Transition Finance, Impact Valuation and Resilience

London Climate Action Week 2026 - Follow-up Summary

Roundtable discussion during London Climate Action Week 2026.

◉ Executive summary

This summary presents the key findings, market implications and proposed follow-up actions from the London Climate Action Week roundtable on transition finance, impact valuation and resilience.

The London Climate Action Week (LCAW) roundtable hosted by Ørsted, Value Balancing Alliance (VBA), World Federation of Exchanges (WFE) and Greenings – University of Oxford on 25 June 2026 highlighted that transition finance is moving from a disclosure-led agenda towards an implementation, capital allocation and resilience agenda. Participants agreed that credible transition finance must be linked to real-economy pathways, governance, measurable progress, financing instruments and risk-adjusted returns. Participants also recognised that delayed transition and resilience investments may increase future physical, financial and operational risks, raising the cost of adaptation and reducing future strategic options.

↗ Market signal

International capital is available, but investors remain selective where transition definitions, sector pathways, taxonomies, currencies or policy incentives are unclear.

✓ Credibility test

Transition-labelled finance must demonstrate implementation, not simply disclosure. Credibility depends on governance, milestones, CapEx alignment, assurance and measurable progress.

◇ Decision tools

Impact valuation and resilience indicators can help translate **biodiversity, nature-related dependencies, externalities**, transition readiness, physical risk exposure and adaptive capacity into investment- and credit-relevant information.

→ Practical action

The next phase should focus on common language, sector pathways, asset-level data, high-integrity carbon markets, market infrastructure and stakeholder collaboration.

↗ 1. Situation and background: transition finance at an inflection point

Transition finance is becoming a core market challenge, requiring the debate to move from high-level ambition to investable implementation.

The LCAW roundtable took place as transition finance is becoming a central question for financial markets: how to finance credible decarbonisation and resilience in the real economy without limiting sustainable finance to disclosure, exclusions or narrow green labels. The market is increasingly asking for evidence that transition plans can become investable, risk-priced and financeable business plans.

The roundtable also reflected a wider policy and market debate. Coverage shared by the World Federation of Exchanges highlighted that some Japanese issuers have strong domestic demand for transition-related investments but face challenges attracting international institutional investors to transition-labelled products. The issue is not simply demand; it is the lack of shared understanding of what credible transition finance means across jurisdictions, sectors and financial markets.

The implication for the debate is clear: transition finance requires a bridge between policy pathways, sector science, issuer strategy, market infrastructure and investor decision-making. Without that bridge, investors struggle to compare opportunities, price risks and distinguish credible transition projects from weak or ambitious claims.

> → **Proposed framing for transition finance**
> Transition finance should be positioned as a resilience, competitiveness and capital allocation agenda. It should support organisations that have credible plans to reduce emissions, strengthen resilience, preserve natural capital and support long-term enterprise value and allocate capital towards transition projects aligned with sector and regional pathways.

▣ 2. Five shifts required for credible transition finance

The roundtable debate kicked-off by setting out the transition finance operating context across markets, policy, science-based models, data and market infrastructure, and identified the shifts required to make transition finance more comparable, investable and scalable.

The agenda combined an opening transition journey and financing perspective from Ørsted, a panel discussion with VBA, WFE, Greenings – University of Oxford and partners, and an open roundtable debate. Five shifts are required for a credible transition finance strategy at system, entity and product level.

£ Markets International capital is available for credible transition opportunities, but it remains selective and evidence driven. Investors need comparable definitions, credible use-of-proceeds or KPI structures, transparent performance data and confidence that transition-labelled instruments are not repackaged business-as-usual finance.	**Policy** Policy certainty, industrial strategy, public finance and blended finance remain essential to reduce execution risk and unlock private capital, particularly in hard-to-abate sectors and emerging markets.
◇ Science-based models	**Data and analytics**

Science-based pathways need to be translated into investable milestones, CapEx requirements, operating plans and risk analytics that connect emissions trajectories, technology pathways, asset-level exposure and resilience.	Disclosure alone is insufficient where information is not decision-useful. Markets need asset-level, geospatial, financial and operational data that link externalities to cash flows, valuation, credit risk and resilience supported by transparent methodologies and sufficient quality, comparability and context to support investment and credit decisions.

▦ Market infrastructure

Exchanges, banks, ratings agencies, data providers and standard setters can reduce fragmentation by supporting common principles, templates, product standards and assurance expectations.

→ Market bridge: from pathways to capital allocation

Policy and science	Market conventions	Decision-useful data	Financing structures	Implementation
Sector pathways and regional transition roadmaps	Common language, labels, eligibility and assurance expectations	Asset-level, geospatial, emissions, financial and operational analytics	Use-of-proceeds, KPI-linked, blended finance and credit structures	CapEx, milestones, governance, resilience and measured progress

☷ 3. Roundtable design and key discussion streams

The structure moved deliberately from market challenges to practical implementation actions, with participants exploring how credibility, financeability, resilience and market infrastructure can reinforce each other.

Discussion streams: credibility, financeability, resilience, market infrastructure and implementation.

The discussion centred on how transition finance can become credible, financeable and decision-useful by connecting corporate transition plans with resilience analysis, financial materiality, market infrastructure and practical implementation pathways.

▤ Discussion streams

✓ Credibility beyond disclosure Credibility is no longer proven by publishing a transition plan or net-zero commitment alone. It requires evidence of governance, milestones, CapEx, operating changes, financing strategy, assurance and measurable progress.	**→ Transition plans as investment plans** Transition plans need to become investment plans by linking sector pathways to asset-level decisions, financing needs, risk controls, cash-flow implications and investor communication.
◇ Impact valuation and financial materiality Impact valuation can help translate carbon, biodiversity, water, land-use, social and resilience impacts into business relevance, portfolio analytics and policy dialogue.	**◌ Resilience and adaptive capacity** A resilience indicator can help distinguish issuers that are merely exposed to transition and physical risk from those demonstrating adaptive capacity through governance, operational preparedness, strategic flexibility and financial buffers.
£ Credit and lending integration Credit markets are a critical channel for implementation. Transition and physical risks need	**● Carbon markets and transition finance** Carbon markets can contribute where integrity, additionality and governance are robust.

to be reflected in credit analysis, covenants, tenor, refinancing risk and cost of capital.	Verification, project-level risk assessment, market confidence and transparent assessment approaches remain important determinants of market credibility. They cannot substitute for real-economy decarbonisation but can support credible mitigation and transition projects.
◉ **Complementary long-term strategies** Transition equity and long-term capital Equity markets can complement debt financing by supporting long-term transition strategies, business model evolution and capital formation. Transition equity frameworks and market designations can improve comparability, strengthen investor confidence and help connect organisations demonstrating transition progress with long-term sources of capital.	↔ **International comparability and regional pathways** Investors need common language and comparability while also understanding differences in energy systems, policy regimes and technology feasibility.

▦ **Data, geospatial and asset-level analytics**

Asset-level information, geospatial overlays, emissions data, hazard exposure and operational context are critical for moving from generic disclosure to investment-grade analysis.

Taken together, these discussion streams showed that credible transition finance depends on the integration of strategy, data, finance and market infrastructure. The next phase should therefore focus on converting transition ambition into decision-useful evidence, bankable investment plans and market mechanisms that support real-economy implementation.

Cross-sector dialogue on transition finance, impact valuation and resilience applications.

✦ 4. What the debate revealed: practical implications

The roundtable interventions revealed a series of remaining gaps and challenges to drive and scale transition finance adoption and provided some practical implications for credibility, financing, capital allocation, credit markets, market infrastructure, policy and standards.

From debate to market application

The discussion focused on how transition finance tools can become decision-useful for issuers, investors, lenders and policy stakeholders.

Debate stream	Finding	Practical implication
Credibility	Credible transition finance depends on independent verification, consistent language, comparable reporting and stronger assurance. Credibility should be assessed as a combination of ambition, feasibility, implementation and accountability including clear implementation actions, governance arrangements, CapEx alignment, incentives and regular evidence of progress.	Use a shared credibility checklist covering transition plan quality, financing strategy, governance, CapEx alignment, data confidence and evidence of implementation progress and consistency between transition targets, capital allocation and implementation activities. .

Debate stream	Finding	Practical implication
Financing gaps	Financing gaps are not only caused by a shortage of capital. They also arise from unstable policy signals, insufficient public-private mobilisation, organisational readiness gaps and a lack of bankable transition projects.	Identify where guarantees, blended finance, concessional capital or technical assistance can unlock private capital and reduce execution risk.
Capital allocation	Impact valuation can improve transparency, accountability, long-term resilience analysis and strategic investment decisions by translating externalities and resilience factors into business and portfolio relevance, helping connect transition-related impacts, risks and opportunities with capital allocation decisions.	Test impact valuation in portfolio reviews, CapEx decisions, stewardship dialogue and transition plan assessment.
Credit markets	Transition and physical risks should become part of mainstream credit analysis rather than a parallel sustainability assessment. Lenders need to understand the effect of transition readiness, physical exposure and financial buffers on pricing, tenor and refinancing risk.	Pilot integrated transition-resilience scorecards for sectors with high emissions or high physical exposure.
Market infrastructure	Exchanges and market infrastructure organisations can reduce fragmentation, support credible transition instruments and create guidance that connects issuers, investors, policymakers and data providers.	Align principles, reporting templates, labels and market guidance where possible.
Policy and standards	Interoperable frameworks and clearer policy incentives are essential. More disclosure will not close the finance gap unless it is linked to implementation support, financeability and investor decision-making.	Prioritise clarity on sector pathways, transition labels, disclosure interoperability and public finance mechanisms.

→ 5. Conclusion and next steps

✓ Findings

The roundtable found that transition finance is entering a more practical phase. The central question is no longer whether transition finance is needed, but how it can become credible, comparable, financeable and scalable across different markets and sectors.

Participants agreed that credible transition finance must move beyond disclosure and high-level commitments. It should be evidenced through implementation milestones, governance, capital expenditure alignment, financing plans, assurance, policy dependencies and measurable progress against real-economy transition pathways. The Ørsted transition case highlighted the importance of mobilising long-term capital for transition objectives, supported by investors, financing structures and market mechanisms capable of sustaining multi-decade business transformation and infrastructure investment.

The discussion confirmed that impact valuation and resilience indicators can provide important connective tools. They can help translate externalities, adaptive capacity, physical risk exposure and transition readiness into information that is relevant for investors, lenders, issuers, policymakers and market infrastructure providers.

A further finding was that international comparability and regional specificity need to be balanced. Investors require common language and trusted market conventions, while issuers and policymakers need enough flexibility to reflect differences in energy systems, industrial structures, technology pathways and policy contexts.

→ Recommended follow-up actions

Policymakers and regulators should prioritise clearer transition finance definitions, stable sector pathways and public-private risk-sharing mechanisms so that issuers and investors can plan against predictable policy signals. Issuers and corporates should convert transition plans into investment plans by mapping CapEx, milestones, dependencies, governance and financing needs into project pipelines that investors and lenders can assess.

Banks and credit providers should pilot transition-resilience scorecards and integrate transition readiness, physical risk exposure and adaptive capacity into pricing, covenants, tenor and client engagement. Asset owners and asset managers should test impact valuation and resilience indicators in portfolio reviews, stewardship dialogue, manager selection and mandate design, with a focus on identifying transition upside, downside and resilience gaps.

Exchanges and market infrastructure providers should use their convening role to support common guidance, credible transition labels, market education, reporting templates and principles that can reduce fragmentation. Data, ratings and analytics providers should develop asset-level, geospatial and financial materiality datasets with transparent methodologies and confidence scores, so that market participants can move from disclosure completeness to decision-useful analysis.

Standard setters and assurance providers should improve interoperability between frameworks and clarify the evidence required to assess transition plan execution, rather than focusing only on reporting completeness. Academia, research partners and public finance institutions should support validation, pilot design and blended-finance project templates, especially where emerging market and ASEAN transition opportunities require technical assistance, guarantees or concessional capital to become bankable.

▤ Suggested stakeholder actions

Next, the roundtable content partners aim to connect the roundtable discussion outcomes with dedicated follow-up actions for the main stakeholder groups that influence transition finance design, implementation and scaling.

Stakeholder segment	Recommended follow-up action	Near-term output
Policymakers and regulators	Clarify transition finance definitions, provide stable sector pathways, support blended finance and public-private risk sharing, and align disclosure requirements with implementation needs.	Policy guidance in the short term; sector transition roadmaps linked to finance instruments and incentives in the medium term.
Issuers and corporates	Convert transition plans into investment plans by mapping CapEx, milestones, governance, dependencies, adaptive capacity and financing needs.	Transition plan-to-financing plan mapping and a portfolio of bankable transition projects.
Banks and credit providers	Integrate transition and physical risk into lending, pricing, covenants, tenor and client engagement, while structuring credible transition finance instruments.	Pilot transition-resilience lending scorecards and embed successful approaches into credit policy.

Stakeholder segment	Recommended follow-up action	Near-term output
Asset owners and asset managers	Use impact valuation and resilience indicators in portfolio construction, stewardship, manager selection and mandate design.	Portfolio heatmaps, engagement priorities and links to allocation, product design and stewardship escalation.
Exchanges and market infrastructure	Support common guidance, credible transition labels, market education and product standards, using convening power to bring issuers and investors together.	Transition finance guidance sessions, market-wide templates and principles.
Data, ratings and analytics providers	Develop asset-level, geospatial and financial materiality datasets supported by transparent methodologies and confidence scores.	Data gap map and decision-useful datasets linked to valuation, credit risk and resilience analysis.
Standard setters and assurance providers	Improve interoperability between frameworks, clarify assurance expectations and reduce the reporting burden by focusing on decision-useful information.	Common terminology, evidence requirements and assurance models for transition plan execution.
Academia and research partners	Test science-based models, financial materiality links and resilience indicators, including predictive value against market outcomes.	Validation research design and empirical evidence base for investment, lending and policy decisions.
Development finance and public finance institutions	Use blended finance, guarantees and technical assistance to create bankable transition projects, especially in emerging markets and ASEAN contexts.	Pilot sectors and geographies, followed by scalable transition project templates.



The post-LCAW opportunity is to convert the roundtable discussion into practical pilots, shared market guidance and stronger confidence in transition finance as a resilience, competitiveness and capital allocation agenda.

This should include testing impact valuation and resilience indicators in real investment, lending and stewardship use cases, developing clearer credibility criteria for transition plans and transition-labelled instruments and creating common market language that can support comparability while recognising sectoral and regional transition pathways.

By bringing together policymakers, issuers, investors, banks, exchanges, data providers, standard setters and research partners, the follow-up work can help move transition finance from principles and disclosure towards implementation, bankable projects and measurable real-economy outcomes.