving climate change governance, cutting emissions, and strengthening climate-related financial disclosures.

Working Groups

The Climate Action 100+ initiative is now supported by 49 Asian investors, who participate in engagements through the AIGCC-Principles for Responsible Investment (PRI) Asia Engagement Working Group. 23 of these investors are based in Japan, eight are based in China, and the rest are based in other key markets such as Hong Kong, India, Singapore, South Korea, and Taiwan. The working group has over 130 investors from across all regions and meets on a quarterly basis.

In addition, AIGCC convenes the [Asia Advisory Group \(AAG\)](#) with PRI. The group was established to provide strategic insights and assist with fostering greater understanding of the local market context. Consultation with the AAG has been helpful for several campaigns, including the launch and promotion of the net zero company benchmark in Asia, conceptualising the “Phase 2” strategy of CA100+, developing the Asia engagement guide, and other local market-specific insights on policy developments conducive to CA100+ engagements. We thank all members of the AAG for their valued input and contribution in 2022.

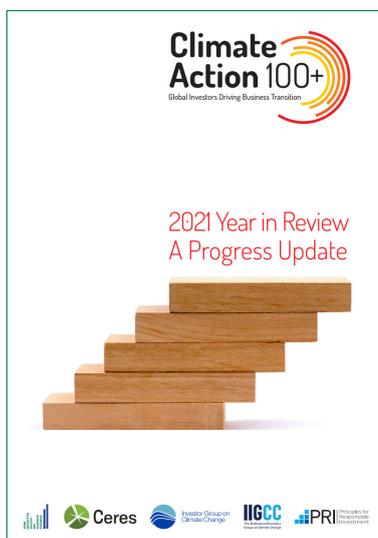
2022 Notable Commitments and Development on Climate Action 100+ Company Engagements in Asia

Asian companies continue to increase their climate ambitions and align with the global target of limiting the average temperature rise to 1.5 °C. The following highlights some of the notable commitments and development on Climate Action 100+ focus companies in Asia:

- Three oil and gas companies—PTT, Formosa Petrochemical, and CNOOC—announced their new net-zero or carbon neutrality ambitions by 2050.
- Hon Hai Precision submitted its emission reduction targets to the Science Based Targets initiative (SBTi) for verification. Meanwhile, Toyota Motor's medium-term targets were verified and approved by SBTi. AIGCC will continue having dialogues with investors on the need for alignment of emissions coverage for all relevant scopes and for publicly disclosed data sources.
- Two oil and gas companies—ENEOS Holdings and SK Innovation—extended their emission targets to include Scope 3 emissions and disclosed more details.
- Hitachi and Panasonic Holdings published their short-term environmental action plans.
- China Shenhua Energy, Nissan Motors, and Toyota Motor provided public details on green capital allocation.

Leading Climate Action 100+ in Asia

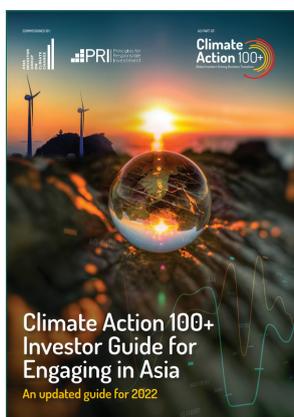
The AIGCC-PRI Asia Engagement Working Group held quarterly Asia-wide engagement meetings and biannual Japan engagement updates over the past year to update members on progress and debrief on engagement strategies. Separate meetings with the AAG were convened every other month to discuss market-specific strategies and, more recently, to gather views on the long-term strategy for Climate Action 100+. For a review of Climate Action 100+ for the year, [please refer to the Phase 1 Progress Update report.](#)



These regular meetings set up an ongoing tracking and monitoring mechanism to ensure investors are adequately supported in their engagement with companies. Where collaborative strategies were identified to be constructive to overall engagement progress, these were coordinated by AIGCC with the support of investors. Some examples include:

- Updating [the Asia engagement guide](#)—an investor guide designed to support investors in this ongoing dialogue with Asian companies and other key stakeholders as they bridge expectations between company practices and alignment with the Climate Action 100+ Net Zero Company Benchmark. The guide is available in English, Chinese, and Japanese.
- Rolling out the Net Zero Company Benchmark in Asian markets and participating in the Core Benchmarking Team to facilitate smooth delivery of the next Benchmark iteration.
- Collaborating with the Climate Action 100+ Technical Advisory Group to share reports, data analytics, and alignment assessments to further support company analysis and engagement programs.

“Climate Action 100+: 2021 Year in Review – A Progress Update,” published in March 2022.



“Climate Action 100+: Investor Guide for Engaging in Asia,” published in June 2022.

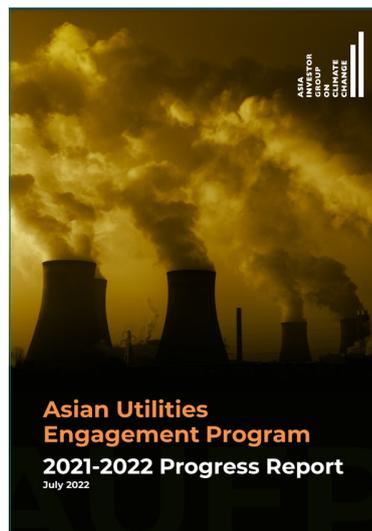
Asian Utilities Engagement Program

Through the AUEP, investors and service providers are seeking to collaboratively engage with Asia's systematically important electric utilities on climate change to increase the effectiveness of their efforts with a common agenda.

The AUEP is coordinated by and open to AIGCC members only, and complements and runs in parallel with the global [Climate Action 100+ initiative](#). Focus companies are 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.

In June 2021, AIGCC launched the AUEP with the support of 13 institutional investors and stewardship service providers. At its one-year mark, the program expanded to include two more focus companies, bringing the total to seven. In 2022, the program welcomed three new participating investors, bringing the number of institutional investors and stewardship service providers to 16, taking the combined AUM or advice by the participating investors to USD 10 trillion.

The seven AUEP focus companies are China Resources Power Holdings (China), CLP Holdings (Hong Kong, China), Chubu Electric Power Co. (Japan), Huaneng Power International (China), J-POWER (Japan), PT Perusahaan Listrik Negara (Persero) (PLN) (Indonesia), and Tenaga Nasional Berhad (Malaysia).



The [2021–2022 Asian Utilities Engagement Program Progress Report](#) discusses some of the key issues facing the Asian utilities sector and provides a high-level snapshot of the engagement progress with the initial focus companies to date.

In 2023, the program will focus on implementation and a comprehensive approach to financing a just transition away from coal. Investors expect to see more of the focus companies' climate transition plans, including setting out credible decarbonisation pathways to meet short-, medium- and long-term emissions reduction targets aligned with the Paris Agreement.

“Corporate engagement on climate is no longer a novelty. Investors have the opportunity to explore different engagement approaches to build momentum in engagement dialogues that are effective, impactful and robust. Companies value dialogues where investors are able to articulate clear expectations for the company and identify key levers and impact in their own engagement along the value chain.”

– Valerie Kwan, Director, Engagements



Participated at the Responsible Investor (RI) Japan conference in May 2022, held in Tokyo. AIGCC also organised an official side event to the conference—a closed-door roundtable featuring policy-makers, regulators, and investors.

Priorities for 2023

2023 will see an increase in stewardship priorities for Asia. Engagement with SOEs presents a unique and challenging opportunity, keeping in mind that SOEs are generally shaped by the company’s ownership structures, operational markets, and influence from the state. We will aim to better integrate these priorities into relevant corporate engagements while navigating these challenges. This includes fostering ongoing dialogues within our working groups, formulating strategies around annual general meetings, and leveraging investors’ voting policies.

Within Asia, markets are varied and nuanced. AIGCC will continue building capacity in the region. We will first work to identify relevant themes and champions for each market to take on the leadership mantle for climate action in the region. We will also look at piloting engagements through bondholders.

For emerging markets, we will map commonalities in themes and approaches with the global emerging market working group. This includes ramping up sector-specific strategies such as shaping green steel demand, understanding green premium mechanisms for utilities, and supporting just transition for coal miners.

Stepping up Policy Advocacy

The year 2022 saw some commendable achievements from Asian countries on climate with Indonesia's successful G20 Presidency, which managed to retain focus on key issues including energy transition despite the ongoing Russia-Ukraine war. One of the prominent areas of discussion was how mechanisms and structures for early coal phaseout transactions can be supported by both public and private capital.

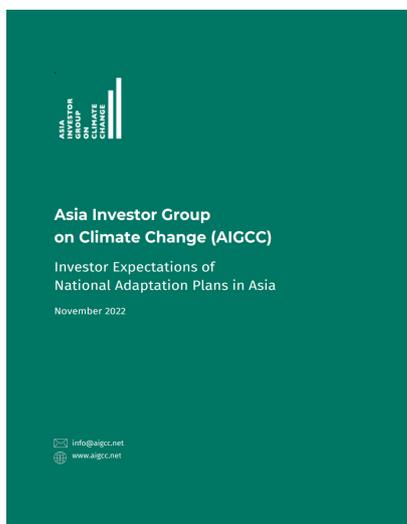


AIGCC co-organised and participated in a G20 Seminar Series on “Unlocking Innovative Financing Schemes and Islamic Finance to Accelerate Just Energy Transitions in Emerging Economies,” held in Jakarta in July 2022.

2023 will see continued Asian leadership as Indonesia takes on the 2023 ASEAN Chairmanship, India holds the G20 Presidency, and the G7 Presidency is hosted by Japan. Climate and energy form key points of discussion in all these groups and there is much that investors can do to support country-level commitments on climate and energy.

AIGCC has been at work over the past year to highlight investor support for climate action from Asian governments at various national, regional, and international fora. We have actively been engaging on issues of **just energy transition, sustainable finance, climate-related disclosure, assessing physical risks of climate change, and country-level adaptation planning.**

One key outcome of this in 2022 was our [list of investor expectations from countries' National Adaptation Plans](#). Our policy director was in attendance at COP27, where she presented the investor asks at a global stocktake, highlighting actions that should be taken at a national level to get private investors more active in financing adaptation and resilience projects. This work will extend to newer themes and regions in 2023.



“Investor Expectations of National Adaptation Plans in Asia,” published in November 2022.

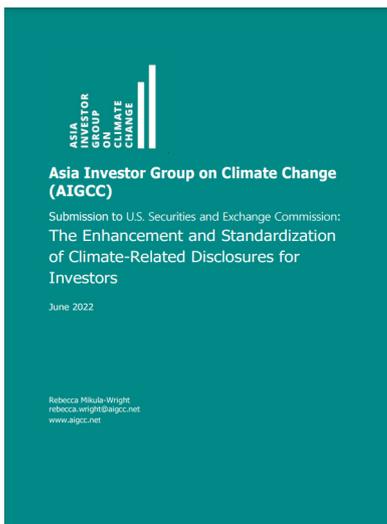
Global Investor Statement to Governments on the Climate Crisis

As part of the Investor Agenda’s Policy Advocacy theme, the founding partners advocate for governments to adopt climate change policies aligned with delivering a just transition to a net-zero economy by 2050 or sooner.

The [2022 Global Investor Statement to Governments on the Climate Crisis](#) was submitted to governments before COP27 with **602 investor signatures representing USD 42 trillion in AUM**. This statement represents a unified investor call to governments to implement the policy actions needed to address the climate crisis and accelerate the transition to a net-zero emissions economy.

Policy Submissions

AIGCC welcomes the opportunity to comment and put forward our submissions on government proposals and consultations. In 2022, we provided comments to the ISSB on their *General Requirements Exposure Draft* and *Climate Exposure Draft*. We also responded to public consultation on the U.S. Securities and Exchange Commission’s proposal on the *Enhancement and Standardization of Climate-Related Disclosures for Investors*. [All submissions](#) can be found on AIGCC’s website.



AIGCC’s Response to the U.S. Securities and Exchange Commission’s proposal on the Enhancement and Standardization of Climate-Related Disclosures for Investors, submitted in June 2022.



AIGCC’s submission to the ISSB on their General Requirements Exposure Draft and the Climate Exposure Draft in July 2022.

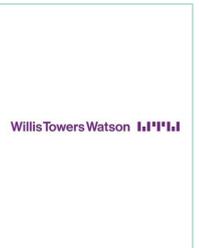
“As climate impacts increase, it is important now more than ever for investors to work closely with governments, adopting a systemic approach in identifying appropriate responses and action plans. In order to do this, we will need to work on prioritising the issues of just transition, nature and biodiversity, adaptation and resilience. AIGCC will continue to work with investors on providing new resources and guidance on these topics.”

– Anjali Viswamohanam, Director, Policy

AIGCC Member Update

As of December 31, 2022, AIGCC had 69 members with AUM of over USD 39 trillion across 11 markets. AIGCC welcomed eight new members in the between June to December 2022.





AIGCC Governance and Secretariat

AIGCC Board Committee

The AIGCC Board Committee is responsible for the ongoing oversight of AIGCC projects, activities, and membership. The current Committee is made up of the following members, who transferred from the AIGCC Governance Committee:



Sophia Cheng (CHAIR)
Chief Investment Officer,
Cathay Financial Holding Co. Ltd.



Dan Chi Wong (VICE-CHAIR)
Head of ESG Integration,
APAC, Schroders



Dr Pei Yuan Guo
Chairman and Founder,
SynTao Green Finance (ChinaSIF)



Masahiro Kato
Head of Responsible Investment,
Mitsubishi UFJ Financial Group



Helga Birgden
Partner, Global Business Leader,
Responsible Investment, Mercer



Mark Mills
Partner, Global Client Team,
Generation Investment
Management



Felix Lam
Asia ex-Japan, Head of
Investment Stewardship,
JP Morgan Asset Management

We thank Edris Boey for her contribution to the Board Committee over 2022.

AIGCC Team



Rebecca Mikula-Wright
CEO



Nicole O'Brien
Director, Operations



Valerie Kwan
Director, Engagement



Anjali Viswamohanan
Director, Policy



Monica Bae
Director,
Investor Practice



Fergus Pitt
Director,
Media and Communications



Matina Sarris
Manager,
Funding and Partnerships



Sashi Lata
Manager,
Finance and Governance



Kunal Agrawal
Senior Specialist,
Climate Engagements



Cosmo Hui
Engagement Manager



Serena Li
Manager,
Investor Practice



Firdaus Anuar
Project Manager



Tammie Kang
Communications Manager



Manisha Regalla
Policy Analyst



Joy Huang
China Consultant



Amy Chen
Team and Communications
Coordinator

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