

Sir Keir Starmer MP
Prime Minister

London, 8th July 2024

Re: Seizing the opportunities of the net zero transition through a renewed policy focus

Dear Prime Minister,

We would like to congratulate you on your recent appointment as Prime Minister of the United Kingdom. As CEOs of organisations working with businesses and investors in the UK and globally, we recognise the substantial opportunities presented by the transition to net zero by 2050. To fully seize these opportunities, we urgently need a supportive policy environment that provides businesses and investors with the confidence and certainty needed to make long-term investments.

To this end, we call on you to establish a long-term, ambitious ‘whole-of-government’ approach to the delivery of the UK’s net zero strategy, underpinned by credible and comprehensive sectoral decarbonisation pathways and targeted incentives.¹ This includes building out a comprehensive industrial strategy to decarbonise the wider economy, restoring natural assets that make us more resilient, deliver the UK’s upcoming Nationally Determined Contribution and Carbon Budgets² and fulfilling existing commitments such as the Green Finance Strategy at pace. The first King’s Speech of the new Parliament offers you and your government an ideal opportunity to provide the positive policy signals that industry has been waiting for, joining the dots between climate, industrial and fiscal policy initiatives.

The economic benefits of the transition to net zero have been well evidenced.³ Green jobs are being created at a faster rate than the overall employment market,⁴ and net zero businesses contributed an equivalent of 3.8% of the UK economy in 2022-2023.⁵ The transition can also help reduce social inequalities and improve public health⁶ and, more broadly, build increased resilience for the UK economy and communities. In contrast, delayed action on key energy and transport policies had a direct negative impact on UK household bills in 2023. These costs will continue to rise without your intervention.⁷

Investment in green industries and technologies is accelerating, with many nations implementing the right policy incentives to attract private finance. A comprehensive industrial strategy will help to support higher rates of economic growth in the UK, making it a more attractive investment destination in an increasingly competitive global race for capital, while developing a skilled workforce ready to take on the jobs of the future.

The majority of the estimated £50-60 billion a year required if the UK is to meet its climate commitments will need to come from private capital, including from many of our members. By identifying priority areas for decarbonisation – such as achieving clean power by 2030 or tackling the highest-emitting sectors and deploying targeted policies and public finance tools to support these, you can crowd-in private finance at pace and scale.

The transition to a net-zero, nature positive economy, the future competitiveness of the UK and the wellbeing of communities, workers and consumers are inextricably linked and can be tackled together. Our organisations stand ready to help support delivery of your five ‘missions’ for the UK you and we urge you to act now to provide businesses and investors with a policy environment that enables them to invest with confidence in the future of this country.

Yours sincerely,

¹ PRI’s [Investing for the economic transition: the case for whole-of-government policy reform](#) maps out the framework for a whole-of-government approach to the transition (2023)

² Key recommendations set out in [IIGCC’s Call to Action for the UK Government](#) (2024)

³ Jennings et al. [Mapping the co-benefits of climate change action to issues of public concern in the UK](#). (2020)

⁴ [Green Jobs growing at four times the pace of the overall employment market](#)

⁵ [The UK’s net zero economy: The scale and geography of the net zero economy in the UK](#), CBI Economics (2024)

⁶ [Sustainable Health Equity: Achieving a Net-Zero UK](#), Advisory Group Report for the UK Committee on Climate Change (2020)

⁷ [Cost of Not Zero in 2023](#), Energy & Intelligence Unit (2024)



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About IIGCC, PRI, and UKSIF

IIGCC

The Institutional Investors Group on Climate Change (IIGCC) is the European membership body for investor collaboration on climate change and the voice of investors taking action for a prosperous, low carbon future. IIGCC has 400+ members, mainly pension funds and asset managers, across 23 countries, with over €51 trillion in assets under management.

PRI

The Principles for Responsible Investment (PRI) is the world's leading proponent of responsible investment. Supported by the United Nations, it works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. Launched in New York in 2006, the PRI has grown to more than 5,000 signatories, managing over US 121 trillion.

UKSIF

The UK Sustainable Investment and Finance Association (UKSIF) is the UK's leading membership network for sustainable finance, bringing together more than 300 financial institutions and investors collectively managing more than £19trn in global assets under management (AUM). For more information, please visit www.uksif.org.

DISCLAIMER: This letter was developed in collaboration between IIGCC, UKSIF, PRI and their members, but does not necessarily represent the views of their entire memberships, either individually or collectively