



Putting capital to work for people and the planet

## Our Impact

The Impact Investing Institute was launched in 2019 with the goal of changing capital markets so that they are fairer and work better for people and the planet. We see impact-led private sector investment as central to achieving that ambition, and thus our mission is to accelerate the growth and improve the effectiveness of the impact investing market in the UK and internationally.

We want to help create thriving capital markets where impact investment plays an essential role within the financial system, enabling individuals and institutional investors to use their money to address social and environmental challenges within regulatory and policy environments which support that aim, alongside a financial return.

Everything we do is collaborative and guided by our values of inclusiveness, independence, and integrity. Our ability to deliver impact is supported by our strong networks and partnerships across the financial services industry, the social sector and with policy makers.

## Our Supporters



Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.

## About Us

Our board, advisory council, lead experts and core team comprise senior leadership from financial services, social investment, entrepreneurship, law, policy-making and the voluntary sector. Our board is chaired by Dame Elizabeth Corley and our Advisory Council by Sir Harvey McGrath; our executive team is led by Sarah Gordon.

As a trusted partner on impact investing to finance professionals, social purpose organisations and policy makers, we collaborate with other organisations in our field to work on specific and relevant projects. We run research, education and advocacy programmes designed to bring about the market conditions to enable impact investing to flourish. We are part of a global network of 28 National and Regional Advisory Boards, which together form the Global Steering Group for Impact Investing.

We work with investors from across the spectrum of capital, including pension and charitable foundation endowment trustees, asset managers, investment advisors, and individual savers.

We pursue an independent path, focusing on what is most useful to advance impact investing nationally and internationally, without regard to any one sector in the market. All of our output is available to other practitioners and the public.

## What we do

We focus on five key areas of work to make capital markets fairer and work better for people and the planet.



Awareness



Research



Tools



Policy & advocacy



Measurement, management & reporting

### **Awareness:** We seek to ensure competence in, and understanding of impact investing and its benefits, is widespread.

- We work with institutional investors such as pension funds and charitable foundation endowments, as well as other asset owners and managers, to bust common myths about impact investing, for example that investing with impact requires sacrificing financial returns.
- Our Impact Investing Principles for Pensions provide four practical guidelines on how pensions can pursue an impact investing strategy.
- We support initiatives that empower individual savers to deliver positive impact with their money.
  - Our open-source Learning Hub helps individuals and organisations to build their knowledge and skills about impact investing so that they can integrate it into their work and investment decisions.
  - Our Global Knowledge Exchange programme provides a learning platform for National Advisory Boards on impact investing in other countries to help strengthen impact investing markets around the world.

### **Tools:** We design impact financing vehicle blueprints, co-created with the market and distributed at scale.

- As co-leaders of the G7 Impact Taskforce, an industry initiative backed by the UK Government during its 2021 G7 presidency, we are convening global experts to co-create a blueprint for a Just Transition Financing vehicle. Shaped by over 60 leading global investors and thought-leaders, the blueprint provides practical guidance for the design of market-endorsed Just Transition financing vehicles that can attract capital at scale to advance climate action, while improving socio-economic distribution and equity and increasing community voice.

### **Research:** Investors change behaviour because of the impact investing evidence and data we create.

- We are building an evidence base of impact investing opportunities in the UK and internationally that looks at risk and return as well as impact profiles across asset classes.
- In the UK:
  - We have delivered two key pieces of research on place-based impact investing: the first on place-based impact investment's relevance and suitability for local government pension schemes; the second, in partnership with Lloyds Banking Group and two place consultancies, on how the UK's banking sector can apply a place-based lens to their investment approach. We have also explored the investment case for social and affordable housing for pension portfolios.
- Internationally:
  - We have released 16 case studies profiling emerging and frontier market impact investments made by institutional investors, including pension funds. The case studies provide concrete examples of impact investments that meet the specific needs of UK institutional investors.

### **Policy and advocacy:** We enable policies and regulations that support impact investing.

- To foster market conditions that support and enable impact investing, we work with policy makers, standard setters and institutional investors across the board. For example, with the backing of a large group of major investors and industry bodies we developed a joint proposal for a UK Green+ sovereign bond, combining social and environmental impacts. Following our targeted advocacy, the UK Government committed to issue £15bn of green gilts and to report on their social co-benefits. The September 2021 issuance of £10bn of the gilts was 10 times oversubscribed.

### **Measurement, management and reporting:** We advocate for the development and adoption of high-quality global reporting standards.

- Together with partners, policy makers, we advocate for the harmonisation of global impact measurement and reporting standards and their adoption in the UK. At the international level, we are members of the G7 Impact Taskforce's working group to improve impact transparency, integrity and reporting of investments.
- The Institute sets out its vision for transparent, consistent, comparable reporting of environmental, social and economic outcomes. For example, we supported the development of a standard approach to Environment, Social, and Governance (ESG) reporting in the UK social housing sector: the Sustainability Reporting Standard (SRS). Today close to 100 organisations – housing associations and investors in social housing - have signed up to SRS as either adopters or endorsers.



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