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## What is the Just Transition Finance Challenge?

The Just Transition Finance Challenge is a flagship initiative to mobilise more public and private capital into investments that support a Just Transition to Net Zero in the UK and other developed and emerging markets.

Launched by the Impact Investing Institute, with the support of the City of London Corporation, it brings together leading global financial institutions with over £3.6tn of assets and assets under management, including public and private asset owners, asset managers, development finance institutions and advisors, who are committed to financing a Just Transition.

## Why is the Challenge needed?

A single focus on reducing CO2 emissions to achieve Net Zero is not sufficient - the transition needs to mitigate the negative social consequences and take advantage of the opportunities for job creation and communities that the transition presents, in order for it to receive the public backing that is required.

The Just Transition Finance Challenge will help investors to respond to the growing demand for sustainable finance products and the urgent need to address the climate crisis, while offering an opportunity for differentiation and visibility of vehicles that advance a Just Transition.

## What will the Challenge do?

With support from Deloitte and our Founding Participants, 18 public and private asset owners and managers, we are developing a set of criteria to underpin a new Just Transition label for investment products that deliver the three critical elements of a Just Transition.

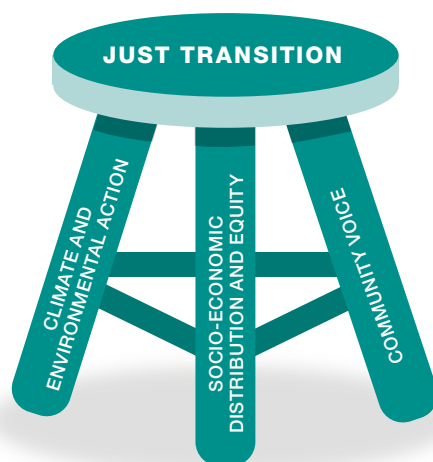
We are also supporting Founding Participants to include these criteria in the design of financing vehicles and investment mandates, across major asset classes and developed and emerging markets.

## The three Just Transition Elements

To advance a Just Transition, actions must meet all three of the integrated Just Transition Elements.

Actions must:

- Advance Climate and Environmental Action
- AND Improve Socio-Economic Distribution and Equity
- AND Increase Community Voice



## Why join the Challenge?

The Just Transition Finance Challenge provides an opportunity for differentiation for asset managers, of both public and private capital, and greater visibility of investment products that deliver a fair and inclusive transition to Net Zero for asset owners. All participants benefit from guidance on the inclusion of Just Transition criteria in the design of financing vehicles and investment mandates, including peer-learning with other Challenge participants.

The Challenge is closed to new participants until the first slate of Just Transition products has been announced later this year. However, we welcome interest – particularly feedback on the proposed criteria for the Just Transition label, which will be published for consultation this summer.

## Our Founding Participants



## Our Knowledge Partner



For more information, including quotes from our Founding Participants, scan this QR code.

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Despite commitments, we are still going in the wrong direction to reach Net Zero. Without public support and backing, the transition is never going to happen. Only a fair and inclusive transition will help us reach the goal. Our Challenge will mobilise more private and public capital in the UK and internationally to deliver that Just Transition.

**Sarah Gordon, Chief Executive, Impact Investing Institute**

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Governments alone will not be able to finance a sustainable and equitable future. The financial services industry has a very important role to play in mobilising more investment towards this future, in collaboration with development finance institutions and other public and private capital providers.

**Dame Elizabeth Corley, Chair, Impact Investing Institute**

## About the Impact Investing Institute

The Impact Investing Institute is an independent, non-profit organisation with a mission to make capital markets fairer and work better for people and the planet. It aims to accelerate the growth and improve the effectiveness of the impact investing market in the UK and internationally, by raising awareness of, addressing barriers to, and increasing confidence in investing with impact. The Institute is supported by the UK Government, the City of London Corporation and supporters from the financial services industry.

For more information visit [www.impactinvest.org.uk](http://www.impactinvest.org.uk) and follow the Institute on Twitter - @ImpactInvInst and LinkedIn - Impact Investing Institute.