

UKEF commits to going carbon neutral by 2050 ahead of COP26

UK Export Finance (UKEF), the UK's Export Credit Agency, today (Wednesday, September 22) unveiled an ambitious new plan to go net zero by 2050, decarbonising its financial portfolio and increasing its support for green exports.

As part of its new [Climate Change Strategy](#), launched today, the new target will require UKEF to increase its support for clean growth, renewables and climate adaptation exports while also improving its management of climate-related risks on its portfolio.

This comes as the Prime Minister is set to tell fellow world leaders at the UN General Assembly today that climate change and economic growth are not mutually exclusive trade-offs but are instead each vital for the success of the other.

UKEF's commitment is yet another step the UK is taking to prevent global temperatures rising above 1.5C and to protect our planet and people from the intensifying impacts of climate change.

UKEF currently has a capacity of £50 billion to support UK exports through loans, insurance and guarantees, issuing £12.3 billion of financial support to businesses last year. This capacity will be entirely carbon neutral by 2050 on a net basis.

In less than 50 days, the UK will host the crucial UN climate change conference COP26 in Glasgow. Financial institutions have a vital role to play in meeting global net zero commitments and UKEF is embracing its responsibility to tackle climate change.

Anne-Marie Trevelyan, International Trade Secretary, said:

This plan is among the most ambitious of any Export Credit Agency worldwide. It puts UK Export Finance squarely in support of green exports to tackle climate change, level up the country and help us recover from the pandemic.

UKEF's net zero pledge shows the UK's climate leadership and is an encouragement for other countries to follow suit. Its world-leading financial products help British businesses capture billions of pounds worth of foreign deals, boost green exports and give hope that temperatures can be kept in check.

UKEF's Climate Change Strategy is based on five pillars that will help UK exporters prepare for a net zero world. To end its contribution to climate change UKEF will:

- increase its support for green exports
- reduce greenhouse gas emissions from its financial portfolio
- improve understanding and mitigation of its climate-related financial risks
- report against climate-related commitments, enhancing transparency and disclosure
- lead internationally, encouraging others to follow UKEF's lead and set ambitious climate targets

To ensure it delivers on its pledge, UKEF is setting realistic interim milestones to decarbonise by 2050. Over the next four years, UKEF will provide more detail on emissions for its most carbon intensive projects, establish new climate change stress testing and increase its financing for green projects. The department will then publish another strategy to detail progress on its path to net zero in 2025.

Dr Ben Caldecott, Director of the UK Centre for Greening Finance & Investment and UKEF Export Guarantees Advisory Council Member, said:

Climate change itself and societal efforts to tackle climate change are creating structural changes in almost every sector of the global economy. This strategy is an important step for UKEF and sets out how it will systematically mitigate climate-related risks and take advantage of new opportunities. UKEF will increasingly incentivise businesses in need of export finance to align with the Paris Agreement and will help to open new frontiers for UK companies seeking to expand green exports.

Dr Nina Skorupska CBE, CEO of the Association for Renewable Energy & Clean Technology (REA) said:

The REA are very pleased to see the government take a sustainability-first approach to global trade deals and emphasise the opportunities to the UK from green economy exports. We urge UK companies to take advantage of this support and consider exporting or international growth opportunities in the Net Zero sector, as we know that renewables and clean technology can deliver great outcomes for this country and globally, from lowering emissions to improving air quality and saving people and companies money.

About UKEF

[UK Export Finance](#) is the UK's export credit agency and a government department, working alongside the Department for International Trade as an integral part of its strategy and operations.

Established in 1919, it exists to ensure that no viable UK export should fail for a lack of finance from the private market. It provides finance and insurance to help exporters win, fulfil and get paid for export contracts.

UKEF has already taken a lead among its global counterparts in the fight against climate change, doubling its support for sustainable exports to £2.4 billion in 2020.

The department has commitment to ending support for new fossil fuel projects overseas, launched a £2 billion direct lending facility to finance clean growth projects and developed its new [Transition Export Development Guarantee](#) for major UK exporters, backing its [first Green Transition Loan to Wood Plc in August](#).

UKEF is now trebling the number of its staff dedicated to financing renewable exports focused on supporting UKEF's new long-term commitment to net zero.

Contact