



**2018 GLOBAL INVESTOR STATEMENT TO GOVERNMENTS ON CLIMATE CHANGE**

This statement is signed by 319 investors representing more than USD \$28 trillion in assets.

As institutional investors with millions of beneficiaries around the world, we reiterate our full support for the Paris Agreement [link](#) and strongly urge all governments to implement the actions that are needed to achieve the goals of the Agreement, with the utmost urgency.

Investors are taking action on climate change. The global shift to clean energy is underway, but much more needs to be done by governments to accelerate the low carbon transition and to improve the resilience of our economy, society and the financial system to climate risks. Investors continue to make significant investments into the low carbon transition across a range of asset classes. Investors are also increasingly incorporating climate change scenarios and climate risk management strategies into their investment processes and engaging with high-emitting companies. To build on this momentum and maintain investor confidence to further shift investment portfolios, it is vital that policy makers are firmly committed to achieving the goals of the Paris Agreement.

We are concerned that the implementation of the Paris Agreement is currently falling short of the agreed goal of “holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.” There is an ambition gap: the full implementation of current Nationally Determined Contributions (NDCs) would lead to an unacceptably high temperature increase that would cause substantial negative economic impacts.

This ambition gap is of great concern to investors and needs to be addressed, with urgency. It is vital for our long-term planning and asset allocation decisions that governments work closely with investors to incorporate Paris-aligned climate scenarios into their policy frameworks and energy transition pathways.

In addition, investors need companies to report reliable and decision-useful climate-related financial information to price climate-related risks and opportunities effectively. That is why we welcome the recommendations of the Financial Stability Board’s (FSB) Task Force on Climate-related Financial Disclosure (TCFD) and are taking practical steps to assist their implementation around the world. In order for the TCFD to be effective, it is vital that governments commit to improve climate-related financial reporting standards by publicly supporting the adoption of the TCFD recommendations and the extension of its term beyond September 2018.

The countries and companies that lead in implementing the Paris Agreement and enacting strong climate and low carbon energy policies will see significant economic benefits and attract increased investment that will create jobs in industries of the future. To ensure a smooth and just transition to a low carbon economy and to adapt to the warming already locked in to the climate system, it will be important that the benefits of gaining access to cleaner energy sources are shared by all, and that those workers and communities affected by the transition are supported.

## In the 2018 Global Investor Statement to Governments on Climate Change, 319 investors and US\$28 trillion in AUM call on world governments to:

1. Achieve the goals of the Paris Agreement
2. Accelerate private sector investment into the low carbon transition
3. Commit to improve climate-related financial reporting

## What does this mean for the EU?

1. General direction of travel is positive, but need consistency with Paris Agreement
2. Leverage private finance through ambitious, long-term policy signals
3. Step up global leadership



***“It’s extremely encouraging to see so many institutional investors coming together around such a powerful message to governments and the international community. Leveraging private finance to fund the transition to a low-emissions and low-carbon future in order to meet the goals of the Paris Agreement is a necessity—one that public administrations cannot afford to do on their own.”***

**- Patricia Espinosa, Executive Secretary, UNFCCC**



**THE INVESTOR AGENDA**  
ACCELERATING ACTION FOR A LOW-CARBON WORLD

A CALL ON GLOBAL INVESTORS TO ACCELERATE AND SCALE UP CLIMATE ACTION IN FOUR KEY FOCUS AREAS:

- INVESTMENT
- CORPORATE ENGAGEMENT
- INVESTOR DISCLOSURE
- POLICY ADVOCACY

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