



His Excellency Prime Minister Abe Shinzo  
Government of Japan  
Cabinet Public Relations Office,  
Cabinet Secretariat, 1-6-1 Nagata-cho,  
Chiyoda-ku, Tokyo 100 - 8968, Japan

17 February 2020

Dear Prime Minister,

Last year a record number of investors signed the *Global Investor Statement to Governments on Climate Change*<sup>1</sup> in which investors declared their strong support for the Paris Agreement and the implementation of its goals. The statement is now signed by 631 investors representing over US \$37 trillion in assets – approximately half the world’s assets under management.<sup>2</sup>

On 24 June 2019, CEOs of international investor groups **wrote to you as the host of the G20 in Osaka, noting Japan’s vital role in calling for global government leadership on climate change. Investors strongly supported this call for greater action on climate change and we looked forward to seeing the Government of Japan demonstrate its leadership by strengthening its Nationally Determined Contribution (NDC) by 2020 to be in line with the objectives of the Paris Agreement.**

This year, as we approach COP26 in Glasgow, accelerated climate-related risks and impacts, such as the recent devastating forest fires in Australia, highlight the urgency of concrete measures to accelerate the transition to a zero carbon and climate-resilient global economy.

In response to this accelerating climate threat however, a large gap remains between the 45% emissions reductions needed by 2030 to limit global warming to 1.5 degrees celsius, and current NDC pledges by world governments.

We welcome Japan’s recent efforts to increase research into zero carbon technologies and we note Japan’s current goals of reducing emissions is 26% by 2030 and reaching net-zero emissions “as early as possible during the second half of the 21st century”. However, **we would emphasise the urgent need for increased ambition and clarity on short-term targets by 2030, and would support greater guidance on the transition to net-zero emissions by 2050 to send a strong and positive signal to investors.** These measures, alongside those listed in the Global Investor Statement, will be a key milestone to unlock private sector capital needed to achieve the transition to a zero-carbon economy in line with Paris Agreement goals.

We continue to support the pledges of Japanese companies to embrace renewable energy as a major power source and set science-based targets, the commitments to reduce thermal coal financing and project development, as well as the leading efforts of the Japanese business community to embrace the implementation of the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations to report on climate change-related risks and opportunities. In the finance sector, we welcome the inclusion of ESG factors as part of Japan’s draft revision of the Stewardship Code and efforts by the Financial Services

---

<sup>1</sup> <https://theinvestoragenda.org/wp-content/uploads/2019/12/191201-GISGCC-FINAL-for-COP25.pdf>

<sup>2</sup> <https://www.bcg.com/ja-jp/publications/2019/global-asset-management-will-these-20s-roar.aspx>



Agency to conduct an impact evaluation of climate-related risks to Japan's financial stability. We hope these positive trends can be accelerated with enhanced policy measures that further promote investor certainty.

We would welcome further engagement with your staff to discuss the policy asks presented in this letter and the attached statement. We believe institutional investors, given their universal ownership, long-term horizon and ability to engage with corporations globally, represent a unique political ally on decarbonisation and the implementation of the Paris Agreement. We therefore remain at your disposal for further partnership and support.

Kind regards,

On behalf of six international investor organisations,

Rebecca Mikula-Wright  
Director, Asia Investor Group on Climate Change

Stephanie Pfeifer  
CEO, Institutional Investors Group on Climate Change

Paul Simpson  
CEO, CDP

Fiona Reynolds  
CEO, Principles for Responsible Investment

Mindy S. Lubber  
CEO and President, Ceres

Emma Herd  
CEO, Investor Group on Climate Change