



## PRESS NOTICE

### Investors rally to turn COP23 talk into action

Bonn, November 13, 2017. The US government may have announced plans to pull out of the Paris Agreement but this has not derailed climate progress around the globe as investors, governments and other stakeholders look to ramp up their climate commitments at COP23.

According to a new survey published in September by financial market researchers East & Partners on behalf of HSBC, institutional investors are gearing up to plough increasing amounts of cash into the low carbon transition, with two-thirds saying they plan to increase their level of investment in climate mitigation efforts.

“We are seeing remarkable progress and resolve around the globe by investors and companies on tackling climate change,” said Mindy Lubber, CEO and president of the sustainability nonprofit organization Ceres. “Climate risk is a defining corporate challenge of the 21<sup>st</sup> century. Those that fail to take action will be putting their future at increased risk of failure and those that act will reap the rewards.”

Disclosure on how companies plan to transition their businesses to a low carbon environment is seen as key for investors to better plan their investment strategies. It has also been a fundamental part of the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) recommendations, announced in June 2017, which are focused on improving clarity and comparability of climate disclosures, across four corporate areas: Governance, Strategy, Risk Management; and; Metrics and Targets.

“We believe the TCFD's robust framework provides an essential foundation for investors and others to better assess and effectively price climate-related risks and opportunities, so disclosure of this kind must become a routine part of annual corporate reporting practice,” said Stephanie Pfeifer, chief executive of the IIGCC.

“The recommendations make a great leap forward in standardizing climate-related financial disclosure and enabling investors to compare impacts across companies and sectors,” added Mark Campanale, founder and executive director of Carbon Tracker.

To showcase **how investors**, the finance sector **and companies are** working with each other and governments **to ensure greater disclosure** of climate-related financial information, a side event: **Actions on Disclosure of Climate Risks and Opportunities**, will be held on at COP23 on 15 November. The event will include two panel discussions with experts from the finance and business sectors. \*The event is being organised by AIGCC, Carbon Tracker, CDP, Ceres, IGCC, IIGCC, PRI, and UNEP FI.

“The TCFD recommendations represent an important milestone in the recognition of climate change—which our signatories have identified as their biggest concern—as a systemic financial risk. This is why, beginning in 2018, the PRI will start to align its reporting framework to the recommendations,” said managing director, Fiona Reynolds.

“The TCFD recommendations are already helping Australasian investors understand how the effects of climate change and the market response will impact portfolios and to identify investment solutions to build resilience and generate low carbon returns”, said Emma Herd, Chief Executive Officer of the Investor Group on Climate Change.

A hallmark of the TCFD's disclosure framework is the recommendation that organisations provide climate-related financial disclosures in their main annual financial filings, and that companies determine materiality for climate-related issues consistent with how they determine the materiality of other information included in their filings.

“As a result of increasing levels of investor support for climate disclosure more than 6,200 companies have disclosed their climate performance through CDP this year. The TCFD recommendations will help further strengthen and scale disclosure and ensure we close the loop on

climate risk in capital markets.” noted Paul Simpson, CEO of CDP.

"Investors in Asia are beginning to realise the material risks of ESG issues, particularly climate change, to their portfolios, so the recommendations provide essential guidance on what they should be asking from the companies in which they invest," said Rebecca Mikula-Wright, Director of the AIGCC.

"The TCFD framework - through its emphasis on forward-looking assessments and scenario analysis - has the potential to get corporate and financial organisations to more fully understand - and disclose - the climate-related risks and opportunities they face. At UNEP FI, we will support our members in adopting the recommendations and help accelerate TCFD disclosure practice in the financial industry." explained Eric Usher, Head UNEP FI.

**Ends**

Notes to editors

**COP23**

**Official side-event**

**15th November**

**11:30-13:00**

**Meeting Room 10**

**Bonn Zone**

**Live webcast: <https://www.youtube.com/watch?v=kcYyZyIAZg0>**

\*The event is being organised by the Asia Investor Group on Climate Change (AIGCC); Carbon Tracker; Carbon Disclosure Project (CDP); Ceres; Investor Group on Climate Change (IGCC); Institutional Investors Group on Climate Change (IIGCC); the Principles for Responsible Investment (PRI) and the United Nations Environment Programme Finance Initiative (UNEP FI).

## ABOUT THE ORGANISATIONS ORGANISING THIS EVENT

**Asia Investor Group on Climate Change (AIGCC)** - an initiative to create awareness among Asia's asset owners and financial institutions about the risks and opportunities associated with climate change and low carbon investing. AIGCC provides capacity for investors to share best practice and to collaborate on investment activity, credit analysis, risk management, engagement and policy. AIGCC represents the Asian investor perspective in the evolving global discussions on climate change and the transition to a greener economy. Visit [www.aigcc.net](http://www.aigcc.net) or follow @AIGCC\_Update.

**Carbon Tracker** is an independent financial think tank that carries out in-depth analysis on the impact of the energy transition on capital markets and the potential investment in high-cost, carbon-intensive fossil fuels. Its team of financial market, energy and legal experts apply groundbreaking research using leading industry databases to map both risk and opportunity for investors on the path to a low-carbon future. It has cemented the terms "carbon bubble", "unburnable carbon" and "stranded assets" into the financial and environmental lexicon.

**CDP** is an international non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. CDP, voted number one climate research provider by investors, works with over 800 institutional investors with assets of US\$100 trillion and 100 purchasing organizations with a combined annual spend of over US\$2.7 trillion, to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them. Some 6,300 companies, representing close to 55% global market capitalization, disclosed environmental information through CDP in 2017. Visit [www.cdp.net](http://www.cdp.net) or follow us @CDP.

**Ceres** - a sustainability non-profit organization working with the most influential investors and companies in North America to build leadership and drive solutions throughout the economy. Through powerful networks and advocacy, Ceres tackles the world's biggest sustainability challenges, including climate change, water scarcity and pollution, and human rights abuses. The *Ceres Investor Network on Climate Risk and Sustainability*, comprising investors with trillions in assets, advances leading investment practices, corporate engagement strategies and policy solutions to build an equitable, sustainable global economy and planet. Visit [www.ceres.org](http://www.ceres.org) or follow @CeresNews.

**Investor Group on Climate Change (IGCC)** is a collaboration of Australian and New Zealand institutional investors and advisors focusing on the impact that climate change has on the financial value of investments. IGCC aims to encourage government policies and investment practices that address the risks and opportunities of climate change. Visit [www.igcc.org.au](http://www.igcc.org.au) and follow @IGCC\_Update.

**The Institutional Investors Group on Climate Change (IIGCC)**, the investor voice on climate solutions in Europe, is a collaborative forum with 145 mainly mainstream investors across 11 countries with over €20 trillion assets under management (including 9 of the top ten largest European pension funds or asset managers). It aims to encourage public policies, investment practices and corporate behaviour which address long-term risks and opportunities associated with climate change. Members consider it a fiduciary duty to ensure stranded asset risk or other losses from climate change are minimised and that opportunities presented by the transition to a low carbon economy – such as renewable energy, new technologies and energy efficiency – are maximised. Visit [www.iigcc.org](http://www.iigcc.org) and follow [@iigccnews](https://twitter.com/iigccnews) .

**UN Environment Programme Finance Initiative (UNEP FI)** is a partnership between United Nations Environment and the global financial sector created in the wake of the 1992 Earth Summit with a mission to promote sustainable finance. More than 200 financial institutions, including banks, insurers and investors, work with UN Environment to understand today's environmental, social and governance challenges, why they matter to finance, and how to actively participate in addressing them.

**The UN-supported Principles for Responsible Investment (PRI)** is the world's leading initiative on responsible investment. The six Principles for Responsible Investment are a voluntary 14 and aspirational set of investment principles for incorporating environmental, social and governance issues into investment practices. In implementing the principles, signatories contribute to developing a more sustainable global financial system. The principles have signatories including asset owners, investment managers and service providers from over 50 countries. Visit [www.unpri.org](http://www.unpri.org) and follow [@PRI\\_News](https://twitter.com/PRI_News).

**The four regional climate investor networks** AIGCC, IGCC, IIGCC and Ceres collaborate regularly as members of the Global Investor Coalition on Climate Change.

AIGCC, CDP, Ceres, IGCC, IIGCC, PRI, UNEP-FI co-sponsor the Investor Platform for Climate Actions ([www.investorsonclimatechange.org](http://www.investorsonclimatechange.org))