

New independent group to help tackle 'greenwashing'

- new independent expert group established to advise on standards for green investment
- UK Green Taxonomy part of Government's efforts to improve the environment, accelerate the transition to net zero and create green jobs
- better data will help companies, investors and consumers to make informed green choices, support investment in sustainable projects and boost efforts to tackle climate change

The Green Technical Advisory Group (GTAG) will oversee the Government's delivery of a "Green Taxonomy" – a common framework setting the bar for investments that can be defined as environmentally sustainable.

The Green Taxonomy will help clamp down on greenwashing – unsubstantiated or exaggerated claims that an investment is environmentally friendly – and make it easier for investors and consumers to understand how a firm is impacting the environment.

With hundreds of new sustainable investment funds coming to market each year and sales to UK retail investors tripling from 2019 to 2020, consumers and investors of all sizes will be able to make more informed decisions, and businesses will be supported as they plan to transition to net zero.

The Green Taxonomy is an important step in the Government's efforts to boost investment in projects that accelerate the transition to a sustainable economy, create green jobs and support the UK's environmental goals.

The Green Technical Advisory Group (GTAG) will provide independent, non-binding advice to the Government on developing and implementing a green taxonomy in the UK context.

GTAG will be chaired by the Green Finance Institute and made up of financial and business stakeholders, taxonomy and data experts, and subject matter experts drawn from academia, NGOs, the Environment Agency and the Committee on Climate Change.

John Glen, Economic Secretary to the Treasury, said:

We want investors and businesses to play their part in greening our economy and transitioning to net zero, so it's crucial we have a clear common definition of what green means.

A UK green taxonomy will provide better data on the environmental impact of firms, supporting investors, businesses and consumers to make green financial decisions and accelerating the transition to net zero.

I look forward to receiving the advice of the expert Green Technical Advisory Group as we put in place a rigorous taxonomy that works for the UK and sets a high standard globally.

Ingrid Holmes, Executive Director of Green Finance Institute, said:

The GTAG will play a key role, advising Government on implementing a robust, science-based Taxonomy that is adapted to the specific needs of the UK context, and works for all stakeholders.

We're delighted to chair the GTAG, and to welcome all 18 members onboard, all of whom have a demonstrable interest and/or track record of being engaged on the issue of developing and using taxonomies, and the practicality of applying a taxonomy in a UK-specific context.

UK Energy Minister Anne-Marie Trevelyan said:

Transforming our financial system for a greener future is vital so we can protect the planet, reach net zero and grow our economy, and establishing a Green Technical Advisory Group and Energy Working Group are both crucial steps forward in developing our green UK taxonomy.

This will help the financial sector invest in the projects, technologies, and services of the future, strengthening the UK's position as global leader in green finance and tackling climate change.

The Government will also establish an Energy Working Group as part of the GTAG to provide advice on key technologies such as hydrogen, carbon capture, utilisation and storage, and how to address nuclear power in the taxonomy – a key element of the UK's net zero plans. Other expert groups may also be established where required as work progresses.

The Chancellor Rishi Sunak first announced the UK would implement a green taxonomy in November 2020, as part of wider plans to position the UK at the forefront of green finance, including issuing the UK's first ever sovereign green bond later this year.

The launch of GTAG comes shortly after the UK was instrumental in getting G7 countries to move towards making climate disclosures – in line with recommendations from the Task Force on Climate-Related Financial Disclosures

(TCFD) – mandatory across their respective economies.

The agreement was secured at a meeting of G7 Finance Ministers chaired by the Chancellor last weekend and comes after the UK was the first country in the world to commit to make TCFD-aligned climate reporting fully mandatory by 2025.

Further information

- Further details about the role of GTAG and a list of members can be found [here](#)
- HM Treasury, the Financial Conduct Authority, the Bank of England and other relevant Government departments and regulators will be observers to GTAG
- GTAG will first meet in June 2021 and is expected to run for at least two years. It will provide initial recommendations to the Government in September 2021
- More detail about the G7 agreement on TCFD-aligned climate disclosures can be found [here](#)