

The Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
London
SW1A 2AA

21 January 2021

RE: Net zero and the financial sector

CC:

The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer
The Rt Hon Kwasi Kwarteng MP, BEIS Secretary of State
The Rt Hon Alok Sharma MP, COP President

Dear Prime Minister,

As asset owners based in the UK, we strongly support the high ambition shown in the UK's Nationally Determined Contribution. We would welcome the opportunity to meet with you to discuss how the financial sector can contribute to the UK's decarbonisation efforts.

Climate change is recognised as the most significant global risk facing investors. For our beneficiaries, it threatens their livelihoods, their retirement savings, their health, their quality of life. Even a short delay in implementing the necessary policies increases the likelihood of a disorderly transition, threatening beneficiaries' savings and the resilience of the financial system.

The recently announced 68% greenhouse gas emissions reduction by 2030 and 10-point plan for a "green industrial revolution" is a strong and welcome move towards getting the UK economy on a net zero by 2050 trajectory, particularly regarding offshore wind and the ICE vehicle phase-out. Further detail on how this will be undertaken will be needed, as well as substantially more funding to match the scale of the transformation required. A net zero litmus test must be integrated into the government's long-term strategies and targets, utilising private finance where possible.

The domestic net zero strategy to be published this year must address the sustainable land use challenges faced by the UK, including meeting afforestation targets and peatland restoration. Improvements to energy efficiency in our buildings should also be prioritised, with an ambitious Future Homes Standard and the Green Homes Grant put on a permanent footing. We have attached a short note with additional information.

With public budgets under continued strain from the COVID-19 crisis, now is the time to utilise the City of London and private finance to help deliver the ambitious decarbonisation needed. This can be done through co-designing dedicated investment funds, such as the Charging Infrastructure Investment Fund, and ensuring the new National Infrastructure Bank has a clear net zero and resilience mandate alongside supporting the levelling up and just transition agendas.

The UK is in a unique position to mobilise climate ambition globally. There will be several opportunities over the next year to demonstrate the UK's commitment to limiting global warming to 1.5°C and to push others to do likewise, such as the UK-hosted G7 summit this summer, all of which must culminate in a COP26 which gets all countries on a trajectory to align with the Paris Agreement.

We understand that there are huge pressures on your diary, but we would be delighted to meet with you to see how we can work together to deliver successful outcomes ahead of COP 26.

Yours sincerely,



Rachel Elwell,
CEO,
Border to Coast Partnership



Laura Chappell,
CEO,
Brunel Pension Partnership



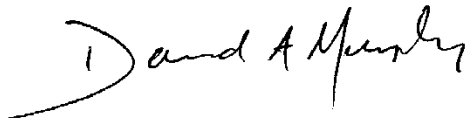
Morten Nilsson,
CEO,
BT Pension Scheme Management



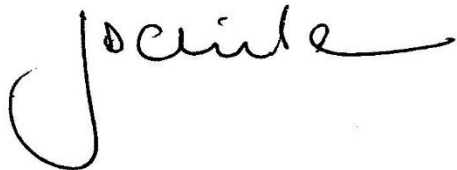
Mike Weston,
CEO,
LGPS Central



Chris Rule,
Chief Executive,
Local Pensions Partnership Investments



David Murphy,
Chief Executive and Secretary,
NILGOSC



John Chilman,
CEO,
RPMI



Eve Keith,
Secretary to the Trustees
UNISON Staff Pension Scheme

Convened by:



Fiona Reynolds,
CEO,
Principles for Responsible Investment