

Accelerating the growth of the Scottish Impact Investing Ecosystem

Transition Finance - Event Summary
1st September 2025



In partnership with



The Scottish National Investment Bank



About

About the Project

This project, co-designed between the Scottish National Investment Bank and the Impact Investing Institute, aims to grow the impact economy in Scotland.

Recognising the significant opportunity to scale up impact investment aligned with the Bank's three missions; Net Zero, Innovation and Place, this three part series will highlight the opportunities for impact investing in Scotland, as well as the essential architecture needed to channel more funds towards impactful projects. The programme intends to drive the growth of the impact economy in Scotland.

Why now: The Role of Impact Capital

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

The UK impact investing market is now worth £76.8 billion (2023), growing at over 10% annually and representing around 8% of the global market. This momentum shows investors are increasingly seeking opportunities that align profit with purpose.

For Scotland, this is a pivotal moment. Impact capital can help finance the shift to a low-carbon economy, support communities and regions through transition, and back the innovation and supply chains that will drive future growth. Harnessed effectively, impact investing offers Scotland the chance to build an economy that is not only green, but also inclusive and thriving.

Event Overview

This first event in our three part series was held in Aberdeen on 1st September, the eve of Offshore Europe. Aligned to the Bank's Net Zero mission, the invite-only workshop was designed to bring together investors, industry leaders and strategic stakeholders to explore the role of impact investing in Transition Finance.

As the energy sector pivots, it faces increasing barriers to accessing capital. We explored how impact investors - and those exploring impact-driven strategies - can be catalysts for change, supporting businesses through their transition journeys.

We are grateful to our sponsors E-FWD powered by Energy Voice and Invest Aberdeen, who we delivered this event in partnership with.

What is Transition Finance?

Transition finance, as understood for this event, refers to the provision of capital that supports a company's shift from a carbon-intensive industry to a cleaner, more sustainable one. It enables legacy businesses - such as those in Scotland's oil and gas supply chain - to diversify and invest in renewables, carbon capture, hydrogen, and other low-carbon solutions.

For Scotland, transition finance is not only about reducing carbon, but also about ensuring a **just transition**: reindustrialisation, high-quality jobs and thriving communities.

Event Highlights

Opening Context

On Monday 1st September over 50 investors and industry leaders convened to examine how impact investors - and those exploring impact-driven strategies - can be catalysts for change, supporting businesses through their transition journeys.



Our facilitator **Ed Reed (Editor, E-FWD)** opened the session by framing the discussion in the specific context of Aberdeen and Scotland's energy transition. He noted that the city sits at the heart of the UK's oil and gas sector, but also at the frontline of transition challenges. Ed posed a series of thought-provoking questions that explored the urgency of the transition, the evolving policy landscape, and the importance of considering community impact. By framing the conversation around these themes, he set a purposeful tone for the discussions ahead. Ed called for a sharper focus on practical solutions that could unlock greater capital flows to businesses committed to transitioning.



David Whitehouse (CEO, Offshore Energies UK) set out the scale of Scotland's opportunity: potential to deliver up to 40GW offshore wind by 2040, to show global leadership in carbon storage, and a supply chain capable of delivering 60–80% of the infrastructure required.

David stressed that the transition must mean **reindustrialisation, not deindustrialisation**, and transition finance should empower companies to invest in renewables, not penalise them for their legacy revenues.

Case Study - North Star

Gitte Gard Talmo (Chief Executive, North Star) showcased the company's rapid transition from oil and gas to offshore wind. In 2021, North Star derived almost all of its revenues from hydrocarbons; by 2025, **74% of its order backlog is in offshore wind**. This pivot has created over **300 new jobs**, many through reskilling oil and gas workers.

A major milestone was securing the **world's largest service operation vessel (SOV) contract** with RWE, one of Europe's leading renewable energy companies, establishing North Star as a market leader in renewables. Gitte noted that this success was enabled by early **catalytic investment from the Scottish National Investment Bank**, which de-risked the company's strategy and unlocked over **£400 million in private capital**.

Key lessons for investors:

- Patient, mission-driven capital can crowd in mainstream finance.
- Transition outcomes go beyond carbon to include jobs and skills.
- Scottish supply chains can compete globally with the right support.



Event Highlights



Panel Discussion

The panel discussion featured contributions from Tara Schmidt (Executive Director, Transition Finance Scotland), Allister Thomas (Senior Energy Advisor, True North) and Jimmy Williamson (Executive Director Net Zero, Scottish National Investment Bank). It underscored both the urgency and complexity of Scotland's transition finance landscape, with panellists converging on several key themes:

Ecosystem alignment: While Scotland has world-class capabilities in energy and finance, the different parts of the ecosystem are not yet fully connected. Investors, policymakers, and companies often operate in silos, leading to mismatched expectations: companies need capital to begin their transition journeys, while investors are demanding proof of progress and credible transition plans before deploying funds. This gap highlights the importance of creating common frameworks and shared language around what constitutes a credible transition.

A second theme was the need for **investable project pipelines**. While there is significant capital seeking sustainable opportunities, panellists agreed that too few projects currently meet the scale, maturity, or impact requirements of institutional investors. Successful examples like North Star demonstrate what is possible, but more businesses must build robust transition narratives and business models to attract funding and bridge the expectations gap. The challenge is particularly acute for smaller supply chain companies, who often lack the resources to engage investors effectively.

Policy and regulatory uncertainty was identified as one of the greatest barriers to unlocking investment. Transmission charges in northern Scotland, the Energy Profits Levy, and shifting political rhetoric on Net Zero were all cited as

factors that reduce investor confidence and slow down capital flows. Panellists stressed the need for long-term, stable policy frameworks that provide clarity and predictability, enabling investors to make multi-decade commitments in infrastructure and technology.

Panellists agreed that **jobs, reskilling, and community renewal** must be integral impact metrics alongside emissions reductions. Scotland's oil and gas workforce, with its technical expertise and transferable skills, represents one of the country's most strategic assets. A just transition requires investing in people and communities, ensuring that they are not left behind but are instead at the centre of the shift to renewables, hydrogen, and other emerging sectors.

Finally, the panel highlighted the **diversity of investment opportunities** available in Scotland. While offshore wind has rightly attracted significant attention, panellists noted that other sectors - such as carbon capture and storage, hydrogen, grid infrastructure, and place-based regeneration projects - also offer major opportunities for impact investors. By broadening the scope of transition finance, Scotland can reduce concentration risk, increase resilience, and accelerate progress across multiple fronts simultaneously.

Together, these themes reinforced the message that Scotland's transition finance agenda must be holistic, balancing climate impact with social outcomes, and combining stable policy frameworks with innovative finance tools. If these elements align, Scotland has the potential to lead internationally in demonstrating how transition finance can deliver economic growth, social inclusion, and Net Zero.

Event Highlights

Workshop Sessions

Breakout groups were held with event participants exploring guiding questions under the following themes:

Ambition & Credibility of the Sector to Transition

Participants were divided on how serious the energy sector is about transitioning. Some groups noted a strong appetite for projects and a sense that companies are really looking for opportunities to demonstrate transition credentials. Others felt momentum was fragile, with some oil and gas firms rolling back investment and just transition plans still thin on the ground. Credibility, they argued, hinges on transparent leadership, clear pathways, and recognition of the hard truths about revenue dependence on hydrocarbons.

Blockers & Enablers

As with the panel discussion, policy and regulatory uncertainty came through strongly as the most significant barrier, with groups citing inconsistent incentives, taxation, and grid constraints. International comparisons highlighted how volatility in UK policy is undermining confidence relative to countries like Norway, Germany, or Denmark. Skills were also seen as both a constraint and an opportunity, with capability gaps limiting projects but strong potential for workforce redeployment. Enablers include the scale of capital already available, the maturity of Scotland's supply chain, and the ability to leverage energy revenues for reinvestment.

Opportunities for Investors

Across the groups, there was consensus that impact investors can have a transformative role in shaping a just transition. Opportunities include adopting place-based approaches that prioritise local communities, supporting reskilling and workforce inclusion, and ensuring that transition jobs are not only numerous but high quality. Some groups also called on investors to partner more actively with private sector developers, recognising that collaboration will be essential to prevent deindustrialisation.

Leader vs a Fast Follower

Several groups stressed the urgency of seizing Scotland's comparative advantage in offshore wind, CCS, and hydrogen before momentum is lost. It was suggested that while the UK may not be able to match larger economies on the scale of public investment, it can take a leadership role in innovative finance and technology development. Grid infrastructure was repeatedly flagged as a critical bottleneck, with action needed now to avoid systemic delays. For investors, advocacy and capital allocation should focus on these strategic chokepoints where finance can unblock progress.

The overarching message from the groups was the need for joint approaches – between investors, policymakers, and industry – to make the transition credible and inclusive. Participants warned that waiting too long risks losing critical skills, while early, visible action can deliver both immediate impact and long-term resilience.



Key Takeaways & Recommendations

This event surfaced both the opportunities and the challenges for mobilising transition finance in Scotland. The following key takeaways and recommendations capture the collective insights from participants and outline potential paths to build on the momentum of this event.

Key Takeaways

- **Catalytic capital is scarce** – there is strong demand for early-stage and first-of-a-kind financing, but limited availability of patient, risk-tolerant investment to unlock mainstream capital.
- **Disconnect with Scottish supply chains** – many local ventures remain excluded from mainstream finance, despite their technical expertise and strategic role in the transition. This often reflects investor caution toward firms still serving high-emitting sectors, where perceived climate-related balance sheet risk limits access to capital. Bridging this gap is essential to build an investable pipeline.
- **Impact must be holistic** – current focus on carbon is too narrow. Transition finance must also deliver positive outcomes for workers, communities, and places, ensuring that no region is left behind.
- **Policy uncertainty constrains investment** – shifting taxation, transmission charges, and polarised Net Zero debates undermine investor confidence. Stability and predictability are essential for long-term capital flows

Event Recommendations

- **Convene key stakeholders in Aberdeen to explore ways to enable capital flow into transition projects and businesses** – it is recommended that Transition Finance Scotland, and the Scottish National Investment Bank, together with key partners, share objectives to accelerate finance for Scotland's shift toward a more decarbonised and sustainable economy. It could also lay the groundwork for a permanent transition finance network in Aberdeen, designed to drive further investment into businesses and projects navigating the move to a low-carbon future.
- **Consider the role of the Transition Finance Lab as a route to unlocking capital for the wider energy transition** – it has been proposed by the Green Finance Institute that Transition Finance Scotland may have a role to play in convening investors, policymakers, and real economy actors to identify projects for consideration by the Transition Finance Lab. The Lab, recommended by the UK's Transition Finance Market Review, intends to focus on testing first-of-a-kind transactions to identify replicable approaches. It aims to pilot innovative financial solutions to de-risk projects, attract private capital, and accelerate investment at scale.
- **Continue to develop and share key regional investment intelligence** – it is recommended that the Scottish National Investment Bank, together with key partners should continue to develop and share key insights on the investment landscape in Aberdeen, while also exploring broader opportunities emerging across Scotland. This would help inform strategic decision-making and unlock targeted investment to support the region's transition ambitions. It could also lay the groundwork for a more structured programme to support transition finance planning, subject to feasibility and further discussion.
- **Leverage existing just transition and transition planning frameworks** – it is recommended to make practical use of established frameworks to guide both company transition plans and investor decision-making, including:
 - The [Transition Plan Taskforce Framework](#) outlines what companies should include in credible transition plans, including [sector-specific guidelines for oil & gas](#) and guidance on [integrating just transition considerations](#)
 - The [Transition Finance Council Draft Guidelines](#), offers direction for financial institutions assessing the credibility of company transition plans with final guidelines expected in March 2026
 - The Institute's [Just Transition Criteria](#) provides investors with a practical framework for aligning capital with socially inclusive climate action.

Thank you to all participants for your insights. This event, co-hosted by the Scottish National Investment Bank and the Impact Investing Institute, is the first in a three-part series. We look forward to continuing the conversation and building momentum towards a stronger impact investing ecosystem for Scotland.

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