

25 May 2015

For the attention of the Finance Ministers of the Group of Seven (G-7)

As institutional investors responsible for managing the retirement savings and investments of millions of people or managing endowments, we believe climate change is one of the biggest systemic risks we face. With the right market signals from policy makers, investment in low-carbon and climate resilient opportunities can flow and climate impacts and resulting economic damages can be mitigated. An ambitious agreement in Paris with the aim to limit average global temperature increase to 2°C, as agreed previously by UN countries in Cancun, is a critical first step in this direction.

We therefore urge you to support:

- 1. A long-term global emissions reduction goal in the Paris agreement;**
- 2. The submission of short to medium-term national emissions pledges and country level action plans.**

The benefits of addressing climate change outweigh the costs. According to the IEA, using today's technologies it is possible to set the global energy and transport system on a 2°C pathway at no net cost. Marginal upfront costs in energy efficiency are offset by savings over time. This decoupling of energy use and economic growth is possible and already happening in certain regions.

However additional investment is needed and this requires well-designed policies that shift incentives from high to low carbon and climate resilient investments and ensure the deployment of available technologies, while achieving a just transition for workers and communities. Delaying action will require more stringent policies later if we are to remain within the 2°C emissions budget, exacerbating risks associated with energy investments and potentially stranding assets.

An agreement in Paris, including a long-term emissions reduction goal and strong national plans, will set a clear pathway in favour of a low carbon future and give investors clarity. This will serve to reduce policy risk, incentivise R&D, facilitate the deployment of new technologies and ultimately create new jobs.

As set out in last year's Global Investor Statement on Climate Change, the global investor community is clear on the need for strong action on climate change, including an ambitious global deal, carbon pricing and phasing out of fossil fuel subsidies.

With the appropriate policies in place we will be able to accelerate our investments in low carbon assets and advance the shift to a low carbon economy.

Yours sincerely

Jacob de Wit
Chief Executive Officer, Actiam

Richard Trumka
President, AFL-CIO

Katherine Garrett-Cox
Chief Executive Officer, Alliance Trust

Kevin C. Weinmann
Chief Financial Officer, Amherst College

Stephen Dunne
Chief Executive Officer, AMP Capital

Yves Perrier
Chief Executive Officer, Amundi

Johan Magnusson

Chief Executive Officer, AP1

Eva Halvarsson

Chief Executive Officer, AP2

Kerstin Hessius

Chief Executive Officer, AP3

Mats Andersson

Chief Executive Officer, AP4

Richard Gröttheim

Chief Executive Officer, AP7

Eduard van Gelderen

Chief Executive Officer, APG Asset Management

Carsten Stendevad

Chief Executive Officer, Arbejdsmarkedets Tillægspension (ATP)

Phillip Vernon

Chief Executive Officer, Australian Ethical Investment

Ian Silk

Chief Executive Officer, Australian Super

Euan Munro

Chief Executive Officer, Aviva Investors

Daniel Simard

Chief Executive Officer, Bâtirente

Andy Watkins

Assistant Chief Executive Officer & Chief Finance Officer, Bedford Borough Council

Philippe Marchessaux

Chief Executive Officer, BNP Paribas Investment Partners

Bill Apfel

Managing Director and CIO, Boston Trust/Walden Asset Management

Steve Barnett

Acting Chief Executive Officer, British Columbia Investment Management Corporation (bcIMC)

Eileen Haughey

Chief Executive Officer, BT Pension Scheme

Anna Stausboll

Chief Executive Officer, California Public Employees' Retirement System (CalPERS)

Jack Ehnes

Chief Executive Officer, California State Teachers' Retirement System (CalSTRS)

John Streuer

President and Chief Executive Officer, Calvert Investments

Frank Pegan

Chief Executive Officer, Catholic Superannuation Fund

Michael Quicke

Chief Executive Officer, CCLA Investment Management

Bill Seddon

Chief Executive Officer, Central Finance Board of the Methodist Church

Peter Murphy

Chief Executive Officer, Christian Super

Andrea Panaritis

Executive Director, Christopher Reynolds Foundation

Andrew Brown

Chief Executive Officer, Church Commissioners for England

Anders Thorendal

Chief Investment Officer, Church of Sweden

David Atkin

Chief Executive Officer, Construction & Building Industry Super (Cbus)

James Laing

General Secretary, Council of Lutheran Churches

Guenther Kastner

Managing Director, C-Quadrat Asset Management

Niels-Ulrik Mousten

Chief Executive Officer, Danske Capital

Louise Gallahue

Provincial, Daughters of Charity, Province of St Louise

Michele Faissola

Head of Deutsche Asset & Wealth Management, Member of the Deutsche Bank Group Executive Committee, Deutsche Asset & Wealth Management

Søren Kolbye Sørensen

Chief Executive Officer, DIP

Dawn Turner

Head of Pension Fund Management, Environment Agency Pension Fund

Patrick Sheehan

Managing Partner, Environmental Technologies Fund

Bill Seddon

Chief Executive Officer, Epworth Investment Management Ltd

Dr. Dominique Biedermann

Chief Executive Officer, Ethos

Bob Kelly

Chief Executive Officer, Eureka Funds Management

Richard Wilson

Chief Executive Officer, F&C Asset Management

George R. Gray

Chief Executive Officer, First Affirmative Financial Network

Jeffrey W. Perkins

Executive Director, Friends Fiduciary Corporation

David Blood

Senior Partner, Generation Investment Management

Wayne Wachell

Chief Investment Officer & Founding Partner, Genus Capital Management

David T. Abbott

Executive Director, George Gund Foundation

Robert Beauregard

Chief Investment Officer, Global Alpha Capital Management

Councillor Kieran Quinn

Chair, Greater Manchester Pension Fund

Leslie Samuelrich

President, Green Century Capital Management

Andrew Miller

Chief Executive Officer, Guardian Media Group

Stephen Blyth

President and CEO, Professor of the Practice of Statistics, Harvard University, Harvard Management Company

Andrew Formica

Chief Executive Officer, Henderson Global Investors

Colin Melvin

Chief Executive Officer, Hermes Equity Ownership Services

Saker Nusseibeh

Chief Executive Officer, Hermes Investment Management

Debbie Blakey

Chief Executive Officer, HESTA

Ian Simm

Chief Executive Officer, Impax Asset Management

Dr. Matthew Kiernan

Chief Executive Officer, Inflection Point Capital Management

Abdallah Nauphal

Chief Executive Officer, Insight Investment Management (Global)

Hendrik du Toit

Chief Executive Officer, Investec Asset Management

Torben Visholm

Chief Executive Officer, JOP

Nick Perks

Trust Secretary, Joseph Rowntree Charitable Trust

Sean Hawkshaw

Chief Executive Officer, Kleinwort Benson Investors

Mark Zinkula

Chief Executive Officer, Legal & General Investment Management

Kieran Quinn

Chairman, Local Authority Pension Fund Forum

Peter Lambert

Chief Executive Officer, Local Government Super

Kate Wolford

President, McKnight Foundation

Michael Dempsey

Director, Mercer Global Investments Europe

Michael D. Connelly

President and CEO, Mercy Health

Bryan J. Pini

President & Chief Investment Officer, Mercy Investment Services

Lowell G. Miller

Chief Investment Officer, Miller/Howard Investments

René van de Kieft

Chief Executive Officer, MN

Scott Stringer

New York City Comptroller, New York City Pension Funds

Thomas P. DiNapoli

Comptroller, New York State Common Retirement Fund

Christian Hylดาห์

Chief Executive Officer, Nordea Asset Management

Jagdeep Singh Bachher

Chief Investment Officer, Office of the CIO of the Regents, University of California

Johan Malm

Chief Executive Officer, Öhman Jr

Diane Radley

Chief Executive Officer, Old Mutual Investment Group

Ron Mock

President and Chief Executive Officer, Ontario Teachers' Pension Plan

Hugh O'Reilly

Chief Executive Officer, OPSEU Trust

Joe Keefe

President and Chief Executive Officer, Pax World Management

Mike Ramsey

Chief Executive Officer, Pensions Trust

Peter Damgaard Jensen

Chief Executive Officer, PKA

Hans van der Windt

Chief Executive Officer, PME

K.B. van Popta

Chief Executive Officer, PMT

John David

Head of Rathbone Greenbank Investments, Rathbone Greenbank

Mal Smith

Chief Executive Officer, Rei Super

Philippe Defosses

Chief Executive Officer, Retraite Additionelle de la Fonction Publique (ERAFP)

Roderick Munsters

Chief Executive Officer, Robeco

Guy Monson

Chief Executive Officer, Sarasin & Partners

Peter Harrison

Chief Investment Officer, Schroders

Catherine Howarth

Chief Executive Officer, Share Action

Peter Martin

Executive Director, Sierra Club Foundation

Andrew Petter

President and Vice-Chancellor, Simon Fraser University

Assaad Razzouk

Chief Executive Officer, Sindicatum Group

Robert Goldstein

Chief Executive Officer, Sonen Capital

John Hattersley

Fund Director, South Yorkshire Pensions Authority

Deborah Proctor

President and Chief Executive Officer, St. Joseph Health

Denise L. Nappier

Treasurer, State of Connecticut

Seth Magaziner

General Treasurer, State of Rhode Island

Corien Wortmann-Kool

Chairman, Stichting ABP Pensioenfond

Else Bos

Chief Executive Officer, Stichting Pensioenfond Zorg en Welzijn (PGGM)

David Watson

Chief Executive Officer, Temporis Capital

Nora Sanders

General Secretary, The United Church of Canada

Marcus Robertson

Board Chair, The United Church of Canada Pension Plan

Reverend John Proctor

General Secretary, The United Reformed Church

Matthew Patsky

Chief Executive Officer, Trillium Asset Management

Niels Erik Petersen

Chief Executive Officer, Unipension Fondsmæglerselskab

Bill Galvin

Chief Executive Officer, Universities Superannuation Scheme (USS)

Tomas Zsolnay

President, University of Victoria Foundation

Michael Dundon

Chief Executive Officer, VicSuper

Stephen Rowe

Chief Executive Officer, Vision Super

Jeremy Farrar

Director, Wellcome Trust

Barbara Boigegrain

General Secretary/Chief Executive Officer, Wespeth Investment Management

Rob Wyle

Chairman, WHEB

Sonia Kowal

President, Zevin Asset Management

Martin Senn

Chief Executive Officer, Zurich Insurance Group