



18 October 2021

A step up in Australia's 2030 targets will attract green investment

- *A Report Card of G20 countries' climate policies finds Australia is one of the least attractive green investment destinations*
- *Strong 2030 emissions targets, net zero by 2050 and mandatory climate risk disclosure can close the gap and attract investment*
- *Investors with over US\$46 trillion in assets are calling on G20 leaders to act as the most consequential international climate conference since Paris approaches*
- *G20 countries have a lot of work to do to ensure climate risk is effectively managed*

18 October 2021 - An assessment released today by three major global investor groups finds that G20 countries have significant policy barriers deterring investment in the opportunities to tackle the growing climate crisis.

The [G20 Countries' Climate Policy Report Card](#) finds that most G20 countries do not have the policy settings in place to attract the urgent investment needed in the zero emissions, climate resilient transition. This is a significant finding, with G20 countries accounting for 80 per cent of global greenhouse gas emissions.

Australia is among the least attractive countries for green investment, alongside Argentina, India, Indonesia, Mexico, Russia and Saudi Arabia, the Report Card finds. Less than two per cent of Australia's COVID-19 economic recovery spending was on 'green' initiatives, compared for example to Canada, which spent 74.5 per cent.

With less than two weeks until the most consequential United Nations climate change conference in years (COP26 in Glasgow), time is running out for countries to commit to more ambitious and effective policies to address the climate crisis.

The Report Card measures G20 countries' progress towards the five policy recommendations in the Investor Agenda's [2021 Global Investor Statement to Governments on the Climate Crisis](#), which are key to unlocking the trillions of dollars needed to address the climate crisis.

The United Kingdom and European Union are found to be the most attractive destinations for green investment, although they still have substantial improvements to make.

The Report Card collates analyses from independent, credible and rigorous sources to enable investors to identify countries with the most and least attractive green investment environments. It is being released by Asian Investor Group on Climate Change, Ceres and the Investor Group on Climate Change, all of whom are founding partners of The Investor Agenda, a common leadership agenda accelerating investor action for a net zero future.

“Investors understand that climate risk is investment risk,” said AIGCC and IGCC CEO Rebecca Mikula-Wright and member of the Investor Agenda steering committee. “Investors want to seize the enormous investment opportunities that will be created in the transition to net zero. Across Asia, Australia and New Zealand, we are urging governments to step up and commit to clear and strong

climate policies that will unlock the capital needed to transition to a net zero economy. Investors are ready.”

“Ambitious climate policies are critical market signals for investors around the world,” said Ceres CEO and President Mindy Lubber and current chair of the Investor Agenda. “With the right policy signals for robust economic transition pathways, investors will make large and necessary investments now. Our government leaders must do better to put the right policy settings in place. Those that do will benefit the most.”

The [2021 Global Investor Statement to Governments on the Climate Crisis](#) urges governments to undertake five priority actions before COP26:

1. Strengthen their NDCs for 2030 before COP26, to align with limiting warming to 1.5 degrees Celsius.
2. Commit to a domestic mid-century, net zero emissions target.
3. Implement domestic policies to deliver these targets, incentivise private investments in zero emissions solutions and ensure ambitious pre-2030 action.
4. Ensure COVID-19 economic recovery plans support the transition to net zero emissions and enhance resilience.
5. Commit to implementing mandatory climate risk disclosure requirements aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

The 2021 Global Investor Statement is the strongest-ever unified call from investors for governments to raise their climate ambition and implement meaningful policies. Hundreds of investors from around the world, who collectively manage more than US\$46 trillion in assets, have now signed on. They represent nearly half of all global assets under management. [Signatories to date](#) include some of the world’s largest asset managers and asset owners.

The number of signatories to the 2021 Global Investor Statement is growing. The Statement is open for additional investors to sign until [20 October 2021 via the Investor Agenda website](#). The final list of signatories will be announced on 27 October.

Report Card findings and sources

View the [G20 Countries’ Climate Policy Report Card here](#).



The assessment of G20 countries' **2030 targets and domestic policies** uses Climate Action Tracker's analysis, based on modelled domestic pathways derived from global least-cost models, which was released in September 2021. Countries considered 'green' have 2030 targets and policies consistent with 1.5 degrees or less of warming. The United Kingdom is the only G20 country whose 2030 target is consistent with 1.5 degrees of warming. The 2030 targets of Canada, the European Union, Japan and the United States are consistent with two degrees of warming. None of these countries have adequate policies in place to achieve their targets. In fact, alarmingly, more than half of G20 countries' targets and policies are consistent with more than two degrees of warming - some as high as four degrees.

Seven G20 countries, including Australia, still have not committed to net zero. Investors consider a commitment to **net zero by 2050 to be the bare minimum**. For a country to be considered 'green', its net zero target should also be credible and investable. The Report Card uses Climate Action Tracker's analysis of the credibility of net zero targets. Apart from the European Union, none of the G20 countries that *have* committed to net zero have a net zero target that Climate Action Tracker considers is 'acceptable'.

The Report Card uses Oxford Global Recovery Observatory's analysis on the percentage of countries' **COVID-19 economic recovery spending** that is 'green'. The best performers have been Turkey (100%), Canada (74.5%), Germany (47.3%) and France (37.6%). Conversely, Indonesia, Mexico, Russia and Saudi Arabia did not allocate any of their COVID-19 recovery spending towards green initiatives. Argentina and Australia spent less than two per cent.

G20 countries' progress towards **mandatory climate risk disclosure** is based on the findings in BloombergNEF's Climate Policy Factbook (20 July 2021). Only the UK and EU have committed to mandatory TCFD-aligned disclosure.

G20 countries have much work to do to ensure climate risk is effectively managed.

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