



Dear Co-Chairs of the Presidential Committee on Carbon Neutrality,

We are institutional investors, responsible for \$6.7 trillion (~~₩~~7,993 trillion) in assets under management, who are actively engaging with Korean companies on climate change, or supporting these efforts, through Climate Action 100+ and other avenues.

These engagements have been largely constructive, and we are thankful to those companies who are working with their investors to develop transition plans to net zero emissions by 2050 to protect shareholder value, cut greenhouse gases and ensure profitability in a carbon-constrained world.

Investors are engaging with companies because we recognise climate change creates systemic financial and economic risks that threaten long-term sustainable returns for our beneficiaries and because company transition is essential to achieving our common Paris Agreement goals to limit global warming to well below 2°C and pursuing 1.5°C.

For many of the companies we are engaging with, the outcome of national South Korean policy on energy and climate change is critical to the achievement of their net zero ambition. Adopting a clear pathway to net zero emissions by 2050 is also crucial for the Korean economy to remain competitive in global capital markets.

In this light, it is important that an energy transition consistent with the International Energy Agency's Net Zero 2050 (IEA NZ2050) scenario is pursued in South Korea. This scenario specifies that unabated coal power will be phased out in advanced economies by 2030 and at the latest by 2040 in all other regions. Generation using natural gas without carbon capture starts falling by 2030 and is 90 per cent lower by 2040 compared with 2020.

We recognise the work of the Presidential Committee on Carbon Neutrality to develop pathways for the Republic of Korea to achieve the national commitment to reach net zero emissions by 2050. We believe that the private coal-fired power plants currently under construction in Korea will go against efforts of the Committee, putting assets at risk of becoming stranded and unprofitable due to low utilization rates and extra efforts necessary to offset emissions incurred. The IEA NZ2050 scenario, including the indicative fossil fuel phase out dates, should be embedded in the scenarios being developed by the Committee. The companies that we are engaging will also need other private-public collaborative solutions to advance and deploy at scale those technologies that can cut emissions from heavy industry production, such as green hydrogen.

Investors are supportive of strong and investable climate policy that is consistent with limiting average global warming to 1.5°C. To date, 587 investors from around the world, responsible for US\$46 trillion in assets under management, have signed the [2021 Global Investor Statement to Governments on the Climate Crisis](#) urging all governments to raise their climate ambition and implement meaningful policies, or risk missing out on a massive wave of investment in tackling the climate crisis.

We welcome many of the recent steps taken by the South Korean Government on climate change. We believe institutional investors, given their universal ownership, long-term horizon and ability to engage with corporations globally, represent a unique ally on decarbonisation and the implementation of the Paris Agreement in Korea.

We therefore remain at your disposal for further partnership and support.

Signed,

Representatives from lead investors engaging with Korean companies through Climate Action 100+ (*by alphabetical order*):

Yoo-Kyung Park

Head of APAC Responsible Investment & Governance

APG Asset Management

Vicki Bakhshi

Director, Responsible Investment Team

BMO Global Asset Management

Bruce Duguid

Head of Stewardship

EOS at Federated Hermes

Keisuke Fukunaga

Chief Stewardship Officer

Sumitomo Mitsui Trust Asset Management

Other Climate Action 100+ signatories party to this statement include (*by alphabetical order*):

- **AkademikerPension**
- **ANDA Asset Management**
- **Boston Common Asset Management**
- **Brawn Capital**
- **Dalton Investments LLC**
- **EFG Asset Management**
- **KBI Global Investors**
- **Legal & General Investment Management**
- **Local Authority Pension Fund Forum**
- **Nikko Asset Management Co., Ltd.**
- **Nordea Asset Management**
- **Oldfield Partners**
- **Polunin Capital Partners Limited**
- **Railpen**
- **Robeco**

- RWC Partners
- Universities Superannuation Scheme
- Velliv
- WHEB Asset Management

Total AUM signed = USD 6.7 trillion