

# RESPONSIBLE ENGAGEMENT PLEDGE JUST TRANSITION COALITION

The Paris Financial Center's sustainable finance initiative *Finance for Tomorrow* launches "Investors for a Just Transition": the first global engagement Coalition for a Just Transition, bringing together asset managers and asset holders, along with corporates. With the aim of promoting the fairest possible transition to low-carbon economies, this declaration of intent sets out the objectives of the engagement Coalition, as well as its main areas of action for the coming months.

## 1. CONTEXT AND PRINCIPLES OF THE ENGAGEMENT COALITION

There is growing consensus on the need to take into account the social implications of climate change. However, the social dimension is far from being sufficiently taken into account in investment decisions, and several obstacles remain.

In this context, the concept of Just Transition is necessary to minimize the negative social impacts of the transition to low-carbon economies, and to maximize its positive impacts.

As investors, we have a major role to play to gather the conditions necessary to achieve a just and sustainable society, notably through regular dialogue with companies. The shift to a more sustainable world cannot be achieved without taking social issues into account, at the risk of letting a large part of the population disproportionately suffer from the negative impacts of the transition. As a result, we aim for an environmental transition that is acceptable to all.

With its leading ecosystem on green and sustainable finance, the Paris Financial Centre has the resources to support a Just Transition. Since 2019, *Finance for Tomorrow* has brought together experts from around the world to work on the Just Transition. In 2020, a taskforce was formed to establish a common definition of the Just Transition and support the development of tools to understand its various dimensions. For the first time, a financial center made the Just Transition a priority: a concrete roadmap was published, setting out the following priorities: devising a robust methodology and developing the appropriate indicators to integrate the Just Transition into financing and investment strategies.

## 2. THE JUST TRANSITION ENGAGEMENT COALITION: GUIDELINES AND OBJECTIVES

*Finance for Tomorrow* is launching an engagement Coalition for a Just Transition, open to all actors wishing to promote a transition that is as fair as possible. At this stage, the Coalition gathers French asset managers and asset owners, and joins forces with companies, labor unions, associations, and data providers to ensure multi-stakeholder dialogue.

### The objectives of the Coalition are three-fold:

1. Encourage companies to integrate the Just Transition into their environmental strategy through regular dialogue with them;
2. Promote best practices in the sectors most affected by the environmental transition;
3. Facilitate collaboration between investors and businesses.

### To achieve these objectives, the Coalition will implement several actions:

1. Conduct sectoral and/or thematic engagement with companies on the Just Transition;
2. Partner with an academic institution to support the publication of research and key indicators on the Just Transition;
3. Manage a "Just Transition Hub" to centralize company data and allow investors to track their engagement progress.

The need for a socially acceptable transition to low-carbon economies is a global issue. As a result, the engagement Coalition is to expand beyond France in the months to come, in order to bring together European and international actors as well.

**To maximize the impact of their engagement actions, the Coalition's founding members call on all investors and companies to join the initiative for its international launch at COP26 in Glasgow.**

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