

Climate Change and investor expectations

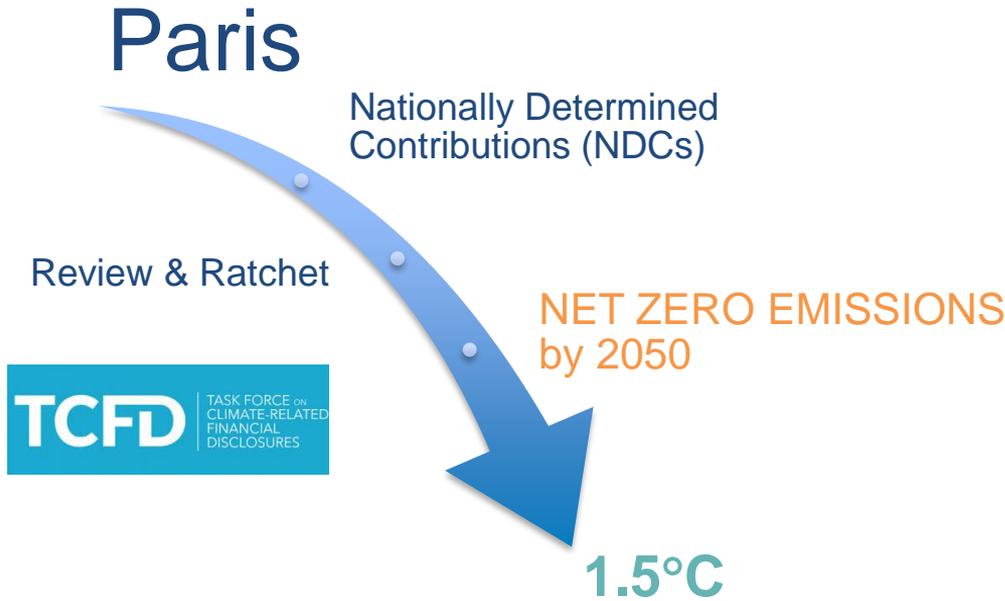
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Investor Group on Climate Change

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Drivers for investor action on climate change

DRIVERS: Policy and market signals

The Paris Agreement creates a pathway and a process for ongoing change.
This is acting as an investment signal, driving competition and increasing ambition.



DRIVERS: risk and opportunity

Drivers of investor action on climate change

Risk

Transition

Legal

Physical

Financial

Opportunity

Green returns

Greening of returns

Future proofing returns

Portfolio Management

Regulators

APRA

ASIC

RBA

NGFS

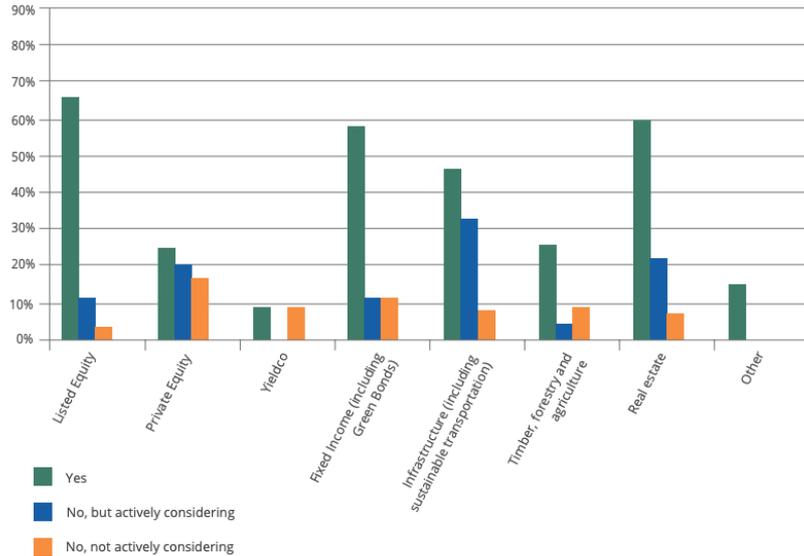


What are investors doing?

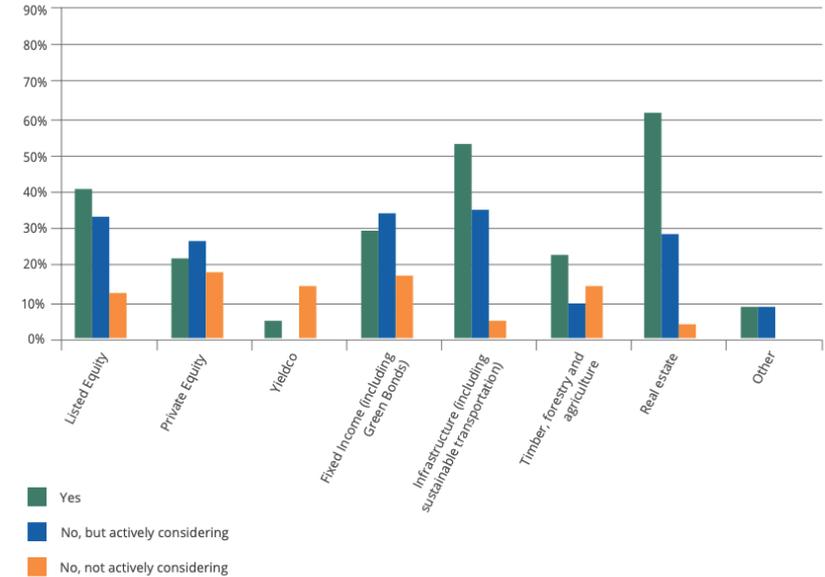
Investing for a climate resilient net zero emissions economy

Assessing risks

Asset classes where investors have undertaken a climate aligned transition analysis

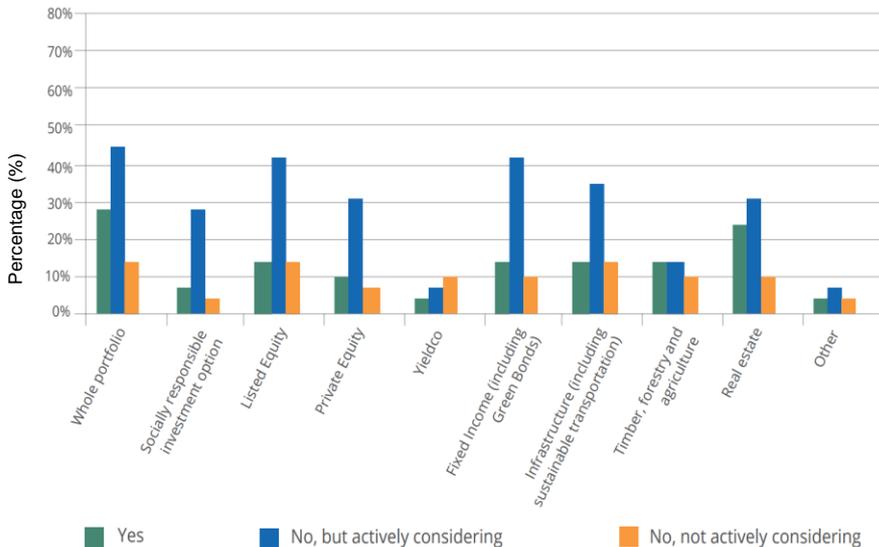


Asset classes where investors have undertaken a physical risk or resilience analysis

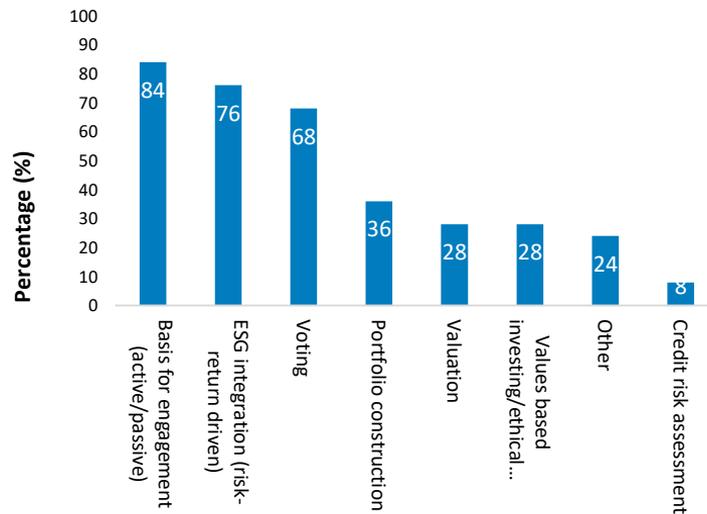


Looking for opportunity

Proportion of investors setting a net zero emissions target by 2050



Key uses for company climate-related disclosure



Basis for engagement (84%)
ESG integration - risk-return driven (76%)

Influencing the real economy

- World's largest global investor collaboration
- Launched December 2017.
- Over 500 global investors managing >US\$52tn in AUM.
- Engaging 163 systemically significant corporate greenhouse gas emitters
- In 2020 Blackrock and State Street signed up
- One of many cross-industry collaborations now operating



Climate Action 100+ Net Zero Company Benchmark



Further thoughts...

Some thoughts on 2021....

1. Last 20 years has seen climate move from SRI to ESG to Mainstream
2. COVID-19 accelerated the climate investment trend
3. More than politics – about transition, resilience and investment in climate-aligned solutions
4. Demand for data and risk analysis is huge (from all parts of the finance sector)
5. The drive for competitive differentiation is growing – fast.

Thank You

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