

# Jamie Broderick Director Impact Investing Institute

www.impactinvest.org.uk

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# Impact Investing Institute aims to accelerate the growth and improve the effectiveness of the impact investing market

**Impact investment:** investment made with the intention to generate positive, measurable, social and environmental impact alongside a financial return.

### We aim to deliver change by:



Educating and raising awareness through communications, events, and engagement programmes



Providing useful tools and information on impact investing



Advocating for regulation and policies that support impact investing

#### **Our core funders**







### **Founding supporters**













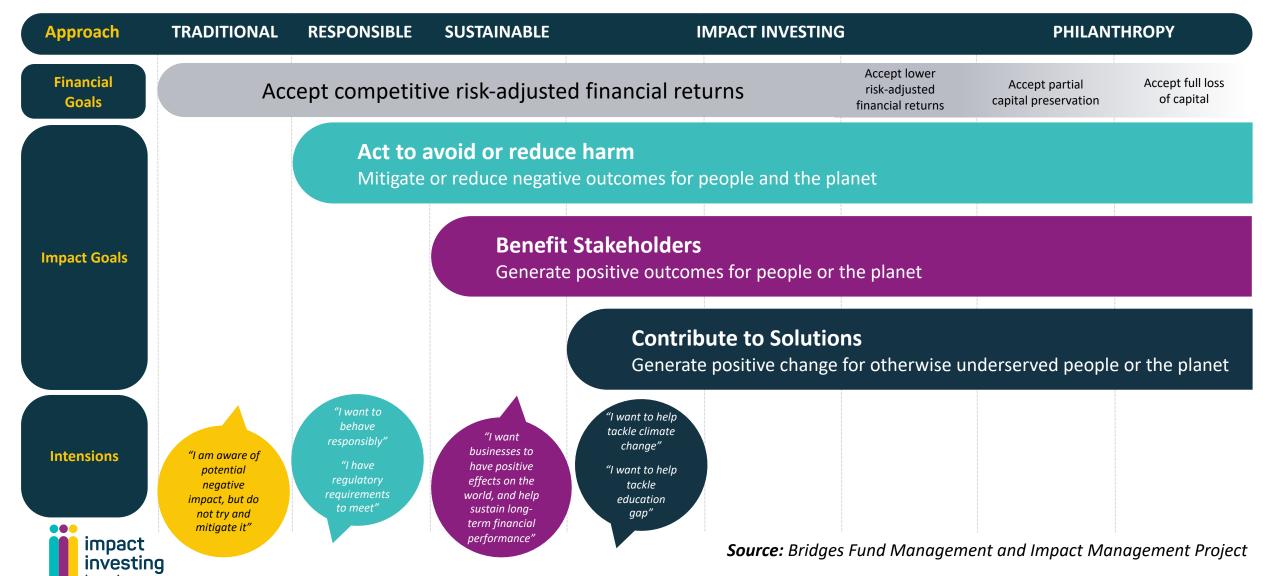








### Spectrum of capital – The ABCs of sustainable investing



# Climate change has climbed to the top of the risks that institutions and governments are concerned about

	2019	2013	2011	2009
1 2 3 4 5 6 7 8 9	Global temperature change Global trade collapse Cyber warfare Resource scarcity Currency crisis Depression Infrastructure failure Banking crisis Sovereign default Stagnation	Resource scarcity Stagnation Global temperature change Depression Global trade collapse Banking crisis Sovereign default Currency crisis Deflation Health progress backfire	Depression Sovereign default Hyperinflation Banking crisis Currency crisis Climate change Political crisis Insurance crisis Protectionism Euro breakup	Depression Hyperinflation Excessive leverage Currency crisis Banking crisis Sovereign default Climate change Political crisis Insurance crisis Protectionism
11 12 13 14 15	Biodiversity collapse Health progress backfire Nuclear contamination Abandonment of fiat money Extreme longevity	Nuclear contamination Extreme longevity Insurance crisis Terrorism Infrastructure failure	Resource scarcity Major war End of fiat money Infrastructure failure Killer pandemic	Disunity in Europe End of capitalism End of fiat money War  Killer pandemic



The link between climate and capital has become more evident to retail investors



#### Based on:

- Average working lifetime of Swedish worker
- Amount invested based on Swedish worker average
- Sustainable investments defined as low-carbon
- Compared to traditional investments, including fossil fuel companies
- Scope 1 & 2 emissions only
- Measures carbon footprint, not reduced emissions

87% of global HNW investors say that climate change now affects their investment choices.



Source: Nordea 2019, Campden FB and Barclays HNW survey 2020

The climate crisis has created a tipping point in the urgency around valuesaligned funding for societal needs







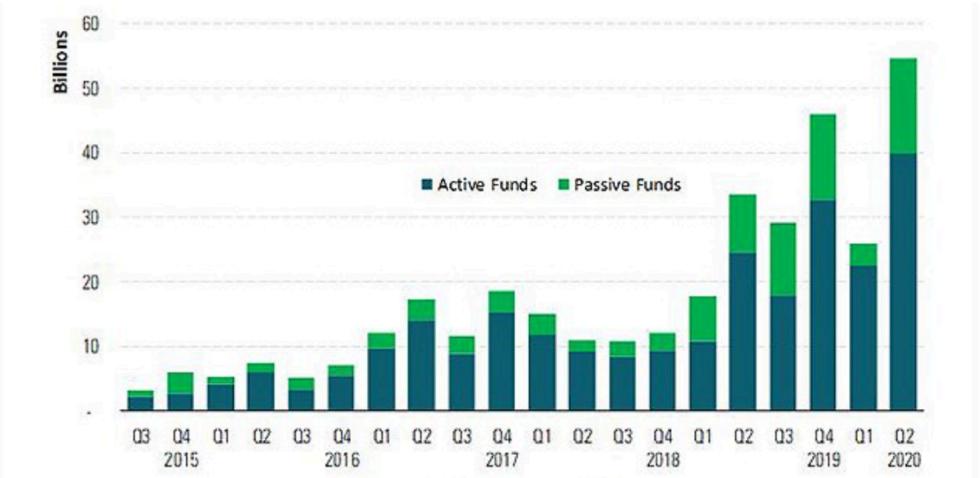






# European ESG funds have been breaking records for flows since 2018

### **Quarterly European sustainable fund flows (€ billions)**

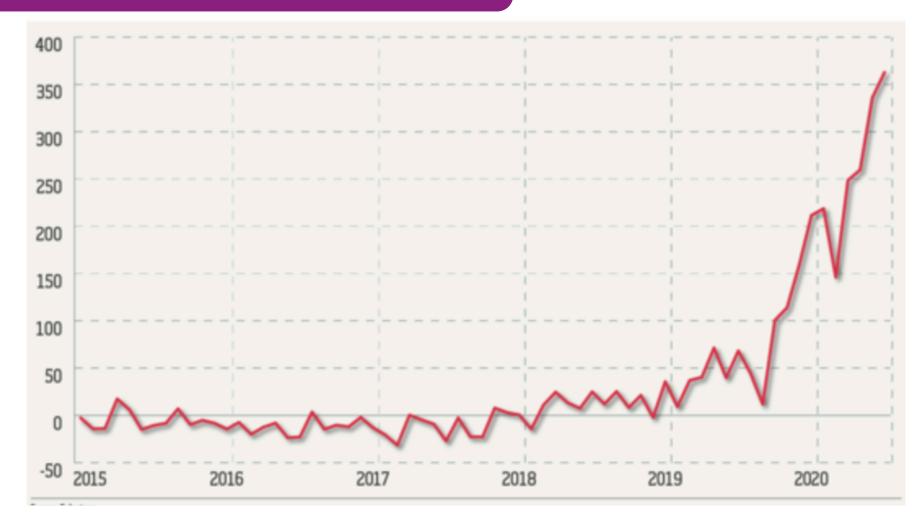




Source: Morningstar Direct, Manager Research. Data as of July 2020.

# ...and UK funds are now catching up

## ESG equity fund flows in the UK (£ millions)





Source: Calastone

