



His Excellency President of Republic of Korea Moon Jae-in
Government of the Republic of Korea
1 Cheongwadae-ro, Jongno-gu
Seoul, Republic of Korea

14 May 2020

Dear President Moon,

We note the recent results of legislative elections and welcome the platform taken to the polls by the Democratic Party of Korea supporting a net-zero emissions goal for 2050, large-scale investments in renewable energy, carbon pricing, phasing out coal financing by public institutions and support for worker transition.

As governments worldwide pursue efforts to recover from this economic downturn, investor groups have reiterated through the Investor Agenda statement on a *Sustainable Recovery from the COVID-19 Pandemic* that policy measures should not lose sight of the climate crisis and that spurring private investment in a net-zero emissions transition can create new jobs and economic growth for our communities.

Last year a record number of investors signed the *Global Investor Statement to Governments on Climate Change*¹ 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.²

At COP 25 in Madrid, global investors reiterated the call to **government leaders, including your administration, to step up ambition on climate change and enact strong policies by 2020 to achieve the goals of the Paris Agreement.**

As we approach COP26 in Glasgow next year, accelerated climate-related risks and impacts 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 percent emissions reductions on 2010 levels needed by 2030 to limit global warming to 1.5 degrees celsius, and current NDC pledges by world governments.

We welcome the Republic of Korea’s recent efforts to promote green development and host the Green Climate Fund, and we note Korea’s current goals of reducing emissions is 20% below 2010 levels by 2030 (-37% BAU) including international market mechanisms. **We would emphasise the urgent need for increased ambition on short-term targets by 2030 in a revised NDC to be submitted in 2020. We also welcome the additional measures proposed in the Democratic Party of Korea’s Green New Deal manifesto, including the swift implementation of carbon pricing, coal phaseout and enhanced**

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

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

renewable energy policies, towards a clear commitment to net-zero emissions by 2050. These measures, if implemented alongside priority

actions listed in the Global Investor Statement, will send a strong and positive signal to investors to unlock private sector capital needed to achieve the transition to a zero-carbon economy in line with Paris Agreement goals. Accelerating promised policy reform and encouraging private capital into the infrastructure and resilience measures needed for the net zero emission transition will also create new jobs and economic activity that can assist with a sustainable economic recovery from the impacts of the COVID-19 pandemic.

We support the efforts of the Korean Ministry of Trade, Industry and Energy to introduce the first domestic market tool enabling companies to source renewable electricity as well as the pledges of leading Korean companies to set science-based targets to reduce their carbon emissions. We also acknowledge the initial efforts of Korean financial groups to embrace the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD) to report on climate change-related risks and opportunities. We also welcome recent announcements by Korean pension funds and insurance companies to rule out any financing to new coal-fired power plants and the National Pension Service's promotion of ESG investment principles. We hope these positive trends can be accelerated with enhanced policy measures that promote investor certainty, accompanied by developments in relevant legislations and policies that support sustainable finance in Korea.

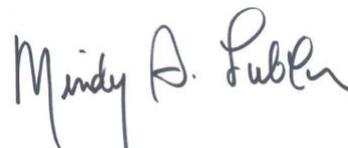
We would welcome further engagement with your staff to discuss the policy asks presented in this letter and the attached statement. We believe institutional investors, given their universal ownership, long-term horizon and ability to engage with corporations globally, represent a unique political ally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

Kind regards,

On behalf of six international investor organisations,



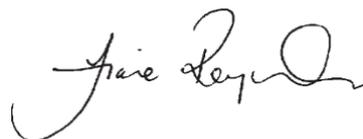
Rebecca Mikula-Wright
Director, Asia Investor Group on Climate Change



Mindy S. Lubber
CEO and President, Ceres



Paul Simpson
CEO, CDP



Fiona Reynolds
CEO, Principles for Responsible Investment



Stephanie Pfeifer

Stephanie Pfeifer
CEO, Institutional Investors Group on Climate
Change

Emma Herd

Emma Herd
CEO, Investor Group on Climate Change