IIGCC ANNUAL REPORT

YEAR IN REVIEW

2021
Our mission is to support and enable the investment community in driving significant and real progress by 2030 towards a net zero and resilient future. This will be achieved through capital allocation decisions, stewardship and successful engagement with companies, policy makers and fellow investors.
When I took on this role as Chair of the Institutional Investors Group on Climate Change (IIGCC) Board a year ago, I knew that we were entering a landmark year for the fight against climate change, but it has exceeded my expectations both in terms of its significance and the commitments made.

The Intergovernmental Panel on Climate Change published its sixth assessment report on climate change in August, decisively highlighting the extent of human influence on the warming of the atmosphere, ocean, and land, causing widespread and rapid changes to the climate. The IPCC anticipated that temperatures would continue to rise based on current emissions scenarios, and that global warming could exceed 1.5°C by as early as 2040 unless significant reductions in emissions occur in the coming decades.

Meanwhile, the International Energy Agency (IEA) followed up on the publication of its landmark Net Zero Emissions by 2050 Scenario in May, with a World Energy Outlook that highlighted the warming of the atmosphere, ocean, and land, causing widespread rapid changes to the climate. The IPCC anticipated that temperatures would continue to rise based on current emissions scenarios, and that global warming could exceed 1.5°C by as early as 2040 unless significant reductions in emissions occur in the coming decades.

Looking to the year ahead, we will continue to focus on mobilising net zero commitments from investors and corporates, encouraging and supporting them with planning and implementation and working to expand the methodologies available to facilitate the achievement of those commitments.

Chair of the Board
Faith Ward

“I am encouraged by some of the progress made during the last month. We have seen significant commitments from governments to halt deforestation, reduce methane pollution and shift away from reliance on fossil fuels.”

CEO
Stephanie Pfeifer

“Looking to the year ahead, we will continue to focus on mobilising net zero commitments from investors and corporates, encouraging and supporting them with planning and implementation and working to expand the methodologies available to facilitate the achievement of those commitments.”

Against that backdrop, and having only recently returned from COP26 in Glasgow, I am reminded once more of the urgent and critical nature of the challenge we have ahead of us. Commitments made by governments in the run up to COP26 have moved the needle slightly – from 2.7°C to somewhere between 1.8°C and 2.4°C, but we still have some way to go. However, I am encouraged by some of the progress made during the last month. We have seen significant commitments from governments to halt deforestation, reduce methane pollution and shift away from reliance on fossil fuels. An agreement between China and the US on tackling climate change would’ve seemed unthinkable even this time last year, and most importantly, a decision as part of the Glasgow Climate Pact gives countries the opportunity to extend their ambition by COP27 at the end of next year.

The work that IIGCC is doing has been and continues to be incredibly important in this context – it is a powerful catalyst for change and continues to drive real, meaningful progress. All that IIGCC has achieved this year would not be possible without the dedication and hard work of the Board, Stephanie and the IIGCC team. Thank you all for your fantastic contribution.

2021 has been a landmark year for IIGCC, and one that has kept our growing team particularly busy. Looking back at my remarks from previous annual reports, this seems to have been a consistent theme in recent years, but one that has been even more evident over the last twelve months.

As momentum built towards COP26 in Glasgow, we were focused on collaborating with members and partners to mobilise net zero commitments from investors and the companies that they invest in, support the process of translating that ambition into real, tangible action, and advocate for a policy environment that is fully supportive of delivering a net zero and resilient future.

Looking back now, I think it is safe to say that we have made significant progress. Three of our collaborative initiatives – the Net Zero Asset Managers initiative, Climate Action 100+ and the Investor Agenda’s Global Investor Statement to Governments on the Climate Crisis – each now represent around half of all global assets under management.

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Meanwhile, the Investor Agenda successfully brought together more than 700 investors to make the strongest ever call to governments for climate action ahead of COP26. The asks within the statement, which include an end to fossil fuel subsidies, phase out of coal and mandated climate risk disclosure, were at least partially met in the resulting Glasgow Climate Pact.

Looking to the year ahead, we will continue to focus on mobilising net zero commitments from investors and corporates, encouraging and supporting them with planning and implementation and working to expand the methodologies available to facilitate the achievement of those commitments. In addition, we will continue to engage with policymakers and governments to call for ambitious climate action and develop our work on some key themes including adaptation, resilience and nature.

While there undoubtedly remains much more to do and we will continue to stay focused on our mission to drive progress towards a net zero future in 2022, I would like to take this opportunity to celebrate all that we have achieved so far.

Thank you to Faith for her leadership as Chair, the Board, our team and our members, whose continued engagement, hard work, and commitment is key to our ongoing success.
The Institutional Investors Group on Climate Change (IIGCC) is the leading European membership body enabling the investment community to drive significant and real progress by 2030 towards a net zero and resilient future.

IIGCC’s 360 members representing €50 trillion AUM are in a position to catalyse real world change through their capital allocation decisions, stewardship and engagement with companies and the wider market as well as through their policy advocacy.

IIGCC has three clear areas of focus: policy, investor practices and corporate engagement reflecting the key investor levers for change. The programme teams work in strategic partnership with investors supporting, enabling and showcasing their role in the realisation of the transition to net zero in support of the goals of the Paris Agreement.

For more information visit www.iigcc.org or follow us on Twitter or LinkedIn.

2021 IN NUMBERS

<table>
<thead>
<tr>
<th>36%</th>
<th>45</th>
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<tbody>
<tr>
<td>Growth in membership</td>
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<td>Investors committed to net zero</td>
<td>Net zero commitments from Climate Action 100+ focus companies</td>
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<td>Media articles for IIGCC or associated initiatives</td>
<td>Audience reach on Twitter</td>
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<table>
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<td>Visits to IIGCC’s website</td>
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Key highlights from 2020 – 2021

HIGHLIGHTS
Investor expectations for Paris-Aligned Accounts
38 investors collectively representing USD 9.3 trillion in assets sent letters to 36 of Europe’s largest companies to set out the steps that they require in preparing ‘Paris-aligned’ company accounts. The publication also outlined expectations of auditors where accounts are ignoring material climate risks.

Net zero energy event as part of the UNFCCC’s Race to Zero Dialogues programme
The network partners responsible for Climate Action 100+ provided an opportunity for participants in the UNFCCC’s Race to Zero Dialogues programme to hear from leaders in the energy sector as they discussed the actions needed to accelerate progress to net zero business strategies.

Launch of the Net Zero Asset Managers initiative
Launched at the 2020 Climate Ambition Summit, co-hosted by the UK COP26 Presidency, the UN and France in the run up to COP26, 30 founding investor signatories representing over USD 9 trillion in assets joined the Net Zero Asset Managers initiative, committing to working in collaboration with their clients to achieve net zero across their portfolios by 2050 or sooner.

Response to EU Taxonomy consultation
In November, the European Commission published draft regulations for the first two objectives under the EU Taxonomy. IIGCC published its response to the consultation in December.

Member webinar: Accelerating the transition to clean energy
Ahead of COP26 later in the year, and in the context of the UK’s Presidency, IIGCC provided members with a briefing on the energy transition and finance campaigns and an update on the Powering Past Coal Alliance.

Launch of the Net Zero Investment Framework
IIGCC launched a framework to support investors in maximising their contribution to the decarbonisation of the global economy by ensuring their portfolios are aligned with net zero emissions. In conjunction with the launch of the framework, 22 asset owners with USD 1.2 trillion in assets committed to aligning with net zero by 2050 or sooner as part of the Paris Aligned Asset Owners group, and the Paris Aligned Investment Initiative expanded into a global collaboration with three other network partners.

Launch of Climate Action 100+ Net-Zero Company Benchmark
Climate Action 100+, the world’s largest investor engagement initiative on climate change, released its first ever benchmark evaluating the corporate ambition and action of the world’s largest greenhouse gas emitters. The benchmark offered detailed comparative assessments of company performance against key indicators.

IIGCC represented at the IEA-COP26 Net Zero Summit
IIGCC joined international energy and climate leaders from around the world to discuss how to accelerate the momentum behind clean energy and examine how countries can work together more effectively to reduce their greenhouse gas emissions to net zero in line with shared international goals.

Member webinar: IIGCC impact and forward look to 2021
Looking ahead to 2021, the IIGCC team shared an update on key strategic priorities and the achievements to date, providing attendees with the opportunity to learn more about activity across the three programme areas and how they relate to broader investor priorities on climate change.

Letter to the UK Prime Minister on Cumbrian coal mine
31 investors with more than £2 trillion in assets under management wrote to the UK government about the planned new coking coal mine in Cumbria and called for the timetable for the phase out of all coal developments in the UK to be set.

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**April**

**Investor expectations for banks**
35 investors collectively representing USD 11 trillion in assets supported a set of investor expectations for the banking sector, laying out areas for action in order for banks to reduce financing of high carbon activities and support the transition towards net zero by 2050.

**Net Zero Asset Managers Initiative triples its assets under management with third wave of signatories**
The Net Zero Asset Managers initiative tripled its assets under management as 43 new investor signatories commit to working together with clients to achieve 2030 emissions reduction targets and reach net zero by 2050 or sooner.

**May**

**Member webinar: Investor priorities for UK Infrastructure Bank**
Following the spring Budget announcement in the UK where Chancellor Rishi Sunak set out details regarding the new UK Infrastructure Bank, IIGCC hosted a member webinar with HM Treasury to discuss investor priorities.

**June**

**Launch of 2021 Global Investor Statement**
Over 450 investors managing more than USD 41 trillion in assets released a joint statement to world governments urging a global race-to-the-top on climate policy and warning that laggards will miss out on trillions of dollars in investment if they aim too low and move too slow.

**Member webinar: the IEA's Global Roadmap to Net Zero**
Following the publication of the IEA’s roadmap to net zero emissions by 2050, IIGCC was delighted to welcome Fatih Birol, Executive Director of the IEA, for a conversation about the roadmap and its implications for investors, companies and policymakers followed by a presentation of the IEA’s NZE2050 model.

**July**

**Investor position statement calling for corporate net zero transition plans**
53 investors managing more than USD 14 trillion in assets supported a position statement calling for corporate governance measures to ensure shareholders can hold companies to account as they implement commitments to align with net zero.

**August**

**Climate Action 100+: Global Sector Strategy on Steel**
As one of the network partners responsible for the Climate Action 100+ investor engagement initiative, IIGCC led on the publication of a sector strategy for steel, outlining priority actions for steel producers and others in the value chain to align the industry with the Paris Agreement.

**September**

**Net Zero Standard for Oil and Gas Companies**
A group of investors representing USD 10.4 trillion set out minimum expectations for what must be included in net zero transition plans from oil and gas companies, creating a level playing field in corporate reporting and ensuring comparability between company plans.

**Investor expectations on Physical Risk**
Over 50 investors representing USD 10 trillion in collective assets supported a clear set of expectations setting out how companies should demonstrate that they are addressing physical climate risks and calling upon 50 highly exposed companies to properly identify and respond to the risk posed to their businesses by climate change.

**Growth of the Paris Aligned Asset Owners group**
The Paris Aligned Asset Owners group grew to 40 investors with combined assets under management of USD 2.35 trillion committing to achieving net zero portfolio emissions by 2050 or sooner. New joiners included the first Australian signatory as well as a number of Danish and UK pension funds.
**October**

**Climate Action 100+: Global Sector Strategy on Power Utilities**
IGCC published a second sector strategy as part of Climate Action 100+, focusing on decarbonisation expectations for electric utility companies and outlining priority actions for companies to remain within limited emissions budget set by the IEA.

**Final publication of 2021 Global Investor Statement ahead of COP26**
Over 700 signatories representing USD 52 trillion in assets issued the strongest ever unified call for governments to end fossil fuel subsidies, phase out coal, and mandate climate risk disclosure in a final plea ahead of COP26.

**IGCC represented at the first EU Sustainable Investment Summit**
IGCC joined the Asian Development Bank, Assicurazioni Generali and the European Commission for a discussion on public-private partnerships as a mechanism to mobilise private investments for public good.

**November**

**Publication of target disclosure by first wave Net Zero Asset Managers initiative signatories**
43 early signatories to the Net Zero Asset Managers initiative disclosed their initial interim targets, with over a third of assets managed in line with net zero. In addition, a record 92 new asset managers joined the initiative, bringing the total to 220 investors managing USD 57 trillion.

**Hosted a COP26 side event focused on accelerating investor action for net zero**
As part of the Investor Agenda, IGCC hosted an event in the UNFCCC Blue Zone which included speakers from CalPERS, Aware Super, Fama Investimentos, Brunel Pension Partnership and Dai-Ichi Life International as well as the founding network partners. IGCC was present at COP26 throughout the fortnight and also participated in a number of other significant events and meetings.

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Through the Investor Agenda, IIGCC and the other network partners coordinated the biggest ever sign on to a Global Investor Statement to Governments on the Climate Crisis, totalling over 700 signatories, representing around half of global assets under management.

Over half of Climate Action 100+ focus companies commit to achieving net zero emissions by 2050 or sooner.

The Investor Agenda is developed by 7 founding partners including AIGCC, CDP, Ceres, IGCC, IIGCC, PRI and UNEP-FI.

The Net Zero Investment Framework is launched, supporting investors in ensuring their portfolios are aligned with net zero emissions. At the same time, 22 asset owners with USD 12 trillion in assets commit to aligning their investments with achieving net zero by 2050 as part of the Paris Aligned Asset Owners group. Today the group stands at 50 asset owners with USD 2.8 trillion in assets.

Climate Action 100+ officially launched at the One Planet Summit in Paris, with an initial list of 100 focus companies and 225 signatories.

Climate Action 100+ launched its Net-Zero Company Benchmark to assess focus companies’ progress towards net zero. The initiative also published the first of its global sector strategies, with a focus on aviation, steel, food and beverages and electric utilities.

The Net Zero Asset Managers initiative is launched with the aim of galvanising the asset management industry to commit to a goal of net zero emissions. It is now backed by 220 signatories with USD 57 trillion in assets.

2001 0 full time employees

2005 1 full time employee

2011 2 full time employees

2018 6 full time employees

2020 16 full time employees

2021 26 full time employees

EUR trillion in member assets

- 2001: 1T
- 2006: 10T
- 2016: 20T
- 2021: 50T

The Net Zero Company Benchmark for assessing focus companies’ progress towards net zero. The initiative also published the first of its global sector strategies, with a focus on aviation, steel, food and beverages and electric utilities.
The corporate programme supports members in undertaking effective stewardship and active ownership of their investments, with a focus on listed equity and corporate bonds. The team provides market leading resources to help investors in assessing company strategies on climate change and facilitates collaborative shareholder engagement with companies.

Our work helps investors to safeguard and enhance long-term returns across their investments by ensuring investee companies are aligning their business strategies to the goals of the Paris Agreement. Activities within the programme include supporting collaborative investor engagement with companies, undertaking research and analysis on climate risk and opportunity across a range of affected sectors and developing guidance to inform engagement with companies.

In 2021, we have extended our focus on some of the sectors that have the furthest to go in terms of net zero alignment, but therefore could also stand to make the biggest contribution towards tackling climate change. We have undertaken research covering the power sector transition, the role of the banking sector and what net zero should look like for oil and gas companies. IIGCC also led on a number of global sector strategy papers as part of Climate Action 100+, focusing on steel and electric utilities.

We supported investor engagements with 46 companies in Europe in 2021, resulting in over 800 individual calls and meetings between companies and investors and 40 net zero commitments, including improvements from 12 focus companies who had not previously made a commitment at all. We also saw exceptionally high response rates from group engagements on topics including the Climate Action 100+ net zero benchmark, lobbying and accounting.

As we look to the future, we intend to further develop our work on encouraging corporate net zero transition plans, producing guidance, frameworks and toolkits to support investors in engaging with companies to mobilise commitments and translate them into action.
Net Zero Stewardship Working Group

In 2021 we established a new working group within the corporate programme with a focus on net zero stewardship. Stewardship and voting will play a critical role in enabling investors to deliver upon net zero commitments, particularly when considering the scale of some portfolios. Many of the commitment frameworks have outlined a prominent role for stewardship, but how it is applied to deliver net zero goals is far from straightforward. Application in different geographies will need to vary due to cultural norms, while voting rights also differ substantially. The purpose of this working group is to provide a forum to help investors share views on operationalising ‘Net Zero Stewardship’, to develop key tools to enable progress and to work with proxy advisors to ensure they are ready to support investors.

In 2021 the group has drafted a foundational toolkit for developing a net zero stewardship approach, as well as engaging with the main proxy advisors. This has seen ISS adopt some initial climate-related voting policies within benchmark policy consultation documents.

Climate Action 100+

Climate Action 100+ is a five-year initiative led by over 615 investors to engage 167 of the highest corporate greenhouse gas emitters and those that have significant opportunities to drive the clean energy transition. IIGCC is one of the founding investor networks responsible for the initiative and plays a key role in enabling engagement with companies across Europe and shaping global strategy with the other partners.

In March 2021, Climate Action 100+ launched the Net-Zero Company Benchmark, defining key indicators of success for business alignment with net zero. It is now the foundation of all investor engagement through the initiative and the assessments have become a widely cited demonstration of progress by focus companies. At launch, 52% had made a net zero commitment of some form, 87% had board oversight of climate change and 72% had committed to align disclosures with TCFD, but no company had scored highly across all indicators or fully disclosed how it would achieve its goals. The next iteration of the benchmark will be published in March 2022.

Later in the year, the initiative launched the first of its sectoral decarbonisation focused global sector strategies, intended to support companies in high priority sectors to decarbonise their value chains and build out effective climate transition plans. Strategies published to date include aviation, steel, food and beverages and electric utilities.

In addition to coordinating the European working group, IIGCC plays an active role in Climate Action 100+ globally with representation from both the network and its members on the Steering Committee and across key working groups.
Investor Practices

Our investor practices programme is designed to help members and the broader investment sector to better integrate climate risks and opportunities into their investment processes and decision making and explore how to align portfolios with the goals of the Paris Agreement.

It provides a forum for investors to collaborate, developing tools and resources to deepen understanding of investor practices on climate change and support the implementation of related best practice. The team focus on developing guidance to help investors incorporate climate-related issues into their processes, supporting them in identifying, assessing and managing climate-related risks and opportunities across asset classes.

In 2021, the investor practices programme has focused primarily on mobilising net zero commitments via the Net Zero Asset Managers initiative and Paris Aligned Asset Owners group, providing implementation guidance for investors through the Net Zero Investment Framework and encouraging robust and transparent reporting in line with recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD).

The team has also responded to a number of consultations, particularly in relation to climate risk disclosure and TCFD, and published an important set of investor expectations focused on building resilience to climate change and managing the impacts of physical risk within business strategies.

Looking to the year ahead, we will continue to build on the achievements of this year, mobilising additional investor commitments, expanding the Net Zero Investment Framework to include new asset classes and themes, and supporting effective implementation via our net zero implementation working group and suite of collaborations, guidance and tools.
Net Zero Asset Managers initiative
The Net Zero Asset Managers initiative is an international group of asset managers, committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C. It launched in December 2020 with IIGCC as the founding chair, supported by five partner investor networks, and aims to galvanise the asset management industry to commit to a goal of net zero emissions. Signatories commit to investing in line with achieving net zero emissions by 2050 or sooner, prioritising the achievement of real economy emissions reductions within the sectors and companies that they invest in. As part of the initiative, asset managers also commit to work in partnership with clients on decarbonisation goals and to set an interim target for the proportion of assets to be managed in line with achieving net zero by 2050 or sooner. Signatories commit to investing in line with achieving net zero emissions by 2050 or sooner, prioritising the achievement of real economy emissions reductions within the sectors and companies that they invest in. As part of the initiative, asset managers also commit to work in partnership with clients on decarbonisation goals and to set an interim target for the proportion of assets to be managed in line with achieving net zero by 2050 or sooner. Signatories commit to investing in line with achieving net zero emissions by 2050 or sooner, prioritising the achievement of real economy emissions reductions within the sectors and companies that they invest in. As part of the initiative, asset managers also commit to work in partnership with clients on decarbonisation goals and to set an interim target for the proportion of assets to be managed in line with achieving net zero by 2050 or sooner. Signatories commit to investing in line with achieving net zero emissions by 2050 or sooner, prioritising the achievement of real economy emissions reductions within the sectors and companies that they invest in. As part of the initiative, asset managers also commit to work in partnership with clients on decarbonisation goals and to set an interim target for the proportion of assets to be managed in line with achieving net zero by 2050 or sooner. Signatories commit to investing in line with achieving net zero emissions by 2050 or sooner, prioritising the achievement of real economy emissions reductions within the sectors and companies that they invest in. As part of the initiative, asset managers also commit to work in partnership with clients on decarbonisation goals and to set an interim target for the proportion of assets to be managed in line with achieving net zero by 2050 or sooner.

On 1 November 2021, we published a progress report for the initiative, which included initial interim targets from 43 of the early signatories, 75% of whom used the Net Zero Investment Framework as the basis for their targets. Of those that disclosed targets, 35% of the total assets under management is being managed in line with achieving net zero by 2050. In addition, a record 92 new asset managers joined the initiative, bringing the total to 220 investors managing USD 57 trillion – over half of global assets under management.

Paris Aligned Asset Owners group
In March 2021, 22 asset owners with USD 1.2 trillion in assets made a net zero commitment as part of the Paris Aligned Asset Owners group, led by the Paris Aligned Investment Initiative. In doing so, signatories commit to transition their emissions to achieve net zero emissions by 2050 or sooner, setting interim targets for 2030 and engaging with a range of other stakeholders, including investee companies, asset managers, rating agencies, consultants and service providers to ensure net zero alignment across the value chain. Today the group of asset owners stands at 50, representing USD 2.8 trillion in assets, with signatories from the UK, continental Europe, Australasia and North America.

Paris Aligned Investment Initiative
The Paris Aligned Investment Initiative is a collaborative investor-led global forum enabling investors to align their portfolios and activities with the goals of the Paris Agreement. It was established in May 2019 by IIGCC and in March 2021 grew into a global collaboration supported by four regional investor networks. The initiative has three key areas of focus – driving net zero commitments, supporting investors in implementing those commitments and collaborating globally to develop and support further practical approaches to enable Paris-aligned investing. The initiative is also the forum through which IIGCC and the other regional networks support implementation of net zero commitments, particularly via the Net Zero Investment Framework, which it launched in March 2021. The framework helps investors to maximise their contribution to decarbonising the global economy and tackling climate change. It provides them with important guidance on how to translate a net zero commitment into an actionable investment strategy, based on key components which include objectives and targets, strategic asset allocation and alignment, policy advocacy and corporate engagement and governance.

“The framework helps investors to maximise their contribution to decarbonising the global economy and tackling climate change.”
Our policy programme helps to shape sustainable finance and climate policy for key sectors of the economy. The team focus on ensuring the right frameworks are in place to unlock investment opportunities and scale up flows of low-carbon finance. Focused primarily at the EU and global levels, the policy team’s work ensures members are up to speed and able to actively engage on policy of direct relevance to their portfolios and the transition to a low carbon economy.

Working with policymakers, ministers and other stakeholders, we ensure the investor perspective is at the heart of the conversation on climate change and sustainable finance policy, informing and strengthening policy decisions in support of a low carbon, climate resilient world. Our core activities include:

- Engaging on finance and real economy policy,
- Providing analysis on policy developments to members,
- Developing policy positions and helping inform the policy dialogue and perspective of key stakeholders,
- Supporting members in their own policy engagements.

As one of the founding networks behind the Investor Agenda, much of our international policy engagement efforts in 2021 have focused on delivering the strongest-ever unified call for action to tackle climate change in the run up to COP26. The Global Investor Statement to Governments on the Climate Crisis calls for governments to end fossil fuel subsidies, phase out coal and mandate climate risk disclosure.

The team wrote to governments in the UK and EU on a number of occasions throughout the year, sharing the investor perspective on key policies and calling for action from policymakers, as well as responding to public consultations and running member webinars with key spokespeople.
The Investor Agenda

The Investor Agenda represents a common leadership agenda on the climate crisis, unifying investors, and accelerating action for a net zero emissions economy. It draws on expertise from across the investor landscape to set out clearly defined expectations in four interlocking areas – corporate engagement, investment, policy advocacy and investor disclosure.

In 2021, the partner networks behind the Investor Agenda focused on delivering an ambitious Global Investor Statement to governments ahead of COP26. Formally announced in June and delivered in the run up to COP in October, the statement was signed by more than 700 investors collectively managing over USD 52 trillion in assets. In addition to the statement itself, which calls for five key actions from governments around the world, we delivered an investor action pack to support signatories in advocating for the statement’s recommendations. We also conducted a webinar, providing investors with opportunities to hear from the network leaders and ask questions as they plan their own policy advocacy activities.

In addition to the Global Investor Statement, the Investor Agenda has produced a new comprehensive framework for Investor Climate Action Plans (ICAPs). Drawing on the expertise of investors and existing guidance and expectations, the ICAPs expectations ladder, published in May 2021, helps investors to navigate the many different initiatives and create ambitious plans of action, wherever they are on their journey to net zero.

“Formally announced in June and delivered in the run up to COP in October, the statement was signed by more than 700 investors collectively managing over USD 52 trillion in assets”
We look forward to working with members on the following areas next year.
Guide investors in managing climate risks and opportunities and aligning portfolios to climate goals

Mobilise net zero commitments from investor members via the Net Zero Asset Managers initiative and Paris Aligned Asset Owners group and support implementation via the Net Zero Investment Framework so that investors can deliver upon those commitments.

Accelerate investment in climate solutions

Encourage investors to go beyond decarbonising their portfolios and consider how they can contribute to solutions that will help address existing challenges and tackle the climate crisis.

Drive net zero business strategies and support real economy impact through stewardship and sector-level engagement

As a founding network behind Climate Action 100+, further develop investor engagement work and sector-level analysis to ensure investors can secure meaningful net zero transition plans from the world’s largest emitting companies and more.

Shape sustainable finance and climate policy and regulation

Engage with policymakers and regulators at UK, EU and global levels to bring a strong investor voice to support on real economy policy and sustainable finance regulation aligned with the net zero transition.

Ensure an ambitious road to COP27

Engage with national governments and the UNFCCC to support the publication of ambitious new Nationally Determined Contributions in line with net zero emissions; and work closely with corporates and investors to ensure the robust implementation of commitments made at COP26.

Support market development to facilitate investor action on climate change

Embed net zero considerations into market offerings by engaging with the wider market, including data and service providers.

Cross-Organisational

Corporate

Standardise corporate net zero transition plans

Develop investor expectations which set the standard for corporate net zero transition plans and launch a range of sector-focused supplements for sectors including banks, oil and gas, and autos.

Establish a toolkit for net zero stewardship

Develop systems and processes to implement net zero stewardship, producing a toolkit to support members and engaging in constructive dialogue with proxy advisors to support development of voting options.

Develop Climate Action 100+: v2.0

Work with our Climate Action 100+ partners to develop a revised strategy for the initiative at the end of its first phase, covering 2023 to 2030.

Going beyond Climate Action 100+

Support engagement beyond Climate Action 100+, using the net zero stewardship toolkit to help investors engage with companies and align their portfolios.

Embed net zero considerations into market offerings by engaging with the wider market, including data and service providers.

Develop investor expectations which set the standard for corporate net zero transition plans and launch a range of sector-focused supplements for sectors including banks, oil and gas, and autos.

Develop systems and processes to implement net zero stewardship, producing a toolkit to support members and engaging in constructive dialogue with proxy advisors to support development of voting options.

Work with our Climate Action 100+ partners to develop a revised strategy for the initiative at the end of its first phase, covering 2023 to 2030.

Support engagement beyond Climate Action 100+, using the net zero stewardship toolkit to help investors engage with companies and align their portfolios.
### Investor Practices

<table>
<thead>
<tr>
<th>Mobilise investor action towards net zero</th>
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<tbody>
<tr>
<td>Continue to mobilise net zero commitments through Paris Aligned Asset Owners and Net Zero Asset Managers, building on an existing 270 investors who have committed to align their portfolios with achieving net zero by 2050.</td>
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<tr>
<th>Develop the Net Zero Investment Framework</th>
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<tr>
<td>The Paris Aligned Investment Initiative will deliver a strengthened and more comprehensive Net Zero Investment Framework, which includes components on private equity, infrastructure, adaptation and resilience, and derivatives and hedge funds.</td>
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<tr>
<th>Support net zero implementation</th>
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<tr>
<td>We have established a net zero implementation working group, which we will use to support the development and effective implementation of investors’ net zero strategies, while also providing them with the opportunity to engage with and learn from each other’s approaches.</td>
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<tr>
<th>Address key challenges for net zero investing</th>
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<tbody>
<tr>
<td>Develop additional collaborations, guidance, and tools to address key challenges for net zero investing, including scaling investment in emerging markets, aligning passive portfolios to net zero and addressing data and measurement issues.</td>
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<tr>
<th>Encourage alignment with net zero policy</th>
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<tbody>
<tr>
<td>Ensure alignment between best practice in relation to investing in line with net zero, and emerging regulation relating to investor action.</td>
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### Policy

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<tr>
<th>Support policy development at an international level</th>
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<tr>
<td>We will work with network partners and signatories to develop a version of the Global Investor Statement for 2022 that reflects progress made at COP26 and continues to advocate for ambitious policy which facilitates the achievement of climate goals.</td>
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<tr>
<th>Engage on global disclosure policy</th>
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<tr>
<td>Engage with policymakers to represent the investor voice on matters relating to global disclosure policy developments, including IFRS, TCFD and the global Common Ground Taxonomy.</td>
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<tr>
<th>Encourage high ambition and robust sustainable finance taxonomies</th>
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<tbody>
<tr>
<td>Participate in the UK’s Green Technical Advisory Group and similar EU forums to ensure high ambition and environmental integrity and transparency within EU and UK taxonomies.</td>
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<tr>
<th>Fit for 55 negotiations</th>
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<tr>
<td>Engage on ‘Fit for 55’ negotiations to ensure an EU 2030 real economy policy package that is aligned with net zero, especially on EU ETS, renewables, vehicles, EPBD, ETD.</td>
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<tr>
<th>EU sustainable finance strategy</th>
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<tr>
<td>Ensure coherent and robust implementation of the EU’s new sustainable finance strategy that provides a supportive framework for European investors when it comes to the net zero transition.</td>
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</table>
Key highlights from 2020 – 2021

IIGCC TEAM
Membership

IIGCC’s membership includes a broad range of asset owners and asset managers, including many of the largest global and European institutional investors. Reflecting the significance of climate change as an issue for the investor community and the impact of our work, our membership continues to grow.
Why IIGCC membership?

IIGCC takes an approach focused on fostering community, providing a comprehensive offering and amplification through collaboration. Member-led, this approach has been developed to ensure IIGCC is able to maximise the impact of its work for investors.

Climate-related risks and opportunities hold direct relevance for all financial institutions and climate change is an issue the investment sector cannot afford to ignore.

Impacting all sectors and geographies, the necessary response is redefining the traditional roles and responsibilities of financial actors. The investment process is being reshaped, new policy and regulatory frameworks put in place, and concepts of stewardship and governance transformed.

Membership enables organisations in the investment community to participate in:

- Engagements with companies to accelerate their transition to net zero
- Working groups supporting investors to achieve net zero alignment
- Engagement with policy makers on finance and climate policy
- Expert webinars and roundtables on metrics, methodologies and tools

Membership benefits

IIGCC works directly with its members and provides a platform for investors to work together to accelerate progress and share best practice. Through regular communications, investors can stay up to date on key developments and opportunities to participate in collaborative activities.

Working in partnership with global investor networks, funders, and stakeholder groups, IIGCC enables and develops collaborations to amplify the international reach and impact of its work.

Membership provides access to exclusive content and engagement opportunities, including:

- Resources including presentations, briefing documents, research, analysis and strategic tools
- Involvement in stewardship and policy engagement activity
- Policy updates, ensuring members stay informed on key policy developments and milestones
- Shareholder resolution updates and corporate engagement support
- Workshops, regular online briefings, and webinars across all work programmes
- Member newsletters containing event summaries, programme updates and engagement opportunities
IIGCC’s work is supported by membership fees as well as by contributions from the following foundations and organisations who we would like to thank for their support in 2021:

CIFF is the world’s largest philanthropy that focuses specifically on improving children’s lives. CIFF works with a wide range of partners, and focuses on a number of areas, including stopping climate change.

The Climate Investment Coalition aims to accelerate climate-related investments to kickstart post-Covid-19 economies with sustainable and green agendas and meet the goals of the Paris Agreement.

ClimateWorks is a global platform for philanthropy to innovate and accelerate climate solutions at scale.

The ECF is dedicated to responding to the global climate crisis by creating a net zero greenhouse gas emissions society.

The EDF is a solutions oriented non-profit environmental advocacy group.

Laudes Foundation is responding to the dual crises of inequality and climate change by supporting brave, innovative efforts that inspire and challenge industry to harness its power for good.

IIGCC would also like to thank Ceres who administer subgrants to IIGCC for our joint initiatives.

Ceres is transforming the economy to build a sustainable future for people and the planet.

IIGCC also has additional funders who choose to remain anonymous.