

Rt Hon Boris Johnson MP
Downing Street
London
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12 November 2020

CC: Chancellor of the Exchequer, Secretary of State for Foreign, Commonwealth and Development Affairs, Chancellor of the Duchy of Lancaster, Secretary of State for Business, Energy and Industrial Strategy, Secretary of State for Transport, Secretary of State for Housing, Communities and Local Government

Re: A Just Transition to Net-Zero

Dear Prime Minister,

We are writing to you in your position as Chair of the Cabinet Committee on Climate Change. On behalf of the membership of Confederation of British Industry, Federation of Small Businesses, Make UK, Institute of Directors and British Chambers of Commerce, alongside the UK Business Group Alliance for Net Zero, we are committed to ensuring the country can build back better so that businesses and communities across the country can grow back stronger, more resilient and sustainable.

The coronavirus pandemic has posed economic challenges for Government and business alike; however, we recognise the importance of maintaining momentum on reducing emissions on a net-zero trajectory. It is possible for the UK to recover and build back a more sustainable, resilient, and equitable economy. However, this is not a one-size-fits-all process. To get there, a close working relationship between Government and business will be vital as we work to deliver our net-zero agenda and international commitments over the coming decades.

Today, the UK's top 5 business organisations (B5) are reaffirming the private sector's commitment to reducing emissions to net-zero by 2050, via a 'just transition' to protect the lives and livelihoods of current and future generations. We want to take this opportunity to state our support for Government's commitment to a '**just transition**' to net-zero, which will be the only way for businesses and workers alike to effectively play a role in the shift to a carbon neutral economy. The Paris Agreement makes clear that national plans on climate change should 'include just transition measures with a centrality of decent work and quality jobs'.

Collectively, the B5 are calling for a 'principles-led' approach to be taken by the Government when developing net-zero aligned policy. We believe that such an approach can provide a robust policy framework enabling the UK to maintain its current domestic and global ambitions, whilst being accountable, credible, and fair. The principles we set out in today's report are intended to act as a 'fairness test' for policy makers in planning and designing regulatory and policy frameworks, and in prioritising investment.

In today's report, we put forward five core principles of fairness including:

1. Fairness of Ambition

- * Government's climate change policies must be aligned to the latest scientific evidence and demonstrate ambition that matches the reality of the challenge, both in its timescales and its extent

2. Fairness of Accountability

- * Government, alongside Regulators should provide coherent, coordinated and accountable governance so that the policy and regulatory environment is much more attractive to investors

3. Fairness of Delivery

- * Government should, where possible, support and empower businesses to find their own ways of reaching net-zero, acknowledging that a one-size-fits-all approach to policy delivery may not work in all cases and that a diverse set of business-led solutions will be needed, including incentives for delivery

4. Fairness of Opportunity

- * Government must provide a level playing field, enabling businesses of all sizes, in all sectors, in every region and nation, to contribute to a net-zero economy, through their innovations, investments, and markets

5. Fairness of Cost

- * Government climate change policies must be affordable and achievable. Government must ensure that the costs of transition to net-zero are distributed equitably among businesses, workers, and consumers, based on their environmental impact, ability to pay, ability to adapt and potential for gain

With new dates set for COP26, the private sector fully supports the UK Government, in partnership with the Scottish Government and the City of Glasgow, in their efforts to ensure that progress made to date to tackle climate change is maintained and to deliver an ambitious Nationally Determined Contribution and a unified COP26 summit.

To ensure businesses of all sizes and sectors can play their part in supporting the UK's net-zero transition and building back a more sustainable and resilient economy - and for the UK to continue being an example to other nations looking to embark on the same journey - we ask that decision makers enact the principles-led approach we propose, in planning and designing all future regulatory and policy frameworks so that the UK can become a powerhouse for low-carbon infrastructure, technology, goods and services.

I look forward to hearing from you to discuss this initiative further.

Yours,



Josh Hardie, Interim Director
General, Confederation of British
Industry



Mike Cherry OBE, National Chair,
Federation of Small Businesses



Stephen Phipson, Chief Executive,
Make UK



Jonathan Geldart, Institute of
Directors
Director General



Adam Marshall, British Chambers of
Commerce

Members of the UK Business Group Alliance for Net Zero who endorse this letter

- B Corporation
- British Vehicle Rental and Leasing Association
- Broadway Initiative
- Business in the Community
- CBI
- CDP
- Chapter Zero
- Food and Drink Federation
- FSB
- Institutional Investors Group on Climate Change
- Make UK
- Renewable UK
- Aldersgate Group
- ICC United Kingdom
- The Climate Group
- The Prince of Wales's Corporate Leaders Group
- UN Global Compact UK
- UK Business Council for Sustainable Development
- UK Green Building Council

About the UK Business Group Alliance for Net Zero

The UK Business Group Alliance for Net Zero is formed of the key UK business groups working to increase political and business ambition towards achieving net zero greenhouse gas emissions by 2050 in the UK. The Group works collaboratively with the UK Government and key stakeholders to deliver coordinated action with the aims of accelerating political leadership to support business action, increasing business ambition, showcasing business commitments and enabling the successful delivery of COP26 in the UK in November 2021. Coordination of the group is led by The Prince of Wales's Corporate Leaders Group and supported by the CBI.