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Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
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Cc:
The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer
The Rt Hon Alok Sharma MP, President-Designate for COP26
Dr. Mark Carney, Prime Minister's Finance Adviser for COP26

Monday, April 26th, 2021

Dear Prime Minister,

As financial institutions and organisations working on finance and climate action, we welcome your efforts to expand UK green finance leadership. Finance is essential to COP26.

In particular, we write regarding the growing momentum for net-zero in the financial sector. It is clear that a net-zero financial system—when the financial system achieves net-zero and finances the net-zero transition in the real economy—is a vital requirement for achieving the Paris Agreement and for delivering the government's agendas of building back better, net-zero, and levelling up.

The UK has led the way in the shift to a net-zero financial system. UK firms (pension funds, asset managers, banks and insurers) have been at the forefront of a global wave of net-zero commitments in the financial sector that has occurred since 2019. The COP26 Presidency's Race to Zero initiative has added wind in the sails of this movement, as will your new Glasgow Financial Alliance for Net Zero.¹ In addition, the Chancellor's recent remit letters for the Monetary Policy Committee, Financial Policy Committee and Prudential Regulation Committee at the Bank of England as well as for the Financial Conduct Authority have set a new benchmark for integrated financial regulation relating to net-zero, whilst the Treasury's actions on the Net Zero Review and on climate-related financial disclosures provide much appreciated support.

Going beyond these major steps forward, we believe that the United Kingdom, the first major economy to commit to net-zero, can make history again by committing to achieve a world-leading net-zero UK financial system.

Achieving a net-zero financial sector has never been done before and will not be easy, but leading UK firms are demonstrating it can be done. The financial sector, of course, cannot fully get to net-zero on its own without the enabling environment and government support, especially public policy facilitating the real economy net-zero transition, as well as policy incentives for green finance by making net-zero investable. UK leadership can achieve an important "world first", ahead of the G7 in June, by announcing to the world **a commitment to a net-zero UK financial system and taking it forward at home and abroad:**

¹ Launched April 21, the Glasgow Financial Alliance for Net Zero plays a vital role in uniting Race to Zero finance initiatives.



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1. To facilitate the UK financial sector's shift to net-zero, we recommend the Government **take note of the important recommendation of the Climate Change Committee (CCC) Advisory Group on Finance**—which advised the Government to “*commit to be the world's first net-zero financial system*” and offered specific policy proposals for enabling this goal to be met.²
2. We recommend the UK Government work with interested parties to co-develop and **launch a UK taskforce on enabling the shift to a Net Zero UK Financial Sector**—an innovative policy dialogue bringing together UK financial institutions, government, MPs, regulators, business, consumer groups, civil society, academia and the research and analytical communities.
3. At the same time, the UK can **spearhead leadership toward net-zero financial systems internationally**—through Italy's G20 and the UK's G7, where the UK Presidency could seek a G7 commitment at Leaders-level to move to a net-zero financial system and create a G7 taskforce to take the commitment forward. (To this end, we welcome the recent statement that G7 Finance Ministers are taking steps forward in discussing “their role in driving forward the transition of their ... financial systems to net zero”.³)

The present moment is ripe for such visionary steps in the run-up to Glasgow. The extraordinary moment we face, at the convergence of the climate emergency, COVID-19, and economic crisis, demands extraordinary leadership, innovation and collaboration from us all. A net-zero UK finance sector will be one that is stronger—more dynamic, competitive, and resilient—and better able to invest in net-zero opportunities in the UK economy, whilst being the global leader in net-zero finance.

Supported by the UK public, major financial institutions are now signalling their appetite to move to a net-zero financial system—but cannot do this alone. We will need to work together with you across the financial industry, policymaking, and beyond to make this transition happen.

We look forward to working with you in this historic transition to net-zero.

Yours sincerely,

Amanda Blanc, CEO, Aviva

David Blood, Senior Partner, Generation Investment Management

Tony Burdon, CEO, Make My Money Matter

Laura Chappell, CEO, Brunel Pension Partnership

Andrew Formica, CEO Jupiter Asset Management

Sir Roger Gifford, Senior Banker, SEB Group, and Chair, Green Finance Institute

Martin Hahn, CEO, Capital Dynamics

² The signatories to this letter welcome and echo the CCC AGF's call for the UK government to commit to achieving a net-zero UK financial system. However, individual signatories to this letter may not necessarily endorse the entirety of the specific [policy proposals](#) in full.

³ UK G7 Presidency: [G7 Finance Ministers and Central Bank Governors meeting chaired by Chancellor agrees ambitious climate agenda in UK's COP Presidency year](#)



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