

City must lead the way in securing a greener future

- UK's financial services sector must be at the heart of efforts to tackle climate change and reduce emissions to net zero by 2050, says City Minister
- new Green Finance Strategy will help boost sustainable investment, with an expectation for listed companies to disclose how climate change impacts their work
- the strategy will help make the UK an international hub for expertise and funding that supports greener investment

The City must lead the way in securing a greener, more resilient and sustainable future for the UK, City Minister John Glen will say today.

Speaking at the third Green Finance Summit in London, the minister will launch the government's landmark [Green Finance Strategy](#) and argue that financial services will have a bigger role to play than any other sector in tackling climate change.

As the world looks to shift to clean, resilient and sustainable economic growth, there is an opportunity to make London the go-to hub for green investment, the minister will add.

The strategy sets out plans to increase investment in sustainable projects and infrastructure, while ensuring the UK remains an international leader in decarbonisation and meets its ambitious 2050 net zero carbon emissions target. It will also build on findings from the Task Force on Climate-related Financial Disclosures, led by former New York Mayor Michael Bloomberg and Bank of England Governor Mark Carney.

This includes setting expectations for publicly listed companies and large asset owners to disclose by 2022 how climate change risk impacts their activities. Work with regulators will explore the most effective way of doing this, including whether mandatory disclosures are necessary.

Other announcements to support the growth of green finance include:

- jointly funding the Green Finance Institute with the City of London, and launched today, to foster greater cooperation between the public and private sectors, create new opportunities for investors, and strengthen the UK's reputation as a global hub for green finance

- establishing the £5 million Green Home Finance Fund to help pilot products like green mortgages, which utilise green finance for home energy efficiency, and incentivises energy efficiency retrofit to make homes more environmentally sustainable
- launching the Green Finance Education Charter to make sure financial services-related qualifications and certificates include developing practitioners' knowledge and understanding of green finance, so they have the tools to take it up
- clarifying the need for financial regulators to have regard for climate change when advancing their objectives and discharging their functions – including the Prudential Regulatory Authority, Financial Conduct Authority and Financial Policy Committee
- playing a leading global role in Green Finance through £5.8 billion of climate finance, encouraging other countries to do more through forums like the UN's Climate Action Summit, working with the private sector on financial principles for phasing out coal generated electricity, and ensuring the UK's aid spending is aligned with the objectives of the Paris Agreement

City Minister, John Glen, said:

The UK has a long history of leading the way in tackling climate change, but we need to do more to protect our planet for future generations.

The City has a vital role to play in securing a greener future for us all. By investing more in sustainable projects it can not only protect our environment, but also help establish London as the pre-eminent international centre for green finance.

Today's Green Finance Strategy will support this ambition, with new initiatives to boost funding for green ventures and ensure the environment is at the centre of all financial decision-making.

Energy and Clean Growth Minister, Chris Skidmore, said:

As the first major economy to legislate to reach net emissions by 2050, green finance can play a crucial role in our mission to protect the planet while growing the economy.

Through today's plans and by putting clean growth at the heart of our modern Industrial Strategy we'll continue to work with our leading financial services sector to drive even more ambitious action, showing the rest of the world that responsible business can

be a win-win for the economy and the environment.

CEO of the Green Finance Institute, Dr Rhian-Mari Thomas OBE, said:

The Green Finance Institute, as the principal forum for collaboration between the public and private sector, is thoroughly committed to identifying and unlocking barriers to the mobilisation of capital towards impactful, real-economy outcomes.

Today's launch of the Green Finance Strategy marks another significant milestone in our journey to a zero-carbon and climate-resilient economy.

Last week the UK became the first major economy in the world to pass laws to end the country's contribution to global warming by 2050, putting clean growth at the heart of the modern Industrial Strategy.

The UK is already a leader in decarbonisation. While the economy has grown by two-thirds in the last 30 years, carbon emissions have reduced by over 40 per cent, making the country the strongest performer in the G7. However, while 70 per cent of UK banks now consider climate change a financial risk, only 10 per cent are taking long term action to manage this.

This work builds on the Climate Change Act – the first of its kind – and plans to put the 25 Year Environmental Plan on statutory footing.