

**EMBARGO: 00:01 EDT, 21 April 2021**

**MARK CARNEY, UN RACE TO ZERO CAMPAIGN AND COP26  
PRESIDENCY LAUNCH NET ZERO FINANCIAL ALLIANCE WITH  
WORLD'S BIGGEST BANKS, ASSET OWNERS, ASSET MANAGERS AND  
INSURERS**

*Industry-led and UN-convened Net Zero Banking Alliance also announced today, co-launched by the UNEP Finance Initiative and the Financial Services Taskforce of the Sustainable Markets Initiative*

- The Glasgow Financial Alliance for Net Zero (GFANZ), chaired by Mark Carney, UN Special Envoy on Climate Action and Finance, unites over 160 firms (together responsible for assets in excess of US\$70 trillion<sup>1</sup>) from the leading net zero initiatives across the financial system to accelerate the transition to net zero emissions by 2050 at the latest.
- All GFANZ member alliances must be accredited by the UN Race to Zero campaign. 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.
- 43 banks from 23 countries (with assets of US\$28.5 trillion) form the Net-Zero Banking Alliance (NZBA) today - which joins GFANZ - with its members committing to align operational and attributable emissions from their portfolios with pathways to net-zero by 2050 or sooner.
- The Net-Zero Banking Alliance is convened by the United Nations Environment Programme Finance Initiative and co-launched by the Prince of Wales' Sustainable Markets Initiative Financial Services Taskforce (FSTF). A full list of banks can be found below in the Notes to Editors.

**21 April 2021** - Today, on the eve of President Biden's Head of State Climate Summit, Mark Carney (the UK Prime Minister's Finance Advisor for COP26 and UN Special Envoy for Climate Action and Finance) – in partnership with the UNFCCC Climate Action Champions and the UN Race to Zero campaign, and the COP26 Presidency – join the Honorable John Kerry, US Special Presidential Envoy for Climate and the Honorable Janet Yellen, US Treasury Secretary to launch

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<sup>1</sup> The Glasgow Finance Alliance includes 160+ financial institutions across Race to Zero initiatives. These institutions include: 87 asset managers representing US\$36.95 trillion in assets under management; 42 banks with US\$28.5 trillion in assets; and 58 asset owners with US\$7.4 trillion in assets under management. Each entity has made its own net zero commitment with potential overlap across initiatives, institutions and assets.

a global alliance that brings together existing and new net zero finance initiatives into one sector-wide strategic forum: The Glasgow Financial Alliance for Net Zero (GFANZ).

GFANZ will work to mobilise the trillions of dollars necessary to build a global zero emissions economy and deliver the goals of the Paris Agreement. GFANZ will provide a forum for strategic coordination among the leadership of finance institutions from across the finance sector to accelerate the transition to a net zero economy. All initiatives in GFANZ require signatories to set science-aligned interim and long-term goals to reach net zero no later than 2050 in line with Race to Zero's criteria. These goals are supplemented by member-determined short-term targets and action plans.

The industry-led Net-Zero Banking Alliance (NZBA), hosted by the United Nations Environment Programme Finance Initiative (UNEP FI) and co-launched by the Financial Services Taskforce (FSTF) of the Prince of Wales' Sustainable Markets Initiative (SMI), is the newest net zero alliance. NZBA brings together an initial cohort of 43 of the world's leading banks with a focus on delivering the banking sector's ambition to align its climate commitments with the Paris Agreement goals with collaboration, rigour, and transparency.

The NZBA joins existing initiatives: the Net Zero Asset Managers Initiative and the UN-convened Net-Zero Asset Owner Alliance.

State Street Global Advisors, Trillium Asset Management, and Coutts are also joining the Net Zero Asset Managers Initiative today, bringing its membership to 87 members with assets under management representing over \$37 trillion. The Paris Aligned Investment Initiative is joining the Race to Zero. The UN-convened Net Zero Asset Owner Alliance's 37 members, with over \$5.7 trillion assets under management, are demonstrating ambition by already setting science-aligned targets for 2025.

These alliances will shortly be joined by some of the world's leading insurers and reinsurers in the soon-to-be launched UN-convened Net-Zero Insurance Alliance (NZIA).

By bringing together leading existing and new net zero finance initiatives in the Race to Zero together in one sector-wide strategic forum, GFANZ will catalyse strategic and technical coordination on the steps firms need to take to align with a net zero future.

### **Raising the bar, coordinating action**

To unlock the trillions needed to achieve a resilient, zero emissions future, GFANZ will:

- **Broaden** Race to Zero's existing finance sector campaign to establish credible net zero commitments covering all financed activities in all sectors of the financial system.
- **Expand** the number of financial institutions with high ambition, credible, and transparent commitments to financing the transition to net zero.

- **Ensure** that commitments are backed by interim targets (2030 or sooner), alongside robust transition plans consistent with 1.5°C above pre-industrial levels as required by Race to Zero.
- **Coordinate** commitments and actions across the financial system to support economy-wide transition, including the critical analytical tools and market infrastructure (such as credit rating agencies, auditors and stock exchanges) for financial institutions to implement their net zero strategies.
- **Support** technical collaboration on substantive and cross-cutting issues that will accelerate the alignment of investment and lending with net zero.
- **Advocate** for public policy that supports economy-wide transition to net zero.

**UK Prime Minister, Boris Johnson, said:** “Uniting the world’s banks and financial institutions behind the global transition to net zero is crucial to unlocking the finance we need to get there – from backing pioneering firms and new technologies to building resilient economies around the world. The Glasgow Financial Alliance for Net Zero will lead this charge ahead of COP26 to scale-up our ambition, accelerate our shift and help us to build back greener together.”

**U.S. Special Presidential Envoy for Climate John Kerry said:** “The largest financial players in the world recognize energy transition represents a vast commercial opportunity as well as a planetary imperative. As countries around the world move to decarbonize, the large sums these institutions are dedicating to climate solutions reflect a growing understanding that the transition to a low-carbon global economy will be critical for their business models. To be credible and effective as market signals, these financial commitments should adhere to clear definitions, metrics, and reporting. Ultimately, the transition to this new economy will create a massive number of new jobs and increase our collective ability to tackle climate change.”

**COP26 President-Designate, Alok Sharma, said:** "Without adequate finance, we simply will not achieve the change needed to safeguard our planet for future generations. As the world continues down a crucial decade of delivery on climate action, GFANZ will ensure much-needed acceleration towards net zero by uniting some of the world's most powerful financial actors. I look forward to seeing this new alliance drive up ambition as we look to COP26 and beyond."

**Mark Carney, UN Special Envoy for Climate Action and Finance and Prime Minister Johnson’s Climate Finance Advisor for COP26, said:** “This is the breakthrough in mainstreaming climate finance the world needs. I welcome the leadership of the SMI Financial Services Task Force and other global banks for their new commitments to net zero and for joining forces with GFANZ, the gold standard for net zero commitments in the financial sector. Most fundamentally, GFANZ will act as the strategic forum to ensure the financial

system works together to broaden, deepen, and accelerate the transition to a net zero economy.”

**Inger Andersen, Executive Director of the UN Environment Programme said:** “In a critical year for climate and nature, these alliances speak to the high level of commitment and ambition that the world urgently requires from the financial sector. The end goal is a net-zero transition of the economy in line with science. Nothing less. Immediate, transparent and accountable actions underpin these commitments, and we encourage all financial institutions to follow their peers in committing to achieving the drastic reduction of emissions required over the next decade if we are to succeed in limiting global temperature rise to 1.5°C.”

**Nigel Topping, High-Level Climate Champion for COP26, said:** “Already, a fundamental shift in capital is accelerating, with the world’s largest asset owners and managers – and now banks – joining the Race to Zero. But the finance gap remains in the trillions of dollars, particularly for developing economies, and concerted efforts are needed to translate necessary solutions into investable propositions, which is why I am delighted to be collaborating on GFANZ.”

**Brian Moynihan, Co-Chair of the SMI and Chairman and Chief Executive of Bank of America, said:** “This commitment to net-zero by the SMI financial services leaders is an example of the leadership that the CEOs of SMI companies can generate by working together. We will work closely with CEOs from other industry groups and others to continue to drive the other SMI priorities established by His Royal Highness in the Terra Carta earlier this year.”

**Noel Quinn, Chair of SMI Financial Sector Taskforce and Group Chief Executive of HSBC, said:** “A commitment to financing the transition to net zero is essential. It’s important that the banking sector is committed to providing the financial support needed to help customers on that transition. But we have to establish a robust and transparent framework for monitoring progress against that objective and we want to set that standard for the banking industry. Industry-wide collaboration is essential in achieving that goal. I’m delighted that banks from the SMI Financial Services Taskforce have joined forces to establish the Net Zero Banking Alliance.”

**Ana Botin, Group Executive Chairman, Banco Santander, said:** “If we are to green the world’s economy, we need a truly global effort - banks, companies, governments, regulators and civil society working together at pace. At Santander we are proud to be part of the founding members of this new alliance, and to accelerate progress towards net zero.”

**Bringing in global banks**

The industry-led Net-Zero Banking Alliance (NZBA)<sup>2</sup>, convened by the UN, joins the Race to Zero and brings together 43 banks from around the world – from Latin America to Asia to Africa – elevating the vital role of banks in supporting the global transition of the real economy to net-zero emissions.

It sees the UN Environment Programme Finance Initiative (UNEP FI), which will convene the alliance, join forces with banks from the Financial Services Taskforce (FSTF), an industry subgroup of His Royal Highness the Prince of Wales' Sustainable Markets Initiative (SMI). All banks that have signed the commitment will:

- Align operational and attributable emissions from their lending and investment portfolios with pathways to net-zero by 2050 or sooner.
- Within 18 months of joining, set 2030 targets (or sooner) and a 2050 target, with intermediate targets to be set every 5 years from 2030 onwards. All targets will be regularly reviewed to ensure consistency with the latest science (as detailed in IPCC assessment reports).
- Banks' first 2030 targets will focus on priority sectors where the bank can have the most significant impact, ie. the most GHG-intensive sectors within their portfolios.
- Within 36 months of joining, banks will set a further round of sector-level targets for all or a significant majority of specified carbon-intensive sectors, including: agriculture; aluminium; cement; coal; commercial and residential real estate; iron & steel; oil & gas; power generation; transport.
- The commitment is designed to ensure that banks engage with their clients' own transition and decarbonisation, promoting real economy transition
- Annually publish absolute emissions and emissions intensity in line with best practice and within a year of setting targets, disclose progress against a board-level reviewed transition strategy setting out proposed actions and climate-related sectoral policies.
- Take a robust approach to the role of offsets in transition plans.

The commitment is underpinned by the bank-led UNEP FI [Guidelines for Climate Target Setting for Banks](#), also launched today. These guidelines have been developed by banks from the [Collective Commitment to Climate Action](#), a leadership group under the UNEP FI Principles for Responsible Banking.

### **Coming soon: Insurers for net zero**

Some of the world's leading insurers and reinsurers, are currently establishing the UN-convened Net-Zero Insurance Alliance (NZIA) under the auspices of UNEP FI's Principles for Sustainable Insurance (PSI), building on their climate leadership as investors via the UN-convened Net-Zero Asset Owner Alliance. The seven companies involved in establishing the

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<sup>2</sup> The UN-Convened Net-Zero Banking Alliance will deliver internationally consistent guidelines and a global community, with local implementation also supported by country chapters, the first of which will be established by the UK Bankers for Net Zero.

NZIA are AXA (Chair), Allianz, Aviva, Munich Re, SCOR, Swiss Re and Zurich Insurance Group. The NZIA has submitted a statement of intent to join the UN Race to Zero and become part of the GFANZ, and is expected to be officially launched at COP26.

#### NOTES TO EDITORS:

1. Register for the launch event here: <https://www.theclimategroup.org/our-work/events/cop26-glasgow-financial-alliance-net-zero>
2. GFANZ background document: <https://racetozero.unfccc.int/wp-content/uploads/2021/04/GFANZ.pdf>
3. UN-convened Net-Zero Banking Alliance: [www.unepfi.org/net-zero-banking](http://www.unepfi.org/net-zero-banking)
4. UN-convened Net-Zero Asset Owner Alliance: [www.unepfi.org/net-zero-alliance](http://www.unepfi.org/net-zero-alliance)
5. UN-convened Net-Zero Insurance Alliance: [www.unepfi.org/net-zero-insurance](http://www.unepfi.org/net-zero-insurance)
6. Net Zero Asset Manager Initiative: [www.netzeroassetmanagers.org](http://www.netzeroassetmanagers.org)
7. Prince of Wales' Sustainable Markets Initiative Financial Services Taskforce: <https://www.sustainable-markets.org/financial-services-taskforce>
8. Paris Aligned Investment Initiative: <https://www.iigcc.org/our-work/paris-aligned-investment-initiative/>
9. Full list of participating banks in alphabetical order:
  - Ålandsbanken
  - Amalgamated Bank
  - Produbanco – Grupo Promerica
  - Banpro – Grupo Promerica
  - Banco Promerica
  - Bancolombia
  - Bank of America
  - Banorte
  - Barclays
  - BBVA
  - BNP Paribas
  - CaixaBank
  - CIB
  - Citi
  - Commerzbank
  - Coopeservidores
  - Credit Suisse
  - Deutsche Bank
  - Ecology Building Society
  - Fana Sparebank
  - GLS
  - Handelsbanken
  - HSBC
  - Ibercaja
  - IDLC

Íslandsbanki  
Kenya Commercial Bank  
KB Financial Group Inc.  
La Banque Postale  
LGT Private Banking  
Lloyds Banking Group  
Morgan Stanley  
NatWest Group  
Republic Financial Holdings Limited  
Santander  
SEB  
Shinhan Financial Group  
Société Générale  
SpareBank 1 Østlandet  
Standard Chartered  
Triodos Bank  
UBS  
Vancity

10. Full list of participating insurers in alphabetical order:

AXA Group (Chair)  
Allianz SE  
Aviva  
Munich Re  
SCOR  
Swiss Re  
Zurich Insurance Group

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(For firms interested in joining GFANZ, please go to the website of the relevant sub sector alliance in the notes above.)