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12 December 2020

CALL TO CEOS OF PRIVATE FINANCIAL INSTITUTIONS TO JOIN THE RACE TO ZERO AHEAD OF COP26

The UK is hosting the next major climate change summit, COP26, in Glasgow in November 2021.

In recent years it has become clear that countries will need the support of the finance sector in order to achieve their climate ambitions; public finance alone cannot achieve the scale or pace of change to put the world on the path to net zero.

Ahead of COP26 we are urging financial institutions to make commitments that demonstrate the collective leadership needed for the transition to a net zero and climate-resilient future. We have already seen good progress with many financial firms implementing the guidelines of the Taskforce for Climate-related Financial Disclosures (TCFD). Institutions are beginning to align their financing activities and portfolios with the Paris Agreement.

We must continue this progress, at pace. The urgency of the climate crisis is such that all actors, from countries to financial institutions, must adopt climate targets that are not only ambitious, but also aligned with climate science and grounded in the highest standards of transparency and governance.

We therefore urge you to sign up to the [Race To Zero](#), joining a global group of businesses and organisations setting ambitious targets and action plans to reduce emissions and build resilience.

Financial institutions can do this by signing up to industry-specific net zero initiatives that have created credible frameworks for financial institutions with science-based targets. These include:

- For all financial institutions, the [Business Ambition for 1.5 pledge](#), which includes the new [Science-Based Targets Initiative's](#) methodology for the finance sector;
- The [Net-Zero Asset Owners Alliance](#); and
- The new Net-Zero Asset Managers Initiative, launched yesterday on 11 December

The Race to Zero campaign is backed by an historic coalition of UN institutions, leading climate NGOs such as the WWF and World Resources Institute, and global

business groups who are all calling on businesses to join ahead of COP26. Over 1,100 businesses and investors have already joined. You can find more information here: <https://unfccc.int/climate-action/race-to-zero-campaign#eq-4>

We recognise the complexity of the financial sector and the different business models involved. Mark Carney, the Prime Minister's Finance Adviser for COP26 and UN Special Envoy for Climate Action and Finance, Nigel Topping, the High Level Climate Action Champion for COP26, and the COP26 Presidency will soon be launching a finance initiative as a collaboration with the Race to Zero. This will ensure all financial institutions can join, and will support them with a framework for backing up these commitments with credible action.

The Prime Minister has recently appointed Andrew Griffith MP as the UK Net Zero Business Champion to support and champion UK businesses making the transition to a low-carbon economy. We encourage UK based financial institutions to work with Andrew on their own transition plans, and the contribution they can make to a net zero UK economy.

Achieving net zero requires a global economy transition. We all need to make ambitious and public commitments and show that the transition is financeable. This is a good business decision, as well as a responsible one. Please join us to make 2021 the year we secure the pathway to net zero.

Yours sincerely,



The Rt Hon Alok Sharma MP
COP President Designate
and
Secretary of State for Business, Energy and Industrial Strategy



Mark Carney
United Nations Special Envoy for Climate Action and Finance
and
Finance Advisor to the Prime Minister for COP26