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PRESS RELEASE

CLIMATE CHANGE RISES UP UK FINANCIAL INSTITUTIONS' AGENDAS

- *Almost twice as many UK financial services firms consider environmental sustainability and tackling climate change to be a top strategic priority, compared to a year ago.*
- *Most firms have increased their focus on governance around environmental sustainability, management of climate-related risk and offering sustainability-linked products and services.*

Financial services firms are upping their efforts to tackle climate change and become more environmentally sustainable, as the UK prepares to host the COP26 summit in Glasgow, according to a report from Lloyds Bank.

Almost twice as many UK financial institutions consider environmental sustainability and tackling climate change to be a top strategic priority (59%), compared to a year ago (33%).

More than two fifths (43%) also plan to make their environmental sustainability goals more ambitious over the next 12 months and half (49%) said the proximity of COP26 has increased their focus on environmental sustainability.

The findings are included in Lloyds Bank's sixth annual Financial Institutions Sentiment Survey, which gathers views from major banks, asset and wealth management firms, insurers and intermediaries, both in London and across the UK.

Separate research* found the market for green and sustainability-linked financing across UK banking is growing at an estimated 80 per cent, making it among the fastest-growing segments of the credit market.

Adrian Walkling, head of financial services at Lloyds Bank Commercial Banking, said: "We are at a crucial juncture in the fight to protect the planet from climate change. This year's report shows financial institutions are not only committed to playing their part, but they also have a dual role to play in providing finance for sustainability or investing in it, as well as their own operations.

"An unprecedented amount of low-carbon financing must be deployed across every sector of the economy if the UK is to achieve its net-zero target by 2050. Firms are increasing their efforts to deliver against this requirement, while working to reduce their own carbon footprints."

Priorities and obstacles



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Over the past 12 months, most UK financial services firms said they had increased their focus on governance around environmental sustainability (69%), management of climate-related risk (61%) and offering sustainability-focused products and services (60%).

However, firms continued to face obstacles when growing their sustainable finance assets. Evolving regulation (85%), finding people with relevant skills and expertise (80%) and the availability of information to monitor performance (75%) were the main challenges flagged by firms.

Jonas Persson, head of sustainability and ESG Finance at Lloyds Bank Commercial Banking, added:

“The UK has a real opportunity to play a leading role in the development of new green technologies around the world that will reduce the dependence on volatile fossil fuels. But for that to happen, the financial services industry needs to fund the investment required to help companies to transition their operations towards more sustainable technologies and solutions.

“At Lloyds Bank, we see the important role we can play in this regard and have a strong track record in supporting our clients during their transitioning journeys.”

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Notes to editors:

The Financial Institutions Sentiment Survey interviewed 111 senior leaders between June 15th and July 19th. [Read the full interactive report](#)

- [Research taken from Bloomberg and Nordea findings, as referenced in Lloyds Banking Group's recent article on sustainability-linked loans - https://www.ft.com/partnercontent/lloyds-bank/sustainability-linked-loans-are-in-everyones-interest.html](https://www.ft.com/partnercontent/lloyds-bank/sustainability-linked-loans-are-in-everyones-interest.html)