

The future of transition investment: the case for sector decarbonisation roadmaps

9 July 2025



What is IIGCC?

The Institutional Investors Group on Climate Change

IIGCC is an investor-led membership organisation focused on bringing the investment community together to navigate the risks and opportunities of the transition and support progress towards a net zero and climate resilient future.

Who are our members?

IIGCC has over **400 members** located across **27 different countries**, representing c **\$65trillion in AUM**.

Investor members

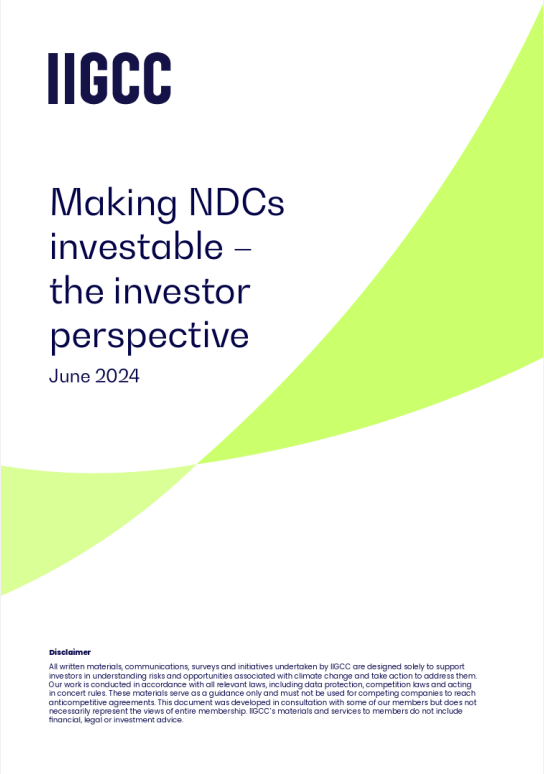
- Asset managers
- Asset owners
- Church Investors Group

Associate members

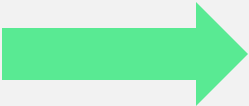
- Financial service providers

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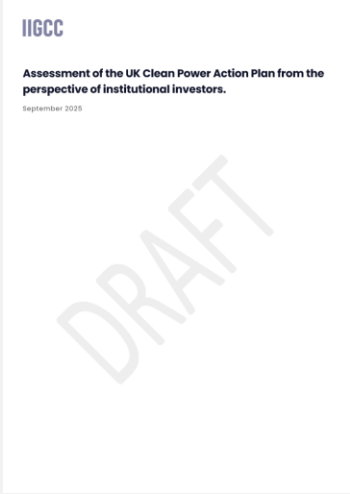
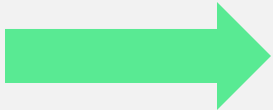
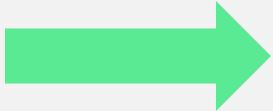
Recent IIGCC work on sector roadmaps



June 2024



February 2025



Autumn 2025
(forthcoming)

What are sector decarbonisation roadmaps?

IIGCC defines them as...

Long-term strategic plans developed by policymakers to support the decarbonisation of material sectors in a jurisdiction's economy.

They should be underpinned by:

- *evidence-based emissions reduction pathways*
- *associated policy and financial levers to support the sector's transition.*

How they relate to economy wide-decarbonisation goals

Headline emissions reduction targets, generally included in NDCs, set out a useful but broad picture of a country's climate and development trajectory.

There are several elements policymakers can provide to underpin NDCs, help inform private investment decisions, and better allow countries to attract the long-term investment required to implement ambitious climate goals.

The benefits for investors and policymakers



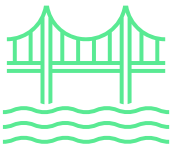
Build a common language for understanding barriers to, and opportunities for decarbonisation



Improved understanding of the trajectory and pace of emissions reductions envisaged for material economic sectors



Clarity on sequencing considerations, interdependencies and trade-offs



A bridge between economy-wide emissions reduction targets and the growing number of entity-level transition plans

Common challenges with existing roadmaps

Current roadmaps often contain multiple key information gaps from the investor perspective. Issues can include:

No common understanding of the key features and components

Global sectoral decarbonisation pathways often referenced but **often lack references to more specific national or sectoral pathways** that would enhance relevance and credibility.

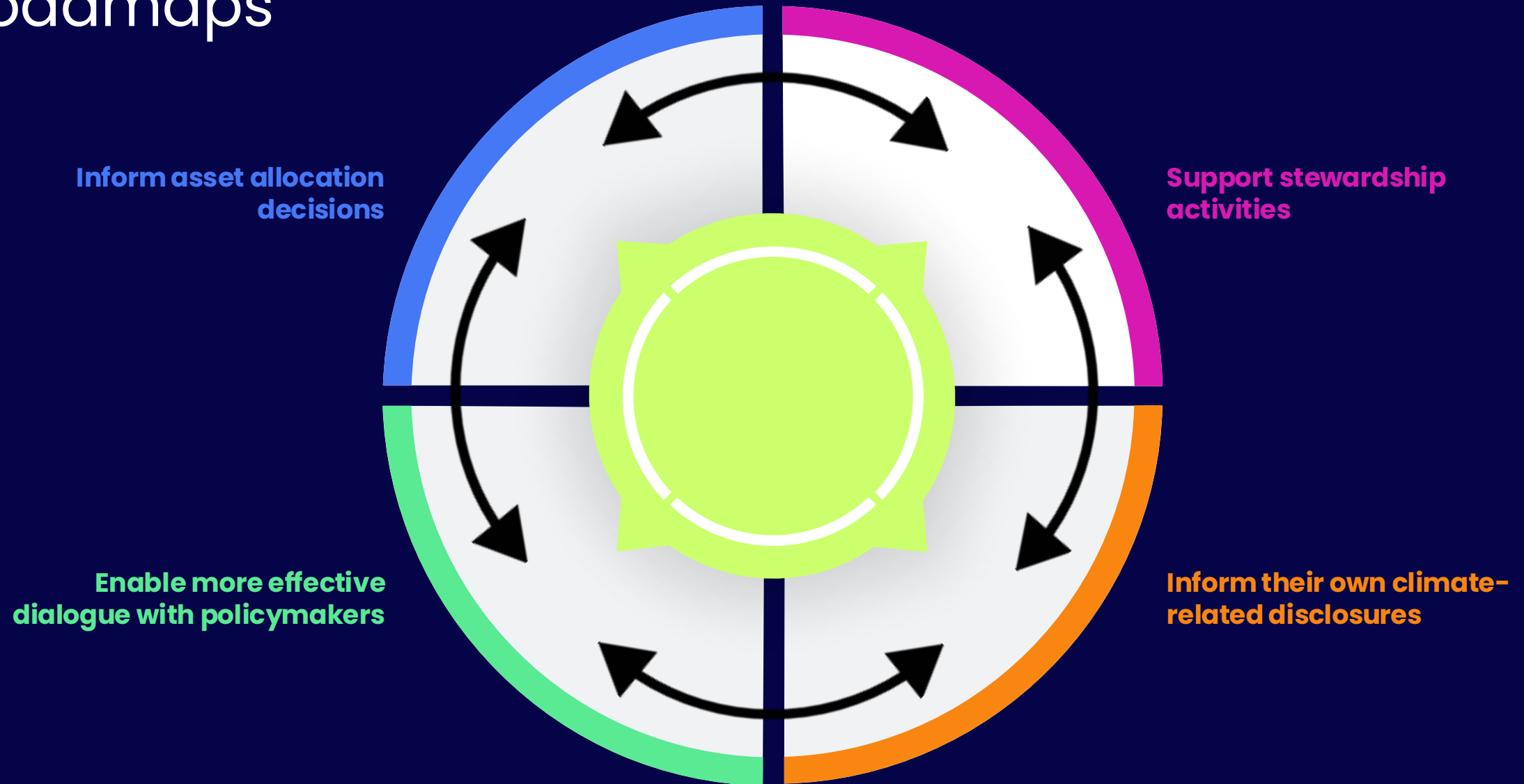
Significant **variations in ownership of roadmaps** and level of stakeholder input into their development.

Significant variations in **quality and level of detail**.

Disconnected from wider national decarbonisation action plans and initiatives

Lack of detail on **actionable measures** intended to support sectoral decarbonisation, including a lack of focus on **financial levers** to crowd-in private capital.

Investor uses for sector decarbonisation roadmaps



1

Credible and decision-useful

Action-orientated and directly supporting economy-wide decarbonisation targets

2

Clarity on how policy supports sectoral decarbonisation

The interaction of current and anticipated government policies

3

Accompanied by financing mechanisms

Articulate total investment needs alongside measures to de-risk and crowd-in private capital



Clean Industrial Deal

"The Clean Industrial Deal will serve as a framework for engaging in a dialogue with industries... to develop sectoral transition pathways."



Net Zero Council

Transition Finance Council

Thank you

Michael Button
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