

long-term investment focus and are particularly well placed to channel investment into clean growth projects.

The legal system is an important player in holding the worst performers to account, while supporting the design of new investment funds that support green development – for example, to facilitate the construction of energy efficient homes, or advising clients on changing their corporate structure to enable them to meet their fiduciary, and environmental duties.

Accounting firms are considering the material risk of climate change for audit purposes.

In the United Kingdom we are playing our part, including working with China. We have a whole host of commercial green services offerings as well as a depth of experience to share.

The UK's world leading financial and professional services sector is playing an integral part and the UK's Chancellor of the Exchequer is determined to ensure the City of London remains a centre, a global centre, for sustainable finance.

The London Stock Exchange (LSE) has growing expertise in the provision of green finance that is reshaping the infrastructure investment landscape. The LSE's Sustainable Bond Market (SBM) is home to over 250 bonds, including the first green certified bonds from China, India and the Middle East. It is the home market for over 480 infrastructure related companies with very big operations globally. Billions have been raised on the LSE by green companies. The UK also has the largest insurance industry in Europe, and is a leader in specialty insurance for resilience and climate change.

The Agriculture Bank of China launched the first international green bond issued by a Chinese bank on the LSE in 2015 and this has been followed by the likes of Shanghai Pudong Development Bank, which issued its own first green bond on the LSE in 2019 – raising \$300m.

UK professional services firms are also advising on how companies can transition to meet climate goals. The Chartered Bankers Institute in the UK created the first green finance certificate – showing how education services are also supporting the green transition by ensuring the financial sector is equipped with an understanding of green finance.

The UK and China also have a raft of innovative designers and engineers ready to play their part in tackling the challenge, including UK Built Environment companies, who are world leaders in green standards, training, architecture and engineering design, project management and property operation. China is absolutely a priority market for them and I am delighted to say they have been involved in landmark projects including the Birds Nest Stadium, just next door to where we are today, and the new Daxing airport.

China also has a huge role to play going forwards.

China, of course, is a world leader in green finance, with the second largest green bond market and the world's largest green loan market.

I am also very well aware that China is already the world's largest investor in renewables, with ambitious plans to double wind and solar installed capacity by 2030. China, of course, is also home to the world's largest market for electric vehicles.

I am delighted that Chinese firms are also investing in the United Kingdom, building a more sustainable future. We can only achieve these ambitious goals through international cooperation. The UK is an open economy and we continue to welcome mutually beneficial Chinese investment.

Chinese investment into UK energy and infrastructure stands around £30bn. China has made significant investment into UK renewables, including offshore wind. This includes Huaneng who are building Europe's largest lithium ion battery storage project in Wiltshire and China Resources Power, whose Dudgeon offshore wind project is already powering over 400,000 homes in the UK.

I recently visited Envision in Shanghai, and Chairman Zhang Lei has a very inspiring vision to be a net zero partner for enterprises, governments and cities, and I'm delighted that Envision recently announced to build a battery giga-factory in the North-East of England. Companies such as Envision are playing an important role in the global green transition.

But there is more that we can do by working together.

China's service sector, I understand, is worth RMB 55 trillion.

China has the four largest banks in the world, and the largest banking sector. I understand the assets of Chinese banks are around 17 times the size of the United Kingdom's economy, which shows how important it is to work with China's financial sector. China also has some of the largest insurance companies in the world, and the assets are vast.

So if the power of all these assets were harnessed, real change would happen, and we need real change to happen. We must harness the power of these assets and invest into new green technology so the cost of capital can fall. This includes greening our institutions and better reporting of climate-related financial disclosures to really facilitate the flow of capital towards investments consistent with a net-zero transition.

This year is a great opportunity to take these steps! □□□□□□□□□□

There is a 'first mover' advantage to those who are already on the transition to Net Zero. We can build a new financial system and employ new business services that align with carbon neutrality. This will also help create the jobs of the future that our societies demand.

This year is so important for the UK and China because we are both holding the Conferences of the Parties, with COP26 in Glasgow and COP15 for China in Kunming. This is a very clear political signal on both our sides of the importance of taking action. China's recently published five year plan also stresses the importance of this task. If we are to try to keep temperature rises in the world to an absolute minimum, we must increase our collective ambition, and we can only achieve these goals with the full contribution of

China.

So with that I wish you a successful and fruitful Green Development Forum today, and I very much look forward – 期待 – to hearing more about the service sectors role in this very important transition.

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