Low Carbon Investment Registry

IIGCC
Institutional Investors Group on Climate Change

Investor Network on CLIMATE RISK

Investor Group on Climate Change

GLOBAL INVESTOR COALITION ON CLIMATE CHANGE
LCI Registry Taxonomy

Low Carbon Investment Registry Taxonomy

- Energy
  - Renewable energy generation
  - Renewable energy distribution & management
  - Energy storage
  - Energy capture systems

- Buildings
  - Green buildings e.g. new build & existing with retrofits
  - Energy efficiency technology & products
  - Energy storage

- Industry
  - Energy efficiency products, processes & systems
  - Non-energy GHGe reductions
  - Cleaner production

- Waste, Pollution Control & Carbon Sequestration
  - Circular economy activities leading to lower life-cycle energy and GHGe
  - Technologies and products that reduce and capture GHGe

- Transport
  - Passenger and freight mode switching & efficiencies
  - Mass transit
  - Significant energy efficiency improvements for non-electric mobility

- Information & Communications Technology
  - Fibre-optic cabling supporting broadband
  - Data centres using renewable energy
  - Products & technologies supporting smart grid applications

- Forestry & Agriculture
  - Sustainable forest management
  - Verifiable a., re- and avoided de-forestation
  - Verifiable agricultural GHGe reduction practices - e.g. fertilizer usage, rangeland management

- Multiple
  - Private & public equities - e.g. with explicit carbon weighting or overlay
  - Fixed income - e.g. bond applied to low carbon activities
  - Carbon market or financial instrument
Key results

- 205 entries
- 45 asset owners
- $24bn
Lessons

- On defining/classifying low carbon
- Majority of investors identified only easily identifiable low carbon assets
- Methodologies inconsistent with taxonomy e.g. least emissions intensive FF companies
- No tools/data to assess low carbon exposure in passive listed equities
- Challenging to assess large diversified companies
- Several investors found low carbon exposure at 10% or more of portfolio
- Transparency doesn’t have to be scary