

2016

**From climate commitments
to implementation**



Investors collaborating to transform climate policy

Rapid implementation of global, regional and national policy is required to meet the Paris Agreement's goal of limiting global warming to a secure pathway of 2 degrees Celsius or less. IIGCC provides the institutional investor voice to encourage adoption and effective implementation of credible public policy solutions that ensure an orderly transition to a low carbon and climate resilient economy.

Policy

Members who participate in IIGCC's **Policy programme** help develop global and regional policy statements and have the opportunity to join delegations of investors who meet with the EU Commission, MEP's and permanent representations in Brussels as well as Member State governments.

There are many key issues and opportunities for intervention in 2016:

Global policy

- Entry into force of the Paris agreement
- Raising global ambition on emissions reductions pathway
- G20 sustainable finance work

EU and Member State decarbonisation policies

- European Emissions Trading Scheme (EU ETS)
- Measures complimentary to the ETS to support decarbonisation of the power sector (EU ETS+)
- Decarbonisation of transport
- Juncker Investment Plan
- Decarbonisation of buildings
- Member state decarbonisation policy

Milestones

- 22nd April Paris Agreement high-level signing ceremony in New York
- 20th June EU Environment Council on EU-ETS structural reform
- 3rd quarter EU Communication on decarbonising transport
- 3rd–4th quarter Review of the directive on the energy performance of buildings
- 4th–5th September G20 Summit in Hangzhou which is expected to have a special focus on green finance
- 16th November Release of IEA's 2016 World Energy Outlook
- 7th–18th November COP 22 in Morocco

Investor Resources on Policy

- Events and expert meetings with EU and national policy makers and global fora such as the UNFCCC, UN Secretary General's office, IEA, OECD, World Bank and more.
- Quarterly webinars on key developments in European climate and energy policy.
- IIGCC member briefings on latest policy developments at EU and international level.
- Policy position papers on transforming the sustainability of Europe's building stock, reform of the EU ETS, making infrastructure investable, real time vehicle emissions testing, and more.
- Access to expert knowledge through IIGCC team and public affairs agency intelligence.
- Opportunity to comment or drive debate via the IIGCC blog as a guest author.

Property

IIGCC's **Property programme** provides a collaborative platform for asset owners and property managers to encourage policies, investment practices and reporting frameworks that will protect value in real estate portfolios.

- **Policy:** Join Property programme meetings for discussions on EU energy efficiency policy developments.
- **Investor Practices:** Access the investor guide, "Sustainable Real Estate Investment Framework" and join the Property programme for support with implementing climate goals into property portfolios.

Investors collaborating to improve investor practices

Implementation of investor goals to engage with companies, improve the management of climate risk and reallocate investments from high to low carbon assets is reinforced by collaboration and knowledge sharing. IIGCC brings investors together to help inform investment and stewardship practices to preserve and enhance long-term investment values.

Climate Solutions

IIGCC's **Climate Solutions programme** helps investors set out the steps, tools and range of actions available to investors who wish to respond to climate change risks as well as opportunities. IIGCC has supported guidance on:



Investor Workshops

- Developing investment beliefs, writing a climate policy and convincing your board to take action (May 2016 TBC)
- Expert meeting on climate and sovereign ratings (June 2016)
- Addressing carbon risk in passive portfolios (September 2016 TBC)
- Increasing exposure to low carbon investments (November 2016 TBC)

Corporate Engagement

IIGCC's **Corporate programme** provides resources for investors and facilitates collaborative investor engagement with companies on their strategies for a transition to a low carbon economy. Members can participate in the following initiatives:

Carbon Asset Risk (CAR) collaborative company engagements	IIGCC's Investor Expectations of Corporate Climate Risk Management	Shareholder Resolutions (new sub-working group commencing September 2016)
<ul style="list-style-type: none">• Join an international group of investors to discuss key risks and 'investor asks' to put to companies you invest in and plan other collaborative meetings or initiatives.• Use the IE guides, which set a common agenda to facilitate meaningful discussion of climate risk between larger number of investors and companies in the following sectors: Oil and Gas (2014 - update planned Nov 2016), Mining (2015), Utilities (April 2016), Transport (2016 TBC).• IIGCC's EU Company Lobbying Initiative – Communicates investor positions on climate policy to companies and shareholders for aligned and constructive dialogue between EU policy makers and the private sector. Forthcoming report summer 2016.		

Disclosure

- Recommendations for disclosure standards – IIGCC feeds into the **G20 Task Force on Climate-related risk Disclosures (TCFD)**.
- Metrics relevant for climate risk analysis – IIGCC feeds back to CDP as well as policy makers on data investors need to understand climate risk.



Why is 2016 the year of implementation?

The Paris Agreement delivered an unequivocal signal for investors. The journey to that outcome proved monumental in terms of the growing number of investors now committed to addressing the risks and opportunities associated with climate change. This strength in numbers helped IIGCC secure progress in European climate and energy policy working with the EU Commission to set strong and clear 2030 decarbonisation targets.

The decisions investors make over the next five years will be critical for global climate because they have the potential to transform the global economy and energy system by 2050 sufficient to avoid dangerous levels of climate change.

Through IIGCC membership, investors have the opportunities to:

1. Work with policy makers to support and inform their efforts to develop and implement policy measures that encourage capital deployment at scale to finance the transition to a low-carbon economy.
2. Continue to report on the actions they have taken and the progress made in addressing climate risk and in areas such as renewable energy, energy efficiency and climate change adaptation.
3. Work with the companies to ensure that they are minimising and disclosing the risks and maximising the opportunities presented by climate change and climate policy.
4. Identify and evaluate low carbon investment opportunities that meet investment criteria and climate policy and integrate, where appropriate, this information into investment decisions.
5. Develop capacity to assess the risks and opportunities presented by climate change to investment portfolios, and integrate, where appropriate, this information into investment decisions.

IIGCC – The investor voice on climate solutions

Collaboration with other investors on climate change through IIGCC is a highly effective and efficient way to address climate risk in portfolios and accelerate the shift to a low-carbon economy. Membership provides a number of benefits:

Network

IIGCC is a network of over 120 members, including some of the largest pension funds asset managers in Europe, who represent nearly €13 trillion in assets and take a pro-active approach to managing the risks and opportunities related to climate change.

Influence

IIGCC provides investors with the collaborative platform to encourage public policies, investment practices and corporate behaviour that address long-term risks and opportunities associated with climate change.

Protect value

IIGCC offers opportunities to deepen investor understanding of climate risks and opportunities to ensure that these are reflected in investment practices which will preserve and enhance long-term investment value.

IIGCC membership

is open to all institutional investors who support IIGCC's mission and objectives. Please contact us for more details.

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IIGCC
Institutional Investors Group on Climate Change