

## **Statement from industry**

22 June 2023

The recent proposal to amend the Financial Services and Markets Bill, introducing the notion of 'nature' into the existing regulatory principle on climate change, is a necessary and sensible step towards a sustainable future.

The current regulatory principle on climate is of course welcome. However, focusing solely on climate could risk overlooking broader environmental challenges we face. Regulators already have a mandate to ensure the safety and soundness of our financial system. By requiring them to have regard to the protection of nature, alongside climate, the regulator's role in relation to nature loss can be clarified. The Financial Services sector can in turn better safeguard our economy against the wider environmental risks, which are increasingly recognized as major financial risks. This would not only lead to a more sustainable financial system but also open up new opportunities for growth and competitiveness.

We strongly believe this amendment is a necessary and positive step forward. We urge the government to support it to help strengthen our financial systems' contribution to climate change mitigation but also promote the protection and restoration of the natural world upon which we all depend. With nature providing the vast majority of carbon offsets, there can be no solution to the climate crisis that does not also consider the implications for nature too.

**Mark Versey, CEO, Aviva Investors**

**Laura Chappell, CEO, Brunel Pension Partnership**

**Ben Pollard, CEO, Cushon**

**Gemma Corrigan, Head of Policy and ESG Integration, Federated Hermes Limited**

**Bruce Duguid, Head of Stewardship, Equity Ownership Services, Federated Hermes**

**Ian Sutherland, CFO and Head of Net Zero, Tide**

**Hargreaves Landsdown**