



Sovereign wealth funds report material action on climate change

London, 8 February 2021 – Today, the International Forum of Sovereign Wealth Funds (IFSWF), a global network of almost 40 sovereign wealth funds, in partnership with the One Planet Sovereign Wealth Funds (OPSWF), presents the findings from the first comprehensive survey of sovereign wealth funds’ attitudes to climate change.

The report demonstrates that there is a broad consensus among sovereign wealth funds that they – and other investors – need to take immediate action to mitigate the effects of climate change: 93% recognise that climate change is a risk and/or opportunity for their portfolios. Eighty-eight per cent of sovereign wealth funds surveyed claimed to take climate change into account in their investment processes in some way, though the survey highlights some sharp differences in how systematic and sophisticated these approaches are.

The report reveals that many sovereign wealth funds are focused on finding opportunities in real-asset climate solutions such as renewable energy generation, energy efficiency projects and low-emission transport that have a present-day investment case and return profile. However, multi-asset, and/or whole portfolio approaches, are still in the minority.

Duncan Bonfield, IFSWF Chief Executive, said, “This report, based on a survey of 43% of all sovereign wealth funds,* is the first evidence-based assessment of their approaches to climate change. The analysis reveals that sovereign wealth funds are making significant progress towards integrating climate-change considerations into their investment processes. Although many still need to be more systematic and comprehensive, we believe this report demonstrates that sovereign wealth funds are taking this issue seriously.”

Lawrence Yanovitch, OPSWF Coordinator, said, “The publication of the One Planet Sovereign Wealth Fund Framework in 2018 was a milestone moment on the journey of sovereign wealth funds to integrate climate risk and transition opportunities into the management of large, long-term and diversified asset pools. The pioneering founders of OPSWF were among the first movers on these climate investment issues, and this report signals a surge in sovereign wealth funds seeking to keep pace with the exigencies of climate change.”

The report, *Mighty oaks from little acorns grow: Sovereign wealth funds’ progress on climate change*, is available on the IFSWF and OPSWF websites.

* Based on IFSWF's record of global sovereign wealth funds, available [here](#).

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About the International Forum of Sovereign Wealth Funds

The International Forum of Sovereign Wealth Funds (IFSWF) is a voluntary organisation of global sovereign wealth funds committed to promoting good governance and investment

management practices through dialogue, research and self-assessment. The IFSWF also seeks to promote a deeper understanding of sovereign wealth fund activity amongst government and financial services institutions.

Find out more at www.ifswf.org

About the One Planet Sovereign Wealth Funds

The One Planet Sovereign Wealth Funds (OPSWF) initiative was established at the inaugural One Planet Summit in December 2017 in Paris in order to accelerate efforts to integrate the opportunities in the transition to a low-emissions economy, and address the risks related to climate change in the management of large, long-term and diversified asset pools.

The OPSWF Network comprises 33 of the world's largest institutional investors with over \$30 trillion in assets under management and ownership. This includes 14 sovereign wealth funds, 14 global asset managers, and 5 private investment firms who have committed to actively collaborate within the OPSWF Framework. This Framework serves as a voluntary guidance outlining three principles for SWFs to systematically integrate climate change into their decision-making and how they can collectively support ambitious global climate action:

Principle 1: Alignment - Build climate change considerations, which are aligned with the SWFs' investment horizons, into decision-making.

Principle 2: Ownership - Encourage companies to address material climate change issues in their governance, business strategy and planning, risk management and public reporting to promote value creation.

Principle 3: Integration - Integrate the consideration of climate change-related risks and opportunities into investment management to improve the resilience of long-term investment portfolios.

Find out more at [One Planet Sovereign Wealth Funds \(oneplanetwfs.org\)](http://oneplanetwfs.org)