



STRICTLY EMBARGOED: 12AM EST; 5AM BST; 1PM JST; 2PM AEST ON 4 MAY 2020

THE INVESTOR AGENDA: A SUSTAINABLE RECOVERY FROM THE COVID-19 PANDEMIC

The deadly outbreak of the COVID-19 pandemic has disrupted our lives and livelihoods, communities and economies. As the heads of the founding partners of The Investor Agenda - organisations that work with investors with millions of beneficiaries around the world and managing trillions of dollars in assets - we recognise governments' immediate priorities must be intervening to save human lives and providing economic and financial relief to support the most vulnerable, stem the health crisis and curb economic disruption.

Many governments are now beginning to consider economic recovery measures to address the acute shock and impacts of the COVID-19 pandemic. With trillions of dollars in capital under their management, investors will be critical to accelerating the recovery as it will require the efficient and equitable deployment of both public and private capital in fiscally-challenging times. Institutional investors take a long-term view of value and returns, and are therefore well placed to assist governments devise multi-year recovery efforts.

As governments pursue efforts to recover from this economic downturn, they should not lose sight of the climate crisis. They must factor in the foreseeable, acute, systemic and compounding climate-related economic and financial risks. Investors increasingly face physical and transitional risks from a rapidly warming planet that challenge their ability to deliver long-term returns for their beneficiaries.

At the same time investors understand that accelerating the net zero emissions transition can create significant new employment and economic growth, along with other co-benefits such as energy security and clean air. With effective recovery policies in place, private investment could be channeled to accelerate the development of new sustainable and climate adaptation assets.

An accelerated transition to a net zero emissions economy in line with the Paris Agreement is also critical to building greater resilience that will enhance the ability of our communities and economies to absorb both acute and systemic shocks.

Ultimately, in their recovery plans, governments should prioritise sustainability and equity, and accelerate the transition to a net zero emissions economy to mitigate climate risk, create new jobs and catalyse the sustainable deployment of private capital. Recovery plans that exacerbate climate change would expose investors and national economies to escalating financial, health and social risks in the coming years. Governments should avoid the prioritisation of risky, short-term emissions-intensive projects.

Economic recovery efforts are best directed to where job creation can be matched with net zero emissions energy, industrial, building and transport systems, along with climate resilience measures and other sustainable infrastructure that will strengthen our societies and maintain natural systems. Preparing for and responding to large-scale disruptions like pandemics and climate change also requires investments in scenario testing,

STRICTLY EMBARGOED: 12AM EST; 5AM BST; 1PM JST; 2PM AEST ON 4 MAY 2020

assessments of corporate responses to risk, adaptation and a framework for a just transition. We need early preventative action to limit economic costs and human suffering.

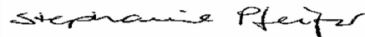
The path we choose in the coming months will have significant ramifications for our global economy and generations to come. It is critical that governments work with investors, companies and workers to develop just and sustainable recovery plans. Our organisations that work with investors stand ready to help governments to invest in a better, more resilient future.

Signed,

On behalf of the seven founding partners of The Investor Agenda,



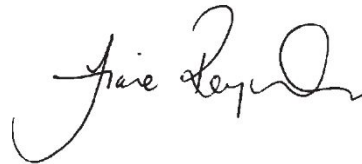
Rebecca Mikula-Wright
Director, Asia Investor Group on Climate Change



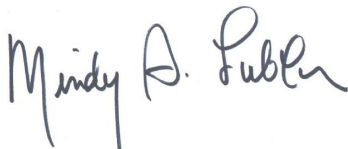
Stephanie Pfeifer
CEO, Institutional Investors Group on Climate Change



Paul Simpson
CEO, CDP



Fiona Reynolds
CEO, Principles for Responsible Investment



Mindy S. Lubber
CEO and President, Ceres



Eric Usher
Head, UNEP Finance Initiative



Emma Herd
CEO, Investor Group on Climate Change

STRICTLY EMBARGOED: 12AM EST; 5AM BST; 1PM JST; 2PM AEST ON 4 MAY 2020

RECOMMENDATIONS FOR A SUSTAINABLE RECOVERY

An investable and sustainable economic recovery from the COVID-19 pandemic should:

- 1. Prioritise human relief and job creation.** Governments must protect communities and workers, especially the most vulnerable, from the impacts of the COVID-19 pandemic and the economic fallout. Recovery plans should create jobs across society that match with investments in net zero emissions energy, industrial, building and transportation systems, climate resilience measures and other sustainable infrastructure.
- 2. Uphold the Paris Agreement.** Governments, investors and companies must maintain and strengthen their commitments in line with the Paris Agreement to keep average global temperature rise to no more than 1.5 degrees Celsius and reach net zero emissions by 2050 or sooner. The Paris Agreement remains the best multilateral instrument to accelerate emissions reductions and reduce the human health and economic risks from climate change.
- 3. Ensure COVID-19 government support addresses climate risk.** In particular, carbon-intensive companies that receive government bailouts, grants, loans, tax concessions and temporary equity purchases should be required to establish and enact climate change transition plans consistent with the Paris Agreement goals and achieving net zero emissions by 2050 in exchange for this public support. Companies should work closely with policymakers on the implementation of these transition plans.
- 4. Prioritise climate resiliency and net zero emissions economic solutions.** Locking in carbon-intensive economic activities in pursuit of recovery plans will only exacerbate systemic climate risks and expose economies to escalating shocks. Governments can accelerate the recovery by facilitating fresh investment and jobs in clean energy, which can often also be deployed cheaper and faster than incumbent carbon-intensive activities. Governments should also support new sustainable infrastructure such as electrified transport systems, green industrial production and resilient community assets, which will drive long-term clean jobs and growth.
- 5. Embed investor participation in recovery planning.** Many governments will be more fiscally challenged after deploying immediate pandemic relief, and unlocking private capital will therefore be critical to recovery. Governments can drive more efficient and equitable outcomes by ensuring investors assist in designing sustainable recovery plans.