

Statement of GFANZ in response to Global Witness

Launched in April 2021, the Glasgow Financial Alliance for Net Zero (GFANZ) is the world's largest coalition of financial institutions, united by their commitments to transition the emissions of their financed portfolios to net zero by 2050. GFANZ is just 18 months into a multi-year process, and our members are now shifting from the initial phase of commitment to operationalization. In the absence of government action, the private sector has led the way on net-zero commitments and transition planning.

GFANZ leadership recognizes that protecting and revitalizing forests, mangroves, peatland, and other natural climate solutions can avoid significant emissions, potentially accounting for nearly 40% of the decarbonization needed by 2030 to limit warming to 2 degrees.¹ In September 2022, the Co-Chairs and Vice Chair of GFANZ issued a [Statement on Deforestation Financing](#), reiterating the importance of embedding deforestation into financial institution transition planning through policies to identify and curtail financing of such activities. The GFANZ [Recommendations and Guidance on Financial Institution Net-zero Transition Plans](#) report provides voluntary guidance which recommends that financial institutions establish policies and conditions that support the realization of their net-zero transition plans, prioritizing policies for emissions-intensive activities such as deforestation. The report also provides guidance for firms as they implement policies to limit their financial exposure to deforestation. The GFANZ report recommends that policies should be transparent. We also point to the recommended elements that comprise a credible policy and suggest that financial institutions disclose their policies and conditions on these activities.

While GFANZ cannot comment on behalf of individual financial institutions or its sector-specific alliances, we appreciate the scrutiny and high expectations civil society has for the coalition. We encourage all stakeholders, including civil society, to scrutinize and apply pressure where possible and appropriate to firms that have not yet committed to GFANZ and to firms that have not followed through on their net-zero commitments. GFANZ will remain focused on building the tools and frameworks the financial community needs to achieve their commitments on deadline.

¹ [Contribution of natural climate solutions in a below 2C scenario, Griscom et al](#), Proceedings of the National Academy of Sciences of the United States of America, October 2017.