

MAJOR ASSET OWNERS ARE INCREASINGLY LEADING THE WAY ON CLIMATE RISK.

- The Leaders – rated A and above – have increased 10% to 34.
- AAA rated asset owners have increased by 42% to 17.
- USA tops total number in the Leaders group with 7, but this represents only 4% of US asset owners in the Index.
- Sweden tops on proportional representation with 40% of their funds in the Leaders category.

Australia's \$7bn Local Government Super reclaims the top ranking from the UK's \$4bn Environment Agency Pension Fund, which reverts to second place in this year's Global Climate 500 Index for Asset Owners. These two funds are world leaders in all three capabilities of governance and strategy, risk management, and disclosure of metrics on portfolio carbon and investment in the low carbon economy, demonstrating even smaller funds can excel at considering the risks and opportunities presented by the transition to a low carbon economy.

Major asset owners are increasingly leading the way on climate risk. Two giants join the Leader group: AA-rated AXA, the \$601 billion French insurer and A-rated US based pension fund and asset manager TIAA (\$915bn). Both funds have risen from a BBB rating as a result of significant improvements in portfolio risk management, which is a general theme this year.

Other large Leaders maintaining their AAA rating include the \$410bn Dutch pension fund ABP and the \$179bn New York Common Retirement fund. Joining them is major Dutch fund, PFZW (\$208bn) up from a AA rating last year, along with our star mover Ilmarinen Mutual Pension Insurance Company, which has leapt from a D rating last year. The \$302bn California Public Employees Retirement System, AustralianSuper (\$78bn) and Sweden's AP2 (\$38bn) all slip from AAA to AA this year. Notable funds joining the AA group are UK insurer Aviva (\$422bn), California State Teachers' Retirement System (\$193bn), and Unilever Pension Funds (\$26bn) – the only corporate pension fund among the prestigious Leaders – all improving from an A rating last year.

TABLE 01 / 2017 AODP GLOBAL CLIMATE 500 LEADERS LEAGUE

| 2017 RATING | 2017 RANK | 2017/2016 CHANGE | ASSET OWNER NAME | TYPE | COUNTRY |
|-------------|-----------|------------------|---|-----------------------|-------------|
| AAA | 1 | ^ 1 | Local Government Super (LGS) | Pension fund | Australia |
| AAA | 2 | v 1 | The Environment Agency Pension Fund (EAPF) | Pension fund | UK |
| AAA | 3 | ^ 2 | New York State Common Retirement Fund (NYSCRF) | Pension fund | USA |
| AAA | 3 | ^ 9 | First State Super | Pension fund | Australia |
| AAA | 5 | v 1 | Stichting Pensioenfonds ABP (ABP) | Pension fund | Netherlands |
| AAA | 6 | ^ 12 | Pensioenfonds Zorg en Welzijn (PFZW) | Pension fund | Netherlands |
| AAA | 7 | ^ 12 | Kommunal Landspensjonskasse Gjensidige Forsikringselskap (KLP) | Pension fund | Norway |
| AAA | 8 | v 5 | Fjärde AP-Fonden (AP4) | Pension fund | Sweden |
| AAA | 9 | ^ 214 | Ilmarinen Mutual Pension Insurance Company | Pension fund | Finland |
| AAA | 10 | ^ 69 | Elo Mutual Pension Insurance Company | Pension fund | Finland |
| AAA | 11 | ^ 5 | Fonds de Réserve pour les Retraites (FRR) | Sovereign wealth fund | France |
| AAA | 12 | v 2 | Church Commissioners for England | Endowment | UK |
| AAA | 13 | v 7 | Pensionskassernes Administration (PKA) | Pension fund | Denmark |
| AAA | 14 | v 4 | Etablissement de retraite additionnelle de la Fonction Publique (ERAFP) | Pension fund | France |
| AAA | 15 | ^ 94 | New Zealand Superannuation Fund | Sovereign wealth fund | New Zealand |
| AAA | 16 | ^ 16 | Sjunde AP-Fonden (AP7) | Pension fund | Sweden |
| AAA | 17 | ^ 3 | United Nations Joint Staff Pension Fund (UNJSPF) | Pension fund | USA |
| AA | 18 | v 11 | AustralianSuper | Pension fund | Australia |
| AA | 19 | v 4 | Wespath Investment Management (Wespath) | Pension fund | USA |
| AA | 19 | - | Vision Pooled Superannuation Trust (VPST) | Pension fund | Australia |
| AA | 21 | v 7 | Bedrijfspensioenfonds voor de Landbouw (BPL) | Pension fund | Netherlands |
| AA | 22 | ^ 9 | Unilever Pension Funds | Pension fund | Netherlands |
| AA | 23 | ^ 17 | AXA Group | Insurance company | France |
| AA | 24 | v 11 | Caisse des Dépôts (CDC) | Sovereign wealth fund | France |
| AA | 25 | v 17 | Andra AP-Fonden (AP2) | Pension fund | Sweden |
| AA | 26 | v 4 | Aviva Insurance | Insurance company | UK |
| AA | 27 | ^ 19 | Tredje AP-Fonden (AP3) | Pension fund | Sweden |
| AA | 28 | v 19 | California Public Employees Retirement System (CalPERS) | Pension fund | USA |
| AA | 29 | v 4 | California State Teachers' Retirement System (CalSTRS) | Pension fund | USA |
| A | 30 | v 1 | The Church of England Pensions Board (CEPB) | Pension fund | UK |
| A | 31 | v 7 | BT Financial Group | Pension fund | Australia |
| A | 32 | v 15 | University of California Retirement System (UC Regents) | Endowment | USA |
| A | 33 | ^ 9 | TIAA Global Asset Management (TGAM) | Pension fund | USA |
| A | 34 | v 13 | Victorian Superannuation Fund (VicSuper) | Pension fund | Australia |