



Green Horizon Summit

The Pivotal Role of Finance

William Russell, Lord Mayor of the City of London

Closing remarks

Ladies and gentlemen, what a wonderful summit we have had. We have tackled some of the most urgent questions in the sustainability agenda and examined all aspects of finance through the lens of climate action. As the Chancellor said on Monday, we are entering a new chapter for financial services in the city, a green future.

What has been made most clear is that we are fast approaching a world in which every financial decision will take climate change into account. The transition to a netzero climate resilient economy is inevitable. The shifting capital to align with the Paris Agreement is unavoidable. Financing the greatest economic transformation of our time is the future of finance. And like President Lagarde, I look forward to a time when we no longer talk of the green economy, or of green finance, but simply the economy and simply finance.

Over the first two days of the Green Horizon Summit, we heard from luminaries from governments, from leaders in finance, they are of one mind, the transition is already on us, and we know what to do. I was particularly struck by Mark Carney's three Rs. To me, they are the formula for success in this new world. One reporting, better reporting enables financial institutions to price climate risk and value. Two, risk. Better risk management keeps the financial system stable for all and enables prosperity. And together reporting and risk management unlock number three, the returns. For returns are inherent in the transition for

companies, financial institutions, and ultimately, individuals. This truly is the commercial opportunity of a generation.

But as we've heard this morning, how we deliver the transition, how we transition finance operates is a rapidly evolving art. The race has begun in earnest across Asset Management, across sectors in transition, across banking, data and related service provision. And those that crack the code first, will capture the greatest market share. We are truly harnessing the power of financial markets to do good, and to deliver the net zero and climate resilient future that we need.

As we look forward to COP26 in Glasgow in 12 months time, I see five priorities emerging for the city and for all of financial services. First, we need to redouble our efforts to improve the quality of climate risk disclosures. The UK has taken an important step by setting out a roadmap to mandatory TCFD. More countries will follow, as financiers we need to play our part here too.

Second, the asset management industry needs to step up to the plate by increasing asset allocations to positive action strategies. To do this, we need to crowd in behind David Blood's proposal for forward facing comparable metrics. Implied temperature rise is compelling, and I look forward to the city's Asset Management community taking this forward.

Third, we need to scale voluntary carbon markets rapidly. As we heard from Bill Winters yesterday, this is a complex area. But there is a pathway forward. Before COP26 I believe we can progress a pilot offset market hopefully here in London. I would encourage you to read the full consultation released by Bill's taskforce yesterday.

Fourth, we need to connect to green capital in London and around the world with the growing pipeline of investable projects in emerging markets.

Yesterday, the Bloomberg backed Climate Finance Leadership Initiative launched a new consultation paper on private finance considerations for policymakers. This should be mandatory reading for finance ministries, but ahead of COP26 we should put these considerations to the test. London should partner with a handful of leading emerging markets to pilot the policy considerations, bringing capital and policy together to accelerate a sector-level progress towards net zero.

Finally, we need to come together as one global industry in Glasgow next year. We need a dedicated space for new commitments and new actions from finance. I'm looking forward to it, but we have much to do. There is much left unsaid and much detail still to cover. That is why I'm delighted to announce our new Green Horizon Perspective series, which will run monthly on the road to COP26 in Glasgow. Green horizon Perspectives will tackle the unspoken work of the transition and highlight the innovative new solutions from financial and professional services that are bringing a below two degrees future into view.

So thank you for joining us over the last three days. We look forward to seeing the commitments and actions you and your firms make on the road to COP26 in Glasgow. Thank you to our partners at the World Economic Forum and co hosts the Green Finance Institute who are at the forefront of the transition. And of course, thank you to our sponsors. Thank you to our speakers our moderators, our production teams who have kept the entire show on the road these past three days. No mean feat. Before you go, if I can invite each and every one of you to stay for a few more moments, as we screen a short call to arms from Sir David Attenborough. 'Our planet: too big to fail' reinforces the core message of the Green Horizons Summit. Financial markets have the power to put us on track for Paris and prosperity. And all of you have the power to make it happen.