

Climate Action 100+



Global Investors Driving Business Transition

Climate Action 100+ Global Sector Strategies

Climate Action 100+ – Investors driving the business transition

- Climate Action 100+ is the largest ever investor engagement initiative, bringing together over 615 investors responsible for over **US\$ 55T in AUM to engage with the world's largest emitting companies** to drive the business transition to a net zero economy. The engagements through CA100+ focus on 167 companies referred to as “focus companies”.
- 52% of CA100+ focus companies have now **committed to net zero** in some capacity – **however details regarding how these commitments will be fulfilled are often unclear**. The [CA100+ Net-Zero Company Benchmark](#) is intended to track corporate progress toward developing and implementing transition plans that detail how companies will fulfil commitments.
- Yet we know **companies can't achieve net-zero alone**. Accordingly in September 2020, investors working through CA100+ invited companies to work together to **identify the actions needed across value chains** and the supporting collaborations required to turn commitments into reality.
- As a result, **80 out of the 167 focus companies engaged have expressed their willingness to participate** in the development of these sector action plans to deliver net zero. This willingness from investors and the companies is now channelled through the **CA100+ Global Sector Strategies**.
- The objective of the CA100+ Global Sector Strategies project is to **identify the priority actions that should feature in corporate transition plans** (as measured by the “Benchmark” and most importantly indicator 5: decarbonisation strategy), to support investor engagement.

Goals – Identifying priority actions at three levels

The project aims to support engagement by mapping the transition and identifying strategic engagement priorities in three areas:

- 1. Company Transition Plan Actions:** Actions companies should take to decarbonise their businesses (technologies, investments, supply chain, collaborations) to deliver their short-, mid- and long-term decarbonisation commitments. These actions relate to the specific corporate actions behind ‘Indicator 5’ (Decarbonisation strategy) of the CA100+ “Benchmark” and are intended to support the CA100+ company leads during engagements.
- 2. Industry Wide Actions:** Sector-oriented actions or projects intended to tackle systemic and value chain challenges that require collaborative or market level solutions (e.g. how to improve material efficiency across the steel value chain – dependant on actions from automakers, architects, construction companies, policymakers).
- 3. Investor Actions:** Sets of actions that investors can take forward to accelerate decarbonisation progress and ensure the integrity of decarbonisation-focused investments.

“Benchmark” requirements – Company Transition Plan Actions

A focus on supporting engagement on “Benchmark” indicator 5 – decarbonisation strategy

The Global Sector Strategies work will look to:

- Identify the ‘set of actions’ that should make up a company transition plan in line with sub-indicator 5.1a
- Provide guidance on the level of role each action should play in the transition plan, to support engagement on sub-indicator 5.1b

The project will not identify exactly what companies should do but instead set overall direction and provide guidance on the scale of use of each action.

Disclosure Indicator 5 Decarbonisation strategy

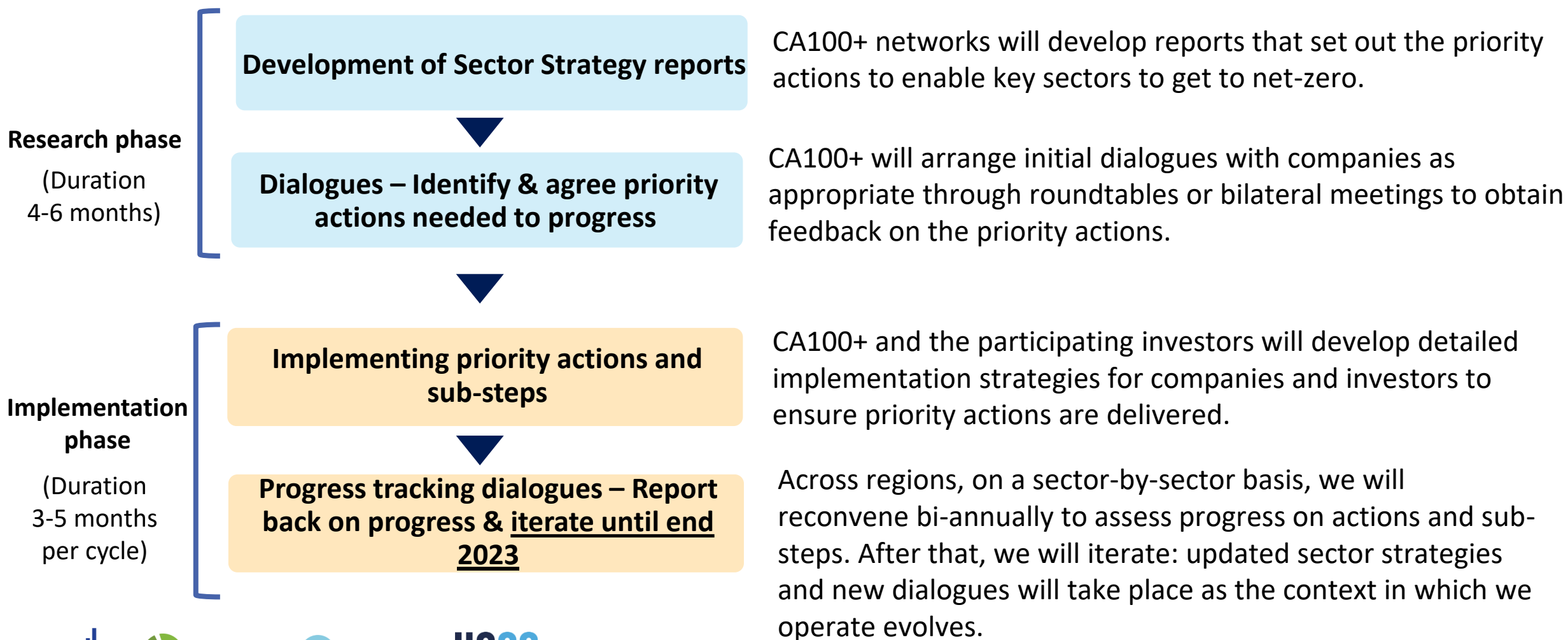
Sub-indicator 5.1

The company has a decarbonisation strategy to meet its long and medium-term GHG reduction targets.⁵

Metric a): The company identifies the set of actions it intends to take to achieve its GHG reduction targets over the targeted timeframe. These measures clearly refer to the main sources of its GHG emissions, including Scope 3 emissions where applicable.

Metric b): The company quantifies key elements of this strategy with respect to the major sources of its emissions, including Scope 3 emissions where applicable (e.g. changing technology or product mix, supply chain measures, R&D spending).

Process – How will we develop and implement each sector strategy?



Development schedule – Sectors for the year ahead

H1 2021

H2 2021



Aviation

Report: 2020 - Jan 2021

Implement: 2020 - Jan 2021

Steel

Report: 2020 - Aug 2021

Implement: July - Oct 2021

Electric utilities

Report: Jan - Sept 2021

Implement: Aug 2021 - Jan 2022

Food & Beverage

Report: Jan - Aug 2021

Implement: Aug 2021 - Jan 2021

Trucks

Report: Aug - Dec 2021

Implement: Dec 2021 - May 2022

Diversified mining

Report: Sept - Feb 2022

Implement: Feb 2021 - June 2022

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The logo graphic for Climate Action 100+ consists of several concentric, semi-circular arcs in shades of orange, yellow, and red, resembling a stylized sun or a rising arc.