



17 February 2020

Investors encourage Japanese Government to lift climate ambition with revised Paris pledge

International investor organisations, whose members have assets under management worth hundreds of trillions in yen, have written to Prime Minister Shinzo Abe of Japan to encourage his government to demonstrate global climate change leadership by strengthening its emissions reduction pledges under the Paris Agreement ahead of the crucial 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change slated for November in Glasgow.

In the letter the six investor organisations encourage the Japanese Government to increase the ambition of its 2030 emissions reduction target from the current 26 per cent reduction goal and set a clear path to net-zero emissions by 2050.

The investor organisations also note that current emissions reduction pledges from all countries are not yet sufficient to secure the Paris Agreement goal of limiting global warming to 1.5 degrees.

By lifting its ambition through a revised Nationally Determined Contribution under the Paris Agreement, the investor organisations' letter said Japan would create a positive market signal that is key to unlocking the private capital needed to accelerate the transition to a zero-carbon economy.

Anne Simpson, Director, Board Governance and Strategy at CalPERS said:

“Japan is CalPERS’ second largest market for investment and we hope that we will see fresh impetus on climate change targets to help manage the risks we face if global warming is not kept to well below two degrees. We have great respect for our partners in Japan’s financial and business community. Global commitment from all sides is urgently needed to ensure we manage climate change risk.”

Rebecca Mikula-Wright, Director of the Asia Investor Group on Climate Change, said:

“Japan’s approach to reducing emissions is being watched closely throughout Asia and the country can lead the region in capitalising on investment in clean technologies and tap into the approximately [¥50 trillion \(US\\$460 billion\) in annual investment required to 2030 to help decarbonise the global energy system in line with 1.5 degrees.](#)”



“If investors see strong and positive policy signals that encourage deeper emissions reductions by 2030, and a clear path to net-zero emissions by mid-century, they will respond with greater investment in clean technology and climate-resilient infrastructure,” Ms Mikula-Wright said.

Michiyo Morisawa, Director, Japan at CDP said: “It is in Japan’s economic interest to secure a safe climate. [Research from the Japanese Government](#) shows the country is heavily exposed to climate risks that will have strong market implications, such as more intense flooding and typhoons, decreased agricultural yield quality and worsening heat illness, among others.

“Responding to climate change is no longer a cost to the economy, but a growth strategy for the future in addition to securing a safe climate. Meeting the overarching goal of the Paris Agreement will significantly de-risk the Japanese and world economies from climate change and create opportunities for green innovation,” Ms Morisawa said.

Fiona Reynolds, Chief Executive Officer of Principles for Responsible Investment said:

“To meet the Paris goals, countries like Japan must achieve deeper emissions cuts by 2030 and zero-net emissions by 2050 or sooner. Setting more ambitious short-term goals on this decarbonisation path will ensure a smoother transition that avoids unnecessary shocks to the economy and communities.

“In the lead-up to COP26, investors encourage the Japanese Government to adopt a stronger Nationally Determined Contribution, that includes credible emissions reduction targets, to mitigate economic climate risk and further embrace the clean investment on offer,” Ms Reynolds said.

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Note to Editors

Signatories on the letter include: Asia Investor Group on Climate Change, Ceres, Institutional Investors Group on Climate Change, Investor Group on Climate Change, CDP and the Principles for Responsible Investment.

The full letter to Prime Minister Abe (English) can be [found here](#).

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