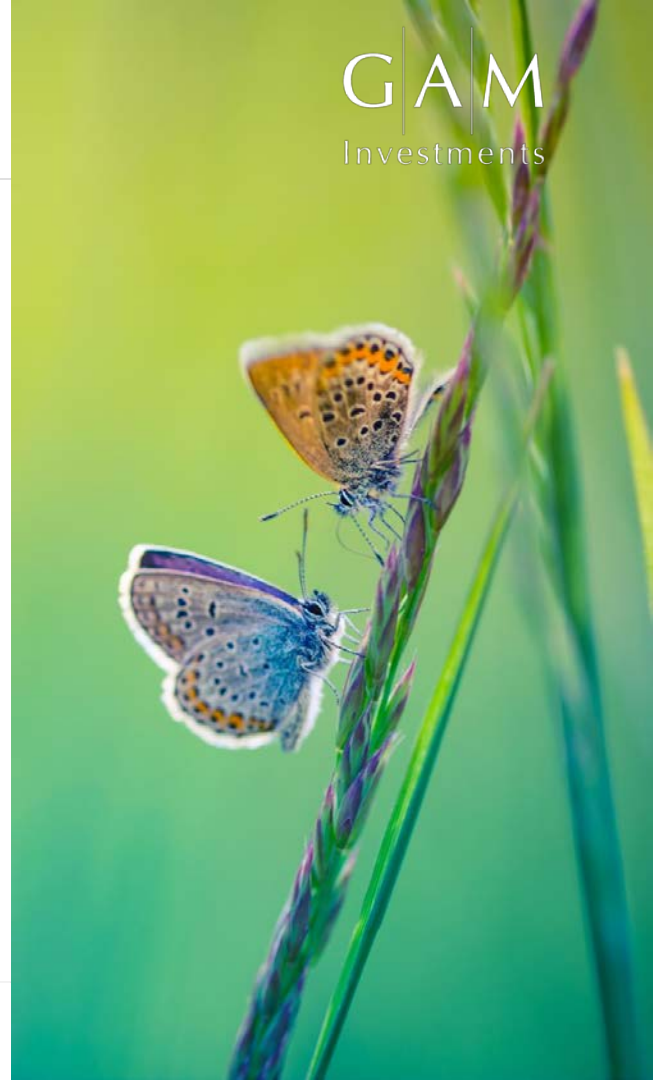


Credible transition plans: What does it take?

Stephanie Maier

Global Head of Sustainable and Impact Investment

GAM Investments



- 1 Financing the transition
- 2 Defining a transition plan
- 3 Assessing credible transition plans
Case study: ClimateAction100+
- 4 Looking to the future of transition plans

Financing the transition

\$9.2 trillion annual investment in energy and land-use systems

Average annual investment under the NGFS Net Zero 2050 scenario, 2020–50, \$ trillions



Defining a transition plan

“ *A transition plan is integral to an entity’s overall strategy, setting out its plan to contribute to and prepare for a rapid global transition towards a low GHG-emissions economy.* ”

TPT Transition Plan
Taskforce

Note: Logos are trademarks of their respective owners and are used for illustrative purposes and should not be construed as an endorsement or sponsorship of GAM.

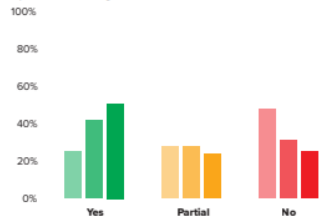
GAM
Investments



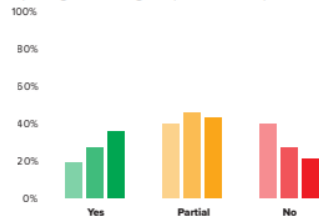
Assessing credible transition plans

Case study: ClimateAction100+ Net Zero Company Benchmark - Disclosure

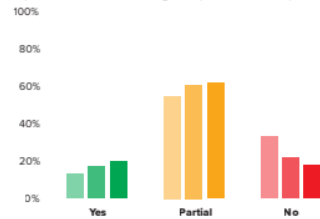
1) Net zero by 2050 ambition



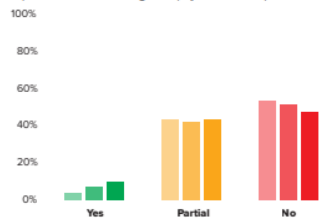
2) Long-term targets (2036-2050)



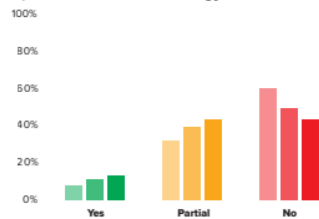
3) Medium-term targets (2025-2036)



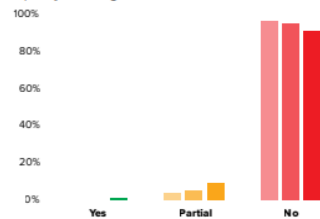
4) Short-term targets (up to 2025)



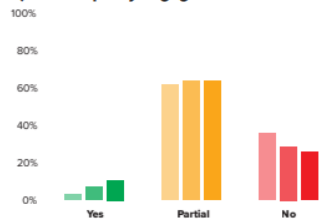
5) Decarbonisation strategy



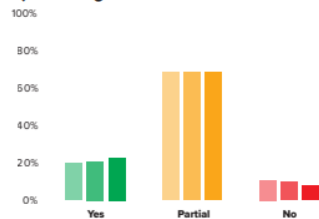
6) Capital alignment



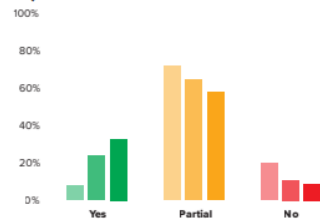
7) Climate policy engagement



8) Climate governance



10) TCFD Disclosure



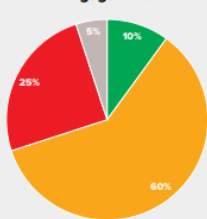
Assessing credible transition plans

Case study: ClimateAction100+ Net Zero Company Benchmark - Alignment



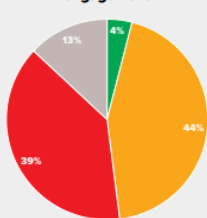
CLIMATE POLICY ENGAGEMENT ALIGNMENT (InfluenceMap)

All focus companies – direct engagement



- Broadly aligned with Paris
- Mixed engagement
- Misaligned with Paris
- Not applicable

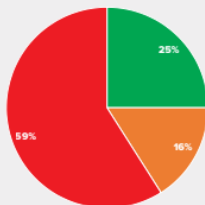
All focus companies – indirect engagement



- Broadly aligned with Paris
- Mixed engagement
- Misaligned with Paris
- Not applicable

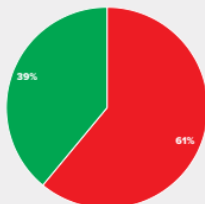
CAPITAL ALLOCATION ALIGNMENT FOR UTILITIES AND OIL & GAS (Carbon Tracker Initiative)

Utility focus companies



- Announced full coal phaseout consistent with B2DS
- Announced full coal phaseout inconsistent with B2DS
- Announced partial coal phaseout / provided insufficient information

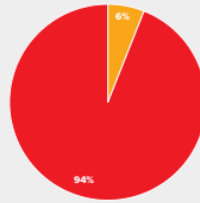
Oil and gas focus companies



- Sanctioned new O&G projects inconsistent with B2DS
- Sanctioned new O&G projects consistent with B2DS

CLIMATE ACCOUNTING & AUDIT (Carbon Tracker Initiative)

All focus companies



- Assessment criteria partially met
- Assessment criteria not met






CAPITAL ALLOCATION ALIGNMENT FOR UTILITIES, AUTOS, STEEL, CEMENT & AVIATION (Rocky Mountain Institute)

Electric utilities	Significant distance to being aligned with 1.5°C
Autos	Significant distance to being aligned with 1.5°C
Steel	Moderate distance to being aligned with 1.5°C
Cement	Significant distance to being aligned with 1.5°C
Aviation	Significant distance to being aligned with B2DS (1.75°C outcome)



Looking to the future of transition plans

A pivotal issue for investors

-  Focus for regulation and voluntary standards
-  Rise of the transition plan vote
-  Integrating scenarios and pathways into investment decisions
-  Understanding interdependencies
-  Delivering on investor net zero commitments

Important legal information

The information in this document is given for information purposes only and does not qualify as investment advice. Opinions and assessments contained in this document may change and reflect the point of view of GAM in the current economic environment. No liability shall be accepted for the accuracy and completeness of the information. Past performance is no indicator for the current or future development.