



## Net Zero Delivery Summit

### ***'Progress: Financing the Net Zero Transition'***

My Lord Mayor, Secretary-General, distinguished guests...

Good morning! I'm Chris Hayward, the Policy Chairman, the political leader, at the City of London Corporation, and it is my privilege to welcome you back to today's Net Zero Delivery Summit.

Today, over half of the world's economy – 55% of global GDP – is moderately or highly dependent on nature.

Agriculture, energy production, construction, fishing, forestry, mining, pharmaceuticals – all industries dependent on nature...

... All industries at risk by this climate crisis...

... All industries that need help with the net zero transition.

Because we need nature just as we need our climate – they support each other. And if we take care of nature and our climate, they will take care of us.

And that – ladies and gentlemen – is what I'd like to discuss with you today: progress by financing the net zero transition.



Amid the vast scale and range of global challenges that we face today, there is no more urgent question than the climate crisis.

And whilst answering the climate question is – of course – extremely complex and difficult, we must always remember to make the optimistic case that the net zero transition is a generational opportunity.

Indeed, Chris Skidmore – who spoke earlier today – in his review described net zero as the ‘economic opportunity of the 21st century’.

Six months ago, I attended COP28 in Dubai making that very case. The transition is an opportunity to create new jobs, new technologies, and new economic growth.

Whilst in Dubai, I saw global determination to meet our net zero goals. Negotiators reached a commitment to tripling renewables and a historic mention of transitioning away from fossil fuels in the final text.

Now, I accept that this might not be progress as fast as we would like, but it is nonetheless progress. This was a crucial step forward that was unachievable the year before.

The other key takeaway from COP28 was the consistent message, wherever I went, that private sector finance must play a crucial role in the transition.



There is no whole economy transition without private finance – it is the key that unlocks progress.

And this is why we are gathered today, to take a private sector lens to the key outcomes from COP28 and explore how we can drive forward progress in the run up to COP29 in Azerbaijan.

As the governing body of a global financial centre, the City of London Corporation recognises our responsibility to lead the transition.

Our Climate Action Strategy commits us to achieving net zero carbon emissions in our own operations by 2027.

We also aim to become net zero across our investment and supply chain by 2040 - and to support the achievement of net zero for the whole Square Mile by the same year.

We are aligning our investments to the Paris Agreement goals, ensuring that climate change is at the heart of all our decisions.

Our Climate Action Strategy makes us the first UK governing body to have a fully funded net zero commitment that covers all emissions.

Taken together, these actions have resulted in us cutting our annual carbon emissions by 66% and energy consumption by 21% since 2018/2019.



And then, just as significant, is the City Corporation's role as a convenor of UK financial and professional services.

As the leading light of sustainable finance globally, we know that UK-based financial and professional services have a responsibility to showcase the opportunities of net zero.

Take transition finance, as 2030 emissions targets near, there is increasing scrutiny on how decarbonisation activities will be financed.

We need to establish a strong, high-integrity market for transition finance. We need to build trust and help support companies with the capital to decarbonise and deliver our net zero ambitions.

The United Kingdom is leading in this space through the independent Transition Finance Market Review. The City Corporation co-leads and hosts the Secretariat and I'm delighted we'll be hearing from Vanessa Havard-Williams, Chair of the Review, later.

The Review will look at how the UK can become the best place for raising transition capital, gathering evidence from stakeholders and looking at peers like Singapore's transition taxonomy, India's ongoing transition finance review, and Japan's transition bonds.



Key themes that a successful transition finance market will need to consider include:

The importance of a high-integrity approach. Transition finance is a global tool, and so global frameworks are vital. That need for standards applies across the chain, from transactions right the way up to targets and pathways for financing.

Secondly, data. We need to think better about how we use data and information to inform decision-making. What is right for SMEs may not be right for global giants.

That includes better sharing of information and technologies so that we know what works well and what doesn't. This will help transition finance reach those that need it.

And thirdly, transition finance needs to be supported by long-term planning with a clear direction of travel. We need a clear focus on impact, and a roadmap to meet goals.

I am confident in the promise that transition finance holds. It can help companies with a difficult journey to net zero journey along. It can be a focal point for global action. And, most importantly of all, it can help deliver global progress.

But there is more we can do.



High-integrity carbon markets are vital in channelling private sector capital to effective climate solutions. And though voluntary carbon markets are relatively small today, they have the potential to support significant decarbonisation across developed and developing economies.

COP28 delivered high-level endorsement of carbon markets. Together with the COP presidency and the World Bank, senior officials from the United States, Singapore, Indonesia, and the United Kingdom called on the private sector to ‘unlock’ high integrity carbon markets.

We at the City of London Corporation support a high-integrity carbon market ecosystem. We provide the secretariat to the UK Carbon Markets Forum, and we are a founding sponsor for the Integrity Council for Voluntary Carbon Markets.

Finally, ladies and gentlemen, I started by saying that over half of the world’s economy – 55% of global GDP – is moderately or highly dependent on nature.

Nature is our greatest asset to fight the climate crisis.

At COP28, we saw an increasing push for climate and nature to be considered in tandem...

... Brazil’s national development bank announced the Arc of Restoration programme – a \$205 million effort to save the Amazon rainforest, often thought of as the lungs of the Earth...



... 21 countries endorsed the Mangrove Breakthrough goal of restoring and protecting 15 million hectares of mangroves globally...

... and there was the High-Level Champion launch of the Joint Statement for Climate, Nature, and People.

By integrating nature into financial and business decisions, we can support the planet and safeguard our global economic ecosystem.

Together, transition finance, carbon markets, and nature finance are all important steps forward. Steps that can help private sector finance change our climate trajectory. Steps of progress.

So let's use today to build momentum, explore solutions, and help finance the net zero transition. I look forward to working with each of you to make our climate ambitions a climate reality.

Thank you.

***[Handover on next page]***



Now, ladies and gentlemen, it is my very great pleasure to introduce our next speaker...

No stranger to the City of London having become the first Black female Alderman in 2014, the Rt Hon Baroness Scotland of Asthal KC is currently serving as the sixth Secretary-General of the Commonwealth.

In 1991, Baroness Scotland became the first Black woman to be appointed a Queen's Counsel and was appointed Attorney General for England and Wales in 2007.

Ladies and gentlemen, please warmly welcome Baroness Scotland.

***ENDS. Check against delivery.***

---