

**\*\*\*UNDER EMBARGO 00:01 BST MONDAY 18 JULY\*\*\***

## **Leading global financial services firms join the Finance for Impact summit to back fair and inclusive Net Zero Transition**

Today the City of London Corporation will host the **Finance for Impact Summit** alongside its partners the Impact Investing Institute (III) and KPMG, at which financial services firms with more than £3.6 trillion of assets and assets under management will announce their participation in a **Just Transition Finance Challenge**. Also launched during the event will be a new **industry-led set of recommendations** for scaling finance that delivers positive and measurable impact across the financial services sector.

The [Finance for Impact Summit on 18<sup>th</sup> July](#) hosted by the Lord Mayor of the City of London **at the Mansion House** is a key milestone for the City Corporation's Finance for Impact Initiative. Its mission is to scale finance for impact and elevate the "S" alongside the "E" in ESG. The Initiative aims to mobilise more public and private capital to deliver positive and measurable outcomes for people and communities, as well as the planet and grow investments that support a fair and inclusive transition to Net Zero in the UK and other countries.

Leading global asset managers and asset owners, including **Schroders**, the event's sponsor, and **British International Investment**, the UK's development finance institution, have backed the Just Transition Finance Challenge, that will enable investors to put the theory into practice, delivering on commitments made at COP26 to achieve a fair and just transition.

Later this year the Challenge will unveil a common set of criteria that will underpin a new **Just Transition label** for public and private asset owners and asset managers, open to public consultation in the summer, and will recognise investment products that deliver the three critical elements of a Just Transition, namely climate and environmental action; socioeconomic equity and distribution; and community voice.

**An industry-led set of recommendations to advance finance for social impact**, developed by KPMG through consultation with the financial services sector, will also be launched during the summit.

Market participants have a critical role to play which is why this is an industry-led and industry-focused framework to accelerate the growth of finance for social impact. These recommendations will also support financial services firms to be more ambitious in integrating social considerations into sustainable finance strategies, alongside environmental ones.

The consultation with industry identified several key areas to prioritise, which include the development of consistent social impact goals, guidance on social impact disclosures, improving transparency, consistency in available frameworks and metrics, and progress on regulatory responsibilities.

These two initiatives come at a time when there is an increasing consensus that a single focus on reducing CO2 emissions to achieve Net Zero is not sufficient and that any

transition needs to take account of socio-economic impacts. The Summit provides an opportunity to bring together leaders of finance, business, government, and other institutions from around the world including The Rt Hon. The Lord Mayor Vincent Keaveny, Bina Mehta, Chair of KPMG in the UK and Dame Elizabeth Corley, Chair of the Impact Investing Institute who will discuss how we can better harness investment for the benefit of people and the planet.

With **just over 100 days to go until COP27** in Egypt in November, there will be increasing focus on how tackling climate change and its effects on societies can be delivered in a fair and inclusive way, particularly in developing countries.

**Lord Mayor of the City of London, Vincent Keaveny, said:**

“Every financial decision we make has an impact. But right now, not every impact is positive - from a social or environmental perspective. Addressing this is what the Finance for Impact Initiative is all about. Scaling financial market activity that delivers positive, measurable impact alongside financial returns. We want to encourage genuine and effective investor engagement, in turn ensuring better impact as that capital is deployed.

“The Finance for Impact Summit will help to realise this vision by bringing together key figures across the sector to deliver on the commitments made at COP26 and the work of the G7 Impact Taskforce.”

**Dame Elizabeth Corley, Chair of the Impact Investing Institute, says:**

“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.”

**Bina Mehta, Chair of KPMG UK, says:**

“There is clear appetite and momentum within the financial services sector to accelerate the delivery of products and services that have a positive impact on society. These industry-led recommendations provide an opportunity to galvanize behind the momentum and drive further progress. The sector plays a key role in delivering social impact, not least in driving greater financial inclusion.”

**Peter Harrison, Group Chief Executive of Schroders, said:**

“We need a far greater focus on the importance of a just transition: one that is fair to all.

“Schroders is proud to be a founding member of the Just Transition Finance Challenge. Our industry has a role to play in helping to ensure the benefits of decarbonisation are felt as equally as possible. Initiatives like Finance for Impact and the Just Transition Finance Challenge are key to achieving this.”

## **Nigel Huddleston MP, Minister for Tourism, Sport, Heritage and Civil Society**

"I spend a lot of time engaging with communities as well as with the social impact investing sector and these groups have massive potential to deliver meaningful environmental and social benefits. That's why I'm so excited about the initiatives being launched at the Finance for Impact Summit that will help to scale finance for a socially beneficial and inclusive transition to Net Zero."

**ENDS**

### **Notes to editors**

- The Challenge will be launched by the Impact Investing Institute and the City of London Corporation at the Finance for Impact Summit on 18th July at Mansion House. This will be part of a set of announcements made at the Summit designed to address how private capital can be mobilised and scaled to address environmental and social challenges.
- Founding Participants in the Just Transition Challenge include; Astarte Capital Partners; BlueOrchard Finance; BNY Mellon Investment Management; Bridges Fund Management; British International Investment (BII); Courageous Capital Advisors; the Environment Agency Pension Fund; Fidelity International; FSD Africa Investments; Gresham House; IMPACT Partners; Just Climate; LeapFrog Investments; NEST; Ninety One; Railpen; Scottish Widows; and Schrodgers. The London School of Economics' Grantham Research Institute joins the Challenge as a Knowledge Partner.
- The Just Transition Challenge will provide, for asset managers, an opportunity for differentiation and, for asset owners, better market visibility into investment products that deliver a fair and inclusive transition to Net Zero.
- The first slate of investment products, across major asset classes and developed and emerging markets, is expected to be announced later this year.
- Also launched at the Finance for Impact Summit, is an industry-led set of recommendations for scaling finance for social impact developed by KPMG in consultation with financial services firms.
- The recommendations were determined through consultation across the financial services sector. Over 70 banking, wealth and asset management, insurance and pensions, and private equity firms, as well as broader industry stakeholders contributed feedback and insights through various channels, including bilateral conversations, sub-sector roundtables and a questionnaire.
- The recommendations cover nine key themes to enable market participants to scale finance that delivers positive and measurable social outcomes.
- The framework also recommends forming a coalition or potential taskforce of market leaders from across the subsectors of financial services to progress the recommendations. The Finance for Impact initiative will consider forming such a group to ensure momentum keeps building in the UK around this crucial agenda.