24 August 2016

Dear G20 Leaders:

The signatories to this letter are 130 investors with more than USD 13 trillion in combined assets under management.

The Paris Agreement on climate change provides a clear signal to investors that the transition to the low-carbon, clean energy economy is inevitable and already underway. Governments have a responsibility to work with the private sector to ensure that this transition happens fast enough to catalyse the significant investment required to achieve the Paris Agreement's goals including:

- Holding the increase in the global average temperature to well below 2°C above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, and
- Achieving net zero greenhouse gas emissions ("a balance between anthropogenic emissions by sources and removals by sinks of GHGs") in the second half of the century.

With that in mind we offer the following recommendations:

1. **Complete your process for joining/ratifying the Paris agreement in 2016 if possible.** Countries that join/ratify the Paris Agreement early will benefit from increased policy certainty, will be better able to attract investment in low- and zero-carbon solutions, and will accelerate the implementation of this economically and socially critical agreement.

2. **Implement the 2015 Global Investor Statement on Climate Change's recommendations for governments,** including: ■ Provide stable, reliable and economically meaningful carbon pricing that helps redirect investment commensurate with the scale of the climate change challenge. ■ Strengthen regulatory support for energy efficiency and renewable energy, where this is needed to facilitate deployment. ■ Support innovation in and deployment of low-carbon technologies, including financing clean energy research and development. ■ Develop plans to phase out subsidies for fossil fuels. ■ Ensure that national adaptation strategies are structured to deliver investment. ■ Consider the effect of unintended constraints from financial regulations on investments in low-carbon technologies and in climate resilience.

3. **Support a doubling of global investment in clean energy by 2020**, as called for by the UN Secretary-General in January 2016 (remarks here). The private sector can provide much of this investment, but needs policy support to meet these goals.

4. **Prioritize implementation of, and prepare to strengthen, your nationally determined contributions** with the goal of ensuring all G20 nations meet their commitments and raise their climate ambition during 2018 to achieve the Paris Agreement's goals.

5. **Prioritize rulemaking by national financial regulators to require disclosure of material climate risks.** We believe financial regulators should regularly evaluate the quality of corporate climate disclosures, as part of a process of integrating climate-related financial reporting into national policy frameworks. Improving the quality of climate-related financial disclosure, and aligning it between different jurisdictions to the extent possible, is necessary to provide decision-useful information to investors, policy-makers, and the wider community. Our organizations have been engaging with the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD), with several of our members represented on the task force. We applaud the G20 and the FSB on its commitment to improving disclosure of material climate risks, and encourage G20 nations to consider the TCFD's forthcoming recommendations in December 2016, as inputs towards any rulemaking.

6. **Welcome the work of the G20 green finance study group**, which aims to enhance the contribution of institutional investors to the greening of mainstream financial flows. We believe that the green finance study group's conclusions should be presented at the G20 Leaders' Summit in 2016, and we request that the green finance agenda be taken forward by future G20 presidencies.

Thank you for your consideration of these recommendations. If you have questions or would like to schedule a time to discuss our recommendations, please contact a staff member at one of the organizations that co-sponsored this letter: CDP (James Hulse at james.hulse@cdp.net), Ceres Investor Network on Climate Risk (Mindy Lubber at lubber@ceres.org), Institutional Investors Group on Climate Change (Stephanie Pfeifer at spfeifer@iigcc.org), Investor Group on Climate Change (Emma Herd at emma.herd@igcc.org.au), or Principles for Responsible Investment (Sagarika Chatterjee at sagarika.chatterjee@unpri.org).

With kind regards,

ACTIAM
Aegon NV
Alberta Investment Management Corporation (AIMCo)
Amundi
AMP Capital
AP1 First Swedish National Pension Fund
AP2 Second Swedish National Pension Fund
AP3 Third Swedish National Pension Fund
AP4 Fourth Swedish National Pension Fund
AP7 Seventh Swedish National Pension Fund
Archbishops' Council
Armstrong Asset Management
ATP
Australian Ethical Investment
AustralianSuper
Aviva Investors
AXA
AXA IM
Baldwin Brothers Inc.
Bank J. Safra Sarasin

Bayerische Versorgungskammer
Bedfordshire Pension Fund
BMO Global Asset Management
BNP Paribas Investment Partners
Brawn Capital
Brown University Sustainable Investment Fund
BT Pension Scheme
California Public Employees' Retirement System (CalPERS)
California State Teachers' Retirement System (CalSTRS)
Cathay Financial Holding Co., Ltd.
Catholic Super
CBRE Global Investors
Cbus Super
CCLA
Central Finance Board of the Methodist Church
Christian Brothers Investment Services
Christian Super
Christopher Reynolds Foundation
Church Commissioners for England
Church of England Pensions Board
Church of Sweden
Connecticut Retirement Plans and Trust Funds
Dana Investment Advisors
Danske Bank Asset Management
Danske Civil- og Akademiingeniørers Pensionskasse
Deutsche Asset Management
Dragon Capital
EdenTree Investment Management Ltd.
Encourage Capital
Environment Agency Pension Fund
Epworth Investment Management Ltd
ERAFP
ESSSuper
ETF Partners
Eureka Funds Management
First Affirmative Financial Network
Friends Fiduciary Corporation
Friends Provident Charitable Foundation
FRR - Fonds de Réserve pour les Retraites
Greater Manchester Pension Fund
Henderson Global Investors
Hermes Investment Management
HESTA
HSBC Global Asset Management
IFM Investors
Impax Asset Management
Inflection Point Capital Management
Insight Investment
Jesuits in Britain

Juristernes og Økonomernes Pensionskasse
Kempen Capital Management
L&G Investment Management
Local Government Super
London Pensions Fund Authority
Mercer
Merseyside Pension Fund
Miller/Howard Investments, Inc.
Mirova
MN
Nanuk Asset Management Pty Ltd
Natixis Asset Management
NEI Investments
New York City Comptroller
New York State Common Retirement Fund
New Zealand Superannuation Fund
NextEnergy Capital
Nordea Wealth Management
North East Scotland Pension Fund
OFI
Ohman
Old Mutual Global Investors
OPTrust
Oregon State Treasurer
OTTP
Pax World Management LLC
PensionDanmark
PGGM
PKA
Plater Trust
Railpen Investments
Rathbone Greenbank Investments
Representative Body of the Church of Ireland
Reynders, McVeigh Capital Management
Robeco
Russell Investments
Sisters of St. Dominic of Caldwell, New Jersey
Sonen Capital
South Yorkshire Pensions Authority
Stafford Sustainable Capital
Statewide Super
Tellus Mater Foundation
Temporis Capital LLP
The Barrow Cadbury Trust
The Joseph Rowntree Charitable Trust
The Pensions Trust
The Sustainability Group at Loring, Wolcott and Coolidge
The United Reformed Church
Trillium Asset Management

Trustees of Amherst College
Unipension FAIF A/S
Unitarian Universalist Association
USS
Veris Wealth Partners
VicSuper
Vision Super Pty Ltd
Walden Asset Management
Wespath Benefits and Investments
West Midlands Pension Fund
West Yorkshire Pension Fund
WHEB