



# From commitment to action: tracking UK financial services' progress on net zero

Third edition



## Foreword



**Alastair King**  
The Rt Hon the Lord  
Mayor of London

The road to net zero is becoming steeper. Geopolitical instability has made coordination harder, yet the case for a resilient, sustainable economy is stronger than ever.

Adapting to the realities of a changing climate is no longer optional – it is essential. Firms that align with climate goals today will be more competitive and credible tomorrow.

The Net Zero Delivery Summit marks the crucial halfway point between COP summits. By convening leaders in finance, policy, and sustainability to unlock solutions, it plays a vital role in driving progress beyond pledges.

This third edition of *From commitment to action* offers a clear snapshot of where financial services firms in the UK and other key financial centres stand on their progress to net zero. It highlights both the progress made and the scale of action still required.

The challenge is great – but so is the opportunity for the UK to boost its leadership as a global hub for sustainable finance.



**Chris Hayward**  
Policy Chairman,  
City of London Corporation

Achieving net zero is not just an environmental imperative – it is a strategic economic opportunity. By financing this transition, supporting innovation, and embedding climate considerations into strategy, the UK financial services sector can drive growth and further strengthen the UK's global leadership in sustainable finance.

And while increasing finance for green projects is necessary to achieve net zero, so too is ensuring the transition of hard-to-abate sectors. At stake is a more dynamic, competitive, and resilient economy. This is why, together with HM Government, we co-launched the Transition Finance Council, with the aim to position the UK as the world's premier destination for raising transition capital with integrity.

*From commitment to action* tracks how far financial institutions have come and where further progress is needed to unlock the full economic potential of the transition. The prize is clear: a globally competitive financial sector and a stronger Britain.

# Introduction

This analysis, now in its third edition, tracks financial services firms' progress on net zero. It focuses on three key dimensions that show the extent to which they are taking action on climate change.

- **Targets:** The extent to which financial services firms are setting transparent, externally validated targets to achieve net zero. These targets inform businesses how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to avoid the worst effects of climate change.
- **Implementation:** Whether firms are incorporating climate considerations into their decision-making processes to reduce climate-related risks and meet their climate targets.
- **Finance:** Whether investment flows are targeting climate solutions. The financial services sector plays a key role in mobilising private capital needed. From clean energy projects to the enabling of nature-based solutions, green finance facilitates the development of sustainable projects that are essential for the transition to net zero.<sup>1</sup>

The analysis focuses on six countries with large global financial centres: the UK, the US, France, Germany, Hong Kong and Japan.<sup>2</sup> These leading financial hubs, with deep pools of capital, play a critical role in mobilising the capital needed to achieve net zero.

Our analysis shows that amid a challenging environment for the transition to net zero, financial services firms in the UK and other major global financial centres are continuing to future-proof their businesses:

- The number of financial services firms either committing to or adopting science-based climate

- targets is rising, albeit from a low base, with the UK leading globally.
- The incorporation of climate considerations in decision-making processes among financial services firms is steadily improving – with the UK ahead of other major European financial centres.
- Total private sector green bond issuance across our major global financial centres has seen the highest levels over the past five years.

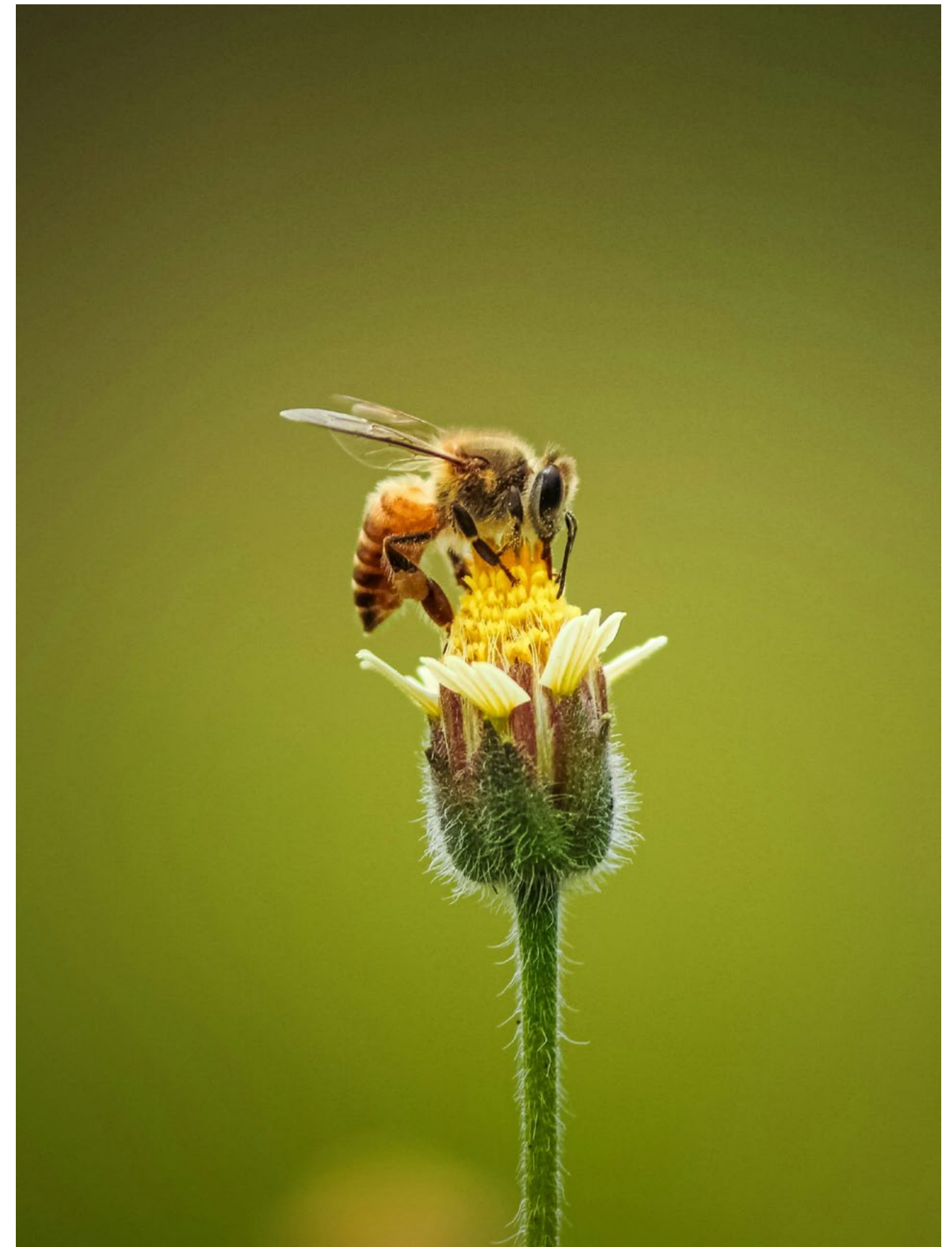
While these metrics are imperfect, taken together they assess financial services firms' direction of travel towards net zero. Ultimately, the end goal is to mobilise as much investment as possible globally for the transition. Of course, the financial sector is just one – important – part of the ecosystem: real economy organisations must also play a critical role if we are to reach net zero by mid-century.

Going forward, more action is needed to widen adoption of science-based targets and implementation of climate-related measures as the scale of uptake remains small. This is partly because frameworks and standards of best practice are continuing to evolve. And while increasing capital flows for green projects is good news, net zero also depends on accelerating transition finance. This is essential for decarbonising harder-to-abate sectors and building a truly sustainable global economy.

In a context of global uncertainty, the UK has an opportunity to boost its leadership as a global hub for sustainable finance.

1. This framework draws on the dimensions used by Climate Policy Initiative's Net Zero Finance Tracker: <https://netzerofinancetracker.climatepolicyinitiative.org/>

2. The original sample also considered Singapore, following the City of London's annual benchmarking report of the competitiveness of major global financial centres <https://www.theglobalcity.uk/PositiveWebsite/media/Research-reports/Our-global-offer-to-business-2024.pdf> Singapore was excluded as the sample of financial services firms considered for some of the dimensions was too small.





## → Key findings



### Targets:

# 100

**Financial services firms across six financial centres committed to or adopted a science-based target in 2024**

In 2024, there were 100 financial services (FS) firms across the UK, US, France, Germany, Hong Kong, and Japan that had committed to or adopted a science-based (in line with SBTi methodologies) target.<sup>3</sup> This is up from 70 FS firms in 2023 and 46 in 2022 and includes some of the largest global multinationals. All global financial centres, except Hong Kong, saw an increase in the last year.

# #1

**The UK had the highest number of financial services firms committed to or adopting science-based targets in 2024**

In 2024, the UK had the highest number of FS firms committed to or adopting science-based targets (60 firms) in line with SBTi methodologies among our major financial centres. This showcases their ongoing commitment to climate action. Over the last year, the UK was also the global financial centre to see the largest increase in the number of FS firms setting an SBTi target or committing to do so (15 additional firms, followed by France with 6). It accounted for half of the growth seen across all financial centres covered in this analysis between 2023 and 2024.

Therefore, despite a challenging environment for the net zero transition, the number of FS firms setting targets aligned with the Paris Agreement continued to rise in 2024, albeit from a low base. Going forward, wider uptake is likely to require tailored standards for financial institutions, which are currently in development.<sup>4</sup>



### Implementation:

# ~80

**Financial services firms across major European financial centres reported on climate-related risks and opportunities in FY 2023/24**

In FY 2023/24, 77 of the largest FS firms across the UK, France, and Germany had reported on how climate-related risks and opportunities were shaping their businesses, strategy, and financial planning.<sup>5</sup> The UK was ahead of its European peers on this metric, accounting for 54 or 70% of these firms, followed by France with 15 firms. The number of FS firms reporting on this has been steadily rising over the last two financial years, largely driven by the UK, followed by France. This reflects growing awareness among FS firms that resilience and competitiveness in the low-carbon economy require climate risks and opportunities to be actively managed.

# 2/3

**Of financial services firms in major European global financial centres reporting using climate scenario analysis were in the UK in FY 2023/24**

The UK was also ahead of other European centres on the use of climate scenario analysis to inform climate risk management – with two thirds or 48 of the largest UK FS firms out of 73 in Europe reporting using this. It also saw the largest increase between FY 2022/23 and FY 2023/24, with 10 additional firms, compared to 3 in France. This signals a growing commitment to embedding climate risk into core business planning, with climate scenario analysis a key tool for building credible, net zero-aligned strategies.

The consideration of climate-related risks and opportunities in decision-making processes follows the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The UK's lead in this area can be partly explained by its early mandating of publicly quoted companies, large private companies, and LLPs to make disclosures aligned with the TCFD. But uptake both in the UK and Europe remains relatively low in scale, as transition planning frameworks and standards of best practice are continuing to evolve.



### Finance:

# \$131bn

**Of green bonds issued by financial institutions and corporates across six financial centres in 2024**

Despite the geopolitical challenges that now confront the pursuit of net zero, the value of green bonds issued by private sector firms across our six major financial centres has increased for the second consecutive year. At \$131bn, the value of green bonds issued by private firms in 2024 is an increase of 27% on the previous year, and the highest level seen over the last five years.

# \$15bn

**Of green bonds issued by financial institutions and corporates in the UK in 2024**

The total value of green bonds issued by financial institutions and corporates in the UK in 2024 was \$15bn, up from \$11bn in 2023 and the highest since 2020. This represents an 11% share of the total amount issued by all six global financial centres.

Moreover, with 46% of its green bonds issued by the private sector in 2024, the UK had the highest share of private sector issuers after the US. That said, the UK still lags other global financial centres on the total value of green bonds issued by private sector firms, with the US (\$52bn), Germany (\$32bn) and France (\$21bn) ahead.

While green finance offers a useful indication of progress, it captures only part of the capital needed to advance the transition to net zero. Transition finance to support the decarbonisation of hard to abate sectors also has a critical role to play as new financing mechanisms are developed.



**In 2024, the UK had the highest number of financial services firms committed to or adopting science-based targets in line with SBTi methodologies among our major financial centres.**

3. The Science Based Target Initiative (SBTi) is a corporate climate action organisation that enables companies and financial institutions to set emissions reduction targets in line with climate science. It provides external validation that targets are aligned with the Paris Agreement.

4. SBTi is developing the world's first standard for science-based targets tailored to the requirements of financial services firms. In 2024, it held a public consultation for the Draft Financial Institutions

Net-Zero Standard, receiving feedback from over 150 diverse stakeholders. This was complemented by user feedback from a pilot test of the standard by 25 financial institutions. For more details, see <https://sciencebasedtargets.org/net-zero-for-financial-institutions>

5. For the implementation section due to data constraints only European countries (France, Germany and the UK) have been considered in the analysis. Note that this data refers to S&P's assessment year which is close to financial years.

This analysis was produced by the City of London Corporation using data from the Science Based Targets Initiative (SBTi) for targets, S&P data for the implementation of climate-related measures and the Climate Bonds Initiative for green bonds.

SBTi's database includes a range of targets that companies can adopt to aid their transition to net zero, such as restricting increases of temperature to 1.5 °C or to well below 2°C. In addition, SBTi includes targets adopted as well as commitments to setting targets. All such targets and commitments have been considered in this research. The data was downloaded on 2nd June 2025.

S&P's ESG scores measure a company's performance on and management of material ESG risks, opportunities, and impacts. This analysis used the underlying data for such scores. It focused on two questions: whether financial services firms have described the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning and whether they have used climate scenario planning to assess physical risks related to climate change. For more details, see [spglobal\\_esg\\_scores\\_methodology.pdf](#)

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**THE  
GLOBAL  
CITY**

## About the Global City campaign

The Global City campaign is the City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

[theglobalcity.uk](https://theglobalcity.uk)



## About the City of London Corporation

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

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