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G30 Calls for Urgent and Practical Steps to Speed Transition to a Net-Zero Economy As Time Runs Out, Global Financial Community Must Engage to Avert Climate Catastrophe

WASHINGTON—October 8, 2020: The Group of Thirty (G30) today published, *Mainstreaming the Transition to a Net-Zero Economy*, a report urging governments, businesses, and the global financial community to take practical steps urgently to shape incentives, reduce uncertainty, and accelerate the transition to a net-zero emissions economy.

The report makes clear that decisions taken soon by governments, market regulators, financial institutions, and investors are essential to not only ensuring the world’s environmental and ecological viability but also economic sustainability. It provides a series of recommendations on how best to address this existential threat and take advantage of the significant green opportunities available.

“The scale of the climate challenge is large, the window of opportunity is short, and the risks are existential,” said **Mark Carney**, Co-Chair of the G30 Working Group on Climate Change and Finance, the Special Envoy on Climate Action and Finance at the United Nations, and former Governor of the Bank of England. “Reaching net zero requires a whole economy transition, and the mainstreaming of sustainable finance. As this report shows, credible climate policies and committed pathways to net-zero will crowd in private investment and ensure that private financial markets pull forward adjustments from the future. Developing transition plans, making climate-related financial disclosures comprehensive, transforming risk management and mainstreaming sustainable investing will help turn an existential risk into the greatest commercial opportunity of our time.”

“Carbon must be priced appropriately to internalize the costs of polluting the planet,” said **Janet Yellen**, Co-Chair of the G30 Working Group on Climate Change and Finance, Distinguished Fellow in Residence at the Brookings Institution, and former Chair of the Board of Governors of the Federal Reserve System. “Carbon prices should gradually increase over time to incentivize firms and speed the shift to net-zero. Both the costs and benefits of this transition should be shared to ensure the burden of delivering a net-zero economy is equitable and manageable for all communities.”

The G30 report offers a series of recommendations to global leaders as they confront the challenge of securing net-zero emissions by 2050. These include:

1. Governments must establish comprehensive and explicit strategies for their economies to reach net-zero, including effective policy frameworks and a gradually rising carbon price.
2. Businesses need clarity on future climate policy. The policies must be communicated effectively, and be credible, predictable, and able to command broad public support.
3. Companies must put in place clear net-zero transition plans; boards must review, agree, and monitor the plans; and senior management must own the implementation.

4. Disclosure of risks and opportunities is key to speeding the transition. Task Force on Climate-related Financial Disclosures (TCFD) standards should be mandated by 2023.
5. Financial institutions must assess climate-related risks against various scenarios, by running their own stress tests by the end of 2022. Central banks and supervisors should run regular stress tests that are comparable across firms.
6. Financial institutions should speed the transition by supporting their clients with capital, advice, risk models, and by working with the TCFD to create additional metrics to shed light on the “fifty shades of green” across markets and companies.

“This report, under Mark Carney and Janet Yellen’s leadership, presents an ambitious but practical framework for action by the public and private sectors, and must be taken seriously,” said **Tharman Shanmugaratnam**, Chairman of the G30.

Dr. Carney and Dr. Yellen co-chaired the study, with a working group of ten G30 members. **Caspar Siegert**, of J.P. Morgan Asset Management, served as Project Director.

“Ensuring carbon and other greenhouse gases are priced efficiently is a challenge, but we believe existing institutions, together with newly formed ones, can meet the task,” said **Hélène Rey**, Steering Committee Member of the G30 Working Group on Climate Change and Finance and Professor of Economics at the London Business School. “Carbon Councils that embody the expertise, credibility, and predictability needed to supervise and oversee markets should be designed in order to ensure the delivery of real, positive planetary outcomes and dramatically lowered greenhouse gas emissions.”

“Investors are increasingly demanding sustainable assets, and their preferences are going to play a key role in driving the energy transition forward,” said **Philipp Hildebrand**, Steering Committee Member of the G30 Working Group on Climate Change and Finance and Vice Chairman of BlackRock. “For companies to remain competitive and continue to attract capital, they need to prepare for a net-zero world.”

Gail Kelly, Steering Committee Member of the G30 Working Group on Climate Change and Finance and Senior Global Advisor of UBS, noted: “Companies’ individual net-zero strategies will play a key part in the rate of transition and the process of policy amplification and implementation. The report offers practical advice to boards and management, and lays out the pivotal role of financial institutions in facilitating and supporting the transition.”

To receive a copy of the *Mainstreaming the Transition to a Net-Zero Economy* report, contact G30 Press Officer Melissa Golding, +1 571-236-2820, pressoffice@group30.org.

On October 8, 2020, at 8:00am EDT, the G30 hosted a live webinar launch of the Mainstreaming the Transition to a Net-Zero Economy report with Mark Carney, Janet Yellen, Philipp Hildebrand, Gail Kelly, and Hélène Rey. A link to the webinar recording is available on the G30 website, www.group30.org.

The Group of Thirty is an independent global body comprised of senior representatives of the public and private sectors and academia. The Group aims to deepen understanding of international economic and financial issues, to explore the international repercussions of decisions taken in the public and private sectors, and to examine the choices available to market practitioners and to policymakers. The Group was established in 1978, and is led by Jacob A. Frenkel, Chairman of the Board of Trustees, and Tharman Shanmugaratnam, Chairman of the Group.

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