

The Rt Hon Philip Hammond MP, Chancellor of the Exchequer  
1 Horse Guards Road  
Westminster  
London  
SW1A 2HQ

31 May 2019

Dear Chancellor,

I am writing to you as CEO of the Institutional Investors Group on Climate Change (IIGCC). Our 170 members, drawn from 11 European countries (including around 80 in the UK), represent over £20 trillion in assets and are invested in virtually every major UK, EU and global listed company. We believe that the mitigation of climate change is essential for the safeguarding of our investments, and we also see low-carbon and climate-resilient technologies, markets and business models presenting significant investment opportunities to foster economic growth, job creation, energy security and citizens' health.

I thank you for your government's longstanding commitment to tackle climate change through support for the Paris Agreement and the UK's Climate Change Act. Notably, your remarks at last month's annual IMF and World Bank Spring Meetings in Washington calling for increased international action on sustainable growth stood as welcome evidence of your commitment to British leadership on this critical issue.

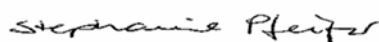
While we note the strong progress that has been made in the UK in the ten years since the Climate Change Act was adopted, it was made clear by the IPCC Special Report on 1.5°C that the world is on a path towards a 3°C rise above pre-industrial temperatures, where we would see catastrophic physical impacts which would clearly entail severe financial, economic and investment risks.

We therefore strongly welcome the recent advice on a net-zero emission target from the Committee on Climate Change. We believe that to achieve the goals set in the Paris Agreement, leading economies like the UK should aim for net-zero emissions by 2050 at the latest. We therefore ask that the Government carefully study both the advice from the Climate Change Committee, and the evidence in the IPCC report, and set its ambition accordingly.

Such ambition will support a world where the risks associated with climate change have been reduced, and where the investment opportunities created by the low-carbon transition have been exploited to their full potential - reaping widespread economic, social and environmental benefits. Clear, long-term and ambitious legislative programmes are critical to the ability of investors to assess and manage climate-related risks and to invest in opportunities that support a smooth and managed transition to a low carbon, more energy-efficient and climate resilient world.

We would welcome the chance to discuss this with you and thank you for your consideration.

On behalf of IIGCC,



Stephanie Pfeifer

**IIGCC CEO**

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Group on Climate Change

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Aegon NL  
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