

Read the Archbishop's remarks on the theme of Green Finance that were delivered tonight at Lambeth Palace during a special dinner that was attended by the Lord Mayor of London, the Lady Mayoress and other special guests.



Text as prepared for delivery

My Lord Mayor, Chair, Sheriffs, Lords, Ladies and Gentlemen.

Lambeth Palace sits on a flood plain. Every hundred years or so the banks of the River Thames, just a few metres away, swell and burst and flood the building. There are far more important things than an Archbishop with wet ankles, which is why we have recently built the library at the bottom of the garden to protect the many precious, priceless artefacts we are blessed to preserve here.

One of these is called 'The Lambeth Apocalypse'. This is not a reference to the current incumbent, but a depiction, dating to 1260AD, of the Book of Revelation. In it, the Four Horsemen of the Apocalypse bring famine, pestilence, war and death.

Across London and Europe, indeed across the whole world, many other precious things have been destroyed this year, by heat domes and flooding, by famine and pestilence as the realities of climate change make themselves devastatingly known.

The changes in our environment have and will affect disproportionately the poorest and most vulnerable people around the world. We know that this causes conflict, forces migration and uproots lives.

Parts of our world will become so hot and so humid they will be barely liveable, leaving billions with nowhere to go. It's only by working together now that we can hope to avert the terrifying consequences we are heading towards. We all know this, of course. I feel as though I'm preaching to the converted here, but that doesn't usually stop me....

Climate change probably joins sex, religion and politics as topics people tend to avoid at dinner parties. But here at the CofE, as you might imagine, we are rather good at these conversations by now.

If we are going to turn the climate crisis around, we will have to work with people with whom we disagree, sometimes profoundly. The problem is too big to be the job of just the government, just business, just charities or individuals. We will all need to work together, to be audacious, courageous, to support others in their (and our) journey to be better.

And those of us with the power and resources should be doing the tricky stuff in the hard places.

I worked in the oil industry for 11 years, and people are always surprised to hear I loved that job. They expect me to say, 'Oh well, yes, I left the oil industry when I repented of my sinful ways...' But it left me with an understanding that although businesses can behave poorly and do harm – and have -, those with a real concern for the world around them are one of the ways in which God can increase the sum of human well-being.

The Lord Mayor has another oilman as his predecessor – Marcus Samuels, Lord Mayor in 1902. A recent review in the London Review of Books noted how Samuels 'saw how slow and laborious it was to load barrels of oil onto ships. [He] realised that it would be much more efficient if the ship itself was a single big tank. This invention, the oil tanker, led to the modern oil transportation industry, and to the foundation of Samuel's new firm, whose name nodded at the old family business: Shell'.

This innovation wasn't driven by morality or altruism or any of those words we might love to use at the pulpit, but by something rather more pragmatic. We need to incentivise 'doing good' for when boring things like 'moral obligation' or 'the end of the world as we know it' aren't enough of a carrot.

It is easier, for example, to invest in wind turbines off the coast of Scotland rather than sub-Saharan Africa. Financial markets are wonderful forces of discovery – chaotic processes of trial and error that incentivise value-creating businesses, but what we value is not just economic, but social.

How do we get people to make harder choices that focus not just on financial return but build relationships, build goodwill, and generate mutually beneficial results for people and the planet? How can the majority world access global capital? How do we align morality and expediency?

The Christian answer is found in 1 Corinthians – 'There are many parts, but one body. The eye cannot say to the hand, "I don't need you!" And the head cannot say to the feet, "I don't need you!"'

An applied answer is found in appropriate supporting regulation and public policy as well as innovation and technology. Finance has a massive role to play, but it cannot work in a vacuum of public policy - we need an enabling regulatory environment.

Technological innovation will be vital for many heavy polluting industries: in shipping, we have to reach 100% of zero-carbon boats by 2050, which sounds nigh impossible. But increased learning and more advanced technology will speed that process of innovation up exponentially, meaning we only have to get to 5% by 2030, which is more than possible.

We need the right fiscal and regulatory environment for investment to flourish.

Yesterday, I was delighted to join some of you at the opening of the Stock Exchange where we launched the new TPI Global Climate Transition Centre that will significantly scale up the breadth and depth of the independent research and analysis undertaken by the Transition Pathway Initiative – TPI. TPI is a unique partnership of the Church of England’s National Investing Bodies, The Environment Agency Pensions Fund, other major asset owners (some here tonight), the London School of Economics Grantham Research Institute and the London Stock Exchange Group / FTSE Russell.

New asset managers are joining all the time – a special welcome to BlackRock who announced their support yesterday! - and now TPI is supported by 110 funds with USD \$40 trillion in assets under management and advisement – almost half the world’s investable capital. Over the past years, TPI has been able to decipher what it means for a company to transition in line with the goals of the Paris Climate Agreement.

This understanding means investors can hold accountable the companies they own and provide finance to which, ultimately, will be critical to helping them align their portfolios to achieving climate goals. I’m certain that this new Centre will be an important part of the global architecture that will enable investors to play their part following the Glasgow COP.

The coming months will bring many opportunities. Next year we are excited to host the Lambeth Conference, which bishops will join from around the globe, reinforcing relationships and sharing experiences from across the church - particularly the vital importance of the Global South.

At COP26, leaders will be coming together from all over the world. We all know that we are not yet in the position we hoped we would be by now. As the host nation, the UK has the opportunity to lead. All of us, together. Everyone in this room plays a part.

This will not, as Churchill told a Lord Mayor’s luncheon at Mansion House in 1942, be ‘the end. It is not even the beginning of the end’. We are starting a long journey into an unknown future, but one which we have immense power to shape if we join together and act now.

The French philosopher Jacques Maritain said ‘A man of courage flees forward in the midst of new things’. This is what we must do now. And speaking of new things – the Lord Mayor and the Lady Mayoress will shortly be stepping into a new phase of their lives. Over two indescribably challenging years, there could have been no one better to steer the city the Lord Mayor loves so much. We are grateful for his work and dedication, and we pray that his next steps might be just as rewarding, if perhaps slightly more relaxing.

So, it is my honour to ask you, ladies and gentlemen, to raise a glass to The Lord Mayor and The City of London Corporation.

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