

UK unveils plan for first 'net-zero' financial hub

November 3 2021



UK finance minister Rishi Sunak wants financial institutions to outline their plans to meet net-zero targets.

Finance minister Rishi Sunak said Wednesday he plans to make Britain the world's first net-zero financial services centre, even as environmental

campaigners quickly criticised the proposals.

"Today I'm announcing that the UK will go further and become the first-ever net-zero aligned financial centre," the chancellor of the exchequer said at the COP26 climate change conference in Glasgow.

"This means we are going to move towards making it mandatory for firms to publish a clear, deliverable plan" as the UK aims for a net-zero economy by 2050.

The government wants this to be in force by 2023 and an independent task force will be set up to "define what's required", he said.

Nevertheless, environmental campaigners criticised the plans, with Greenpeace saying it allowed [financial institutions](#) "plenty of wiggle room... to continue with business as usual".

"At the moment, the UK's financial sector is at the very heart of the global fossil fuel industry," said Tommy Vickerstaff, spokesman for green campaign group, 350.org.

"The UK has a responsibility to stop its banks profiting from destruction, and to channel money into real solutions instead."

The UK [financial sector](#)'s [carbon emissions](#) exceeded the net annual output of most countries in 2019 as a result of worldwide investments, according to a study by [environmental groups](#), including Greenpeace, in May.

Firms will not be legally obliged to commit to net-zero and they could have different targets, while investments in carbon-intensive activities will still be allowed.

More detailed government policies and interim targets will be published next year.

Sunak insisted on the need to mobilise the [private sector](#) to tackle climate change, calling more than \$130 trillion to help fund global carbon reduction a "historic wall of capital" for the transition.

Among the signatories to the Glasgow Financial Alliance for Net Zero (GFANZ) are HBSC, Bank of America, and Santander, according to the Financial Times.

The GFANZ group was launched in April and is chaired by Mark Carney, the former Bank of England governor and now the UN special envoy for climate action and finance.

© 2021 AFP

Citation: UK unveils plan for first 'net-zero' financial hub (2021, November 3) retrieved 25 June 2024 from <https://phys.org/news/2021-11-uk-unveils-net-zero-financial-hub.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--