

CLIMATE ACTION 100+

2019 PROGRESS
REPORT

**Climate
Action 100+**

Global Investors Driving Business Transition



GOALS OF CLIMATE ACTION 100+

THE ENGAGEMENT AGENDA – WHAT COMPANIES NEED TO DO



1. GOVERNANCE

Implement a strong governance framework, with board accountability



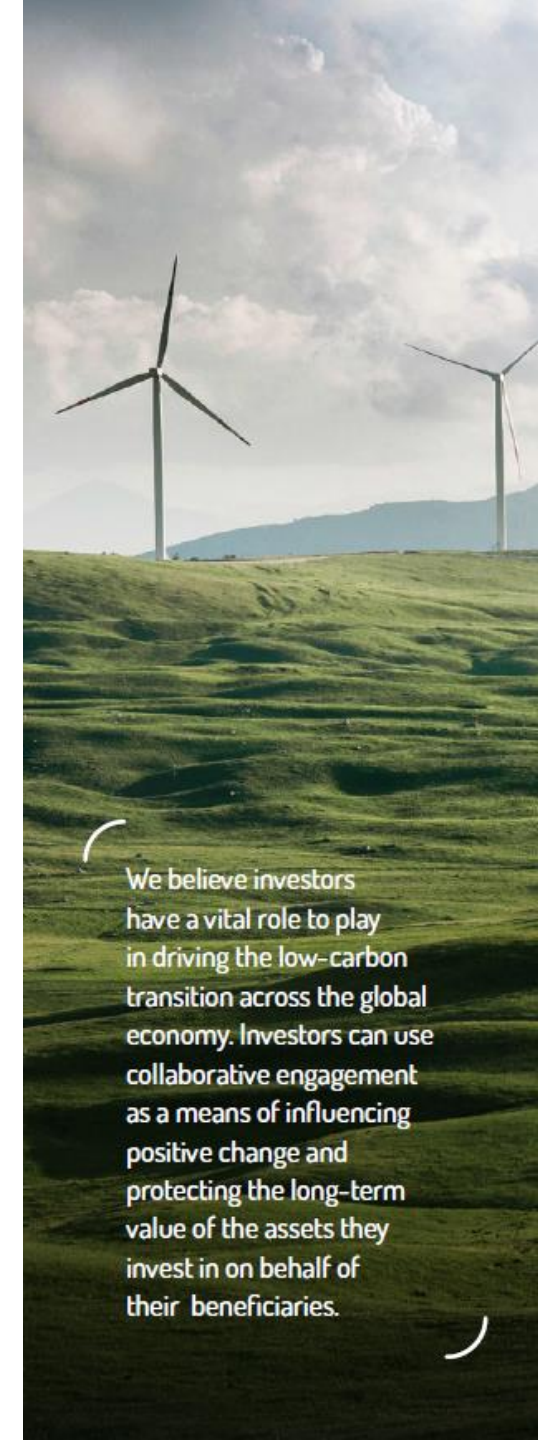
2. ACTION

Take action to reduce greenhouse gas emissions across their value chain



3. DISCLOSURE

Provide enhanced corporate disclosure in line with TCFD



We believe investors have a vital role to play in driving the low-carbon transition across the global economy. Investors can use collaborative engagement as a means of influencing positive change and protecting the long-term value of the assets they invest in on behalf of their beneficiaries.

373 investor signatories,
representing over

\$35 

TRILLION

in assets under management

161



GLOBAL

COMPANIES

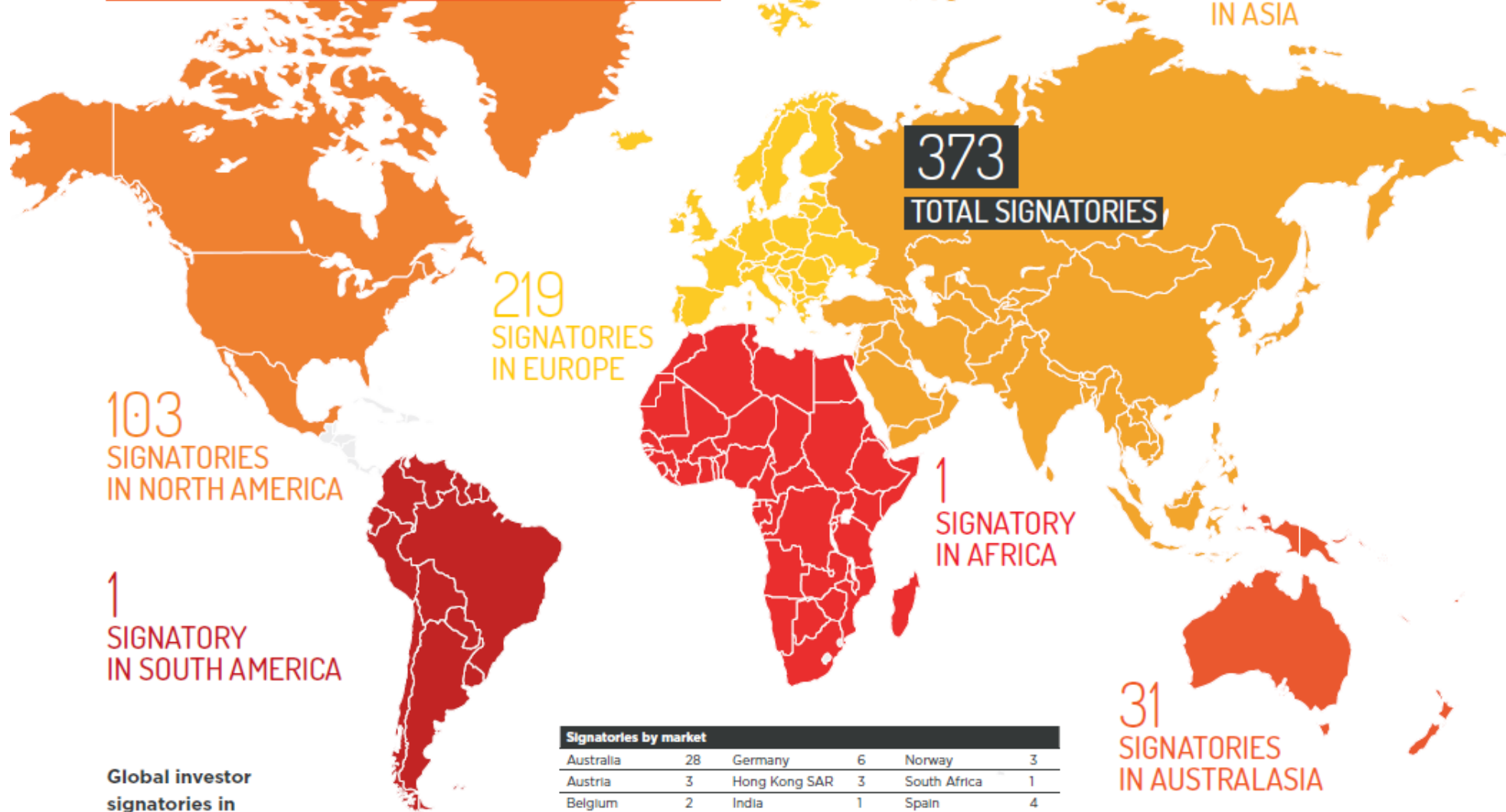
Up to

80%

of global industrial
emissions accounted for
by the companies targeted
by Climate Action 100+



OUR GLOBAL FOOTPRINT



Global investor
signatories in

28

MARKETS

Signatories by market

Australia	28	Germany	6	Norway	3
Austria	3	Hong Kong SAR	3	South Africa	1
Belgium	2	India	1	Spain	4
Canada	19	Indonesia	1	Sweden	21
China (Mainland)	2	Ireland	3	Switzerland	42
Colombia	1	Italy	2	Taiwan	2
Denmark	13	Japan	9	United Kingdom	57
Estonia	1	Luxembourg	1	United States	86
Finland	12	Netherlands	21		
France	26	New Zealand	3	Total signatories	373

Investor network locations

IIGCC	Europe
Ceres	North America
AIGCC	Asia
IGCC	Australasia
PRI	Global

CLIMATE ACTION 100+ GOVERNANCE AND OPERATING STRUCTURE

STEERING COMMITTEE

Investor representatives (5) Investor network CEOs (5)

PRI
Climate Action
100+ Global
Working Group

**39 Focus
Companies**

Ceres
North America
Engagement
Working Group

**33 Focus
Companies**

IIGCC
European
Engagement
Working Group

**46 Focus
Companies**

AIGCC-PRI
Asian Engagement
Working Group

**32 Focus
Companies**

IGCC
Australian & NZ
Engagement
Working Group

**11 Focus
Companies**

PRI affiliated working groups

***PRI oil & gas
engagement***

***PRI Methane
engagement***

Asia Advisory Group

*CalPERS, Cathay
Financial, China AMC,
GPIF, Manulife AM*

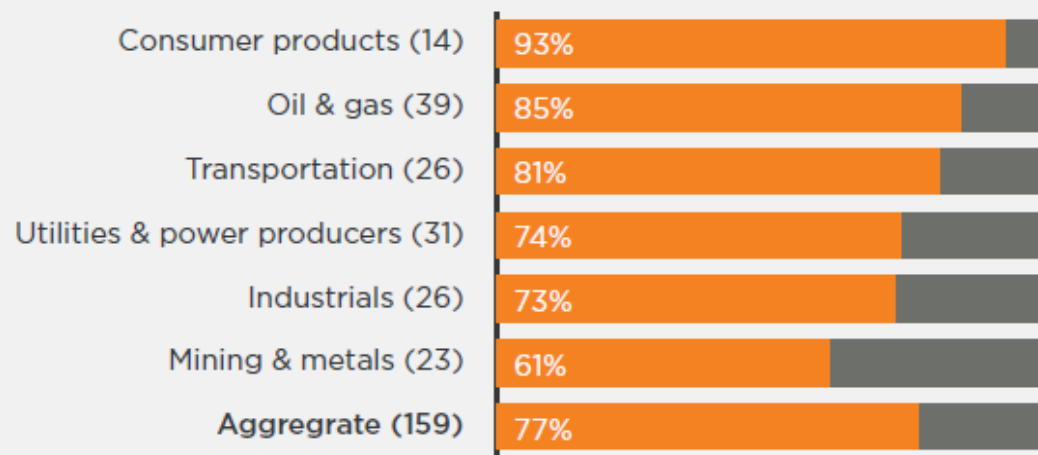


PROGRESS SUMMARY



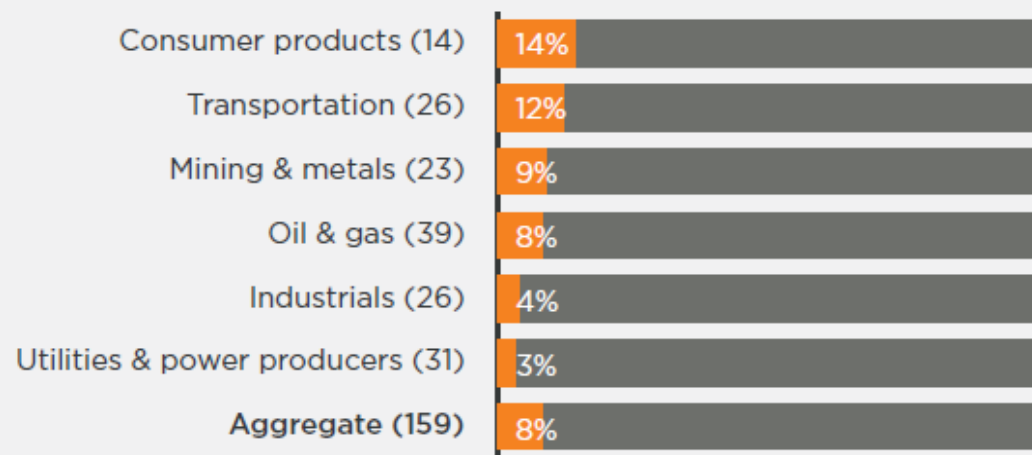
1. HOW COMPANIES ARE PERFORMING ON CLIMATE GOVERNANCE

Percentage of companies that have nominated a board member or board committee with clear responsibility for climate change policy



Source: TPI, August 2019

Percentage of companies that ensure consistency between their climate change policy and the positions taken by industry associations of which they are a member



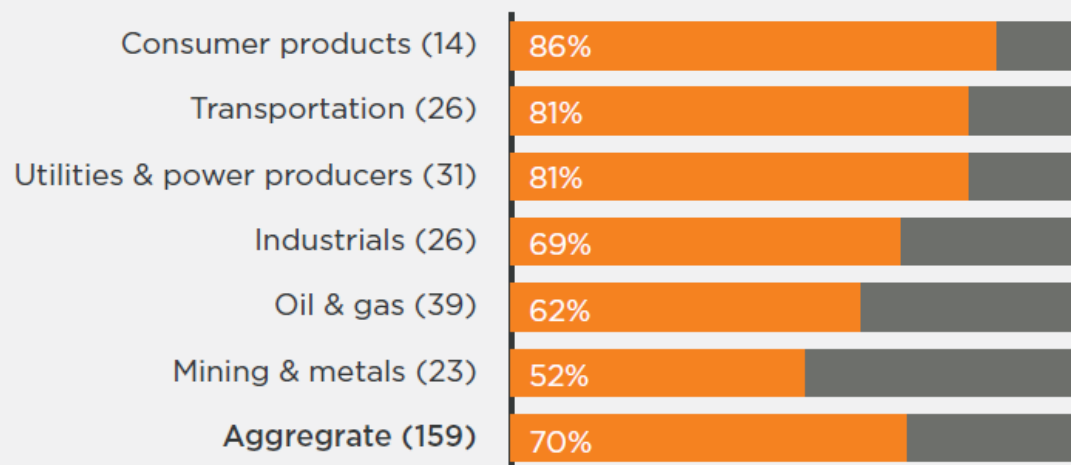
Source: TPI, August 2019

PROGRESS SUMMARY



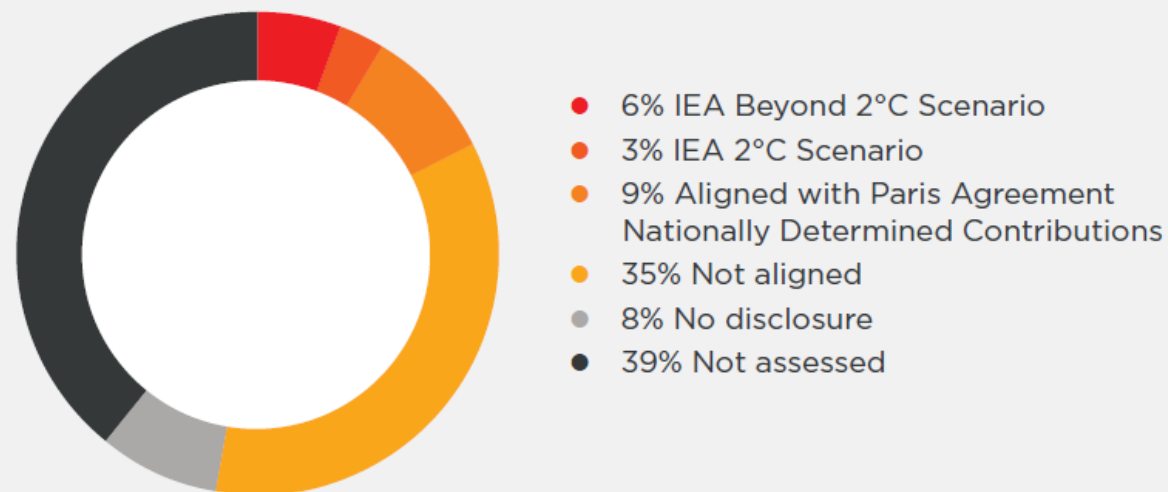
2. HOW COMPANIES ARE PERFORMING ON CLIMATE ACTION

Percentage of focus companies that have set long-term quantitative targets for reducing GHG emissions



Source: TPI, August 2019

Is the focus company's emissions intensity² aligned with, or will it be aligned with, limiting global warming to below 2°C?



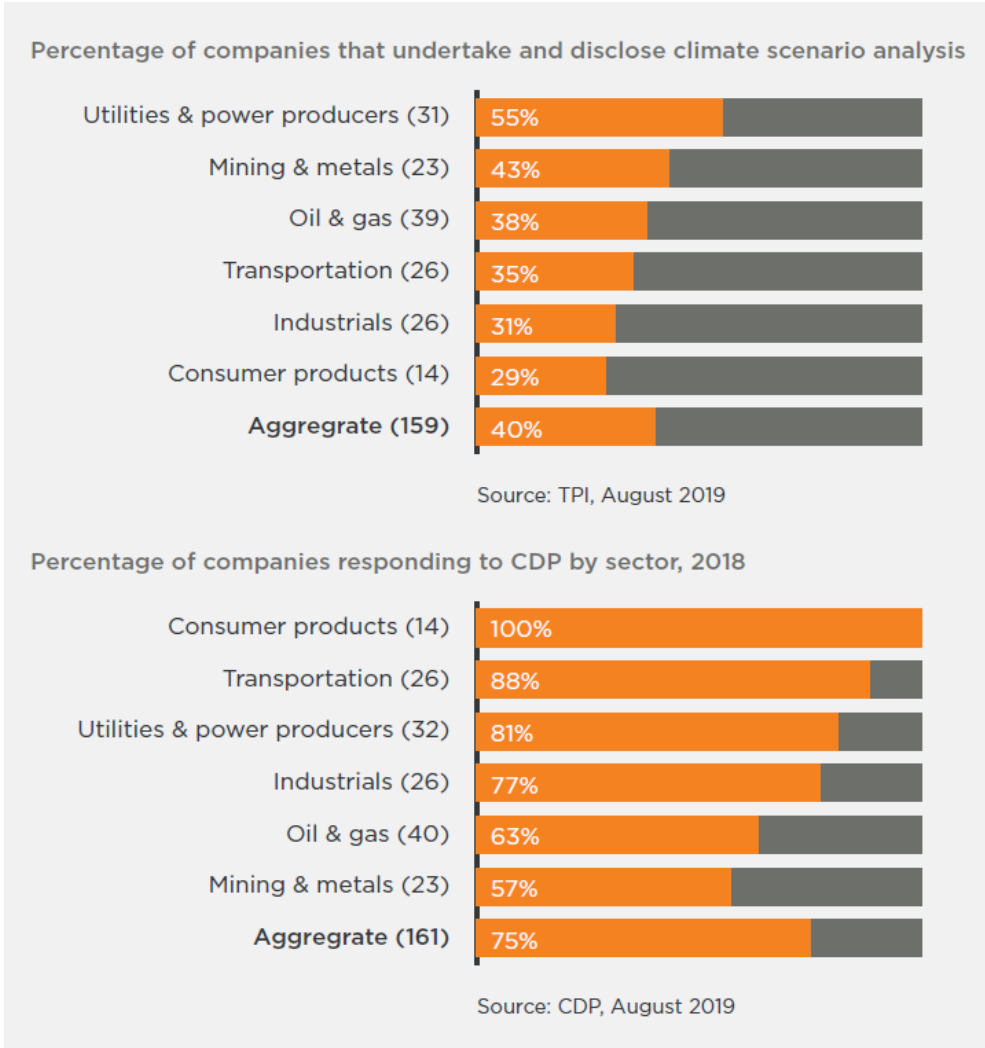
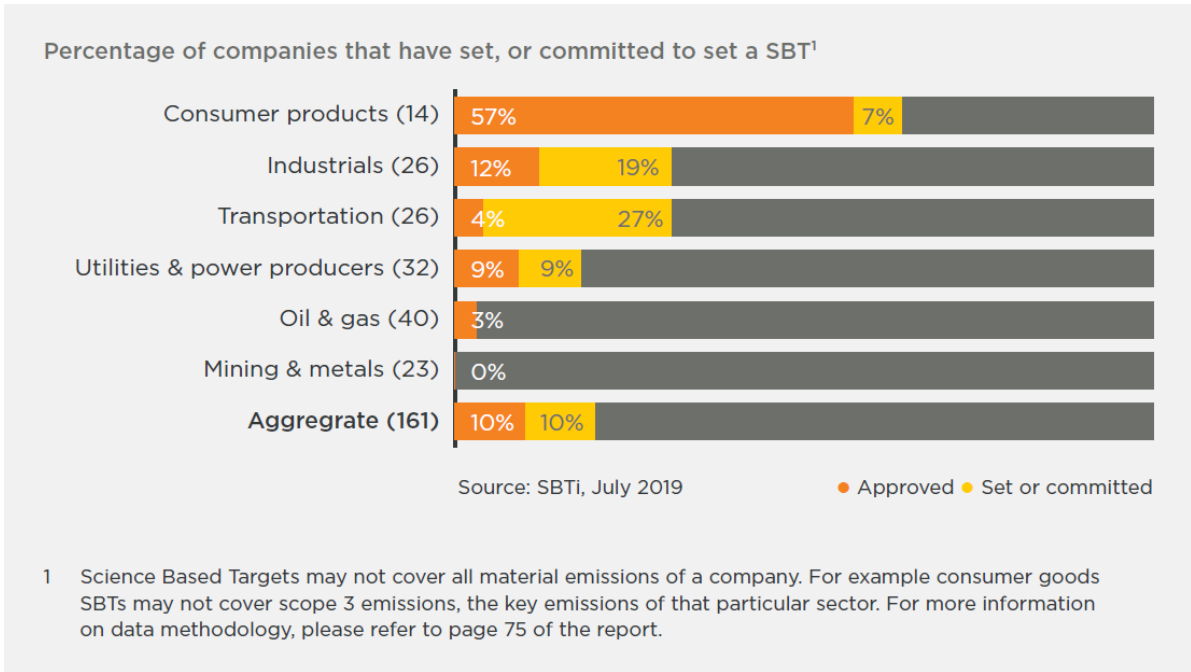
Source: TPI, August 2019

1 TPI's carbon performance assessment is based on The Sectoral Decarbonisation Approach (SDA) created by the Science Based Targets Initiative (SBTi). TPI's assessment covers 97 of the 161 Climate Action 100+ companies: oil and gas, consumer goods, and industrials sectors are excluded (not assessed).

2 Measures of emissions intensity reflect GHG emissions relative to the intensity of industrial production, e.g. grams of CO₂ released per unit of energy produced.

PROGRESS SUMMARY

3. HOW COMPANIES ARE PERFORMING ON CLIMATE DISCLOSURE



PUBLIC COMMITMENTS

Royal Dutch Shell, one of the world's oil and gas supermajors, released a joint statement committing to a range of industry leading climate commitments, including emissions reduction targets that include scope 3 emissions.

Glencore, the world's largest exporter of thermal coal, agreed to cap coal production to current levels of about 145 million tonnes per year.

Xcel Energy, a major US electric utility, has set out an intention to reach zero carbon electricity by 2050.

Maersk, the world's biggest shipping company, committed to net zero emissions by 2050.

Rio Tinto has exited from mining coal, published a TCFD report, and committed to an asset by asset review to set emissions reduction targets.

Nestlé committed to net zero emissions by 2050, including scope 3 emissions.

PTT Public Company Limited (Thailand) has released a TCFD aligned report, indicating the company's intention to align its strategy with the goals of the Paris Agreement.

Volkswagen committed to become 'climate neutral' by 2050 and launch nearly 70 electric vehicle models by 2028.

AES Corporation has conducted scenario analysis against three transition pathways, and committed to a 70% reduction in carbon intensity by 2030.

Duke Energy Corporation announced an update to its carbon transition plan, with a 50% reduction in GHG emissions by 2030 and net zero emissions generation by 2050.

PetroChina developed a climate change strategy and signalled the company's intention to align its climate policy to the goals of the Paris Agreement.

HeidelbergCement committed to achieve net zero emissions by 2050.

MEASURING COMPANY PROGRESS



COMPANY DASHBOARD

AVAILABLE FOR CA100+ SIGNATORIES ONLY

	GOAL 1: GOVERNANCE	GOAL 2: EMISSIONS		GOAL 3: DISCLOSURE
<p>CLIMATE DISCLOSURE Data based solely on companies' public disclosure</p>	<p>1A: Governance</p> <p>Data source: Transition Pathway Initiative (TPI)</p> <p>Click here for further details</p> <p>Update date: 21 Aug 2018</p> <p>AMBER</p>	<p>2A: Emissions - setting targets</p> <p>Data source: Transition Pathway Initiative (TPI)</p> <p>Click here for further details</p> <p>Update date: 21 Aug 2018</p> <p>GREEN</p>	<p>2B: Emissions - alignment with the Paris Agreement</p> <p>Data source: Transition Pathway Initiative (TPI)</p> <p>Click here for further details</p> <p>Update date: 12 Jul 2019</p> <p>RED</p>	<p>3A: Disclosure</p> <p>Data source: Transition Pathway Initiative (TPI)</p> <p>Click here for further details</p> <p>Update date: 21 Aug 2018</p> <p>GREEN</p>
	<p>CLIMATE ANALYTICS Data based on analysis of companies' disclosure and other sources</p>	<p>1B: Lobbying - practice and governance</p> <p>Data source: InfluenceMap</p> <p>Click here for further details</p> <p>Update date: Not Researched</p> <p>NR</p>	<p>2C: Potential capex outside 1.75°C carbon budget - O&G</p> <p>Data source: Carbon Tracker Initiative</p> <p>Click here for further details</p> <p>Update date:</p> <p>NA</p>	<p>2D: Technology mix - automotives</p> <p>Data source: 2 degrees Investing Initiative</p> <p>Click here for further details</p> <p>Update date:</p> <p>NA</p>
		<p>2E: Coal/Paris Agreement alignment - utilities</p> <p>Data source: Carbon Tracker Initiative</p> <p>Click here for further detail</p> <p>Update date: 30 Jun 2019</p> <p>RED</p>	<p>2F: Technology mix - utilities</p> <p>Data source: 2 degrees Investing Initiative</p> <p>Click here for further details</p> <p>Update date: 01 Jun 2018</p> <p>RED</p>	



THE CHALLENGE AHEAD IS CLEAR

ENGAGEMENT PRIORITIES

1. **LOBBYING REFORM** - Disclosure commitments and clear support for climate policy.
2. **EMISSIONS TARGETS TOWARDS NET ZERO BY 2050** – while ensuring a just transition for workers.
3. **IMPLEMENTATION OF TCFD** - TCFD aligned reporting including climate scenario analyses.

SUPPORTING INVESTORS

RECRUITING NEW INVESTOR SIGNATORIES – particularly in Asia, Africa and Latin America.

MEASURING AND COMMUNICATING PROGRESS

WORKING WITH PARTNERS TO MEASURE IMPACT – development of benchmarking framework to measure company progress while also reflecting differences in sectoral and regional expectations.

GLOBAL PARTNERS



Asia Investor Group on Climate Change (AIGCC) is 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 practices 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. AIGCC coordinates Climate Action 100+ in Asia, collaborating with the PRI offices in Beijing and Tokyo.



Ceres is a sustainability non-profit organisation 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 comprises more than 170 institutional investors, collectively managing more than \$26 trillion in assets, advancing leading investment practices, corporate engagement strategies and policy solutions to build an equitable, sustainable global economy and planet. Ceres coordinates Climate Action 100+ in Canada and the United States.



The **Investor Group on Climate Change (IGCC)** is a collaboration of Australian and New Zealand investors focusing on the impact that climate change has on the financial value of investments. The IGCC represents institutional investors, with total funds under management of over \$2 trillion, and others in the investment community interested in the impact of climate change on investments. IGCC collaborate with similar investor organisations on climate change worldwide through the Global Investor Coalition on Climate Change, Climate Action 100+ and the Investor Agenda. IGCC coordinates Climate Action 100+ engagement in Australia and New Zealand.



The **Institutional Investors Group on Climate Change (IIGCC)** is the European membership body for investor collaboration on climate change and the voice of investors taking action for a prosperous, low carbon future. IIGCC has more than 170 members, mainly pension funds and asset managers, across 13 countries, with over €23 trillion in assets under management. IIGCC's mission is to mobilise capital for the low carbon transition by working with business, policymakers and fellow investors. IIGCC works to support and help define the public policies, investment practices and corporate behaviours that address the 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. IIGCC coordinates Climate Action 100+ in Europe.



The **Principles for Responsible Investment (PRI)** is an investor initiative in partnership with the UN Finance Initiative and UN Global Compact. The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. PRI is responsible for managing a number of Climate Action 100+ engagements in North America, Asia, and Europe and is developing a strategy for Latin America and Africa.

[CLIMATEACTION100.ORG](https://climateaction100.org)

