



Investor progress towards net zero.

A climate update for policy-makers in Asia.

Sponsor:



November 2023

A stocktake of climate progress of 183 Asia headquartered asset owners and fund managers in Asia.

100 Asset
Owners

Including Asian pension
funds, sovereign wealth
funds, insurance
companies etc

83 Asset
Managers

Headquartered in Asia

56 AIGCC
Members

Intertwined within the
asset owners and asset
managers

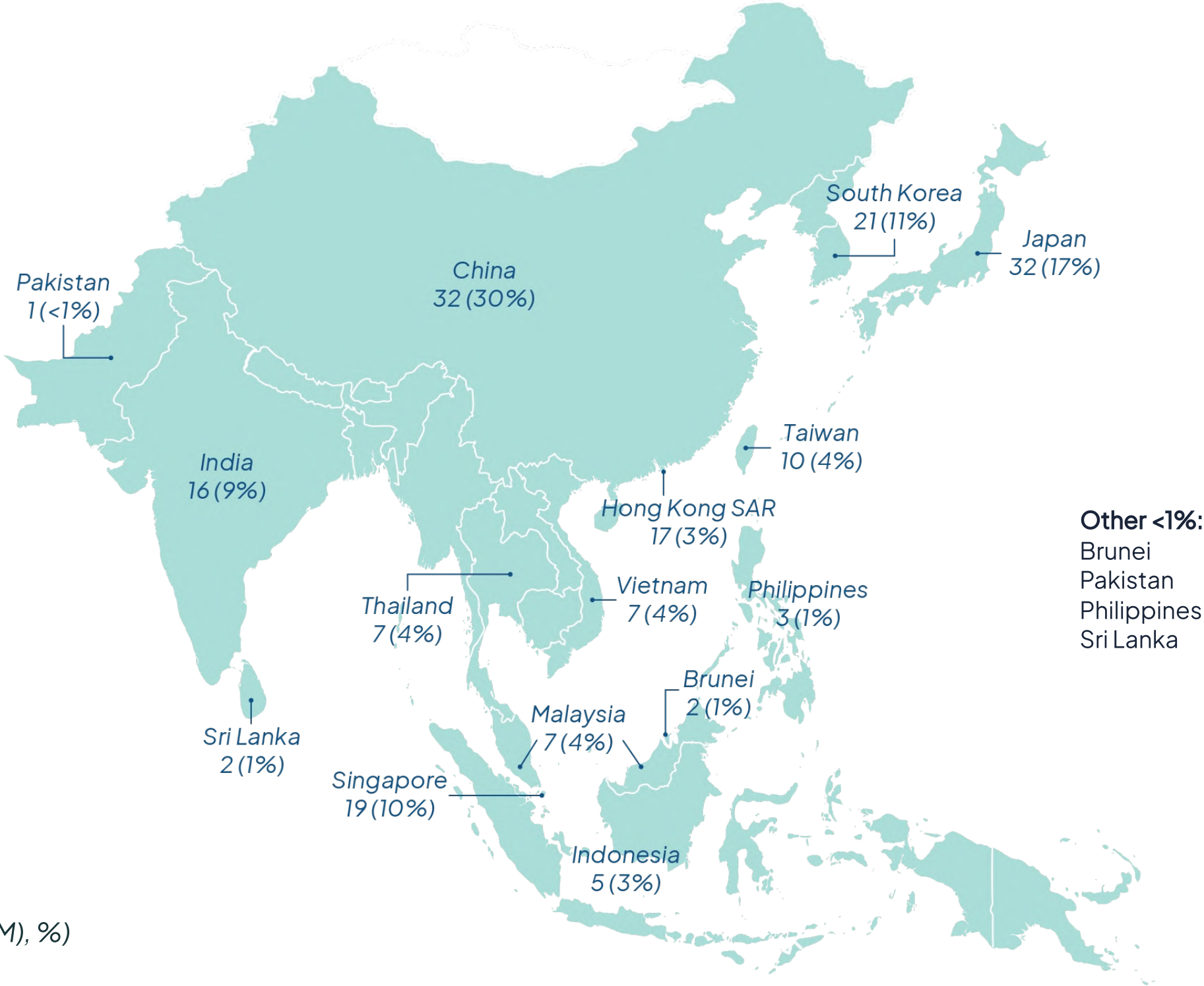
15 Asian
Markets

Investor headquartered
regions included

\$33+ trillion
USD

Collective
AUM (USD)

A look at investors across Asian markets.



Number of investors reviewed in each market
(Percentage of total sample size assets under management (AUM), %)

These investors represent a range of markets, sizes (AUM) and ownership structures, with the majority being of significant assets under management or influence within their region

Key Takeaways

There is movement and momentum to net zero emissions from investors across Asia.

But in many cases local policy settings in Asia prevent investors from moving the capital at the speed required to mitigate climate risks.

1

Investors in Asia are working to set climate strategies, short term targets, and climate governance for decarbonisation, and to allocate more capital to climate opportunities.

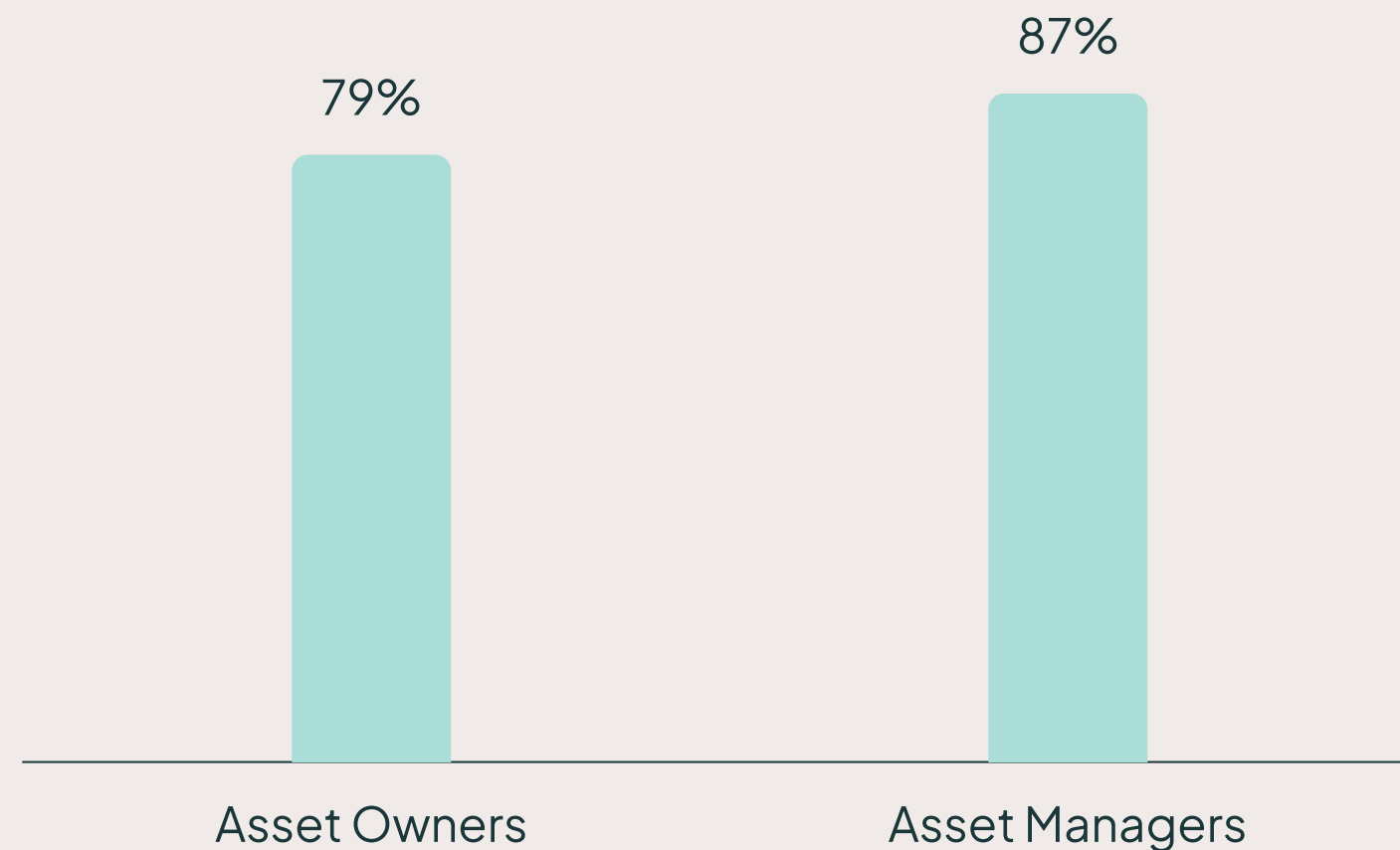
2

These investors are increasingly working together to incentivise local companies and governments to go further with credible transition plans and to build resilience to physical climate risks.

3

Investors are increasingly financing Asia's energy transition, recognising capital must go to value creation to succeed in a net zero world.

Recognition of climate change (investors by AUM)



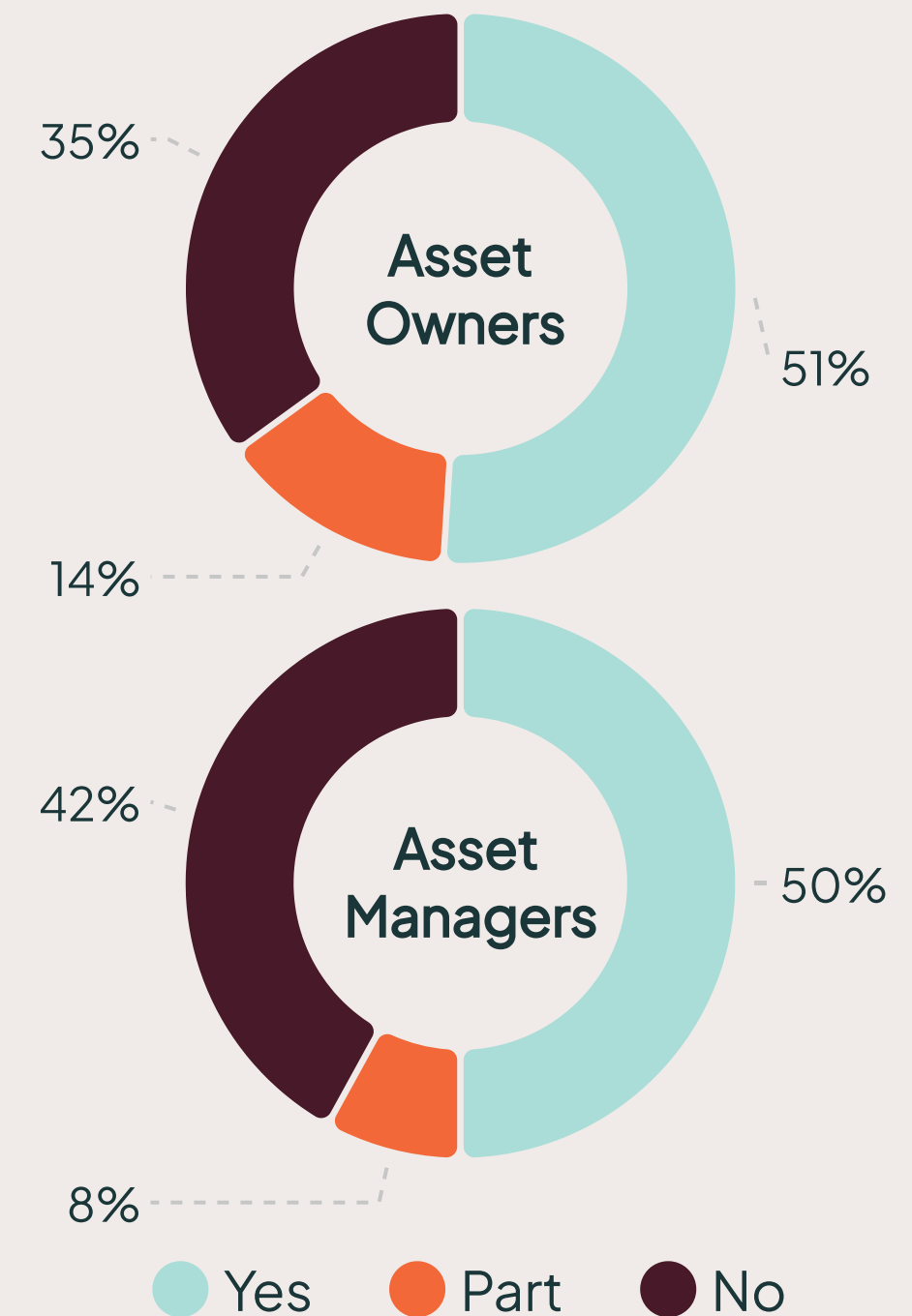
\$27 trillion (81%) of investor AUM have publicly recognised climate as a source of material risks and opportunities (n=116).

Criteria: Investors who recognise climate change as presenting material risks and opportunities (e.g. have made a statement to that effect).

\$21 trillion (63%)
of total investor
AUM have set a
climate policy
(n=90).

Criteria: Investors who have included climate change into investment policies

Inclusion of climate change into
investment policies (investors by AUM)



\$13 trillion (38%)
of AUM have set
***a target to
reach net zero***
(n=56).

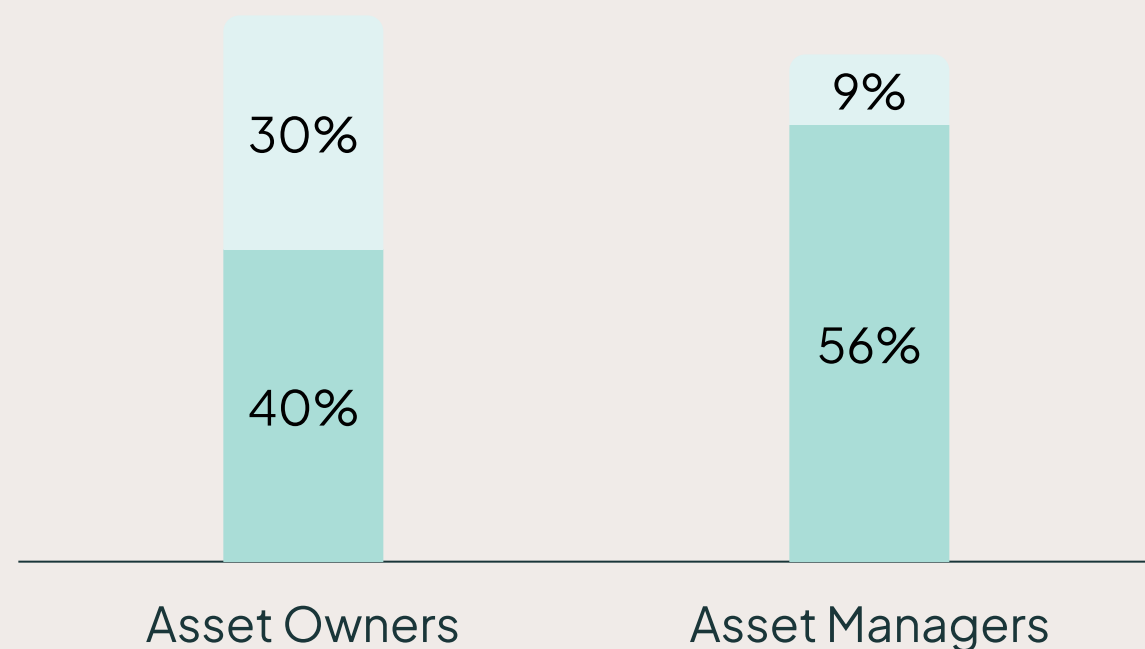
Criteria: Investors that have set a target for net zero portfolio emissions over all or part of the portfolio

Investors with
\$8 trillion (25%)
of AUM have set
***short term
targets***
(n=36).

Criteria: Investors that have set a short term/ interim target to reduce portfolio emissions over all or part of the portfolio

Climate disclosures (investors by AUM)

● Yes ● Part



Criteria: Investors who have published detailed climate disclosure information in line with the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) or a related climate reporting framework

\$23 trillion (69%) of AUM have made climate disclosures aligned with the leading standard, TCFD (n=74).

There is lower disclosure of physical risks.

20 investors in Asia, with \$5 trillion AUM have set targets to direct capital into renewable energy and other climate solutions.

Many more stated they are actively trying to increase exposure to green & transition investments in Asia.

Criteria: Investors who have committed to increasing investments in climate solutions

Local policy and regulatory landscapes are the key driver of investor climate action for AIGCC members.



Question with responses from 56 investors who responded to the AIGCC 2023 State of Net Zero Investment survey:
What have been the top drivers to consider climate considerations and net zero investing for your organisation?

Asia Investor Group on Climate Change CEO, Rebecca Mikula Wright said:

"Investors across Asia are recognising climate change risks and opportunities.

"But there are policy barriers preventing more investors from setting short term climate targets and re-aligning capital flows at the rate needed to protect beneficiaries from related economic and physical damages.

"Under the right local policy conditions, private investors can quickly deploy significant capital into Asian markets that will support governments' growing responsibilities on climate."

Full report released 2024 Q1.

AIGCC will continue to track climate progress of Asia investors, work with policy-makers in Asia,
and report on progress.

For questions, or for Asian policy-makers or investors looking for net zero support,
please [contact AIGCC](#) to learn more.



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MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data, and technology, we seek to deliver integrated data, analytical tools, indexes and insights that untangle the complexity of the net-zero transition. Our climate solutions harness the depth of our data and the collective insight of our analysts from across the globe to help institutional investors understand how to produce return, quantify risk and adapt their strategies accordingly. In Asia, we have dedicated teams supporting investor needs in integrating climate considerations into their investment process. From analyzing and attributing portfolio's emissions, to capturing opportunities, sharpening one's views of climate-related risk, setting and monitoring progress toward targets, and benchmarking performance – investors can find the right tool at every stage.