

MEDIA ALERT

GLOBAL FINANCIAL SERVICES INDUSTRY CALL ON G20 GOVERNMENTS TO HELP BUILD A NET ZERO ECONOMY AND MEET THE GOALS OF THE PARIS AGREEMENT AHEAD OF COP26

The Call to Action includes specific policy requests including economy-wide net-zero targets aligned to 1.5C; reform of financial regulations to support the net zero transition; phase-out of fossil fuel subsidies; pricing carbon emissions; mandatory net zero transition plans and climate reporting for public and private enterprises by 2024; unlocking the trillions of climate finance required to support developing economies meet the transition to net zero; working with farmers and businesses to stop illegal deforestation, provide viable alternatives and promote sustainable regenerative agricultural practices; support for a just transition.

The Glasgow Financial Alliance for Net Zero (GFANZ) – a net zero alliance responsible for more than \$90 TN in assets in 40 countries across the financial sector, chaired by UN Special Envoy Mark Carney – today publishes a call for greater and faster climate action from G20 leaders to build a net zero global financial system and meet the goals of the Paris Agreement.

Action by financial institutions will be critical to achieving net zero but is no substitute for action by government.

The GFANZ Call to Action makes a series of recommendations to G20 governments, which taken together would restructure the global financial system and ensure that public and private capital flows are working hand in hand with public policy to accelerate the global transition to net zero, while ensuring a just transition for all. G20 leaders will meet this month for the annual G20 Summit, ahead of the COP26 Climate Summit in Glasgow in November in what will be a crucial few weeks for climate change.

Find the complete Call to Action [here](#).

The firms in GFANZ are all members of the UN’s Race to Zero, and so have committed to transition their own investments and businesses to be net zero by 2050 at the latest. They must use science-based guidelines to reach net zero emissions, cover all emission scopes, include 2030 interim target setting, and commit to transparent reporting and accounting in line with the UN Race to Zero criteria. The firms in GFANZ are diverse in geography, sector, size, and business model and include the largest banks, insurers, asset managers, asset owners, and financial services providers in the world.

Mark Carney, UN Special Envoy for Climate Action and Finance and Prime Minister Johnson’s Climate Finance Advisor for COP26, said: “Through GFANZ, the best of the global financial system has committed to net zero. The scale of these commitments – over \$90 TN of balance sheets – is approaching the enormous financing need for the global transition. But financial firms can’t deliver sustainable economies alone – clear, credible, and ambitious climate policies are needed from G20 governments. The next few weeks in this decisive decade will help determine whether we avoid climate catastrophe. The core of the financial sector is stepping up – it’s time for major economies to do the same.”

Ana Botín, Group Executive Chairman, Banco Santander, said: “If we are to prevent a potentially catastrophic increase in global temperatures we need an immediate and coordinated global response. The banking sector has a critical role to play in mobilising not just the trillions of dollars, but the efforts of billions of customers. To maximise our impact, governments and regulators need to work urgently together to set out clear pathways to net zero and reset global financial regulations to support a just transition. If we are to save the ambitions the world agreed to in Paris in 2015, the time for talk is over - we now need action.”

Amanda Blanc, Group Chief Executive Officer Aviva PLC, Aviva, said: “We need to unlock trillions of private finance to speed up the transition to net zero. It starts with policies that genuinely drive technology, innovation and finance in the right direction, including carbon pricing schemes and credible net zero plans. Private finance will only flow at scale when the cost of polluting is built into market prices. Insurers and investors can also play an important role bringing about urgent change. By the end of 2022, Aviva will have stopped both investing in, and underwriting, insurance for coal companies unless they commit to Science Based Targets as part of our plan to take the whole company net zero by 2040.”

Nigel Topping, High Level Climate Action Champion, said: “The world needs to halve emissions this decade in order to limit global warming to no more than 1.5 degrees C. Financial institutions have a critical role to play, including setting robust net zero targets and mobilising the trillions needed to finance a cleaner, more resilient zero carbon future. To help accelerate the transition, Governments must provide the appropriate policies and incentives and G20 countries have an opportunity to demonstrate leadership by accelerating action. I welcome this call from GFANZ as a signal of the seriousness with which the private sector is mobilising behind the transition to net zero.”

Gonzalo Muñoz, High Level Climate Action Champion, said: “If you fail to plan, you plan not to succeed. To enable financial institutions to accelerate the transition to net zero, governments can introduce clear policies such as mandatory climate reporting. The G20 has an opportunity to lead the world and help move from the ambition to the action that we need.”

Read the Call to Action in full [here](#).

NOTES TO EDITORS

This Call to Action is intended as a policy advocacy document for use by G20 policymakers. It was produced a taskforce of GFANZ members from diverse geographies and financial sub-sectors and endorsed by the CEO Principals Group of GFANZ, in line with the GFANZ Terms of Reference. The CEO Principals Group is the top-level governance body of GFANZ, who are personally leading seven workstreams of the alliance together with a network of UN and COP advisers, expert climate NGOs, and firms from across the GFANZ member base.

It will be discussed at a meeting between political leaders and GFANZ CEOs in in Glasgow at COP26 among other existing fora in the coming months. For each topic of the Call to Action, GFANZ is planning

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a range of ongoing discussions with key stakeholders (include G20 Finance Ministers and leaders; policymakers; multilateral development banks and development finance institutions) to ensure asks are being converted into substantive actions and planning the use of KPIs to measure progress.

GFANZ's Call to Action recognises the critical role financial services firms must play to support the transition to a green economy, which requires annual clean energy investment to more than triple by 2030 to around [\\$4 trillion](#). However, if the world is to achieve an orderly transition to Net Zero – and so avoid the massive human, social, economic loss and financial instability associated with failing to meet the objectives of the Paris Agreement – more governments must follow through on the commitments of the Paris Agreement and ensure a Just Transition to a net zero global economy.

All GFANZ members belong to a financial alliance accredited by the UN Race to Zero campaign.

ABOUT GFANZ

The Glasgow Financial Alliance for Net Zero (GFANZ) was launched in April 2021 by Mark Carney, UN Special Envoy for Climate Action and Finance and UK Prime Minister Johnson's Finance Adviser for COP26, and the COP26 Private Finance Hub in partnership with the UNFCCC Climate Action Champions, the Race to Zero campaign and the COP26 Presidency.

Bringing together existing and new Net Zero finance initiatives in one sector-wide coalition, GFANZ provides a forum for leading financial institutions to accelerate the transition to a NetZero global economy.

See link to list of member firms and sub-sector alliances [here](#).

MEDIA CONTACTS

For media enquiries, please contact: RTZ@brunswickgroup.com

For firms interested in joining GFANZ, please go [here](#).