



AIGCC Year in Review: 2024

12 months of work and results

February 2025



About the Asia Investor Group on Climate Change

We are an initiative to create awareness and encourage action among Asia's asset owners and asset managers about the risks and opportunities associated with climate change and low-carbon investing.

AIGCC provides capacity and a trusted forum for investors active in Asia to share best practice and to collaborate on investment activity, credit analysis, risk management, engagement and policy related to climate change.

Our members are custodians of more than \$28 trillion globally, include asset owners, asset managers and come from 11 different markets in Asia and internationally.

We are a not-for-profit organisation, funded by members' fees, philanthropy, partnerships, and sponsorship from supporters who understand the power of capital to support climate action.

With a strong international profile, AIGCC also engages with government pension and sovereign wealth funds, family offices, and endowments.

AIGCC represents the Asian investor perspective in the evolving global discussions on climate change and the transition to a net-zero emissions economy.

Trusted relationships with Asia's policy-makers

Policy-makers now understand that AIGCC is the reliable source of insight into investors' perspectives on climate.

They come to us to work together with investors in Asia.

Asia's best thought leadership and investment resources

Helping investors in Asia fulfill their fiduciary duty, acting on significant risks and opportunities associated with climate and nature.

Enabling climate progress in Asia's key industries

Through our Asian Utilities Engagement Program and Climate Action 100+, AIGCC has helped accelerate the transitions of Asia's energy companies and heavy emitting industries.

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Letter from the CEO



Rebecca Mikula-Wright
CEO, IGCC & AIGCC

Through 2024, institutional investors in Asia had to navigate very different political realities in the region, most notably Indonesia, Japan, and South Korea, but also in the context of global political shifts.

Given that public climate policy is integral to how capital markets direct investment, AIGCC has important work to help investors make sense of their operating environment, and provide investors' perspective into policy development.

Broadly speaking we're seeing continuing movement in the right direction but effective implementation and meticulous attention to policy details are fundamental to success.

For example, Indonesia's public commitment to green growth demonstrates admirable leadership. Follow-through at all levels of government and business through 2025 will help investors have confidence that the country's 8% sustainable growth target merits capital support.

As Japan continues its Green Transformation policy, envisioning 150 trillion yen of public/private investment over 10 years, the specifics of the transition very much matter. Great examples of high renewable energy production in Kyushu and Hokkaido, now need to connect to an upgraded grid to allow that energy to be fully utilised, opening up new investment opportunities.

For AIGCC, this evolving landscape is a fertile ground for advancing its mission. The organization's long established presence in Singapore, Hong Kong SAR, China and Japan is now complemented by deepening relationships in Korea and a number of ASEAN markets, particularly Indonesia and Malaysia.

We're starting a new program focussing on a just transition for Asia's emerging markets, with our first team member based in India, early in 2025. Our holistic and interconnected approach makes sense for our members; the interactions of climate mitigation and adaptation, the connection of a just transition with continuing political support for emissions reduction, and the interdependency of nature risk and climate risks.

AIGCC's early entry into the sustainability space has yielded strong foundations and growing influence. These partnerships are driving actionable change, fostering regional collaboration, and unlocking opportunities for sustainable investments.

A stylized, handwritten signature in black ink, appearing to read 'RMWright'.

Investors' Progress, Ability & Ambition

AIGCC's members are navigating the path to net zero as global economies transform to low-carbon.

While the destination is clear, the route can be complex, especially in Asia with its unique challenges and diverse markets.

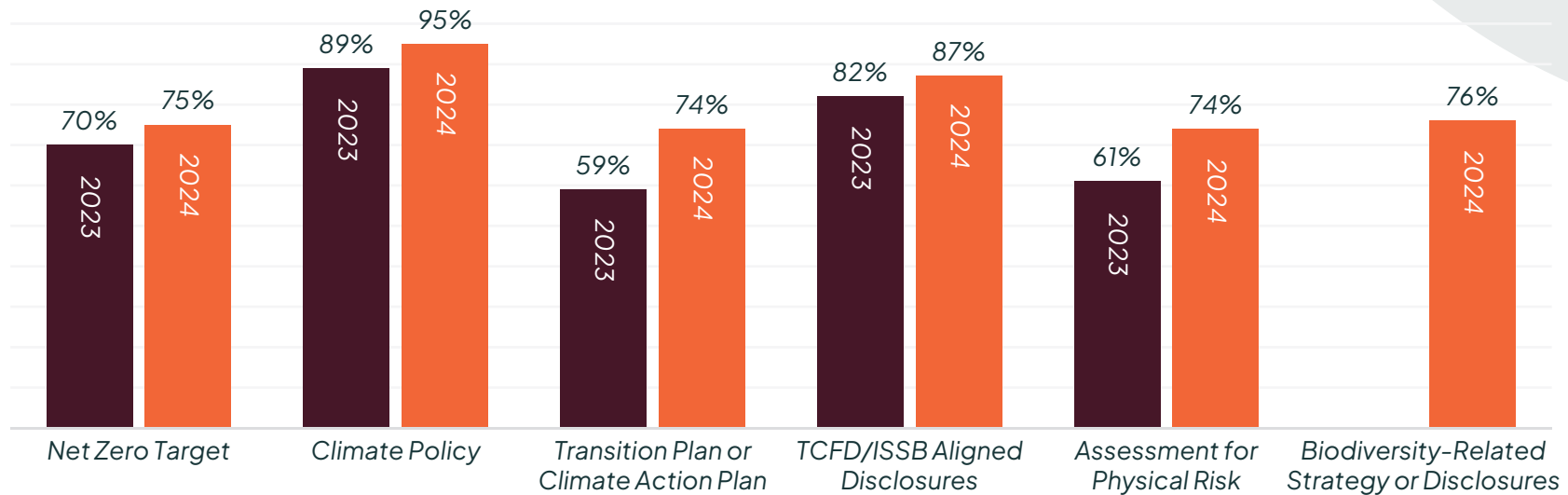
This year, AIGCC has focused on providing investors with the roadmaps and support they need to accelerate their journey, building bridges between global best practices and regional nuances.

We are empowering investors to not only adapt to the evolving landscape of climate-related risks but also to seize the immense opportunities that arise from the transition to a low-carbon economy.

This means providing investors with the knowledge and tools to implement climate and nature factors in their investment decisions.



Climate Performance Indicators



AIGCC members have made year on year progress across a selection of key indicators that AIGCC tracks, according to members' responses to our annual survey.

The figures above are a reasonable representation of progress, although the number and composition of survey respondents has grown from 58 last year to 65 this year. These headline figures refer to at least part of their portfolios.

AIGCC also tracks the climate performance of the wider Asian investment market. Across all of these key indicators, AIGCC members are significantly more advanced than the market. More information will be released in the next edition of our annual report on Asia's climate investment practice, with the next edition due out in H1 2025, sponsored by MSCI.

Accelerating the Road to Net Zero

The Need

Investors increasingly recognise the urgency of reaching net zero, but many face roadblocks on the journey.

They seek guidance, reliable data sources and information, mixed with expertise and peer knowledge-sharing, to drive cost effective and impactful action.

The Work

To equip investors for the net-zero journey AIGCC provided a suite of resources:

- The “State of Net Zero Investment in Asia 2024” report, sponsored by MSCI, provided a detailed map of the current landscape.
- Collaborative forums like the Paris Aligned Investment & Asset Owner working groups connected investors, fostering peer learning and knowledge exchange.
- The Net Zero Investment Framework 2.0 and the updated ICAPs Guidance offered investors practical tools for setting climate targets, transition plans, and measuring progress along the way.
- The Net Zero Asset Managers and Paris Aligned Asset Owners initiatives helped Asia-based investors to connect and share best practice with global leaders.

The Outcome

AIGCC's efforts have propelled investors further along the road to a net zero economy.

A growing number of investors are making progress on climate: we see better transparency, interest in their regulatory environment and climate risk management as a competitive edge.

AIGCC members continue to be climate leaders compared to peers in Asia, across all areas of investor transition plans; governance, investments, disclosure, corporate engagement, and policy advocacy.



[AIGCC's State of Net Zero Report 2024](#)

Looking Ahead

Whether an investor is just starting their journey, or is already well along the road to net zero, AIGCC offers the resources and support needed to navigate the route ahead.

- Providing up to date, systemic, science-backed guidance and methodologies.
- Tailoring guidance to investors' regional context.
- Providing technical forums and access to expertise to assist investors with practical steps.
- Enabling investment in climate solutions, and investment in EMDE Asia.
- Publishing thought leadership, and market intelligence.

Launch of the AIGCC Asset Owner Working Group

The Need

Asset owners can play a significant role in unlocking and potentially addressing the trillion dollars climate funding gap needed annually in Asia. As many asset owners in Asia are in earlier stages of their climate journey, AIGCC is supporting them to accelerate progress in their approach to climate-led investments: from governance and oversight of climate, to integration into their investment strategies.

In AIGCC's extensive consultations, we see a positive trend of Asian sovereign wealth funds, pension funds, and insurers showing a growing interest and alignment to net zero investing.

Looking Ahead

AIGCC is currently planning its next 3–5 year strategy which will include building asset owner capacity. The intended focus includes growing best practice on low-carbon investing, scaling investments in Asia's emerging markets, and scaling renewable energy investments in Asia.

The Work

The Asset Owner Working Group was launched in April 2024. It is designed to use peer learning and sharing to bridge the knowledge gap on mainstream climate-related risks and opportunities, implement climate into asset owners' investment processes and decision-making, and mobilise climate-focused capital.

AIGCC held two Asset Owner Working Group sessions in 2024. The first, at Ecosperity in Singapore, focussed on scaling up climate solutions in Asia. The second session was hosted at Japan Week, with pension funds, insurers and sovereign wealth funds investing in Asia, focused on financing industrial decarbonisation in the region.

The Outcome

The working group has reached almost 30 asset owners, which included significant asset owners who are not yet AIGCC members, managing approximately USD 7.7 trillion.

This work has been positively received by attendees as a closed-door, safe forum for asset owners to develop a comprehensive understanding of 'best practice' on net zero/low carbon investing implementation.

Focus on high-emissions industries

Energy companies and heavy industries, although essential to Asian economies, expose the region to high transition risk.

Continued high emissions from those companies would also worsen physical risk, putting Asia's overall economic development in jeopardy.

AIGCC has two main programs that help investors in Asia engage with the business decision makers and policy-makers who can accelerate Asia's transition to sustainable energy and industry.

AIGCC's Asian Utilities Engagement Program focusses on systemically important energy utilities. AIGCC is also a founding partner of Climate Action 100+ which focuses on Asian steel, transport, manufacturing, and oil & gas companies.

In the following pages we've included three case studies that show a sample of the needs, our work, and the outcomes we're achieving.



Asian Utilities Engagement Program (AUEP)

Introduction

Asia is the world's highest emitting region, accounting for almost half of global energy demand; thus, the importance of energy transition in Asia. The region's diverse needs, natural endowments, and differing societal conditions make the energy transition challenging: six of the ten countries with the largest CO₂ emissions from fuel combustion globally are Asian countries, and Asia is also home to the most significant renewable powerhouse in the world.

In 2024, AIGCC has focused on many projects related to energy transition. The Asian Utilities Engagement Program (AUEP) has been the overarching initiative driving these projects. AUEP was launched in 2021 as an investor-led initiative to engage with Asia's systemically important utility companies and help them curb emissions across the value chain, strengthen climate-related financial disclosures, and improve governance of climate-related risks that may affect companies. The AUEP also works to develop potential financing mechanisms and draws on AIGCC's policy engagement on energy transitions.

In addition to AUEP, the Energy Transition Working Group brings AIGCC members to respond to energy transition developments and topics. This year, the group explored transition credits, asset-level physical risk analysis for phasing out coal-fired power plants and studied the potential of ASEAN power grids.

While clean energy generation costs have fallen significantly in some countries across Asia, capital and funding from investors is still needed to deploy renewables at scale. Investors' engagement with policymakers and regulators will help to enable an environment that is conducive to mobilise private capital in renewables. Engagement with corporates will also help investors understand the technological advancements that could help decarbonise energy systems.

This year, AIGCC has facilitated discussions on phasing out of fossil fuel assets with various stakeholders in the region. We expect such conversations to continue and progress towards renewable energy solutions and challenges, including tackling barriers in transmission grids and battery storage.

As the window to 2030 shortens, AIGCC will continue to ramp up its support for investors in transitioning to a net-zero economy by 2050.

The Need

The International Energy Agency (IEA) has stated that the power generation sector is the world's largest sources of CO₂ emissions, at 44%.

The Asia-Pacific region produces 49% of total global electricity, with approximately 69% generated from fossil fuels including coal, oil, and natural gas. Engaging Asian electric utilities to reduce their emissions is crucial in order to align with the Paris Agreement goals, and protect investors' beneficiaries from transition risks and physical risks associated with climate change.

The Work

AIGCC launched the Asian Utilities Engagement Program (AUEP) in 2021 to increase the effectiveness of climate engagement in systemically important utility companies

Investors participating in the AUEP engage the boards and senior management of significant utility companies in Asia to encourage them to commit to implementing a strong governance framework, reducing greenhouse gas emissions in accordance with the Paris Agreement, providing enhanced corporate disclosure, identifying physical risks to the company, and engaging with public policymakers.

AUEP also includes significant engagement with policymakers who directly and indirectly set the economic incentives or barriers for companies to decarbonise.

The Outcome

In 2024, leading Asian electric utility companies have adopted a much more positive attitude when it comes to transitioning away from coal and preparing their businesses to thrive in the coming net zero economy. This posture has resulted in important progress this year amongst the companies, including the following highlights:

- **Decarbonisation strategy and targets:** Two AUEP focus companies have started to disclose their detailed plans for the phase out of coal-fired power plants.
- **Disclosure:** Six companies have published an annual disclosure based on recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).
- **Governance:** Five companies have started to link directors' compensation to climate performance.

As of 2024, 20 investors responsible for USD 11 trillion in assets under management or advice are involved in this initiative.



Looking Ahead

With AUEP entering its fourth year, investors will continue to push for faster and more ambitious climate commitments from focus companies. They will also focus on implementing company strategies to meet net-zero goals, with short-, medium-, and long-term emissions reduction aligned with the Paris Agreement.

AIGCC will continue to assess utilities' progress against AUEP key investors' expectations. AIGCC also aims to publish thought leadership pieces on energy transition to help investors in their engagement with companies.

[Download AUEP's progress report](#)

Climate Action 100+

2024 was a significant year in investor stewardship and corporate engagement in Asia.

The urgency for systemically important emitters to take action on climate is stronger than ever. Asian companies are keen to demonstrate leadership through the global Climate Action 100+ initiative despite political headwinds. Emerging examples from the region include the necessary capital allocation to climate solutions for a credible transition to happen.

Climate Action 100+'s latest [Net Zero Company Benchmark](#) assessments showed that because of effective corporate engagement led by investors:

1. More companies headquartered in Asia are disclosing capital expenditure towards climate solutions such as renewables and/or strengthening research and development on other technologies.
2. Asian companies are also disclosing more detailed, quantified results for climate scenario analysis, covering both physical and transition risks. These companies are increasingly adopting 1.5°C Aligned Scenarios, including International Energy Agency's Net Zero Emissions by 2050 Scenario (IEA NZE 2050 Scenario) and Representative Concentration Pathways 2.6 (RCP 2.6).
3. Overall, Asian companies are making incremental progress on their decarbonisation and transition plans through quantification of strategies that contribute to achieving their targets.

However, the external environment surrounding climate action remains dynamic, especially on sectors like steel, where opening new corridors of green trade plays a significant role.

For the global economic system to make a just and credible transition to net-zero, it will require concerted effort across all sectors and geographies. Asia has some of the largest emerging markets and developing economies (EMDEs) globally, and those economies are home to the majority of the world's population. Asian investors' perspectives are therefore one of the foundations of global climate action.

State-owned enterprises (SOEs) in Asia have a specific economic and social role in supporting national carbon neutrality goals. The actions of the largest ones will have a significant impact on domestic and global markets in meeting common climate ambitions. India's Oil and Natural Gas Corp's 2024 decarbonisation roadmap was one example welcomed by investors this year. In the coming year, we will continue strengthening investors' engagement with SOEs to develop more clarity around their decarbonisation strategies, including investments into climate technologies and long-term diversification strategies.



[Download the progress report](#)

Corporate Engagement Driving R&D and Capital Allocation into Climate Solutions

The Need

Climate solutions play a pivotal role in supporting low-carbon transition, ranging from renewable energy, electric vehicles to technologies enabling low-carbon industrial processes.

However, for climate solutions to grow enough to meet net zero targets, companies often require certainty in relevant technologies.

The Net Zero Company Benchmark asks for transparency on companies' targets and capital allocation into climate solutions, something that has had only been provided in a limited way to date.

Climate solutions that require further research and development entails a longer investment horizon. Strong industry-level collaboration can accelerate the technological progress necessary to overcome barriers at a sectoral level.

Looking Ahead

A deeper understanding of the business opportunities within each sector could unlock solutions applicable across multiple industries. Through coordination of corporate engagement activities through Climate Action 100+, AIGCC will promote cross-pollination

The Work

AIGCC facilitated dialogues with companies, helping investors get deeper insight of the progress of pilot projects and current industry views on different climate solutions.

AIGCC has created opportunities for investor input on the development of climate solutions for different sectors covered in Climate Action 100+.

The Outcome

Climate Action 100+ focus companies are disclosing and allocating more resources into R&D and climate solutions, particularly in the utilities, steel, and oil & gas sectors. The disclosures and capital allocation indicates their intention to build their technological readiness for a transition. Such transparency helps investors refine their engagement priorities and should inform investment strategies for climate solutions. Specific examples include:

- China Steel Company's construction of an offshore wind farm and relevant investment details
- SK Innovation's joint investment with US Terra Power for carbon free electricity

Investors are keen to see further disclosure on these climate solutions:

- POSCO Holdings establishment of a development centre at Pohang, South Korea in February 2024 to research and pilot their HyREX hydrogen-powered steel-making technology.
- PetroChina's growing investments in new energies and new businesses PetroChina between 2021 and 2023.

of these decarbonisation opportunities and foster the exchange of ideas for technological development. AIGCC will also increase bilateral and multi-lateral discussions on energy transition and industrial decarbonisation to pave the way towards a net zero transition.

Practicalities of an Equitable Energy Transition in Emerging Markets

The Need

Asia has some of the largest emerging markets and developing economies in the world. These markets house a significant population of the world, and it is crucial that they are not overlooked in the global transition to a net-zero economy.

They face acute pressures to provide the energy necessary for the population and essential developmental needs, whilst balancing the need for a transformation of the energy system.

To facilitate energy transition in emerging markets, it is essential to engage in conversations about socio-economic effects and develop strategies that promote inclusive and sustainable movement toward cleaner energy sources.

The Work

Through coordination of corporate engagement with systemically important emitters in the energy sector within Asia, AIGCC supported investors by bringing in research and insights customised to the diverse contexts of various Asian markets.

The Net Zero Company Benchmark asks for enhanced disclosure from companies on their commitment to the principles of a Just Transition and details about their planning and monitoring mechanisms towards it.

Through thematic Working Groups such as the China State-owned Enterprises and India Public Sector Undertakings, efforts are underway to engage with relevant stakeholders in emerging markets for an improved understanding of decarbonisation pathways and key policy and market levers for a low-carbon transition.

The Impact

Companies in emerging markets are becoming more transparent about their transition strategies. Selected examples include:

- Coal India Ltd. is implementing comprehensive mine closure strategies. They have also launched a portal which tracks closed mines and those with finalised closure plans.
- PetroChina is developing talent for the company's energy transition needs and reassigning key professionals in exploration and development of resources to roles in wind, electricity, PV, hydrogen and AI. The company has also established a customised training program for select employees to pursue further studies at colleges and enterprises.
- Bumi Resources has implemented strategies to build resilience in its community, including fostering just and favourable working conditions and investing in upskilling and reskilling initiatives.

Key Themes

AIGCC works on themes that are central to long term sustainable returns for investors and real progress on climate change.

They allow AIGCC and its members to focus on risks and concepts that may be unfamiliar to investors or where capital markets don't adequately price risks and opportunities.



Nature, Forest and Land Use



Far left, Wisnu Wibisono, AIGCC's Nature, Forest and Land Use Project Lead, on a panel for investments in forestry and biodiversity at NUS Singapore

Investors are becoming increasingly aware of the critical role that nature plays in achieving their net-zero objectives. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPES) identifies climate change as a key factor contributing to biodiversity loss. At the same time, numerous studies show that natural ecosystems provide effective and cost-efficient solutions for both mitigating and adapting to the impacts of climate change.

To meet investor demand, AIGCC has ramped up work in this area, with the support of the Forest and Land Use Working Group. In the working group, investors shared insights on how they assess deforestation risks within their investment portfolios and integrate these considerations into their investment activities. The working group aims to provide investors with an understanding of deforestation issues in the region and equip them with the right tools and frameworks to improve the resilience of their portfolios against deforestation risks in Asia.

We also introduced a foundational training module for AIGCC members aimed at educating investors who are looking to integrate nature-related risks in their investment strategies.

Additionally, we facilitated policy roundtable discussions in Malaysia and Japan, where investors shared their views and insights with policymakers on effectively supporting government initiatives focused on enhancing nature and biodiversity. The roundtable discussion helped to build an understanding of how investors could play a role in supporting the governments' national strategies on nature.

We are committed to working with our members to expand our efforts to address nature loss in Asia throughout 2025. AIGCC's Forest and Land Use workstream will continue to address commodities-driven deforestation while also exploring various topics related to nature.

Building the Case for Investors to Act on Nature Loss

The Need

Investors are increasingly aware of nature loss and want to start taking action to achieve a nature-positive future through their investment activities. To achieve this goal, investors need a solid case to integrate nature into their investment within the context of Asia and to build knowledge on nature throughout the investment team.

The Work

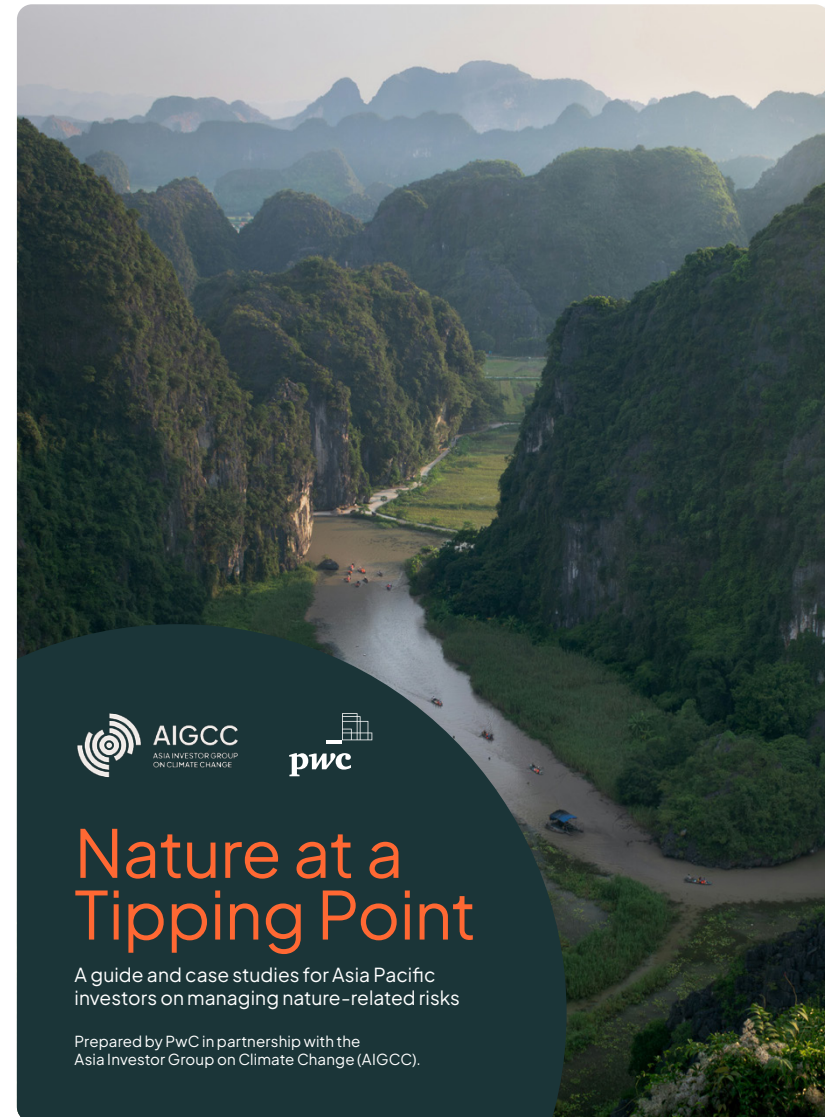
In early 2024, we developed the “[Nature at a Tipping Point](#)” report, which provides an overview of the Asia Pacific economic dependence on nature and a high-level guidance on how investors could assess and manage nature-related risks.

We also collaborated with WWF to launch an online training module targeted at investment analysts, helping them start understanding and institutionalising nature and deforestation issues within Asia’s context.

The Outcome

Asian investors are using the ‘Nature at a Tipping Point’ report as a foundation for their case to act on nature. Malaysia’s stock exchange, Bursa Malaysia, has also featured the report under [Bursa Sustain](#), a strategic pillar within the exchange that focuses on sustainable content and initiatives.

Meanwhile, the training module equips our investor members to integrate nature and nature-related risks within their organisations.



[Download the agenda-setting report](#)

Physical Risk, Adaptation and Resilience



Flooding in Hong Kong's Temple Mall, caused by unprecedented rain in September 2023, closed businesses in the mall's lower floor for more than two months, with commensurate financial losses.

Globally, economies are already exposed to the mounting financial risks and implications brought by the increasing frequency and severity of extreme climate events.

Businesses in Asia are particularly prone to the effects of floods, extreme heat and sea level rise. Investors are therefore concerned that the Asian companies and projects they own have not been able to demonstrate adequate preparedness in the medium and long term through comprehensive adaptation and resilience planning.

Strong partnerships and collaboration among governments, private enterprises and financiers will be required to build resilience.

AIGCC is prioritising this approach with nine Asian markets; Japan, South Korea, China, India, Singapore, Hong Kong, Malaysia, Indonesia and Thailand.

This work is geared towards unlocking public and private finance in support of resilient Asian economies, thereby increasing investor confidence in the region.

We are also working towards clearer mandates from investors prompting companies to develop resilience plans to their complement transition plans.

Government Engagement Enabling Private Finance For Adaptation and Resilience

The Need

Despite growing awareness of physical climate risks, Asia faces significant barriers to actualising adaptation and resilience projects and solutions.

Markets suffer from a lack of detailed climate risk information, poor coordination between government department, and unclear adaptation plans.

Coordinated approaches between governments and capital markets are urgently needed to accelerate adaptation investment.

This may include developing clear adaptation planning and policies, sharing global best practices, developing multi-stakeholder partnerships and innovative finance mechanisms.

The Work

In 2024, AIGCC launched a multi-market resilience policy engagement initiative based on our unique assessment of national adaptation plans and policies across nine Asian markets. The research identified whether plans aligned with investor's expectations and highlighted best practices across the region.

It also recommended establishing pipelines for adaptation financing, providing accurate and actionable climate data, and encouraging greater private sector involvement and representation in national adaptation planning.

Investors presented these findings to policymakers across government departments through closed-door roundtables.

We also presented our findings at COP29, which this year prioritised the development of actionable adaptation plans that enable financing solutions.

The Outcome

Through our roundtables across markets, policymakers heard influential investors' perspectives on the critical gaps and opportunities in accelerating adaptation and resilience efforts.

Policymakers heard investors' perspectives on the critical gaps and opportunities in accelerating adaptation and resilience efforts.

Our analysis of best practices across markets has also advanced investor and policymaker knowledge of physical risk management and developments in adaptation finance mechanisms.

Governments have expressed their enthusiasm to deepen adaptation and resilience engagements with AIGCC and its members.



Next Steps

AIGCC is committed to working with governments across Asia on improving adaptation planning and implementation for resilient markets. Building on the progress so far, we will continue to work with governments in Asia on resilience planning.

This is a crucial step towards the adaptation projects necessary for resilient economies across Asia.

AIGCC Director for Policy Engagement, Anjali Viswamohanan, presenting at COP29 on investors' expectations on National Adaptation Plans in Asia.

Just Transition



Workers at the Qianjiaying Coal Mine, Tangshan, China
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Decarbonising Asian economies and achieving a just energy transition will occur differently across the region's varied economies.

Each market starts from different points, which makes it important for investors to understand and incorporate these regional variations into the best-practice frameworks investors can use to support a fair and equitable transition.

In many markets, the enabling policy for transition also requires broad social license, which cannot be achieved without sharing the benefits of a shift to net zero emissions.

Through AIGCC's just transition work program, we will delve into market and sector-level nuances on pertinent social elements. This will help ensure that global investment frameworks include these essential factors and therefore results in a fairer transition across emerging markets and developing economies.

A New Just Transition Working Group for Investors Starting in 2025

The Need

As Asia accelerates its climate transition, the human dimension of this shift is becoming increasingly evident.

While decarbonization offers significant opportunities, it also introduces risks to workers, communities, consumers, policymakers, investors, and economies that rely on high-carbon industries.

This complex reality underscores the urgency of a just transition in the region. Many Asian economies face a dual challenge of economic vulnerability and dependence on extractive industries, highlighting the critical need for policies and strategies that protect livelihoods and build stronger social safety nets.

The Work

In response, the AIGCC has designed, prepared and announced its Just Transition Working Group, recognizing the importance of addressing the social and economic impacts of the climate transition across diverse labor markets in Asia.

The working group will build the capacity of AIGCC members to integrate just transition considerations into their investment decisions, focusing on regional complexities, corporate engagement strategies, and identifying opportunities in transition finance that prioritize people-centered approaches.

With insights from industry leaders and stakeholders, the groundwork laid by AIGCC members sets the stage for strengthening capacity-building efforts in the coming year.

This work will complement the existing Just Transition focus on engagements through Climate Action 100+.

Looking Forward

Co-chaired by Amundi and Eastspring Investments, the working group's first session was in Q1 FY25, focusing on key sectors such as energy and heavy industries, and targeting emerging markets and developing economies (EMDEs). The group will also aim to address challenges in asset allocation and close the financing gap in emerging markets.

The Just Transition Working Group is positioned to deliver meaningful outcomes, with AIGCC members playing a pivotal role in driving a just transition by directing capital toward initiatives that support equitable climate action.

This collective effort will help shape a fair and sustainable climate transition, ensuring that economic growth and decarbonization go hand in hand in Asia's diverse and evolving economies.

Key Markets

Asia's diverse markets require a tailored approach to climate investment.

AIGCC works across key economies to support investors in understanding local policy landscapes, engaging with companies, and identifying opportunities for decarbonization.

In 2024, we advanced policy dialogue on mandatory disclosures in Korea, strengthened engagement in China, and supported investors in Japan and Indonesia on energy transition planning.

Through these initiatives, AIGCC is helping investors navigate regional complexities while aligning portfolios with long-term climate goals.



Korea

2024 has been a defining year for South Korea in the fight against climate change. The nation faced unprecedented climatic extremes, from recording the hottest summer since 1973, to experiencing Seoul's heaviest November snowfall since 1907. These events starkly highlighted the urgency of our shared mission.

On the policy front, South Korea witnessed significant developments. The 22nd National Assembly launched in June with a strong focus on climate action, including the Climate Change Forum to advance legislative measures.

In a groundbreaking decision, the Constitutional Court ruled key provisions of the Carbon Neutrality Act unconstitutional, citing the government's inadequate greenhouse gas reduction targets beyond 2030 as a violation of citizens' rights. This landmark decision marked the first time in Asia that a court recognized inadequate climate action as a constitutional rights issue.

Looking ahead, 2025 promises to be dynamic, with critical milestones such as the adoption of the 11th Basic Energy Plan, finalisation of the 2035 NDC emissions reduction target, and the completion of Korea's long-term energy outlook.

AIGCC has been active in this evolving landscape, with the Korea Working Group relaunching in July 2024. Since then, the Working Group's 10 members have contributed to Korea's sustainability agenda, submitting consultations on disclosure standards, and produced an open letter to the Financial Services Commissions (FSC) advocating for transparent policy roadmaps.

AIGCC continues to facilitate investors' engagement with four high emitting Korean-headquartered companies as part of the Climate Action 100+ program.



AIGCC Director of Investor Practice, Monica Bae, (top row, second from left) at an investor, government and business forum "Proposals for Climate Disclosure for the Sustainability of Korean Companies"

Pushing for ISSB-Aligned Sustainability Disclosure Standards in Korea

The Need

In April 2024, the Korea Sustainability Standards Board (KSSB) released a draft of the Korean Sustainability Disclosure Standards, largely aligned with ISSB standards.

Mandatory disclosures help investors understand climate risk in their portfolios and efficiently allocate capital to companies that can thrive in a net zero economy.

However, critical decisions on content and timelines were deferred, citing local companies' capacities. Some stakeholders proposed making the disclosures optional or delaying implementation until 2029. AIGCC was concerned that such delays or omissions could undermine Korean companies' global competitiveness and transparency, exacerbating the "Korea Discount" phenomenon, a perception of undervaluation tied to governance and disclosure gaps.

The Work

AIGCC made a submission to the Korea Accounting Institute's consultation and published an open letter to the Financial Services Commission advocating for a robust sustainability disclosure framework in Korea.

In the consultation, we emphasised the need for alignment with ISSB standards, including Scope 3 emissions, industry metrics, and carbon pricing. Representing eight institutional investors active in Korea managing \$3.5 trillion USD, AIGCC's open letter proposed a clear roadmap by year-end 2024, mandatory disclosures for large companies by FY2025, and English versions of standards and disclosures.

The Outcome

The final standards for mandatory disclosures are yet to be announced so the impact of our work is not yet known, however AIGCC's submission and media engagement inserted an important perspective into the public debate.

Our consultation submission led to an AIGCC presentation at a National Assembly seminar and was cited by the Korea Accounting Institute as a notable example of international feedback.

The open letter garnered significant domestic and international media attention, with the AIGCC CEO being interviewed by several Korean outlets. It was also referenced during a parliamentary audit, underscoring the urgency of swift implementation.

AIGCC remains committed to advocating for timely and robust adoption.

Next Steps

We will continue our work in Korea through 2025, focusing on deeper engagement and providing feedback on policies affecting energy transition, the Nationally Determined Contribution (NDC), and sustainable finance standards and regulations to support South Korea's efforts to address climate change mitigation and resilience.

China

Investors are increasingly focused on mitigating climate risks and capitalising on the trillions of dollars in opportunities created by China's long term commitment to carbon neutrality.

As China's influence and experience on global climate mitigation grows, understanding the country's regulatory policies and the practices of local investors is critical. Equally important is fostering dialogue between local and international investors for climate-related strategies.

The AIGCC China Working Group provides a platform for investors to navigate China's evolving climate policies and their implications. It also supports those looking to deepen their engagement in the Chinese market.

The Group responds to key dynamics shaping the Chinese climate investment landscape, including the growing demand for international and domestic investor participation in China's climate and ESG initiatives, the intensified efforts of Chinese regulators on climate policies such as sustainable disclosure, and the increasing capacity-building needs of local companies.

Through these engagements, the China Working Group facilitates meaningful partnerships and informed investment decision-making for Chinese investors and market participants.



AIGCC's Director for Corporate Engagement, Valerie Kwan, co-hosting a session with China SIF and Impax Asset Management bringing together our members and key stakeholders to explore critical drivers of China's climate transition.

Enhancing Investors' Understanding, Engagement, and Integration of Climate-Related Strategies in China

The Need

China's dual-carbon targets, to reach peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060, present significant investment opportunities but also require substantial capital to achieve.

However, gaps in understanding persist among key stakeholders, including investors, policymakers, and regulators.

Addressing these gaps is essential to fostering dialogue and promoting better practices, creating an investment landscape that supports climate goals and strengthening its ability to meet the expectations of export markets that benefits all stakeholders.

The Work

We strengthened capacity building for international and domestic investors through meetings covering ESG disclosure, state-owned enterprise engagement, carbon market expansion, green steel economics, and green capital expenditure.

To further drive progress, we submitted feedback to the Beijing, Shanghai, and Shenzhen Stock Exchanges, advocating for improved sustainability disclosure standards.

We bolstered our connections with policymakers, regulators, and government think tanks & institutions.

We provided input into China's international economic exchanges for strategic industries. Our contributions to the Expert Panel of the China Climate Engagement Initiative and ensured high-level alignment between AIGCC's corporate engagement initiatives and local efforts.

Lastly, investors led a closed-door dialogue between the Ministry of Ecology and Environment on physical risk.

The Outcome

Regulators adopted five of our six recommendations on sustainability disclosure guidance for the three stock exchanges.

Overall, AIGCC's work supported investors focussed on China, and continues to build our network and expertise in this market which will be crucial to the regional and global transition over decades to come.

Next Steps

AIGCC will continue supporting investors in understanding frameworks that drive their net zero transition and measure their progress in China. Building on previous efforts, we will strengthen trust and demonstrate value through targeted activities. This includes exploring how investors can understand and implement country-specific and provincial-level policy engagement strategies on climate, and building investor positions at the market level.

Japan



AIGCC with a delegation of international and domestic institutional investors visiting a fuel cell research center in anticipation of Japan's Strategic Energy Plan.

As one of the region's most developed economies, largest capital markets, and largest emitters, Japan is a key market for AIGCC. With its commitment to achieving carbon neutrality by 2050, accelerating decarbonisation remains a top priority for the country. As a highly industrialised nation integral to many of the region's supply chains, Japan holds a leadership position in Asia. This means that Japan's progress can have significant influence regionally and globally.

The Japanese government announced their "green transformation" (GX) in 2022, an initiative to transform the entire economic and social system from an economy, society, and industrial structure dependent on fossil fuels to one driven by clean energy. 2025 is a crucial year as Japan will update its Strategic Energy Plan and Nationally Determined Contribution (NDC), which set the foundation for GX initiatives and policies.

AIGCC's presence in Japan has been strong since the organisation's inception in 2017. Today, AIGCC has ten Japan-based members, comprising asset owners, asset managers, service providers, and industry associations. The Japan Working Group, AIGCC's first market-based working group, was established to explore Japan-specific topics such as transition finance, GX, and national energy policies.

In response to the evolving policy landscape, AIGCC has focused on engaging Japan's various stakeholders on energy transition issues, including GX-related policies and the Seventh Strategic Energy Plan, while contributing to consultations from the Sustainability Standards Board of Japan (SSBJ).

Beyond energy transition and disclosures, AIGCC has also begun engaging stakeholders on nature-related disclosures and financing, and launched a groundbreaking report on Japan's nature dependencies.

Advancing Japan's GX Initiative and Seventh Strategic Energy Plan

The Need

In 2024, the Japanese government issued the world's first sovereign transition bond, Japan's Climate Transition Bond, and established the GX Acceleration Agency to drive over 150 trillion yen in GX investments over the next 10 years.

While both international and Japanese investors have shown strong interest in financing the GX scheme, a lack of connectivity and understanding persists between investors and policymakers.

Investors are eager to engage with policymakers and regulators to gain deeper insights into the specifics and granularity of the GX financing scheme.

Next Steps

AIGCC continues to amplify the voices and opinions of investors, relaying their perspectives to Japanese policymakers and other stakeholders. Looking ahead, we have identified grid and transmission development in Japan as a critical area of focus based on discussions with policymakers, with plans to further advance this work in 2025.

The Work

To address this information gap and foster greater understanding among stakeholders, AIGCC organised three policy roundtables and held several meetings with key policymakers and regulators in Japan, including the Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment. Engagements also included discussions with prominent domestic energy think tanks and C-suite investors.

AIGCC also consulted with members of the Japan Working Group to draft a position paper on Japan's Seventh Strategic Energy Plan.

In addition, AIGCC took large investors and other key decision-makers to a renewable energy hub in Kyushu to drive greater understanding of the provincial-level policies that are driving decarbonisation projects and the geopolitical factors that affects Japan's Energy Plan.

The Outcome

While the Seventh Strategic Energy Plan has not yet been finalised, several key points from AIGCC's position paper have featured in the discussions during the energy plan subcommittee meetings.

This comes after investors engaged with various stakeholders involved in formulating Japan's energy plan.

Investors emphasised the need for clear national transition plans, coordinated policies and streamlined processes to scale renewable energy projects, and stronger support for grid infrastructure and storage solutions to accelerate the energy transition, and AIGCC hopes this will be reflected in Japan's plan, when released.

Indonesia



Indonesia's businesses and people are particularly vulnerable to physical risk, meanwhile their energy demands are rapidly growing. The sustainability of the country's energy system, therefore, will have major implications for the economy. .

In coal-dependent markets like Indonesia, achieving energy transition objectives at the required pace and scale presents immense challenges but also significant opportunities. Diversifying its economy, reducing reliance on fossil fuel exports, and developing industries in green technologies, sustainable infrastructure, and clean energy services are key pathways forward.

By supporting decarbonisation technologies and energy efficiency goals, Indonesia can stimulate economic growth, create new job opportunities, and attract international investment.

Through engagement with corporates and policymakers in Indonesia, AIGCC has been advocating for ambitious transition targets and clear sectoral pathways at the policy level that result in investible transition plans at the company level.

Indonesia, through the Just Energy Transition Partnership, has secured initial financing commitments to support its self-defined pathway to move away from coal production and consumption. However, these commitments cover only a fraction of the required resources. To address this, investors, through AIGCC, are working on innovative financing solutions, including mechanisms for early coal retirement, which will enable a holistic economic transition.

Making the Financing Case for the State Utility to Transition the Sector Away from Coal

The Need

Indonesia's businesses and people are particularly vulnerable to physical risk, meanwhile their energy demands are rapidly growing. The sustainability of the country's energy system, therefore, will have major implications for the economy.

Indonesia needs to leverage private capital to tackle challenging aspects of its energy transition, such as early coal retirement. Therefore policymakers and corporates need to understand the role of factors such as physical climate risks and investors' risk profiles in shaping transition plans and targets.

The Work

We adopted two approaches:

- Investors proposed how private finance could support the buyout of coal assets with grid segments with high reserve margins. Using open-source public data, they evaluated the early retirement of 5 GW of coal assets by estimating cash flows and the time required to repay a buyout, assessing the feasibility of earlier retirement dates.
- External experts analyzed the physical climate risk exposure of coal-fired power plants owned by Indonesia's state-owned electric utility company (PLN). This analysis examined the number of operational days per year impacted by climate risks, based on location and other factors.

The Outcome

Our findings on physical climate risks led PLN to re-examine its risk evaluation framework and its response strategies.

Concurrently, our discussions on financing models for early coal retirement have established AIGCC and its members as a trusted network for government departments and authorities who are seek advice on innovative financing mechanisms for challenging transition projects.

Looking Forward

With the recent change in the government, we plan to re-engage with the new representatives to emphasise avenues for enabling early coal retirement. Incorporating these strategies into the government's energy transition targets can set more ambitious goals, increase market confidence, and attract greater capital.



CEO, Rebecca Mikula-Wright speaking to Indonesian government representatives and decision-makers in the country's energy sector in September 2024.

Appendices



Member Report

2024 Membership Update

AIGCC's membership grew from 71 to 78 institutions as of December 2024, and we have welcomed new members from Hong Kong, Japan, Malaysia, Singapore, Taiwan, and the United Kingdom.

AIGCC members highly value the opportunity to connect with each other. To facilitate such exchanges, members convened throughout the year at opportunities including roundtables, seminars, working groups, site visits, dinners and casual catch ups, spread across a number of geographic regions, including Azerbaijan, Canada, China, Colombia, Hong Kong, Indonesia, Japan, Korea, Malaysia, Singapore, and the United States.

In 2024, AIGCC's key activities, where our staff were actively involved in stakeholder and member engagement, membership recruitment and building awareness about the organisation's various initiatives, include:

- 37 corporate engagement meetings
- 30+ speaking engagements at international and regional forums/conferences that showcase Asian investor perspectives
- 12 in-market engagement sessions
- 12 policy roundtables
- 9 policy submissions
- 6 Masterclasses/Workshops

In AIGCC's annual member survey, over 80% said we have delivered on their expectations and they would recommend AIGCC to others.

AIGCC members told us they get the most value from their membership through the monthly member meetings; AIGCC's reports, publications and research; and AIGCC's policy advocacy efforts and influence on their behalf.

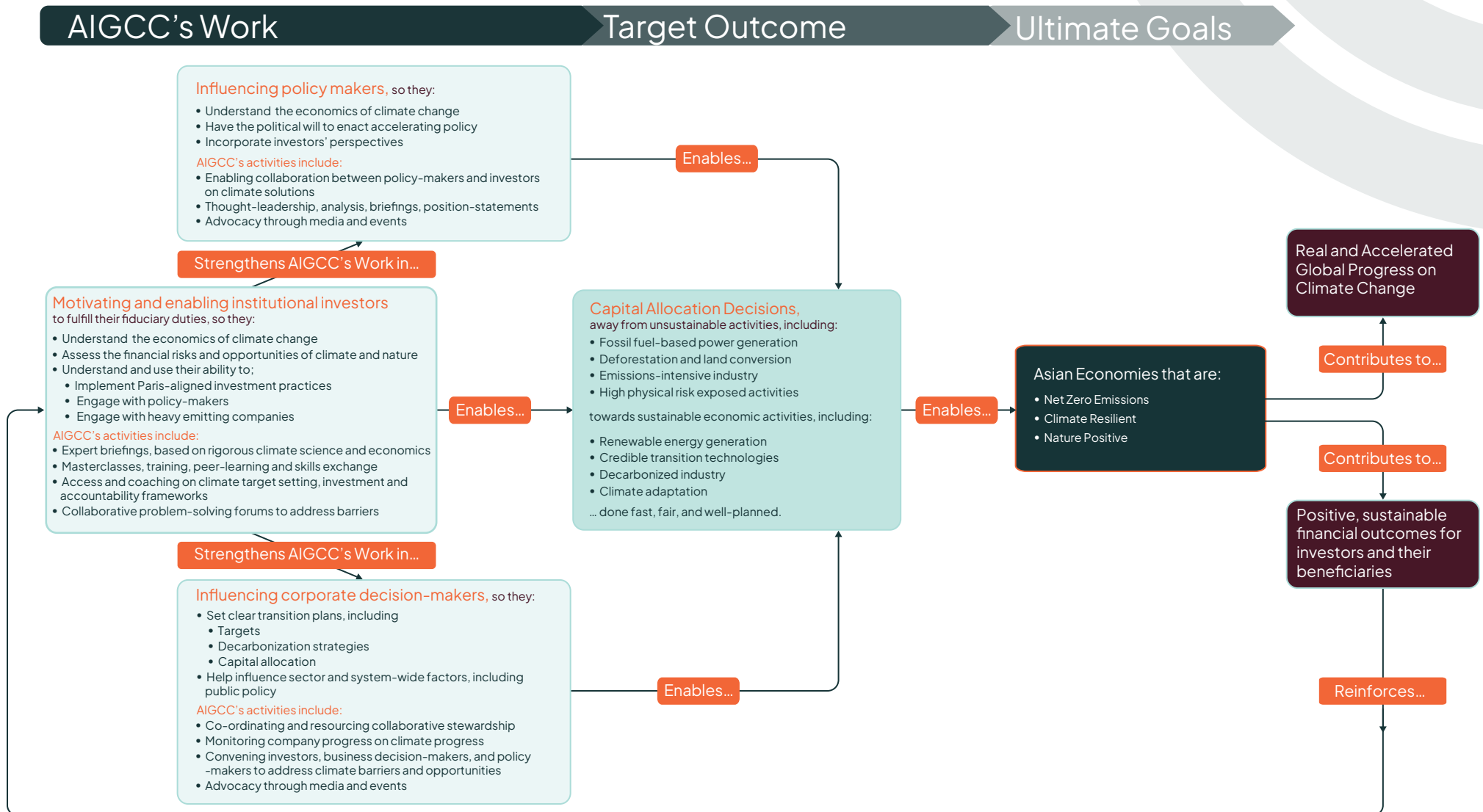
In 2025 and beyond, AIGCC aims to continue this close collaboration with our members that will also achieve our vision of a climate-resilient economy that is on track by 2030 for a net zero emissions global economy by 2050.

AIGCC's Members





Theory of Change



AIGCC Board Committee

AIGCC's Board Committee oversees the work of the AIGCC Management Team and AIGCC member activities.



Sophia Cheng, Chair
Chief Investment Officer,
Cathay Financial Holdings



Dan Chi Wong
Deputy Chair (AIGCC)
Head of ESG Integration,
APAC, Schroders



Peiyuan Guo
Founder and Chairman
SynTao Green Finance
and ChinaSIF



Wataru Kawasaki
Chief, Global Regulatory
Engagement, Mitsubishi UFJ
Trust and Banking Corporation



Helga Birgden
Partner, Global Chair,
Sustainable Investment,
Mercer



Mark Mills, Founder
Partner, Global Client Team,
Generation Investment
Management LLP



Felix Lam, CESGA, CPA
Asia ex-Japan, Head of
Investment Stewardship,
J.P Morgan



Liu Chunyen
Chief Investment Officer
Singapore, AIA Group Limited



Pru Bennett
Partner, Brunswick



De Rui Wong
Senior Vice President, GIC
(Joined December 2024)

AIGCC Management



Rebecca Mikula-Wright
CEO, AIGCC & IGCC



Monica Bae
Director, Investor Practice



Valerie Kwan
Director, Stewardship &
Corporate Engagement



Anjali Viswamohanan
Director, Policy



Nicole O'Brien
Director, Operations,
AIGCC & IGCC



Fergus Pitt, Director,
Media and Communications,
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Sashi Lata, Senior Manager,
Finance and Governance,
AIGCC & IGCC



Emi Fong
Head of Memberships and
Partnerships



Serena Li
Manager, Investor Practice



Harrison Smith
Net Zero, Practice Lead



Cosmo Hui
Manager, Stewardship &
Corporate Engagement



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Project Manager, Japan



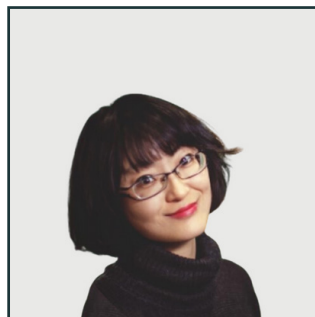
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Seruni Soewondo
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Manager



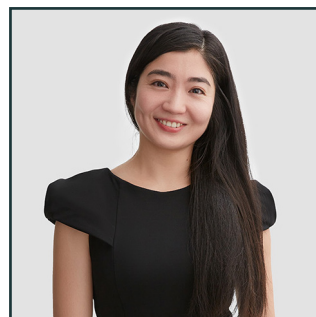
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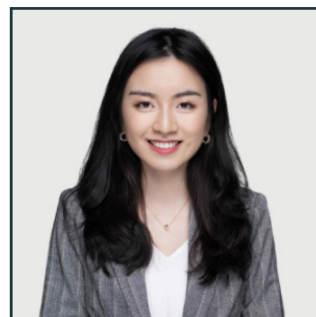
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